



# ANNUAL FINANCIAL REPORT



**THE HONORABLE ROGER D. EATON**  
Clerk of the Circuit Court and County Comptroller



FOR FISCAL YEAR ENDED  
**SEPTEMBER 30, 2019**  
CHARLOTTE COUNTY, FLORIDA

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FLORIDA**

**ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2019**

**PREPARED BY:**

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

**SUSAN GERVAIS  
FINANCE DIRECTOR**

# MESSAGE FROM YOUR CLERK AND COUNTY COMPTROLLER



## TO THE CITIZENS OF CHARLOTTE COUNTY:

The goal of your Clerk's Office for 2019 was to provide even more services, convenience, and cost savings to local taxpayers than our stellar efforts in 2017 and 2018. This was my primary campaign promise when I was elected to be your Clerk of Court four years ago, and our staff has tirelessly worked on fulfilling this promise. I am excited to report that our wonderful staff outdid itself in 2019.

Our technology and public records teams, working together, successfully digitized and integrated recorded documents from microfilm into the Clerk's website online viewing database. This massive project included the imaging of all Deed books from 1921-1954, and Official Records books from 1955-1977. As a result, an additional 342,560 documents can now be viewed online. In addition, these departments worked together to offer certified electronic official records online. Each electronic certified document uses advanced encryption features to produce a tamper-proof electronic certified document which will include a unique Clerk of Court digital signature. No longer will those in need of certified official records need to physically come to the Justice Center or our Murdock office.

Your Clerk's Office modernized and redesigned our main website at [CharlotteClerk.com](http://CharlotteClerk.com). The new site is smart phone and tablet friendly, much faster, far easier to navigate due to streamlined menus and simplified

content, and also ADA accessible. Our IT team worked for months on improving the speed and efficiency of public access to our office and its records. We understand that fast, easy access to our office and all the services it provides saves our citizens time, money, and stress. Our goal is to always provide solutions and improvements to everyday problems.

Customer satisfaction is our #1 goal. To assess public experience with our office and ensure we meet very high standards set for ourselves, we implemented a customer survey kiosk at all Clerk's Office locations where our employees interact directly with local citizens. Of all accomplishments achieved in 2019, the one I am most proud of is the following: with nearly 700 citizens providing input in 2019, our staff achieved an overall satisfaction rating of 98.27%.

Your Clerk's Office, for the third straight year, lowered our citizen's tax burden by reducing our budget by 3.36% and returned \$355,050 to the Charlotte County Board of County Commissioners, despite health care costs rising by 5% and rising Florida Retirement System (FRS) rates. Since taking office in 2017, your Clerk's Office has returned over \$1 million to the Board of County Commissioners. We attribute these annual savings to excellent staff, and implementing cutting edge software systems which make our office incredibly efficient.

Our Records Center also completed its move out of the Charlotte County Justice Center ground floor to a far smaller records warehouse in Murdock. In addition to moving all of our own records into the smaller facility, we were also able to accept files and large containers of county land permitting records. Not only was this move a big event for our office, but most importantly, it was a pivotal moment for Charlotte County's budget and its taxpayers. As a result of your Clerk's Office consolidating and digitizing a majority of its paper records, and thereafter moving from the Justice Center into a far smaller location, a proposed \$36 million Justice Center expansion project was reduced to a \$16.8 rearrangement of existing space project. As reported in the May 3, 2017 edition of the Charlotte Sun, our office was singled out as the primary reason for construction savings exceeding \$19 million.

The Comptroller Division of the Clerk's Office manages all investments of Charlotte County funds. Our financial team ensures that all investments are safe, liquid, and provide the highest yield possible. This past fiscal year, at its highest point we managed a Charlotte County investment portfolio of \$624 million, which earned \$10.5 million for the year. Despite the volatility of financial markets, we still increased the yield on investment 33% from the previous year.

For the thirty-third consecutive year for Charlotte County, your Clerk's Office was awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association. 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 for our office and its excellent staff.

Not only does your Clerk's Office serve the citizens of Charlotte County, but we also actively support our local community. During 2019, we raised over \$4600 for the Animal Welfare League, \$5800 for the Center for Abuse and Rape Emergencies, provided gifts through the Guardian Ad Litem program to over 40 Charlotte

County families in need, and provided free passport photographs for the entire month of November to all retired and active duty military personnel. Our office participated in both the annual Alzheimer's Walk and the annual American Heart Association event. I am so proud of our Clerk's Office team, and everyone's willingness to support important community causes.

Your Clerk's Office remains committed to constant improvement, innovation, and efficiency. Our job is to provide better, more efficient services to local citizens while at the same time finding ways to do our job at less expense to our taxpayers. We will always look for ways to do more, at less cost. But none of the improvements and new services implemented since I took office in early 2017 would have been possible without an excellent staff and a willingness to take advantage of advanced technologies and software. We will continue this commitment to improve services while simultaneously reducing cost to taxpayers into and throughout 2020.

For more information about our office and to access all of our new website features, please visit us at [CharlotteClerk.com](http://CharlotteClerk.com).

Sincerely,



Honorable, Roger D. Eaton

Clerk of the Circuit Court & 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:

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, 2019, 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, 2019, as listed in the table of contents.

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.

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, 16% of the assets, 0% of the fund balance, and 22% of the revenues of the General Fund, and 10% of the assets, 8% of the fund balance/net position, and 73% of the revenues/additions of the aggregate remaining fund information, including 99.96% of the amounts restated for 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, 2019, 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, 2019, 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.

As discussed in Note 1(r) to the financial statements, effective October 1, 2018, the County early adopted the provisions of Governmental Accounting Standards Board (“GASB”) Statement No. 84, *Fiduciary Activities*. Also, as discussed in Note 1(r) to the financial statements, effective October 1, 2018, the County adopted the provisions of GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. Our opinions are not modified with respect to these 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.

Our audit was 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 and schedules, the statistical section, 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 accompanying schedules of expenditures of federal awards and state financial assistance, as listed in the table of contents, are presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (“CFR”) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Chapter 10.550, Rules of the Auditor General, and are also not a required part of the basic financial statements.

The combining and individual fund statements and 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 10, 2020 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 CPA". The signature is written in a cursive, flowing style.

Orlando, Florida  
March 10, 2020

## 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, 2019. 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, 2019, net position of the County was \$1,362.6 million. Governmental and business-type net positions were \$1,051.1 million and \$311.5 million, respectively.

Total net position of the County increased \$71.5 million or 5.5%, as compared with the prior year.

Governmental activities revenues increased by \$19.9 million to \$388.4 million, which was an increase of 5.4%. Governmental activities expenses increased by \$17.1 million to \$347.1 million, an increase of 5.2%. The impact on net position of the excess of revenues over expenses was an increase of \$41.9 million.

Business-type activity revenues increased by \$11.6 million to \$119.3 million which was an increase of 10.8%. Business-type activity expenses increased by \$5.0 million to \$89.1 million which was an increase of 5.9%. The excess of revenues over expenses resulted in an increase in net position of \$29.6 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-20 - 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-20 - 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 Unit** – 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 custodial 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 five are classified as major funds in 2019. 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 2019 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-113 through I-132.

### **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-139 - I-142.

### **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-143 - I-144 of this report.

**GOVERNMENT – WIDE FINANCIAL ANALYSIS**

The following is a condensed summary of net position for the primary government for fiscal years 2019 and 2018:

Charlotte County, Florida  
Summary of Net Position  
September 30, 2019 and 2018  
(\$000's)

	Governmental		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and Other Assets	495,511	500,399	145,104	127,353	640,615	627,752
Capital Assets	891,118	841,337	357,207	347,395	1,248,325	1,188,732
Total Assets	1,386,629	1,341,736	502,311	474,748	1,888,940	1,816,484
Deferred Outflows						
Deferred Charge on Refunding	952	1,008	5,144	6,644	6,096	7,652
OPEB Related	2,563	515	236	110	2,799	625
Pension Related	60,939	68,320	4,169	4,669	65,108	72,989
Total Deferred Outflows	64,454	69,843	9,549	11,423	74,003	81,266
Current Liabilities	57,232	69,020	30,173	32,533	87,405	101,553
Non-Current Liabilities	327,459	315,116	169,136	170,533	496,595	485,649
Total Liabilities	384,691	384,136	199,309	203,066	584,000	587,202
Deferred Inflows - Pension						
Related	13,386	16,916	863	1,122	14,249	18,038
OPEB Related	1,910	1,337	187	38	2,097	1,375
Total Deferred Inflows	15,296	18,253	1,050	1,160	16,346	19,413
Net Position						
Net Investment in Capital						
Assets	836,238	785,083	224,398	212,865	1,060,636	997,948
Restricted for Debt Service	-	-	3,257	3,286	3,257	3,286
Restricted for Contractual						
Obligations	-	-	38,028	32,923	38,028	32,923
Restricted for Special Purpose	181,393	182,883	-	-	181,393	182,883
Unrestricted	33,465	41,225	45,818	32,871	79,283	74,096
Total Net Position	1,051,096	1,009,191	311,501	281,945	1,362,597	1,291,136

Note - Total net position as of September 30, 2018 includes a restated beginning net position due to the implementation of GASB 75.



Total assets for Governmental Activities increased \$44.9 million, or 3.3%. Capital assets, net of depreciation, represented 64.3% of total assets at September 30, 2019, and 62.7% of total assets at September 30, 2018. Capital assets represent land, buildings, improvements, equipment, furniture, vehicles, heavy equipment and infrastructure, net of depreciation. A portion of the \$49.8 million increase in capital assets is additions spent on road infrastructure CIP, including Piper Road North project of \$2.2 million; Harbor Blvd. improvements of \$3.2 million; and various pipe installations of \$2.7 million. There were also capital asset additions for Parks and Recreation at North Charlotte Regional Park Recreation Center, \$6.2 million; Ann & Chuck Dever Memorial Park Recreation Center, \$3.9 million; and improvements at Harold Avenue Recreation Center, \$1.5 million. The remaining increase in capital assets is building additions totaling \$6.5 million for the Justice Center Expansion, \$9.2 million for sheriff District 3 Headquarters with an evidence building and impound yard, \$1.5 million for an Airport Rescue and firefighting training facility, \$2.4 million for an Airport Annex Firing Range, and \$3.5 million for South County Community Library and Archive. The majority of Current and Other Assets represent Cash and Investments at fair value, the value of which increased \$5.4 million and Murdock Village land held for resale, the value of which decreased by \$7.7 million in FY 2019 due to the sale of a portion of the property acreage.

Total assets for Business-type Activities increased \$27.6 million, or 5.8% compared to September 30, 2018. Capital Assets in Business Activities increased \$24.7 million, \$11 million of which was spent on the Loveland Grandmaster Liftstation project; \$1.9 million on the East West Spring Lake sewer project; \$.5 million on line extensions; \$3.5 million on Ingram water transmission line design; \$1 million on the Biscayne/Cornelius Blvd. water main; and \$1 million on various reclaimed water lines. Offsetting this \$24.7 million capital asset increase is a \$14.9 million increase in accumulated depreciation, resulting in a net capital asset increase of \$9.8 million. The increase in Current and Other Assets of \$17.8 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 \$50.9 million is a decrease of \$4 million resulting from differences between expected and actual investment earnings, experiences, assumptions and proportional share. OPEB related net outflows and inflows of \$701 thousand is an increase of \$1.5 million, resulting from 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, 2018. More information on changes to deferred outflows/inflows can be found in Note 19 of the financial statements. These pension and OPEB related outflows and inflows will be recognized over time through amortization, and reflected in pension expense for each of the governmental and enterprise entities. The largest portion of the increase in deferred inflows related to differences between projected and actual pension plan investment performance.

Total liabilities for Governmental Activities increased \$0.6 million. Current Liabilities decreased by \$11.8 million and non-current liabilities increased by \$12.3 million. The majority of the decrease in current liabilities relates to an decrease in vouchers payable at year end. Long-term liabilities for Governmental activities increased by \$12.3 million, of which special assessment loans payable decreased \$5.3 million due to the payments on general government loans, loans payable decreased \$2.9 million and bonds payable decreased \$4 million. The total OPEB Liability increased \$3.9 million and the pension liability increased \$20.6 million due to changes to assumptions and increased payroll

Total liabilities for Business-type Activities decreased \$3.8 million, of which bonds payable decreased by \$13 million, loans and assessments payable increased by \$9.8 million, OPEB liability increased \$1.2 million, landfill closure costs increased approximately \$.7 million and vouchers payable increased \$2.3 million.

Unrestricted Net Position for Governmental Activities decreased \$7.8 million. Unrestricted net position for Business-type activities increased \$12.9 million. The effect of changes in pension related liabilities and deferrals on unrestricted net position was negative \$16.6 million for Governmental Activities, and negative \$1.8 million 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 \$79.3 million represents 5.8% of total net position.

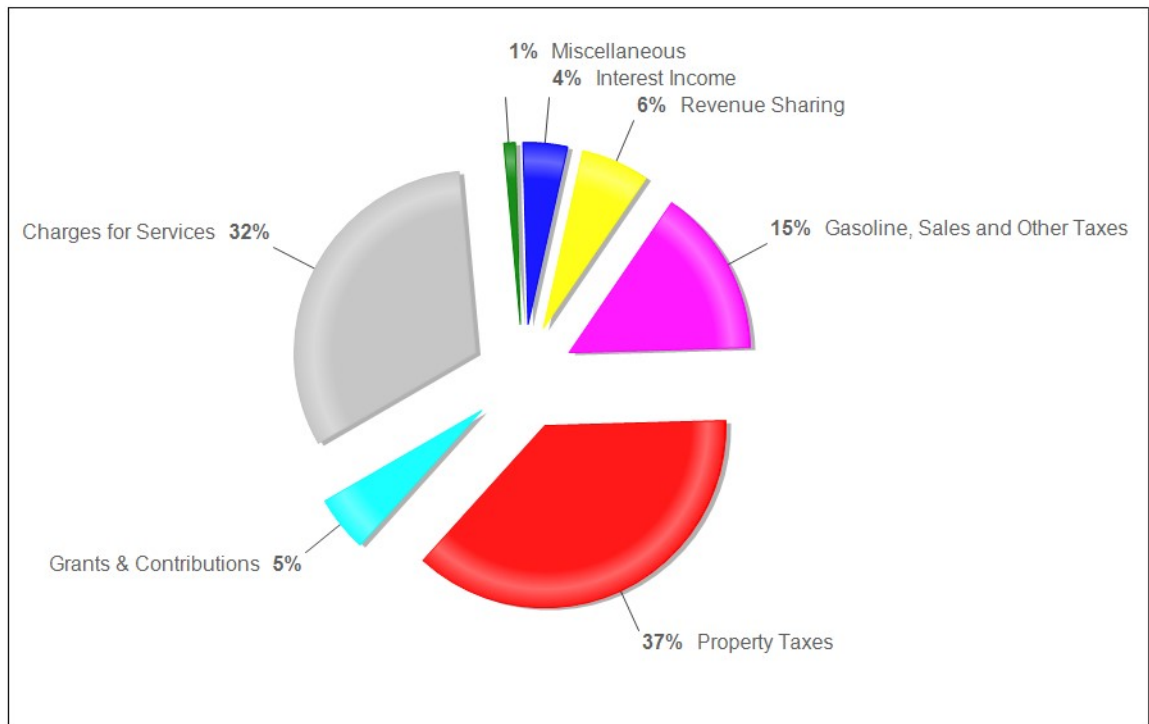
The schedule on the next page compares the revenues and expenses for the primary government for the current and previous fiscal years.

Charlotte County, Florida  
Summary of Revenues and Expenses  
Fiscal Years ended September 30, 2019 and 2018  
(\$000's)

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>REVENUES:</b>						
<b>Program Revenues:</b>						
Charges for Services	\$ 125,855	\$ 119,739	\$ 97,942	\$ 90,180	\$ 223,797	\$ 209,919
Operating Grants and Contributions	10,724	14,705	-	-	10,724	14,705
Capital Grants and Contributions	8,926	10,153	14,897	10,164	23,823	20,317
<b>Total Program Revenues</b>	<b>145,505</b>	<b>144,597</b>	<b>112,839</b>	<b>100,344</b>	<b>258,344</b>	<b>244,941</b>
<b>General Revenues:</b>						
<b>Taxes:</b>						
Property	142,862	132,023	-	-	142,862	132,023
Gasoline	9,932	10,192	-	-	9,932	10,192
Communication services	4,788	4,892	-	-	4,788	4,892
Tourist dev	4,337	4,160	-	-	4,337	4,160
Other	488	431	-	-	488	431
Sales tax	27,628	27,009	-	-	27,628	27,009
Franchise taxes	9,821	9,447	-	-	9,821	9,447
Revenue Sharing	25,457	25,441	-	-	25,457	25,441
Interest income	13,745	3,872	4,305	1,117	18,050	4,989
Miscellaneous	3,864	6,461	2,125	6,237	5,989	12,698
<b>Total General Revenues</b>	<b>242,922</b>	<b>223,928</b>	<b>6,430</b>	<b>7,354</b>	<b>249,352</b>	<b>231,282</b>
<b>Total Revenues</b>	<b>388,427</b>	<b>368,525</b>	<b>119,269</b>	<b>107,698</b>	<b>507,696</b>	<b>476,223</b>
<b>EXPENSES:</b>						
<b>Program Activities:</b>						
General Government	48,207	47,053	-	-	48,207	47,053
Public safety	153,911	139,560	-	-	153,911	139,560
Physical environment	13,173	17,595	-	-	13,173	17,595
Transportation	77,326	71,521	-	-	77,326	71,521
Economic environment	4,308	3,478	-	-	4,308	3,478
Human services	15,855	15,916	-	-	15,855	15,916
Culture and recreation	30,964	31,431	-	-	30,964	31,431
Interest on long-term debt	3,349	3,400	-	-	3,349	3,400
<b>Business-type Activities:</b>						
Water and Sewer	-	-	67,611	63,322	67,611	63,322
Solid Waste Collection and Disposal	-	-	21,531	20,831	21,531	20,831
<b>Total Expenses</b>	<b>347,093</b>	<b>329,954</b>	<b>89,142</b>	<b>84,153</b>	<b>436,235</b>	<b>414,107</b>
<b>Change in Net Position Before</b>						
Transfers	41,334	38,571	30,127	23,545	71,461	62,116
Transfers	571	510	(571)	(510)	-	-
<b>Changes in Net Position</b>	<b>41,905</b>	<b>39,081</b>	<b>29,556</b>	<b>23,035</b>	<b>71,461</b>	<b>62,116</b>
Net Position October 1	1,009,191	958,453	281,945	258,795	1,291,136	1,217,248
Restatement of Net Position	-	11,657	-	115	-	11,772
Net Position October 1, as restated	1,009,191	970,110	281,945	258,910	1,291,136	1,229,020
<b>Net Position September 30</b>	<b>\$ 1,051,096</b>	<b>\$ 1,009,191</b>	<b>\$ 311,501</b>	<b>\$ 281,945</b>	<b>\$ 1,362,597</b>	<b>\$ 1,291,136</b>

## Governmental Activities

### Revenue by Source



	<u>Revenues</u>	<u>Percent of Total Revenue</u>
Charges for Services	\$ 125,855	32 %
Grants and Contributions	19,650	5 %
Property taxes	142,862	37 %
Gasoline, Sales, and Other Taxes	56,994	15 %
Revenue Sharing	25,457	6 %
Interest income	13,745	4 %
Miscellaneous	3,864	1 %
Totals	<u>\$ 388,427</u>	<u>100 %</u>

### Revenues

Total revenues amounted to \$388.4 million. Ad valorem property taxes of \$142.9 million make up 37% of the total revenues. Ad valorem property taxes increased by \$10.8 million, which represents an increase of 8.2% when compared to 2018. Charlotte County experienced a \$1.2 billion increase in property values, an 8% increase from 2018. This increase results in an increase in ad valorem revenues of \$10.8 million. Millage rates remained flat with prior year.

Charges for Services were \$125.9 million, which represented 32.0% of total revenues and were \$6.1 million higher than 2018. 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 Transportation.

Grants and Contributions were \$19.7 million, which represented 5% of total revenues and were \$5.2 million lower than 2018. Capital grants decreased by \$1.2 million due to a new FDOT capital grant award in 2018.

Gasoline, sales, and other taxes were \$57 million, which represented 15% of total revenues and were \$0.9 million higher than 2018 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 \$27.6 million in FY 2019 vs \$27 million in FY 2018. The current infrastructure sales tax was renewed by voter referendum in November, 2014 and expires on December 31, 2020.

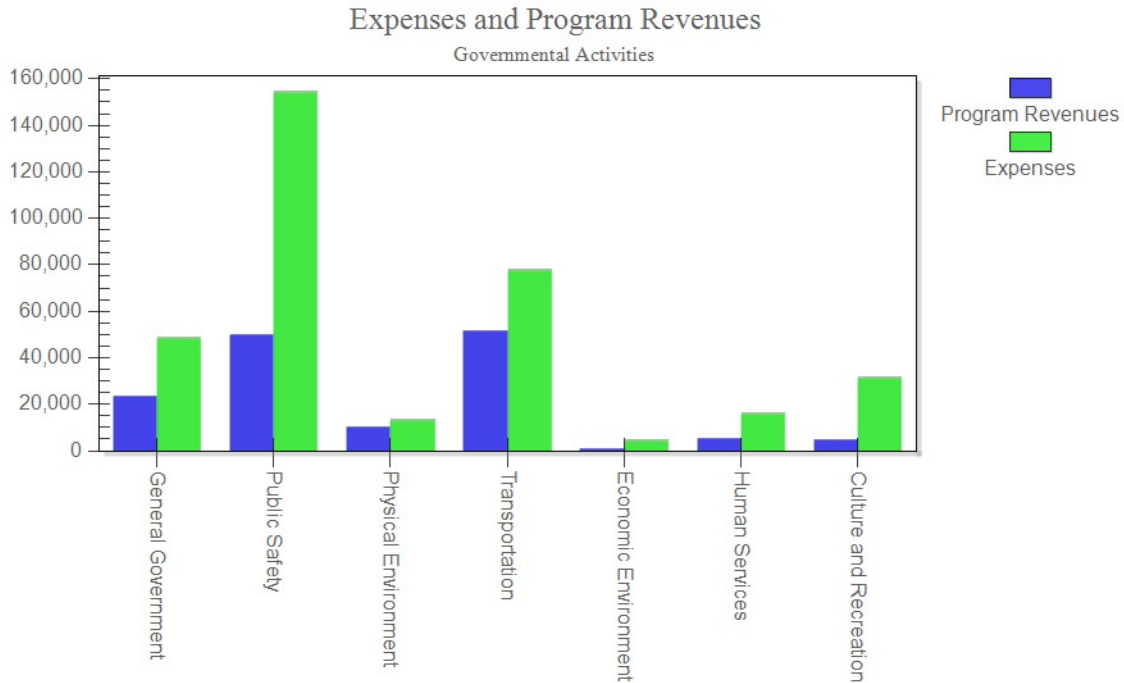
Revenue Sharing was \$25.4 million, which represented 6% of total revenues and is consistent with FY 2018. Revenue sharing includes the money sent to local governments from the State sales tax, State gas tax, and the State Housing Initiatives Partnership Program (SHIP) fund and funding for court related operations by the Clerk of Courts.

Interest Income was \$13.7 million, which represents 4% of total revenues and increased \$9.9 million, or 255.0% from FY 2018. This increase is primarily the result of favorable interest rates along with increased called bond activity at higher interest rates. There was a positive FMV adjustment of \$4.8 million in FY 2019 vs. a negative FMV adjustment of \$3.5 million in FY 2018, which was due to the rising interest rate environment in 2019.

Miscellaneous revenue totaling \$3.9 million is compared to \$6.5 million in FY 2018.

Expenses:

Total expenses of \$347.1 million are \$17.1 million or 5.2% higher than the prior year. The following table shows program revenues relative to expenses, excluding \$3.4 million in interest on long-term debt.



	Program Revenues	Expenses
General Government	\$ 23,244	\$ 48,207
Public Safety	49,749	153,911
Physical Environment	10,242	13,173
Transportation	51,350	77,326
Economic Environment	571	4,308
Human Services	5,389	15,855
Culture and Recreation	4,960	30,964
<b>Totals</b>	<u><u>\$ 145,505</u></u>	<u><u>\$ 343,744</u></u>

General government expenses of \$48.2 million have increased by \$1.2 million at the entity wide level, 2.5% more 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. Board of County Commissioners expenditures increased \$1.9 million, \$1.7 million of which related to salaries and benefits, \$240 thousand related to tax collector fees, and \$.4 million related to maintenance of computer software, offset by a decrease of \$.3 million in design fees for new projects. Supervisor of Elections expenditures in this category increased \$394 thousand and Property Appraiser expenditures increased \$444 thousand. The impact of pension related adjustments for General Government expenses was an increase of \$106 thousand.

Public safety expenses increased \$14.4 million or 10.3%. 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 \$1.9 million, Central and Indirect Services increased \$700 thousand and \$8.6 million increase for building projects including District 3 headquarters and Airport Firing Range. Fire & EMS and other BCC-related public safety departments personal services increased by \$1.4 million.

Culture and Recreation expenses decreased \$0.5 million or 1.5% compared to the prior year. These expenses include Parks and Recreation, Libraries, Tourism department and the Historical center. Salaries and benefits increased \$1.3 million and purchased services decreased \$1.2 million in the repairs and maintenance area. There was an increase of \$0.3 million for equipment to furnish new recreation centers.

Economic Environment expenses increased \$0.8 million or 23.9%. This increase is due to Grants and Aids for SHIP spending on housing rehabilitation, down payment assistance and grants made to Habitat for Humanity.

Physical Environment expenses decreased \$4.4 million or 25.0% as compared to the prior year. This decrease is a result of the asset transfers that occurred in the prior year.

Human Services expenses remain consistent with the prior year with a decrease of \$61 thousand.

Transportation expenses are \$5.8 million higher than FY 2018. 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 \$5.7 million in purchased services among various MSBU's, in the are of public works operating fees for projects such as vegetation removal and pavement rejuvenation; a \$1.0 million increase in salaries and benefits.

Interest on long-term debt decreased \$51 thousand or 1.5%. This is the result of paydown of debt according to scheduled amortization.

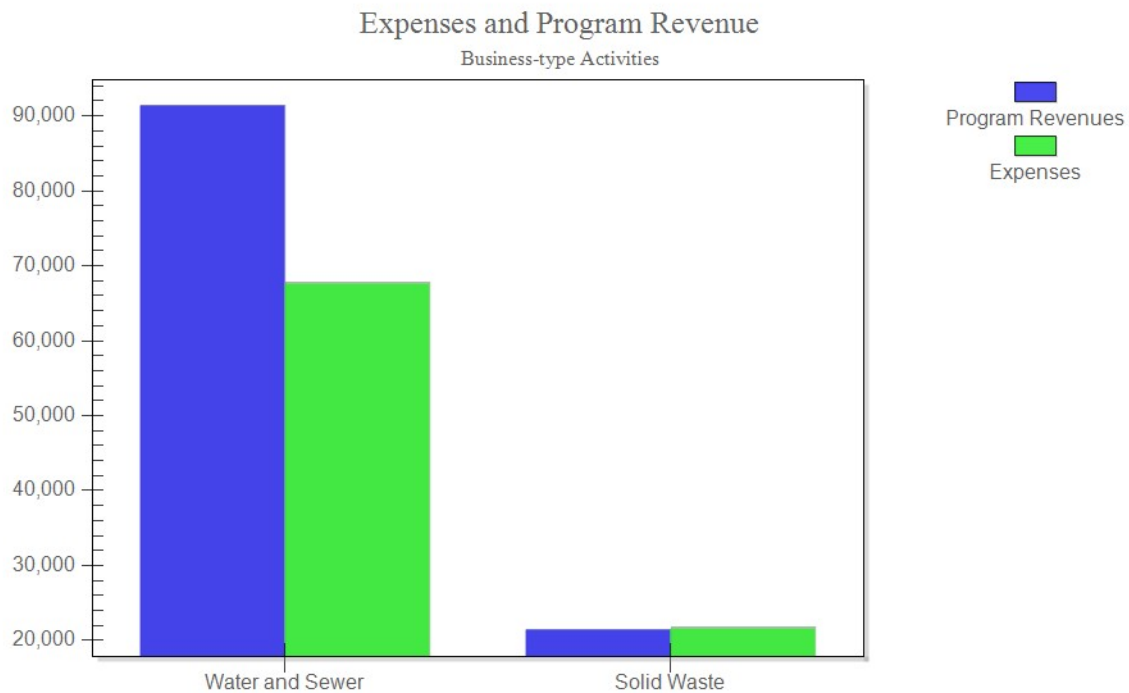
## Business-type Activities

### Revenues

Revenues from business-type activities increased \$11.6 million or 10.7% compared to the prior year. Program Revenues were 94.6% of revenues, \$12.5 million higher than FY 2018.

In the area of solid waste, Charlotte Sanitation District charges for services of \$21.4 million increased by \$0.2 million or 1% over the prior year due to growth, as rates remained consistent.

Water and sewer charges for services of \$76.5 million increased \$7.6 million or 10.9% from the prior year. The number of gallons sold for Water and Sewer combined increased by 4%; the number of water connections increased by 1,651 and the number of sewer customers increased by 3,113. There was a rate increase for water and sewer of 7% effective April 1, 2019. Capital Grants and Contributions of \$14.9 million were \$4.7 million higher than 2018, from connection fees as well as SWFMD grants related to reclaimed water expansion projects.



	<u>Program Revenue</u>	<u>Expenses</u>
Water and Sewer	\$ 91,408	\$ 67,611
Solid Waste	21,431	21,531
Totals	<u>\$ 112,839</u>	<u>\$ 89,142</u>



Expenses in business-type activities increased by \$5.0 million or 5.9%. Water and Sewer Operating expenses were \$4.3 million or 6.8% higher than 2018, while Solid Waste expenses were \$0.7 million or 3.4% higher than FY 2018.

Water and Sewer expenses of \$67.6 million are \$4.3 million higher than FY 2018. Depreciation expense increased \$1.2 million, central and direct costs increased \$2.3 million. The impacts of pension expense adjustments is a \$560 thousand increase.

Solid waste collection and disposal expenses of \$21.5 million increased by \$0.7 million or 3.4%. Landfill expenses were \$0.7 million higher than FY 2018 due to closing and monitoring costs. Charlotte Sanitation District expenses increased by \$100 thousand due to a small increase of about \$100 thousand in fees paid to the landfill over the prior year.

#### Financial Analysis of Governmental Funds

As of September 30, 2019, County governmental funds reported combined ending fund balances of \$402.3 million, an increase of \$9.6 million, or 2.4% compared to the previous year. Of the total fund balance, \$196 million represents special revenue funds for which balances must be used for the purpose the revenues were collected. \$135.5 million of the fund balance represents capital project fund balances.

The fund balance of the General Fund increased \$2.5 million, to \$70.4 million, during the year ending September 30, 2019. General fund revenues increased by \$4.3 million. Ad Valorem taxes increased by \$1.7 million, primarily due to increased valuations as discussed earlier. Miscellaneous revenues increased \$526 thousand, due to increased interest earnings and proceeds from the sale of land. Total General Fund expenditures increased by \$11 million. Of that, general government expenditures increased \$2.9 million, or 9.1%; \$1.7 million in Salaries and Benefits; and \$1 million in buildings, including repairs and maintenance. Public Safety expenditures in the General fund increased by \$6 million, of which \$1.9 million was related to Sheriff salaries and wages and \$8.6 million was an increase in the Sheriff's capital expenses. Net Transfers In to the General Fund increased by \$2.4 million.

The fund balance of the Public Safety Fund increased by \$2.1 million to \$3.7 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 \$6 million in the Public Safety fund due to valuation increases. The County's direct costs for the Sheriff & County Correctional facility decreased by \$1.8 million. Net Transfers Out to the Sheriff to fund all of his operations increased by \$4.5 million. Year to year beginning fund balances decreased by \$1.4 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 2019, \$3.5 million was transferred for that purpose.

Street and Drainage Maintenance combined fund balances decreased \$13.0 million to \$60.2 million. There are 36 individual street and drainage units that comprise this fund balance, with timing of expenditures of paving programs causing year to year fluctuations in fund balance. Expenditures decreased by \$157 thousand, mainly due to completion of some paving programs.

#### 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 \$1.3 million. The amendments consist of intergovernmental grant revenue for emergency management and Transit related grants. Adjustments to the General Fund expenditures budget was \$2.2 million, mainly in the general fund area where a \$.5 million budget adjustment was made in contract services and capital expenditures.

The General Fund balance for FY 2019 was \$12.8 million higher than the final amended budget. Revenues were \$9.9 million higher than budgeted, mostly in the area of Charges for Services. Total expenditures were \$9.6 million lower than budgeted; \$6.6 million lower in general government salaries and capital expenditures; and \$1.5 million in public safety personal services.

Capital Asset and Debt Administration

At September 30, 2019, 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, 2019  
(\$000's)

	Governmental Activities	Business-type Activities	Total
Land	\$ 189,359	\$ 25,267	\$ 214,626
Buildings	278,276	17,429	295,705
Improvement other than buildings	124,311	479,732	604,043
Equipment	126,172	25,176	151,348
Infrastructure	538,708	-	538,708
Construction in progress	61,125	51,902	113,027
Intangible assets	6,015	40,906	46,921
Less: Accumulated Depreciation and Amortization			
Buildings and improvements	(144,990)	(238,426)	(383,416)
Equipment	(90,254)	(14,321)	(104,575)
Infrastructure	(195,929)	-	(195,929)
Intangible assets	(1,675)	(30,458)	(32,133)
Totals	<u>\$ 891,118</u>	<u>\$ 357,207</u>	<u>\$ 1,248,325</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 64 - 65 of this report.

Major projects completed during Fiscal 2019 include the following:

- Piper Road North, the project constructed a roadway from the South section, North to US 17. This project was funded mainly through sales tax, gas tax and grants. The total cost of this project is \$8.9 million.
- South County Library & Archive, the project built a 20,000 square foot library with youth and program space, computer lab, space for instructional classes and area for archive functions from intake to storage. This project was funded mainly by sales taxes. The total cost of this project is \$6.8 million.
- The Ann & Chuck Dever Memorial Regional Park Recreation Center, multi-purpose gymnasium, fitness center and multi-purpose rooms. This project was funded through sales taxes. The total cost of this project is \$6.5 million.
- Parkside-Harbor Boulevard, US 41 to Olean Boulevard is a reconstruction and improvement of Harbor Boulevard, including multi-use paths, curbs and gutters, wayfinding, FPL undergrounding and other amenities. The project was funded through TIF funds. The total cost of this project is \$5.7 million.

## Debt

At September 30, 2019, the County had total bonded debt outstanding of \$122.5 million. This is a decrease of \$16.3 million compared to September 30, 2018 due to scheduled bond payments made throughout the year. Total County debt has decreased \$17.3 million, which is attributable to combination of new debt issued in the amount of \$15.4 million offset by debt payments made throughout the year in the amount of \$32.7 million. The County reissued a commercial paper loan of \$2.7 million for an energy efficiency project and new state revolving fund loans for \$12.6 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-66 of this report and in Note 12, Defeased Debt, on page I-79.

	2019 (\$000's)	2018 (\$000's)	Variance (\$000's)
General Obligation Bonds	\$ 23,645	\$ 26,330	\$ (2,685)
Revenue & Special Assmt. Bonds	98,850	112,455	(13,605)
Notes and Loans Payable	27,853	31,163	(3,310)
Florida Local Government Finance Commission	44,180	52,342	(8,162)
State Revolving Fund	51,442	40,980	10,462
Total	<u>\$ 245,970</u>	<u>\$ 263,270</u>	<u>\$ (17,300)</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 \$7.8 million. Interest earnings of \$1.0 million, 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 2020 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, 2019, 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 \$1.7 million. Other revenue sources used to service the debt in lieu of tourist tax include interest income of \$145.8 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 2019 is \$27.9 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.

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 2019, the County was approved for additional SRF loan funding in the amount of \$12.6 million to fund various Utility System projects. These loans are cost reimbursement based and repayments on these new loans will begin in 2020 and later. More information can be found on these timelines in Note 9 of the financial statements, Long- term Obligations, on page I-66 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-66 - I-78 of this report.

## **ECONOMIC FACTORS AND BUDGETS AND RATES FOR NEXT YEAR**

County valuations have increased in the upcoming fiscal year by 8%, which is the sixth year of increase since the recession, the economy and building industry has turned around. That increase in valuation equates to a \$10.8 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 1,711 in FY 2018 to 1,847 in FY 2019. Tourism revenues for Charlotte County are at an all time high, having increased 16% 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 23, 2019, adopted the budget and associated millage rates. The decision was made to hold millage rates flat with FY 2018 for all areas.

The Board of County Commissioners' strategic goals are being addressed and reflected throughout the budget. At their workshop in January 2019, the Charlotte County Board of County Commissioners set the following priority outcomes:

1. To maintain a safe and health community by delivering essential services from skilled, professional and dedicated public servants.
2. To create a business climate that promotes a diversified, growing economy consistent with sustainable growth management plans, environmental stewardship and enhanced quality of life.
3. To build and maintain countywide infrastructure that meets our evolving needs and enhances our community appearance, improves public safety and protects our natural resources.
4. To manage fiscally sound county operations with a culture of transparency, accountability, citizen engagement and innovation.
5. To be recognized as a community leader in quality of life issues.
6. To improve Charlotte County government's morale and employee satisfaction.
7. To increase and enhance the organization's and Charlotte County's productivity and performance.
8. To enhance and improve our customers' satisfaction.
9. To positively change the image of government.
10. To improve communication, both internally and externally.

