

FLORIDA



100 YEARS HIGHLANDS COUNTY



Annual Comprehensive Financial Report
Fiscal Year Ending September 30, 2021



In 1921, Florida was booming, new areas were developing, and new communities were springing up in areas that just a few years earlier were wilderness. Highlands County was officially created on April 23, 1921 when a bill was signed dividing DeSoto County into five separate counties: Highlands, Hardee, DeSoto, Charlotte, and Glades. In the following years, Highlands County, along with much of the state, saw incredible growth fueled by real estate speculation. However, when the Florida Real Estate Boom collapsed in the mid 1920s it was quickly followed by the Great

Depression. The local economy struggled but saw an upturn at the onset of World War II when Highlands County was chosen for the site of Hendricks Field and Avon Park Air Force Range (APAFR). After the war ended and Hendricks Field was inactivated, the site was turned into an international racetrack, now host of the annual "12 Hours of Sebring" while the APAFR is still in use as a military training facility. Tourism and agriculture also blossomed following the war. The coming decades saw steady growth as the County's population swelled to 100,000 year-round residents. Today, Highlands County remains a place of strong historical and cultural identity, and the pictures featured in this report are evidence of the heritage that has shaped our community.



Highlands County Courthouse Sebring, FL.

HIGHLANDS COUNTY, FLORIDA
ANNUAL COMPREHENSIVE
FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2021

PREPARED BY THE OFFICE OF JEROME KASZUBOWSKI
CLERK OF COURTS

SALLY B. HOOD
ACCOUNTING AND FINANCE DIRECTOR

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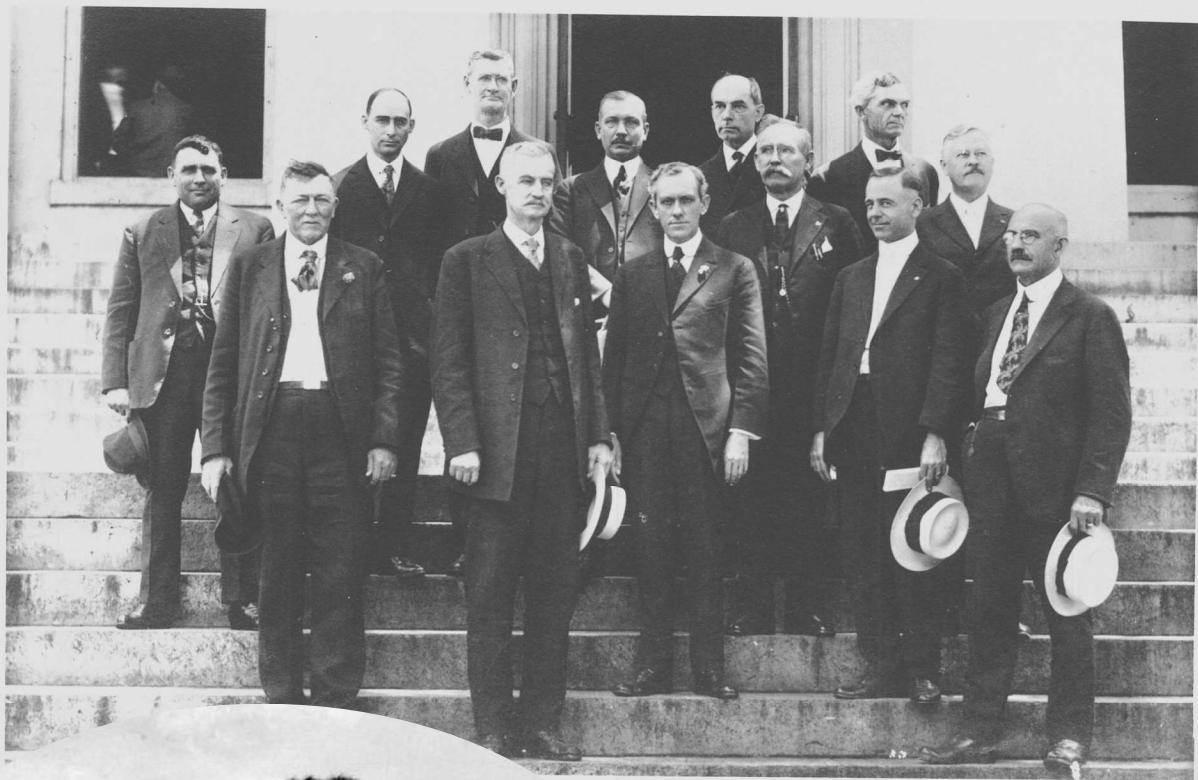
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Introductory Section

INTRODUCTORY SECTION

**HIGHLANDS COUNTY, FLORIDA
PRINCIPAL OFFICIALS
YEAR ENDED SEPTEMBER 30, 2021**

BOARD OF COUNTY COMMISSIONERS

Scott Kirouac
Chairperson
(District 3)

Kevin Roberts
(District 1)

Arlene Tuck
(District 4)

Kathy Rapp
(District 2)

Chris Campbell
(District 5)

COUNTY ADMINISTRATOR

Randy Vosburg

**CLERK OF COURTS
and
CHIEF FINANCIAL OFFICER**
Jerome Kaszubowski

TAX COLLECTOR

Eric T. Zwayer

PROPERTY APPRAISER

C. Raymond McIntyre

SHERIFF

Paul Blackman

SUPERVISOR OF ELECTIONS

Karen Healy

COUNTY ATTORNEY

Sherry G. Sutphen
Roper, P.A.

**ACCOUNTING
AND FINANCE DIRECTOR**

Sally B. Hood

INDEPENDENT AUDITORS

CliftonLarsonAllen LLP



Jerome Kaszubowski

Clerk of Circuit Court & Comptroller
Highlands County, Florida

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

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

March 11, 2022

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

I am pleased to present to you the Annual Comprehensive Financial Report (ACFR) of Highlands County, Florida (County), for the fiscal year ended September 30, 2021.

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

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

REPORT FORMAT

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

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

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



County Profile

Highlands County is a non-charter county established under the Constitution and laws of the State of Florida. Established on April 23, 1921, from a segment of DeSoto County, Highlands County is Florida's 56th county. The County is in the south-central part of Florida and within proximity to all major attractions and ports. Over 86% of the state's population is within a two-hour radius of the County. The County encompasses 1,029 square miles of the state's heartland that includes 78 square miles of water. The resident population served is estimated to be approximately 106,639, which includes the unincorporated County and three municipalities - the City of Avon Park, the City of Sebring and the Town of Lake Placid. According to the Florida Legislature's Office of Economic and Demographic Research, Highlands County is Florida's 36th most populous county.

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

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

Economic Condition

Citrus and cattle operations, both beef and dairy, provide the primary source of economic activity within the County. Florida's citrus production in 2020-2021 was 57.8 million boxes, down 21% from the previous season. Highlands County ranked third in the State in citrus production with 9.08 million boxes of fruit and ranked second in the state for number of beef cattle, with approximately 120,000 head, on 191,656 acres of designated pastureland. The economic impact of the cattle industry is a significant driver in the market with livestock sales totaling \$25,959,000 for Highlands County. There are approximately 375,798 acres of farmland in the county.

Tourism also plays a vital role in the local economy. With over 100 lakes, Highlands County is home to both recreational and tournament fishing, as well as recreational boating and skiing. The 12 Hours of Sebring endurance race, North America's longest running and most prestigious road race, provides a great opportunity for racing enthusiasts. The race, which is held annually in March at the Sebring International Raceway, celebrated 69 years of racing in 2021.

The local economy continued expanding in 2021. For the seventh consecutive year, overall property values improved, up 5.62% for the year. Building permits issued totaled 9,080, a 29.46% increase for the fiscal year. Foreclosure cases were 67, an average decrease of 37.4% from last fiscal year. The unemployment rate in Highlands County was 5.7% at fiscal-year end, a decrease of 0.20% from the prior year.



Major Initiatives

During the 2020-2021 fiscal year, asset and infrastructure project expenditures were as follows:

<u>Description</u>	<u>Amount</u>
Annex Building Roof Replacement	\$ 110,317
County Information Technology, Equipment and Software	2,433,509
CR 721 Construction	1,972,490
East Avon Pines Road Construction	352,668
Fire Station 19 Driveway Improvements	109,726
Fire/EMS Administration Building	520,489
Government Center Roof Replacement	120,072
Land Purchase	652,500
Landfill Equipment	1,004,835
Memorial Drive Multi-Use Path	109,936
Parks and Recreation Vehicles	105,438
Public Safety Cameras	291,285
Public Safety Equipment	838,234
Public Safety Vehicles	2,083,315
Real-Time Crime Center	255,383
Road and Bridge Heavy Machinery	932,253
Road and Bridge Vehicles	204,350
Road and Bridge Other Equipment	414,104
Sebring Parkway Phase IIA Construction	4,652,216
Sebring Parkway Phase IIB Construction	2,165,919
Thunderbird Sidewalk (Comet to Grand Prix)	320,747
Thunderbird Sidewalk (Grand Prix to Cougar)	<u>336,159</u>
Total	\$ <u><u>19,985,947</u></u>

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



Major Accomplishments for 2020-2021

- **Interlake Boulevard Resurfacing** – Highlands County is assisted the Town of Lake Placid on an awarded FDOT Small County Outreach Program (SCOP) grant in the amount of \$655,000 for resurfacing of East Interlake Boulevard. The improvements included, but not limited to, the milling and resurfacing of existing pavement from Devane Circle to US 27, approximately 0.637 miles. The project was completed in November 2020.

Major Projects Scheduled for the Future

- **Sebring Parkway Phase IIA** – This project begins at Youth Care Lane and ends at Desoto Road encompassing the existing 2-lane roadway, currently known as S. Highlands Avenue. The project length is approximately 0.70 miles in length and involves the construction to replace the existing 2-lane roadway with a 4-lane divided roadway. The new roadway system will consist of four – 12' wide travel lanes, curb and gutter drainage, and an 8' concrete multi-use path. Other improvements such as traffic signal upgrades, access management, and pedestrian crosswalks are also included as part of the project. The current budget for Phase IIA is \$5,500,000.00, with FDOT's participation being \$3,811,072.00. Construction began May 2020 and is estimated to be completed by October 2022.
- **Sebring Parkway Phase IIB** – This project begins at the Desoto Road intersection and extends to US 27 and is approximately 0.474 miles in length. The existing 2-lane roadway is proposed to be replaced with a 4-lane divided roadway. North of Highlands Regional Medical Center, there is a proposed design of a roundabout to reduce traffic conflicts in the area. As part of the project, a stormwater pond is a necessity to reduce runoff from the additional impervious area. The current budget for Phase IIB is \$5,311,969.00, with FDOT's participation being \$4,164,624.00. The project will be bid with Phase IIA, so the timelines are similar in nature.
- **Memorial Drive Multiuse Path** - Highlands County was awarded a State of Florida Department of Transportation (FDOT) Local Agency Program (LAP) grant to construct an 8-foot-wide multiuse path along the right-of-way of Memorial Drive from Pompano Drive to Sebring Parkway in Sebring, FL, for an approximate distance of 7,500 linear feet. The total grant amount is \$1,520,457. The intent is for the design, construction and CEI services to be done by outside forces. The estimated completion date is June 2023.
- **CR 721 Roadway Improvements** –In June 2018, Highlands County entered into a state-funded grant agreement with the State of Florida Department of Transportation (FDOT) for an FDOT Small County Road Assistance Program (SCRAP) grant in the amount of \$4,000,000 for design and construction of improvements to CR 721 from SR 70 to US 98. The work consists of resurfacing approximately 45,823 linear feet of roadway. Construction was completed in December 2021.



- **CR 623 (Kenilworth Boulevard) Roadway Improvements** - Highlands County was awarded a State of Florida Department of Transportation (FDOT) Small County Road Assistance Program (SCRAP) grant in the amount of \$1,419,207 for roadway improvements on CR 623 (Kenilworth Boulevard). The improvements will include, but not be limited to, the milling and resurfacing of existing pavement from Haywood Taylor Boulevard to Mini Ranch Road for an approximate distance of 7,804 linear feet (1.478 miles). The project is expected to be completed by July 2023.
- **Animal Services Building** – Highlands County has budgeted the amount of \$600,000 for the construction of an addition to the existing Highlands County Sheriff's Office Animal Services unit operations building. The project is expected to be completed by September 2022.
- **Traffic Operations Building** – Highlands County has budgeted the amount of \$760,000 for the construction of a building for the Traffic Operations Division. The project is expected to be completed by September 2022.
- **Heron Street Roadway Improvements** – Highlands County was awarded a FDOT Small County Outreach Program (SCOP) grant in the amount of \$1,001,791 for roadway improvements on Heron Street. The improvements will include, but not limited to, the milling and resurfacing of existing pavement from Hammock Road to Howey Road, approximately 1.000 mile. The project is expected to be completed by July 2023.
- **W. Stryker Road Roadway Improvements** – Highlands County was awarded a FDOT Small County Road Assistance Program (SCRAP) grant in the amount of \$1,941,246 for roadway improvements on West Stryker Road. The improvements will include, but not limited to, the milling and resurfacing of existing pavement from North Olivia Drive to US 27, approximately 1.999 miles. The project is expected to be completed by July 2023.
- **Thunderbird Road East/West Sidewalk Extension** - The construction consists of 4,700 lineal feet of five (5) foot wide concrete sidewalks along the right-of-way of Thunderbird Road in Sebring including associated safety and drainage improvements. Highlands County was awarded a FDOT Local Agency Program (LAP) grant for construction costs in the amount of \$397,654 for the East Sidewalk Extension and \$348,821 for the West Sidewalk Extension. The projects have undergone extensive environmental delays due to the presence of sand skinks and gopher tortoises within the project limits. Construction of both projects were completed in December 2021.
- **Arbuckle Creek Road Turn Lane** – In February 2017, Highlands County was awarded an FDOT Small County Outreach Program (SCOP) grant in the amount of \$936,152 for intersection improvements at Arbuckle Creek Road and Landfill Access Road. The construction consists of the addition of an eastbound left turn lane and a westbound right turn lane from Arbuckle Creek Road to the northbound Landfill Access Road. Design, inspection, and construction of pavement widening and transition segments from the turn lanes back to the existing two-lane roadway, drainage improvements, and lighting are also included. Construction must be completed by July 2022.



Financial Information

The County operates on a fiscal year of October 1st to September 30th. The fiscal year 2020-2021 budget was adopted with a millage rate of 8.55, a continued rate from the millage rate for fiscal year 2019-2020.

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

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

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

Independent Audit. Section 218.39, Florida Statutes, requires that an annual financial audit of the accounts and records of the County be performed by an independent certified public accounting firm. This requirement has been accomplished for the fiscal year ended September 30, 2021, and the opinions of the independent auditors are included in the Financial Section of this report.

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

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

Awards. The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to Highlands County for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2020. This was the 37th year that the County has received this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report satisfied both GAAP and applicable legal requirements.

The Certificate of Achievement is valid for a period of one (1) year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program requirements and we will submit it to the GFOA to determine eligibility for another certificate for the fiscal year ending September 30, 2021.