More detail on the Board's Strategic plan can be found on the County's website at [www.charlottecountyfl.gov](http://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, 2019

	Primary Government			Component Unit
	Governmental	Business-type	Total	Industrial
	Activities	Activities		Development Authority
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 161,990,527	\$ 20,505,362	\$ 182,495,889	\$ 287,430
Restricted cash and cash equivalents	10,826,521	6,155,667	16,982,188	-
Investments	251,261,089	34,393,396	285,654,485	-
Restricted investments	-	10,039,353	10,039,353	-
Restricted investments with trustee	-	3,612,140	3,612,140	-
Accounts and assessments receivable - net	4,036,099	9,790,264	13,826,363	-
Interfund balances	9,324,112	(9,324,112)	-	-
Due from other governments	26,050,485	2,914,757	28,965,242	-
Inventory of supplies, at cost	1,094,407	684,558	1,778,965	-
Land held for resale	27,802,867	-	27,802,867	-
Other assets	2,874,490	829,373	3,703,863	-
Total current assets	<u>495,260,597</u>	<u>79,600,758</u>	<u>574,861,355</u>	<u>287,430</u>
Noncurrent assets:				
Restricted cash	-	16,499,322	16,499,322	-
Restricted investments	-	33,891,837	33,891,837	-
Special assessment receivable - net	-	14,824,061	14,824,061	-
Other assets-long term	250,000	288,067	538,067	-
Capital assets:				
Land	189,358,628	25,266,767	214,625,395	14,796
Buildings	278,276,074	17,428,618	295,704,692	-
Improvement other than buildings	124,311,216	479,731,501	604,042,717	-
Equipment	126,171,839	25,176,641	151,348,480	-
Infrastructure	538,707,830	-	538,707,830	-
Construction in progress	61,124,580	51,902,508	113,027,088	-
Intangible assets	6,015,497	40,906,099	46,921,596	-
Less accumulated depreciation and amortization	(432,847,787)	(283,205,438)	(716,053,225)	-
Total noncurrent assets	<u>891,367,877</u>	<u>422,709,983</u>	<u>1,314,077,860</u>	<u>14,796</u>
Total assets	<u>1,386,628,474</u>	<u>502,310,741</u>	<u>1,888,939,215</u>	<u>302,226</u>
Deferred outflows of resources:				
Deferred charge on refunding	952,457	5,143,653	6,096,110	-
Deferred outflow - OPEB related	2,562,991	236,166	2,799,157	-
Deferred outflow - Pension related	60,938,552	4,169,422	65,107,974	-
Total deferred outflows of resources	<u>\$ 64,454,000</u>	<u>\$ 9,549,241</u>	<u>\$ 74,003,241</u>	<u>\$ -</u>

	Primary Government			Component Unit
	Governmental	Business-type	Total	Industrial
	Activities	Activities		Development Authority
<b>LIABILITIES</b>				
Current liabilities:				
Accounts and vouchers payable	\$ 13,699,099	\$ 3,273,511	\$ 16,972,610	\$ -
Contracts payable	3,154,041	1,827,198	4,981,239	-
Accrued liabilities	3,541,517	512,731	4,054,248	-
Due to other governmental agencies	1,762,741	1,004,899	2,767,640	-
Self-insurance claims payable	4,669,733	-	4,669,733	-
Unearned revenue	2,633,028	196,586	2,829,614	-
Deposits	734,283	5,164,394	5,898,677	-
Special assessments loans payable	4,935,600	1,842,798	6,778,398	-
Loans payable	5,628,419	1,743,669	7,372,088	-
Bonds payable	3,870,000	12,850,000	16,720,000	-
Accrued compensated absences	5,194,270	97,980	5,292,250	-
Net pension liability	539,222	119,813	659,035	-
Matured interest payable	614,351	1,522,287	2,136,638	-
Matured bonds payable	1,090,000	-	1,090,000	-
Other liabilities	5,165,578	17,310	5,182,888	-
Total current liabilities	<u>57,231,882</u>	<u>30,173,176</u>	<u>87,405,058</u>	<u>-</u>
Noncurrent liabilities:				
Special assessments loans payable	25,738,400	18,769,527	44,507,927	-
Loans payable	33,931,376	30,885,529	64,816,905	-
Bonds payable	37,403,597	71,860,882	109,264,479	-
Accrued compensated absences	9,383,290	1,042,274	10,425,564	-
Total OPEB liability	36,943,732	1,720,144	38,663,876	-
Net pension liability	181,074,564	12,979,802	194,054,366	-
Unearned revenue	-	20,639,921	20,639,921	-
Landfill closure costs	-	11,237,526	11,237,526	-
Self-insurance claims payable	2,984,000	-	2,984,000	-
Total noncurrent liabilities	<u>327,458,959</u>	<u>169,135,605</u>	<u>496,594,564</u>	<u>-</u>
Total liabilities	<u>384,690,841</u>	<u>199,308,781</u>	<u>583,999,622</u>	<u>-</u>
Deferred inflows of resources:				
Deferred inflow - OPEB related	1,909,899	188,509	2,098,408	-
Deferred inflow - Pension related	13,385,674	862,569	14,248,243	-
Total deferred inflow of resources	<u>15,295,573</u>	<u>1,051,078</u>	<u>16,346,651</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	\$ 836,237,491	\$ 224,397,944	\$ 1,060,635,435	\$ 14,796
Restricted for:				
Debt service	-	3,256,639	3,256,639	-
Contractual obligations	-	38,027,535	38,027,535	-
General government	15,600,565	-	15,600,565	-
General government-court related	2,553,037	-	2,553,037	-
Public safety	10,430,868	-	10,430,868	-
Physical environment	36,076,835	-	36,076,835	-
Transportation	81,027,933	-	81,027,933	-
Human services	7,132,567	-	7,132,567	-
Culture and recreation	28,571,170	-	28,571,170	-
Unrestricted	33,465,594	45,818,005	79,283,599	287,430
Total net position	<u>\$ 1,051,096,060</u>	<u>\$ 311,500,123</u>	<u>\$ 1,362,596,183</u>	<u>\$ 302,226</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, 2019

Function/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General government	\$ 40,313,927	\$ 17,048,462	\$ 874,208	\$ 646,550
Court related	7,893,235	4,674,855	-	-
Public safety	153,910,932	45,280,217	3,597,125	871,718
Physical environment	13,172,963	10,002,133	239,891	-
Transportation	77,326,100	44,701,882	715,534	5,932,514
Economic environment	4,307,800	493,850	77,356	-
Human services	15,855,404	606,787	4,101,728	679,990
Culture and recreation	30,963,829	3,046,552	1,117,780	795,551
Interest on long-term debt	3,349,216	-	-	-
Total governmental activities	<u>347,093,406</u>	<u>125,854,738</u>	<u>10,723,622</u>	<u>8,926,323</u>
<b>Business-type Activities:</b>				
Water and sewer	67,610,758	76,511,406	-	14,896,509
Solid waste	21,531,710	21,430,853	-	-
Total business-type activities	<u>89,142,468</u>	<u>97,942,259</u>	<u>-</u>	<u>14,896,509</u>
Total primary government	<u>\$ 436,235,874</u>	<u>\$ 223,796,997</u>	<u>\$ 10,723,622</u>	<u>\$ 23,822,832</u>
<b>Component Unit</b>				
Charlotte County Industrial Development Authority	\$ 6,984	\$ -	\$ -	\$ -
Total component unit	<u>\$ 6,984</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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
Net position - ending



Net (Expenses) Revenue and Changes in Net Positions

Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Totals	Industrial Development Authority
\$ (21,744,707)	\$ -	\$ (21,744,707)	\$ -
(3,218,380)	-	(3,218,380)	-
(104,161,872)	-	(104,161,872)	-
(2,930,939)	-	(2,930,939)	-
(25,976,170)	-	(25,976,170)	-
(3,736,594)	-	(3,736,594)	-
(10,466,899)	-	(10,466,899)	-
(26,003,946)	-	(26,003,946)	-
(3,349,216)	-	(3,349,216)	-
<u>(201,588,723)</u>	<u>-</u>	<u>(201,588,723)</u>	<u>-</u>
-	23,797,157	23,797,157	-
<u>-</u>	<u>(100,857)</u>	<u>(100,857)</u>	<u>-</u>
<u>-</u>	<u>23,696,300</u>	<u>23,696,300</u>	<u>-</u>
<u>(201,588,723)</u>	<u>23,696,300</u>	<u>(177,892,423)</u>	<u>-</u>
			(6,984)
			<u>(6,984)</u>
142,861,892	-	142,861,892	-
9,931,607	-	9,931,607	-
4,787,938	-	4,787,938	-
4,336,758	-	4,336,758	-
487,808	-	487,808	-
27,628,548	-	27,628,548	-
9,821,490	-	9,821,490	-
4,714,918	-	4,714,918	-
20,742,072	-	20,742,072	-
13,745,169	4,304,646	18,049,815	700
3,864,235	2,125,123	5,989,358	76,000
571,421	(571,421)	-	-
<u>243,493,856</u>	<u>5,858,348</u>	<u>249,352,204</u>	<u>76,700</u>
41,905,133	29,554,648	71,459,781	69,716
<u>1,009,190,927</u>	<u>281,945,475</u>	<u>1,291,136,402</u>	<u>232,510</u>
<u>\$1,051,096,060</u>	<u>\$ 311,500,123</u>	<u>\$ 1,362,596,183</u>	<u>\$ 302,226</u>

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

CHARLOTTE COUNTY, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
September 30, 2019

	General Fund	Charlotte Public Safety
ASSETS		
Cash and cash equivalents	\$ 41,469,135	\$ 1,365,567
Restricted cash and cash equivalents	-	-
Investments	32,834,836	2,601,653
Accounts and assessments receivable, net	3,375,920	-
Due from other funds	2,700,571	278,951
Advances to other funds	3,332,836	-
Due from other governmental agencies	5,571,744	-
Inventory of supplies, at cost	-	-
Other assets	924,496	11,054
Total assets	90,209,538	4,257,225
Deferred outflow - Court Related	-	-
Total assets and deferred outflows	-	-
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts and vouchers payable	2,800,048	579,100
Contracts payable	33,093	-
Accrued liabilities	3,692,621	10,617
Due to other funds	5,556,585	-
Due to other governmental agencies	1,595,163	-
Advances from other funds	-	-
Deposits	650,018	-
Unearned revenue	358,647	-
Matured interest payable	-	-
Matured bonds payable	-	-
Other liabilities	4,246,097	-
Total liabilities	18,932,272	589,717
Deferred Inflows of Resources		
Unavailable revenue	884,277	-
Fund Balance		
Nonspendable	715,162	4,140
Restricted	2,579,870	1,044,532
Committed	-	1,520
Assigned	7,129,322	2,617,316
Unassigned	59,968,635	-
Total fund balances	70,392,989	3,667,508
Total liabilities, deferred inflows of resources, and fund balances	\$ 90,209,538	\$ 4,257,225

Street and Drainage Districts Maintenance	Capital Projects	Sales Tax Extension 2014	Other Governmental Funds	Total Governmental Funds
\$ 20,673,163	\$ 11,650,064	\$ 14,671,387	\$ 62,408,242	\$ 152,237,558
-	-	-	10,826,521	10,826,521
41,119,014	23,208,494	29,249,996	105,411,034	234,425,027
-	-	-	565,790	3,941,710
380,889	1,416,982	-	5,419,464	10,196,857
-	16,167,449	-	-	19,500,285
-	-	4,967,321	15,458,448	25,997,513
-	-	-	895,388	895,388
104,439	56,022	68,566	1,207,749	2,372,326
<u>62,277,505</u>	<u>52,499,011</u>	<u>48,957,270</u>	<u>202,192,636</u>	<u>460,393,185</u>
-	-	-	116,065	116,065
-	-	-	202,308,701	460,509,250
1,662,800	2,332,186	948,615	4,730,982	13,053,731
432,234	867,292	45,935	1,775,487	3,154,041
-	-	-	1,160,529	4,863,767
-	-	43,909	4,260,420	9,860,914
-	-	-	167,578	1,762,741
-	-	-	10,513,531	10,513,531
4,952	-	-	79,313	734,283
-	-	-	138,372	497,019
-	-	-	367,353	367,353
-	-	-	1,090,000	1,090,000
-	-	-	15	4,246,112
<u>2,099,986</u>	<u>3,199,478</u>	<u>1,038,459</u>	<u>24,283,580</u>	<u>50,143,492</u>
-	-	-	7,153,251	8,037,528
-	-	-	1,505,041	2,224,343
42,776,152	-	44,723,955	90,268,466	181,392,975
-	19,113,551	729,480	10,517,389	30,361,940
17,401,367	30,185,982	2,465,376	73,941,819	133,741,182
-	-	-	(5,360,845)	54,607,790
<u>60,177,519</u>	<u>49,299,533</u>	<u>47,918,811</u>	<u>170,871,870</u>	<u>402,328,230</u>
<u>\$ 62,277,505</u>	<u>\$ 52,499,011</u>	<u>\$ 48,957,270</u>	<u>\$ 202,308,701</u>	<u>\$ 460,509,250</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, 2019

Fund balances - total governmental funds.	\$ 402,328,230
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.	888,794,629
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.	27,802,867
Other assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	8,037,528
Certain liabilities are not due and payable in the current period and, therefore, are not reported in the funds. (See Note 2).	(294,180,021)
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>18,312,827</u>
Total net position of governmental activities	<u>\$ 1,051,096,060</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, 2019

	<u>General Fund</u>	<u>Charlotte Public Safety</u>
Revenues:		
Taxes	\$ 32,736,381	\$ 79,183,879
Assessments levied	-	-
Licenses and permits	10,537,310	-
Intergovernmental	21,545,494	-
Charges for services	20,853,414	-
Fines and forfeitures	343,236	1,520
Impact fees	-	-
Miscellaneous	9,185,116	743,791
Total revenues	<u>95,200,951</u>	<u>79,929,190</u>
Expenditures:		
Current		
General government	34,627,103	694,737
Court related	1,284,439	-
Public safety	89,026,661	5,469,283
Physical environment	5,206,908	-
Transportation	1,023,825	-
Economic environment	2,557,121	-
Human services	8,456,570	-
Culture and recreation	16,544,829	-
Capital outlay	-	-
Debt service	108,544	-
Total expenditures	<u>158,836,000</u>	<u>6,164,020</u>
Excess of revenues over/(under) expenditures	<u>(63,635,049)</u>	<u>73,765,170</u>
Other financing sources (uses)		
Issuance of debt	-	-
Transfers in	77,773,246	272,606
Transfers out	<u>(11,626,227)</u>	<u>(71,975,327)</u>
Total other financing sources (uses):	<u>66,147,019</u>	<u>(71,702,721)</u>
Net change in fund balances	2,511,970	2,062,449
Fund balances, October 1, 2018	<u>67,881,019</u>	<u>1,605,059</u>
Fund balances, September 30, 2019	<u>\$ 70,392,989</u>	<u>\$ 3,667,508</u>

Street and Drainage Districts Maintenance	Capital Projects	Sales Tax Extension 2014	Other Governmental Funds	Total Governmental Funds
\$ 1,006,258	\$ 20,118,818	\$ 27,628,548	\$ 29,360,667	\$ 190,034,551
28,348,079	-	-	31,232,255	59,580,334
-	-	-	7,265,715	17,803,025
-	297,667	676,291	16,382,455	38,901,907
-	141,951	-	24,761,252	45,756,617
-	-	-	1,446,137	1,790,893
-	-	-	6,662,220	6,662,220
2,346,762	1,301,377	1,322,366	20,272,432	35,171,844
<u>31,701,099</u>	<u>21,859,813</u>	<u>29,627,205</u>	<u>137,383,133</u>	<u>395,701,391</u>
-	-	-	5,421,843	40,743,683
-	-	-	6,079,412	7,363,851
-	-	-	38,171,932	132,667,876
-	-	-	8,146,909	13,353,817
38,911,626	-	-	29,907,693	69,843,144
-	-	-	1,633,799	4,190,920
-	-	-	6,264,863	14,721,433
-	-	-	7,605,804	24,150,633
-	16,108,851	22,402,889	23,264,618	61,776,358
6,041,059	2,797,907	-	11,702,999	20,650,509
<u>44,952,685</u>	<u>18,906,758</u>	<u>22,402,889</u>	<u>138,199,872</u>	<u>389,462,224</u>
<u>(13,251,586)</u>	<u>2,953,055</u>	<u>7,224,316</u>	<u>(816,739)</u>	<u>6,239,167</u>
-	2,720,000	-	-	2,720,000
291,802	605,860	-	23,424,537	102,368,051
<u>(3,000)</u>	<u>(5,696,629)</u>	<u>-</u>	<u>(12,474,031)</u>	<u>(101,775,214)</u>
<u>288,802</u>	<u>(2,370,769)</u>	<u>-</u>	<u>10,950,506</u>	<u>3,312,837</u>
(12,962,784)	582,286	7,224,316	10,133,767	9,552,004
73,140,303	48,717,247	40,694,495	160,738,103	392,776,226
<u>\$ 60,177,519</u>	<u>\$ 49,299,533</u>	<u>\$ 47,918,811</u>	<u>\$ 170,871,870</u>	<u>\$ 402,328,230</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, 2019

Net change in fund balances - total governmental funds.	\$ 9,552,004
Capital outlay, reported as expenditures in governmental funds, is shown as capital assets in the Statement of Net Position.	85,066,350
Revaluation and sale of land held for resale presented on the Statement of Activities.	(7,669,870)
Depreciation and amortization expense on governmental capital assets included in the Statement of Activities.	(35,712,785)
Issuance of debt provides current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the Statement of Net Position.	(2,720,000)
Bond, loan and note principal payments are presented as expenditures in governmental funds but not in governmental activities.	17,209,642
The net revenues (expenses) of internal service funds (funds to charge self-insurance, health insurance and vehicle maintenance) are reported with governmental activities.	4,061,429
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.	(667,519)
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.	29,130
The increase 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.	(534,260)
In governmental funds, bond premiums and bond refunding expenditures are recognized when paid; however, in the Statement of Activities these items are amortized.	59,999
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.	(2,537,581)
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>(24,231,406)</u>
Change in net position of governmental activities	<u><u>\$ 41,905,133</u></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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 34,541,018	\$ 34,541,018	\$ 32,736,381	\$ (1,804,637)
Licenses and permits	9,444,500	9,444,500	10,537,310	1,092,810
Intergovernmental	21,080,174	21,908,281	21,545,494	(362,787)
Charges for services	17,020,089	17,324,663	20,853,414	3,528,751
Fines and forfeitures	445,900	445,900	343,236	(102,664)
Miscellaneous	5,172,738	5,360,117	9,185,116	3,824,999
Less: Reserves	(3,813,582)	(3,813,582)	-	3,813,582
Total revenues	<u>83,890,837</u>	<u>85,210,897</u>	<u>95,200,951</u>	<u>9,990,054</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government				
Non-court related				
Personal services	27,134,116	27,335,867	26,116,933	1,218,934
Contract/Professional services	3,314,478	3,605,538	2,724,154	881,384
Purchased services	3,878,223	3,861,292	3,182,244	679,048
Materials/Supplies	1,655,370	1,584,025	1,937,302	(353,277)
Capital expenditures	4,590,899	4,827,047	666,470	4,160,577
Court related				
Personal services	989,995	835,192	834,653	539
Contract/Professional services	63,202	83,502	83,108	394
Purchased services	214,599	235,253	234,551	702
Materials/Supplies	90,672	95,272	94,907	365
Capital expenditures	14,600	-	37,220	(37,220)
Sub-total general government	<u>41,946,154</u>	<u>42,462,988</u>	<u>35,911,542</u>	<u>6,551,446</u>
Debt service	-	-	108,544	(108,544)
Total general government	41,946,154	42,462,988	36,020,086	6,442,902
<b>Public safety</b>				
Personal services	71,641,275	70,719,315	69,453,102	1,266,213
Contract/Professional services	3,133,612	3,136,413	2,799,647	336,766
Purchased services	12,135,950	11,301,650	11,219,371	82,279
Materials/Supplies	696,824	726,801	796,118	(69,317)
Capital expenditures	2,939,055	4,665,346	4,758,423	(93,077)
Total public safety	<u>90,546,716</u>	<u>90,549,525</u>	<u>89,026,661</u>	<u>1,522,864</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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Physical environment				
Personal services	2,035,515	1,989,026	1,933,134	55,892
Contract/Professional services	1,069,803	1,464,997	960,946	504,051
Purchased services	464,564	464,564	966,847	(502,283)
Materials/Supplies	242,390	242,390	197,802	44,588
Capital expenditures	145,000	423,169	1,015,196	(592,027)
Grants & Aids	125,000	125,000	132,983	(7,983)
Total physical environment	<u>4,082,272</u>	<u>4,709,146</u>	<u>5,206,908</u>	<u>(497,762)</u>
Transportation				
Personal services	878,982	878,982	814,108	64,874
Contract/Professional services	18,035	18,035	18,035	-
Purchased services	37,189	37,189	39,859	(2,670)
Materials/Supplies	29,944	29,944	12,388	17,556
Capital expenditures	33,103	33,103	139,435	(106,332)
Total transportation	<u>997,253</u>	<u>997,253</u>	<u>1,023,825</u>	<u>(26,572)</u>
Economic environment				
Personal services	977,270	1,111,128	802,441	308,687
Contract/Professional services	266,800	267,430	240,651	26,779
Purchased services	299,319	302,987	283,699	19,288
Materials/Supplies	46,536	48,380	26,072	22,308
Grants & Aids	1,207,228	1,207,228	1,204,258	2,970
Total economic environment	<u>2,797,153</u>	<u>2,937,153</u>	<u>2,557,121</u>	<u>380,032</u>
Human service				
Personal services	2,120,721	2,122,061	1,896,901	225,160
Contract/Professional services	995,309	943,309	942,616	693
Purchased services	2,738,063	2,734,098	2,511,612	222,486
Materials/Supplies	748,671	803,296	795,017	8,279
Capital expenditures	87,000	87,000	106,870	(19,870)
Grants & Aids	2,299,676	2,299,676	2,203,554	96,122
Total human services	<u>8,989,440</u>	<u>8,989,440</u>	<u>8,456,570</u>	<u>532,870</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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Culture and recreation				
Personal services	7,596,952	8,206,634	7,392,002	814,632
Contract/Professional services	4,265,531	4,265,531	4,125,445	140,086
Purchased services	2,606,336	2,606,336	2,864,787	(258,451)
Materials/Supplies	947,500	1,155,638	1,235,842	(80,204)
Capital expenditures	1,499,276	1,573,719	901,753	671,966
Grants & Aids	25,000	25,000	25,000	-
Total culture and recreation	<u>16,940,595</u>	<u>17,832,858</u>	<u>16,544,829</u>	<u>1,288,029</u>
Total expenditures	<u>166,299,583</u>	<u>168,478,363</u>	<u>158,836,000</u>	<u>9,642,363</u>
Excess of revenues over/(under) expenditures	<u>(82,408,746)</u>	<u>(83,267,466)</u>	<u>(63,635,049)</u>	<u>19,632,417</u>
Other financing sources (uses):				
Transfers from other funds	78,968,450	78,549,121	77,773,246	(775,875)
Transfers to other funds	<u>(6,503,720)</u>	<u>(6,824,080)</u>	<u>(11,626,227)</u>	<u>(4,802,147)</u>
Total other financing sources (uses)	<u>72,464,730</u>	<u>71,725,041</u>	<u>66,147,019</u>	<u>(5,578,022)</u>
Net change in fund balance	(9,944,016)	(11,542,425)	2,511,970	14,054,395
Fund balances, October 1, 2018	<u>69,113,947</u>	<u>69,113,947</u>	<u>67,881,019</u>	<u>(1,232,928)</u>
Fund balances, September 30, 2019	<u>\$ 59,169,931</u>	<u>\$ 57,571,522</u>	<u>\$ 70,392,989</u>	<u>\$ 12,821,467</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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 82,147,397	\$ 82,147,397	\$ 79,183,879	\$ (2,963,518)
Fines and forfeitures	-	-	1,520	1,520
Miscellaneous	-	300,000	743,791	443,791
Less: Reserves	(4,107,370)	(4,107,370)	-	4,107,370
Total revenues	<u>78,040,027</u>	<u>78,340,027</u>	<u>79,929,190</u>	<u>1,589,163</u>
Expenditures:				
Current:				
General government				
Purchased services	694,525	694,525	694,737	(212)
Total general government	<u>694,525</u>	<u>694,525</u>	<u>694,737</u>	<u>(212)</u>
Public safety				
Personal services	343,620	343,620	349,614	(5,994)
Contract/Professional services	1,687,035	1,987,035	1,033,828	953,207
Purchased services	3,894,184	3,894,184	3,546,316	347,868
Materials/Supplies	52,419	52,419	40,373	12,046
Capital expenditures	-	-	499,152	(499,152)
Total public safety	<u>5,977,258</u>	<u>6,277,258</u>	<u>5,469,283</u>	<u>807,975</u>
Total expenditures	<u>6,671,783</u>	<u>6,971,783</u>	<u>6,164,020</u>	<u>807,763</u>
Excess of revenues over/(under) expenditures	<u>71,368,244</u>	<u>71,368,244</u>	<u>73,765,170</u>	<u>2,396,926</u>
Other financing sources (uses):				
Transfers from other funds	-	-	272,606	272,606
Transfers to other funds	(71,975,327)	(71,975,327)	(71,975,327)	-
Total other financing sources (uses)	<u>(71,975,327)</u>	<u>(71,975,327)</u>	<u>(71,702,721)</u>	<u>272,606</u>
Net change in fund balance	(607,083)	(607,083)	2,062,449	2,669,532
Fund balances, October 1, 2018	<u>4,250,544</u>	<u>4,250,544</u>	<u>1,605,059</u>	<u>(2,645,485)</u>
Fund balances, September 30, 2019	<u>\$ 3,643,461</u>	<u>\$ 3,643,461</u>	<u>\$ 3,667,508</u>	<u>\$ 24,047</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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 1,044,087	\$ 1,044,087	\$ 1,006,258	\$ (37,829)
Assessments levied	28,982,809	28,982,809	28,348,079	(634,730)
Miscellaneous	286,730	286,730	2,346,762	2,060,032
Less: Reserves	(1,515,680)	(1,515,680)	-	1,515,680
Total revenues	<u>28,797,946</u>	<u>28,797,946</u>	<u>31,701,099</u>	<u>2,903,153</u>
Expenditures:				
Current				
Transportation				
Contract/Professional services	35,179,179	46,811,262	23,798,729	23,012,533
Purchased services	12,971,344	14,096,032	12,995,080	1,100,952
Materials/Supplies	605,800	605,800	871,967	(266,167)
Capital expenditures	<u>9,559,996</u>	<u>10,134,815</u>	<u>1,245,850</u>	<u>8,888,965</u>
Sub-total transportation	<u>58,316,319</u>	<u>71,647,909</u>	<u>38,911,626</u>	<u>32,736,283</u>
Debt service	<u>6,532,618</u>	<u>6,834,039</u>	<u>6,041,059</u>	<u>792,980</u>
Total transportation	<u>64,848,937</u>	<u>78,481,948</u>	<u>44,952,685</u>	<u>33,529,263</u>
Total expenditures	<u>64,848,937</u>	<u>78,481,948</u>	<u>44,952,685</u>	<u>33,529,263</u>
Excess of revenues over/(under) expenditures	<u>(36,050,991)</u>	<u>(49,684,002)</u>	<u>(13,251,586)</u>	<u>36,432,416</u>
Other financing sources (uses)				
Proceeds from debt	1,915,650	1,915,650	-	(1,915,650)
Transfers from other funds	109,412	109,412	291,802	182,390
Transfers to other funds	<u>(1,309,400)</u>	<u>(1,309,400)</u>	<u>(3,000)</u>	<u>1,306,400</u>
Total other financing sources (uses)	<u>715,662</u>	<u>715,662</u>	<u>288,802</u>	<u>(426,860)</u>
Net change in fund balance	(35,335,329)	(48,968,340)	(12,962,784)	36,005,556
Fund balances, October 1, 2018	<u>74,112,451</u>	<u>78,441,797</u>	<u>73,140,303</u>	<u>(5,301,494)</u>
Fund balances, September 30, 2019	<u>\$ 38,777,122</u>	<u>\$ 29,473,457</u>	<u>\$ 60,177,519</u>	<u>\$ 30,704,062</u>

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

CHARLOTTE COUNTY, FLORIDA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
September 30, 2019

	Business-type Activities Enterprise Funds			Governmental Activities	
	Charlotte County Landfill	Charlotte County Utility System	Nonmajor Sanitation Dist.	Total	Internal Service Funds
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash and cash equivalents	\$ 6,725,024	\$ 12,841,107	\$ 939,231	\$ 20,505,362	\$ 9,752,969
Restricted cash and cash equivalents	7,509	6,148,158	-	6,155,667	-
Investments	12,314,595	20,232,984	1,845,817	34,393,396	16,836,062
Restricted investments	16,969	10,022,384	-	10,039,353	-
Restricted investments, with trustee	-	3,612,140	-	3,612,140	-
Accounts and assessments receivable - net	179,533	9,603,153	7,578	9,790,264	94,389
Due from other governmental agencies	54,022	2,860,735	-	2,914,757	52,972
Due from other funds	409,853	31,720	181,350	622,923	1,415
Inventory of supplies, at cost	-	684,558	-	684,558	199,019
Other assets	87,576	587,598	154,199	829,373	636,099
Total current assets:	<u>19,795,081</u>	<u>66,624,537</u>	<u>3,128,175</u>	<u>89,547,793</u>	<u>27,572,925</u>
<b>Noncurrent assets:</b>					
Restricted cash	3,315,631	13,183,691	-	16,499,322	-
Restricted investments	6,707,445	27,184,392	-	33,891,837	-
Special assessments receivable - net	-	14,824,061	-	14,824,061	-
Other assets, net	-	288,067	-	288,067	-
<b>Capital assets:</b>					
Land	3,274,348	21,992,419	-	25,266,767	-
Buildings	2,309,365	15,119,253	-	17,428,618	2,297,950
Improvements other than buildings	19,847,480	459,884,021	-	479,731,501	40,321
Machinery and equipment	6,742,103	18,434,538	-	25,176,641	272,633
Construction in progress	13,552	51,888,956	-	51,902,508	493,649
Intangible assets	-	40,906,099	-	40,906,099	-
Less accumulated depreciation and amortization	<u>(18,630,498)</u>	<u>(264,574,940)</u>	<u>-</u>	<u>(283,205,438)</u>	<u>(781,305)</u>
Total noncurrent assets -net	<u>23,579,426</u>	<u>399,130,557</u>	<u>-</u>	<u>422,709,983</u>	<u>2,323,248</u>
Total assets	<u>43,374,507</u>	<u>465,755,094</u>	<u>3,128,175</u>	<u>512,257,776</u>	<u>29,896,173</u>
<b>Deferred outflows of resources:</b>					
Deferred charge on refunding	-	5,143,653	-	5,143,653	-
Deferred outflow - Pension related	402,833	3,766,589	-	4,169,422	232,265
Deferred outflow - OPEB related	25,840	210,326	-	236,166	13,103
Total deferred outflows of resources	<u>\$ 428,673</u>	<u>\$ 9,120,568</u>	<u>\$ -</u>	<u>\$ 9,549,241</u>	<u>\$ 245,368</u>

	Business-type Activities Enterprise Funds				Governmental Activities
	Charlotte County Landfill	Charlotte	Nonmajor Sanitation Dist	Total	Internal Service Funds
		County Utility System			
<b>LIABILITIES</b>					
<b>Current liabilities:</b>					
Accounts and vouchers payable	\$ 719,478	\$ 1,417,809	\$ 1,136,224	\$ 3,273,511	\$ 645,368
Contracts payable	-	1,827,198	-	1,827,198	-
Accrued liabilities	61,097	451,634	-	512,731	26,750
Due to other governmental agencies	56	1,004,843	-	1,004,899	-
Due to other funds	87,858	462,570	409,853	960,281	-
Self-insurance claims payable	-	-	-	-	3,320,733
Unearned revenue	-	-	196,586	196,586	2,136,009
Deposits	24,478	5,139,916	-	5,164,394	-
Loans payable	-	1,743,669	-	1,743,669	-
Special assessment loans payable	-	1,842,798	-	1,842,798	-
Bonds payable	-	12,850,000	-	12,850,000	-
Matured interest payable	-	1,522,287	-	1,522,287	-
Accrued compensated absences	15,664	82,316	-	97,980	191,900
Net pension liability	12,522	107,291	-	119,813	-
Other liabilities	-	17,310	-	17,310	919,466
Total current liabilities	<u>921,153</u>	<u>28,469,641</u>	<u>1,742,663</u>	<u>31,133,457</u>	<u>7,240,226</u>
<b>Noncurrent liabilities:</b>					
Notes, loans, capital leases	-	30,885,529	-	30,885,529	-
Special assessment loans payable	-	18,769,527	-	18,769,527	-
Bonds payable	-	71,860,882	-	71,860,882	-
Advances from other funds	-	8,986,754	-	8,986,754	-
Accrued compensated absences	118,608	923,666	-	1,042,274	729,706
Other postemployment benefits	183,669	1,536,475	-	1,720,144	89,979
Net pension liability	1,268,173	11,711,629	-	12,979,802	726,773
Unearned revenue	-	20,639,921	-	20,639,921	-
Landfill closure costs	11,237,526	-	-	11,237,526	-
Self-insurance claims payable	-	-	-	-	2,984,000
Total noncurrent liabilities	<u>12,807,976</u>	<u>165,314,383</u>	<u>-</u>	<u>178,122,359</u>	<u>4,530,458</u>
Total liabilities	<u>13,729,129</u>	<u>193,784,024</u>	<u>1,742,663</u>	<u>209,255,816</u>	<u>11,770,684</u>
<b>Deferred inflows of resources:</b>					
Deferred inflow - Pension related	85,148	777,421	-	862,569	47,695
Deferred inflow - OPEB related	20,523	167,986	-	188,509	10,335
Total deferred inflow of resources	<u>105,671</u>	<u>945,407</u>	<u>-</u>	<u>1,051,078</u>	<u>58,030</u>
<b>NET POSITION</b>					
Net investment in capital assets	13,556,350	210,841,594	-	224,397,944	-
Restricted for debt service	-	3,256,639	-	3,256,639	-
Restricted for contractual obligations	342,783	37,684,752	-	38,027,535	-
Unrestricted	16,069,247	28,363,246	1,385,512	45,818,005	18,312,827
Total net position	<u>\$ 29,968,380</u>	<u>\$ 280,146,231</u>	<u>\$ 1,385,512</u>	<u>\$ 311,500,123</u>	<u>\$ 18,312,827</u>

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, 2019

	Business-type Activities Enterprise Funds			Total	Governmental Activities
	Charlotte County Landfill	Charlotte County Utility System	Nonmajor Sanitation Dist		Internal Service Funds
					Total
Operating revenues:					
Charges for services	\$ 6,547,712	\$ 76,511,406	\$ 14,883,141	\$ 97,942,259	\$ 41,388,902
Miscellaneous	78,956	1,615,309	-	1,694,265	184,525
Total operating revenues	<u>6,626,668</u>	<u>78,126,715</u>	<u>14,883,141</u>	<u>99,636,524</u>	<u>41,573,427</u>
Operating expenses:					
Personal services	2,259,777	19,177,850	-	21,437,627	1,650,991
Contractual services	1,498,179	6,710,069	11,810,021	20,018,269	3,404,148
Cost of sales and service	-	11,958,974	-	11,958,974	3,347,467
Closing and monitoring costs	701,876	-	-	701,876	-
Depreciation expense and amortization	962,567	16,112,045	-	17,074,612	102,513
Insurance claims	36,270	434,882	-	471,152	22,858,499
Insurance premiums	-	-	-	-	6,493,518
Purchased services	703,614	5,342,516	3,253,471	9,299,601	297,592
Materials & supplies	268,714	3,066,162	-	3,334,876	114,673
Total operating expenses	<u>6,430,997</u>	<u>62,802,498</u>	<u>15,063,492</u>	<u>84,296,987</u>	<u>38,269,401</u>
Operating income (loss)	<u>195,671</u>	<u>15,324,217</u>	<u>(180,351)</u>	<u>15,339,537</u>	<u>3,304,026</u>
Nonoperating revenues (expenses)					
Interest revenue	921,781	3,199,476	183,388	4,304,645	778,819
Interest and fiscal charges	-	(4,845,480)	-	(4,845,480)	-
Gain on abandonment/sale of assets	210,336	220,522	-	430,858	-
Total nonoperating revenues (expenses)	<u>1,132,117</u>	<u>(1,425,482)</u>	<u>183,388</u>	<u>(109,977)</u>	<u>778,819</u>
Income before contributions and transfers	1,327,788	13,898,735	3,037	15,229,560	4,082,845
Capital contributions	15,428	14,881,081	-	14,896,509	-
Transfers in	-	50,542	89,650	140,192	7,504
Transfers out	<u>(60,876)</u>	<u>(650,737)</u>	<u>-</u>	<u>(711,613)</u>	<u>(28,920)</u>
Change in net position	1,282,340	28,179,621	92,687	29,554,648	4,061,429
Total net position - beginning	<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>
Total net position - ending	<u>\$ 29,968,380</u>	<u>\$ 280,146,231</u>	<u>\$ 1,385,512</u>	<u>\$ 311,500,123</u>	<u>\$ 18,312,827</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, 2019