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

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

Respectfully submitted,



Jerome Kaszubowski, CGCIO
Clerk of Courts



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





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Highlands County
Florida**

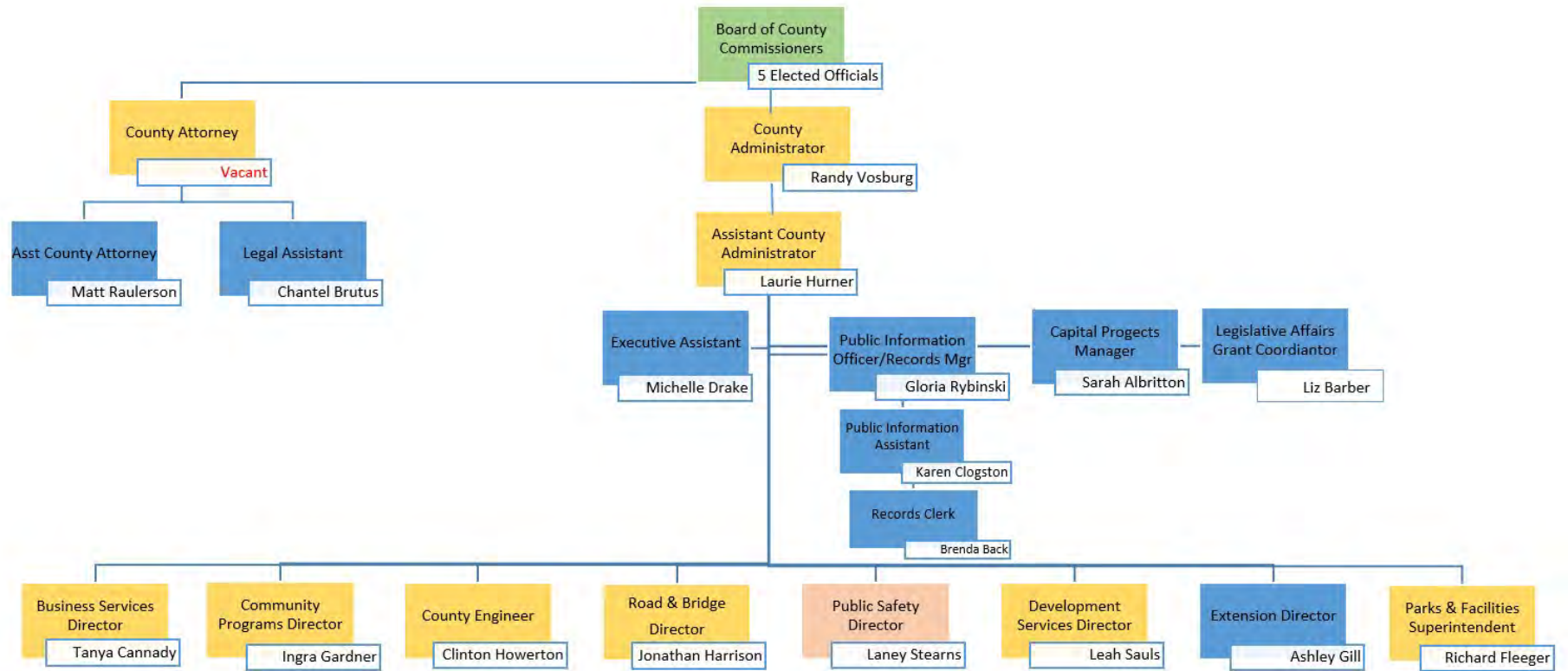
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morill

Executive Director/CEO

HIGHLANDS COUNTY, FLORIDA ORGANIZATIONAL CHART YEAR ENDED SEPTEMBER 30, 2021





Financial Section

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Board of County Commissioners
Highlands County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Highlands County, Florida (County), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, County Transportation Trust Fund, and Local Government Infrastructure Surtax Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

During the fiscal year ended September 30, 2021, the County adopted GASB Statement No. 84, *Fiduciary Activities*. As a result of the implementation of this standard, the County reported a restatement for the change in accounting principle (see Note 21.) Our auditors' opinion was not modified with respect to this restatement.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 14 through 25, information on infrastructure using the modified approach on page 100, information on other postemployment benefits on page 101, and information on pension benefits on pages 103 through 106 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2022, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

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

CliftonLarsonAllen LLP

Sebring, Florida
March 11, 2022

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

The management of Highlands County (County) offers this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2021. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our Letter of Transmittal.

FINANCIAL HIGHLIGHTS

The following are key financial highlights for the fiscal year:

- Total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$266.7 million (net position). Of this amount, \$253 million was invested in capital assets and \$36.7 million was restricted by laws, grant agreements, debt covenants or for capital projects. The County had an unrestricted net position of (\$23) million.
- Total net position increased by \$30.7 million or 13%. The net position of governmental activities increased \$29.4 million and business-type activities increased \$1.3 million.
- The fund balance in the General Fund was \$27.6 million, an increase of \$8.2 million from the previous year. The unassigned fund balance for the General Fund, which is available for use at the County's discretion, was \$25.9 million or 30.7% of total general fund expenditures.
- The governmental funds, in total, reported combined fund balances of \$63.8 million, an increase of \$5.7 million from the previous year. Of this amount, \$25.9 million was unassigned fund balance. The increase in fund balance was due in part to Intergovernmental revenue increases in the current year.
- Total assets increased by \$30.3 million or 9% and total liabilities decreased by \$65 million or 44%. The increase in total assets was due to the growth in cash and cash equivalents as well as capital assets and Due from Other Governmental Units. The decrease in liabilities was due to the net pension liability. The County is required to report, as a liability, the County's proportionate share of the Florida Retirement System (FRS) Plan Net Pension Liability.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

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

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

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

The government-wide financial statements include not only the County itself, but also legally separate entities for which the County is financially accountable (known as component units).

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

Fund Financial Statements

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

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

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

Fund Financial Statements (Continued)

Highlands County maintains 75 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, the County Transportation Trust Fund, and the Local Government Infrastructure Surtax Fund, which are considered to be major funds. Data from the other 72 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

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

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$266.7 million (total net position) as of September 30, 2021. The County recognized an increase in its total net position of \$30.7 million, or 13%, from \$236 million in 2020 to \$266.7 million in 2021.

Highlands County's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2020	2021	2020	2021	2020	2021
Current and Other Assets	\$ 75,687,429	\$ 93,674,030	\$ 20,500,229	\$ 21,811,299	\$ 96,187,658	\$ 115,485,329
Capital Assets	251,225,010	262,009,306	8,848,384	9,072,317	260,073,394	271,081,623
Total Assets	326,912,439	355,683,336	29,348,613	30,883,616	356,261,052	386,566,952
Deferred Outflows of Resources	31,887,280	18,406,032	358,357	215,375	32,245,637	18,621,407
Long-Term Debt Outstanding	129,424,788	55,293,546	9,317,761	9,075,779	138,742,549	64,369,325
Other Liabilities	9,759,661	19,321,001	710,359	531,392	10,470,020	19,852,393
Total Liabilities	139,184,449	74,614,547	10,028,120	9,607,171	149,212,569	84,221,718
Deferred Inflows of Resources	3,239,221	53,724,587	59,489	561,713	3,298,710	54,286,300
Net Position:						
Net Investment in						
Capital Assets	231,232,076	243,879,064	8,684,054	9,072,317	239,916,130	252,951,381
Restricted	34,914,138	36,721,349	-	-	34,914,138	36,721,349
Unrestricted	(49,770,165)	(34,850,179)	10,935,307	11,857,790	(38,834,858)	(22,992,389)
Total Net Position	\$ 216,376,049	\$ 245,750,234	\$ 19,619,361	\$ 20,930,107	\$ 235,995,410	\$ 266,680,341

The largest portion of the County's net position, \$253 million, reflects its net investment in capital assets (e.g., land, buildings, improvements, infrastructure, machinery, and equipment), net of accumulated depreciation, reduced by outstanding related debt used to acquire those assets, plus capital-related deferred outflows of resources. These capital assets are used to provide services to citizens and therefore, are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, the resources required to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position, \$36.7 million, represents resources that are subject to external restrictions such as debt covenants, grantors, laws or regulations, or restrictions through enabling legislation on how they may be used.

The remaining balance is the unrestricted net position, which may be used to meet the County's ongoing obligations to citizens and creditors. As of September 30, 2021, the County's unrestricted net position was (\$23) million. The change in the total unrestricted net position from (\$38.8) million at September 30, 2020 to (\$23) million at September 30, 2021 was partially due to changes in net pension liability. The County is required to report, as a liability, the County's proportionate share of the Florida Retirement System (FRS) Plan Net Pension Liability.

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

Highlands County's Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2020	2021	2020	2021	2020	2021
Revenues:						
Program Revenues:						
Charges for Services	\$ 23,445,274	\$ 28,901,387	\$ 14,340,910	\$ 12,591,817	\$ 37,786,184	\$ 41,493,204
Operating Grants and Contributions	6,191,361	17,924,891	26,280	158,379	6,217,641	18,083,270
Capital Grants and Contributions	6,697,061	8,316,295	-	-	6,697,061	8,316,295
General Revenues:						
Property Taxes	41,984,688	44,385,911	-	-	41,984,688	44,385,911
Other Taxes	15,719,847	18,068,997	-	-	15,719,847	18,068,997
Other	17,767,539	21,906,173	314,859	208,444	18,082,398	22,114,617
Total Revenues	111,805,770	139,503,654	14,682,049	12,958,640	126,487,819	152,462,294
Expenses:						
General Government	20,865,488	21,188,678	-	-	20,865,488	21,188,678
Public Safety	59,515,863	43,208,028	-	-	59,515,863	43,208,028
Physical Environment	1,250,441	1,068,965	-	-	1,250,441	1,068,965
Transportation	18,631,875	14,905,826	-	-	18,631,875	14,905,826
Economic Environment	3,266,775	2,977,572	-	-	3,266,775	2,977,572
Human Services	7,664,991	18,607,574	-	-	7,664,991	18,607,574
Culture and Recreation	3,542,238	3,042,138	-	-	3,542,238	3,042,138
Court Related	5,387,500	4,822,945	-	-	5,387,500	4,822,945
Interest on Long-Term Debt	462,290	413,615	-	-	462,290	413,615
Solid Waste	-	-	8,904,617	8,615,200	8,904,617	8,615,200
Energy Recovery	-	-	4,739,577	2,926,822	4,739,577	2,926,822
Total Expenses	120,587,461	110,235,341	13,644,194	11,542,022	134,231,655	121,777,363
Change in Net Position Before Transfers	(8,781,691)	29,268,313	1,037,855	1,416,618	(7,743,836)	30,684,931
Transfers	294,798	105,872	(294,798)	(105,872)	-	-
Change in Net Position	(8,486,893)	29,374,185	743,057	1,310,746	(7,743,836)	30,684,931
Net Position - Beginning	224,862,942	216,376,049	18,876,304	19,619,361	243,739,246	235,995,410
Net Position - Ending	\$ 216,376,049	\$ 245,750,234	\$ 19,619,361	\$ 20,930,107	\$ 235,995,410	\$ 266,680,341

Governmental Activities

The net position of governmental activities increased \$29.4 million.

- Overall, revenues related to governmental activities increased \$27.7 million, or 24.8%.
- Charges for Services increased \$5.5 million, or 23.5%. Public Safety charges increased a net \$3.6 million. Court Related increased a net \$802 thousand.
- Operating Grants and Contributions increased by \$11.7 million, or 189.5%. Human Services funding increased \$11.2 million; Public Safety funding increased \$332 thousand.
- Capital Grants and Contributions increased by \$1.6 million, or 24.2%. Physical Environment decreased \$5.6 million while Transportation funding increased \$7.7 million.
- Property Taxes increased \$2.4 million, or 5.7% due to a 4.32% increase in property tax values.

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

Governmental Activities (Continued)

- Other Taxes increased \$2.3 million, or 14.9%. The County recognized a \$1.7 million increase in local option sales tax, along with a \$401 thousand increase in fuel taxes, and \$291 thousand increase in tourist development tax collections.
- Other general revenues increased \$4.1 million, or 23.3%. State shared revenues increased \$1.5 million, interest and investment earnings increased \$140 thousand, and miscellaneous revenues increased \$2.5 million.
- Overall, expenses related to governmental activities decreased \$10.4 million, or 8.6%. Public Safety expenses decreased \$16.3 million, Transportation related expenses decreased \$3.7 million, Culture & Recreation decreased \$500 thousand and Court Related decreased \$565 thousand but Human Services increased \$10.9 million.
- Public Safety expenses decreased \$16.3 million, or 27.4%. The decrease is due to \$12.9 million of net pension liability expenses over the prior year, a decrease of \$2.9 million of capital related items as well as \$1.0 million of OPEB as compared to the prior year.
- Transportation expenses decreased by \$3.7 million, or 20%. The decrease is due to a \$1.5 million decrease in transportation projects compared to the prior year, and a \$1.4 million decrease in pension expense.
- Human Services expenses increased by \$10.9 million, or 142.8%. The increase is due to the CARES/COVID grant expenses in the amount of \$14.8 million.

Business-Type Activities

The net position of business-type activities increased \$1.3 million.

- Overall, revenues related to business-type activities decreased \$1.7 million, or 11.7%, and expenses decreased \$2.1 million, or 15.4%.
- Charges for Services decreased \$1.7 million, or 12.2%. The sale of asphalt decreased total operating revenues by \$2.0 million as well as a \$112 thousand decrease of charges for services for the Energy Recovery facility. There was a minimal increase in revenues from the non-ad valorem assessment for solid waste collection, as well as disposal and recycling and there was a \$274 thousand increase for landfill tipping fees from the hauler.
- Solid Waste expenses decreased \$290 thousand, or 3.3%. Personal Services decreased \$152 thousand, General & Administrative Expenditures decreased \$65 thousand, and Depreciation decreased \$74 thousand.
- Energy Recovery expenses decreased \$1.8 million, or 38.2%. The decrease in Road Materials and Supplies was a direct result of the decrease in asphalt production.

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

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

The County's governmental funds reported combined ending fund balances of \$63.8 million. Approximately \$25.9 million of the combined fund balances constitutes the unassigned fund balance, which is available for spending at the government's discretion. The remainder of the balance is not available for new spending because it is non-spendable (\$2.6 million), restricted (\$33.7 million) or assigned (\$1.6 million). Significant restrictions include: restrictions for infrastructure and land acquisitions (\$15.8 million), restrictions for transportation related (\$3.7 million), restrictions for building department (\$2.9 million), and restrictions for fire districts (\$4.7 million).

The General Fund is the chief operating fund of the County. In 2021 the County maintained its millage rate of 8.55 mills in order to continue to provide quality services to its citizens and minimize the need to dip into its fund balance for operational needs. At September 30, 2021, the General Fund's total fund balance was \$27.6 million of which \$25.9 million (93.8%) was unassigned fund balance. The unassigned fund balance increased by \$8.4 million As a measure of the General Fund's liquidity, the total fund balance represents 32.7% of total General Fund expenditures.

The County Transportation Trust Fund accounts for the operation of the road and bridge department, which is funded by the County's share of state gasoline taxes and the sixth-cent local option gas tax. As of September 30, 2021, the total fund balance was \$1.2 million, compared to \$2.7 million in 2020. The decrease in fund balance was due to a \$1.1 million increase in transportation related expenditures over the prior year.

The Local Government Infrastructure Surtax Fund accounts for the one-cent local discretionary sales surtax that was approved by voters. As of September 30, 2021, the total fund balance was \$13.4 million, compared to \$15.5 million in 2020. The decrease in fund balance was due to an increase in expenditures for transportation related projects.

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

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (CONTINUED)

Proprietary Funds

The Solid Waste Fund reported a net position of \$17.8 million, which is an increase of \$1.3 million over prior year. Unrestricted net position totaled \$10.6 million, a \$818 thousand increase over prior year, and net investments in capital assets totaled \$7.2 million, a \$510 thousand increase over prior year. Operating Revenues increased \$328 thousand, or 3.5% and Operating Expenses decreased \$318 thousand or 3.6%. The change in revenues was primarily due to increased landfill fees of \$276,302, Special Assessments increased \$51,512, and miscellaneous revenues and sale of recyclable materials change was insignificant. The change in expenses was primarily due to Personal Services decreased \$166,728, as did General & Administrative Expenses and Depreciation in the amounts of \$70,807 and \$80,954, respectively. Waste Franchise Fees increased \$82,490.

The Energy Recovery Fund reported a net position of \$3.0 million, which is an increase of \$1 thousand over prior year. Unrestricted net position totaled \$1.2 million. This fund accounts for the operation of the County's Asphalt Plant which was constructed at the landfill site in order to use materials disposed at the landfill as production material for asphalt. The minimal change in total net position and unrestricted net position is due to asphalt sales nearly equaling production costs.

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

GENERAL FUND BUDGETARY HIGHLIGHTS

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

- The actual net change in the fund balance of the General Fund compared to the final budget was a positive variance of \$14.5 million.
- General Fund revenues were \$17.1 million less than the final budget amounts. Intergovernmental revenues were \$19.5 million less than budget due to anticipated grant revenue not received.
- Actual expenditures in the General Fund were \$25.5 million less than the final budget. Significant variations are summarized below:

<u>General Fund Department</u>	<u>Positive Variance</u>	<u>Reason for Variance</u>
Emergency/Disaster Relief	\$18,702,187	Expenditures will occur in future years
Ambulance Services	3,024,997	Unexpended Appropriations
Tax Collector	518,086	Unexpended Appropriations
Clerk to Board – Financial and Administration	431,487	Unexpended Appropriations
Detention and Correction	243,692	Unexpended Appropriations
Natural Resources	241,461	Project appropriations in professional services and contractual services, and garbage carts not expended.
Local Emergency Management Agency	234,493	Personnel expenditures moved to grant project; unexpended Operating appropriations
Children's Advocacy Center	168,476	Project appropriations not expended.
Facilities Management	133,752	Appropriations for personal services, utility services, repair & maintenance, and air conditioning not expended.
Office of Economic Development	116,090	Appropriations for professional services not expended
County Planning and Development	115,537	Appropriations for personal services not expended due to vacant positions.
Zoning Department	112,841	Appropriations for personal services not expended due to vacant positions.

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of September 30, 2021 amounted to \$271.1 million (net of accumulated depreciation) compared to \$260 million for the prior year. This investment in capital assets includes land, buildings, improvements, machinery and equipment, parks, roads, highways, bridges, software, water control structures, and land use rights. Major capital asset events during the fiscal year included the following:

- Parkway Phase IIA & IIB
- CR721 Resurface
- Fire/EMS Admin Building / Ambulance / Equipment
- IT Infrastructure Upgrades
- Road & Bridge Equipment / Vehicles
- Road Construction / Improvements
- E Avon Pines Rd
- Thunderbird Rd Sidewalk

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

	Governmental Activities		Business-Type Activities		Entity Total	
	2020	2021	2020	2021	2020	2021
Land	\$ 48,374,895	\$ 46,933,880	\$ 1,839,228	\$ 1,839,228	\$ 50,214,123	\$ 48,773,108
Infrastructure - Roads and Bridges	120,035,880	120,145,305	-	-	120,035,880	120,145,305
Land Use Rights	2,415,419	2,415,419	-	-	2,415,419	2,415,419
Infrastructure - Water Control Structures	-	8,558,082	-	-	-	8,558,082
Buildings	40,012,190	39,094,752	107,081	89,765	40,119,271	39,184,517
Improvements	7,184,567	6,771,851	3,178,877	2,833,966	10,363,444	9,605,817
Equipment	18,267,799	20,973,985	3,717,732	4,303,892	21,985,531	25,277,877
Computer Software	813,295	559,827	-	-	813,295	559,827
Construction in Progress	14,120,965	16,556,205	5,466	5,466	14,126,431	16,561,671
Total	<u>\$ 251,225,010</u>	<u>\$ 262,009,306</u>	<u>\$ 8,848,384</u>	<u>\$ 9,072,317</u>	<u>\$ 260,073,394</u>	<u>\$ 271,081,623</u>

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

Infrastructure

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

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

Infrastructure (Continued)

- Road System - The County has established an overall minimum average condition level of "fair" which carries a rating between 51 and 75. The overall average condition of the County road system for fiscal year 2021 was 54.62, compared to 52.69 in 2020.
- Bridge System - It is the County's policy to maintain an overall minimum average sufficiency rating of not less than 60%. The overall average sufficiency rating of the County bridge system for fiscal year 2021 was 77.75, compared to 78.05 in 2020.

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

- Road System – The County budgeted \$2.8 million for maintenance/preservation of its road system and expended \$2.3 million.
- Bridge System – The County budgeted \$150,000 for maintenance/preservation of its bridge system and expended \$67,617.

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

Long-Term Debt

At September 30, 2021, the County had total debt outstanding of \$19.6 million compared, to \$22.7 million in the prior year. Of this amount, all \$19.6 million represents governmental activities loans payable and other obligations. The decrease in total outstanding debt is attributed to payments on existing debt.

	Governmental Activities	
	2020	2021
Direct Borrowings and Direct Placements	<u>\$ 22,714,207</u>	<u>\$ 19,553,596</u>

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

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The following factors were considered in preparing the County's budget for the 2022 fiscal year. More information on economic factors is provided in the Statistical Section and the Transmittal Letter.

- Highlands County's population decreased in 2021 by 2.64%, from 104,810 in 2020 to an estimated 102,042 in 2021 and is projected to see an increase in 2022. Additionally, all three municipalities showed population decreases over the prior year according to the Office of Economic & Demographic Research.
- Highlands County's unemployment rate (October - September) averaged 6.0%, which was higher than the average for the State of Florida (5.1%) and the same as the nation (6.0%).
- Highlands County has a diverse property tax base. The ten largest taxpayers in the County represent 6.67% of the assessed property values of all taxpayers.
- In 2021, the total taxable value of property increased 5.96% over prior year. This was the seventh increase in total taxable value that has been recognized since 2008.

REQUESTS FOR INFORMATION

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

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

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

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

BASIC FINANCIAL STATEMENTS

HIGHLANDS COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 75,340,493	\$ 8,503,159	\$ 83,843,652
Investments	3,898,477	5,136,120	9,034,597
Accounts Receivable - Net	2,708,942	252,907	2,961,849
Internal Balances	(157,728)	157,728	-
Due from Other Governmental Units	8,955,277	318	8,955,595
Inventory	394,477	497,242	891,719
Other Assets	29,301	-	29,301
Prepaid Items	2,199,215	137,959	2,337,174
Restricted Assets:			
Cash and Cash Equivalents	305,576	7,125,866	7,431,442
Capital Assets not Being Depreciated/Amortized	186,050,809	1,844,694	187,895,503
Capital Assets - Net of Accumulated Depreciation/Amortization	75,958,497	7,227,623	83,186,120
Total Assets	355,683,336	30,883,616	386,566,952
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Items	18,293,796	213,055	18,506,851
OPEB Related Items	112,236	2,320	114,556
Total Deferred Outflows of Resources	18,406,032	215,375	18,621,407
LIABILITIES			
Vouchers Payable	2,650,517	394,687	3,045,204
Claims Payable	691,543	-	691,543
Contracts Payable - Retained Percentage	570,847	-	570,847
Due to Other Governmental Units	370,564	367	370,931
Due to Others	91,309	-	91,309
Accrued Interest Payable	137,166	-	137,166
Accrued Wages Payable	1,969,355	42,185	2,011,540
Deposits	315,695	94,153	409,848
Unearned Revenue	12,524,005	-	12,524,005
Noncurrent Liabilities:			
Due Within One Year:			
Notes Payable, Compensated Absences, and Landfill Closure	3,775,384	84,584	3,859,968
Total OPEB Liability	81,864	-	81,864
Due in More than One Year:			
Notes Payable, Compensated Absences and Landfill Closure	21,296,095	8,511,658	29,807,753
Net Pension Liability	28,757,957	449,279	29,207,236
Total OPEB Liability	1,382,246	30,258	1,412,504
Total Liabilities	74,614,547	9,607,171	84,221,718
DEFERRED INFLOWS OF RESOURCES			
Pension Related Items	52,821,616	543,052	53,364,668
OPEB Related Items	902,971	18,661	921,632
Total Deferred Inflows of Resources	53,724,587	561,713	54,286,300
NET POSITION			
Net Investment in Capital Assets	243,879,064	9,072,317	252,951,381
Restricted for:			
General Government	703,332	-	703,332
Public Safety	7,478,597	-	7,478,597
Infrastructure and Land Acquisition	20,610,622	-	20,610,622
Transportation	4,071,760	-	4,071,760
Physical Environment	265,888	-	265,888
Community Programs	1,130,432	-	1,130,432
Conservation	337,611	-	337,611
Tourist Development	1,434,573	-	1,434,573
Istokpoga Marsh Watershed Maintenance	384,665	-	384,665
Culture and Recreation	303,869	-	303,869
Unrestricted	(34,850,179)	11,857,790	(22,992,389)
Total Net Position	\$ 245,750,234	\$ 20,930,107	\$ 266,680,341

See accompanying Notes to Financial Statements.

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

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	\$ 21,188,678	\$ 4,718,317	\$ 177,111	\$ -	\$ (16,293,250)	\$ -	\$ (16,293,250)
Public Safety	43,208,028	17,417,929	651,756	156,012	(24,982,331)	-	(24,982,331)
Physical Environment	1,068,965	306,658	366,376	25,905	(370,026)	-	(370,026)
Transportation	14,905,826	2,641,294	-	8,134,378	(4,130,154)	-	(4,130,154)
Economic Environment	2,977,572	345,273	756,005	-	(1,876,294)	-	(1,876,294)
Human Services	18,607,574	20,196	15,731,780	-	(2,855,598)	-	(2,855,598)
Culture and Recreation	3,042,138	190,729	217,880	-	(2,633,529)	-	(2,633,529)
Court Related	4,822,945	3,260,991	23,983	-	(1,537,971)	-	(1,537,971)
Debt Service:							
Interest on Long-Term Debt	413,615	-	-	-	(413,615)	-	(413,615)
Total Governmental Activities	110,235,341	28,901,387	17,924,891	8,316,295	(55,092,768)	-	(55,092,768)
Business-Type Activities:							
Solid Waste	8,615,200	9,670,526	158,379	-	-	1,213,705	1,213,705
Energy Recovery	2,926,822	2,921,291	-	-	-	(5,531)	(5,531)
Total Business-Type Activities	11,542,022	12,591,817	158,379	-	-	1,208,174	1,208,174
Total Primary Government	<u>\$ 121,777,363</u>	<u>\$ 41,493,204</u>	<u>\$ 18,083,270</u>	<u>\$ 8,316,295</u>	<u>(55,092,768)</u>	<u>1,208,174</u>	<u>(53,884,594)</u>
General Revenues:							
Taxes:							
Property Taxes					44,385,911	-	44,385,911
Fuel Taxes					4,697,783	-	4,697,783
Sales Tax					11,634,496	-	11,634,496
Services Taxes					535,916	-	535,916
Other Taxes					1,200,802	-	1,200,802
Unrestricted State Shared Revenues					16,520,077	-	16,520,077
Net Change in Fair Value of Investments					1,088,320	150,383	1,238,703
Gain on Sale of Capital Assets					3,322,823	32,669	3,355,492
Insurance Recoveries					269,543	25,392	294,935
Miscellaneous					705,410	-	705,410
Transfers					105,872	(105,872)	-
Total General Revenues					<u>84,466,953</u>	<u>102,572</u>	<u>84,569,525</u>
Change in Net Position					<u>29,374,185</u>	<u>1,310,746</u>	<u>30,684,931</u>
Net Position - Beginning					<u>216,376,049</u>	<u>19,619,361</u>	<u>235,995,410</u>
Net Position - Ending					<u>\$ 245,750,234</u>	<u>\$ 20,930,107</u>	<u>\$ 266,680,341</u>

See accompanying Notes to Financial Statements.

**HIGHLANDS COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

	General	County Transportation Trust	Local Government Infrastructure Surtax	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 37,056,189	\$ 807,036	\$ 9,327,215	\$ 21,627,815	\$ 68,818,255
Cash and Cash Equivalents - Restricted	305,576	-	-	-	305,576
Investments	-	9,126	2,558,429	459,938	3,027,493
Accounts Receivable - Net	2,553,983	14,378	13,281	92,504	2,674,146
Due from Other Funds	368,560	-	-	193,618	562,178
Due from Other Governmental Units	1,726,865	1,071,446	5,384,080	772,886	8,955,277
Other Assets	29,301	-	-	-	29,301
Advances to Other Funds	42,335	31,856	-	-	74,191
Prepaid Items	812,226	82,973	492,462	811,554	2,199,215
Inventory	394,477	-	-	-	394,477
Total Assets	<u>\$ 43,289,512</u>	<u>\$ 2,016,815</u>	<u>\$ 17,775,467</u>	<u>\$ 23,958,315</u>	<u>\$ 87,040,109</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Vouchers Payable	\$ 1,213,253	\$ 474,484	\$ 607,987	\$ 327,772	\$ 2,623,496
Accrued Wages Payable	1,408,517	315,521	-	245,317	1,969,355
Contracts Payable-Retained Percentage	-	8,150	555,739	6,958	570,847
Customer Deposits	305,576	6,619	-	3,500	315,695
Due to Other Governmental Units	105,705	539	-	252,327	358,571
Due to Other Funds	227,478	11,842	46,869	306,715	592,904
Due to Others	5,059	-	-	86,250	91,309
Advances from Other Funds	-	-	-	131,548	131,548
Unearned Revenue	10,991,504	-	-	1,000,000	11,991,504
Total Liabilities	<u>14,257,092</u>	<u>817,155</u>	<u>1,210,595</u>	<u>2,360,387</u>	<u>18,645,229</u>
Deferred Inflows of Resources:					
Unavailable Revenue:					
Intergovernmental	-	7,962	3,128,917	5,000	3,141,879
Charges for Services	1,405,084	-	-	74,591	1,479,675
Total Deferred Inflows of Resources	<u>1,405,084</u>	<u>7,962</u>	<u>3,128,917</u>	<u>79,591</u>	<u>4,621,554</u>
Fund Balances:					
Nonspendable	1,249,038	82,973	492,462	811,554	2,636,027
Restricted	-	-	12,943,493	20,742,883	33,686,376
Assigned	468,434	1,108,725	-	-	1,577,159
Unassigned	25,909,864	-	-	(36,100)	25,873,764
Total Fund Balances	<u>27,627,336</u>	<u>1,191,698</u>	<u>13,435,955</u>	<u>21,518,337</u>	<u>63,773,326</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 43,289,512</u>	<u>\$ 2,016,815</u>	<u>\$ 17,775,467</u>	<u>\$ 23,958,315</u>	<u>\$ 87,040,109</u>

See accompanying Notes to Financial Statements.

**HIGHLANDS COUNTY, FLORIDA
RECONCILIATION OF FUND BALANCES FOR GOVERNMENTAL FUNDS TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

Fund Balances - Total Governmental Funds	\$ 63,773,326
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	262,009,306
Certain receivables are not available to pay current period expenditures and, therefore, are reported as deferred inflows of resources in the funds.	4,621,554
Long-term liabilities consisting of notes payable are not due and payable in the current period and, therefore, are not reported in the funds.	(19,553,596)
Accrued general long-term debt interest expense is not a financial use and, therefore, is not reported in the funds.	(137,166)
Net pension liability and related deferred outflows and inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.	(62,730,282)
Total other postemployment benefits liability and related deferred outflows and inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.	(2,254,845)
The assets and liabilities of the internal service funds, used by management to charge the costs of certain activities to individual funds, are included in governmental activities in the statement of net position.	<u>21,937</u>
Net Position of Governmental Activities	<u><u>\$ 245,750,234</u></u>

See accompanying Notes to Financial Statements.

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

	General	County Transportation Trust	Local Government Infrastructure Surtax	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 44,852,158	\$ 4,767,452	\$ 11,634,496	\$ 1,150,806	\$ 62,404,912
Licenses and Permits	1,135	103,240	-	1,351,042	1,455,417
Intergovernmental	30,390,821	3,218,708	5,060,753	2,175,257	40,845,539
Charges for Services	10,974,426	137,459	-	3,187,777	14,299,662
Fines and Forfeitures	91,632	-	-	843,060	934,692
Assessments	-	-	-	6,492,597	6,492,597
Net Change in Fair Value of Investments	500,938	16,026	119,740	406,966	1,043,670
Miscellaneous	2,206,388	1,659,363	-	610,639	4,476,390
Total Revenues	89,017,498	9,902,248	16,814,989	16,218,144	131,952,879
EXPENDITURES					
Current:					
General Government	17,312,807	-	1,572,066	3,000	18,887,873
Public Safety	41,823,115	-	419,451	8,790,994	51,033,560
Physical Environment	1,097,772	-	66,243	56,889	1,220,904
Transportation	88,375	11,435,312	13,473,336	575,970	25,572,993
Economic Environment	1,610,382	-	-	1,388,054	2,998,436
Human Services	18,292,743	-	324	298,505	18,591,572
Culture and Recreation	2,436,955	-	263,986	125,775	2,826,716
Court Related	1,711,876	-	-	3,412,756	5,124,632
Debt Service:					
Principal Retirement	-	-	2,815,611	345,000	3,160,611
Interest and Fiscal Charges	-	-	318,979	119,325	438,304
Total Expenditures	84,374,025	11,435,312	18,929,996	15,116,268	129,855,601
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,643,473	(1,533,064)	(2,115,007)	1,101,876	2,097,278
OTHER FINANCING SOURCES (USES)					
Transfers In	1,249,754	-	-	1,026,153	2,275,907
Transfers Out	(872,906)	(71,775)	(81,472)	(1,143,882)	(2,170,035)
Insurance Recoveries	14,846	71,013	159,142	16,579	261,580
Sale of Surplus Assets	3,204,001	-	-	45,062	3,249,063
Total Other Financing Sources (Uses)	3,595,695	(762)	77,670	(56,088)	3,616,515
NET CHANGE IN FUND BALANCES	8,239,168	(1,533,826)	(2,037,337)	1,045,788	5,713,793
Fund Balances - October 1, 2020	19,388,168	2,725,524	15,473,292	20,472,549	58,059,533
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ 27,627,336</u>	<u>\$ 1,191,698</u>	<u>\$ 13,435,955</u>	<u>\$ 21,518,337</u>	<u>\$ 63,773,326</u>

See accompanying Notes to Financial Statements.