	Business-type Activities Enterprise Funds				Governmental Activities
	Charlotte County Landfill	Charlotte County Utility System	Nonmajor Charlotte Sanitation Dist	Total	Internal Service Funds
Cash flows from operating activities:					
Cash received from customers	\$ 6,420,661	\$ 74,704,091	\$ 14,926,716	\$ 96,051,468	\$ -
Cash received from internal customers	-	-	-	-	41,894,832
Cash payments to suppliers for goods and services	(2,031,276)	(27,475,116)	(14,881,996)	(44,388,388)	(13,639,897)
Cash payments to employees for services	(2,201,257)	(17,756,481)	-	(19,957,738)	(1,598,673)
Insurance claims	-	-	-	-	(22,978,568)
Cash received for other changes	78,956	1,615,715	-	1,694,671	93,687
Deposits	1,999	60,644	-	62,643	-
Net cash provided by operating activities	<u>2,269,083</u>	<u>31,148,853</u>	<u>44,720</u>	<u>33,462,656</u>	<u>3,771,381</u>
Cash flows from non-capital financing activities:					
Operating grants	-	(7,999)	-	(7,999)	-
Loans to other funds	-	(462,570)	-	(462,570)	-
Transfer in from other funds/govts	56	13,749	76,769	90,574	7,504
Transfers in from other funds	-	35,074	-	35,074	-
Transfers to other funds	(60,876)	(650,737)	-	(711,613)	-
Net cash provided (used) by noncapital financing activities	<u>(60,820)</u>	<u>(1,072,483)</u>	<u>76,769</u>	<u>(1,056,534)</u>	<u>7,504</u>
Cash flows from capital/related financing activities:					
Acquisition of capital assets	(1,036,143)	(23,598,525)	-	(24,634,668)	(529,559)
Proceeds from sale of capital assets	210,336	272,247	-	482,583	-
Principal paid on bonds and notes	-	(15,283,646)	-	(15,283,646)	-
Interest/finance costs on bonds/notes	-	(3,720,500)	-	(3,720,500)	-
Capital contributions	15,428	11,464,568	-	11,479,996	-
Capital contributed reduction in assessment receivable	-	1,675,082	-	1,675,082	-
Capital advances from other funds	-	(11,766,381)	-	(11,766,381)	(28,920)
Capital advances to other funds	-	12,800,000	-	12,800,000	-
Proceeds from bonds/notes	-	12,364,708	-	12,364,708	-
Net cash used by capital financing activities	<u>(810,379)</u>	<u>(15,792,447)</u>	<u>-</u>	<u>(16,602,826)</u>	<u>(558,479)</u>
Cash flows from investing activities:					
Purchase of investment securities	(10,178,508)	(189,858,106)	(15,483,801)	(215,520,415)	(48,668,938)
Proceeds from sale and maturities of investment securities	15,670,590	191,730,099	15,914,790	223,315,479	49,934,796
Interest and dividends on investments	951,361	3,267,222	186,341	4,404,924	794,798
Net cash provided by investing activities	<u>6,443,443</u>	<u>5,139,215</u>	<u>617,330</u>	<u>12,199,988</u>	<u>2,060,656</u>
Net increase in cash and cash equivalents	7,841,327	19,423,138	738,819	28,003,284	5,281,062
Cash and cash equivalents, October 1, 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>
Cash and cash equivalents, September 30, 2019	<u>\$ 10,048,164</u>	<u>\$ 32,172,956</u>	<u>\$ 939,231</u>	<u>\$ 43,160,351</u>	<u>\$ 9,752,969</u>



CHARLOTTE COUNTY, FLORIDA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Fiscal Year Ended September 30, 2019

	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)	\$ 195,671	\$ 15,324,217	\$ (180,351)	\$ 15,339,537	\$ 3,304,026
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization	962,567	16,112,045	-	17,074,612	102,513
Deferred outflows - pension related (decrease)	91,385	407,647	-	499,032	11,799
Deferred outflows - OPEB related (decrease)	(14,088)	(111,926)	-	(126,014)	(7,353)
Deferred inflows - pension related (increase)	(34,020)	(225,892)	-	(259,912)	(11,020)
Deferred inflows - OPEB related (increase)	16,512	134,401	-	150,913	8,372
Changes in assets and liabilities:					
(Increase) decrease in:					
Accounts receivable	49,877	(1,575,644)	(7,578)	(1,533,345)	(34,571)
Due from constitutional officers	-	(2,242)	(12,497)	(14,739)	2,120
Due from other governmental agencies	5,542	-	-	5,542	(30,159)
Due from other funds - internal	(182,470)	-	-	(182,470)	346,358
Inventory	-	(91,267)	-	(91,267)	(32,444)
Other assets	(5,597)	(16,326)	(38,169)	(60,092)	581
Increase (decrease) in:					
Accounts and vouchers payable	475,670	(1,044,229)	50,657	(517,902)	18,650
Accrued liabilities	6,981	65,328	-	72,309	2,996
Due to constitutional officers	-	(46)	-	(46)	-
Due to other governmental agencies	-	1,004,843	-	1,004,843	-
Due to other funds - internal	(169)	-	182,470	182,301	(50,000)
Other liabilities	-	1,038	-	1,038	117,930
Deposits	1,999	60,644	-	62,643	-
Accrued compensated absences	(11,592)	66,547	-	54,955	(3,972)
Other postemployment benefits	735	5,982	-	6,717	(313,627)
Closing and monitoring costs	701,876	-	-	701,876	-
Self-insurance claims payable	-	-	-	-	76,001
Unearned revenue	-	(61,875)	50,188	(11,687)	163,792
Net pension liability	8,204	1,095,608	-	1,103,812	99,389
Total adjustments	2,073,412	15,824,636	225,071	18,123,119	467,355
Net cash provided by operating activities	\$ 2,269,083	\$ 31,148,853	\$ 44,720	\$ 33,462,656	\$ 3,771,381
Noncash investing, capital and financing activities:					
Gain on disposition of assets	\$ 210,336	\$ 220,522	\$ -	\$ 430,858	\$ -
Acquisition of contributed assets	-	2,329,516	-	2,329,516	-
Change in fair value of investments	272,741	819,448	31,551	1,123,740	294,894

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

CHARLOTTE COUNTY, FLORIDA  
STATEMENT OF FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
September 30, 2019

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents	\$ 13,510,180
Investments	5,513
Accounts and assessments receivable, net	3,009,194
Due from other governmental agencies	1,635
Due from individuals	761
Other assets	13
Total assets	\$ 16,527,296
LIABILITIES	
Due to other governmental agencies	\$ 1,189,992
Due to individuals	6,001,458
Deposits	-
Other liabilities	33,198
Total liabilities	7,224,648
NET POSITION	
Restricted for:	
Individuals, organizations, and other governments	9,302,648
Total Net Position	\$ 9,302,648

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

CHARLOTTE COUNTY, FLORIDA  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CUSTODIAL FUNDS  
For the Fiscal Year Ended September 30, 2019

	<u>Custodial Funds</u>
Additions:	
Cash bonds collected	\$ 459,249
Documentary stamp and fees collected	38,209,770
Employee contributions to charities collected	101,603
Evidence monies collected	312,387
Explorer's funds collected	8,483
Fines and forfeitures and fees collected	8,887,125
Intangible taxes and fees collected	5,975,991
Licenses and tag fees collected	25,640,162
Property taxes and fees collected	380,048,982
Registry of the court and fees collected	29,353,715
Support and fees collected	125,722
Tax deeds and fees collected	8,642,522
Tourist development fees collected	4,203,940
Total additions	\$ 501,969,651
Deductions:	
Cash bonds collected	\$ 459,547
Documentary stamp and fees collected	38,209,770
Employee contributions to charities collected	100,445
Evidence monies collected	286,041
Explorer's funds collected	7,602
Fines and forfeitures and fees collected	9,685,567
Intangible taxes and fees collected	5,975,991
Licenses and tag fees collected	25,640,162
Property taxes and fees collected	380,048,982
Registry of the court and fees collected	28,272,090
Support and fees collected	125,722
Tax deeds and fees collected	9,268,336
Tourist development fees collected	4,203,940
Total deductions	502,284,195
Change in Net Position	(314,544)
Net Position, beginning	-
Restatement	9,617,192
Net Position, beginning, as restated	9,617,192
Net Position, ending	\$ 9,302,648

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

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2019

**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, 2019

**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, 2019

**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.

The Sales Tax Extension 2014 is a capital projects fund used to account for voter-approved extension of the one-cent local option sales tax to be used for county-wide infrastructural projects.

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 sewer 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, 2019

**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.

Custodial Funds are used to account for assets held by public officials in a trustee capacity or as a custodian for individuals, private organizations, other governments and/or other funds. Custodial funds are used to report fiduciary activities that are not reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. Custodial 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, 2019

**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 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.

The Custodial Funds are accounted for using an economic resource measurement focus requiring a resource flow statement. Liabilities are recognized when an event occurs that compels the County to disburse fiduciary resources, which is when a demand for resources has been made or when no further action, approval or condition is required to be taken or not by the beneficiary to release the assets.



CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2019

**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. 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, 2019

**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, 2019

**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 \$36,706,044.

**(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 \$27,802,867, based upon an independent appraisal provided in September 30, 2019. This value also takes into consideration two subsequent contracted sales of certain parcels, less estimated selling costs. The contracted sale with Private Equity Group for 440.21 acres in the amount of \$11,600,000, was completed in 2019. A contracted sale with Lost Lagoon, LLC for 156 acres in the amount of \$6,701,675 is scheduled for the future. The contracted sale and independent appraisal are level 2 and 3, respectively, fair value measurements under the fair value hierarchy described on page I-57.

**(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, 2019

**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 (Other Post-Employment Benefits) 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, 2019

**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, 2019

**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, 2019

**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, 2018, the County early adopted GASB Statement No. 84, Fiduciary Activities. Implementation of the Statement establishes criteria for identifying fiduciary activities and enhances the value provided by the information reported for assessing the governments accountability and stewardship.

The financial statements of custodial funds held by the Board of County Commissioners, Clerk of the Circuit Court, Sheriff, and Tax Collector have been restated to comply with the liability recognition criteria of the Statement as follows:

	Board	Clerk	Sheriff	Tax Collector	Total
Net position, beginning	\$ -	\$ -	\$ -	\$ -	\$ -
Restatement	8,019	9,416,546	188,426	4,201	9,617,192
Net position-beginning, as restated	\$ 8,019	\$ 9,416,546	\$ 188,426	\$ 4,201	\$ 9,617,192

Effective October 1, 2018, the County adopted provisions of GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. Implementation of this Statement results in a distinction of debt offered for public sale with debt associated with direct borrowings and direct placements, and additional disclosure of terms specified in the debt agreements.

**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, 2019

**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	\$ 13,655,954
Loans/Promissory Note Payable	39,559,795
Special Assessment Loans Payable	30,674,000
Revenue Bonds Payable	15,655,000
General Obligation Debt	23,645,000
Other Postemployment Benefits	36,853,753
Net Pension Liability	180,887,013
Accrued Interest Payable	246,998
Unamortized Premium	1,973,597
Unamortized Deferred Outflow - Loss on Refunding	(952,457)
Unamortized Deferred Outflow - Pension and OPEB Related	(63,256,175)
Unamortized Deferred Inflow - Pension and OPEB Related	<u>15,237,543</u>
Net adjustment to reduce Fund Balance-Total Governmental Funds to arrive at Net Position-Governmental Activities	<u>\$ 294,180,021</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, 2019, 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, 2019

**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 \$219,917,566 as of September 30, 2019.

**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.
- (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.

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2019

**Note 4. Cash and Investments (continued)**

**Investments (continued)**

The County's investments at September 30, 2019 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, 2019.

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, 2019, the County had a balance of \$167,770,332 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, 2019, the FLGIT portfolio included certain corporate securities. These securities amounted to 21.51% 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, 2019

**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, 2019, the Florida FIT portfolio included certain corporate securities. These securities amount to 4.42% 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, 2019 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: Investments reflect unadjusted quoted prices in active markets for identical assets.

Level 2: Investments reflect prices that are based on inputs that are either directly or indirectly observable for an asset (including quoted prices for similar assets), which may include inputs in markets that are not considered to be active. All level 2 prices are provided by an independent third party.

Level 3: Investments reflect prices based upon unobservable inputs for an asset.

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2019

**Note 4. Cash and Investments (continued)**

**Investments (continued)**

	Fair Value Method	Interest Rate	Maturity Range	Balance at 9/30/19
<u>Investments by Fair Value Level</u>				
Federal National Mortgage Assoc.	Level 2	1.000% - 2.07%	10/19 - 6/26	\$ 18,897,572
Federal Home Loan Mortgage Corp.	Level 2	0.875% - 3.00%	10/19 - 8/26	81,616,551
Federal Home Loan Bank	Level 2	0.875% - 2.32%	11/19 - 10/22	69,734,400
Federal Farm Credit Bank	Level 2	1.170% - 2.10%	10/19 - 8/24	19,485,625
U. S. Treasury Notes	Level 2	1.375% - 2.75%	8/20 - 9/20	12,012,064
Total Investments Measured at Fair Value				\$ 201,746,212
<u>Investments Measured at Net Asset Value</u>				
Florida Local Government Investment Trust				\$ 55,228,237
Florida Fixed Income Trust				72,616,739
Total Investments Measured at Net Asset Value				\$ 127,844,976
<u>Investments Measured at Amortized Cost</u>				
Florida PRIME				\$ 179,512,990
Federated Money Market				3,612,140
Total Measured at Amortized Cost				\$ 183,125,130
Total Investments and Cash Equivalents				\$ 512,716,318
Florida PRIME Classified as Cash Equivalents				(179,512,990)
Total Investments, Net of Cash Equivalents				\$ 333,203,328

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2019

**Note 5. Accounts and Assessments Receivable**

At September 30, 2019, 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	\$ 32,240,923	\$ 28,866,366	\$ 3,374,557
Property Appraiser	17	-	17
Sheriff	1,230	-	1,230
Clerk of the Circuit Court	116	-	116
Total General Fund	<u>32,242,286</u>	<u>28,866,366</u>	<u>3,375,920</u>
Total Major Governmental Funds	<u>32,242,286</u>	<u>28,866,366</u>	<u>3,375,920</u>
Nonmajor Governmental Funds			
Board of County Commissioners	7,699,171	7,197,861	501,310
Sheriff	64,480	-	64,480
Total Non-Major Governmental Funds	<u>7,763,651</u>	<u>7,197,861</u>	<u>565,790</u>
Internal Service Funds	<u>94,389</u>	<u>-</u>	<u>94,389</u>
Total Governmental Activities Statement of Net Position	<u>40,100,326</u>	<u>36,064,227</u>	<u>4,036,099</u>
<u>Proprietary Funds</u>			
Charlotte County Landfill	179,533	-	179,533
Utility System (Customers)	10,244,970	641,817	9,603,153
Nonmajor Sanitation District	7,578	-	7,578
Total Proprietary Funds	<u>10,432,081</u>	<u>641,817</u>	<u>9,790,264</u>
<u>Fiduciary Funds</u>			
Clerk of the Circuit Court	<u>3,009,194</u>	<u>-</u>	<u>3,009,194</u>
Total Fiduciary Funds	<u>3,009,194</u>	<u>-</u>	<u>3,009,194</u>
Total All Funds	<u>\$ 53,541,601</u>	<u>\$ 36,706,044</u>	<u>\$ 16,835,557</u>

The Utility System (customers) line item includes \$2,516,712 of special assessment receivables, of which \$486,729 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, 2019

**Note 6. Interfund Balances**

A. Due to/from other funds at September 30, 2019:

Receivable Fund	Payable Fund	Amount
General	Sales Tax Extension 2014	\$ 43,909
	Nonmajor Governmental Funds	<u>2,656,662</u>
	Total Due to General Fund	<u>\$ 2,700,571</u>
Charlotte Public Safety	General Fund	<u>\$ 278,951</u>
	Total Due to Charlotte Public Safety	<u>\$ 278,951</u>
Street & Drainage Maintenance	General Fund	\$ 368,207
	Nonmajor Governmental Funds	<u>12,682</u>
	Total Due to Street & Drainage Maintenance	<u>\$ 380,889</u>
Capital Projects	General Fund	\$ 1,614
	Utility System	462,570
	Nonmajor Governmental Funds	<u>952,798</u>
	Total Due to Capital Projects	<u>\$ 1,416,982</u>
Charlotte County Landfill	Charlotte Sanitation	<u>\$ 409,853</u>
	Total Due to Charlotte County Landfill	<u>\$ 409,853</u>
Utility System	General Fund	\$ 31,337
	Nonmajor Governmental Funds	<u>383</u>
	Total Due to Utility System	<u>\$ 31,720</u>
Charlotte Sanitation	General Fund	<u>\$ 181,350</u>
	Total Due to Charlotte Sanitation	<u>\$ 181,350</u>
Internal Service Funds	General Fund	<u>\$ 1,415</u>
	Total Due to Internal Service Funds	<u>\$ 1,415</u>
Nonmajor Governmental Funds	General Fund	\$ 4,693,711
	Charlotte County Landfill	87,858
	Nonmajor Governmental Funds	<u>637,895</u>
	Total Due to Nonmajor Governmental Funds	<u>\$ 5,419,464</u>
	Total	<u><u>\$ 10,821,195</u></u>

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2019

**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, 2019:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General	Charlotte Public Safety	\$ 70,154,685
	Capital Projects	1,077,737
	Charlotte County Landfill	60,876
	Utility System	622,551
	Internal Service Funds	28,920
	Nonmajor Governmental Funds	5,828,477
	Total Transfer to General Fund	<u>\$ 77,773,246</u>
Charlotte Public Safety	General Fund	\$ 272,606
	Total Transfer to Charlotte Public Safety Fund	<u>\$ 272,606</u>
Street & Drainage Maintenance	General Fund	\$ 182,390
	Capital Projects	109,412
	Total Transfer to Street & Drainage Maintenance	<u>\$ 291,802</u>
Capital Projects	General	\$ 129,277
	Charlotte Public Safety	65,648
	Utility System	28,186
	Nonmajor Governmental Funds	382,749
	Total Transfer to Capital Projects	<u>\$ 605,860</u>
Utility System	General Fund	\$ 50,542
	Total Transfer to Utility System	<u>\$ 50,542</u>
Charlotte Sanitation	General Fund	\$ 89,650
	Total Due to Nonmajor Proprietary	<u>\$ 89,650</u>
Internal Service Funds	Nonmajor Governmental Funds	\$ 7,504
	Total Transfer to Internal Service Funds	<u>\$ 7,504</u>
Nonmajor Governmental Funds	General Fund	\$ 10,901,762
	Charlotte Public Safety	1,754,994
	Capital Projects	4,509,480
	Street & Drainage Maintenance	3,000
	Nonmajor Governmental Funds	6,255,301
	Total Transfer to Nonmajor Governmental Funds	<u>\$ 23,424,537</u>
	<b>Total</b>	<u><u>\$102,515,747</u></u>

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2019

**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, 2019:

Payable Fund	Receivable Fund	Amount
Charlotte County Utilities	Capital Projects	\$ 462,570
Parkside Community Redevelopment	Capital Projects	7,208,208
Charlotte County Utilities	Capital Projects	5,796,671
Charlotte Harbor Redevelopment	General Fund	605,323
Charlotte County Utilities	General Fund	2,727,513
Infrastructure Fund	Capital Projects	2,700,000
		\$ 19,500,285

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.

The amount advanced by the Capital Projects Fund to the Infrastructure Fund relates to a loan made to fund the Sheriff's District 3 headquarters.



CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2019

**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, 2019 are as follows:

	Cash and Cash Equivalents	Investments	Total
<u>Governmental Activities</u>			
Nonmajor Governmental Funds			
Murdock Village			
Redevelopment	\$ 10,826,521	\$ -	\$ 10,826,521
	<u>10,826,521</u>	<u>-</u>	<u>10,826,521</u>
Total Governmental Activities	<u>\$ 10,826,521</u>	<u>\$ -</u>	<u>\$ 10,826,521</u>
<u>Business-type Activities</u>			
Charlotte County Landfill			
Closure and Long Term			
Monitoring	\$ 3,201,129	\$ 6,479,164	\$ 9,680,293
Deposits	7,509	16,969	24,478
Deep Injection Well	114,502	228,281	342,783
	<u>3,323,140</u>	<u>6,724,414</u>	<u>10,047,554</u>
Utility System			
Debt Service	6,148,158	12,167,613	18,315,771
Construction Trust	5,945,176	10,545,839	16,491,015
Renewal & Replacement	4,852,440	9,693,456	14,545,896
Customer Deposits	490,077	4,649,839	5,139,916
Other	1,895,998	3,762,170	5,658,168
	<u>19,331,849</u>	<u>40,818,917</u>	<u>60,150,766</u>
Total Business-type Activities	<u>\$ 22,654,989</u>	<u>\$ 47,543,331</u>	<u>\$ 70,198,320</u>

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2019

**Note 8. Capital Assets**

Capital assets activity for the year ended September 30, 2019 are as follows:

	Governmental Activities Capital Assets 10/1/2018	Additions	Deletions	Governmental Activities Capital Assets 9/30/2019
Governmental Activities				
Capital Assets not Depreciated:				
Land & Other	\$ 181,875,164	\$ 7,503,106	\$ 19,642	\$ 189,358,628
Easements	3,787,418	542,325	-	4,329,743
Construction in Progress	53,803,230	64,332,470	57,011,120	61,124,580
Total Assets not Depreciated	<u>239,465,812</u>	<u>72,377,901</u>	<u>57,030,762</u>	<u>254,812,951</u>
Capital Assets Depreciated:				
Buildings	252,854,970	25,421,104	-	278,276,074
Infrastructure	523,063,166	15,644,664	-	538,707,830
Improvements Other than Buildings	109,103,695	15,207,521	-	124,311,216
Equipment	117,929,104	14,219,419	5,976,684	126,171,839
Intangible Assets	1,672,488	13,266	-	1,685,754
Total Assets Depreciated	<u>1,004,623,423</u>	<u>70,505,974</u>	<u>5,976,684</u>	<u>1,069,152,713</u>
Less Accumulated Depreciation and Amortization:				
Buildings	93,338,570	6,875,111	-	100,213,681
Infrastructure	182,687,099	13,242,053	-	195,929,152
Improvements Other than Buildings	39,891,046	4,885,150	-	44,776,196
Equipment	85,323,341	10,547,457	5,616,966	90,253,832
Intangible Assets	1,511,912	163,014	-	1,674,926
Total Accumulated Depreciation and Amortization	<u>402,751,968</u>	<u>35,712,785</u>	<u>5,616,966</u>	<u>432,847,787</u>
Total Depreciable Capital Assets, Net	<u>601,871,455</u>	<u>34,793,189</u>	<u>359,718</u>	<u>636,304,926</u>
Total Governmental Activities Capital Assets, Net of Depreciation and Amortization	<u>\$ 841,337,267</u>	<u>\$107,171,090</u>	<u>\$57,390,480</u>	<u>\$ 891,117,877</u>

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2019

**Note 8. Capital Assets (continued)**

	Business-type Capital Assets 10/1/2018	Additions	Deletions	Business-type Capital Assets 9/30/2019
<b>Business-type Activities:</b>				
<b>Capital Assets not Depreciated:</b>				
Land & Other	\$ 25,288,187	\$ -	\$ 21,420	\$ 25,266,767
Easements	835,617	1,238,382	-	2,073,999
Construction in Progress	73,171,912	22,063,762	43,333,166	51,902,508
Total Assets not Depreciated	<u>99,295,716</u>	<u>23,302,144</u>	<u>43,354,586</u>	<u>79,243,274</u>
<b>Capital Assets Depreciated:</b>				
Buildings	17,428,618	-	-	17,428,618
Improvements Other than Buildings	434,693,306	45,038,195	-	479,731,501
Equipment	25,462,514	1,900,048	2,185,921	25,176,641
Intangible Assets	38,832,100	-	-	38,832,100
Total Assets Depreciated	<u>516,416,538</u>	<u>46,938,243</u>	<u>2,185,921</u>	<u>561,168,860</u>
<b>Less Accumulated Depreciation and Amortization:</b>				
Buildings	9,630,006	298,335	-	9,928,341
Improvements Other than Buildings	215,096,240	13,401,709	-	228,497,949
Equipment	14,512,781	1,994,251	2,185,921	14,321,111
Intangible Assets	29,077,720	1,380,317	-	30,458,037
Total Accumulated Depreciation and Amortization	<u>268,316,747</u>	<u>17,074,612</u>	<u>2,185,921</u>	<u>283,205,438</u>
Total Depreciable Capital Assets, Net	<u>248,099,791</u>	<u>29,863,631</u>	<u>-</u>	<u>277,963,422</u>
Total Business Type Activities Capital Assets, Net of Depreciation and Amortization	<u>\$347,395,507</u>	<u>\$ 53,165,775</u>	<u>\$ 43,354,586</u>	<u>\$ 357,206,696</u>

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

**Governmental Activities:**

General Government	\$ 3,655,290
Public Safety	8,879,521
Physical Environment	2,551,209
Transportation	13,668,414
Human Services	723,181
Culture and Recreation	6,047,566
Court Services	187,604
Total	<u>\$ 35,712,785</u>

**Business-type Activities:**

Utilities	\$ 16,112,045
Landfill	962,567
Total	<u>\$ 17,074,612</u>

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2019

**Note 9. Long-Term Obligations**

The following is a summary of changes in long-term obligations for the year ended September 30, 2019:

	Balance as of 10/1/2018	Additions	Deletions	Balance as of 9/30/2019	Due Within One Year
<b>Governmental-type Activities:</b>					
Revenue Bonds payable from general offerings	\$ 16,745,000	\$ -	\$ 1,090,000	\$ 15,655,000	\$ 1,130,000
Revenue bonds payable from direct placements	26,330,000	-	2,685,000	23,645,000	2,740,000
Loans/Promissory Note Payable from direct borrowings	44,844,493	2,720,000	8,004,698	39,559,795	5,628,419
Special Assessments Loans from direct borrowings	35,995,400	-	5,321,400	30,674,000	4,935,600
Self-Insurance Claims Payable	8,127,176	-	473,443	7,653,733	4,669,733
Other Postemployment Benefits	32,929,943	4,013,789	-	36,943,732	-
Accrued Compensated Absences	13,998,425	10,747,339	10,168,204	14,577,560	5,194,270
Unamortized Premium/(Discount)	2,089,560	-	115,963	1,973,597	-
Net Pension Liability	161,133,347	20,480,439	-	181,613,786	539,222
Capital Lease	108,544	-	108,544	-	-
Total	<u>342,301,888</u>	<u>37,961,567</u>	<u>27,967,252</u>	<u>352,296,203</u>	<u>24,837,244</u>
<b>Business-type Activities:</b>					
Revenue Bonds payable from general offerings	54,935,000	-	7,465,000	47,470,000	7,720,000
Revenue Bonds payable from direct placements	40,775,000	-	5,050,000	35,725,000	5,130,000
Utility Loans payable from direct borrowings	22,096,174	11,944,250	1,411,226	32,629,198	1,743,669
Special Assessment Loans payable from direct borrowings	21,549,287	688,478	1,625,440	20,612,325	1,842,798
Other Postemployment Benefits	1,713,427	6,717	-	1,720,144	-
Accrued Compensated Absences	1,085,299	1,176,781	1,121,826	1,140,254	97,980
Pension Liability	11,995,803	1,103,812	-	13,099,615	119,813
Landfill Closure	10,535,650	701,876	-	11,237,526	-
Unamortized Premium	1,819,058	-	303,176	1,515,882	-
Total	<u>166,504,698</u>	<u>15,621,914</u>	<u>16,976,668</u>	<u>165,149,944</u>	<u>16,654,260</u>
<b>Long-Term Debt</b>	<u>\$508,806,586</u>	<u>\$ 53,583,481</u>	<u>\$ 44,943,920</u>	<u>\$517,446,147</u>	<u>\$ 41,491,504</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, accrued compensated absences of \$921,606, pension liability of \$726,773, and OPEB liability of \$89,979 for the internal service funds are included in the above amounts. 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, 2019

**Note 9. Long-Term Obligations (continued)**

Long-term debt payable at September 30, 2019 is comprised of the following issues:

*Revenue Bonds Payable general offerings, Business-type Activities*

\$64,900,000 Series 2011 Utility Refunding Revenue Bonds, issued to (1) refund the Series 2001 (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 Commission, 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 9/30/19, which equals remaining principal and interest, is \$34,692,388.

\$ 29,725,000

In the event of default, the Series 2011 Utility Refunding Revenue Bonds are covered by a Municipal Bond Debt Service Reserve Insurance Policy.

\$23,955,000 Series 2016 Utility System Refunding Revenue Bonds, issued by Banc of America Preferred Funding Corporation to refund the Series 2006 Utility Revenue 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 9/30/19, which equals remaining principal and interest, is \$18,712,048.

17,745,000

In the event of default, the Holder may charge a default interest rate equal to the lesser of 12% per annum or the maximum rate permitted by law.

Total Revenue Bonds Payable from general offerings

\$ 47,470,000

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2019

**Note 9. Long-Term Obligations (continued)**

*Revenue Bonds Payable from direct placements, 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 9/30/19, which equals remaining principal and interest, is \$24,152,859.

\$ 20,985,000

In the event of default, the bonds shall bear interest of any overdue installment of principal and (to the extent permitted by law) interest at the rate of 9.94% per annum.

\$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 9/30/19, which equals remaining principal and interest, is \$15,060,760.

14,740,000

In the event of default, the holder may charge a default interest rate equal to the lesser of 12% per annum or the maximum rate permitted by law.

Total Revenue Bonds	47,470,000
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Total Revenue Bonds from direct placements	<u>35,725,000</u>
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Total Bonds	\$ 83,195,000
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Plus Unamortized Premium	<u>1,515,882</u>
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Total Revenue Bonds Payable for Business-type Activities	<u>\$ 84,710,882</u>
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*Utility Loans Payable from direct borrowings, Business-type Activities*

\$9,040,671 State of Florida Department of Environmental 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, 2021. The total pledged revenue at 9/30/19, which equals remaining principal and interest, is \$9,068,413. The County receives funding from this loan on a cost reimbursement basis. As of 9/30/19, the County has an outstanding loan balance for reimbursements received of \$4,694,486, and an additional \$109,049 in eligible expenditures not yet received.

\$ 4,694,486

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2019

**Note 9. Long-Term Obligations (continued)**

*Utility Loans Payable from borrowings, Business-type Activities, continued*

\$463,193 State of Florida Department of Environmental 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 9/30/19, which equals remaining principal and interest, is \$488,040.	442,224
\$3,318,800 State of Florida Department of Environmental 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 July 15, 2021. The total pledged revenue at 9/30/19, which equals remaining principal and interest, is \$3,896,447. The County receives funding from this loan on a cost reimbursement basis. As of 9/30/19, the County has an outstanding loan balance for reimbursements received of \$1,250,571, and an additional \$39,031 in eligible expenditures not yet received.	1,250,571
\$8,237,978 State of Florida Department of Environmental 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 9/30/19, which equals remaining principal and interest, is \$8,640,034.	7,955,338
\$23,766,505 State of Florida Department of Environmental 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, 2020. The total pledged revenue at 9/30/19, which equals remaining principal and interest, is \$25,337,280. The County receives funding from this loan on a cost reimbursement basis. As of 9/30/19, the County has an outstanding loan balance for reimbursements received of \$13,609,119, and an additional \$2,079,274 in eligible expenditures not yet received.	13,609,118
\$2,616,024 State of Florida Department of Environmental 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 9/30/19, which equals remaining principal and interest, is \$2,698,930. The County receives funding from this loan on a cost reimbursement basis. As of 9/30/19, the County has an outstanding loan balance for reimbursements received of \$1,763,901, and an additional \$31,340 in eligible expenditures not yet received.	1,684,917

CHARLOTTE COUNTY, FLORIDA  
 NOTES TO THE FINANCIAL STATEMENTS  
 September 30, 2019

**Note 9. Long-Term Obligations (continued)**

*Utility Loans Payable from direct borrowings, Business-type Activities, continued*

\$4,075,262 State of Florida Department of Environmental Protection Revolving Loan issued to fund Ingram 24" Water Main, secured by a pledge of 100% of the net revenues of the System operations. The interest rate of the loan is .75%. The loan is repayable in forty (40) semiannual payments beginning October 15, 2020. The total pledged revenue at 9/30/19, which equals remaining principal and interest, is \$4,483,762. The County receives funding from this loan on a cost reimbursement basis. As of 9/30/19, the County has an outstanding loan for reimbursements received of \$1,192,544 and an additional \$2,232,182 in eligible expenditures not yet received. 1,192,544

\$1,620,959 State of Florida Department of Environmental Protection Revolving Loan issued to fund the Myakka Booster Station, secured by a pledge of 100% of the net revenues of the System operations. The interest rate of the loan is 1.12%. The loan is repayable in forty (40) semiannual payments beginning June 15, 2021. The total pledged revenue at 9/30/19, which equals remaining principal and interest, is \$1,839,772. The County receives funding from this loan on a cost reimbursement basis. As of 9/30/19, the County has an outstanding loan balance for reimbursements received of \$0 and an additional \$355,925 in eligible expenditures not yet received. -

*In the event of default on loans with the State of Florida Department of Environmental Protection, the System may be caused to establish rates and collect fees and charges for use of the System in order to fulfill the agreements. The State of Florida Department of Environmental Protection may intercept the delinquent amount plus a penalty from any unobligated funds due to the Local Government under any revenue or tax sharing fund established by the State. The State of Florida Department of Environmental Protection may accelerate the repayment schedule or increase the interest rate of the unpaid principal of the loans to as much as 1.667 time the financing rate.*

\$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. 1,800,000

In the event of default, the Commission, the Bank or Trustee shall have the right to declare all loan repayments and all other amounts due to be immediately due and payable without further notice or demand, on a date which shall be no sooner than ninety (90) days of the date notice is given to the Public Agency.

Total Utility Loans Payable from direct borrowings, Business-type Activities \$ 32,629,198



CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2019

**Note 9. Long-Term Obligations (continued)**

*Special Assessment Loans Payable from direct borrowings, Business-type Activities*

<p>\$994,724 State of Florida Department of Environmental 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 9/30/19, which equals remaining principal and interest, is \$125,667.</p>	<p>\$ 120,590</p>
<p>\$1,738,244 State of Florida Department of Environmental 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 9/30/19, which equals remaining principal and interest, is \$230,256.</p>	<p>220,337</p>
<p>\$1,104,928 State of Florida Department of Environmental 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 9/30/19, which equals remaining principal and interest, is \$186,686.</p>	<p>176,783</p>
<p>\$1,793,615 State of Florida Department of Environmental 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 9/30/19, which equals remaining principal and interest, is \$341,818.</p>	<p>324,291</p>
<p>\$1,761,769 State of Florida Department of Environmental 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 9/30/19, which equals remaining principal and interest, is \$517,565.</p>	<p>481,605</p>
<p>\$2,047,527 State of Florida Department of Environmental 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 9/30/19, which equals remaining principal and interest, is \$671,445.</p>	<p>624,667</p>

CHARLOTTE COUNTY, FLORIDA  
 NOTES TO THE FINANCIAL STATEMENTS  
 September 30, 2019

**Note 9. Long-Term Obligations (continued)**

*Special Assessment Loans Payable from direct borrowings, Business-type Activities, continued*

<p>\$556,822 State of Florida Department of Environmental 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 9/30/19, which equals remaining principal and interest, is \$217,307.</p>	198,140
<p>\$863,558 State of Florida Department of Environmental 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 9/30/19, which equals remaining principal and interest, is \$330,371.</p>	302,079
<p>\$170,781 State of Florida Department of Environmental 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 9/30/19, which equals remaining principal and interest, is \$110,356.</p>	96,483
<p>\$1,070,649 State of Florida Department of Environmental 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 9/30/19, which equals remaining principal and interest, is \$722,433.</p>	616,507
<p>\$19,351,890 State of Florida Department of Environmental 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 9/30/19, which equals remaining principal and interest, is \$20,123,166. The County receives funding from this loan on a cost reimbursement basis.</p>	13,713,071

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2019

**Note 9. Long-Term Obligations (continued)**

*Special Assessment Loans Payable from direct borrowings, Business-type Activities, continued*

\$3,750,529 State of Florida Department of Environmental 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, 2019. The total pledged revenue at 9/30/19, which equals remaining principal and interest, is \$3,737,772. The County receives funding from this loan on a cost reimbursement basis. As of 9/30/19, the County has an outstanding loan balance for reimbursements received of \$3,876,680, and \$9,457 in eligible expenditures not yet received.

3,737,772

*In the event of default on loans with the State of Florida Department of Environmental Protection, the System may be caused to establish rates and collect fees and charges for use of the System in order to fulfill the agreements. The State of Florida Department of Environmental Protection may intercept the delinquent amount plus a penalty from any unobligated funds due to the Local Government under any revenue or tax sharing fund established by the State. The State of Florida Department of Environmental Protection may accelerate the repayment schedule or increase the interest rate of the unpaid principal of the loans to as much as 1.667 time the financing rate.*

Total Special Assessment Loans Payable from direct borrowings, Business-type Activities

20,612,325

Total Loans and Bonds Payable for Business-type Activities

\$ 137,952,405

Total principal and interest for utility bonds and loans for 2019 was \$15,340,230. The total pledged revenue less expenses was \$36,177,356, resulting in a debt coverage for 2019 of 1.91%.