**HIGHLANDS COUNTY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2021**

Net Change in Fund Balances - Total Governmental Funds \$ 5,713,793

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation or amortization expense. This is the amount by which net capital outlay exceeded depreciation and amortization in the current period. 13,588,633

In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus the change in net position differs from the change in fund balance by the cost of capital assets sold. (2,804,339)

Long-term liabilities are reported in the statement of net position but not in the governmental funds because they are not due and payable in the current period. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 3,160,611

Some revenues reported in the statement of activities will not be collected for several months after the fiscal year and, therefore, are not reported as revenue in the governmental funds. 3,360,048

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 24,689

Changes in net pension liability reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. 6,890,330

Changes in total other postemployment benefits liability reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. 378,333

Internal service funds are used by management to charge the costs of insurance to individual funds. The net cost of certain activities of internal service funds is reported with governmental activities. (937,913)

Change in Net Position of Governmental Activities \$ 29,374,185

HIGHLANDS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 44,077,556	\$ 44,077,558	\$ 44,852,158	\$ 774,600
Licenses and Permits	1,000	1,000	1,135	135
Intergovernmental	13,737,260	49,885,086	30,390,821	(19,494,265)
Charges for Services	8,907,914	9,674,277	10,974,426	1,300,149
Fines and Forfeitures	49,500	49,500	91,632	42,132
Net Change in Fair Value of Investments	215,500	215,873	500,938	285,065
Miscellaneous	1,979,699	2,238,730	2,206,388	(32,342)
Total Revenues	68,968,429	106,142,024	89,017,498	(17,124,526)
EXPENDITURES				
Current:				
General Government	18,192,247	19,217,788	17,312,807	1,904,981
Public Safety	44,059,664	45,700,756	41,823,115	3,877,641
Physical Environment	1,359,405	1,474,813	1,097,772	377,041
Transportation	88,375	88,375	88,375	-
Economic Environment	1,662,292	1,753,987	1,610,382	143,605
Human Services	3,627,240	37,213,246	18,292,743	18,920,503
Culture and Recreation	2,602,111	2,646,360	2,436,955	209,405
Court Related	1,757,007	1,747,456	1,711,876	35,580
Total Expenditures	73,348,341	109,842,781	84,374,025	25,468,756
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,379,912)	(3,700,757)	4,643,473	8,344,230
OTHER FINANCING SOURCES (USES)				
Transfers In	139,720	1,390,233	1,249,754	(140,479)
Transfers Out	(1,372,878)	(4,405,581)	(872,906)	3,532,675
Insurance Recoveries	-	-	14,846	14,846
Sale of Surplus Assets	500,000	500,000	3,204,001	2,704,001
Total Other Financing Sources (Uses)	(733,158)	(2,515,348)	3,595,695	6,111,043
NET CHANGE IN FUND BALANCE	(5,113,070)	(6,216,105)	8,239,168	14,455,273
Fund Balances - October 1, 2020	5,113,070	6,216,105	19,388,168	13,172,063
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,627,336</u>	<u>\$ 27,627,336</u>

See accompanying Notes to Financial Statements.

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

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 4,065,027	\$ 4,065,028	\$ 4,767,452	\$ 702,424
Licenses and Permits	60,200	60,200	103,240	43,040
Intergovernmental	3,020,534	3,065,534	3,218,708	153,174
Charges for Services	95,300	95,300	137,459	42,159
Net Change in Fair Value of Investments	41,000	41,000	16,026	(24,974)
Miscellaneous	2,208,400	2,208,400	1,659,363	(549,037)
Total Revenues	9,490,461	9,535,462	9,902,248	366,786
EXPENDITURES				
Current:				
Transportation:				
County Engineer	179,145	187,145	186,966	179
Engineering Services	1,707,851	1,740,236	1,589,946	150,290
Roads and Bridges	6,220,348	6,423,294	5,568,999	854,295
Bridge and Concrete	374,851	383,601	382,608	993
Maintenance Shop	877,577	903,238	889,043	14,195
Traffic Operations	1,684,121	1,744,777	1,601,849	142,928
Mowing - Right of Ways	608,021	616,273	548,863	67,410
County Shell Pit	253,408	254,449	231,763	22,686
Multi-Use Paths	10,000	97,340	92,340	5,000
Road and Bridge Superintendent	155,770	161,120	160,569	551
GIS	260,178	263,297	182,366	80,931
Total Expenditures	12,331,270	12,774,770	11,435,312	1,339,458
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(2,840,809)	(3,239,308)	(1,533,064)	1,706,244
OTHER FINANCING SOURCES (USES)				
Transfers Out	(821,972)	(821,972)	(71,775)	750,197
Insurance Recoveries	-	-	71,013	71,013
Total Other Financing Sources (Uses)	(821,972)	(821,972)	(762)	821,210
NET CHANGE IN FUND BALANCE	(3,662,781)	(4,061,280)	(1,533,826)	2,527,454
Fund Balances - October 1, 2020	3,662,781	4,061,280	2,725,524	(1,335,756)
FUND BALANCES - SEPTEMBER 30, 2021	\$ -	\$ -	\$ 1,191,698	\$ 1,191,698

See accompanying Notes to Financial Statements.

HIGHLANDS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LOCAL GOVERNMENT INFRASTRUCTURE SURTAX FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 9,771,338	\$ 9,771,338	\$ 11,634,496	\$ 1,863,158
Intergovernmental	19,586,555	9,302,309	5,060,753	(4,241,556)
Net Change in Fair Value of Investments	179,423	179,425	119,740	(59,685)
Total Revenues	29,537,316	19,253,072	16,814,989	(2,438,083)
EXPENDITURES				
Current:				
General Government:				
Central Services	1,008,750	1,023,438	440,815	582,623
Facilities Management	2,068,744	2,074,291	1,131,251	943,040
Total General Government	3,077,494	3,097,729	1,572,066	1,525,663
Public Safety:				
Sheriff	360,000	361,173	311,769	49,404
County Jail	32,003	1,583,896	31,995	1,551,901
Local Emergency Management Agency	380,000	30,468	6,068	24,400
Ambulance Service	482,278	722,081	69,619	652,462
Total Public Safety	1,254,281	2,697,618	419,451	2,278,167
Physical Environment:				
Natural Resources	85,000	85,000	66,243	18,757
Transportation:				
Road and Bridges	25,699,300	28,312,736	13,473,336	14,839,400
Human Services:				
Animal Control	506,565	549,257	324	548,933
Culture and Recreation:				
Recreation Department	722,519	643,195	115,703	527,492
Parks Department	110,208	153,053	148,283	4,770
Total Culture and Recreation	832,727	796,248	263,986	532,262

See accompanying Notes to Financial Statements.

HIGHLANDS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LOCAL GOVERNMENT INFRASTRUCTURE SURTAX FUND (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (CONTINUED)				
Current (Continued):				
Debt Service:				
Principal Retirement	\$ 2,815,611	\$ 2,815,611	\$ 2,815,611	\$ -
Interest and Fiscal Charges	318,979	318,979	318,979	-
Total Debt Service	<u>3,134,590</u>	<u>3,134,590</u>	<u>3,134,590</u>	<u>-</u>
Total Expenditures	<u>34,589,957</u>	<u>38,673,178</u>	<u>18,929,996</u>	<u>19,743,182</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(5,052,641)	(19,420,106)	(2,115,007)	17,305,099
OTHER FINANCING SOURCES (USES)				
Transfers In	750,000	750,000	-	(750,000)
Transfers Out	(81,474)	(81,474)	(81,472)	2
Insurance Recoveries	-	159,142	159,142	-
Total Other Financing Sources (Uses)	<u>668,526</u>	<u>827,668</u>	<u>77,670</u>	<u>(749,998)</u>
NET CHANGE IN FUND BALANCE	(4,384,115)	(18,592,438)	(2,037,337)	16,555,101
Fund Balances - October 1, 2020	<u>4,384,115</u>	<u>18,592,438</u>	<u>15,473,292</u>	<u>(3,119,146)</u>
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,435,955</u>	<u>\$ 13,435,955</u>

See accompanying Notes to Financial Statements.

**HIGHLANDS COUNTY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2021**

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Solid Waste	Non-Major Energy Recovery	Total	
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 7,793,023	\$ 710,136	\$ 8,503,159	\$ 6,522,238
Investments	5,136,120	-	5,136,120	870,984
Accounts Receivable - Net	251,845	1,062	252,907	34,796
Due from Other Funds	33,860	-	33,860	-
Due from Other Governmental Units	318	-	318	-
Advances to Other Funds	57,357	-	57,357	-
Prepaid Items	137,959	-	137,959	-
Inventory	-	497,242	497,242	-
Total Current Assets	13,410,482	1,208,440	14,618,922	7,428,018
Noncurrent Assets:				
Restricted Cash and Cash Equivalents	7,125,866	-	7,125,866	-
Capital Assets:				
(Net of \$14,146,362 Accumulated Depreciation)	7,212,582	1,859,735	9,072,317	-
Total Noncurrent Assets	14,338,448	1,859,735	16,198,183	-
Total Assets	27,748,930	3,068,175	30,817,105	7,428,018
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Items	213,055	-	213,055	-
OPEB Related Items	2,320	-	2,320	-
Total Deferred Outflows of Resources	215,375	-	215,375	-
LIABILITIES				
Current Liabilities:				
Vouchers Payable	376,233	18,454	394,687	27,019
Due to Other Funds	3,134	-	3,134	-
Accrued Wages Payable	42,185	-	42,185	-
Due to Other Governmental Units	137	230	367	11,993
Unearned Revenue	-	-	-	532,501
Compensated Absences - Current Portion	6,129	-	6,129	-
Landfill Closure Liability - Current Portion	78,455	-	78,455	-
Claims Payable	-	-	-	691,543
Total Current Liabilities	506,273	18,684	524,957	1,263,056

See accompanying Notes to Financial Statements.

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

	<u>Business-Type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Funds
	<u>Solid Waste</u>	<u>Non-Major Energy Recovery</u>	<u>Total</u>	
LIABILITIES (CONTINUED)				
Long-Term Liabilities:				
Payable from Restricted Assets -				
Customer Deposits	\$ 94,153	\$ -	\$ 94,153	\$ -
Landfill Closure Liability	7,031,713	-	7,031,713	-
Compensated Absences Payable	55,160	-	55,160	6,073,380
Total OPEB Liability	30,258	-	30,258	-
Landfill Closure Liability	1,424,785	-	1,424,785	-
Net Pension Liability	449,279	-	449,279	-
Total Long-Term Liabilities	<u>9,085,348</u>	<u>-</u>	<u>9,085,348</u>	<u>6,073,380</u>
 Total Liabilities	9,591,621	18,684	9,610,305	7,336,436
 DEFERRED INFLOWS OF RESOURCES				
Pension Related Items	543,052	-	543,052	-
OPEB Related Items	18,661	-	18,661	-
Total Deferred Inflows of Resources	<u>561,713</u>	<u>-</u>	<u>561,713</u>	<u>-</u>
 NET POSITION				
Net Investment in Capital Assets	7,212,582	1,859,735	9,072,317	-
Unrestricted	<u>10,598,389</u>	<u>1,189,756</u>	<u>11,788,145</u>	<u>91,582</u>
 Total Net Position	<u>\$ 17,810,971</u>	<u>\$ 3,049,491</u>	<u>20,860,462</u>	<u>\$ 91,582</u>
 Adjustment to Reflect Consolidation of Internal Service Fund Activities Related to Enterprise Funds			<u>69,645</u>	
 Net Position of Business-Type Activities			<u>\$ 20,930,107</u>	

See accompanying Notes to Financial Statements.

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

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Solid Waste	Non-Major Energy Recovery	Total	
OPERATING REVENUES				
Charges for Services	\$ 3,206,815	\$ 2,921,291	\$ 6,128,106	\$ 19,933,656
Special Assessments	6,459,857	-	6,459,857	-
Sale of Recyclable Materials	2,298	-	2,298	-
Miscellaneous	1,556	-	1,556	-
Total Operating Revenues	9,670,526	2,921,291	12,591,817	19,933,656
OPERATING EXPENSES				
Personal Services	1,011,978	8,093	1,020,071	-
General and Administrative	6,927,398	2,796,974	9,724,372	7,336,217
Insurance and Claims	-	-	-	13,598,744
Depreciation	656,906	121,931	778,837	-
Total Operating Expenses	8,596,282	2,926,998	11,523,280	20,934,961
Operating Income (Loss)	1,074,244	(5,707)	1,068,537	(1,001,305)
NONOPERATING REVENUES (EXPENSES)				
Operating Grants	158,379	-	158,379	-
Net Change in Fair Value of Investments	143,672	6,711	150,383	44,650
Insurance Recoveries	25,392	-	25,392	-
Gain/(Loss) on Disposal of Capital Assets	32,669	-	32,669	-
Total Nonoperating Revenues (Expenses)	360,112	6,711	366,823	44,650
INCOME BEFORE TRANSFERS	1,434,356	1,004	1,435,360	(956,655)
Transfer Out	(105,872)	-	(105,872)	-
CHANGE IN NET POSITION	1,328,484	1,004	1,329,488	(956,655)
Net Position - October 1, 2020	16,482,487	3,048,487		1,048,237
NET POSITION - SEPTEMBER 30, 2021	<u>\$ 17,810,971</u>	<u>\$ 3,049,491</u>		<u>\$ 91,582</u>
Adjustment to Reflect Consolidation of Internal Service Fund Activities Related to Enterprise Funds			(18,742)	
Change in Net Position of Business-Type Activities			<u>\$ 1,310,746</u>	

See accompanying Notes to Financial Statements.

**HIGHLANDS COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2021**

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Solid Waste	Non-Major Energy Recovery	Total	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 9,624,668	\$ 2,920,229	\$ 12,544,897	\$ -
Cash Received from Internal Customers	-	-	-	19,961,538
Cash Payments for Personal Services	(1,099,085)	(8,093)	(1,107,178)	-
Cash Payments to Vendors	(6,552,804)	(2,785,902)	(9,338,706)	-
Cash Payments for Insurance Premiums and Claims	-	-	-	(14,690,510)
Cash Payments to Employees for Services	-	-	-	(5,737,145)
Customer Deposits	3,780	-	3,780	-
Insurance Recoveries	25,392	-	25,392	-
Other Miscellaneous Cash Received	2,298	-	2,298	-
Net Cash Provided (Used) by Operating Activities	2,004,249	126,234	2,130,483	(466,117)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Grant Funds Received	184,349	-	184,349	-
Payments Received on Advance to Other Funds	13,643	-	13,643	-
Repayment on Advance to Other Funds	-	-	-	(293)
Transfers to Other Funds	(105,870)	-	(105,870)	(269)
Net Cash Provided (Used) by Noncapital Financing Activities	92,122	-	92,122	(562)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from the Sale of Capital Assets	34,734	-	34,734	-
Acquisition of Capital Assets	(1,169,165)	-	(1,169,165)	-
Net Cash Used by Capital and Related Financing Activities	(1,134,431)	-	(1,134,431)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of Investments	(1,000,000)	-	(1,000,000)	(175,838)
Sale of Investments	1,250,000	-	1,250,000	871,590
Investment Income	136,593	6,711	143,304	43,766
Net Cash Provided by Investing Activities	386,593	6,711	393,304	739,518
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,348,533	132,945	1,481,478	272,839
Cash and Cash Equivalents - October 1, 2020	13,570,356	577,191	14,147,547	6,249,399
CASH AND CASH EQUIVALENTS - SEPTEMBER 30, 2021	<u>\$ 14,918,889</u>	<u>\$ 710,136</u>	<u>\$ 15,629,025</u>	<u>\$ 6,522,238</u>

See accompanying Notes to Financial Statements.

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

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Solid Waste	Non-Major Energy Recovery	Total	
RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 1,074,244	\$ (5,707)	\$ 1,068,537	\$ (1,001,305)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	656,906	121,931	778,837	-
Insurance Recoveries	25,392	-	25,392	-
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:				
(Increase) Decrease in:				
Accounts Receivable	(43,819)	(1,062)	(44,881)	15,802
Inventory	-	(5,201)	(5,201)	-
Due from Other Funds	(4,751)	-	(4,751)	-
Due from Other Governmental Units	357	-	357	-
Prepaid Items	(74,883)	-	(74,883)	-
Deferred Outflows Related to Pensions	142,557	-	142,557	-
Deferred Outflows Related to OPEB	425	-	425	-
Increase (Decrease) in:				
Vouchers Payable	(33,448)	16,252	(17,196)	(9,422)
Accrued Wages Payable	(601)	-	(601)	-
Due to Other Funds	(4,643)	-	(4,643)	-
Due to Other Governmental Units	2,589	21	2,610	11,993
Claims Payable	-	-	-	240,088
Compensated Absences	(12,494)	-	(12,494)	264,646
Landfill Closure Liability	489,728	-	489,728	-
Unearned Revenues	(98)	-	(98)	12,081
Customer Deposits	3,780	-	3,780	-
Total OPEB Liability	(28)	-	(28)	-
Net Pension Liability	(719,188)	-	(719,188)	-
Deferred Inflows Related to Pensions	512,448	-	512,448	-
Deferred Inflows Related to OPEB	(10,224)	-	(10,224)	-
Total Adjustments	930,005	131,941	1,061,946	535,188
Net Cash Provided (Used) by Operating Activities	\$ 2,004,249	\$ 126,234	\$ 2,130,483	\$ (466,117)
NONCASH CAPITAL AND INVESTING ACTIVITIES				
Change in Fair Value of Investments	\$ 4,791	\$ -	\$ 4,791	\$ -
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION CASH AND CASH EQUIVALENTS				
Total Cash and Cash Equivalents	\$ 14,918,889	\$ 710,136	\$ 15,629,025	\$ 6,522,238
Less: Restricted Cash and Investments	7,125,866	-	7,125,866	-
Total Unrestricted Cash and Cash Equivalents	\$ 7,793,023	\$ 710,136	\$ 8,503,159	\$ 6,522,238

See accompanying Notes to Financial Statements.

**HIGHLANDS COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2021**

	Custodial Funds
ASSETS	
Cash and Cash Equivalents	\$ 3,629,558
Due from Others	6,711
Due from Other Governmental Units	1,269
Total Assets	<u>3,637,538</u>
LIABILITIES	
Due to Others	225,101
Due to Other Governmental Units	1,285,001
Total Liabilities	<u>1,510,102</u>
NET POSITION	
Restricted for Other Governments and Individuals	<u><u>\$ 2,127,436</u></u>

See accompanying Notes to Financial Statements.

**HIGHLANDS COUNTY, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2021**

	<u>Custodial Funds</u>
ADDITIONS	
Tax, License, Fines, and Fees Collected for Other Governments and Individuals	\$ 89,106,449
DEDUCTIONS	
Tax, License, Fines, and Fees Disbursed to Other Governments and Individuals	<u>88,331,380</u>
CHANGE IN NET POSITION	775,069
Net Position - Beginning of Year (Restated, See Note 21)	<u>1,352,367</u>
NET POSITION - END OF YEAR	<u><u>\$ 2,127,436</u></u>

See accompanying Notes to Financial Statements.

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

Blended Component Units

The following component units are included in the accompanying financial statements as part of the primary government because they satisfy the criteria in Governmental Accounting Standards Board (GASB) pronouncements. The component units listed below do not issue separate financial statements:

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Blended Component Units (Continued)

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

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

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

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Blended Component Units (Continued)

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

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

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

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Blended Component Units (Continued)

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

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

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Blended Component Units (Continued)

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

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

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

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Blended Component Units (Continued)

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

B. Measurement Focus and Basis of Accounting

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

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

Government-Wide Financial Statements

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus and Basis of Accounting (Continued)

Government-Wide Financial Statements (Continued)

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

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

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

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

Fund Financial Statements

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus and Basis of Accounting (Continued)

Governmental Funds

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

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

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

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

Proprietary Funds

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus and Basis of Accounting (Continued)

Proprietary Funds (Continued)

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

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

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

Basis of Presentation

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

The County considers the County Transportation Trust Fund important to financial statement users because of public interest and is, therefore, reporting that fund as a major fund even though the quantitative criteria has not been met.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus and Basis of Accounting (Continued)

Governmental Major Funds

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

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

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

Proprietary Funds

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

Energy Recovery (Non-Major) – The Energy Recovery Fund accounts for the operation of a County owned and operated asphalt plant.

Other Fund Types

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

Custodial Funds – The Custodial Funds account for all assets held by the County in its capacity as a fiduciary for individuals, other governmental units and non-public organizations.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Budgets and Budgetary Accounting

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

1. On or before June 1 of each year, the Sheriff, the Clerk, the Tax Collector, and the Supervisor of Elections submit to the Board a tentative budget for their respective offices for the ensuing fiscal year.
2. Within 15 days after certification of the ad valorem tax roll by the Property Appraiser, the Office of Management and Budget submits to the Board a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
3. By Board resolution, a tentative budget is submitted to the public and public hearings are held to obtain taxpayers' comments.
4. Within 20 days after adoption of the tentative budget, a final budget is submitted for review and adoption at a final public hearing.
5. The County's operating budget is legally enacted through passage of a resolution at the final public hearing. Accordingly, the funds have an adopted budget as required by Section 129.03, Florida Statutes.
6. Section 129.07, Florida Statutes, as amended in 1978, provides that only expenditures in excess of total fund budgets are unlawful. However, because the Board acts on all budget changes between departments, this becomes the level of control. The budgetary data presented herein was amended by the Board during the year in a legally permissible manner.
7. Formal budgetary integration is employed as a management control device during the year for all Governmental Funds and Proprietary Funds except for the Industrial Development Agency Fund, Placid Lakes Fire District Fund, Court Fund, Public Records Modernization Trust Fund, Teen Court Operations Fund, Court Related Technology Modernization Trust Fund, Homeowner's Foreclosure Education Fund, Community Donations Fund, and the Inmate Welfare Fund, which do not have legally adopted budgets.
8. Annual appropriated budgets for the General, Special Revenue, Capital Projects, and Proprietary Funds are legally adopted on a basis consistent with GAAP. However, the only funds required to report budgets are the General and Special Revenue Funds.

HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Budgets and Budgetary Accounting (Continued)

9. It is the Board's policy to amend the budget when unanticipated revenues and expenditures occur.
10. All appropriations lapse at the close of the fiscal year.
11. The Clerk's Court Services Fund does not budget for the excess of revenue over expenditures that is required to be returned to the state of Florida. For the year ending September 30, 2020, \$289,183 of revenue over expenditures returned to the state of Florida is included in total expenditures.

D. Reconciliation of Government-Wide and Fund Financial Statements

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

"Total fund balances" of the County's governmental funds, \$63,773,326, differs from "net position" of governmental activities, \$245,750,234, reported in the statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheet.

Capital Related Items

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

Cost of Capital Assets	\$ 357,653,257
Accumulated Depreciation/Amortization	(95,643,951)
Total Capital Assets	<u>\$ 262,009,306</u>

Receivable Transactions

Certain receivables are not available to pay current period expenditures, and therefore are reported as deferred inflows of resources in the funds. Balances as of September 30, 2021 were:

Deferred Inflows of Resources	<u>\$ 4,621,554</u>

HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Long-Term Debt Transactions

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities (both current and long term) are reported in the statement of net position. Balances as of September 30, 2021 were:

Notes Payable	<u>\$ (19,553,596)</u>

Accrued Interest

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

Accrued Interest on Notes Payable	<u>\$ (137,166)</u>

Pension Related Items

Net pension liability and related deferred outflows and inflows of resources are not due and payable in the current period, and accordingly, are not reported as fund liabilities. Accrued pension contributions included in the Compensated Absences Fund were adjusted to avoid duplication of the pension liability. Balances as of September 30, 2021 were:

Net Pension Liability	\$ (28,757,957)
Deferred Outflows of Resources - Pension Related	18,293,796
Deferred Inflows of Resources - Pension Related	(52,821,616)
Compensated Absences Adjustment	555,495
Total	<u>\$ (62,730,282)</u>

Other Postemployment Benefits Related Items

Total other postemployment benefits (OPEB) liability and related deferred outflows and inflows of resources are not due and payable in the current period, and accordingly, are not reported as fund liabilities. Balances as of September 30, 2021 were:

Total OPEB Liability	\$ (1,464,110)
Deferred Outflows of Resources - OPEB Related	112,236
Deferred Inflows of Resources - OPEB Related	(902,971)
Total	<u>\$ (2,254,845)</u>

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Internal Service Funds

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

Internal Service Funds	<u>\$ 21,937</u>

Elimination of Interfund Receivables/Payables

Interfund receivables, payables, and advances in the amount of \$633,235 between governmental funds were eliminated from the statement of net position.

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

The "net change in fund balances" for governmental funds, \$5,713,793 differs from the "change in net position" for governmental activities, \$29,374,185 reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

Capital Related Items

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

Capital Outlay	\$ 20,275,429
County Acquired Surplus Properties	635,431
Depreciation/Amortization Expense	<u>(7,322,227)</u>
Difference	<u>\$ 13,588,633</u>

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Capital Related Items (Continued)

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

Sale of Capital Assets	<u>\$ (2,804,339)</u>

Long-Term Debt Transactions

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities. There were no premiums or discounts to report in the current year.

Principal Repayments of Notes Payable	<u>\$ 3,160,611</u>

Revenue Transactions

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

Intergovernmental Revenue	\$ 2,960,281
Charges for Services	399,766
Total Adjustment	<u>\$ 3,360,047</u>

Expense Transactions

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

Net Change in Interest Payable	<u>\$ 24,689</u>

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Pension Related Items

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

Pension Expense	<u>\$ 6,890,330</u>

Other Postemployment Benefits Related Items

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

OPEB Expense	<u>\$ 378,333</u>

Internal Service Funds Net Cost

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

Internal Service Funds Change in Net Position	\$ (956,655)
Internal Service Funds Operating Loss	
Allocated to Business-Type Activities	<u>18,742</u>
Net Adjustment	<u>\$ (937,913)</u>

Transfers in and transfers out in the amount of \$2,170,035 between governmental funds were eliminated from the statement of activities.

E. Cash and Cash Equivalents

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

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

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

HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Investments

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

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

G. Accounts Receivable

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

H. Interfund Transactions

Interfund transactions are accounted for in the following manner:

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Interfund Transactions (Continued)

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

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

I. Inventories

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

J. Prepaid Items

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Property Tax

The County's property tax roll is as follows:

Valuation Date	January 1, 2021

Property Appraiser prepares the assessment roll with values as of January 1, 2020, submits this preliminary roll for approval by the Department of Revenue and notifies each taxing authority of their respective valuations.	July 1, 2021

Each taxing authority holds two required public hearings and adopts a budget and ad valorem tax millage rates for the coming year.	September 1, 2021

Property Appraiser certifies the assessment roll and all real and tangible personal property taxes are due and payable (levy date).	November 1, 2021

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

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

All unpaid taxes on real and tangible personal property become delinquent.	April 1, 2022

A list of unpaid tangible personal property taxes and a list of unpaid real property taxes are advertised.	April and May 2022

Tax certificates are sold on all real estate parcels with unpaid real property taxes (lien date).	June 1, 2022

A court order is obtained authorizing the seizure and sale of personal property if the taxpayer fails to pay the delinquent personal property taxes.	June 1, 2022

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Property Tax (Continued)

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

<u>Payment Due</u>	<u>Amount Due</u>	<u>Discount Percent</u>	<u>Discount Due Date</u>
First	25% of estimated tax	6.00	June 30, 2021
Second	25% of estimated tax	4.50	September 30, 2021
Third	25% of estimated tax plus 50% adjustment to actual tax	3.00	December 31, 2021
Fourth	25% of estimated tax plus 50% adjustment to actual tax	0.00	March 31, 2022

No accrual for the property tax levy becoming due in November 2021 is included in the accompanying financial statements since such taxes are collected to finance expenditures of the subsequent period. Property taxes receivable and a corresponding allowance for uncollectible property taxes are not included in the financial statements.

L. Capital Assets

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Capital Assets (Continued)

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

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

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

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

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

HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Unearned Revenues

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

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

N. Pensions

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

O. Other Postemployment Benefits (OPEB)

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

P. Deferred Outflows/Inflows of Resources

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Deferred Outflows/Inflows of Resources (Continued)

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

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

Q. Compensated Absences

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

R. Landfill Closure Costs

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for expenditure of funds are recorded to reserve that portion of the applicable appropriation, is employed in the Governmental Funds. Encumbrances are not the equivalent of expenditures; but rather represent a future commitment to purchase goods or services. Although encumbrances lapse at fiscal year-end, it is the County's intention to honor these encumbrances under authority provided in the subsequent year's budget. Encumbrances outstanding as of September 30, 2021 totaled \$7,424,003. Encumbrances of the major funds totaled \$6,542,318 and consisted of the following: General Fund, \$468,434; County Transportation Trust \$216,222; and Local Government Infrastructure Surtax, \$5,857,662. Nonmajor fund encumbrances, in the aggregate, totaled \$881,685.

T. Operating Subsidies and Grants

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

U. Self-Insurance

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

V. Eliminations

Eliminating entries were made between departments in the General Fund.

W. Fund Balance

The classifications of fund balances are described as follows:

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

W. Fund Balance (Continued)

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

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

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

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

X. Net Position

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

Y. Use of Estimates

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

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

NOTE 2 CASH, CASH EQUIVALENTS AND INVESTMENTS

At September 30, 2021, the bank balances of the County's demand deposits totaled \$75,416,443.

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

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

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

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

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

NOTE 2 CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

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

Deposits	\$ 74,468,673
Petty Cash and Change Funds	28,886
Investments	29,441,690
Total	<u>\$ 103,939,249</u>
Statement of Net Position:	
Cash and Cash Equivalents	\$ 83,843,652
Investments	9,034,597
Restricted Cash and Cash Equivalents	7,431,442
Statement of Fiduciary Net Position - Custodial Funds:	
Cash and Cash Equivalents	3,629,558
Total	<u>\$ 103,939,249</u>

Investments

The County invested funds throughout the year with local government investment pools. At September 30, 2021, the County's investments consisted of the following:

<u>Investment Type</u>	<u>Fair Value</u>
Measured at Amortized Cost:	
Local Government Surplus Funds Trust Funds PRIME Fund	\$ 7,884,126
Florida Local Government Investment Trust - Day To Day Fund	605,238
Total Measured at Amortized Cost	<u>8,489,364</u>
Measured at NAV:	
Florida Local Government Investment Trust - Short-Term Bond Fund	1,631,604
Florida Surplus Asset Fund Trust - Stable NAV Fund	2,627,124
Florida Surplus Asset Fund Trust - Variable NAV Fund	3,205,500
Florida Cooperative Liquid Assets Securities System	5,987,936
Florida Public Assets for Liquidity Management Portfolio	3,302,669
Florida Fixed Income Trust	4,197,493
Total Measured at NAV	<u>20,952,326</u>
Total	<u>\$ 29,441,690</u>

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

NOTE 2 CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (Continued)

Florida PRIME

Florida PRIME is an investment pool administered by the State Board of Administration (SBA), under the regulatory oversight of the State of Florida. Investments in Florida PRIME are made pursuant to Chapter 125.31, Florida Statutes. The investments are not categorized because they are not evidenced by securities that exist in physical or book entry form. Throughout the year and as of September 30, 2021, Florida PRIME contained certain floating and adjustable rate securities which were indexed based on the prime rate and/or one and three month LIBOR rates. These investments represented 4.4% of the Florida PRIME's portfolio at September 30, 2021.

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

The dollar weighted average days to maturity (WAM) of Florida PRIME as of September 30, 2021 was 49 days. Next interest rate reset dates for floating securities are used in the calculation of the WAM. The weighted average life (WAL) of the Florida PRIME at September 30, 2021 was 64 days.

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

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

As of September 30, 2021, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

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

NOTE 2 CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (Continued)

Florida Local Government Investment Trust

Florida Local Government Investment Trust (FLGIT) is a public entity investment trust organized under the laws of the State of Florida. At September 30, 2021, the County was invested in the Day to Day Fund and the Short-Term Bond Fund.

FLGIT Day to Day Fund – At September 30, 2021, the average maturity in days was 48 days. The investments in the Day to Day Fund meet all of the necessary criteria to elect to measure all of the investments at amortized cost, as a cash equivalent.

FLGIT Short Term-Bond Fund – At September 30, 2021, the average maturity in years was 2.1 years. The FLGIT reports all share information at net asset value (NAV). The value of the County's position in the FLGIT external investment pool is the same as the value of the pool's shares.

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

Florida Surplus Asset Fund Trust

Florida Surplus Asset Fund Trust (FL SAFE) is a common law trust organized in 2007 under the laws of the State of Florida. The trust is administered by Prudent Man Advisors, Inc. and an elected five member Board of Trustees. At September 30, 2021, the County was invested in the Stable NAV Fund and the Variable NAV Fund.

FL SAFE Stable NAV Fund - At September 30, 2021, the average maturity is not to exceed 60 days. The fund seeks, but does not guarantee, to maintain a constant NAV at \$1.00 per share. The value of the County's position in FL SAFE external investment pool is the same as the value of the pool's shares.

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

FL SAFE Variable NAV Fund - At September 30, 2021, the weighted average maturity (WAM) was about 1 year. FL SAFE reports all share information at NAV. The value of the County's position in FL SAFE external investment pool is the same as the value of the pool's shares.

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

NOTE 2 CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (Continued)

Florida Surplus Asset Fund Trust (Continued)

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

Florida Cooperative Liquid Assets Securities System

Florida Cooperative Liquid Assets Securities System (FLCLASS) is an independent local government investment pool. The trust is administered by Public Trust Advisors, LLC and an appointed Board of Trustees. FLCLASS is accounted for as a stable NAV investment pool, and operates like a money market mutual fund with each share valued at \$1.00. At September 30, 2021, the WAM in days was 47 days. Next interest rate reset dates for floating securities are used in the calculation of the WAM.