The total principal and interest for special assessment loans for 2019 was \$1,526,771. The total pledged revenue less expenses for 2019 was \$1,426,936, resulting in a debt coverage for 2019 of .91%.

*Special Assessment Loans Payable from direct borrowings, 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.

\$ 855,000

\$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.

1,619,000

CHARLOTTE COUNTY, FLORIDA  
 NOTES TO THE FINANCIAL STATEMENTS  
 September 30, 2019

**Note 9. Long-Term Obligations (continued)**

*Special Assessment Loans Payable from direct borrowings, Governmental Activities, continued*

<p>\$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.</p>	5,803,000
<p>\$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.</p>	7,867,000
<p>\$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 &amp; 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.</p>	11,662,000
<p>\$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.</p>	<u>2,868,000</u>

*In the event of default, the Commission, the Bank or Trustee shall have the right to declare all loan repayments and all other amounts due to be immediately due and payable without further notice or demand, on a date which shall be no sooner than ninety (90) days of the date notice is given to the Public Agency.*

<p>Total Special Assessment Loans Payable from direct borrowings,          Governmental Activities</p>	<p><u>\$ 30,674,000</u></p>
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CHARLOTTE COUNTY, FLORIDA  
 NOTES TO THE FINANCIAL STATEMENTS  
 September 30, 2019

**Note 9. Long-Term Obligations (continued)**

*Loans/Promissory Note Payable from direct borrowings, 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. \$ 4,986,000

\$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. 4,000,000

\$2,720,000 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 (2018-2023), with a final balloon payment of \$1,740,000. Interest is due monthly, calculated in the manner provided in Treasury Regulations Section 1.148-4. 2,720,000

*In the event of default, the Commission, the Bank or Trustee shall have the right to declare all loan repayments and all other amounts due to be immediately due and payable without further notice or demand, on a date which shall be no sooner than ninety (90) days of the date notice is given to the Public Agency.*

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 \$43,587,446 and the total available revenue for the paving and dredging projects was \$75,746,549.

\$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 \$29,898,401 and the total available revenue was \$62,628,672 in fiscal year 2019. Interest is due quarterly at the rate of 2.95%. 27,853,795

CHARLOTTE COUNTY, FLORIDA  
 NOTES TO THE FINANCIAL STATEMENTS  
 September 30, 2019

**Note 9. Long-Term Obligations (continued)**

*Loans/Promissory Note Payable from direct borrowings, Governmental Activities, continued,*

In the event of default, the bank may declare all obligations of the County under the Loan Documents to be immediately due and payable without further action of any kind, and upon such declaration the Series 2012 Note and the interest accrued thereon shall become immediately due and payable.

Total Loans/Promissory Note Payable from direct borrowings, Governmental Activities	<u>\$ 39,559,795</u>
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*Revenue Bonds Payable from general offerings, 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 \$20,633,416 and the total available revenue is \$4,787,938, in fiscal year 2019.

\$ 15,655,000

*Bonds Payable from direct placements, Governmental Activities*

\$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 \$25,793,777 and the total available revenue was \$3,208,105 in fiscal year 2019.

23,645,000

A direct annual tax shall be levied in an amount not to exceed 0.20 mills upon all taxable property within the County, to make debt payments. In addition, the County has covenanted in the Resolution to appropriate in its annual budget, by amendment, if necessary, from Non-Ad Valorem Revenues, amounts sufficient to pay the principal and interest on the Series 2012 Bond.

Total Bonds Payable	\$ 39,300,000
Plus Unamortized Premium	<u>1,973,597</u>
Total Bonds Payable for Governmental Activities	<u>\$ 41,273,597</u>
Total Loans and Bonds Payable for Governmental Activities	<u><u>\$ 111,507,392</u></u>

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2019

**Note 9. Long-Term Obligations (continued)**

Public Offerings

Fiscal Year	Business-type Activities			Governmental Activities			Interest Rate
	Principal	Interest	Total	Principal	Interest	Total	
2020	\$ 7,720,000	\$ 1,786,165	\$ 9,506,165	\$ -	\$ 734,706	\$ 734,706	1.71% - 5.25%
2021	7,980,000	1,504,128	9,484,128	1,130,000	691,106	1,821,106	1.71% - 5.25%
2022	8,250,000	1,220,902	9,470,902	1,180,000	645,906	1,825,906	1.71% - 5.25%
2023	2,740,000	915,821	3,655,821	1,225,000	598,706	1,823,706	1.71% - 5.25%
2024	5,700,000	810,228	6,510,228	1,285,000	543,456	1,828,456	1.71% - 5.25%
2025 - 2029	15,080,000	590,274	15,670,274	8,065,000	1,705,931	9,770,931	1.71% - 5.25%
2030 - 2034	-	-	-	1,645,000	349,800	1,994,800	1.71% - 5.25%
2035 - 2039	-	-	-	1,125,000	76,156	1,201,156	1.71% - 5.25%
Subtotal Public Offerings	47,470,000	6,827,518	54,297,518	15,655,000	5,345,767	21,000,767	
Premium on Bonds	1,515,882	-	1,515,882	1,973,597	-	1,973,597	
Total Public Offerings	\$ 48,985,882	\$ 6,827,518	\$ 55,813,400	\$ 17,628,597	\$ 5,345,767	\$ 22,974,364	

Direct Placement or Direct Borrowing

Fiscal Year	Business-type Activities			Governmental Activities			Interest Rate
	Principal	Interest	Total	Principal	Interest	Total	
2020	\$ 8,715,068	\$ 1,348,139	\$ 10,063,207	\$ 13,304,819	\$ 1,793,668	\$ 15,098,487	0.03% - 5.25%
2021	10,221,556	1,269,081	11,490,637	20,621,685	1,511,428	22,133,113	0.03% - 5.25%
2022	10,269,277	1,144,176	11,413,453	32,536,291	1,145,331	33,681,622	0.03% - 5.25%
2023	15,427,817	591,582	16,019,399	13,346,000	379,706	13,725,706	0.03% - 5.25%
2024	12,992,888	211,696	13,204,584	4,720,000	250,496	4,970,496	0.03% - 5.25%
2025 - 2029	18,813,357	673,826	19,487,183	9,350,000	320,198	9,670,198	0.03% - 5.25%
2030 - 2034	9,765,632	211,771	9,977,403	-	-	-	0.03% - 5.25%
2035 - 2039	2,760,928	39,913	2,800,841	-	-	-	0.03% - 5.25%
Subtotal Direct Placement/Direct Borrowing	88,966,523	5,490,184	94,456,707	93,878,795	5,400,827	99,279,622	
Total All Debt	\$ 137,952,405	\$ 12,317,702	\$ 150,270,107	\$ 111,507,392	\$ 10,746,594	\$ 122,253,986	

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2019

**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, 2019.

**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 - \$40,800,000 Charlotte County Industrial Development Authority Town and Country Utilities Project, Series 2019 Bonds. The principal purpose of this bond is to provide funding for infrastructure of utilities services in 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, 2019 is \$40,800,000.

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, 2019 is \$10,000,000.



CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2019

**Note 11. Lease Obligations**

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, 2019 were \$633,488. 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
2020	\$ 557,348
2021	415,765
2022	222,279
2023	100,763
2024	81,406
Thereafter	81,406
Total	<u>\$ 1,458,967</u>

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, 2019, total rental revenues related to those operating leases were \$227,520.

**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.

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2019

**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, 2019, Charlotte County's ad valorem taxes were reduced by \$218,239 under this agreement.

**Note 14. Deficit Fund Balances of Individual Funds**

The following non-major governmental funds had deficit fund balances at September 30, 2019:

Parkside Community Redevelopment - The current deficit fund balance of \$5,314,189 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 \$7,223 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.

Stadium Maintenance & Operations - The current deficit fund balance of \$39,433 in this special revenue fund is the result of revenue remaining unbilled for the fiscal year. The revenues are expected to be received in the next fiscal year.

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2019

**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 \$288,067, which consists of the long-term portion of Unamortized Bond Insurance costs.

**Note 16. Non Current Receivables - Net**

Special assessments receivable balance is \$17,340,733. Of this, \$14,824,061 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 \$181,392,975 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, 2019

**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](http://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, 2019

**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.

<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>% Value</u>
<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, 2019

**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 2018-19 fiscal year were as follows:

Class	10/1/2018 - 6/30/2019		7/1/2019 - 9/30/19	
	Percent of Gross Salary		Percent of Gross Salary	
	Employee	Employer(1)	Employee	Employer(1)
FRS, Regular	3.00	8.26	3.00	8.47
FRS, Elected County Officers	3.00	48.70	3.00	48.82
FRS, Senior Management Service	3.00	24.06	3.00	25.41
FRS, Special Risk Regular	3.00	24.50	3.00	25.48
FRS, Special Risk Administrative	3.00	34.98	3.00	38.59
DROP - Applicable to Members from all of the Above Classes	0.00	14.03	0.00	14.60
FRS, Reemployed Retiree	(2)	(2)	(2)	(2)

Notes:

- (1) Employer rates include 1.66 percent for the postemployment health insurance subsidy for the period 10/1/18 - 6/30/19 and 1.66 percent for the period 7/1/19 - 9/30/19. 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 \$14,455,276 for the fiscal year ended September 30, 2019, excluding HIS plan contributions.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2019, the County reported a liability of \$155,871,470 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The County's proportionate share of the net pension liability was based on the County's 2018-19 fiscal year contributions relative to the 2017-18 fiscal year contributions of all participating members. At June 30, 2019, the County's proportionate share was .45 percent, which was the same as its proportionate share measured as of June 30, 2018.

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2019

**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, 2019, the County recognized pension expense of \$38,809,375. 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	\$ 9,245,183	\$ (96,732)
Change of assumptions	40,034,500	-
Net difference between projected and actual earnings on FRS pension plan investments	-	(8,623,623)
Changes in proportion and differences between County FRS contributions and proportionate share of contributions	4,175,380	(1,755,659)
County FRS contributions subsequent to the measurement date	4,091,009	-
Total	<u>\$ 57,546,072</u>	<u>\$ (10,476,014)</u>

The deferred outflows of resources related to pensions totaling \$4,091,009, 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, 2020. 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>
2020	\$15,357,839
2021	5,085,932
2022	11,369,599
2023	8,736,129
2024	1,998,369
Thereafter	431,181
	<u>\$42,979,049</u>

Actuarial Assumptions. The total pension liability in the July 1, 2019, 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	6.90 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, 2019, valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2019

**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 %	3.30 %	3.30 %	1.20 %
Fixed income	18.00 %	4.10 %	4.10 %	3.50 %
Global equity	54.00 %	8.00 %	6.80 %	16.50 %
Real estate (property)	10.00 %	6.70 %	6.10 %	11.70 %
Private equity	11.00 %	11.20 %	8.40 %	25.80 %
Strategic investments	6.00 %	5.90 %	5.70 %	6.70 %
Total	<u>100.00 %</u>			
Assumed Inflation - Mean			2.60 %	1.70 %

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

**Discount Rate.** The discount rate used to measure the total pension liability was 6.90 percent and 7.00 percent for the July 1, 2019 and 2018 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 6.90 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 (5.90 percent) of 1 percentage-point higher (7.90 percent) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
County's proportionate share of the net pension liability	\$269,449,866	\$ 155,871,470	\$ 61,014,297



CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
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**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, 2019, the County reported a payable of \$805,370 for the outstanding amount of contributions to the Plan required for the fiscal year ended September 30, 2019.

**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, 2019, 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, 2018 to June 30, 2019, the contribution rate was 1.66 percent of payroll. From July 1, 2019 to September 30, 2019 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 \$1,963,870 for the fiscal year ended September 30, 2019.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2019, the County reported a net pension liability of \$38,841,931 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2019 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 2018-19 fiscal year contributions relative to the total 2017-18 fiscal year contributions of all participating members. At June 30, 2019, the County's proportionate share was .35 percent, which is an increase of .01 percent from its proportionate share measured as of June 30, 2018.

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
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**Note 18. Retirement Plans (continued)**

**HIS Pension Plan (continued)**

For the fiscal year ended September 30, 2019, the County recognized HIS pension expense of \$3,284,281. 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	\$ 471,779	\$ (47,561)
Change of assumptions	4,497,529	(3,174,623)
Net difference between projected and actual earnings on HIS pension plan investments	25,064	-
Changes in proportion and differences between County HIS contributions and proportionate share of HIS contributions	2,030,352	(550,045)
County contributions subsequent to the measurement date	537,178	-
Total	<u>\$ 7,561,902</u>	<u>\$ (3,772,229)</u>

The deferred outflows of resources, totaling \$537,178, 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, 2020. 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
2020	\$ 1,060,458
2021	909,670
2021	636,099
2023	64,966
2024	173,336
Thereafter	407,956
	<u>\$ 3,252,495</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	3.50 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, 2013, through June 30, 2018.

CHARLOTTE COUNTY, FLORIDA  
 NOTES TO THE FINANCIAL STATEMENTS  
 September 30, 2019

**Note 18. Retirement Plans (continued)**

**HIS Pension Plan (continued)**

Discount Rate. The discount rate used to measure the total pension liability was 3.50 percent and 3.87 percent for the July 1, 2019 and 2018 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 3.50 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 (2.50 percent) or 1 percentage-point higher (4.50 percent) than the current rate:

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
County's proportionate share of the net pension liability	\$ 44,340,055	\$ 38,841,931	\$ 34,262,616

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. The County reported a payable of \$158,441 for the outstanding amount of contributions to the HIS Plan required for the fiscal year ended September 30, 2019.

**SUMMARY**

The aggregate amount of net pension liability, related deferred outflows of resources and deferred inflows of resources and pension expense for the County's defined benefit pension plans are summarized below:

	FRS Plan	HIS Plan	Total
Net pension liability	\$155,871,470	\$ 38,841,931	\$ 194,713,401
Deferred outflows of resources related to pensions	57,546,072	7,561,902	65,107,974
Deferred inflows of resources related to pensions	10,476,014	3,772,229	14,248,243
Pension expense	38,809,375	3,284,281	42,093,656

CHARLOTTE COUNTY, FLORIDA  
 NOTES TO THE FINANCIAL STATEMENTS  
 September 30, 2019

**Note 18. Retirement Plans (continued)**

**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.

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 2018-19 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, 2019, 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 \$4,243,397 for the fiscal year ended September 30, 2019.

CHARLOTTE COUNTY, FLORIDA  
 NOTES TO THE FINANCIAL STATEMENTS  
 September 30, 2019

**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, 2019, membership consisted of:

	<u>Agencies</u>	<u>Sheriff</u>
Inactive employees or beneficiaries currently receiving benefit payments	87	76
Inactive employees entitled to, but not yet, receiving benefit payments	-	-
Active employees	1,277	556
Total	1,364	632

CHARLOTTE COUNTY, FLORIDA  
 NOTES TO THE FINANCIAL STATEMENTS  
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**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, 2018. The Sheriff had an actuarial valuation with a September 30, 2019 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:

	<u>Agencies</u>		<u>Sheriff</u>	
Actuarial Cost Method	Entry Age		Entry Age	
Asset Valuation Method	Unfunded		Unfunded	
Actuarial Assumptions:				
Discount Rate	3.83%	(1)	3.58%	(1)
Projected Salary Increases	3.70% - 7.80%		6.00%	
Payroll Growth Assumptions	3.25%		3.00%	
Healthcare Cost Trend Rates	6.00%	(2)	8.50%	(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.
- (2) 6.00% for 2018, with a gradual annual declining to 4.40% in 2040 and beyond.
- (3) 8.50% for 2018, 8.00% for 2019, 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, 2019

**Note 19. Other Postemployment Benefits Plan (continued)**

**Changes in the Total OPEB Liability**

The total OPEB liability as of September 30, 2019 was as follows:

	<u>Agencies</u>	<u>Sheriff</u>	<u>Total</u>
Total OPEB Liability at 9/30/18, as restated	\$ 9,734,160	\$ 24,909,211	\$ 34,643,371
Changes for the year:			
Service cost	467,478	1,917,287	2,384,765
Interest	346,471	1,107,871	1,454,342
Difference between Actual and Expected Experience	(1,019,369)	-	(1,019,369)
Changes of assumptions or other inputs	855,217	1,607,225	2,462,442
Benefit payments	<u>(610,185)</u>	<u>(651,490)</u>	<u>(1,261,675)</u>
Net changes	<u>39,612</u>	<u>3,980,893</u>	<u>4,020,505</u>
 Total OPEB Liability at 9/30/19	 <u>\$ 9,773,772</u>	 <u>\$ 28,890,104</u>	 <u>\$ 38,663,876</u>

Changes in assumptions or other inputs reflect a change in the discount rate from 3.50% to 3.83% for all Agencies and a change from 4.18% to 3.58% 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 (2.83%) or one percent point higher (4.83%) than the current discount rate:

	1% Decrease (2.83%)	Current Discount Rate (3.83%)	1% Increase (4.83%)
Total OPEB Liability	\$ 10,396,070	\$ 9,773,772	\$ 9,175,601

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 (2.58%) or one percent point higher (4.58%) than the current discount rate:

	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
Total OPEB Liability	\$ 31,831,927	\$ 28,890,104	\$ 26,262,600

CHARLOTTE COUNTY, FLORIDA  
 NOTES TO THE FINANCIAL STATEMENTS  
 September 30, 2019

**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 (5.00% to 3.40%) or one percentage point higher (7.00% to 5.4%) than the current healthcare cost trend rate:

	1% Decrease <u>5.0% to 3.4%</u>	Current Trend Rate <u>6.0% to 4.4%</u>	1% Increase <u>7.0% to 5.4%</u>
Total OPEB Liability	\$ 9,162,175	\$ 9,773,772	\$ 10,497,486

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	\$ 24,754,386	\$ 28,890,104	\$ 33,879,748



CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2019

**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, 2019, the Agencies recognized OPEB expense of \$787,645. At September 30, 2019, 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
Difference between actual and expected experience	\$ -	\$ 914,279
Change of assumptions or other inputs	767,050	189,092
Amounts paid by the County for OPEB benefits and administrative expenses subsequent to the measurement date of October 1, 2018	<u>625,785</u>	<u>-</u>
Total	<u>\$ 1,392,835</u>	<u>\$ 1,103,371</u>

For the year ended September 30, 2019, the Sheriff recognized OPEB expense of \$3,064,222. At September 30, 2019, 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	<u>\$ 1,406,322</u>	<u>\$ 995,037</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, 2018 will be recognized in OPEB expense in the fiscal year ended September 30, 2019 and all other deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expenses as follows:

Year ended September 30:	Agencies	Sheriff
2020	\$ (41,166)	\$ 35,064
2021	(41,166)	35,064
2022	(41,166)	35,064
2023	(41,166)	35,064
2024	(41,166)	35,064
Thereafter	<u>(130,491)</u>	<u>235,965</u>
	<u>\$ (336,321)</u>	<u>\$ 411,285</u>

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
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**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 \$2,103,848 were paid to Cigna Healthcare to administer health insurance claims. Health insurance claims incurred, but not reported of \$1,396,733, were accrued in the health insurance trust fund as of September 30, 2019. 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 \$4,908,000 in the Self Insurance Fund and \$1,396,733 in the Health Insurance Trust Fund reported at September 30, 2019 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 2018 and 2019, 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.

Settled claims have not exceeded the commercial coverage in any of the past three fiscal years and there has not been a significant reduction in coverage from that of the previous fiscal year.

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2019

**Note 20. Risk Management (continued)**

Reconciliation of claims liabilities:

	<u>Self Insurance</u>	<u>Board Health Insurance</u>	<u>Sheriff Health Insurance</u>	<u>Total Insurance</u>
Balance at October 1, 2017	\$ 6,237,000	\$ 1,409,927	\$ 1,438,629	\$ 9,085,556
Current Year Claims and Changes in Estimates	154,508	18,883,704	9,093,397	28,131,609
Claim Payments	<u>(1,169,508)</u>	<u>(18,972,899)</u>	<u>(8,947,582)</u>	<u>(29,089,989)</u>
Balance at September 30, 2018	5,222,000	1,320,732	1,584,444	8,127,176
Current Year Claims and Changes in Estimates	1,283,279	21,575,220	9,646,826	32,505,325
Claim Payments	<u>(1,597,279)</u>	<u>(21,499,219)</u>	<u>(9,882,270)</u>	<u>(32,978,768)</u>
Balance at September 30, 2019	<u>\$ 4,908,000</u>	<u>\$ 1,396,733</u>	<u>\$ 1,349,000</u>	<u>\$ 7,653,733</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, 2019, the Sheriff was charged \$764,270 for the self-insurance program

The Sheriff participates in the Countywide self-insurance program for property liability. For fiscal year ended September 30, 2019, the Sheriff's portion for the self-insurance program, paid by the Board of County Commissioners, was \$386,596.

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, 2019 was \$1,260,549.

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 \$9,554,017. 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 Crowne Consulting Group 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 \$996,612.

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2019

**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:

	Committed	Payments
Bridges	\$ 8,970,143	\$ 7,248,713
Buildings	48,908,057	33,946,032
Dredging	4,967,589	3,273,535
Parks	29,842,151	22,073,650
Paving	50,772,917	41,272,729
Sidewalks	5,315,069	1,951,947
Stormwater	2,545,174	2,105,740
Water/Sewer Improvements	56,949,571	38,779,363
Widening	51,543,602	6,687,983

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.

Major Funds	Encumbrance
General Fund	\$ 1,676,933
Charlotte Public Safety	67,853
Street and Drainage Districts	1,522,351
Capital Projects	9,226,474
Sales Tax Extension 2014	1,363,513
Nonmajor Funds	Encumbrance
Other Governmental Funds	5,336,999

**Note 22. Miscellaneous Revenues**

Miscellaneous revenues in Governmental Activities are composed primarily of monies received from private sources and the sale of surplus equipment of \$897,000. For the year ending September 30, 2019, the County recognized \$3,864,235 in miscellaneous revenue.

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2019

**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 \$20,317,281. 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 55.31% has been used to date. The closure cost of \$11,237,526 for this capacity is reflected as a liability at September 30, 2019. Closure and post closure costs of \$9,079,755 remain to be recognized in the estimated 19 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, 2019, with restricted cash and investments of \$9,680,293 held for the purpose of closing the landfill in 2038. 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, 2019 is as follows:

Beginning Balance 9/30/2018	\$ 8,971,820
Deposits	492,702
Interest Earned	<u>215,771</u>
Ending Balance 9/30/2019	<u>\$ 9,680,293</u>

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2019

**Note 24. Expenditures in Excess of Appropriations**

The following funds have expenditures in excess of appropriations at September 30, 2019:

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.

Law Library - The \$2,312 in excess of expenditures over appropriations is due to equipment purchases that were not anticipated.

Radio Communications - The \$63,677 in excess of expenditures over appropriations is due to equipment purchases that were not anticipated.

Building Construction Services - The \$69,533 in excess of expenditures over appropriations is due mainly to a significant increase in credit card processing fees that was not anticipated.

911 and Enhanced 911 - The \$59,664 in excess of expenditures over appropriations is due to equipment purchases that were not anticipated.

Murdock Village Redevelopment - The \$851,052 in excess of expenditures over appropriations is due to the initial costs related to the design and permitting of the West Port area.

Impact Fees Trust - The \$60,776 in excess of expenditures over appropriations can be attributed to the increase in impact fees collected thus increasing the commission costs of these fees.

Habitat Conservation Management - The \$469,022 in excess of expenditures over appropriations is due to the County's purchase of land related to protecting the Scrub Jays.

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2019

**Note 25. Fund Balance Classification**

A detailed schedule of governmental fund balances at September 30, 2019 is as follows:

	General Fund	Charlotte Public Safety	Street and Drainage Districts Maintenance	Capital Projects	Sales Tax Extension 2014	Other Governmental Funds	Total Governmental Funds
<b>Nonspendable:</b>							
Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 895,388	\$ 895,388
Prepaid's	715,162	4,140	-	-	-	609,653	1,328,955
Total Nonspendable Fund Balance	<u>715,162</u>	<u>4,140</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,505,041</u>	<u>2,224,343</u>
<b>Restricted:</b>							
Beach Renourishment	-	-	-	-	-	10,372,295	10,372,295
Capital Improvements	-	-	-	-	-	11,750,736	11,750,736
Court Programs	-	-	-	-	-	2,553,037	2,553,037
Culture & Recreation	-	-	-	-	-	1,099,441	1,099,441
Drug Abuse	-	-	-	-	-	57,418	57,418
Environmental Programs	-	-	-	-	-	826,936	826,936
Grants	26,696	-	-	-	-	2,718,514	2,745,210
IT Equipment Replacement	351,190	-	-	-	-	-	351,190
Law Enforcement	-	-	-	-	-	2,753,501	2,753,501
Public Safety	-	1,044,532	-	-	-	746,030	1,790,562
Redevelopment	-	-	-	-	-	10,826,521	10,826,521
Road Improvements	-	-	-	-	-	4,557,706	4,557,706
Sales Tax Projects	-	-	-	-	44,723,955	3,420,049	48,144,004
Stormwater Utilities	-	-	-	-	-	20,398,737	20,398,737
Street/Drainage - Maintenance	-	-	42,776,152	-	-	-	42,776,152
Stadium	-	-	-	-	-	62,070	62,070
Street Lighting	-	-	-	-	-	3,222,947	3,222,947
Tourism	-	-	-	-	-	3,757,781	3,757,781
Transportation	-	-	-	-	-	6,387,830	6,387,830
Vehicle Replacement	2,201,984	-	-	-	-	-	2,201,984
Waterway Maintenance	-	-	-	-	-	4,756,917	4,756,917
Total Restricted Fund Balance	<u>2,579,870</u>	<u>1,044,532</u>	<u>42,776,152</u>	<u>-</u>	<u>44,723,955</u>	<u>90,268,466</u>	<u>181,392,975</u>

**Note 25. Fund Balance Classification (continued)**

	General Fund	Charlotte Public Safety	Street and Drainage Districts Maintenance	Capital Projects	Sales Tax Extension 2014	Other Governmental Funds	Total Governmental Funds
<b>Committed:</b>							
Beach Renourishment	-	-	-	-	-	3,290,435	3,290,435
Capital Improvements	-	-	-	19,113,551	-	2,272,852	21,386,403
Environmental Programs	-	-	-	-	-	2,245,934	2,245,934
Human Services	-	-	-	-	-	1,656,318	1,656,318
Public Safety	-	1,520	-	-	-	4,772	6,292
Road Improvement	-	-	-	-	-	709,616	709,616
Sales Tax Project	-	-	-	-	729,480	-	729,480
Stadium	-	-	-	-	-	61,549	61,549
Waterway Maintenance	-	-	-	-	-	275,913	275,913
<b>Total Committed Fund Balance</b>	<b>-</b>	<b>1,520</b>	<b>-</b>	<b>19,113,551</b>	<b>729,480</b>	<b>10,517,389</b>	<b>30,361,940</b>
<b>Assigned:</b>							
Beach Renourishment	-	-	-	-	-	4,373,201	4,373,201
Building Department Activities	-	-	-	-	-	2,752,303	2,752,303
Capital Improvements	-	-	-	30,185,982	-	156,497	30,342,479
Court Programs	-	-	-	-	-	1,458,035	1,458,035
Culture and Recreation	-	-	-	-	-	333,049	333,049
Debt Service	-	-	-	-	-	426,575	426,575
Donations	63,565	-	-	-	-	-	63,565
Drivers Education Programs	-	-	-	-	-	6,935	6,935
Drug Abuse Treatment & Education	-	-	-	-	-	11,887	11,887
Economic Incentive	1,598,325	-	-	-	-	-	1,598,325
Environmental Programs	-	-	-	-	-	435,826	435,826
Equipment Replacement	342,762	-	-	-	-	-	342,762
Fire/EMS Services	-	-	-	-	-	6,793,335	6,793,335
Grants	-	-	-	-	-	1,782,327	1,782,327
Human Services	-	-	-	-	-	319,913	319,913
IT Equipment Replacement	189,774	-	-	-	-	-	189,774
Law Enforcement	-	-	-	-	-	86,331	86,331
Public Safety	-	2,617,316	-	-	-	1,120,365	3,737,681
Radio Communications	-	-	-	-	-	2,266,710	2,266,710
Redevelopment	-	-	-	-	-	1,246,628	1,246,628
Road Improvements	-	-	-	-	-	23,746,723	23,746,723
Sales Tax Projects	-	-	-	-	2,465,376	2,618,714	5,084,090
Stadium	-	-	-	-	-	44,408	44,408



CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2019

**Note 25. Fund Balance Classification (continued)**

	General Fund	Charlotte Public Safety	Street and Drainage Districts Maintenance	Capital Projects	Sales Tax Extension 2014	Other Governmental Funds	Total Governmental Funds
<b>Assigned, continued</b>							
Stormwater Utilities	-	-	-	-	-	4,009,809	4,009,809
Street/Drainage - Maintenance	-	-	17,401,367	-	-	-	17,401,367
Street Lighting	-	-	-	-	-	860,711	860,711
Tourism	-	-	-	-	-	532,197	532,197
Transportation	-	-	-	-	-	15,535,113	15,535,113
Vehicle Replacement	464,789	-	-	-	-	-	464,789
Waterway Maintenance	-	-	-	-	-	3,024,227	3,024,227
Other Expenditures	4,470,107	-	-	-	-	-	4,470,107
<b>Total Assigned Fund Balance</b>	<u>7,129,322</u>	<u>2,617,316</u>	<u>17,401,367</u>	<u>30,185,982</u>	<u>2,465,376</u>	<u>73,941,819</u>	<u>133,741,182</u>
Unassigned Fund Balance	<u>59,968,635</u>	-	-	-	-	(5,360,845)	<u>54,607,790</u>
<b>Total Fund Balance</b>	<u>\$ 70,392,989</u>	<u>\$ 3,667,508</u>	<u>\$ 60,177,519</u>	<u>\$ 49,299,533</u>	<u>\$ 47,918,811</u>	<u>\$ 170,871,870</u>	<u>\$ 402,328,230</u>

CHARLOTTE COUNTY, FLORIDA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 OTHER POSTEMPLOYMENT BENEFITS PLAN  
 LAST TWO FISCAL YEARS

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY & RELATED RATIOS

	2019		2018	
	Agencies	Sheriff	Agencies	Sheriff
Reporting period ending	9/30/2019	9/30/2019	9/30/2018	9/30/2018
Measurement Date	10/1/2018	9/30/2019	10/1/2017	9/30/2018
Total OPEB Liability				
Service Cost	\$ 467,478	\$ 1,917,287	\$ 485,792	\$ 2,003,408
Interest	346,471	1,107,871	309,015	932,160
Differences between expected & actual experience	(1,019,369)	-	-	-
Changes of Assumptions and other inputs	855,217	1,607,225	(237,578)	(1,326,716)
Benefit payments	(610,185)	(651,490)	(606,347)	(604,631)
Net change in total OPEB liability	39,612	3,980,893	(49,118)	1,004,221
Total OPEB liability - beginning	9,734,160	24,909,211	9,783,278	23,904,989
Total OPEB liability - ending	\$ 9,773,772	\$ 28,890,104	\$ 9,734,160	\$ 24,909,210
Covered employee payroll	\$ 69,734,339	\$ 34,207,077	\$ 65,246,146	\$ 31,150,845
Total OPEB liability as a percentage of covered employee payroll	14.02 %	84.46 %	14.92 %	79.96 %

**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:

	Agencies	Sheriff
For the period ended 9/30/19	3.83 %	3.58 %
For the period ended 9/30/18	3.50 %	4.18 %
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 Six Fiscal Years  
 For the Fiscal Year Ended September 30, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	12,402,516	11,221,580	11,684,212
Contributions in relation to the contractually required contribution	<u>(12,402,516)</u>	<u>(11,221,580)</u>	<u>(11,684,212)</u>
Contribution deficiency (excess)	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
County's covered payroll	85,820,090	81,353,588	78,361,733
Contributions as a percentage of covered payroll	14.45	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 15.00	71,077,363 11.79	66,168,496 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 Six Fiscal Years  
 For the Fiscal Year Ended September 30, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>
County's proportion of the net pension liability	0.45 %	0.45 %	0.45 %
County's proportionate share of the net pension liability	\$ 155,871,470	\$ 136,734,652	\$ 134,038,267
County's covered payroll	\$ 84,232,376	\$ 81,228,303	\$ 76,983,696
County's proportionate share of the net pension liability as a percentage of its covered payroll	185.05 %	168.33 %	174.11 %
Plan fiduciary net position as a percentage of the total pension liability	82.61 %	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 Six Fiscal Years  
 For the Fiscal Year Ended September 30, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 1,943,342	\$ 1,855,142	\$ 2,035,831
Contributions in relation to the contractually required contribution	<u>(1,943,342)</u>	<u>(1,855,142)</u>	<u>(2,035,831)</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 118,413,376	\$ 112,483,212	\$ 108,249,212
Contributions as a percentage of covered payroll	1.64 %	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 1.75 %	\$ 99,102,351 1.34 %	\$ 91,937,809 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 Six Fiscal Years  
 For the Fiscal Year Ended September 30, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>
County's proportion of the net pension liability	0.35 %	0.34 %	0.34 %
County's proportionate share of the net pension liability	\$ 38,841,931	\$ 36,394,498	\$ 35,997,850
County's covered payroll	\$ 116,101,014	\$ 112,444,356	\$ 106,339,590
County's proportionate share of the net pension liability as a percentage of its covered payroll	33.46 %	32.37 %	33.85 %
Plan fiduciary net position as a percentage of the total pension liability	2.63 %	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, 2019

	Special Revenue Funds			
	Transportation Trust	Fine and Forfeiture	Law Enforcement Trust	Drug Abuse Trust
<b>ASSETS</b>				
Cash and cash equivalents	\$ 7,743,950	\$ 22,100	\$ 18,520	\$ 21,283
Restricted cash and cash equivalents	-	-	-	-
Investments	14,350,228	7,292	36,921	42,432
Accounts and assessments receivable, net	-	-	-	-
Due from other funds	142,986	62,226	-	5,493
Due from other governmental agencies	1,596,246	-	-	-
Inventory of supplies, at cost	668,202	-	-	-
Other assets	253,470	29,702	89	97
Total assets	<u>24,755,082</u>	<u>121,320</u>	<u>55,530</u>	<u>69,305</u>
Deferred outflow - Court Related	-	-	-	-
Total assets and deferred outflows	<u>24,755,082</u>	<u>121,320</u>	<u>55,530</u>	<u>69,305</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts and vouchers payable	1,216,933	22,541	-	-
Contracts payable	118,503	-	-	-
Accrued liabilities	285,461	41,621	-	-
Due to other funds	12,682	1,531	-	-
Due to other governmental agencies	-	-	-	-
Advances from other funds	-	-	-	-
Deposits	32,959	-	-	-
Unearned revenue	-	-	-	-
Matured interest payable	-	-	-	-
Matured bonds payable	-	-	-	-
Other liabilities	-	-	-	-
Total liabilities	<u>1,666,538</u>	<u>65,693</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources				
Unavailable revenue	<u>274,542</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Nonspendable	891,059	29,417	-	-
Restricted	6,387,830	-	-	57,418
Committed	-	-	-	-
Assigned	15,535,113	26,210	55,530	11,887
Unassigned	-	-	-	-
Total fund balances (deficits)	<u>22,814,002</u>	<u>55,627</u>	<u>55,530</u>	<u>69,305</u>
Total liabilities and fund balances (deficits)	<u>\$ 24,755,082</u>	<u>\$ 121,320</u>	<u>\$ 55,530</u>	<u>\$ 69,305</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
\$ 5,835	\$ 4,738	\$ 762,586	\$ 7,960	\$ 1,135	\$ 61,619	\$ 1,181,744	\$ 2,028,017
-	-	-	-	-	-	-	-
11,634	9,448	1,499,011	15,768	2,262	122,850	2,342,858	2,418,433
-	1,148	-	-	-	-	2,193	-
3,154	3,154	7,090	1,815	3,535	57,998	930,090	-
-	-	10,130	-	-	-	789	14,521
-	-	-	-	-	-	-	-
27	24	6,605	37	3	291	15,261	71,945
<u>20,650</u>	<u>18,512</u>	<u>2,285,422</u>	<u>25,580</u>	<u>6,935</u>	<u>242,758</u>	<u>4,472,935</u>	<u>4,532,916</u>
-	-	-	-	-	-	-	-
<u>20,650</u>	<u>18,512</u>	<u>2,285,422</u>	<u>25,580</u>	<u>6,935</u>	<u>242,758</u>	<u>4,472,935</u>	<u>4,532,916</u>
1,095	-	9,888	-	-	-	63,087	35,582
-	-	-	-	-	-	-	-
-	-	4,529	-	-	-	19,642	103,788
19,555	-	-	-	-	-	89,915	393
-	-	-	-	-	-	-	49,422
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>20,650</u>	<u>-</u>	<u>14,417</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>172,644</u>	<u>189,185</u>
-	-	1,310	-	-	-	789	14,396
-	-	2,985	-	-	-	9,524	65,972
-	-	-	11,291	-	226,246	3,757,781	1,511,060
-	-	-	-	-	-	-	-
-	18,512	2,266,710	14,289	6,935	16,512	532,197	2,752,303
-	-	-	-	-	-	-	-
<u>-</u>	<u>18,512</u>	<u>2,269,695</u>	<u>25,580</u>	<u>6,935</u>	<u>242,758</u>	<u>4,299,502</u>	<u>4,329,335</u>
<u>\$ 20,650</u>	<u>\$ 18,512</u>	<u>\$ 2,285,422</u>	<u>\$ 25,580</u>	<u>\$ 6,935</u>	<u>\$ 242,758</u>	<u>\$ 4,472,935</u>	<u>\$ 4,532,916</u>