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

Florida Public Assets for Liquidity Management Fund

The Florida Public Assets for Liquidity Management Fund (FL PALM) is a common law trust organized under the laws of the state of Florida. FL PALM is directed by a Board of Trustees and an Advisory Committee. At September 30, 2021, the County was invested in the FL PALM Portfolio.

The FL PALM Portfolio seeks to maintain a stable NAV of \$1.00 per share. As of September 30, 2021, FL PALM Portfolio's WAM in days was 53 days.

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

Florida Fixed Income Trust

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

Investments in FL-FIT are measured at NAV. As of September 30, 2021, FL-FIT's WAM in days was 79 days.

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

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

NOTE 2 CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (Continued)

The fair value of investments in certain pooled funds is based in the investments' fair value measurements. Such fair value measurements are as follows at September 30, 2021:

Pooled Funds:	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
FLGIT Short-Term Bond Fund	\$ 1,631,604	\$ -	Daily	1-3 Days
FL SAFE Stable NAV Fund	2,627,124	-	Daily	1 Day
FL SAFE Variable NAV Fund	3,205,500	-	Daily	1 Day
FLCLASS	5,987,936	-	Daily	1 Day
FL PALM Portfolio	3,302,669	-	Daily	1 Day
FL-FIT	4,197,493	-	Daily	1 Day

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County has no policy on interest rate risk. Investments and related level of risk at September 30, 2021, were as follows:

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

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

NOTE 2 CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County has no policy on credit risk. Presented below is the actual rating as of September 30, 2021 for each type of investment:

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

NOTE 3 ACCOUNTS RECEIVABLE

Accounts receivable for the individual major and nonmajor and internal service funds in the aggregate consisted of the following at September 30, 2021:

	General	County Transportation Trust	Local Government Infrastructure Surtax	Solid Waste	Nonmajor and Other Funds	Total
Emergency Medical Services	\$ 2,150,545	\$ -	\$ -	\$ -	\$ -	\$ 2,150,545
Landfill Charges	-	-	-	240,062	-	240,062
Interest	54,882	2,317	13,281	11,783	33,356	115,619
Miscellaneous	416,010	12,061	-	-	95,006	523,077
Accounts Receivable, Gross	2,621,437	14,378	13,281	251,845	128,362	3,029,303
Allowance for Doubtful Accounts	(67,454)	-	-	-	-	(67,454)
Accounts Receivable, Net	<u>\$ 2,553,983</u>	<u>\$ 14,378</u>	<u>\$ 13,281</u>	<u>\$ 251,845</u>	<u>\$ 128,362</u>	<u>\$ 2,961,849</u>

Activity in Emergency Medical Services accounts receivable was as follows:

Balance - September 30, 2020	\$ 1,715,898
Billings	8,126,732
Less:	
Cash Receipts	(3,989,765)
Medical/Medicaid Adjustments	(2,446,328)
Sent to Collection	(1,195,151)
Write Off	-
Other Adjustments	(60,841)
Balance - September 30, 2021	<u>\$ 2,150,545</u>

HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 4 CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, Not Being Depreciated/Amortized:				
Land	\$ 48,374,895	\$ 1,272,441	\$ (2,713,456)	\$ 46,933,880
Construction in Progress	14,120,965	12,869,759	(10,434,519)	16,556,205
Infrastructure	120,035,880	109,425	-	120,145,305
Land Use Rights, Permanent	2,415,419	-	-	2,415,419
Total Capital Assets, Not Being Depreciated/Amortized	184,947,159	14,251,625	(13,147,975)	186,050,809
Capital Assets, Being Depreciated/Amortized:				
Infrastructure	-	8,673,732	-	8,673,732
Buildings	73,124,067	1,234,756	(267,541)	74,091,282
Improvements Other Than Buildings	13,994,548	81,431	-	14,075,979
Machinery and Equipment	63,231,510	7,084,207	(2,020,367)	68,295,350
Computer Software	6,446,475	19,630	-	6,466,105
Total Capital Assets Being Depreciated/Amortized	156,796,600	17,093,756	(2,287,908)	171,602,448
Less: Accumulated Depreciation/Amortization for:				
Infrastructure	-	(115,650)	-	(115,650)
Buildings	(33,111,877)	(2,127,399)	242,746	(34,996,530)
Improvements Other Than Buildings	(6,809,981)	(494,147)	-	(7,304,128)
Machinery and Equipment	(44,963,711)	(4,311,933)	1,954,279	(47,321,365)
Computer Software	(5,633,180)	(273,098)	-	(5,906,278)
Total Accumulated Depreciation/Amortization	(90,518,749)	(7,322,227)	2,197,025	(95,643,951)
Total Capital Assets, Being Depreciated/ Amortized, Net	66,277,851	9,771,529	(90,883)	75,958,497
Governmental Activities Capital Assets, Net	\$ 251,225,010	\$ 24,023,154	\$ (13,238,858)	\$ 262,009,306

HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 4 CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
Capital Assets, Not Being Depreciated/Amortized:				
Land	\$ 1,839,228	\$ -	\$ -	\$ 1,839,228
Construction in Progress	5,466	-	-	5,466
Total Capital Assets, Not Being Depreciated/Amortized	1,844,694	-	-	1,844,694
Capital Assets, Being Depreciated/Amortized:				
Buildings and Systems	696,881	-	-	696,881
Improvements Other Than Buildings	10,379,791	-	(20,646)	10,359,145
Machinery and Equipment	9,382,885	1,004,835	(69,761)	10,317,959
Total Capital Assets Being Depreciated/Amortized	20,459,557	1,004,835	(90,407)	21,373,985
Less: Accumulated Depreciation/Amortization for:				
Buildings and Systems	(589,800)	(17,316)	-	(607,116)
Improvements Other Than Buildings	(7,200,914)	(342,846)	18,581	(7,525,179)
Machinery and Equipment	(5,665,153)	(418,675)	69,761	(6,014,067)
Total Accumulated Depreciation/Amortization	(13,455,867)	(778,837)	88,342	(14,146,362)
Total Capital Assets, Being Depreciated/ Amortized, Net	7,003,690	225,998	(2,065)	7,227,623
Business-Type Activities Capital Assets, Net	<u>\$ 8,848,384</u>	<u>\$ 225,998</u>	<u>\$ (2,065)</u>	<u>\$ 9,072,317</u>

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

Governmental Activities:	
General Government	\$ 1,341,963
Public Safety	3,632,306
Physical Environment	218,468
Transportation	1,416,300
Economic Environment	49,534
Human Services	88,896
Culture and Recreation	479,928
Court Related	94,832
Total Depreciation/Amortization Expense - Governmental Activities	<u>\$ 7,322,227</u>
Business-Type Activities:	
Solid Waste	\$ 656,906
Energy Recovery	121,931
Total Depreciation/Amortization Expense - Business-Type Activities	<u>\$ 778,837</u>

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

NOTE 5 INTERFUND BALANCES

Interfund balances at September 30, 2021 consisted of the following amounts:

Due To/From Other Funds

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Major Funds:		
General Fund	\$ 368,560	\$ 227,478
County Transportation Trust	-	11,842
Local Government Infrastructure Surtax	-	46,869
Solid Waste Fund	33,860	3,134
Nonmajor Governmental Funds	193,618	306,715
Total	<u>\$ 596,038</u>	<u>\$ 596,038</u>

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

Advances

- In 2018, the General Fund advanced a nonmajor governmental fund money for construction of a building. As of September 30, 2021, the outstanding balance was \$42,335.
- In 2020, the Solid Waste Fund refinanced an advance to a nonmajor governmental fund for wastewater improvements in 2018, and additional costs not covered by the original loan. The outstanding balance as of September 30, 2021 was \$57,357.
- In 2021, the County Transportation Trust Fund advanced a nonmajor governmental fund money for improvements to a road. The outstanding balance as of September 30, 2021 was \$31,856.

NOTE 6 RESTRICTED ASSETS

Restricted assets include customer deposits and amounts required by Florida Administrative Code 62-701.630 to be deposited in escrow for landfill management. Total restricted assets as of September 30, 2021 were as follows:

	<u>Cash and Cash Equivalents</u>
<u>Governmental Funds</u>	
General Fund:	
Customer Deposits	<u>\$ 305,576</u>
<u>Enterprise Funds</u>	
Solid Waste:	
Customer Deposits	\$ 94,153
Landfill Closure	7,031,713
Total Enterprise Funds	<u>\$ 7,125,866</u>

HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 7 LONG-TERM LIABILITIES

The summary of changes in long-term debt for the fiscal year ended September 30, 2021 is as follows:

	Balance September 30, 2020	Additions	Reductions	Balance September 30, 2021	Due Within One Year
Governmental Activities:					
Notes Payable					
Direct Borrowings	\$ 264,207	\$ -	\$ (130,611)	\$ 133,596	\$ 133,596
Direct Placements	22,450,000	-	(3,030,000)	19,420,000	3,090,000
Total Notes Payable	22,714,207	-	(3,160,611)	19,553,596	3,223,596
Compensated Absences	5,314,111	5,940,917	(5,737,145)	5,517,883	551,788
Governmental Activity					
Long-Term Liabilities	<u>\$ 28,028,318</u>	<u>\$ 5,940,917</u>	<u>\$ (8,897,756)</u>	<u>\$ 25,071,479</u>	<u>\$ 3,775,384</u>
Business-Type Activities:					
Landfill Closure Liability	\$ 8,045,225	\$ 489,728	\$ -	\$ 8,534,953	\$ 78,455
Compensated Absences	73,783	59,008	(71,502)	61,289	6,129
Business-Type Activity					
Long-Term Liabilities	<u>\$ 8,119,008</u>	<u>\$ 548,736</u>	<u>\$ (71,502)</u>	<u>\$ 8,596,242</u>	<u>\$ 84,584</u>

Compensated Absences

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

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

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

The following notes payable were outstanding at September 30, 2021:

	Remaining Principal Amount
Governmental Activities Notes Payable:	
<u>Direct Placement</u>	
\$23,600,000 with a fixed interest rate equal to 2.01% dated May 7, 2015 with final payment due November 1, 2025. Interest payments are due on May 1 and November 1. Beginning November 1, 2015, principal payments ranging from \$2,740,000 to \$2,970,000, are due in annual installments until maturity date. Serviced from and secured by designated revenues derived from the County's share of the one cent local discretionary infrastructure sales surtax. The proceeds from the note are used for refunding the Series 2010 Infrastructure Sales Surtax Revenue Note and financing the cost of a new Sheriff's administration building, jail roofing project, and Sebring Parkway Phase III.	\$ 14,265,000
<u>Direct Borrowing</u>	
\$522,610 with an interest rate equal to 2.169% dated November 1, 2018, with final payment due May 1, 2022. Beginning November 1, 2018 combined principal and interest payments of \$67,939 are due in semi-annual installments until maturity date. The proceeds from the note are used to finance Lifepak equipment purchase. If any event of default shall occur, all indebtedness may 1) become immediately due and payable to the lender; 2) be litigated for the amount due with future payments discounted at a rate of 3% per annum; 3) be charged an interest rate on all indebtedness of 18% per year or the highest rate permitted by applicable law; and/or 4) require equipment be returned or repossessed.	133,596
<u>Direct Placement</u>	
\$5,500,000 with a fixed interest rate equal to 2.08% dated September 19, 2019 with final payment due August 1, 2034. Interest payments are due on February 1 and August 1. Beginning August 1, 2021, principal payments ranging from \$350,000 to \$450,000 are due in annual installments until maturity date. Serviced from and secured by the County's Non-Ad Valorem Fire Assessment. The proceeds from the note are used for issuance expenses and the cost of the acquisition, construction, and equipping of fire safety equipment, vehicles, a fire station and other infrastructure improvement projects located within the County. If any event of default shall occur, all indebtedness may become immediately due and payable to the lender.	5,155,000
Total Governmental Activities Notes Payable	<u>\$ 19,553,596</u>

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

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

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

The annual debt service requirements to amortize all debts outstanding as of September 30, 2021 are as follows:

Year Ending September 30,	Governmental Activities	
	Direct Borrowings and Direct Placements	
	Principal	Interest
2022	\$ 3,223,596	\$ 368,696
2023	3,150,000	303,507
2024	3,215,000	239,391
2025	3,280,000	173,911
2026	3,350,000	107,121
2026-2030	2,015,000	264,784
2031-2034	1,320,000	55,328
Total	<u>\$ 19,553,596</u>	<u>\$ 1,512,738</u>

NOTE 8 GOVERNMENTAL FUND BALANCES

At September 30, 2021, the County's governmental fund balances were classified as follows:

	General	County Transportation Trust	Local Government Infrastructure Surtax	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Advances to Other Funds	\$ 42,335	\$ -	\$ -	\$ -	\$ 42,335
Prepaid Items	812,226	82,973	492,462	811,554	2,199,215
Inventories	394,477	-	-	-	394,477
Total Nonspendable	<u>1,249,038</u>	<u>82,973</u>	<u>492,462</u>	<u>811,554</u>	<u>2,636,027</u>
Restricted:					
General Government	-	-	-	320,640	320,640
Public Safety	-	-	-	1,143,955	1,143,955
Fire Districts	-	-	-	4,739,410	4,739,410
Inmate Welfare	-	-	-	910,367	910,367
Building Department	-	-	-	2,907,617	2,907,617
Istokpoga Marsh	-	-	-	-	-
Watershed Maintenance	-	-	-	384,665	384,665
Physical Environment	-	-	-	265,888	265,888
Conservation	-	-	-	337,611	337,611
Tourist Development	-	-	-	1,425,992	1,425,992
Transportation	-	-	-	3,662,571	3,662,571
Housing Programs	-	-	-	1,026,481	1,026,481
Human Services	-	-	-	103,951	103,951
Culture and Recreation	-	-	-	303,869	303,869
Court Related	-	-	-	287,167	287,167
Court Facilities	-	-	-	75,947	75,947
Infrastructure and	-	-	-	-	-
Land Acquisition	-	-	12,943,493	2,846,752	15,790,245
Total Restricted	<u>-</u>	<u>-</u>	<u>12,943,493</u>	<u>20,742,883</u>	<u>33,686,376</u>
Assigned:					
Subsequent Year					
Expenditures	468,434	-	-	-	468,434
Transportation	-	1,108,725	-	-	1,108,725
Total Assigned	<u>468,434</u>	<u>1,108,725</u>	<u>-</u>	<u>-</u>	<u>1,577,159</u>
Unassigned	<u>25,909,864</u>	<u>-</u>	<u>-</u>	<u>(36,100)</u>	<u>25,873,764</u>
Total Fund Balances	<u>\$ 27,627,336</u>	<u>\$ 1,191,698</u>	<u>\$ 13,435,955</u>	<u>\$ 21,518,337</u>	<u>\$ 63,773,326</u>

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

NOTE 9 PERSONNEL COMMITMENTS

Deferred Compensation Plan

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

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

The County had previously reported the assets and associated liabilities of the deferred compensation plan in its financial statements as a fiduciary fund. Effective with the change in legislation, these assets are no longer County assets and fiduciary responsibility has been transferred to the third party plan administrator. Consequently, these assets are no longer reported in the accompanying financial statements.

NOTE 10 OTHER POSTEMPLOYMENT HEALTH CARE BENEFITS

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

Plan Description – The Postemployment Health Care Benefits Plan is a single-employer defined benefit plan administered by the County. Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees and eligible dependents who retire from the County may continue to participate in the County's self-funded health and hospitalization plan for medical, prescription drug, and dental coverage. The County subsidizes the premium rates paid by retirees by allowing them to participate in the plans at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. Retirees are required to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible.

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

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

NOTE 10 OTHER POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

Employees Covered by Benefit Terms

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	30
Active Plan Members	797
Total	<u>827</u>

Total OPEB Liability

The County's Total OPEB liability was measured as of September 30, 2021 and was determined by an actuarial valuation as of October 1, 2020. Liabilities originally calculated as of the actuarial valuation date are recalculated as of September 30, 2021 using a standard actuarial roll-forward technique. The following table shows the County's total OPEB liability for the year ended September 30, 2021.

	Total OPEB Liability
Balances - October 1, 2020	\$ 1,443,612
Changes for the Year:	
Service Cost	80,827
Interest	33,784
Changes in Assumptions	19,707
Benefit Payments	(83,562)
Net Changes	<u>50,756</u>
Balances - September 30, 2021	<u>\$ 1,494,368</u>

The total OPEB liability is liquidated by the activities in which current employee costs are associated.