CHARLOTTE COUNTY, FLORIDA  
 COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 September 30, 2019

	Special Revenue Funds			
	Greater Charlotte Street Light	Open Space/Habitat	Native Tree Replacement	Boater Revolving
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,441,390	\$ 210	\$ 729,973	\$ 473,101
Restricted cash and cash equivalents	-	-	-	-
Investments	2,871,325	419	1,374,169	943,210
Accounts and assessments receivable, net	504	-	-	-
Due from other funds	30,299	-	-	35,752
Due from other governmental agencies	613	-	39,243	30,027
Inventory of supplies, at cost	227,186	-	-	-
Other assets	18,141	1	3,292	2,306
Total assets	<u>4,589,458</u>	<u>630</u>	<u>2,146,677</u>	<u>1,484,396</u>
Deferred outflow - Court Related	-	-	-	-
Total assets and deferred outflows	<u>4,589,458</u>	<u>630</u>	<u>2,146,677</u>	<u>1,484,396</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts and vouchers payable	209,108	-	2,000	40,356
Contracts payable	-	-	100	11,550
Accrued liabilities	16,336	-	-	-
Due to other funds	7,769	-	-	-
Due to other governmental agencies	-	-	-	-
Advances from other funds	-	-	-	-
Deposits	34,254	-	-	-
Unearned revenue	-	-	-	-
Matured interest payable	-	-	-	-
Matured bonds payable	-	-	-	-
Other liabilities	-	-	-	-
Total liabilities	<u>267,467</u>	<u>-</u>	<u>2,100</u>	<u>51,906</u>
Deferred inflows of resources				
Unavailable revenue	-	-	-	-
Fund Balances				
Nonspendable	238,333	-	-	-
Restricted	3,222,947	-	-	1,099,441
Committed	-	-	1,780,920	-
Assigned	860,711	630	363,657	333,049
Unassigned	-	-	-	-
Total fund balances (deficits)	<u>4,321,991</u>	<u>630</u>	<u>2,144,577</u>	<u>1,432,490</u>
Total liabilities and fund balances (deficits)	<u>\$ 4,589,458</u>	<u>\$ 630</u>	<u>\$ 2,146,677</u>	<u>\$ 1,484,396</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
\$ 265,469	\$ 791,018	\$ 611	\$ -	\$ 351,598	\$ 417,530	\$ 898,481
-	-	-	-	-	10,826,521	-
389,121	1,518,918	1,190	-	379,304	820,948	1,791,279
-	-	-	-	-	-	-
-	51	-	-	-	-	-
217,098	351,308	-	-	200,000	-	-
-	-	-	-	-	-	-
955	256,939	6	-	903	1,979	-
<u>872,643</u>	<u>2,918,234</u>	<u>1,807</u>	<u>-</u>	<u>931,805</u>	<u>12,066,978</u>	<u>2,689,760</u>
-	-	-	-	-	-	-
<u>872,643</u>	<u>2,918,234</u>	<u>1,807</u>	<u>-</u>	<u>931,805</u>	<u>12,066,978</u>	<u>2,689,760</u>
60,446	5,757	112	-	6,796	-	39,470
-	-	-	-	4,993	-	103,473
-	7,126	-	-	-	-	-
-	-	-	-	308,522	-	652,798
-	-	-	-	-	-	-
-	-	-	-	605,323	-	7,208,208
-	1,150	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>60,446</u>	<u>14,033</u>	<u>112</u>	<u>-</u>	<u>925,634</u>	<u>-</u>	<u>8,003,949</u>
66,167	-	-	-	-	-	-
-	-	-	-	-	-	-
746,030	2,656,545	-	-	-	10,826,521	-
-	3,000	-	-	-	-	-
-	244,656	1,695	-	6,171	1,240,457	-
-	-	-	-	-	-	(5,314,189)
<u>746,030</u>	<u>2,904,201</u>	<u>1,695</u>	<u>-</u>	<u>6,171</u>	<u>12,066,978</u>	<u>(5,314,189)</u>
<u>\$ 872,643</u>	<u>\$ 2,918,234</u>	<u>\$ 1,807</u>	<u>\$ -</u>	<u>\$ 931,805</u>	<u>\$ 12,066,978</u>	<u>\$ 2,689,760</u>

CHARLOTTE COUNTY, FLORIDA  
 COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 September 30, 2019

	Special Revenue Funds			
	Don			
	Stump Pass Dredging MSBU	Pedro/Knights Island Beach Renourishment	N Manasota Key Beach Renourishment	Impact Fees Trust
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,781,344	\$ 1,019,115	\$ 1,302,818	\$ 4,244,779
Restricted cash and cash equivalents	-	-	-	-
Investments	5,545,097	2,031,785	2,597,398	7,487,975
Accounts and assessments receivable, net	-	-	-	-
Due from other funds	9,127	3,480	8,975	-
Due from other governmental agencies	2,384,538	-	35,897	-
Inventory of supplies, at cost	-	-	-	-
Other assets	13,625	4,889	6,299	17,982
Total assets	<u>10,733,731</u>	<u>3,059,269</u>	<u>3,951,387</u>	<u>11,750,736</u>
Deferred outflow - Court Related	-	-	-	-
Total assets and deferred outflows	<u>10,733,731</u>	<u>3,059,269</u>	<u>3,951,387</u>	<u>11,750,736</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts and vouchers payable	35,413	3,009	46,321	-
Contracts payable	-	-	-	-
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Due to other governmental agencies	-	-	-	-
Advances from other funds	-	-	-	-
Deposits	-	-	-	-
Unearned revenue	-	-	-	-
Matured interest payable	-	-	-	-
Matured bonds payable	-	-	-	-
Other liabilities	-	-	-	-
Total liabilities	<u>35,413</u>	<u>3,009</u>	<u>46,321</u>	<u>-</u>
Deferred inflows of resources				
Unavailable revenue	<u>1,134,773</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Nonspendable	-	-	-	-
Restricted	5,380,043	793,382	2,687,810	11,750,736
Committed	1,500,000	1,640,435	150,000	-
Assigned	2,683,502	622,443	1,067,256	-
Unassigned	-	-	-	-
Total fund balances (deficits)	<u>9,563,545</u>	<u>3,056,260</u>	<u>3,905,066</u>	<u>11,750,736</u>
Total liabilities and fund balances (deficits)	<u>\$ 10,733,731</u>	<u>\$ 3,059,269</u>	<u>\$ 3,951,387</u>	<u>\$ 11,750,736</u>



Special Revenue Funds

Grants	Animal Care Trust Fund	Metropolitan Planning Organization	Habitat Conservation Management	Habitat Conservation Endowment	Waterway Maintenance Districts	Road Revolving	Transit
\$ 179,832	\$ 1,641	\$ 2,138	\$ 317,952	\$ 163,707	\$ 2,767,495	\$ 160,484	\$ 9,587
-	-	-	-	-	-	-	-
71,833	3,238	4,262	576,960	310,693	5,513,575	319,952	1,615
2,440	-	-	-	-	-	-	17,101
-	155	3,000	-	-	84,698	-	-
265,750	-	179,234	-	-	-	-	693,671
-	-	-	-	-	-	-	-
13,397	8	7,774	1,417	741	13,517	768	16,994
<u>533,252</u>	<u>5,042</u>	<u>196,408</u>	<u>896,329</u>	<u>475,141</u>	<u>8,379,285</u>	<u>481,204</u>	<u>738,968</u>
-	-	-	-	-	-	-	-
<u>533,252</u>	<u>5,042</u>	<u>196,408</u>	<u>896,329</u>	<u>475,141</u>	<u>8,379,285</u>	<u>481,204</u>	<u>738,968</u>
101,463	-	8,596	7,981	-	146,753	-	148,549
-	-	-	-	-	103,475	-	-
21,468	-	12,437	-	-	-	-	21,052
322,770	-	175,000	-	-	72,000	-	567,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
950	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>446,651</u>	<u>-</u>	<u>196,033</u>	<u>7,981</u>	<u>-</u>	<u>322,228</u>	<u>-</u>	<u>736,601</u>
-	-	7,598	-	-	-	-	-
-	-	-	-	-	-	-	-
61,969	-	-	369,917	457,019	4,756,917	-	-
-	4,772	-	465,014	-	275,913	370,133	-
24,632	270	-	53,417	18,122	3,024,227	111,071	2,367
-	-	(7,223)	-	-	-	-	-
<u>86,601</u>	<u>5,042</u>	<u>(7,223)</u>	<u>888,348</u>	<u>475,141</u>	<u>8,057,057</u>	<u>481,204</u>	<u>2,367</u>
<u>\$ 533,252</u>	<u>\$ 5,042</u>	<u>\$ 196,408</u>	<u>\$ 896,329</u>	<u>\$ 475,141</u>	<u>\$ 8,379,285</u>	<u>\$ 481,204</u>	<u>\$ 738,968</u>

CHARLOTTE COUNTY, FLORIDA  
 COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 September 30, 2019

	Special Revenue Funds			
	Stormwater	Barrier Islands Fire Service	Charlotte County Fire	Little Gasparilla Fire
	Utility Districts		Rescue Service	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 8,185,852	\$ 62,264	\$ 2,306,482	\$ 279
Restricted cash and cash equivalents	-	-	-	-
Investments	16,319,899	124,136	4,590,114	559
Accounts and assessments receivable, net	-	-	975	-
Due from other funds	66,686	7,358	344,698	2,664
Due from other governmental agencies	-	-	598,471	-
Inventory of supplies, at cost	-	-	-	-
Other assets	39,990	7,163	271,846	1
Total assets	<u>24,612,427</u>	<u>200,921</u>	<u>8,112,586</u>	<u>3,503</u>
Deferred outflow - Court Related	-	-	-	-
Total assets and deferred outflows	<u>24,612,427</u>	<u>200,921</u>	<u>8,112,586</u>	<u>3,503</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts and vouchers payable	67,172	1,709	145,288	-
Contracts payable	136,709	-	1,247	-
Accrued liabilities	-	16,690	532,036	-
Due to other funds	-	3,867	-	-
Due to other governmental agencies	-	-	-	-
Advances from other funds	-	-	-	-
Deposits	-	-	-	-
Unearned revenue	-	-	-	-
Matured interest payable	-	-	-	-
Matured bonds payable	-	-	-	-
Other liabilities	-	-	-	-
Total liabilities	<u>203,881</u>	<u>22,266</u>	<u>678,571</u>	<u>-</u>
Deferred inflows of resources				
Unavailable revenue	-	-	555,087	-
Fund Balances				
Nonspendable	-	6,813	260,938	-
Restricted	20,398,737	-	-	-
Committed	-	-	-	-
Assigned	4,009,809	171,842	6,617,990	3,503
Unassigned	-	-	-	-
Total fund balances (deficits)	<u>24,408,546</u>	<u>178,655</u>	<u>6,878,928</u>	<u>3,503</u>
Total liabilities and fund balances (deficits)	<u>\$ 24,612,427</u>	<u>\$ 200,921</u>	<u>\$ 8,112,586</u>	<u>\$ 3,503</u>

Special Revenue Funds						Debt Service
Charlotte County Health Facility	Event Center	Stadium Maintenance & Operations	Hurricane Fund	Clerk of the Court	Sheriff	Debt Service
\$ 569,000	\$ 43,369	\$ 3,368	\$ 339,557	\$ 4,246,952	\$ 2,467,181	\$ 711,806
-	-	-	-	-	-	-
1,134,402	86,465	6,715	591,189	-	-	1,419,112
-	297,204	134,493	45,252	-	64,480	-
116	-	12,543	-	780	2,272	43,226
32,974	-	5,568	5,929,347	11,721	-	765,846
-	-	-	-	-	-	-
2,768	-	4,505	-	55,574	-	3,341
<u>1,739,260</u>	<u>427,038</u>	<u>167,192</u>	<u>6,905,345</u>	<u>4,315,027</u>	<u>2,533,933</u>	<u>2,943,331</u>
-	-	-	-	116,065	-	-
<u>1,739,260</u>	<u>427,038</u>	<u>167,192</u>	<u>6,905,345</u>	<u>4,431,092</u>	<u>2,533,933</u>	<u>2,943,331</u>
12,380	82,555	44,300	9,147	10,727	17,969	-
-	-	-	33,970	-	-	-
-	-	4,923	-	73,420	-	-
-	344,483	17,341	-	262,424	-	1,059,403
-	-	-	-	118,156	-	-
-	-	-	-	-	-	-
-	-	10,000	-	-	-	-
-	-	-	138,372	-	-	-
-	-	-	-	-	-	367,353
-	-	-	-	-	-	1,090,000
-	-	-	-	15	-	-
<u>12,380</u>	<u>427,038</u>	<u>76,564</u>	<u>181,489</u>	<u>464,742</u>	<u>17,969</u>	<u>2,516,756</u>
-	-	130,061	4,968,528	-	-	-
-	-	-	-	-	-	-
-	-	-	-	2,553,037	2,515,964	-
1,653,318	-	-	-	-	-	-
73,562	-	-	1,755,328	1,413,313	-	426,575
-	-	(39,433)	-	-	-	-
<u>1,726,880</u>	<u>-</u>	<u>(39,433)</u>	<u>1,755,328</u>	<u>3,966,350</u>	<u>2,515,964</u>	<u>426,575</u>
<u>\$ 1,739,260</u>	<u>\$ 427,038</u>	<u>\$ 167,192</u>	<u>\$ 6,905,345</u>	<u>\$ 4,431,092</u>	<u>\$ 2,533,933</u>	<u>\$ 2,943,331</u>

CHARLOTTE COUNTY, FLORIDA  
 COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 September 30, 2019

	Capital Projects		
	Stadium Improvement	Sales Tax Extension 2009	Road Improvements
<b>ASSETS</b>			
Cash and cash equivalents	\$ 70,361	\$ 2,102,452	\$ 9,558,571
Restricted cash and cash equivalents	-	-	-
Investments	140,276	4,191,608	18,281,054
Accounts and assessments receivable, net	-	-	-
Due from other funds	-	-	-
Due from other governmental agencies	-	-	2,095,456
Inventory of supplies, at cost	-	-	-
Other assets	357	10,155	44,742
Total assets	210,994	6,304,215	29,979,823
Deferred outflow - Court Related	-	-	-
Total assets and deferred outflows	210,994	6,304,215	29,979,823
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Accounts and vouchers payable	-	217,471	777,254
Contracts payable	-	47,981	669,728
Accrued liabilities	-	-	-
Due to other funds	42,967	-	-
Due to other governmental agencies	-	-	-
Advances from other funds	-	-	-
Deposits	-	-	-
Unearned revenue	-	-	-
Matured interest payable	-	-	-
Matured bonds payable	-	-	-
Other liabilities	-	-	-
Total liabilities	42,967	265,452	1,446,982
Deferred inflows of resources			
Unavailable revenue	-	-	-
Fund Balances			
Nonspendable	-	-	-
Restricted	62,070	3,420,049	4,557,706
Committed	61,549	-	339,483
Assigned	44,408	2,618,714	23,635,652
Unassigned	-	-	-
Total fund balances (deficits)	168,027	6,038,763	28,532,841
Total liabilities and fund balances (deficits)	\$ 210,994	\$ 6,304,215	\$ 29,979,823

<u>Capital Projects</u>		
<u>Infrastructure Fund</u>	<u>Growth Increment Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 549,190	\$ 1,011,798	\$ 62,408,242
-	-	10,826,521
1,094,905	2,017,197	105,411,034
-	-	565,790
3,546,043	-	5,419,464
-	-	15,458,448
-	-	895,388
2,930	4,893	1,207,749
<u>5,193,068</u>	<u>3,033,888</u>	<u>202,192,636</u>
-	-	116,065
<u>5,193,068</u>	<u>3,033,888</u>	<u>202,308,701</u>
684,399	449,355	4,730,982
388,574	155,184	1,775,487
-	-	1,160,529
300,000	-	4,260,420
-	-	167,578
2,700,000	-	10,513,531
-	-	79,313
-	-	138,372
-	-	367,353
-	-	1,090,000
-	-	15
<u>4,072,973</u>	<u>604,539</u>	<u>24,283,580</u>
-	-	7,153,251
-	-	1,505,041
-	-	90,268,466
-	2,272,852	10,517,389
1,120,095	156,497	73,941,819
-	-	(5,360,845)
<u>1,120,095</u>	<u>2,429,349</u>	<u>170,871,870</u>
<u>\$ 5,193,068</u>	<u>\$ 3,033,888</u>	<u>\$ 202,308,701</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, 2019

	Special Revenue Funds			
	Transportation Trust	Fine and Forfeiture	Law Enforcement Trust	Drug Abuse Trust
Revenues:				
Taxes	\$ 5,360,096	\$ -	\$ -	\$ -
Assessments levied	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	3,557,296	-	-	-
Charges for services	15,604,780	603,287	-	80,201
Fines and forfeitures	-	-	65,103	-
Impact fees	-	-	-	-
Miscellaneous	1,036,266	7,083	1,709	2,606
Total revenues	<u>25,558,438</u>	<u>610,370</u>	<u>66,812</u>	<u>82,807</u>
Expenditures:				
Current				
General government	-	-	-	-
Court related	-	2,098,161	-	-
Public safety	-	483,841	-	-
Physical environment	371,073	-	-	-
Transportation	25,372,636	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	75,000
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	<u>25,743,709</u>	<u>2,582,002</u>	<u>-</u>	<u>75,000</u>
Excess of revenues over/(under) expenditures	<u>(185,271)</u>	<u>(1,971,632)</u>	<u>66,812</u>	<u>7,807</u>
Other financing sources (uses):				
Transfers in	3,000	1,969,273	-	-
Transfers out	(325,782)	(5,368)	(25,000)	-
Total other financing sources (uses)	<u>(322,782)</u>	<u>1,963,905</u>	<u>(25,000)</u>	<u>-</u>
Net change in fund balances (deficits)	(508,053)	(7,727)	41,812	7,807
Fund balances, (deficits) October 1, 2018	<u>23,322,055</u>	<u>63,354</u>	<u>13,718</u>	<u>61,498</u>
Fund balances, (deficits) September 30, 2019	<u>\$ 22,814,002</u>	<u>\$ 55,627</u>	<u>\$ 55,530</u>	<u>\$ 69,305</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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,336,758	\$ 120
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	6,739,437
-	-	-	-	-	-	125,000	80,863
37,900	37,900	-	23,055	-	65,633	-	109,584
-	-	87,363	2,233	43,857	-	-	-
-	-	-	-	-	-	-	-
367	902	678,687	895	494	6,747	112,327	206,813
<u>38,267</u>	<u>38,802</u>	<u>766,050</u>	<u>26,183</u>	<u>44,351</u>	<u>72,380</u>	<u>4,574,085</u>	<u>7,136,817</u>
-	-	574,879	-	-	-	-	-
18,712	-	-	-	-	-	-	-
-	-	-	-	46,980	-	-	6,844,545
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	76,500	-	-	-	-	-	-
-	-	-	-	-	-	2,375,998	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>18,712</u>	<u>76,500</u>	<u>574,879</u>	<u>-</u>	<u>46,980</u>	<u>-</u>	<u>2,375,998</u>	<u>6,844,545</u>
<u>19,555</u>	<u>(37,698)</u>	<u>191,171</u>	<u>26,183</u>	<u>(2,629)</u>	<u>72,380</u>	<u>2,198,087</u>	<u>292,272</u>
-	46,100	-	-	-	52,174	125,000	-
<u>(19,555)</u>	<u>-</u>	<u>(4,439)</u>	<u>(20,000)</u>	<u>-</u>	<u>(108,150)</u>	<u>(1,812,707)</u>	<u>(138,342)</u>
<u>(19,555)</u>	<u>46,100</u>	<u>(4,439)</u>	<u>(20,000)</u>	<u>-</u>	<u>(55,976)</u>	<u>(1,687,707)</u>	<u>(138,342)</u>
-	8,402	186,732	6,183	(2,629)	16,404	510,380	153,930
-	10,110	2,082,963	19,397	9,564	226,354	3,789,122	4,175,405
<u>\$ -</u>	<u>\$ 18,512</u>	<u>\$ 2,269,695</u>	<u>\$ 25,580</u>	<u>\$ 6,935</u>	<u>\$ 242,758</u>	<u>\$ 4,299,502</u>	<u>\$ 4,329,335</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, 2019

	Special Revenue Funds			
	Greater Charlotte Street Light	Open Space/Habitat	Native Tree Replacement	Boater Revolving
Revenues:				
Taxes	\$ 3,718,834	\$ -	\$ -	\$ -
Assessments levied	-	-	-	-
Licenses and permits	-	-	-	526,242
Intergovernmental	-	-	39,243	248,141
Charges for services	541,074	-	-	-
Fines and forfeitures	-	-	-	-
Impact fees	-	-	-	-
Miscellaneous	237,817	19	631,455	43,784
Total revenues	<u>4,497,725</u>	<u>19</u>	<u>670,698</u>	<u>818,167</u>
Expenditures:				
Current				
General government	-	-	-	-
Court related	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	786,221
Transportation	3,108,969	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	167,752	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	<u>3,108,969</u>	<u>-</u>	<u>167,752</u>	<u>786,221</u>
Excess of revenues over/(under) expenditures	<u>1,388,756</u>	<u>19</u>	<u>502,946</u>	<u>31,946</u>
Other financing sources (uses):				
Transfers in	30,144	-	-	-
Transfers out	(23,119)	-	-	(347,832)
Total other financing sources (uses)	<u>7,025</u>	<u>-</u>	<u>-</u>	<u>(347,832)</u>
Net change in fund balances (deficits)	1,395,781	19	502,946	(315,886)
Fund balances, (deficits) October 1, 2018	<u>2,926,210</u>	<u>611</u>	<u>1,641,631</u>	<u>1,748,376</u>
Fund balances, (deficits) September 30, 2019	<u>\$ 4,321,991</u>	<u>\$ 630</u>	<u>\$ 2,144,577</u>	<u>\$ 1,432,490</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
\$ -	\$ -	\$ -	\$ -	\$ 258,949	\$ -	\$ 557,719
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	707,044	-	-	-	-	-
838,291	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
28,963	604,237	509	(68)	20,445	11,711,160	-
<u>867,254</u>	<u>1,311,281</u>	<u>509</u>	<u>(68)</u>	<u>279,394</u>	<u>11,711,160</u>	<u>557,719</u>
-	-	-	-	-	901,998	3,180,540
-	-	-	-	-	-	-
868,307	-	-	-	-	-	-
-	-	-	64,120	-	-	-
-	-	-	-	501,142	-	-
-	1,629,324	-	-	-	-	-
-	-	2,688	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	5,312,686	-
<u>868,307</u>	<u>1,629,324</u>	<u>2,688</u>	<u>64,120</u>	<u>501,142</u>	<u>6,214,684</u>	<u>3,180,540</u>
<u>(1,053)</u>	<u>(318,043)</u>	<u>(2,179)</u>	<u>(64,188)</u>	<u>(221,748)</u>	<u>5,496,476</u>	<u>(2,622,821)</u>
-	-	-	7,656	35,832	4,200,000	-
-	-	-	-	-	-	-
-	-	-	<u>7,656</u>	<u>35,832</u>	<u>4,200,000</u>	<u>-</u>
(1,053)	(318,043)	(2,179)	(56,532)	(185,916)	9,696,476	(2,622,821)
747,083	3,222,244	3,874	56,532	192,087	2,370,502	(2,691,368)
<u>\$ 746,030</u>	<u>\$ 2,904,201</u>	<u>\$ 1,695</u>	<u>\$ -</u>	<u>\$ 6,171</u>	<u>\$ 12,066,978</u>	<u>\$ (5,314,189)</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, 2019

	Special Revenue Funds			
	Stump Pass Dredging MSBU	Don Pedro/Knights Island Beach Renourishment	N Manasota Key Beach Renourishment	Impact Fees Trust
Revenues:				
Taxes	\$ 1,118,543	\$ -	\$ -	\$ -
Assessments levied	301	280,539	723,575	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Impact fees	-	-	-	6,662,220
Miscellaneous	281,338	100,723	132,819	329,363
Total revenues	<u>1,400,182</u>	<u>381,262</u>	<u>856,394</u>	<u>6,991,583</u>
Expenditures:				
Current				
General government	-	-	-	15,906
Court related	-	-	-	-
Public safety	-	-	-	21,774
Physical environment	332,649	29,280	125,605	-
Transportation	-	-	-	111,482
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	17,931
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	<u>332,649</u>	<u>29,280</u>	<u>125,605</u>	<u>167,093</u>
Excess of revenues over/(under) expenditures	<u>1,067,533</u>	<u>351,982</u>	<u>730,789</u>	<u>6,824,490</u>
Other financing sources (uses):				
Transfers in	209,083	2,162,155	1,484,437	-
Transfers out	(1,640,435)	-	-	(1,747,604)
Total other financing sources (uses)	<u>(1,431,352)</u>	<u>2,162,155</u>	<u>1,484,437</u>	<u>(1,747,604)</u>
Net change in fund balances (deficits)	(363,819)	2,514,137	2,215,226	5,076,886
Fund balances, (deficits) October 1, 2018	<u>9,927,364</u>	<u>542,123</u>	<u>1,689,840</u>	<u>6,673,850</u>
Fund balances, (deficits) September 30, 2019	<u>\$ 9,563,545</u>	<u>\$ 3,056,260</u>	<u>\$ 3,905,066</u>	<u>\$ 11,750,736</u>

Special Revenue Funds

Grants	Animal Care Trust Fund	Metropolitan Planning Organization	Habitat Conservation Management	Habitat Conservation Endowment	Waterway Maintenance Districts	Road Revolving	Transit
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	1,039,508	-	-
-	-	-	-	-	-	-	-
1,895,372	-	506,355	-	-	-	-	2,842,037
-	692	-	561,712	155,363	-	-	212,277
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
33,701	1,049	(4,661)	32,874	14,151	285,879	15,778	7,428
<u>1,929,073</u>	<u>1,741</u>	<u>501,694</u>	<u>594,586</u>	<u>169,514</u>	<u>1,325,387</u>	<u>15,778</u>	<u>3,061,742</u>
-	-	533,046	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
52,876	-	-	908,682	-	1,536,358	-	-
-	-	-	-	-	-	-	-
4,475	-	-	-	-	-	-	-
2,115,723	1,378	-	-	-	-	-	3,587,079
-	-	3,419	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	203,561	-	-
<u>2,173,074</u>	<u>1,378</u>	<u>536,465</u>	<u>908,682</u>	<u>-</u>	<u>1,739,919</u>	<u>-</u>	<u>3,587,079</u>
<u>(244,001)</u>	<u>363</u>	<u>(34,771)</u>	<u>(314,096)</u>	<u>169,514</u>	<u>(414,532)</u>	<u>15,778</u>	<u>(525,337)</u>
252,772	-	33,402	-	-	119,567	-	752,083
-	-	-	-	-	-	-	(24,065)
<u>252,772</u>	<u>-</u>	<u>33,402</u>	<u>-</u>	<u>-</u>	<u>119,567</u>	<u>-</u>	<u>728,018</u>
8,771	363	(1,369)	(314,096)	169,514	(294,965)	15,778	202,681
77,830	4,679	(5,854)	1,202,444	305,627	8,352,022	465,426	(200,314)
<u>\$ 86,601</u>	<u>\$ 5,042</u>	<u>\$ (7,223)</u>	<u>\$ 888,348</u>	<u>\$ 475,141</u>	<u>\$ 8,057,057</u>	<u>\$ 481,204</u>	<u>\$ 2,367</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, 2019

	Special Revenue Funds			
	Stormwater	Charlotte		
	Utility Districts	Barrier Islands Fire Service	Rescue Service	Little Gasparilla Fire
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Assessments levied	5,280,173	593,248	23,100,117	214,794
Licenses and permits	-	-	36	-
Intergovernmental	-	-	1,602,025	-
Charges for services	-	-	45,537	-
Fines and forfeitures	-	-	-	-
Impact fees	-	-	-	-
Miscellaneous	831,858	11,165	982,158	837
Total revenues	<u>6,112,031</u>	<u>604,413</u>	<u>25,729,873</u>	<u>215,631</u>
Expenditures:				
Current				
General government	-	-	-	-
Court related	-	-	-	-
Public safety	-	635,841	27,815,871	216,010
Physical environment	3,893,041	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	<u>3,893,041</u>	<u>635,841</u>	<u>27,815,871</u>	<u>216,010</u>
Excess of revenues over/(under) expenditures	<u>2,218,990</u>	<u>(31,428)</u>	<u>(2,085,998)</u>	<u>(379)</u>
Other financing sources (uses):				
Transfers in	32,375	76,328	141,636	1,317
Transfers out	-	-	(113,992)	-
Total other financing sources (uses)	<u>32,375</u>	<u>76,328</u>	<u>27,644</u>	<u>1,317</u>
Net change in fund balances (deficits)	2,251,365	44,900	(2,058,354)	938
Fund balances, (deficits) October 1, 2018	<u>22,157,181</u>	<u>133,755</u>	<u>8,937,282</u>	<u>2,565</u>
Fund balances, (deficits) September 30, 2019	<u>\$ 24,408,546</u>	<u>\$ 178,655</u>	<u>\$ 6,878,928</u>	<u>\$ 3,503</u>

Special Revenue Funds						Debt Service
Charlotte County Health Facility	Event Center	Stadium Maintenance & Operations	Hurricane Fund	Clerk of the Court	Sheriff	Debt Service
\$ 1,442,094	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,996,043
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	1,712,178	601,535	564,657	-
-	1,729,218	54,394	-	3,424,840	635,514	-
-	-	-	-	1,157,708	89,873	-
-	-	-	-	-	-	-
57,837	-	35,501	2	99,018	29,799	220,773
<u>1,499,931</u>	<u>1,729,218</u>	<u>89,895</u>	<u>1,712,180</u>	<u>5,283,101</u>	<u>1,319,843</u>	<u>8,216,816</u>
-	-	-	189,693	25,781	-	-
-	-	-	-	3,962,539	-	-
-	-	-	35,280	-	1,203,483	-
-	-	-	47,004	-	-	-
-	-	-	813,464	-	-	-
-	-	-	-	-	-	-
406,495	-	-	-	-	-	-
-	2,238,050	1,901,285	901,369	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	5,051,079
<u>406,495</u>	<u>2,238,050</u>	<u>1,901,285</u>	<u>1,986,810</u>	<u>3,988,320</u>	<u>1,203,483</u>	<u>5,051,079</u>
<u>1,093,436</u>	<u>(508,832)</u>	<u>(1,811,390)</u>	<u>(274,630)</u>	<u>1,294,781</u>	<u>116,360</u>	<u>3,165,737</u>
-	508,832	1,705,653	-	370,830	-	1,704,083
-	-	(39,726)	-	(836,693)	(40,000)	(4,701,218)
-	<u>508,832</u>	<u>1,665,927</u>	-	<u>(465,863)</u>	<u>(40,000)</u>	<u>(2,997,135)</u>
1,093,436	-	(145,463)	(274,630)	828,918	76,360	168,602
633,444	-	106,030	2,029,958	3,137,432	2,439,604	257,973
<u>\$ 1,726,880</u>	<u>\$ -</u>	<u>\$ (39,433)</u>	<u>\$ 1,755,328</u>	<u>\$ 3,966,350</u>	<u>\$ 2,515,964</u>	<u>\$ 426,575</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, 2019

	Capital Projects		
	Stadium Improvement	Sales Tax Extension 2009	Road Improvements
Revenues:			
Taxes	\$ -	\$ -	\$ 4,571,511
Assessments levied	-	-	-
Licenses and permits	-	-	-
Intergovernmental	500,004	-	1,400,705
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Impact fees	-	-	-
Miscellaneous	57,019	217,308	955,813
Total revenues	557,023	217,308	6,928,029
Expenditures:			
Current			
General government	-	-	-
Court related	-	-	-
Public safety	-	-	-
Physical environment	-	-	-
Transportation	-	-	-
Economic environment	-	-	-
Human services	-	-	-
Culture and recreation	-	-	-
Capital outlay	37,930	1,245,940	10,145,474
Debt service	-	-	1,135,673
Total expenditures	37,930	1,245,940	11,281,147
Excess of revenues over/(under) expenditures	519,093	(1,028,632)	(4,353,118)
Other financing sources (uses):			
Transfers in	50,000	-	1,075,971
Transfers out	(500,004)	-	-
Total other financing sources (uses)	(450,004)	-	1,075,971
Net change in fund balances (deficits)	69,089	(1,028,632)	(3,277,147)
Fund balances, (deficits) October 1, 2018	98,938	7,067,395	31,809,988
Fund balances, (deficits) September 30, 2019	\$ 168,027	\$ 6,038,763	\$ 28,532,841

<u>Capital Projects</u>		
<u>Infrastructure Fund</u>	<u>Growth Increment Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ 29,360,667
-	-	31,232,255
-	-	7,265,715
-	-	16,382,455
-	-	24,761,252
-	-	1,446,137
-	-	6,662,220
<u>95,866</u>	<u>113,819</u>	<u>20,272,432</u>
<u>95,866</u>	<u>113,819</u>	<u>137,383,133</u>
-	-	5,421,843
-	-	6,079,412
-	-	38,171,932
-	-	8,146,909
-	-	29,907,693
-	-	1,633,799
-	-	6,264,863
-	-	7,605,804
8,748,858	3,086,416	23,264,618
-	-	11,702,999
<u>8,748,858</u>	<u>3,086,416</u>	<u>138,199,872</u>
<u>(8,652,992)</u>	<u>(2,972,597)</u>	<u>(816,739)</u>
4,060,451	2,214,383	23,424,537
-	-	(12,474,031)
<u>4,060,451</u>	<u>2,214,383</u>	<u>10,950,506</u>
(4,592,541)	(758,214)	10,133,767
<u>5,712,636</u>	<u>3,187,563</u>	<u>160,738,103</u>
<u>\$ 1,120,095</u>	<u>\$ 2,429,349</u>	<u>\$ 170,871,870</u>

**COMMUNITY REDEVELOPMENT  
AGENCIES**



CHARLOTTE COUNTY, FLORIDA  
 CHARLOTTE HARBOR COMMUNITY REDEVELOPMENT AGENCY  
 BALANCE SHEET  
 September 30, 2019

ASSETS

Cash and cash equivalents	\$	351,598
Investments		379,304
Interest receivable on investments		903
Due from other governments		<u>200,000</u>
Total assets	\$	<u><u>931,805</u></u>

LIABILITIES AND FUND BALANCES

Liabilities		
Accounts and vouchers payable	\$	6,796
Contracts payable		4,993
Due to other funds - General		308,522
Advances from other funds - General		<u>605,323</u>
Total liabilities		<u><u>925,634</u></u>
Fund		
Assigned		<u>6,171</u>
Total fund balance		<u><u>6,171</u></u>
Total liabilities and fund balance	\$	<u><u>931,805</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, 2019

Revenue:	
Taxes	\$ 258,949
Interest	<u>20,445</u>
Total revenue	<u>279,394</u>
Expenditures:	
Current	
Contract/Professional services	78,797
Purchased services	35,217
Capital outlay	<u>387,128</u>
Total expenditures	<u>501,142</u>
Excess of expenditures over revenues	<u>(221,748)</u>
Other financing sources:	
Transfers from other funds	<u>35,832</u>
Total other financing sources	<u>35,832</u>
Net change in fund balance	(185,916)
Fund balance, October 1, 2018	<u>192,087</u>
Fund balance, September 30, 2019	<u><u>\$ 6,171</u></u>

CHARLOTTE COUNTY, FLORIDA  
MURDOCK VILLAGE COMMUNITY REDEVELOPMENT AGENCY  
BALANCE SHEET  
September 30, 2019

ASSETS

Cash and cash equivalents	\$	417,530
Restricted cash and cash equivalents		10,826,521
Investments		820,948
Interest receivable on investments		1,979
Total assets		<u>\$ 12,066,978</u>

Fund Balance		
Restricted		10,826,521
Assigned		1,240,457
Total fund balance		<u>\$ 12,066,978</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, 2019

Revenue:	
Interest	\$ 111,160
Sale of land	<u>11,600,000</u>
Total revenue	<u>11,711,160</u>
Expenditures:	
Current	
General Government	
Contract/Professional services	573
Purchased services	97,369
Capital outlay	804,056
Debt service	<u>5,312,686</u>
Total expenditures	<u>6,214,684</u>
Excess of expenditures over revenues	<u>5,496,476</u>
Other financing sources:	
Transfers from other funds	<u>4,200,000</u>
Total other financing sources	<u>4,200,000</u>
Net change in fund balance	9,696,476
Fund balance, October 1, 2018	<u>2,370,502</u>
Fund balance, September 30, 2019	<u>\$ 12,066,978</u>

CHARLOTTE COUNTY, FLORIDA  
PARKSIDE COMMUNITY REDEVELOPMENT AGENCY  
BALANCE SHEET  
September 30, 2019

ASSETS

Cash and cash equivalents	\$ 898,481
Investments	<u>1,791,279</u>
Total assets	<u>\$ 2,689,760</u>

LIABILITIES AND FUND BALANCES

Liabilities	
Accounts and vouchers payable	\$ 39,470
Contracts payable	103,473
Due to other funds - Capital Projects	652,798
Advances from other funds - Capital Projects	<u>7,208,208</u>
Total liabilities	<u>8,003,949</u>
Fund Balance (deficit)	
Unassigned	<u>(5,314,189)</u>
Total fund balance (deficit)	<u>(5,314,189)</u>
Total liabilities and fund balance (deficit)	<u>\$ 2,689,760</u>

CHARLOTTE COUNTY, FLORIDA  
 PARKSIDE COMMUNITY REDEVELOPMENT AGENCY  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 For the Fiscal Year Ended September 30, 2019

Revenue:		
Taxes	\$	557,719
Total revenue		<u>557,719</u>
Expenditures:		
Current		
General Government		
Contract/Professional services		2,053
Purchased services		196,018
Capital outlay		<u>2,982,469</u>
Total expenditures		<u>3,180,540</u>
Excess of revenues (under) expenditures		<u>(2,622,821)</u>
Net change in fund balance		<u>(2,622,821)</u>
Fund balance, (deficit) October 1, 2018		<u>(2,691,368)</u>
Fund balance, (deficit) September 30, 2019	\$	<u><u>(5,314,189)</u></u>

CHARLOTTE COUNTY, FLORIDA  
 COMBINING STATEMENT OF NET POSITION  
 INTERNAL SERVICE FUNDS  
 September 30, 2019

ASSETS	Self- Insurance Fund	Health Insurance Trust Fund	Vehicle Maintenance	Accrued Compensated Absences	Clerk of the Court	Total
Current assets:						
Cash and cash equivalents	\$ 6,056,620	\$ 2,175,797	\$ 220,116	\$ 436,233	\$ 864,203	\$ 9,752,969
Investments	12,510,431	3,024,713	431,549	869,369	-	16,836,062
Accounts and assessments receivable, net	47,180	47,209	-	-	-	94,389
Due from other funds	-	-	1,415	-	-	1,415
Due from other governmental agencies	5,931	-	47,041	-	-	52,972
Inventory of supplies, at cost	-	-	199,019	-	-	199,019
Other assets	32,136	586,615	17,348	-	-	636,099
Total current assets	<u>18,652,298</u>	<u>5,834,334</u>	<u>916,488</u>	<u>1,305,602</u>	<u>864,203</u>	<u>27,572,925</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	-	262,937	-	-	272,633
Construction in progress	-	-	493,649	-	-	493,649
Less accumulated depreciation	<u>(9,696)</u>	<u>-</u>	<u>(771,609)</u>	<u>-</u>	<u>-</u>	<u>(781,305)</u>
Total capital assets (net)	<u>-</u>	<u>-</u>	<u>2,323,248</u>	<u>-</u>	<u>-</u>	<u>2,323,248</u>
Total assets	<u>18,652,298</u>	<u>5,834,334</u>	<u>3,239,736</u>	<u>1,305,602</u>	<u>864,203</u>	<u>29,896,173</u>
Deferred outflows of resources:						
Deferred outflow - Pension related	51,052	37,123	144,090	-	-	232,265
Deferred outflow - OPEB related	<u>2,690</u>	<u>1,708</u>	<u>8,705</u>	<u>-</u>	<u>-</u>	<u>13,103</u>
Total deferred outflow of resources	<u>53,742</u>	<u>38,831</u>	<u>152,795</u>	<u>-</u>	<u>-</u>	<u>245,368</u>
Total Assets	<u>18,706,040</u>	<u>5,873,165</u>	<u>3,392,531</u>	<u>1,305,602</u>	<u>864,203</u>	<u>30,141,541</u>
LIABILITIES						
Current liabilities:						
Accounts and vouchers payable	29,698	400,367	215,303	-	-	645,368
Accrued liabilities	5,494	3,122	18,134	-	-	26,750
Self-insurance claims payable	1,924,000	1,396,733	-	-	-	3,320,733
Other liabilities	-	919,466	-	-	-	919,466
Unearned revenue	-	2,136,009	-	-	-	2,136,009
Accrued compensated absences	<u>3,122</u>	<u>-</u>	<u>4,620</u>	<u>-</u>	<u>184,158</u>	<u>191,900</u>
Total current liabilities	<u>1,962,314</u>	<u>4,855,697</u>	<u>238,057</u>	<u>-</u>	<u>184,158</u>	<u>7,240,226</u>
Noncurrent liabilities:						
Accrued compensated absences	11,222	3,417	35,022	-	680,045	729,706
Self-insurance claims payable	2,984,000	-	-	-	-	2,984,000
Other postemployment benefits	18,814	10,563	60,602	-	-	89,979
Net pension liability	<u>157,731</u>	<u>112,884</u>	<u>456,158</u>	<u>-</u>	<u>-</u>	<u>726,773</u>
Total noncurrent liabilities	<u>3,171,767</u>	<u>126,864</u>	<u>551,782</u>	<u>-</u>	<u>680,045</u>	<u>4,530,458</u>
Total liabilities	<u>5,134,081</u>	<u>4,982,561</u>	<u>789,839</u>	<u>-</u>	<u>864,203</u>	<u>11,770,684</u>
Deferred inflows of resources:						
Deferred inflow - Pension related	10,243	7,229	30,223	-	-	47,695
Deferred inflow - OPEB related	<u>2,129</u>	<u>1,321</u>	<u>6,885</u>	<u>-</u>	<u>-</u>	<u>10,335</u>
Total deferred inflows of resources	<u>12,372</u>	<u>8,550</u>	<u>37,108</u>	<u>-</u>	<u>-</u>	<u>58,030</u>
NET POSITION						
Unrestricted	<u>12,585,879</u>	<u>1,855,762</u>	<u>2,565,584</u>	<u>1,305,602</u>	<u>-</u>	<u>18,312,827</u>
Total net position	<u>\$ 12,585,879</u>	<u>\$ 1,855,762</u>	<u>\$ 2,565,584</u>	<u>\$ 1,305,602</u>	<u>\$ -</u>	<u>\$ 18,312,827</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, 2019

	Self- Insurance Fund	Health Insurance Trust Fund	Vehicle Maintenance	Accrued Compensated Absences	Clerk of the Court	Total
Operating revenues:						
Charges for services	\$ 5,754,924	\$ 30,384,540	\$ 4,407,140	\$ 842,298	\$ -	\$ 41,388,902
Miscellaneous	149,338	4	7,208	-	27,975	184,525
Total operating revenues	<u>5,904,262</u>	<u>30,384,544</u>	<u>4,414,348</u>	<u>842,298</u>	<u>27,975</u>	<u>41,573,427</u>
Operating expenses:						
Personal services	215,281	149,746	806,278	479,686	-	1,650,991
Contractual services	543,618	2,828,338	32,192	-	-	3,404,148
Depreciation expense and amortization	-	-	102,513	-	-	102,513
Insurance claims	1,283,279	21,575,220	-	-	-	22,858,499
Insurance premiums	2,573,233	3,920,285	-	-	-	6,493,518
Purchased services	5,911	21,733	221,101	-	48,847	297,592
Materials & Supplies	42,156	11,550	60,967	-	-	114,673
Cost of sales and service	-	-	3,347,467	-	-	3,347,467
Total operating expenses	<u>4,663,478</u>	<u>28,506,872</u>	<u>4,570,518</u>	<u>479,686</u>	<u>48,847</u>	<u>38,269,401</u>
Operating income (loss)	<u>1,240,784</u>	<u>1,877,672</u>	<u>(156,170)</u>	<u>362,612</u>	<u>(20,872)</u>	<u>3,304,026</u>
Nonoperating revenues						
Interest revenue	596,010	145,419	16,518	-	20,872	778,819
Total nonoperating revenues	<u>596,010</u>	<u>145,419</u>	<u>16,518</u>	<u>-</u>	<u>20,872</u>	<u>778,819</u>
Income (loss) before contributions and transfers	1,836,794	2,023,091	(139,652)	362,612	-	4,082,845
Transfers in	-	-	7,504	-	-	7,504
Transfers out	(3,049)	-	(25,871)	-	-	(28,920)
Change in net position	1,833,745	2,023,091	(158,019)	362,612	-	4,061,429
Total net position (deficit) - beginning as previously stated	10,752,134	(167,329)	2,723,603	942,990	-	14,251,398
Total net position - ending	<u>\$ 12,585,879</u>	<u>\$ 1,855,762</u>	<u>\$ 2,565,584</u>	<u>\$ 1,305,602</u>	<u>\$ -</u>	<u>\$ 18,312,827</u>



CHARLOTTE COUNTY, FLORIDA  
 COMBINING STATEMENT OF CASH FLOWS  
 INTERNAL SERVICE FUNDS  
 For the Fiscal Year Ended September 30, 2019

	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 internal customers	\$ 5,754,924	\$ 30,544,176	\$ 4,725,459	\$ 842,298	\$ 27,975	\$ 41,894,832
Cash payments to suppliers for goods and services	(3,154,836)	(6,667,708)	(3,817,353)	-	-	(13,639,897)
Cash payments to employees for services	(195,993)	(130,123)	(744,024)	(479,686)	(48,847)	(1,598,673)
Insurance claims	(1,597,279)	(21,381,289)	-	-	-	(22,978,568)
Other operating revenues	118,923	-	(25,236)	-	-	93,687
Net cash provided (used by) operating activities	<u>925,739</u>	<u>2,365,056</u>	<u>138,846</u>	<u>362,612</u>	<u>(20,872)</u>	<u>3,771,381</u>
Cash flows from noncapital financing activities:						
Operating transfers from other funds	-	-	7,504	-	-	7,504
Net cash provided by non capital financing activities	<u>-</u>	<u>-</u>	<u>7,504</u>	<u>-</u>	<u>-</u>	<u>7,504</u>
Cash flows from capital and related financing activities:						
Acquisition of capital assets	-	-	(529,559)	-	-	(529,559)
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>(555,430)</u>	<u>-</u>	<u>-</u>	<u>(558,479)</u>
Cash flows from investing activities:						
Purchase of investment securities	(7,551,456)	(33,170,583)	(5,242,159)	(1,074,028)	(1,630,712)	(48,668,938)
Proceeds from sale and maturities of investment securities	10,685,394	30,751,600	5,772,682	1,045,561	1,679,559	49,934,796
Interest and dividends on investments	613,136	144,271	16,519	-	20,872	794,798
Net cash provided (used) by investing activities	<u>3,747,074</u>	<u>(2,274,712)</u>	<u>547,042</u>	<u>(28,467)</u>	<u>69,719</u>	<u>2,060,656</u>
Cash and cash equivalents:						
Net change in cash and cash equivalents	4,669,764	90,344	137,962	334,145	48,847	5,281,062
Cash and cash equivalents, October 1, 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>
Cash and cash equivalents, September 30, 2019	<u>\$ 6,056,620</u>	<u>\$ 2,175,797</u>	<u>\$ 220,116</u>	<u>\$ 436,233</u>	<u>\$ 864,203</u>	<u>\$ 9,752,969</u>

CHARLOTTE COUNTY, FLORIDA  
 COMBINING STATEMENT OF CASH FLOWS  
 INTERNAL SERVICE FUNDS  
 For the Fiscal Year Ended September 30, 2019

	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)	\$ 1,240,784	\$ 1,877,672	\$ (156,170)	\$ 362,612	\$ (20,872)	\$ 3,304,026
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense and amortization	-	-	102,513	-	-	102,513
Deferred outflows - pension related	5,074	(4,751)	11,476	-	-	11,799
Deferred outflows - OPEB related	(1,488)	(1,034)	(4,831)	-	-	(7,353)
Deferred inflows - pension related	(2,842)	(319)	(7,859)	-	-	(11,020)
Deferred inflows - OPEB related	1,719	1,091	5,562	-	-	8,372
Changes in assets and liabilities:						
(Increase) decrease in:						
Accounts receivable	(30,415)	(4,156)	-	-	-	(34,571)
Due from constitutional officers	-	-	2,120	-	-	2,120
Due from other governments	-	-	(30,159)	-	-	(30,159)
Due from other funds	-	-	346,358	-	-	346,358
Inventory	-	-	(32,444)	-	-	(32,444)
Other assets	(152)	(82)	815	-	-	581
Increase (decrease) in:						
Accounts and vouchers payable	10,082	114,194	(105,626)	-	-	18,650
Accrued liabilities	846	628	1,522	-	-	2,996
Accrued compensated absences	(563)	(7,454)	4,045	-	-	(3,972)
Other postemployment benefits	(313,925)	50	248	-	-	(313,627)
Unearned revenue	-	163,792	-	-	-	163,792
Other liabilities	-	117,930	-	-	-	117,930
Due to other funds	-	-	(50,000)	-	-	(50,000)
Self-insurance claims payable	-	76,001	-	-	-	76,001
Net pension liability increase	16,619	31,494	51,276	-	-	99,389
Total adjustments	(315,045)	487,384	295,016	-	-	467,355
Net cash provided (used) by operating activities:	\$ 925,739	\$ 2,365,056	\$ 138,846	\$ 362,612	\$ (20,872)	\$ 3,771,381
Noncash investing, capital and financing activities:						
Change in fair value of investments	\$ 235,018	\$ 55,848	\$ 4,028	\$ -	\$ -	\$ 294,894

CHARLOTTE COUNTY, FLORIDA  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 CUSTODIAL FUNDS  
 September 30, 2019

	<u>Board of County Commissioners</u>	<u>Clerk of the Circuit Court</u>	<u>Sheriff</u>	<u>Tax Collector</u>	<u>Total Custodial Funds</u>
ASSETS					
Cash and cash equivalents	\$ 2,765	\$ 6,767,313	\$ 227,737	\$ 6,512,365	\$ 13,510,180
Investments	5,513	-	-	-	5,513
Accounts and assessments receivable, net	-	3,009,194	-	-	3,009,194
Due from other governmental agencies	-	26	-	1,609	1,635
Due from individuals	-	-	-	761	761
Other assets	13	-	-	-	13
Total assets	<u>\$ 8,291</u>	<u>\$ 9,776,533</u>	<u>\$ 227,737</u>	<u>\$ 6,514,735</u>	<u>\$ 16,527,296</u>
LIABILITIES					
Due to other governmental agencies	\$ -	\$ 671,509	\$ 8,895	\$ 509,588	\$ 1,189,992
Due to individuals	-	-	143	6,001,315	6,001,458
Other liabilities	-	33,198	-	-	33,198
Total liabilities	<u>-</u>	<u>704,707</u>	<u>9,038</u>	<u>6,510,903</u>	<u>7,224,648</u>
NET POSITION					
Restricted for:					
Individuals, organizations, and other governments	<u>8,291</u>	<u>9,071,826</u>	<u>218,699</u>	<u>3,832</u>	<u>9,302,648</u>
Total Net Position	<u>\$ 8,291</u>	<u>\$ 9,071,826</u>	<u>\$ 218,699</u>	<u>\$ 3,832</u>	<u>\$ 9,302,648</u>

CHARLOTTE COUNTY, FLORIDA  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 CUSTODIAL FUNDS  
 For the Fiscal Year Ended September 30, 2019

	Board of County				Total Custodial Funds
	<u>Commissioners</u>	<u>Clerk of Court</u>	<u>Sheriff</u>	<u>Tax Collector</u>	
<b>Additions:</b>					
Cash bonds collected	\$ -	\$ -	\$ 459,249	\$ -	\$ 459,249
Documentary stamp and fees collected	-	38,209,770	-	-	38,209,770
Employee contributions to charities collected	272	10,831	84,034	6,466	101,603
Evidence monies collected	-	-	312,387	-	312,387
Explorer's funds collected	-	-	8,483	-	8,483
Fines and forfeitures and fees collected	-	8,792,841	94,284	-	8,887,125
Intangible taxes and fees collected	-	5,975,991	-	-	5,975,991
Licenses and tag fees collected	-	-	-	25,640,162	25,640,162
Property taxes and fees collected	-	-	-	380,048,982	380,048,982
Registry of the court and fees collected	-	29,353,715	-	-	29,353,715
Support and fees collected	-	125,722	-	-	125,722
Tax deeds and fees collected	-	8,642,522	-	-	8,642,522
Tourist development fees collected	-	-	-	4,203,940	4,203,940
Total additions	<u>\$ 272</u>	<u>\$ 91,111,392</u>	<u>\$ 958,437</u>	<u>\$ 409,899,550</u>	<u>\$ 501,969,651</u>
<b>Deductions:</b>					
Cash bonds collected	\$ -	\$ -	\$ 459,547	\$ -	\$ 459,547
Documentary stamp and fees collected	-	38,209,770	-	-	38,209,770
Employee contributions to charities collected	-	12,920	80,690	6,835	100,445
Evidence monies collected	-	-	286,041	-	286,041
Explorer's funds collected	-	-	7,602	-	7,602
Fines and forfeitures and fees collected	-	9,591,283	94,284	-	9,685,567
Intangible taxes and fees collected	-	5,975,991	-	-	5,975,991
Licenses and tag fees collected	-	-	-	25,640,162	25,640,162
Property taxes and fees collected	-	-	-	380,048,982	380,048,982
Registry of the court and fees collected	-	28,272,090	-	-	28,272,090
Support and fees collected	-	125,722	-	-	125,722
Tax deeds and fees collected	-	9,268,336	-	-	9,268,336
Tourist development fees collected	-	-	-	4,203,940	4,203,940
Total deductions	<u>-</u>	<u>91,456,112</u>	<u>928,164</u>	<u>409,899,919</u>	<u>502,284,195</u>
Change in Net Position	272	(344,720)	30,273	(369)	(314,544)
Net Position, beginning	-	-	-	-	-
Restatement	8,019	9,416,546	188,426	4,201	9,617,192
Net Position, beginning, as restated	<u>8,019</u>	<u>9,416,546</u>	<u>188,426</u>	<u>4,201</u>	<u>9,617,192</u>
Net Position, ending	<u>\$ 8,291</u>	<u>\$ 9,071,826</u>	<u>\$ 218,699</u>	<u>\$ 3,832</u>	<u>\$ 9,302,648</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 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 and the related notes to the financial statements which collectively comprise the County's basic financial statements and have issued our report thereon dated March. 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 as listed in the table of contents. Our report includes a reference to another auditor who audited the financial statements of the Charlotte County Clerk of the Circuit Court Property Appraiser Sheriff Supervisor of Elections and Tax Collector as described in our report on the County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by the other auditor.

**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.

### **ompliance 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.

Handwritten signature in black ink that reads "Cheryl Behrert LLP". The signature is written in a cursive, flowing style.

Orlando, Florida  
March

## 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 and have issued our report thereon dated March 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 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 of the assets of the net position and of the revenues of the County's governmental activities of the assets of the fund balance and of the revenues of the General Fund and of the assets of the fund balance/net position and of the revenues additions of the aggregate remaining fund information including of the amounts restated for 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 U S *Code of Federal Regulations* CFR Part *Uniform Administrative Requirements Cost Principles, and Audit Requirements of Federal Awards* and Chapter 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 Rules of the Auditor General Schedule of Findings and Questioned Costs and Report of Independent Accountant on Compliance with Local Government Investment Policies and E9 Requirements of Sections and Florida Statutes Disclosures in those reports and schedule which are dated March should be considered in conjunction with this management letter

**Prior Audit Findings**

Section 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 i 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 in the notes to the financial statements regarding the creation of the Charlotte County Florida and each component unit

**Financial Condition and Management**

Sections i) a and 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 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 Florida Statutes

Pursuant to Sections i b and 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 (i 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 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 i) 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 Rules of the Auditor General Accordingly this management letter is not suitable for any other purpose

Orlando Florida  
March





**Report of Independent accountant on compliance  
with Local Government Investment Policies and 911 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 Florida Statutes and E requirements of Sections and Florida Statutes, during the year ended September 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 Florida Statutes and E requirements of Sections and Florida Statutes, during the year ended September

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

Orlando Florida  
March

CHARLOTTE COUNTY, FLORIDA  
 SCHEDULE OF INSURANCE POLICIES IN FORCE  
 FOR FISCAL YEAR 2018-19

**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: 10/01/18</i>	\$150,000,000	\$1,706,420	BCC Depts, Elected Officials
Florida Municipal Insurance Trust	Liability Package <i>Eff: 10/01/18</i>	\$ 1,500,000	\$ 104,189	BCC Depts, Elected Officials
Florida Municipal Insurance Trust	Auto Liab w/Phys <i>Eff: 10/01/18</i>	\$ 1,500,000	\$ 102,068	BCC Depts, Elected Officials
Florida Municipal Insurance Trust	Public Officials <i>Eff: 10/01/18</i>	\$ 1,500,000	\$ 154,986	BCC Depts, Elected Officials
Florida Municipal Insurance Trust	XS WC <i>Eff: 10/01/18</i>	\$ 1,000,000	\$ 327,402	BCC Depts, Elected Officials
Florida Municipal Insurance Trust	Boiler & Machinery <i>Eff: 10/01/18</i>	\$ 50,000,000	Included in FMIT Program	BCC Depts, Elected Officials
Florida Municipal Insurance Trust	Inland Marine <i>Eff: 10/01/18</i>	\$ 8,698,747 (Schedule on File)	Included in FMIT Program	BCC Depts, Elected Officials
Travelers'	Commercial Crime <i>Eff: 10/01/18 (3 Yr)</i>	\$ 1,000,000	\$ 5,560	BCC Depts. & Elected Officials
Commerce & Industry	Storage Tank <i>Eff: 12/11/18</i>	\$ 1,000,000/ \$ 2,000,000	\$ 23,817	BCC Depts.
Allied World Assurance Company	Pollution Liability <i>Eff: 10/01/18</i>	\$ 1,000,000/	\$ 18,129	Utilities Department
Wright Flood	Flood Insurance	Various	\$ 219,234	Various
Hartford	Statutory AD&D <i>Eff: 10/01/18</i>	\$ 72,764 72,764 205,818	\$ 36,229	Sheriff & Fire Dept.

***SECTION II***  
***CLERK OF THE CIRCUIT COURT***  
***Roger D. Eaton***

## **Independent Auditor's Report**

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, the aggregate remaining fund information, and the fiduciary fund of the Charlotte County, Florida, Clerk of the Circuit Court (the "Clerk"), as of and for the fiscal year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Clerk's special purpose financial statements, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund, the aggregate remaining fund information, and the fiduciary fund for the Clerk as of September 30, 2019 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.

## ***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. 84, *Fiduciary Activities*, during the year ended September 30, 2019. Our opinions are not modified with respect to this matter.

## ***Emphasis of Matter***

### ***Basis of Presentation***

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida (the "Rules"). In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the major funds, and the aggregate remaining fund information, only for that portion of each major funds and the aggregate remaining fund information, of Charlotte County that is attributable to the Clerk. They do not purport to, and do not, present fairly the financial position of Charlotte County as of September 30, 2019, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

## ***Other Matters***

### ***Required Supplementary Information***

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County Agency's financial statements. The modernization trust fund, civil case filing fees, court related and Title IV-D budgetary comparison information and the Internal Service Fund - combining statement of net position, combining statement of revenues, expenses and changes in fund net position, and combining statement of cash flows, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The above described supplementary 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.

***Other Matters***

*Supplementary Information, continued*

Such 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 above described supplementary 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 our report dated February 21, 2020, on our consideration of the Clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters under the heading **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***. 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 21, 2020

CHARLOTTE COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2019

Assets	General	Modernization Trust	Civil Cases Filing Fees Trust
Cash and cash equivalents	\$ 2,777,661	\$ 3,241,856	\$ 111,860
Accounts and assessments receivable, net	116	-	-
Due from other constitutional officers			
Board of County Commissioners	6,318	-	-
Sheriff	138	-	-
Tax Collector	646	-	-
Due from other governmental agencies	963	-	-
Other assets	82,065	-	-
Total assets	<u>2,867,907</u>	<u>3,241,856</u>	<u>111,860</u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities and Fund Balances			
Liabilities			
Accounts and vouchers payable	\$ 98,374	\$ 8,121	\$ -
Accrued liabilities	207,770	-	-
Due to other constitutional officers			
Board of County Commissioners	93,478	-	-
Tax Collector	520	-	-
Due to other governmental agencies	4,483	2,091	-
Deposits	38,379	-	-
Other liabilities	2,424,903	-	-
Total liabilities	<u>2,867,907</u>	<u>10,212</u>	<u>-</u>
Fund Balance			
Restricted			
Court related technology - Clerk	-	1,864,436	-
Court related technology - Board	-	688,602	-
Assigned			
Court functions	-	678,606	111,860
Total fund balances	<u>-</u>	<u>3,231,644</u>	<u>111,860</u>
Total liabilities and fund balances	<u>\$ 2,867,907</u>	<u>\$ 3,241,856</u>	<u>\$ 111,860</u>

See accompanying notes.

IV-D Reimbursement	Court Related	Total Governmental Funds
\$ 189,224	\$ 704,013	\$ 7,024,614
-	-	116
-	780	7,098
-	-	138
-	-	646
11,721	-	12,684
-	55,574	137,639
<u>200,945</u>	<u>760,367</u>	<u>7,182,935</u>
-	116,065	116,065
\$ -	\$ 2,606	\$ 109,101
-	73,420	281,190
-	262,375	355,853
-	49	569
-	116,065	122,639
-	-	38,379
-	15	2,424,918
<u>-</u>	<u>454,530</u>	<u>3,332,649</u>
-	-	1,864,436
-	-	688,602
200,945	421,902	1,413,313
<u>200,945</u>	<u>421,902</u>	<u>3,966,351</u>
<u>\$ 200,945</u>	<u>\$ 876,432</u>	<u>\$ 7,299,000</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, 2019

	General	Modernization Trust	Civil Cases Filing Fees Trust
Revenues:			
Intergovernmental	\$ -	\$ -	\$ -
Charges for services	1,642,698	1,107,411	-
Fines and forfeitures	-	-	-
Miscellaneous	1,131,645	67,917	2,773
Total revenues	2,774,343	1,175,328	2,773
Expenditures:			
Current			
General government	4,774,159	5,071	-
Court related	1,247,219	213,761	-
Total expenditures	6,021,378	218,832	-
Excess of revenues over/(under) expenditures	(3,247,035)	956,496	2,773
Other financing sources (uses):			
Transfers in	3,339,710	-	-
Transfers out	(92,675)	(465,863)	-
Total other financing sources (uses)	3,247,035	(465,863)	-
Excess of revenues and other sources over/(under) expenditures and other uses	-	490,633	2,773
Fund balances, October 1, 2018	-	2,741,011	109,087
Fund balances, September 30, 2019	\$ -	\$ 3,231,644	\$ 111,860

See accompanying notes.

<u>IV-D Reimbursement</u>	<u>Court Related</u>	<u>Total Governmental Funds</u>
\$ 117,335	\$ 484,200	\$ 601,535
861	2,316,567	5,067,537
-	1,157,708	1,157,708
17,776	10,553	1,230,664
<u>135,972</u>	<u>3,969,028</u>	<u>8,057,444</u>
20,710	-	4,799,940
-	3,531,548	4,992,528
<u>20,710</u>	<u>3,531,548</u>	<u>9,792,468</u>
115,262	437,480	(1,735,024)
-	370,830	3,710,540
(108,455)	(479,604)	(1,146,597)
<u>(108,455)</u>	<u>(108,774)</u>	<u>2,563,943</u>
6,807	328,706	828,919
194,138	93,196	3,137,432
<u>\$ 200,945</u>	<u>\$ 421,902</u>	<u>\$ 3,966,351</u>

CHARLOTTE COUNTY, FLORIDA  
 CLERK OF THE CIRCUIT COURT  
 STATEMENT OF FIDUCIARY NET POSITION  
 SEPTEMBER 30, 2019

Assets	Total Fiduciary Funds
Cash and cash equivalents	\$ 6,767,313
Accounts and assessments receivable, net	3,009,194
Due from other constitutional officers Board of County Commissioners	26
Total assets	\$ 9,776,533
Liabilities and Fund Balances	
Liabilities	
Due to other constitutional officers Board of County Commissioners	\$ 88,662
Sheriff	5,353
Due to other governmental agencies	577,494
Other liabilities	33,198
Total liabilities	704,707
Net position, held in a custodial capacity to be disbursed	\$ 9,071,826

See accompanying notes.

CHARLOTTE COUNTY, FLORIDA  
 CLERK OF THE CIRCUIT COURT  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 SEPTEMBER 30, 2019

	Custodial Funds
Additions:	
Fines and forfeitures and fees collected	\$ 8,792,841
Tax deeds and fees collected	8,642,522
Support and fees collected	125,722
Registry of the court and fees collected	29,353,715
Intangible taxes and fees collected	5,975,991
Documentary Stamp and fees collected	38,209,770
Employee contributions to charities collected	10,831
Total additions:	\$ 91,111,392
Deductions:	
Fines and forfeitures and fees collected	\$ 9,591,283
Tax deeds and fees collected	9,268,336
Support and fees collected	125,722
Registry of the court and fees collected	28,272,090
Intangible taxes and fees collected	5,975,991
Documentary Stamp and fees collected	38,209,770
Employee contributions to charities collected	12,920
Total deductions:	91,456,112
Change in Net Position	(344,720)
Net Position, beginning as restated	9,416,546
Net Position, ending	\$ 9,071,826

CHARLOTTE COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**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.

Custodial Funds – Custodial funds are used to account for assets held by public officials in a trustee capacity or as a custodian for individuals, private organizations, other governments and/or other funds. Custodial funds are used to report fiduciary activities that are not reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust 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, 2019

**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.

Custodial Funds – Custodial funds are accounted for using an economic resource measurement focus requiring a resource flow statement.

(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 and Special Revenue 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.

Custodial Funds are accounted for using the accrual basis of accounting.

(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, 2019

**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

When both restricted and unrestricted resources are combined in a fund, expenditures are considered to be paid first from restricted resources, as appropriate, and then from unrestricted resources. The governmental fund financial statements the Clerk maintains include restricted and assigned fund balances.

The Clerk's restricted fund balance consists of amounts that can be spent only on specific purposes stipulated by constitutional provisions or enabling legislation or externally imposed by creditors, grantors, contributions, or laws or regulations of other governments.

Assigned fund balances are limited by the intended use.

(i) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and the balance sheet include a separate section for deferred outflows of resources. This represents a utilization of net position or fund balance that applies to a future period and so will not be recognized as an expense/expenditure until then.

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, 2019, 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, 2019

**Note 2. Cash and Cash Equivalents, Continued**

At September 30, 2019, the book balance of deposits of \$14,656,130 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, 2019 was \$14,661,521 and cash on hand totaled \$10,280.

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, 2019, 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. 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.



CHARLOTTE COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**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, 2018 through June 30, 2019 and July 1, 2019 through September 30, 2019, respectively, were as follows: regular 8.26% and 8.47%; county elected officers 48.70% and 48.82%; senior management 24.06% and 25.41%; and DROP participants 14.03% and 14.60%. During the fiscal year ended September 30, 2019, the Clerk of the Circuit Court contributed to the plan an amount equal to 11.7% 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 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 \$361,154, \$73,486, and \$89,993, respectively, for the fiscal year ended September 30, 2019. The Clerk of the Circuit Court's payments after June 30, 2019, the measurement date used to determine the net pension liability associated with the Pension Plan and HIS Plan, amounted to \$92,605, and \$19,154, 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](http://www.ams.myflorida.com/retirement).

CHARLOTTE COUNTY, FLORIDA  
 CLERK OF THE CIRCUIT COURT  
 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2019

**Note 4. Long-Term Debt – Internal Service Funds**

The following changes in long-term debt occurred during the year ended September 30, 2019, which are reported as Internal Service Funds in the financial statements as follows:

Balance as of September 30, 2018	Additions	Deductions	Balance as of September 30, 2019
\$ 815,356	\$ 48,847	\$	\$ 864,203

Long-term debt is comprised of the following at September 30, 2019:

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.	<u>\$680,045</u>
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**Note 5. 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, 2019, the Clerk was charged \$1,691,697 for life and health insurance.

**Note 6. 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.

CHARLOTTE COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**Note 7. Other Post Employment Benefits**

**Plan Description**

The Clerk participates in the County's employee group health insurance and stipend programs. 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 \$17,580 during the year.

The Clerk's OPEB is calculated as a part of a County-wide actuarial valuation.

**Note 8. Change in Accounting Principle**

For the fiscal year ended September 30, 2019, the Clerk implemented Statement No. 84 of the Governmental Accounting Standards Board (GASB), *Fiduciary Activities*. The implementation of the statement establishes criteria for identifying fiduciary activities for all local governments. The requirements of this Statement will enhance consistency and comparability and enhances the value provided by the information reported in financial statements for assessing government accountability and stewardship.

Fiduciary activities are reported in the fiduciary fund financial statements of the basic financial statements and include the Fiduciary Statement of Net Position and the Statement of Changes in Fiduciary Net Position. For the Clerk, custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. The statement of fiduciary net position is used to report the assets, liabilities, and fiduciary net position of custodial funds. The statement of changes in fiduciary net position is used to report additions to and deductions from custodial funds.

The Clerk reports aggregated totals for additions and aggregated totals for deductions of custodial funds in which resources, upon receipt, are normally expected to be held for three months or less. The descriptions of the aggregated totals of additions and deductions indicates the nature of the resource flows.