Discount Rate Sensitivity

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

Description	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
OPEB Plan Discount Rate	1.19 %	2.19 %	3.19 %
Total OPEB Liability	\$ 1,583,812	\$ 1,494,368	\$ 1,405,104

Healthcare Trend Rate Sensitivity

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

Description	1% Decrease in Healthcare Cost Trend Rate	Healthcare Cost Trend Rate	1% Increase in Healthcare Cost Trend Rate
OPEB Plan Healthcare Cost Rate	3.00 %	4.00 %	5.00 %
Total OPEB Liability	\$ 1,321,353	\$ 1,494,368	\$ 1,701,595

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

NOTE 10 OTHER POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

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

For the year ended September 30, 2021, the County recognized OPEB expense of \$(84,692). In addition, the County reported deferred outflows and inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 625,494
Changes of assumptions	114,556	296,138
Total	<u>\$ 114,556</u>	<u>\$ 921,632</u>

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

<u>Year Ended September 30,</u>	<u>Amount</u>
2022	\$ (199,303)
2023	(199,303)
2024	(189,527)
2025	(222,234)
2026	3,291

Actuarial Assumptions

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

Inflation	2.50%
Healthcare Cost Trend Rates	4.00%

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

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

The discount rate used to measure the total OPEB liability was 2.19%, based on yield for 20-year general obligation bond index.

The following changes have been made since the prior valuation:

- The trend table was updated to the latest model released by the Society of Actuaries and has been adjusted to include the effects of the Cadillac Tax.
- The discount rate was changed from 2.41% to 2.19%
- The mortality and disability decrements were updated to the latest assumptions used for the FRS valuation based on the 2019 FRS Experience Study.

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

NOTE 11 LANDFILL CLOSURE AND POST-CLOSURE CARE COST

Highlands County has four landfill sites which are comprised of a total of ten cells, five of which are currently in operation. State and Federal laws and regulations require the County to place a final cover on the five cells currently in use when they are closed and to perform maintenance and monitoring functions for all landfill sites for thirty years after closure. Landfill operations and landfill closure and post-closure care costs are accounted for in the Solid Waste Enterprise Fund. Although closure and post-closure care costs will be paid only near or after the date the landfill stops accepting waste, the County reports as a liability a portion of closure and post-closure care costs based on landfill capacity used as of the balance sheet date. The landfill closure and post-closure care liability of \$8,534,953 at September 30, 2021 represents the cumulative amount reported to date based on an average use of 56% of the total estimated capacity. The portion of the liability related to 2021 usage is an increase of \$489,728. It is estimated that an additional liability totaling \$6,818,948 for Arbuckle Creek Cells 1A, 1B, 3, C&D and Agricultural Plastic will be recognized between the balance sheet date and the dates these cells will be filled to capacity in the years 2024, 2024, 2024, 2031 and 2099, respectively. Actual costs may differ due to inflation, changes in technology or changes in landfill laws and regulations.

The County is required by State and Federal laws and regulations to make annual contributions to a landfill management escrow account to finance closure and post-closure care financial assurance requirements. The County is in compliance with these requirements at September 30, 2021 with cash and investments of \$10,597,171 held for these purposes. The County expects that future inflation costs will be paid from future contributions and interest earnings on these contributions. In the event closure escrows and interest earnings prove inadequate due to higher than expected inflation, changes in technology, or changes in laws or regulations, these costs may need to be financed by future landfill users or future tax revenue.

NOTE 12 MISCELLANEOUS REVENUE

Miscellaneous revenue included in the Governmental Funds for the fiscal year ended September 30, 2021 consists of the following:

	General	County Transportation Trust	Other Governmental Funds
Interfund Services Rendered	\$ 1,351,287	\$ 1,515,898	\$ -
Commissions on Inmate Phone Calls and Commis- sary Sales Profits	-	-	147,269
Other	855,101	143,465	463,370
Total	<u>\$ 2,206,388</u>	<u>\$ 1,659,363</u>	<u>\$ 610,639</u>

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

NOTE 13 MAJOR CUSTOMERS

A significant amount of the Solid Waste Fund revenue for 2021 is derived from one major customer as follows:

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

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

NOTE 14 COMMITMENTS AND CONTINGENCIES

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

	<u>Commitment</u>
Arbuckle Creek Road Turn Lanes at Landfill Access Road	\$ 19,003
Asphalt Milling	79,397
Children's Advocacy Center Facility Improvements	3,526
Clerk of Courts Technology, Equipment and Software	103,554
CR 623	7,040
EOC Building Remodel	41,575
Fire Rescue Station 18, DeSoto City	3,435
Fire Rescue Station 33, Highlands Park	8,405
Fire Rescue Station 36, Lake Placid	200,800
Fire Rescue Station 45, Venus	11,610
Istokpoga Marsh Watershed Improvement District, Water Quality Improvement	4,748
Lake Istokpoga Boat Ramp Parking Expansion	16,750
Landfill Borrow Pit Expansion	29,144
Memorial Drive Ditch Culvert	12,700
Memorial Drive Multi-Use Path	64,830
Memorial Drive Trail Head	3,750
New Animal Control Operation Building	39,858
New Traffic Operations Building	55,778
Placid Lakes Sidewalk Improvements	6,958
Sebring Parkway Phase IIA	2,435,039
Sebring Parkway Phase IIB	3,566,798
Strategic Marketing Plan	5,140
Tower Street Sidewalk Improvements	49,050
Utility Expansion Plan	12,847
Total	<u>\$ 6,781,735</u>

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

NOTE 14 COMMITMENTS AND CONTINGENCIES (CONTINUED)

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

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

NOTE 15 RISK MANAGEMENT

Insurance Fund

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

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

Employee Benefit Fund

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

From October 1, 2001 through September 30, 2012, the County maintained private insurance for health insurance. Effective October 1, 2012, the County discontinued private insurance and re-established its self-insurance plan for group medical costs. The County maintained its self-insurance plan for health and dental costs for the fiscal year ended September 30, 2021.

Health and dental liabilities are recorded when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated, including an estimate for claims incurred but not reported. This estimate is based on historical experience and current trends and it is computed by an actuarial firm. The claims liability for estimated health and dental claims payable as of September 30, 2021 is \$690,897.

HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 15 RISK MANAGEMENT (CONTINUED)

Employee Benefit Fund (Continued)

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

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

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Incurred Claims</u>	<u>Payments</u>	<u>Ending Balance</u>
2020	\$ 447,769	\$ 9,532,765	\$ 9,529,537	\$ 450,997
2021	450,997	11,736,350	11,496,450	690,897

NOTE 16 DEFINED BENEFIT PENSION PLANS

Background

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

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

The County's pension expense totaled \$893,992 for both the FRS Pension Plan and HIS Plan for the fiscal year ended September 30, 2021.

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

NOTE 16 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan

Plan Description

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

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

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

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

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

NOTE 16 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Benefits Provided

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

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

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

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

NOTE 16 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Contributions

The Florida Legislature establishes contribution rates for participating employers and employees. Effective July 1, 2011, all FRS Plan members (except those in DROP) are required to make 3% employee contributions on a pretax basis. The contribution rates attributable to the County, effective July 1, 2020, were applied to employee salaries as follows: regular employees 8.28%, special risk 22.73%, county elected officials 47.82%, senior management 25.57%, and DROP participants 15.26%. The County's contributions to the FRS Plan were \$7,025,442 for the year ended September 30, 2021.

Pension Costs

At September 30, 2021, the County reported a liability of \$13,486,705 for its proportionate share of the FRS Plan's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The County's proportion of the net pension liability was based on the County's contributions received by FRS during the measurement period for employer payroll paid dates from July 1, 2020, through June 30, 2021, relative to the total employer contributions received from all of FRS's participating employers. At June 30, 2021, the County's proportion was 0.178540495%, which was a decrease of 0.018629956% from its proportion measured as of June 30, 2020.

For the year ended September 30, 2021, the County recognized pension expense of (\$343,325) for its proportionate share of FRS's pension expense. In addition, the County reported its proportionate share of FRS's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 2,311,643	\$ -
Changes of Assumptions	9,228,272	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(47,051,724)
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	2,245,102	(5,372,414)
County Contributions Subsequent to the Measurement Date	1,923,125	-
Total	<u>\$ 15,708,142</u>	<u>\$ (52,424,138)</u>

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

NOTE 16 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Pension Costs (Continued)

\$1,923,125 reported as deferred outflows of resources related to pensions resulting from County contributions to the FRS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

<u>Year Ended September 30,</u>	<u>Amount</u>
2022	\$ (6,707,475)
2023	(7,902,978)
2024	(10,283,386)
2025	(13,106,870)
2026	(638,412)

Actuarial Assumptions

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

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

Mortality rates were based on the PUB-2010 base table, varies by member category and sex, projected generationally with Scale MP-2018. The actuarial assumptions used in the July 1, 2021, valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

The long-term expected rate of return assumption of 6.80 percent consists of two building block components: 1) an inferred real (in excess of inflation) return of 4.30 percent, which is consistent with the 4.17 percent real return from the capital market outlook model developed by the FRS consulting actuary, Milliman; and 2) a long-term average annual inflation assumption of 2.40 percent as adopted in October 2021 by the FRS Actuarial Assumption Conference. In the opinion of the FRS consulting actuary both components and the overall 6.80 percent return assumption were determined to be reasonable and appropriate per Actuarial Standards of Practice. The 6.80 percent reported investment return assumption is the same as the investment return assumption chosen by the 2021 FRS Actuarial Assumption Conference for funding policy purposes.

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

NOTE 16 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Actuarial Assumptions (Continued)

For reference, the table below contains a summary of Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

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

Assumed Inflation - Mean	2.4%	1.2%

Discount Rate

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

Pension Liability Sensitivity

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

Description	1% Decrease	Current Discount Rate	1% Increase in Discount Rate
FRS Plan Discount Rate	5.80%	6.80%	7.80%
County's Proportionate Share of the FRS Plan Net Pension Liability	\$ 60,313,449	\$ 13,486,705	\$ (25,655,202)

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

NOTE 16 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Pension Plan Fiduciary Net Position

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

Retiree Health Insurance Subsidy Program

Plan Description

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

Benefits Provided

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

Contributions

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2021, the contribution rate was 1.66% of payroll pursuant to section 112.363, Florida Statutes. The County contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled. The County's contributions to the HIS Plan were \$762,194 for the year ended September 30, 2021.

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

NOTE 16 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Pension Costs

At September 30, 2021, the County reported a liability of \$15,720,531 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. Liabilities originally calculated as of the actuarial valuation date are recalculated as of June 30, 2021 using a standard actuarial roll-forward technique. The County's proportion of the net pension liability was based on the County's contributions received during the measurement period for employer payroll paid dates from July 1, 2020, through June 30, 2021, relative to the total employer contributions received from all participating employers. At June 30, 2021, the County's proportion was 0.128158209%, which was a decrease of 0.000385927% from its proportion measured as of June 30, 2020.

For the year ended September 30, 2021, the County recognized pension expense of \$1,237,317 for its proportionate share of HIS's pension expense. In addition, the County reported its proportionate share of HIS's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 526,049	\$ (6,584)
Changes in Actuarial Assumptions	1,235,282	(647,726)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	16,388	-
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	826,742	(286,220)
County Contributions Subsequent to the Measurement Date	194,248	-
Total	<u>\$ 2,798,709</u>	<u>\$ (940,530)</u>

\$194,248 reported as deferred outflows of resources related to pensions resulting from County contributions to the FRS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

<u>Year Ended September 30,</u>	<u>Amount</u>
2022	\$ 457,483
2023	253,918
2024	301,829
2025	359,084
2026	246,240
Thereafter	45,377

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

NOTE 16 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Actuarial Assumptions

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

Inflation	2.40% per year
Salary Increases	3.25%, Average, Including Inflation
Municipal Bond Rate	2.16%

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2018. The actuarial assumptions used in the July 1, 2020, valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

Discount Rate

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

Pension Liability Sensitivity

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

Description	1% Decrease	Current Discount Rate	1% Increase in Discount Rate
HIS Plan Discount Rate	1.16%	2.16%	3.16%
County's Proportionate Share of the HIS Plan Net Pension Liability	\$ 18,174,457	\$ 15,720,531	\$ 13,710,088

Pension Plan Fiduciary Net Position

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

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

NOTE 16 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Summary

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

Description	FRS Plan	HIS Plan	Total
Net Pension Liability	\$ 13,486,705	\$ 15,720,531	\$ 29,207,236
Deferred Outflows of Resources Related to Pensions	15,708,142	2,798,709	18,506,851
Deferred Inflows of Resources Related to Pensions	52,424,138	940,530	53,364,668
Pension Expense	(343,325)	1,237,317	893,992

NOTE 17 DEFINED CONTRIBUTION PLAN

FRS Investment Plan

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

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

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

NOTE 17 DEFINED CONTRIBUTION PLAN (CONTINUED)

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2021, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the County.

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

The County's Investment Plan pension expense totaled \$1,378,719 for the year ended September 30, 2021. Employee contributions to the Investment Plan totaled \$261,657 for the year ended September 30, 2021.

NOTE 18 FUND BALANCE DEFICIT

Special Revenue Funds

Oak Manor Avenue Road Paving Fund – The fund balance deficit of \$36,100 is a result of initial costs related to the road paving project. The fund started collecting assessments in fiscal year 2021.

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

NOTE 19 INTERFUND TRANSFERS

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

Transfers to the General Fund from:

Nonmajor Governmental Funds	\$ 1,143,882
Solid Waste Fund	<u>105,872</u>
Total	<u>1,249,754</u>

Transfers to Nonmajor Governmental Funds from:

General Fund	872,906
County Transportation Trust	71,775
Local Government Infrastructure Surtax Fund	<u>81,472</u>
Total	<u>1,026,153</u>

Total Interfund Transfers	<u><u>\$ 2,275,907</u></u>

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

NOTE 20 TAX ABATEMENTS

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

To date, the Board has granted one exemption since the commencement of the program. On June 5, 2012, the Board granted Howard Fertilizer & Chemical Co., Inc., an ad valorem tax exemption of 72.64% for 10 years. No other commitments were made by government entities as part of the agreement. The gross dollar amount of tax abated during the 2020-2021 fiscal year for Howard Fertilizer & Chemical Co., equates to \$11,485.

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

NOTE 21 CHANGE IN ACCOUNTING PRINCIPLE

During the year ended September 30, 2021, the County adopted new accounting guidance by implementing the provisions of GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying and reporting fiduciary activities. The implementation of this statement has resulted in changing the presentation of the financial statements by establishing requirements for reporting net position in custodial funds. Beginning net position has been restated to reflect this change where necessary.

	Custodial Funds
Net Position - Beginning of Year, as Previously Reported	\$ -
Change in Accounting Principle	1,352,367
Net Position - Beginning of Year, as Restated	<u>\$ 1,352,367</u>

NOTE 22 SUBSEQUENT EVENT

In November 2021, the Highlands County Infrastructure Sales Surtax Revenue Note (HCISRR), a direct placement, was refunded with an additional \$10.125 million for a total of \$21.7 million. The HCISRR Refunding Revenue Note, Series 2021, is a Direct Placement with Regions Capital Advantage, Inc., bearing an interest rate of 1.52%, maturing November 1, 2033.

**HIGHLANDS COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
MODIFIED APPROACH FOR INFRASTRUCTURE ASSETS
YEAR ENDED SEPTEMBER 30, 2021**

**Condition Rating of Highlands County
Roadway System**

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

	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
Road System	52.86	52.69	54.62

Comparison of Estimated to Actual Maintenance/Preservation

	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
Budgeted	\$ 3,007,781	\$ 3,513,970	\$ 5,758,461	\$ 5,686,498	\$ 2,809,287
Actual	2,572,640	977,259	1,381,079	5,504,681	2,274,131

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

**Condition Rating of Highlands County
Bridge System**

Overall Average Sufficiency Rating

	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
Bridge System	77.96	78.05	77.75

Comparison of Estimated to Actual Maintenance/Preservation

	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
Budgeted	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
Actual	23,841	40,275	22,272	35,808	67,617

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

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

	2021	2020	2019	2018
Total OPEB Liability				
Service Cost	\$ 80,827	\$ 140,238	\$ 113,559	\$ 115,422
Interest	33,784	74,630	91,062	82,736
Changes of Benefit Terms	-	-	-	-
Difference Between Expected and Actual Experience	-	(1,202,118)	-	-
Changes of Assumptions	19,707	(414,877)	196,258	(58,668)
Benefit Payments	(83,562)	131,938	(129,355)	(122,205)
Net Change in Total OPEB Liability	50,756	(1,270,189)	271,524	17,285
Total OPEB Liability - Beginning	1,443,612	2,713,801	2,442,277	2,424,992
Total OPEB Liability - Ending	<u>\$ 1,494,368</u>	<u>\$ 1,443,612</u>	<u>\$ 2,713,801</u>	<u>\$ 2,442,277</u>
Covered Employee Payroll	\$ 46,048,436	\$ 44,799,904	\$ 43,213,012	\$ 39,987,348
Total OPEB Liability as a percentage of the Covered Employee Payroll	3.25%	3.22%	6.28%	6.11%

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

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

Notes to Schedule:

The OPEB plan is not administered through a trust.