CHARLOTTE COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**Note 8. Change in Accounting Principle, continued**

Liabilities, under GASB Statement 84m, are recognized differently for custodial funds. Liabilities are recognized when an event has occurred that compels the government to disburse the resources held in a fiduciary capacity in the custodial funds. If further action, authorization, or condition is required to compel the Clerk to disburse the funds at year-end, the amounts are reported as net position. GASB 84 requires that changes adopted to conform to the provisions of the statement be applied retroactively by restating the financial statements. The Clerk has restated the beginning net position in the Statement of Fiduciary Net Position as a result in the change in recognition of liabilities as follows:

Agency funds, net position, as of October 1, 2018	\$ -
Restatement, due to the implementation of GASB 84	<u>9,416,546</u>
Custodial funds, net position, as restated, as of October 1, 2018	<u><u>\$ 9,416,546</u></u>

# **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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for services	\$ 1,343,582	\$ 1,588,406	\$ 1,642,698	\$ 54,292
Miscellaneous	909,315	1,096,694	1,131,645	34,951
Total revenues	<u>2,252,897</u>	<u>2,685,100</u>	<u>2,774,343</u>	<u>89,243</u>
<b>Expenditures:</b>				
Current				
General government				
Personal services	3,680,555	3,629,911	3,628,183	1,728
Contract/Professional services	153,422	216,482	215,328	1,154
Purchased services	620,472	659,500	658,003	1,497
Materials/Supplies	141,739	185,394	183,799	1,595
Capital expenditures	53,400	90,210	88,846	1,364
Total general government	<u>4,649,588</u>	<u>4,781,497</u>	<u>4,774,159</u>	<u>7,338</u>
Court related				
Personal services	989,995	835,192	834,653	539
Contract/Professional services	63,202	83,502	83,108	394
Purchased services	214,599	235,253	234,551	702
Materials/Supplies	90,672	95,272	94,907	365
Capital expenditures	14,600	-	-	-
Total court related	<u>1,373,068</u>	<u>1,249,219</u>	<u>1,247,219</u>	<u>2,000</u>
Total expenditures	<u>6,022,656</u>	<u>6,030,716</u>	<u>6,021,378</u>	<u>9,338</u>
Excess of revenues over/(under) expenditures	<u>(3,769,759)</u>	<u>(3,345,616)</u>	<u>(3,247,035)</u>	<u>98,581</u>
<b>Other financing sources (uses):</b>				
Transfers in	3,777,819	3,345,616	3,339,710	(5,906)
Transfers out	-	-	(92,675)	(92,675)
Total other financing sources (uses)	<u>3,777,819</u>	<u>3,345,616</u>	<u>3,247,035</u>	<u>(98,581)</u>
Excess of revenues and other sources over/(under) expenditures and other uses	<u>\$ 8,060</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, October 1, 2018			<u>-</u>	
Fund balance, September 30, 2019			<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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for services	\$ 815,000	\$ 1,105,250	\$ 1,107,411	\$ 2,161
Miscellaneous	-	67,000	67,917	917
Total revenues	<u>815,000</u>	<u>1,172,250</u>	<u>1,175,328</u>	<u>3,078</u>
<b>Expenditures:</b>				
Current				
General government				
Purchased services	-	3,149	1,473	1,676
Materials/Supplies	30,624	4,297	3,598	699
Total general government	<u>30,624</u>	<u>7,446</u>	<u>5,071</u>	<u>2,375</u>
Court related				
Contract/Professional services	-	11,242	11,017	225
Purchased services	74,092	92,376	89,920	2,456
Materials/Supplies	-	16,871	16,575	296
Capital expenditures	-	96,249	96,249	-
Total court related	<u>74,092</u>	<u>216,738</u>	<u>213,761</u>	<u>2,977</u>
Excess of revenues over/(under) expenditures	<u>710,284</u>	<u>948,066</u>	<u>956,496</u>	<u>(2,274)</u>
<b>Other financing sources (uses):</b>				
Transfers out	<u>(829,906)</u>	<u>(471,768)</u>	<u>(465,863)</u>	<u>5,905</u>
Total other financing sources (uses)	<u>(829,906)</u>	<u>(471,768)</u>	<u>(465,863)</u>	<u>5,905</u>
Excess of revenues and other sources over/(under) expenditures and other uses	<u>\$ (119,622)</u>	<u>\$ 476,298</u>	490,633	<u>\$ 3,631</u>
Fund balance, October 1, 2018			<u>2,741,011</u>	
Fund balance, September 30, 2019			<u>\$ 3,231,644</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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Miscellaneous	\$ -	\$ 2,700	\$ 2,773	\$ 73
Total revenues	<u>-</u>	<u>2,700</u>	<u>2,773</u>	<u>73</u>
Excess of revenues over/(under) expenditures	<u>-</u>	<u>2,700</u>	<u>2,773</u>	<u>73</u>
Other financing sources (uses):				
Transfers out	(74,065)	-	-	-
Total other financing sources (uses)	<u>(74,065)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over/(under) expenditures and other uses	<u>\$ (74,065)</u>	<u>\$ 2,700</u>	<u>2,773</u>	<u>\$ 73</u>
Fund balance, October 1, 2018			<u>109,087</u>	
Fund balance, September 30, 2019			<u>\$ 111,860</u>	



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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 75,000	\$ 113,000	\$ 117,335	\$ 4,335
Charges for services	-	-	861	861
Miscellaneous	-	16,800	17,776	976
Total revenues	75,000	129,800	135,972	6,172
Expenditures:				
Current				
General government				
Purchased services	-	20,700	20,710	(10)
Total general government	-	20,700	20,710	(10)
Excess of revenues over/(under) expenditures	75,000	109,100	115,262	6,182
Other financing sources (uses):				
Transfers out	(75,000)	(104,100)	(108,455)	(4,355)
Total other financing sources (uses)	(75,000)	(104,100)	(108,455)	(4,355)
Excess of revenues and other sources over/(under) expenditures and other uses	\$ -	\$ 5,000	6,807	\$ 1,827
Fund balance, October 1, 2018			194,138	
Fund balance, September 30, 2019			\$ 200,945	

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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 340,791	\$ 325,635	\$ 484,200	\$ 158,565
Charges for services	2,053,013	2,039,113	2,316,567	277,454
Fines and forfeitures	1,045,578	1,059,478	1,157,708	98,230
Miscellaneous	6,777	6,777	10,553	3,776
Total revenues	<u>3,446,159</u>	<u>3,431,003</u>	<u>3,969,028</u>	<u>538,025</u>
Expenditures:				
Current				
Court related				
Personal services	2,563,440	2,533,945	2,514,622	19,323
Contract/Professional services	95,500	70,512	57,950	12,562
Purchased services	897,448	917,453	912,883	4,570
Materials/Supplies	106,287	52,530	46,093	6,437
Total court related	<u>3,662,675</u>	<u>3,574,440</u>	<u>3,531,548</u>	<u>42,892</u>
Excess of revenues over/(under) expenditures	<u>(216,516)</u>	<u>(143,437)</u>	<u>437,480</u>	<u>580,917</u>
Other financing sources (uses):				
Transfers in	337,375	366,475	370,830	4,355
Transfers out	-	(223,038)	(479,604)	(256,566)
Total other financing sources (uses)	<u>337,375</u>	<u>143,437</u>	<u>(108,774)</u>	<u>(252,211)</u>
Excess of revenues and other sources over/(under) expenditures and other uses	<u>\$ 120,859</u>	<u>\$ -</u>	<u>328,706</u>	<u>\$ 328,706</u>
Fund balance, October 1, 2018			93,196	
Fund balance, September 30, 2019			<u>\$ 421,902</u>	

CHARLOTTE COUNTY, FLORIDA  
 CLERK OF THE CIRCUIT COURT  
 COMBINING STATEMENT OF NET POSITION  
 INTERNAL SERVICE FUND  
 SEPTEMBER 30, 2019

	Accrued Compensated Absences
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 864,203
Total current assets	864,203
Total assets	864,203
<b>LIABILITIES</b>	
Current liabilities:	
Accrued compensated absences	184,158
Total current liabilities	184,158
Noncurrent liabilities:	
Accrued compensated absences	680,045
Total noncurrent liabilities	680,045
Total liabilities	864,203
<b>NET POSITION</b>	
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, 2019

	<u>Accrued Compensated Absences</u>
Operating revenues:	
Miscellaneous	\$ 27,975
Total operating revenues	<u>27,975</u>
Operating expenses:	
Other expense	<u>48,847</u>
Total operating expenses	<u>48,847</u>
Operating income (loss)	<u>(20,872)</u>
Nonoperating revenues (expenses)	
Interest revenue (expense)	<u>20,872</u>
Total nonoperating revenues (expenses)	<u>20,872</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, 2019

	<u>Accrued Compensated Absences</u>
Cash flows from operating activities:	
Cash received from customers	\$ 27,975
Cash payments to suppliers for goods and services	<u>(48,847)</u>
Net cash provided (used) by operating activities	<u>(20,872)</u>
Cash flows from investing activities:	
Purchase of investment securities	(1,630,712)
Proceeds from sale and maturities of investment securities	1,679,559
Interest and dividends on investments	<u>20,872</u>
Net cash provided by investing activities	<u>69,719</u>
Net increase (decrease) in cash and cash equivalents	48,847
Cash and cash equivalents, October 1, 2018	<u>815,356</u>
Cash and cash equivalents, September 30, 2019	<u><u>\$ 864,203</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, 2019

	<u>Accrued Compensated Absences</u>
Reconciliation of operating income (loss) to net cash provided (used) from operating activities:	
Operating income (loss)	<u>\$ (20,872)</u>
Net cash provided (used) by operating activities	<u><u>\$ (20,872)</u></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, the aggregate remaining fund information, and the fiduciary fund of the Charlotte County, Florida, Clerk of the Circuit Court (the "Clerk"), as of and for the fiscal year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Clerk's special purpose financial statements, and have issued our report thereon dated February 21, 2020.

***Internal Control Over Financial Reporting***

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

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

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

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Clerk's financial statements are free 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.

This report is intended solely for the information and use of the Clerk's management, the Charlotte County, Florida, Board of County Commissioners, and the Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Handwritten signature in blue ink that reads "Ashley, Brown & Co." in a cursive script.

Punta Gorda, Florida  
February 21, 2020



## **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, 2019, and have issued our report thereon dated February 21 2020.

### ***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 21, 2020, should be considered in conjunction with this management letter.

### ***Prior Audit Findings***

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

### ***Official Title and Legal Authority***

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

***Financial Management***

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

***Additional Matters***

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

***Purpose of the Letter***

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the 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.

Handwritten signature in blue ink that reads "Ashley, Brown & Co." in a cursive script.

Punta Gorda, Florida  
February 21, 2020

**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's (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, 2019. 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, 2019.



Punta Gorda, Florida  
February 21, 2020

***SECTION III***  
***PROPERTY APPRAISER***  
***Paul L. Polk***

## **Independent Auditor's Report**

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, 2019, and the related notes to the financial statements, which collectively comprise the Property Appraiser's special purpose financial statements, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information for the Property Appraiser as of September 30, 2019 and the respective changes in financial position, where applicable, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

## ***Emphasis of Matter***

### ***Basis of Presentation***

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the "Rules"). In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the major funds, and the aggregate remaining fund information, only for that portion of each major funds and the aggregate remaining fund information, of Charlotte County that is attributable to the Property Appraiser. They do not purport to, and do not, present fairly the financial position of Charlotte County as of September 30, 2019, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

## ***Other Matters***

### ***Required Supplementary Information***

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

## ***Other Reporting Required by Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated February 21, 2020, on our consideration of the Property Appraiser's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters under the heading INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Property Appraiser's internal control over financial reporting and compliance.

Punta Gorda, Florida  
February 21, 2020

*Ashley Brown & Co.*

CHARLOTTE COUNTY, FLORIDA  
PROPERTY APPRAISER  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2019

Assets	<u>General</u>
Cash and cash equivalents	\$ 736,276
Accounts and assessments receivable, net	17
Other assets	1,505
Total assets	<u>\$ 737,798</u>
<b>Liabilities and Fund Balances</b>	
Liabilities	
Accrued liabilities	\$ 143,989
Due to other constitutional officers	
Board of County Commissioners	<u>531,563</u>
Total due to other constitutional officers	<u>531,563</u>
Due to other governmental agencies	<u>62,246</u>
Total liabilities and fund equity	<u>\$ 737,798</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, 2019

	General
Revenues:	
Charges for services	\$ 5,730,947
Miscellaneous	473
Total revenues	5,731,420
Expenditures:	
Current	
General government	
Personal services	4,566,806
Operating expenditures	549,025
Capital outlay	71,292
Total expenditures	5,187,123
Excess of revenues over/(under) expenditures	544,297
Other financing sources (uses):	
Transfers out	(544,297)
Total other financing sources (uses)	(544,297)
Net change in fund balance	-
Fund balance, October 1, 2018	-
Fund balance, September 30, 2019	\$ -

See accompanying notes.



CHARLOTTE COUNTY, FLORIDA  
PROPERTY APPRAISER  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**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, 2019

**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 these criteria.

At September 30, 2019, the Property Appraiser had \$105,031 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, 2019, 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, 2019, the book balance was \$736,276 for the Property Appraiser and the bank balance was \$763,812.

At September 30, 2019, the Property Appraiser held \$75 cash on hand for use as petty cash.

CHARLOTTE COUNTY, FLORIDA  
PROPERTY APPRAISER  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**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, 2018 through June 30, 2019 and July 1, 2019 through September 30, 2019, respectively, were as follows: regular and renewed membership 8.26% and 8.47%; county elected officers 48.70% and 48.82%; senior management 24.06% and 25.41%; rehired regular service 5.16% and 5.22%; and DROP participants 14.03% and 14.60%. During the fiscal year ended September 30, 2019, the Property Appraiser contributed to the plan an amount equal to 10.6% 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, 2019

**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, 2019. The Property Appraiser's payments after June 30, 2019, 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](http://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, 2019:

Compensated absences payable at October 1, 2018	\$ 112,426
Increase in accrued compensated absences	<u>2,533</u>
Compensated absences payable at September 30, 2019	<u><u>\$ 114,959</u></u>
Long-term debt is comprised of the following at September 30, 2019	
Noncurrent portion of compensated absences	<u><u>\$ 105,031</u></u>

CHARLOTTE COUNTY, FLORIDA  
PROPERTY APPRAISER  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**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, 2019, the Property Appraiser was charged \$78,016 for the self-insurance program and \$1,097,030 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.

As of September 30, 2019, there were two pending lawsuits that has since been resolved. No attorney's fees or costs were rendered 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's OPEB is calculated as a part of a County-wide actuarial valuation. Total payments to the County for the year ended September 30, 2019 were \$13,130.

# **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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for services	\$ 5,584,050	\$ 5,585,800	\$ 5,730,947	\$ 145,147
Miscellaneous	-	-	473	473
Total revenues	<u>5,584,050</u>	<u>5,585,800</u>	<u>5,731,420</u>	<u>145,620</u>
<b>Expenditures:</b>				
Current				
General government				
Personal services	5,073,621	4,996,866	4,566,806	430,060
Operating expenditures	510,429	510,429	549,025	(38,596)
Capital outlay	-	78,505	71,292	7,213
Total general government	<u>5,584,050</u>	<u>5,585,800</u>	<u>5,187,123</u>	<u>398,677</u>
Total expenditures	<u>5,584,050</u>	<u>5,585,800</u>	<u>5,187,123</u>	<u>398,677</u>
Excess of revenues over expenditure	-	-	544,297	544,297
<b>Other financing sources (uses):</b>				
Transfers out	-	-	(544,297)	(544,297)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(544,297)</u>	<u>(544,297)</u>
Excess of revenues and other sources over expenditures and other (uses)	-	-	-	-
Fund balance, October 1, 2018	-	-	-	-
Fund balance, September 30, 2019	<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 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, 2019, and the related notes to the financial statements, which collectively comprise the Property Appraiser's special purpose financial statements, and have issued our report thereon dated February 21, 2020.

***Internal Control Over Financial Reporting***

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

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

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



***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Property Appraiser’s financial statements are free 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.

This report is intended solely for the information and use of the Property Appraiser's management, the Charlotte County, Florida, Board of County Commissioners, and the Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Handwritten signature in blue ink that reads "Ashley, Brown & Co."

Punta Gorda, Florida  
February 21, 2020

## **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, 2019, and have issued our report thereon dated February 21 2020.

### ***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 21, 2020, should be considered in conjunction with this management letter.

### ***Prior Audit Findings***

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

### ***Official Title and Legal Authority***

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

***Financial Management***

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

***Additional Matters***

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

***Purpose of the Letter***

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

Handwritten signature in blue ink that reads "Ashley, Brown & Co."

Punta Gorda, Florida  
February 21, 2020

**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 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, 2019. 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 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 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 Property Appraiser complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.



Punta Gorda, Florida  
February 21, 2020

***SECTION IV***

***SHERIFF***

***William Prummell, Jr.***

## **Independent Auditor's Report**

Honorable William Prummell, Jr.  
Sheriff  
Charlotte County, Florida

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of each major fund, the aggregate remaining fund information, and the fiduciary fund of the Charlotte County, Florida, Sheriff (the "Sheriff"), as of and for the fiscal year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Sheriff's special purpose financial statements, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund, the aggregate remaining fund information, and the fiduciary fund for the Sheriff as of September 30, 2019 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.

### ***Change in Accounting Principle***

As discussed in Note 10 to the financial statements, the Sheriff adopted the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 84, Fiduciary Activities, during the year ended September 30, 2019. Our opinions are not modified with respect to this matter.

### ***Emphasis of Matter***

#### ***Basis of Presentation***

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the "Rules"). In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the major funds, and the aggregate remaining fund information, only for that portion of each major funds and the aggregate remaining fund information, of Charlotte County that is attributable to the Sheriff. They do not purport to, and do not, present fairly the financial position of Charlotte County as of September 30, 2019, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

### ***Other Matters***

#### ***Required Supplementary Information***

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

#### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County Agency's financial statements. The non-major governmental funds- balance sheet and statement of revenues, expenditures and changes in fund balance, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The above described supplementary 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.

***Other Matters, continued***

***Supplementary Information, continued***

Such 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 above described supplementary 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 our report dated February 21, 2020, on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters under the heading INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS. 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.

Handwritten signature in blue ink that reads "Ashley, Brown & Co." in a cursive script.

Punta Gorda, Florida  
February 21, 2020



CHARLOTTE COUNTY, FLORIDA  
SHERIFF  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2019

Assets	<u>General</u>	<u>Commissary</u>
Cash and cash equivalents	\$ 5,311,071	\$ 1,932,176
Investments at amortized cost	1,890,475	139,896
Accounts receivable	1,230	64,480
Due from other funds	-	2,272
Due from other governmental agencies	359,748	-
Other assets	12,691	-
Total assets	<u>\$ 7,575,215</u>	<u>\$ 2,138,824</u>
Liabilities and Fund Balances		
Liabilities		
Accounts and vouchers payable	\$ 1,054,587	\$ 15,337
Accrued liabilities	1,841,263	-
Due to other funds	2,272	-
Due to other constitutional officers		
Board of County Commissioners	2,868,705	-
Due to individuals	17,036	-
Deposits	15,188	-
Other liabilities	1,776,164	-
Total liabilities	<u>7,575,215</u>	<u>15,337</u>
Fund Balance		
Reserved for:		
Restricted	-	2,123,487
Total fund balances	<u>-</u>	<u>2,123,487</u>
Total liabilities and fund balances	<u>\$ 7,575,215</u>	<u>\$ 2,138,824</u>

See accompanying notes.

<u>Forfeitures</u>	<u>Non-Major Governmental</u>	<u>Total Governmental Funds</u>
\$ 226,510	\$ 168,599	\$ 7,638,356
-	-	2,030,371
-	-	65,710
-	-	2,272
-	-	359,748
-	-	12,691
<u>\$ 226,510</u>	<u>\$ 168,599</u>	<u>\$ 10,109,148</u>
\$ 2,047	\$ 585	\$ 1,072,556
-	-	1,841,263
-	-	2,272
-	-	2,868,705
-	-	17,036
-	-	15,188
		1,776,164
<u>2,047</u>	<u>585</u>	<u>7,593,184</u>
224,463	168,014	2,515,964
<u>224,463</u>	<u>168,014</u>	<u>2,515,964</u>
<u>\$ 226,510</u>	<u>\$ 168,599</u>	<u>\$ 10,109,148</u>

CHARLOTTE COUNTY, FLORIDA  
SHERIFF  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Fiscal Year Ended September 30, 2019

	General	Commissary
Revenues:		
Intergovernmental	\$ -	\$ -
Charges for services	2,590,877	635,514
Fines and forfeitures	5,579	-
Miscellaneous	346,602	3,679
Total revenues	2,943,058	639,193
Expenditures:		
Current		
General government		
Personal services	2,894,233	-
Operating expenses	19,707	-
Capital outlay	53,138	-
	2,967,078	-
Public safety		
Personal services	52,660,565	-
Operating expenses	10,284,803	377,922
Capital outlay	4,356,592	108,695
	67,301,960	486,617
Total expenditures	70,269,038	486,617
Excess of revenues over/ (under) expenditures	(67,325,980)	152,576
Other financing sources (uses):		
Transfers in	70,194,685	-
Transfers out	(2,868,705)	-
Total other financing sources (uses)	67,325,980	-
Net changes in fund balances	-	152,576
Fund balances, October 1, 2018	-	1,970,911
Fund balances, September 30, 2019	\$ -	\$ 2,123,487

See accompanying notes.

<u>Forfeitures</u>	<u>Non-Major Governmental</u>	<u>Total Governmental Funds</u>
\$ -	\$ 564,657	\$ 564,657
-	-	3,226,391
67,484	22,389	95,452
26,120	-	376,401
<u>93,604</u>	<u>587,046</u>	<u>4,262,901</u>
-	-	2,894,233
-	-	19,707
-	-	53,138
<u>-</u>	<u>-</u>	<u>2,967,078</u>
-	138,689	52,799,254
48,789	180,137	10,891,651
42,739	306,512	4,814,538
<u>91,528</u>	<u>625,338</u>	<u>68,505,443</u>
<u>91,528</u>	<u>625,338</u>	<u>71,472,521</u>
<u>2,076</u>	<u>(38,292)</u>	<u>(67,209,620)</u>
-	-	70,194,685
(40,000)	-	(2,908,705)
<u>(40,000)</u>	<u>-</u>	<u>67,285,980</u>
(37,924)	(38,292)	76,360
262,387	206,306	2,439,604
<u>\$ 224,463</u>	<u>\$ 168,014</u>	<u>\$ 2,515,964</u>

CHARLOTTE COUNTY, FLORIDA  
SHERIFF  
STATEMENT OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2019

Assets	<u>Custodial Funds</u>
Cash and cash equivalents	\$ 227,737
Total assets	<u>\$ 227,737</u>
Liabilities and Fund Balances	
Liabilities	
Due to other constitutional officers	
Clerk of the Circuit Court	-
Board of County Commissioners	8,895
Due to other funds	-
Due to other governments	-
Due to individuals	\$ 143
Total liabilities	<u>9,038</u>
Net position, held in a custodial capacity to be disbursed	<u>\$ 218,699</u>

See accompanying notes.

CHARLOTTE COUNTY, FLORIDA  
SHERIFF  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
SEPTEMBER 30, 2019

	Custodial Funds
Amounts collected for cash bonds	\$ 459,249
Amounts collected for employee charitable contributions	-
	84,034
Amounts collected for evidence	312,387
Amounts collected for explorer's	8,483
Amounts collected for fines	94,284
Total additions:	\$ 958,437
Amounts collected for cash bonds	\$ 459,547
Amounts collected for employee charitable contributions	80,690
Amounts collected for evidence	286,041
Amounts collected for explorer's	7,602
Amounts collected for fines	94,284
Total deductions:	928,164
Change in Net Position	30,273
Net Position, beginning	188,426
Net Position, ending	\$ 218,699

CHARLOTTE COUNTY, FLORIDA  
SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**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**

Custodial Funds – Custodial Funds are used to account for assets held by public officials in a trustee capacity or as a custodian for individuals, private organizations, other governments and/or other funds. Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefits) trust funds, investment trust funds, or private-purpose trust 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.

Custodial Funds – Custodial funds are accounted for using an economic resource measurement focus require a resource flow statement.

CHARLOTTE COUNTY, FLORIDA  
SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**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.

Custodial Funds are accounted for using the accrual basis of accounting.

(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, 2019

**Note 2. Cash and Cash Equivalents**

The Sheriff's deposits policy allows for deposits to be held in demand deposit accounts. At September 30, 2019, 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, 2019, cash and cash equivalents had a book balance of deposits of \$7,866,976 and the bank balance was \$9,049,720. The Sheriff held petty cash on hand as of September 30, 2019, in the amount of \$1,738. The Sheriff had a book and bank balance in the Florida PRIME in the amount of \$2,030,371.

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, 2019, 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, 2019 were:

Fund	Due From Other Funds	Due to Other Funds
General Fund	\$ -	\$ 2,272
Commissary Fund	2,272	-
<b>Total</b>	<b>\$ 2,272</b>	<b>\$ 2,272</b>

CHARLOTTE COUNTY, FLORIDA  
SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**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, 2019 and July 1, 2019 through September 30, 2019, respectively, were as follows: regular 8.26% and 8.47%; county elected officers 48.70% and 48.82%; senior management 24.06% and 25.41%; DROP participants 14.03% and 14.60%; and special risk regular 24.50% and 25.48%. During the fiscal year ended September 30, 2019, the Sheriff contributed to the plan an amount equal to 18.84% 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, 2019

**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 \$5,644,586, \$606,220, and \$1,675,439, respectively, for the fiscal year ended September 30, 2019. The Sheriff's payments after June 30, 2019, the measurement date used to determine the net pension liability associated with the Pension Plan and HIS Plan, amounted to \$1,732,573, and \$167,992, 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](http://www.ams.myflorida.com/retirement).

**Note 5. General Fixed Assets**

The following changes in general fixed assets occurred during the year ended September 30, 2019:

	Balance October 1, 2018	Additions	Deletions	Balance September 30, 2019
Machinery & Equipment	\$ 26,363,150	\$ 5,256,452	\$ (1,375,050)	\$ 30,244,552
Accumulated Depreciation	(18,504,713)	(3,527,657)	1,334,944	(20,697,426)
Net Book Value	<u>\$ 7,858,437</u>	<u>\$ 1,728,795</u>	<u>\$ (40,106)</u>	<u>\$ 9,547,126</u>

CHARLOTTE COUNTY, FLORIDA  
SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**Note 6. General Long-Term Debt**

The following changes in compensated absences occurred during the year ended September 30, 2019:

Long-term debt payable at October 1, 2018	\$ 7,920,010
Increase in accrued compensated absences	5,146,778
Decrease in accrued compensated absences	<u>(4,663,167)</u>
Long-term debt payable at September 30, 2019	<u>\$ 8,403,621</u>
Short-term portion	\$ 4,033,078
Long-term portion	<u>4,370,543</u>
Total compensated absences	<u>\$ 8,403,621</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, 2019, the Sheriff was charged \$764,270 for the self-insurance program.

The Sheriff participates in the countywide self-insurance program for property liability. For fiscal year ended September 30, 2019, the Sheriff’s portion for the self-insurance program, paid by the Board of County Commissioners, was \$386,596.

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, 2019 was \$1,260,549.

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 \$9,554,017. 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, 2019

**Note 7. Self-Insurance Program, continued**

	Sheriff Health Insurance
Balance at October 1, 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
Current Year Claims and Changes in Estimates	9,646,826
Claim Payments	(9,882,270)
Balance at September 30, 2019	\$ 1,349,000

\* 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 \$996,612.

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, 2019

**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.

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 \$3,064,222, 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 \$651,490 for the year ended September 30, 2019.

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 Entitled to But Not Yet Receiving Benefits	-
Active Plan Members	556
<b>TOTAL</b>	<b>632</b>

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.

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, 2019.

The measurement period for the OPEB expense was October 1, 2018 to September 30, 2019.

The reporting period is October 1, 2018 through September 30, 2019.

The Sponsor’s Total OPEB Liability was measured as of September 30, 2019.

CHARLOTTE COUNTY, FLORIDA  
SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**Note 8. Other Post-Employment Benefits, continued**

*Actuarial Assumptions:*

The Total OPEB Liability was determined by an actuarial valuation as of October 1, 2018, using the following actuarial assumptions:

Inflation Rate	2.50%
Salary Increase Rate(s)	6.00%
Discount Rate	3.58%
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. For male special risk lives, a 10% Annuitant White-Collar table, 90% 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.

*Discount Rate:*

Given the Charlotte County Sheriff's Office's decision not to fund the program, all future benefits were discounted using a high-quality municipal bond rate of 3.58%. The high-quality municipal bond rate was based on the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices. The S&P Municipal 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard and Poor's Ratings Services, Aa2 by Moody's or AA by Fitch. If there are multiple ratings, the lowest rating is used.

CHARLOTTE COUNTY, FLORIDA  
SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**Note 8. Other Post-Employment Benefits, continued**

**Total OPEB Liability, continued**

*Retirement Rates and Eligibility:*

*Creditable Service* – Total completed years of employment as defined under the Florida Retirement System (FRS).

***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 – 61	20%
62	100%



CHARLOTTE COUNTY, FLORIDA  
SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**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	20%
55	100%

**Tier 2**

Regular Class – Members may retire early at age 43 and 8 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%

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	6.0%
30	5.0%
40	2.6%
50	0.8%
60	0.2%

CHARLOTTE COUNTY, FLORIDA  
SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**Note 8. Other Post-Employment Benefits, continued**

**Total OPEB Liability, continued**

*Early Retirement Rates, continued*

Disability Rates – See table of sample rate below. 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.

Health Care Inflation – Initial rate of 8.50% in fiscal 2018, grading down to the ultimate trend rate of 4.00% in fiscal 2073. The rates reflect recent healthcare trend rate surveys, blended with the long-term rates from the Getzen Model published by the Society of Actuaries.

Medical Aging Factors – 4.0% per year prior to age 65; 3.0% per year between ages 65 and 75; 2.0% per year between ages 75 and 85; and 0.0% 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.

Funding Method – Entry Age Cost Method (Level Percentage of Pay).

Discussion of Census Data and Assumptions – All census information, non-prescribed assumptions, and methods are the same as those used in the prior valuation as of October 1, 2017.

CHARLOTTE COUNTY, FLORIDA  
SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**Note 8. Other Post-Employment Benefits, continued**

**Change in Total OPEB Liability**

	Increases & (Decreases) in Liability Total OPEB
Reporting Period Ending September 30, 2018	\$ 24,909,211
Changes for the Year:	
Service Cost	1,917,287
Interest	1,107,871
Changes of Assumptions	1,607,225
Benefit Payments	(651,490)
Total Net Changes	3,980,893
Reporting Period Ending September 30, 2019	\$ 28,890,104

Changes in assumptions reflect a change in the discount rate from 4.18% for the reporting period ended September 30, 2018, to 3.58% for the reporting period ended September 30, 2019.

*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 2.58%	Current Discount Rate 3.58%	1% Increase 4.58%
Total OPEB Liability	\$ 31,831,927	\$ 28,890,104	\$ 26,262,600

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% - 7.00%	Healthcare Cost Trend Rates 4.00% - 8.50%	1% Increase 5.00% - 9.50%
Total OPEB Liability	\$ 24,754,386	\$ 28,890,104	\$ 33,879,748

CHARLOTTE COUNTY, FLORIDA  
SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**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, 2019, the Sponsor will recognize OPEB Expense of \$3,064,222.

On September 30, 2019, 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
Changes of Assumptions	\$ 1,406,322	\$ 995,037

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:

2020	\$	35,064
2021		35,064
2022		35,064
2023		35,064
2034		35,064
Thereafter		235,965

**Note 9. Commitments and Contingencies**

The Sheriff was a defendant in several lawsuits as of September 30, 2019. 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.

CHARLOTTE COUNTY, FLORIDA  
SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**Note 10. Change in Accounting Principle**

For the fiscal year-ended September 30, 2019, the Sheriff implemented Statement No. 84 of the Governmental Accounting Standards Board (GASB), *Fiduciary Activities*. The implementation of the statement establishes criteria for identifying fiduciary activities for all local governments. The requirements of this Statement will enhance consistency and comparability and enhances the value provided by the information reported in financial statements for assessing government accountability and stewardship.

Fiduciary activities are reported in the fiduciary fund financial statements of the basic financial statements, and include the Fiduciary Statement of Net Position and the Statement of Changes in Fiduciary Net Position. For the Sheriff, custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. The statement of fiduciary net position is used to report the assets, liabilities, and fiduciary net position of custodial funds. The statement of changes in fiduciary net position is used to report additions to and deductions from custodial funds.

The Sheriff reports aggregated totals for additions and aggregated totals for deductions of custodial funds in which resources, upon receipt, are normally expected to be held for three months or less. The descriptions of the aggregated totals of additions and deductions indicates the nature of the resource flows.

Liabilities, under GASB Statement 84, are recognized differently for custodial funds. Liabilities are recognized when an event has occurred that compels the government to disburse the resources held in a fiduciary capacity in the custodial funds. If further action, authorization, or condition is required to compel the Sheriff to disburse the funds at year-end, the amounts are reported as net position. GASB 84 requires that changes adopted to conform to the provisions of the statement be applied retroactively by restating the financial statements. The Sheriff has restated the beginning net position in the Statement of Fiduciary Net Position as a result in the change in recognition of liabilities as follows:

Agency funds, net position, as of October 1, 2018	\$	-
Restatement, due to the implementation of GASB 84		<u>188,426</u>
Custodial funds, net position, as restated, as of October 1, 2018		<u><u>188,426</u></u>

# **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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ -	\$ 108,150	\$ -	\$ (108,150)
Charges for services	1,750,000	1,750,000	2,590,877	840,877
Fines and forfeitures	-	-	5,579	5,579
Miscellaneous	-	-	346,602	346,602
Total revenues	<u>1,750,000</u>	<u>1,858,150</u>	<u>2,943,058</u>	<u>1,084,908</u>
Expenditures:				
Current				
General government				
Non-court related				
Personal services	2,710,371	2,877,171	2,894,233	(17,062)
Operating expenses	279,125	220,205	19,707	200,498
Capital outlay	77,436	69,556	53,138	16,418
Total general government	<u>3,066,932</u>	<u>3,166,932</u>	<u>2,967,078</u>	<u>199,854</u>
Public safety				
Personal services	55,112,018	54,120,027	52,660,565	1,459,462
Operating expenses	11,255,332	10,421,032	10,284,803	136,229
Capital expenditures	2,578,553	4,304,844	4,356,592	(51,748)
Total public safety	<u>68,945,903</u>	<u>68,845,903</u>	<u>67,301,960</u>	<u>1,543,943</u>
Total expenditures	<u>72,012,835</u>	<u>72,012,835</u>	<u>70,269,038</u>	<u>1,743,797</u>
Excess of revenues over (under) expenditures	<u>(70,262,835)</u>	<u>(70,154,685)</u>	<u>(67,325,980)</u>	<u>2,828,705</u>
Other financing sources (uses):				
Transfers in	70,262,835	70,154,685	70,194,685	40,000
Transfers out	-	-	(2,868,705)	(2,868,705)
Total other financing sources (uses)	<u>70,262,835</u>	<u>70,154,685</u>	<u>67,325,980</u>	<u>(2,828,705)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, October 1, 2018			-	
Fund balance, September 30, 2019			<u>\$ -</u>	

CHARLOTTE COUNTY, FLORIDA  
SHERIFF  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
September 30, 2019

	<u>Second Dollar</u>	<u>DOJ-US Border Patrol Stonegarden</u>	<u>DOJ-JAGC Byrne Grant</u>
Assets			
Cash and cash equivalents	\$ 168,599	\$ -	\$ -
Total assets	<u>\$ 168,599</u>	<u>\$ -</u>	<u>\$ -</u>
Liabilities and Fund Balances			
Liabilities			
Due to other constitutional officers	\$ 585	\$ -	\$ -
Total liabilities	<u>585</u>	<u>-</u>	<u>-</u>
Fund Equity			
Fund Balance			
Reserved for special purpose	168,014	-	-
Total fund equity	<u>168,014</u>	<u>-</u>	<u>-</u>
Total liabilities and fund equity	<u>\$ 168,599</u>	<u>\$ -</u>	<u>\$ -</u>



Special Revenue Funds

Local- MAC Grant	FDLE-JAGC Byrne Highway Safety Grant	Firehouse Subs Grant	Federal FCASV Domestic Violence Grant	Federal SCAAP Grant	Total Non-Major Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 168,599
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 168,599</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 585
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 585</u>
-	-	-	-	-	168,014
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>168,014</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 168,599
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 168,599</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, 2019

	Second Dollar	DOJ-US Border Patrol Stonegarden	DOJ-JAGC Byrne Grant
Revenues:			
Intergovernmental	\$ 128,450	\$ 83,992	\$ 17,849
Fines and forfeitures	22,389	-	-
Total revenues	<u>150,839</u>	<u>83,992</u>	<u>17,849</u>
Expenditures:			
Current			
Public safety			
Personal services	15,318	48,315	-
Operating expenses	172,436	-	3,102
Capital outlay	1,377	35,677	14,747
Total expenditures	<u>189,131</u>	<u>83,992</u>	<u>17,849</u>
Excess of revenues over expenditures	<u>(38,292)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(38,292)	-	-
Fund balances, October 1, 2018	206,306	-	-
Fund balances, September 30, 2019	<u>\$ 168,014</u>	<u>\$ -</u>	<u>\$ -</u>

Special Revenue Funds

Local- MAC Grant	FDLE-JAGC Byrne Highway Safety Grant	Firehouse Subs Grant	Federal FCASV Domestic Violence Grant	Federal SCAAP Grant	Total Non-Major Governmental Funds
\$ 187,711	\$ 54,500	\$ 14,960	\$ 73,199	\$ 3,996	\$ 564,657
-	-	-	-	-	22,389
<u>187,711</u>	<u>54,500</u>	<u>14,960</u>	<u>73,199</u>	<u>3,996</u>	<u>587,046</u>
-	-	-	71,060	3,996	138,689
-	-	2,460	2,139	-	180,137
187,711	54,500	12,500	-	-	306,512
<u>187,711</u>	<u>54,500</u>	<u>14,960</u>	<u>73,199</u>	<u>3,996</u>	<u>625,338</u>
-	-	-	-	-	(38,292)
-	-	-	-	-	(38,292)
-	-	-	-	-	206,306
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 168,014</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, the aggregate remaining fund information, and the fiduciary fund of the Charlotte County, Florida, Sheriff (the "Sheriff"), as of and for the fiscal year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Sheriff's special purpose financial statements, and have issued our report thereon dated February 21, 2020.

***Internal Control Over Financial Reporting***

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or 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 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.

This report is intended solely for the information and use of the Sheriff's management, the Charlotte County, Florida, Board of County Commissioners, and the Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Handwritten signature in blue ink that reads "Ashley, Brown & Co."

Punta Gorda, Florida  
February 21, 2020

## **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, 2019, and have issued our report thereon dated February 21 2020.

### ***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 21, 2020, should be considered in conjunction with this management letter.

### ***Prior Audit Findings***

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

### ***Official Title and Legal Authority***

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

***Financial Management***

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

***Additional Matters***

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

***Purpose of the Letter***

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

Handwritten signature in blue ink that reads "Ashley, Brown & Co.".

Punta Gorda, Florida  
February 21, 2020

**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 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, 2019. 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 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 Sheriff'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 Sheriff's compliance with specified requirements.

***Opinion***

In our opinion, the Sheriff complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.



Punta Gorda, Florida  
February 21, 2020



***SECTION V***  
***SUPERVISOR OF ELECTIONS***  
***Paul A. Stamoulis***

## **Independent Auditor's Report**

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, 2019, and the related notes to the financial statements, which collectively comprise the Supervisor's special purpose financial statements, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information for the Supervisor as of September 30, 2019 and the respective changes in financial position, where applicable, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

#### ***Basis of Presentation***

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the "Rules"). In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the major funds, and the aggregate remaining fund information, only for that portion of each major funds and the aggregate remaining fund information, of Charlotte County that is attributable to the Supervisor. They do not purport to, and do not, present fairly the financial position of Charlotte County as of September 30, 2019, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

### ***Other Matters***

#### ***Required Supplementary Information***

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated February 21, 2020, 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 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 21, 2020

CHARLOTTE COUNTY, FLORIDA  
 SUPERVISOR OF ELECTIONS  
 BALANCE SHEET  
 GOVERNMENTAL FUND  
 SEPTEMBER 30, 2019

Assets		<u>General</u>
Cash and cash equivalents	\$	443,071
Other assets		15,487
Total assets		<u>\$ 458,558</u>
Liabilities and Fund Balances		
Liabilities		
Accounts and vouchers payable	\$	21,252
Accrued liabilities		34,552
Due to other constitutional officers		
Board of County Commissioners		300,814
Unearned revenue		87,596
Other liabilities		14,344
Total liabilities		<u>458,558</u>
Total liabilities and fund equity		<u>\$ 458,558</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, 2019

	General
Revenues:	
Intergovernmental	\$ 227,273
Charges for services	7,253
Miscellaneous	4,688
Total revenues	239,214
Expenditures:	
Current	
General government	2,162,074
Debt service	108,544
Total expenditures	2,270,618
Excess of revenues over/(under) expenditures	(2,031,404)
Other financing sources (uses):	
Transfers in	2,332,018
Transfers out	(300,614)
Total other financing sources (uses)	2,031,404
Excess of revenues and other sources over/(under) expenditures and other uses	-
Fund balance, October 1, 2018	-
Fund balance, September 30, 2019	\$ -

See accompanying notes.

CHARLOTTE COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**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, 2019

**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 these criteria.

**Note 2. Cash and Cash Equivalents**

The Supervisor's deposits are maintained in a cash pool and Florida PRIME. At September 30, 2019 the cash and cash equivalents amounted to \$421,630.

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 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, 2019, 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, 2019

**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, 2018 through June 30, 2019 and July 1, 2019 through September 30, 2019, respectively, were as follows: regular 8.26% and 8.47%; county elected officers 48.70% and 48.82%; senior management 24.06% and 25.41%; and DROP participants 14.03% and 14.60%. During the fiscal year ended September 30, 2019, the Supervisor of Elections contributed to the plan an amount equal to 19.9% 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, 2019

**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 \$21,446, \$12,302, and \$104,491, respectively, for the fiscal year ended September 30, 2019. The Supervisor of Elections' payments after June 30, 2019, the measurement date used to determine the net pension liability associated with the Pension Plan and HIS Plan, amounted to \$6,030, and \$3,195, 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](http://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, 2019, the Supervisor of Elections was charged \$10,204 for the self-insurance program for general liability, automobile liability and workers' compensation, and \$181,191 for life and health insurance.

CHARLOTTE COUNTY, FLORIDA  
 SUPERVISOR OF ELECTIONS  
 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2019

**Note 5. Changes in General Long-Term Debt**

The following changes in general long-term debt occurred during the year ended September 30, 2019:

Balance as of September 30, 2018	Additions	Deductions	Balance as of September 30, 2019
\$ 107,721	\$ 31,088	\$ 80,091	\$ 58,718

Long-term debt is comprised of the following at September 30, 2019:

Noncurrent portion of compensated absences	\$ 16,748
--	-----------

**Note 6. Other Post Employment Benefits**

**Plan Description**

In accordance with Section 112.0801, Florida Statutes, because the Supervisor provides medical plans to employees of the Supervisor and their eligible dependents, the Supervisor 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 employees.

The Supervisor participated in the County's employee group health insurance and stipend programs. In accordance with Section 112.0801, Florida Statutes, because the Supervisor provides medical plans to employees of the Supervisor and their eligible dependents, the Supervisor 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 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 has contributed \$3,600 during the year.

# **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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ 227,273	\$ 227,273
Charges for services	-	-	7,253	7,253
Miscellaneous	-	-	4,688	4,688
Total revenues	<u>-</u>	<u>-</u>	<u>239,214</u>	<u>239,214</u>
<b>Expenditures:</b>				
Current				
General government				
Non-court related				
Personal services	1,488,437	1,488,437	1,382,944	105,493
Contract/Professional services	49,000	49,000	47,093	1,907
Operating expenditures	635,204	635,204	446,486	188,718
Materials/Supplies	159,372	159,372	279,273	(119,901)
Capital expenditures	-	-	6,278	(6,278)
Total general government	<u>2,332,013</u>	<u>2,332,013</u>	<u>2,162,074</u>	<u>169,939</u>
Debt Service				
Principal retirement	-	-	108,544	(108,544)
Total debt service	<u>-</u>	<u>-</u>	<u>108,544</u>	<u>(108,544)</u>
Total expenditures	<u>2,332,013</u>	<u>2,332,013</u>	<u>2,270,618</u>	<u>61,395</u>
Excess of revenues over/(under) expenditures	<u>(2,332,013)</u>	<u>(2,332,013)</u>	<u>(2,031,404)</u>	<u>300,609</u>
<b>Other financing sources (uses):</b>				
Transfers in	2,332,013	2,332,013	2,332,018	5
Transfers out	-	-	(300,614)	(300,614)
Total other financing sources (uses)	<u>2,332,013</u>	<u>2,332,013</u>	<u>2,031,404</u>	<u>(300,609)</u>
Excess of revenues and other sources over/(under) expenditures and other uses	-	-	-	-
Fund balance, October 1, 2018	-	-	-	-
Fund balance, September 30, 2019	<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 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, 2019, and the related notes to the financial statements, which collectively comprise the Supervisor's special purpose financial statements, and have issued our report thereon dated February 21, 2020.

***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.

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 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.

This report is intended solely for the information and use of the Supervisor's management, the Charlotte County, Florida, Board of County Commissioners, and the Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Handwritten signature in blue ink that reads "Ashley, Brown & Co." in a cursive script.

Punta Gorda, Florida  
February 21, 2020

## **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, 2019, and have issued our report thereon dated February 21 2020.

### ***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 21, 2020, should be considered in conjunction with this management letter.

### ***Prior Audit Findings***

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

### ***Official Title and Legal Authority***

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

***Financial Management***

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

***Additional Matters***

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

***Purpose of the Letter***

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

Handwritten signature in blue ink that reads "Ashley, Brown & Co." in a cursive script.

Punta Gorda, Florida  
February 21, 2020



**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 Paul A. Stamoulis  
Supervisor of Elections  
Charlotte County, Florida

***Report on Compliance***

We have examined the Charlotte County, Florida, Supervisor of Election's (the "Supervisor") compliance with Section 218.415, Florida Statutes, Local Government Investment Policies, for the year ended September 30, 2019. 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 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 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 Supervisor complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.



Punta Gorda, Florida  
February 21, 2020

***SECTION VI***  
***TAX COLLECTOR***  
***Vicki L. Potts***

## **Independent Auditor's Report**

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, the aggregate remaining fund information, and the fiduciary fund of the Charlotte County, Florida, Tax Collector (the "Tax Collector"), as of and for the fiscal year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Tax Collector's special purpose financial statements, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund, the aggregate remaining fund information, and the fiduciary fund for the Tax Collector as of September 30, 2019 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.

## ***Change in Accounting Principle***

As discussed in Note 10 to the financial statements, the Tax Collector adopted the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 84, Fiduciary Activities, during the year ended September 30, 2019. Our opinions are not modified with respect to this matter.

## ***Emphasis of Matter***

### ***Basis of Presentation***

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the "Rules"). In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the major funds, and the aggregate remaining fund information, only for that portion of each major funds and the aggregate remaining fund information, of Charlotte County that is attributable to the Tax Collector. They do not purport to, and do not, present fairly the financial position of Charlotte County as of September 30, 2019, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

## ***Other Matters***

### ***Required Supplementary Information***

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

## ***Other Reporting Required by Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated February 21, 2020, on our consideration of the Tax Collector's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters under the heading INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS.

***Other Reporting Required by Government Auditing Standards, continued***

The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Tax Collector's internal control over financial reporting and compliance.

*Ashley, Brown & Co.*

Punta Gorda, Florida  
February 21, 2020

CHARLOTTE COUNTY, FLORIDA  
 TAX COLLECTOR  
 BALANCE SHEET  
 GOVERNMENTAL FUND  
 SEPTEMBER 30, 2019

Assets	<u>General</u>
Cash and cash equivalents	\$ 2,962,779
Other assets	1,380
Total assets	<u>\$ 2,964,159</u>
Liabilities	
Liabilities	
Accounts and vouchers payable	\$ 59,567
Accrued liabilities	144,509
Due to other constitutional officers	
Board of County Commissioners	2,540,549
Due to other governmental agencies	219,534
Total liabilities	<u>\$ 2,964,159</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, 2019

	General
Revenues:	
Charges for services	\$ 9,140,050
Miscellaneous	94,299
Total revenues	9,234,349
Expenditures:	
Current	
General government	7,189,022
Total expenditures	7,189,022
Excess of revenues over expenditures	2,045,327
Other financing sources (uses):	
Transfers out	(2,045,327)
Total other financing sources (uses)	(2,045,327)
Excess of revenues and other sources over/(under) expenditures and other uses	-
Fund balance, October 1, 2018	-
Fund balance, September 30, 2019	\$ -

See accompanying notes.

CHARLOTTE COUNTY, FLORIDA  
TAX COLLECTOR  
STATEMENT OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2019

Assets	<u>Custodial Funds</u>
Cash and cash equivalents	\$ 6,512,365
Due from other governments	1,609
Due from individuals	761
Total assets	<u>\$ 6,514,735</u>
<b>Liabilities</b>	
Due to other constitutional officers:	
Board of County Commissioners	\$ 243,247
Property Appraiser	<u>32</u>
Total due to other constitutional officers	<u>243,279</u>
Due to other governments	266,309
Due to individuals	6,001,315
Total liabilities	<u>6,510,903</u>
Net position, held in a custodial capacity to be disbursed	<u>\$ 3,832</u>

See accompanying notes.



CHARLOTTE COUNTY, FLORIDA  
TAX COLLECTOR  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
SEPTEMBER 30, 2019

	Custodial Funds
Additions:	
Property taxes and fees collected	\$ 380,048,982
Licenses and tag fees collected	25,640,162
Tourist development fees collected	4,203,940
Employee contributions to charities collected	6,466
Total additions:	\$ 409,899,550
Deductions:	
Property taxes and fees collected	\$ 380,048,982
Licenses and tag fees collected	25,640,162
Tourist development fees collected	4,203,940
Employee contributions to charities collected	6,835
Total deductions:	409,899,919
Change in Net Position	(369)
Net Position, beginning	4,201
Net Position, ending	\$ 3,832

See accompanying notes.

CHARLOTTE COUNTY, FLORIDA  
TAX COLLECTOR  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**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.

Custodial Funds – Custodial Funds are used to account for assets held by public officials in a trustee capacity or as a custodian for individuals, private organizations, other governments and/or other funds. Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust 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.

Custodial Funds – Custodial funds are accounted for using an economic resource measurement focus requiring a resource flow statement.

CHARLOTTE COUNTY, FLORIDA  
TAX COLLECTOR  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**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 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. 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.

Custodial Funds are accounted for using the accrual basis of accounting.

(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, 2019, the Tax Collector had \$473,454 in compensated absences payable, of which \$249,755 is short-term in nature.

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, 2019

**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, 2019, the Tax Collector maintained deposits in a cash pool and overnight repurchase agreements for all fund types.

At September 30, 2019, the bank balance of \$8,800,334 is the total balance for all Tax Collector funds as participants of the pool and cannot be segregated by fund. The book balance was \$9,475,144, of which \$27,150 was cash on hand as of September 30, 2019.

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, 2019

**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, 2018 through June 30, 2019 and July 1, 2019 through September 30, 2019, respectively, were as follows: regular 8.26% and 8.47%; county elected officers 48.70% and 48.82%; senior management 24.06% and 25.41%; and DROP participants 14.03% and 14.60%. During the fiscal year ended September 30, 2019, the Tax Collector contributed to the plan an amount equal to 8.99% 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 \$261,513, \$61,710, and \$139,287 respectively, for the fiscal year ended September 30, 2019. The Tax Collector's payments after June 30, 2019, the measurement date used to determine the net pension liability associated with the Pension Plan and HIS Plan, amounted to \$70,287 and \$16,237, 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](http://www.ams.myflorida.com/retirement).

CHARLOTTE COUNTY, FLORIDA  
TAX COLLECTOR  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**Note 4. General Long-Term Debt**

The following changes in general long-term debt occurred during the year ended September 30, 2019:

Long-term debt payable at October 1, 2018	\$ 434,901
Increase in accrued compensated absences	536,007
Decrease in accrued compensated absences	<u>(497,454)</u>
Long-term debt payable at September 30, 2019	<u>\$ 473,454</u>

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	<u>\$ 223,699</u>

**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, 2019, the Tax Collector was charged \$58,322 for the self-insurance program and \$1,310,410 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, 2019

**Note 7. Other Post Employment Benefits**

**Plan Description**

The Tax Collector participates in the County's employee group health insurance and stipend programs. 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 participated 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 \$6,840 during the year.

The Tax Collector's OPEB is calculated as a part of a County-wide actuarial valuation.

**Note 8. Change in Accounting Principle**

For the fiscal year ended September 30, 2019, the Tax Collector implemented Statement No. 84 of the Governmental Accounting Standards Board (GASB), *Fiduciary Activities*. The implementation of the statement establishes criteria for identifying fiduciary activities for all local governments. The requirements of this Statement will enhance consistency and comparability and enhances the value provided by the information reported in financial statements for assessing government accountability and stewardship.

Fiduciary activities are reported in the fiduciary fund financial statements of the basis financial statements, and include the Fiduciary Statement of Net Position and the Statement of Changes in Fiduciary Net Position. For the Tax Collector, custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. The statement of fiduciary net position is used to report the assets, liabilities, and fiduciary net position of custodial funds. The statement of changes in fiduciary net position is used to report additions to and deductions from custodial funds.

The Tax Collector reports aggregated totals for additions and aggregated totals for deductions of custodial funds in which resources, upon receipt, are normally expected to be held for three months or less. The descriptions of the aggregated totals of additions and deductions indicates the nature of the resource flows.

CHARLOTTE COUNTY, FLORIDA  
TAX COLLECTOR  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**Note 8. Change in Accounting Principle, continued**

Liabilities, under GASB Statement 84, are recognized differently for custodial funds. Liabilities are recognized when an event has occurred that compels the government to disburse the resources held in a fiduciary capacity in the custodial funds. If further action, authorization, or condition is required to compel the Clerk to disburse the funds at year-end, the amounts are reported as net position. GASB 84 requires that changes adopted to conform to the provisions of the statement be applied retroactively by restating the financial statements. The Clerk has restated the beginning net position in the Statement of Fiduciary Net Position as a result in the change in recognition of liabilities as follows:

Agency funds, net position, as of October 1, 2018	\$ -
Restatement, due to the implementation of GASB 84	4,201
Custodial funds, net position, as restated as of October 1, 2018	<u><u>4,201</u></u>



# **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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for services	\$ 7,503,921	\$ 7,503,921	\$ 9,140,050	\$ 1,636,129
Miscellaneous	-	-	94,299	94,299
Total revenues	<u>7,503,921</u>	<u>7,503,921</u>	<u>9,234,349</u>	<u>1,730,428</u>
<b>Expenditures:</b>				
Current				
General government				
Non-court related				
Personal services	5,857,092	5,857,092	5,690,735	166,357
Operating expenditures	1,597,870	1,590,181	1,442,152	148,029
Capital expenditures	48,959	56,648	56,135	513
Total general government	<u>7,503,921</u>	<u>7,503,921</u>	<u>7,189,022</u>	<u>314,899</u>
Total expenditures	<u>7,503,921</u>	<u>7,503,921</u>	<u>7,189,022</u>	<u>314,899</u>
Excess of revenues over/(under) expenditures	-	-	2,045,327	2,045,327
<b>Other financing sources (uses):</b>				
Transfers out	-	-	(2,045,327)	(2,045,327)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(2,045,327)</u>	<u>(2,045,327)</u>
Excess of revenues and other sources over/(under) expenditures and other uses	-	-	-	-
Fund balance, October 1, 2018	-	-	-	-
Fund balance, September 30, 2019	<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 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, the aggregate remaining fund information, and the fiduciary fund of the Charlotte County, Florida, Tax Collector (the "Tax Collector"), as of and for the fiscal year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Tax Collector's special purpose financial statements, and have issued our report thereon dated February 21, 2020.

***Internal Control Over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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.

This report is intended solely for the information and use of the Tax Collector's management, the Charlotte County, Florida, Board of County Commissioners, and the Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in blue ink that reads "Ashley, Brown & Co." The signature is written in a cursive style.

Punta Gorda, Florida  
February 21, 2020

## **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, 2019, and have issued our report thereon dated February 21 2020.

### ***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 21, 2020, should be considered in conjunction with this management letter.

### ***Prior Audit Findings***

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

### ***Official Title and Legal Authority***

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

***Financial Management***

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

***Additional Matters***

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

***Purpose of the Letter***

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

A handwritten signature in blue ink that reads "Ashley, Brown & Co." The signature is written in a cursive style.

Punta Gorda, Florida  
February 21, 2020

**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 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, 2019. 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 Tax Collector'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 Tax Collector's compliance with specified requirements.

***Opinion***

In our opinion, the Tax Collector complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.



Punta Gorda, Florida  
February 21, 2020

***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") 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, 2019. 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, 2019.

## 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.



Orlando, Florida  
March 10, 2020

**CHARLOTTE COUNTY, FLORIDA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - FEDERAL AWARDS**  
**PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS**

*YEAR ENDED SEPTEMBER 30, 2019*

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**Part I - Summary of Auditor's Results**

Financial Statement Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?            yes     x     no

Significant deficiency(ies) identified?            yes     x     none reported

Noncompliance material to financial statements noted?            yes     x     no

**Federal Awards and State Projects Section**

Internal control over major programs:

Material weakness(es) identified?            yes     x     no

Significant deficiency(ies) identified?            yes     x     none reported

Type of auditor's report on compliance for major federal programs and state projects: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)            yes     x     no

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550 for state projects?            yes     x     no

**CHARLOTTE COUNTY, FLORIDA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS -**  
**FEDERAL AWARDS PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS**

*YEAR ENDED SEPTEMBER 30, 2019*

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**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
Department of Homeland Security	
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036

State Projects:

Name of Project	CSFA Numbers
State of Florida Department of Environmental Protection:	
Drinking Water State Revolving Fund Construction Loan Agreement	37.076
State of Florida Department of Environmental Protection:	
Clean Water State Revolving Fund Construction Loan Agreement	37.077
State of Florida Housing Finance Corporation:	
State Housing Initiatives Partnership Program	40.901
State of Florida Department of Financial Services	
Local Government Fire Service Grants Equipment/Training Materials	43.010

Dollar threshold used to determine Type A programs:

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

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, 2019*

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**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, 2019

<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>
<b><u>U.S. Department of Agriculture</u></b>				
Emergency Watershed Protection Program	10.923	NR184209XXXXC018	\$ 295,889	\$ -
<b>Total U.S. Department of Agriculture</b>			<b>\$ 295,889</b>	<b>\$ -</b>
<b><u>U.S. Department of Housing &amp; Urban Development</u></b>				
Community Development Block Grant - State's Program	14.228	B-11-UN-12-0025	\$ 4,072	\$ -
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	404	-
<b>Total Community Development Block Grants</b>			<b>\$ 4,476</b>	<b>\$ -</b>
<b>Total U.S. Department of Housing &amp; Urban Development</b>			<b>\$ 4,476</b>	<b>\$ -</b>
<b><u>U.S. Department of Justice</u></b>				
Passed through the State of Florida Department of Juvenile Justice:				
Juvenile Justice & Delinquency Prevention Allocation to States	16.540	10504	\$ 31,941	\$ -
Passed through Florida Coalition Against Domestic Violence: STOP Violence Against Women Formula Grant Program	16.588	19-8056-LE-ENH	\$ 73,199	\$ -
State Criminal Alien Assistance Program (SCAAP)	16.606	2019-AP-BX-0130	\$ 3,996	\$ -
Edward Byrne Memorial Justice Assistance Grant - Training Lab Simulator Project, etc.	16.738	2017-DJ-BX-0738	\$ 7,336	\$ 6,077
Edward Byrne Memorial Justice Assistance Grant - Crime Prevention/Surveillance Equipment	16.738	2018-DJ-BX-0544	24,243	5,182
Passed through the State of Florida Department of Law Enforcement:				
Edward Byrne Memorial Justice Assistance Grant - Highway Safety Initiative/Training Lab Simulator Project	16.738	2019-JAGC-CHAR-2-N2-062	54,500	-
			<b>\$ 86,079</b>	<b>\$ -</b>
Equitable Sharing Program	16.922	FL0080000	\$ 4,142	\$ -
<b>Total U.S. Department of Justice</b>			<b>\$ 199,357</b>	<b>\$ 11,259</b>

CHARLOTTE COUNTY, FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Fiscal Year Ended September 30, 2019

<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>
<b><u>U.S. Department of Transportation</u></b>				
<b><u>Highway Planning &amp; Construction Cluster:</u></b>				
Passed through the Florida Department of Transportation:				
Highway Planning & Construction - Metropolitan Planning Grant 18/19	20.205	FRN 439316-2-14-01 C #G0Y72	\$ 434,662	\$ -
<b>Total Highway Planning &amp; Construction Cluster</b>			<b><u>\$ 434,662</u></b>	<b><u>\$ -</u></b>
Passed through the Florida Department of Transportation:				
Federal Transit - Metropolitan Transportation Planning Grant 17/18	20.505	410114-1-14-28/G0601	\$ 36,041	\$ -
Federal Transit - Metropolitan Transportation Planning Grant 18/19	20.505	410114-1-14-27/G0601	36,669	-
			<u>\$ 72,710</u>	<u>\$ -</u>
<b><u>Federal Transit Cluster:</u></b>				
Federal Transit Formula Grants (12/13)	20.507	FL-90-X827-00	\$ 7,503	\$ -
Federal Transit Formula Grants (13/14)	20.507	FL-90-X860-00	39,089	-
Federal Transit Formula Grants (14/15)	20.507	FL-2017-020-00	52,132	-
Federal Transit Formula Grants (15/16)	20.507	FL-2018-004-00	83,511	-
Federal Transit Formula Grants (16/17)	20.507	FL-2017-120-00	445,074	-
Federal Transit Formula Grants (17/18)	20.507	FL-2018-114-00	216,809	-
Federal Transit Formula Grants (18/19)	20.507	FL-2019-073-00	750,452	-
Passed through the Florida Department of Transportation:				
Bus and Bus Facilities Formula Program	20.526	ARU16 436205-1-94-01	422,809	-
<b>Total Federal Transit Cluster</b>			<b><u>\$ 2,017,379</u></b>	<b><u>\$ -</u></b>
Passed through the Florida Department of Transportation:				
Formula Grants for Rural Areas	20.509	G1686 FPN: 410119-1-84-37	\$ 31,875	\$ -
Formula Grants for Rural Areas	20.509	GO743 FPN: 410119-1-84-36	40,758	-
			<u>\$ 72,633</u>	<u>\$ -</u>

CHARLOTTE COUNTY, FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Fiscal Year Ended September 30, 2019

<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>
<b><u>Transit Services Program Cluster:</u></b>				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	G1629 FL-2018-12-00	\$ 18,939	\$ -
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	ARL99 438947-1-84-03	45,603	-
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	FL-16-0042 435210-8-93-05	<u>135,081</u>	<u>-</u>
<b>Total Transit Services Program Cluster</b>			<b><u>\$ 199,623</u></b>	<b><u>\$ -</u></b>
Passed through the Florida Department of Transportation:				
5324 Irma Emergency Relief Operating Program	20.527	G-24 FL-2019-001-00	<u>\$ 62,853</u>	<u>\$ -</u>
<b>Total U.S. Department of Transportation</b>			<b><u>\$ 2,859,861</u></b>	<b><u>\$ -</u></b>
<b><u>U.S. Department of the Treasury</u></b>				
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies for the Gulf Coast States - Gulf RESTORE	21.015	1 RDCGR040017-01-00	\$ 40,321	\$ -
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies for the Gulf Coast States - Gulf RESTORE	21.015	1 RRDCGR040058-01-00	<u>12,554</u>	<u>-</u>
<b>Total U.S. Department of the Treasury</b>			<b><u>\$ 52,875</u></b>	<b><u>\$ -</u></b>
<b><u>U.S. Election Assistance Commission</u></b>				
Passed through the Florida Department of State:				
Help America Vote Act Requirements Payments	90.401	N/A	\$ 975	\$ -
Help America Vote Act Requirements Payments	90.401	MOA #2015-2016-0001	21,343	-
Help America Vote Act Requirements Payments	90.401	MOA #2016-2017-0001	31,985	-
Help America Vote Act Requirements Payments	90.401	MOA #2018-2019-0001-CHA	163,039	-
Help America Vote Act Requirements Payments	90.401	MOA #2018-2019-0002-CHA	<u>14,618</u>	<u>-</u>
<b>Total U.S. Election Assistance Commission</b>			<b><u>\$ 231,960</u></b>	<b><u>\$ -</u></b>



CHARLOTTE COUNTY, FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Fiscal Year Ended September 30, 2019

<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>
<b><u>U.S. Department of Health and Human Services</u></b>				
Passed through the Florida Department of Elder Affairs and the Area of Agency on Aging for Southwest Florida, Inc.:				
<b><u>Aging Cluster:</u></b>				
Special Programs for Aging Title III, Part B 17/18	93.044	OAA-202.18	\$ 79,823	\$ -
Special Programs for Aging Title III, Part B 18/19	93.044	OAA-202.19	<u>209,123</u>	<u>-</u>
<b>Total Aging Cluster</b>			<b><u>\$ 288,946</u></b>	<b><u>\$ -</u></b>
National Family Caregiver Support, Title III, Part E 17/18	93.052	OAA-202.18	\$ 53,399	\$ -
National Family Caregiver Support, Title III, Part E 18/19	93.052	OAA-202.19	<u>77,258</u>	<u>-</u>
			<b><u>\$ 130,657</u></b>	<b><u>\$ -</u></b>
Emergency Home Energy Assistance for the Elderly Program 2019	93.568	EHEAP 202.18/17EA-OF-13-00-16-003	<u>\$ 49,316</u>	<u>\$ -</u>
<b><u>TANF Cluster:</u></b>				
Passed through the Gulf Coast Partnership: Temporary Assistance for Needy Families (TANF)				
<b>Total TANF Cluster</b>	93.558	QPZ03	<u>\$ 6,177</u>	<u>\$ -</u>
			<b><u>\$ 6,177</u></b>	<b><u>\$ -</u></b>
Passed through Florida Department of Revenue: Child Support Enforcement - IV D	93.563	COC08	<u>\$ 117,335</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>\$ 376,863</u>	<u>\$ -</u>
<b><u>477 Cluster:</u></b>				
Community Services Block Grant 17/18	93.569	17SB-0D-09-18-01-106	\$ 61,959	\$ -
<b>Total 477 Cluster</b>			<b><u>\$ 61,959</u></b>	<b><u>\$ -</u></b>
<b>Total U.S. Department of Health &amp; Human Services</b>			<b><u>\$ 1,031,252</u></b>	<b><u>\$ -</u></b>

CHARLOTTE COUNTY, FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Fiscal Year Ended September 30, 2019

<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>
<b><u>U.S. Department of Homeland Security:</u></b>				
Passed through Florida Division of Emergency Management:				
Public Assistance Grants - Tropical Storm Debby	97.036	FEMA-4068-DR-FL PW-1067	\$ (77,712)	\$ -
Public Assistance Grants - 4337 Hurricane Irma	97.036	FEMA-4337-DR-FL-Z0091	(30,925)	-
Public Assistance Grants - 4337 Hurricane Irma	97.036	FEMA-4337-DR-FL Z0011	4,592,613	-
Public Assistance Grants - 4337 Hurricane Irma - State	97.036	FEMA-4337-DR-FL Z0011	206,731	-
Public Assistance Grants - Mutual Aid Hurricane Michael	97.036	FEMA-DR-4399	116,099	-
			<u>\$ 4,806,806</u>	<u>\$ -</u>
Emergency Management Performance Grants FY19	97.042	19-FG-AF-09-18-01-133	\$ 64,024	\$ -
Emergency Management Performance Grants FY20	97.042	G0011	20,403	-
			<u>\$ 84,427</u>	<u>\$ -</u>
Passed through Florida Commission on Community Service doing business as Volunteer Florida:				
Emergency Management Performance Grants - CERT 18/19	97.042	DUNS 04-022-346311	\$ 5,000	\$ -
Passed through Florida Division of Emergency Management:				
Homeland Security Grant Program - Operation Stonegarden	97.067	18-DS-X5-09-18-23-197	\$ 57,688	\$ -
Homeland Security Grant Program - Operation Stonegarden	97.067	19-MIPMIP-10-002 VI	26,304	-
			<u>\$ 83,992</u>	<u>\$ -</u>
<b>Total U.S. Department of Homeland Security</b>			<b><u>\$ 4,980,225</u></b>	<b><u>\$ -</u></b>
<b>Total Expenditures of Federal Awards</b>			<b><u>\$ 9,655,895</u></b>	<b><u>\$ 11,259</u></b>

CHARLOTTE COUNTY, FLORIDA  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
For the Fiscal Year Ended September 30, 2019

<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>
<b><u>State of Florida Executive Office of the Governor</u></b>				
Emergency Management Program	31.063	19-BG-21-09-18-01-036	\$ 90,803	\$ -
Emergency Management Program	31.063	A0047	23,754	-
			<u>\$ 114,557</u>	<u>\$ -</u>
Emergency Management Projects	31.067	18-CP-11-09-18-01-162	\$ 2,801	\$ -
<b>Total State of Florida Executive Office of the Governor</b>			<b><u>\$ 117,358</u></b>	<b><u>\$ -</u></b>
<b><u>State of Florida Department of Environmental Protection</u></b>				
Beach Management Funding Assistance Program	37.003	17CH1	\$ 63,760	\$ -
Beach Management Funding Assistance Program	37.003	16CH1	(314,555)	-
			<u>\$ (250,795)</u>	<u>\$ -</u>
Statewide Surface Water Restoration & Wastewater Projects	37.039	LP0802G	\$ 330,925	\$ -
Drinking Water State Revolving Fund Construction Loan Agreement	37.076	DW08026-0	\$ 31,340	\$ -
Drinking Water State Revolving Fund Construction Loan Agreement	37.076	DW0802B-0	3,424,726	-
Drinking Water State Revolving Fund Construction Loan Agreement	37.076	DW08029-0	355,925	-
			<u>\$ 3,811,991</u>	<u>\$ -</u>
Clean Water State Revolving Fund Construction Loan Agreement	37.077	WW08024-0	\$ 202,028	\$ -
Clean Water State Revolving Fund Construction Loan Agreement	37.077	WW08024-1	10,449,411	-
Clean Water State Revolving Fund Construction Loan Agreement	37.077	WW08025-0	241,888	-
Clean Water State Revolving Fund Construction Loan Agreement	37.077	WW08022-0	9,457	-
			<u>\$ 10,902,784</u>	<u>\$ -</u>
<b>Total State of Florida Department of Environmental Protection</b>			<b><u>\$ 14,794,905</u></b>	<b><u>\$ -</u></b>

CHARLOTTE COUNTY, FLORIDA  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
For the Fiscal Year Ended September 30, 2019

<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>
<b><u>State of Florida Department of Economic Opportunity</u></b>				
Passed through Florida Sports Foundation:				
Local Economic Development Initiatives				
Snowbird Baseball Classic 18-19	40.040	N/A	\$ 5,000	\$ -
Local Economic Development Initiatives				
Spring Fling Women's Collegiate Lacrosse Tournament	40.040	N/A	5,000	-
Local Economic Development Initiatives				
Sugar Bert Boxing National Qualifier	40.040	N/A	5,000	-
Local Economic Development Initiatives				
Arcadia All-Florida Championship Rodeo	40.040	N/A	5,000	-
Local Economic Development Initiatives				
Englewood Beach Waterfest	40.040	N/A	4,999	-
			<u>\$ 24,999</u>	<u>\$ -</u>
Florida Job Growth Infrastructure Grant	40.040	G0039	\$ 676,291	\$ -
<b>Total State of Florida Department of Economic Opportunity</b>			<b><u>\$ 701,290</u></b>	<b><u>\$ -</u></b>
<b><u>State of Florida Housing Finance Corporation</u></b>				
State Housing Initiatives Partnership Program (SHIP) - Local Assistance Plan	40.901	SHIP 18-19	\$ 1,612,196	\$ -
<b>Total State of Florida Housing Finance Corporation</b>			<b><u>\$ 1,612,196</u></b>	<b><u>\$ -</u></b>
<b><u>State of Florida Department of Agriculture &amp; Consumer Services</u></b>				
Mosquito Control	42.003	25517	\$ 41,645	\$ -
<b>Total State of Florida Department of Agriculture &amp; Consumer Services</b>			<b><u>\$ 41,645</u></b>	<b><u>\$ -</u></b>
<b><u>State of Florida Department of Financial Services</u></b>				
Local Government Fire Service Grants Equipment/Training Materials	43.010	FM-XXX-TBA	\$ 24,678	\$ -
Local Government Fire Service Grants Equipment/Training Materials	43.010	FM-478-ITF	1,500,000	-
<b>Total State of Florida Department of Financial Services</b>			<b><u>\$ 1,524,678</u></b>	<b><u>\$ -</u></b>

CHARLOTTE COUNTY, FLORIDA  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
For the Fiscal Year Ended September 30, 2019

<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>
<b><u>State of Florida Department of State and Secretary of State</u></b>				
State Aid to Libraries - Charlotte - 17/18	45.030	18-ST-05	\$ 80,079	\$ -
State Aid to Libraries - Charlotte - 18/19	45.030	19-ST-05	105,378	-
			<u>\$ 185,457</u>	<u>\$ -</u>
<b><u>State of Florida Department of Transportation</u></b>				
Passed through the State of Florida Transportation - Disadvantaged Commission:				
Commission for the Transportation Disadvantaged Trip and Equipment Grant	55.001	G0X14	\$ 371,007	\$ -
Commission for the Transportation Disadvantaged Trip and Equipment Grant	55.001	G1A16	99,283	-
			<u>\$ 470,290</u>	<u>\$ -</u>
Commission for the Transportation Disadvantaged Planning Grant Program	55.002	43202718401/GoX93	\$ 16,561	\$ -
Commission for the Transportation Disadvantaged Planning Grant Program	55.002	432029114-01/G1825	6,581	-
			<u>\$ 23,143</u>	<u>\$ -</u>
Florida Highway Beautification Grant - Keep Florida Beautiful	55.003	442801-1/G0T58	\$ 39,243	\$ -
Public Transit Block Grant Program	55.010	G1687	\$ 174,783	\$ -
Public Transit Block Grant Program	55.010	G0R56	10,007	-
			<u>\$ 184,790</u>	<u>\$ -</u>
Transportation Regional Incentive Program	55.026	435388-1-38-01/ARR06	\$ 23,236	\$ -
Transportation Regional Incentive Program	55.026	440267-1-44-01/G0L05	1,377,469	-
			<u>\$ 1,400,705</u>	<u>\$ -</u>
			<b><u>\$ 2,118,170</u></b>	<b><u>\$ -</u></b>

CHARLOTTE COUNTY, FLORIDA  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
For the Fiscal Year Ended September 30, 2019

<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>
<b><u>State of Florida Department of Health &amp; Rehabilitative Services</u></b>				
County Grant Awards	64.005	C7008	\$ 18,750	\$ -
<b>Total State of Florida Department of Health &amp; Rehabilitative Services</b>			<b>\$ 18,750</b>	<b>\$ -</b>
<b><u>State of Florida Department of Elder Affairs</u></b>				
Passed through the Area Agency on Aging for Southwest Florida, Inc:				
Home Care for the Elderly - (HCE) - 2018	65.010	HCE 202.18	\$ 16,902	\$ -
Home Care for the Elderly - (HCE) - 2019	65.001	HCE 202.19	3,957	-
			<u>\$ 20,859</u>	<u>\$ -</u>
Alzheimer's Respite Services - 2018	65.004	ADI 202.18	\$ 213,538	\$ -
Alzheimer's Respite Services - 2019	65.004	ADI 202.19	98,935	-
			<u>\$ 312,473</u>	<u>\$ -</u>
Community Care for the Elderly - (CCE) 2018	65.010	CCE 202.18	\$ 422,942	\$ -
Community Care for the Elderly (CCE) 2019	65.010	CCE 202.19	138,786	-
			<u>\$ 561,728</u>	<u>\$ -</u>
<b>Total State of Florida Department of Elder Affairs</b>			<b>\$ 895,060</b>	<b>\$ -</b>
<b><u>State of Florida Department of Revenue</u></b>				
Facilities for New Professional Sports, Retained Professional Sports, or Retained Spring Training Franchise	73.016	N/A	\$ 500,004	\$ -
<b>Total State of Florida Department of Revenue</b>			<b>\$ 500,004</b>	<b>\$ -</b>
<b>Total Expenditures of State Financial Assistance</b>			<b>\$ 22,509,513</b>	<b>\$ -</b>

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, 2019

**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, 2019. 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, 2019.

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, 2019, 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 2019, amounts of eligible expenditures approved by FEMA were finalized for Tropical Storm Debby and Hurricane Irma Agreement Z0091, which resulted in negative adjustments to prior expenditures of \$77,712 and \$30,925 respectively. Also, in 2019, FEMA approved \$4,799,344 for Hurricane Irma that occurred in September 2017. \$1,139,742 of the approved expenditures for Hurricane Irma took place in fiscal year ended September 30, 2019. A total of \$3,659,602 in eligible Disaster Grant expenditures were incurred in prior periods and presented on the Schedule for the fiscal year ended September 30, 2019.

**Note 5. State of Florida Department of Environmental Protection Grant**

The County incurred \$314,555 of expenditures for the Block Management Funding Assistance Program, CSFA #37.003, during fiscal year 2018, which was subsequently deemed not eligible for reimbursement due to reallocation of funding.

## **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, 2019

Balance at September 30, 2018 - unrestricted	\$ 4,247,247
Revenues:	
State of Florida:	
Statewide Surface Water Restoration & Wastewater Projects	297,833
Interest	131,180
Total revenues	<u>429,013</u>
Expenditures:	
Beach Renourishment	76,524
El Jobean Sewer	687,978
Total expenditures	<u>764,502</u>
Balance at September 30, 2019 - unrestricted	<u><u>\$ 3,911,758</u></u>

NOTE: The above funds and activities relate to Agreement No. MRID 534797.000 and the State CSFA Number 37.039 (Contract/Grant Number LP0802G).



Created in-house by the Comptroller Division staff for Roger D. Eaton