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

For the measurement date September 30, 2021, the amount reported as changes in assumptions resulted from the following:

- The discount rate was changed from 2.41% to 2.19%

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

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

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

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

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

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

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

	2021	2020	2019	2018	2017	2016	2015
County's Proportion of the Net Pension Liability	0.178540495%	0.197170451%	0.191369337%	0.185889216%	0.188036873%	0.183000953%	0.173515439%
County's Proportionate Share of the Net Pension Liability	\$ 13,486,705	\$ 85,456,581	\$ 65,904,936	\$ 55,990,794	\$ 55,620,044	\$ 46,207,883	\$ 22,411,845
County's Covered Payroll	\$ 45,552,783	\$ 44,798,121	\$ 42,283,674	\$ 39,890,912	\$ 39,037,082	\$ 36,239,309	\$ 35,581,960
County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered Payroll	29.61%	190.76%	155.86%	140.36%	142.48%	127.51%	62.99%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%

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

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

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 7,025,442	\$ 6,583,862	\$ 6,157,860	\$ 5,451,120	\$ 4,824,979	\$ 4,743,244	\$ 4,232,805
Contributions in Relation to the Contractually Required Contribution	<u>(7,025,442)</u>	<u>(6,583,862)</u>	<u>(6,157,860)</u>	<u>(5,451,120)</u>	<u>(4,824,979)</u>	<u>(4,743,244)</u>	<u>(4,232,805)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll	\$ 46,048,436	\$ 44,799,904	\$ 43,213,012	\$ 39,987,348	\$ 39,019,305	\$ 37,331,763	\$ 35,431,913
Contributions as a Percentage of Covered Payroll	15.26%	14.70%	14.25%	13.63%	12.37%	12.71%	11.95%

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

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

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

	2021	2020	2019	2018	2017	2016	2015
County's Proportion of the Net Pension Liability	0.128158209%	0.128544136%	0.125879122%	0.121886584%	0.122329734%	0.117095796%	0.117233715%
County's Proportionate Share of the Net Pension Liability	\$ 15,720,531	\$ 15,695,030	\$ 14,084,614	\$ 12,900,612	\$ 13,080,059	\$ 13,647,029	\$ 11,955,994
County's Covered Payroll	\$ 45,552,783	\$ 44,798,121	\$ 42,283,674	\$ 39,890,912	\$ 39,037,082	\$ 36,239,309	\$ 35,581,960
County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered Payroll	34.51%	35.04%	33.31%	32.34%	33.51%	37.66%	33.60%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

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

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

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 762,194	\$ 740,270	\$ 715,780	\$ 660,671	\$ 646,964	\$ 622,318	\$ 481,791
Contributions in Relation to the Contractually Required Contribution	<u>(762,194)</u>	<u>(740,270)</u>	<u>(715,780)</u>	<u>(660,671)</u>	<u>(646,964)</u>	<u>(622,318)</u>	<u>(481,791)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll	\$ 46,048,436	\$ 44,799,904	\$ 43,213,012	\$ 39,987,348	\$ 39,019,305	\$ 37,331,763	\$ 35,431,913
Contributions as a Percentage of Covered Payroll	1.66%	1.65%	1.66%	1.65%	1.66%	1.67%	1.36%

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

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

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 44,077,556	\$ 44,077,558	\$ 44,852,158	\$ 774,600
Licenses and Permits	1,000	1,000	1,135	135
Intergovernmental	13,737,260	49,885,086	30,390,821	(19,494,265)
Charges for Services	8,907,914	9,674,277	10,974,426	1,300,149
Fines and Forfeitures	49,500	49,500	91,632	42,132
Net Change in Fair Value of Investments	215,500	215,873	500,938	285,065
Miscellaneous	1,979,699	2,238,730	2,206,388	(32,342)
Total Revenues	68,968,429	106,142,024	89,017,498	(17,124,526)
EXPENDITURES				
Current:				
General Government:				
Board of County Commissioners	481,907	482,778	470,374	12,404
County Administrator	637,573	580,927	545,737	35,190
Business Services	235,671	235,671	162,316	73,355
Clerk to Board-Financial and Administration	3,161,955	3,526,611	3,095,124	431,487
County Audits-CPA	193,300	193,300	191,612	1,688
Office of Management and Budget	379,317	386,551	298,836	87,715
Human Resources	315,411	324,793	280,509	44,284
Risk Management	99,390	102,292	63,014	39,278
Non-Ad Valorem Assessments	73,282	73,282	71,421	1,861
Public Information	111,396	137,445	90,568	46,877
Central Services	1,442,861	1,672,565	1,607,297	65,268
Property Appraiser	3,277,660	3,319,065	3,279,010	40,055
Tax Collector	3,395,831	3,395,831	2,877,745	518,086
Supervisor of Elections	898,922	981,292	930,169	51,123
Purchasing	311,878	343,247	336,093	7,154
County Attorney	416,002	482,848	384,950	97,898
County Planning and Development	389,533	395,858	280,321	115,537
Development Services	144,911	176,611	98,340	78,271
Clerk to Board - Other General Government Services	777,806	861,746	838,048	23,698
Facilities Management	1,447,641	1,545,075	1,411,323	133,752
Total General Government	18,192,247	19,217,788	17,312,807	1,904,981
Public Safety:				
Sheriff	19,293,659	23,083,601	23,083,601	-
Division of Forestry	35,180	35,180	35,180	-
County Jail Maintenance	725,719	-	-	-
Detention and Correction	10,007,541	12,067,258	11,823,566	243,692
Detention Medical	998,960	-	-	-
Detention and Corrections Other	130,000	51,266	-	51,266
Law Enforcement Maintenance	286,874	-	-	-
Law Enforcement Other	2,778,945	-	-	-
Zoning Department	651,868	641,868	529,027	112,841
Local Emergency Management Agency	530,979	561,988	327,495	234,493
Communications Program	100,246	101,541	65,189	36,352
Information Technology	94,500	94,500	88,989	5,511
Community Safety	81,160	264,740	264,728	12
Ambulance Services	7,533,513	7,851,804	4,826,807	3,024,997

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2021

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
EXPENDITURES (CONTINUED)				
Current (Continued):				
Public Safety (Continued):				
Medical Examiner	\$ 436,705	\$ 443,167	\$ 443,166	\$ 1
Children's Advocacy Center	373,815	503,843	335,367	168,476
Total Public Safety	44,059,664	45,700,756	41,823,115	3,877,641
Physical Environment:				
County Extension	284,599	287,077	234,317	52,760
Natural Resources	441,290	534,961	293,500	241,461
Aquatic Plant Program	572,716	578,758	514,067	64,691
Nuisance Abatement	60,800	74,017	55,888	18,129
Total Physical Environment	1,359,405	1,474,813	1,097,772	377,041
Transportation:				
Avon Park Airport	20,514	20,514	20,514	-
Avon Park Southside	67,861	67,861	67,861	-
Total Transportation	88,375	88,375	88,375	-
Economic Environment:				
Office of Economic Development	303,424	394,146	278,056	116,090
Community Redevelopment - Sebring	494,223	494,223	494,223	-
Community Redevelopment - Avon Park	213,693	213,693	213,693	-
Community Redevelopment - Lake Placid	32,602	32,602	32,602	-
Sebring Regional Airport/Industrial Park	395,536	395,536	395,536	-
Veteran Service Office	222,814	223,787	196,272	27,515
Total Economic Environment	1,662,292	1,753,987	1,610,382	143,605
Human Services:				
Health Care Responsibility Act	100,000	55,000	-	55,000
Health Unit	256,535	256,535	256,535	-
Mental Health	530,865	530,865	530,865	-
Public Assistance Programs	68,993	78,118	71,925	6,193
State County Assistance Program	1,773,708	1,773,708	1,735,020	38,688
Human Services - Project Hope	42,886	42,886	42,886	-
Children's Services Council	30,600	30,600	30,600	-
Transportation for Disadvantaged	198,309	198,309	191,241	7,068
Community Program Services	54,723	59,023	58,376	647
Community Programs	113,277	113,277	49,882	63,395
Healthy Families Grant	457,344	417,269	369,944	47,325
Emergency/Disaster Relief	-	33,657,656	14,955,469	18,702,187
Total Human Services	3,627,240	37,213,246	18,292,743	18,920,503
Culture and Recreation:				
Library - Avon Park	180,849	183,100	153,350	29,750
Library - Sebring	439,279	448,590	408,624	39,966
Library - Lake Placid	218,839	219,268	217,900	1,368
Libraries - Countywide	141,039	142,088	137,069	5,019
Recreation Department	330,000	330,000	330,000	-

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (CONTINUED)				
Current (Continued):				
Culture and Recreation (Continued):				
Parks Department	\$ 992,076	\$ 992,076	\$ 902,006	\$ 90,070
Sports Complex	182,291	184,416	149,072	35,344
Historic District Site Survey	7,130	32,464	25,212	7,252
Heartland Library Cooperative	110,608	114,358	113,722	636
Total Culture and Recreation	<u>2,602,111</u>	<u>2,646,360</u>	<u>2,436,955</u>	<u>209,405</u>
Court Related:				
Court General Administration:				
Circuit Court Administration	15,118	17,253	17,250	3
County Court Administration	-	3,580	3,579	1
State Attorney	19,196	21,941	21,939	2
Public Defender	6,033	7,933	7,460	473
Law Library	134,105	115,548	115,541	7
Circuit Court Criminal:				
Pre-Trial Release	131,597	119,440	119,436	4
Circuit Court Family:				
Pro Se Services	58,080	44,664	44,659	5
Circuit Court Juvenile:				
Circuit Court Juvenile Guardian Ad Litem	1,977	2,437	2,437	-
Court General Operations:				
General Operations Courthouse Security	1,206,251	1,229,929	1,199,890	30,039
General Operations Courthouse Facilities	184,650	184,731	179,685	5,046
Total Court Related	<u>1,757,007</u>	<u>1,747,456</u>	<u>1,711,876</u>	<u>35,580</u>
Total Expenditures	<u>73,348,341</u>	<u>109,842,781</u>	<u>84,374,025</u>	<u>25,468,756</u>
EXCESS (DEFICIENCY) OF REVENUES UNDER EXPENDITURES	(4,379,912)	(3,700,757)	4,643,473	8,344,230
OTHER FINANCING SOURCES (USES)				
Transfers In	139,720	1,390,233	1,249,754	(140,479)
Transfers Out	(1,372,878)	(4,405,581)	(872,906)	3,532,675
Insurance Recoveries	-	-	14,846	14,846
Sale of Surplus Properties	500,000	500,000	3,204,001	2,704,001
Total Other Financing Sources (Uses)	<u>(733,158)</u>	<u>(2,515,348)</u>	<u>3,595,695</u>	<u>6,111,043</u>
NET CHANGE IN FUND BALANCE	(5,113,070)	(6,216,105)	8,239,168	14,455,273
Fund Balances - October 1, 2020	<u>5,113,070</u>	<u>6,216,105</u>	<u>19,388,168</u>	<u>13,172,063</u>
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,627,336</u>	<u>\$ 27,627,336</u>

**HIGHLANDS COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS**

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**HIGHLANDS COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS**

SPECIAL REVENUE FUNDS (CONTINUED)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**HIGHLANDS COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS**

SPECIAL REVENUE FUNDS (CONTINUED)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**HIGHLANDS COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS**

SPECIAL REVENUE FUNDS (CONTINUED)

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

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

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

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

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

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

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

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

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

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

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

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

**HIGHLANDS COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS**

SPECIAL REVENUE FUNDS (CONTINUED)

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

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

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

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

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

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

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

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

**HIGHLANDS COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS**

CAPITAL PROJECTS FUND

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

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

**HIGHLANDS COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

	Special Revenue Funds									
	Lake Placid Sun-N-Lake Estates Fire District	DeSoto City Special Benefit Fire District	Orange Villa Special Benefit District	Hickory Hills Special Benefit District	Placid Lakes Special Benefit District	Sebring Country Estates Special Benefit District	Avon Park Estates Special Benefit District	Highlands Lakes Special Tax District	Highlands Park Special Benefit Fire District	Istokpoga Marsh Watershed Improve- ment District
ASSETS										
Cash and Cash Equivalents	\$ 19,436	\$ 37,837	\$ 326	\$ 15	\$ 443,162	\$ 53,617	\$ 1,301,992	\$ 2,842	\$ 68,787	\$ 1,387,942
Investments	-	-	-	-	-	-	-	-	-	-
Accounts Receivable - Net	32	65	1	-	877	101	2,076	3	118	2,437
Due from Other Funds	-	-	11	-	929	109	566	-	-	771
Due from Other Governmental Units	743	-	-	-	57	-	3	109	465	-
Prepaid Items	-	-	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 20,211</u>	<u>\$ 37,902</u>	<u>\$ 338</u>	<u>\$ 15</u>	<u>\$ 445,025</u>	<u>\$ 53,827</u>	<u>\$ 1,304,637</u>	<u>\$ 2,954</u>	<u>\$ 69,370</u>	<u>\$ 1,391,150</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES										
Liabilities:										
Vouchers Payable	\$ -	\$ -	\$ 135	\$ -	\$ 9,531	\$ 1,624	\$ 644	\$ -	\$ -	\$ 6,485
Accrued Wages Payable	-	-	-	-	-	-	-	-	-	-
Contracts Payable-Retained Percentage	-	-	-	-	6,958	-	-	-	-	-
Customer Deposits	-	-	-	-	800	-	-	-	-	-
Due to Other Governmental Units	-	-	-	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-	-	-	-
Due to Others	-	-	-	-	-	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-	1,000,000
Total Liabilities	-	-	135	-	17,289	1,624	644	-	-	1,006,485
Deferred Inflows of Resources:										
Unavailable Revenue:										
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	-	-	-
Fund Balances:										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	20,211	37,902	203	15	427,736	52,203	1,303,993	2,954	69,370	384,665
Unassigned	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	<u>20,211</u>	<u>37,902</u>	<u>203</u>	<u>15</u>	<u>427,736</u>	<u>52,203</u>	<u>1,303,993</u>	<u>2,954</u>	<u>69,370</u>	<u>384,665</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 20,211</u>	<u>\$ 37,902</u>	<u>\$ 338</u>	<u>\$ 15</u>	<u>\$ 445,025</u>	<u>\$ 53,827</u>	<u>\$ 1,304,637</u>	<u>\$ 2,954</u>	<u>\$ 69,370</u>	<u>\$ 1,391,150</u>

**HIGHLANDS COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
SEPTEMBER 30, 2021**

	Special Revenue Funds									
	Highlands Park Estates Improve- ment Trust	Leisure Lakes Special Benefit Fire District	Sebring Hills Special Benefit District	Red Hill Farms Improve- ment District	E911 Emergency Operations	Hospital District	Orange Blossom Estates Special Benefit District	Sun-N-Lakes of Lake Placid Recreation District	Conservation Trust	Intergov- ernmental Radio Communi- cations
ASSETS										
Cash and Cash Equivalents	\$ 61,753	\$ 129,302	\$ 48,997	\$ 152,242	\$ -	\$ 103,721	\$ 23,193	\$ 39,973	\$ 337,033	\$ -
Investments	-	-	-	-	-	-	-	-	-	-
Accounts Receivable - Net	106	229	91	263	-	230	41	106	578	-
Due from Other Funds	-	-	106	39	159,331	-	-	395	-	-
Due from Other Governmental Units	-	952	-	423	148,063	-	-	29	-	4,800
Prepaid Items	-	-	-	-	-	-	-	-	-	-
Total Assets	\$ 61,859	\$ 130,483	\$ 49,194	\$ 152,967	\$ 307,394	\$ 103,951	\$ 23,234	\$ 40,503	\$ 337,611	\$ 4,800
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES										
Liabilities:										
Vouchers Payable	\$ -	\$ -	\$ 1,442	\$ -	\$ -	\$ -	\$ 23	\$ 4,773	\$ -	\$ -
Accrued Wages Payable	-	-	-	-	-	-	-	-	-	-
Contracts Payable-Retained Percentage	-	-	-	-	-	-	-	-	-	-
Customer Deposits	-	-	-	-	-	-	-	1,200	-	-
Due to Other Governmental Units	-	-	-	-	-	-	-	5	-	-
Due to Other Funds	-	-	-	-	229,233	-	-	-	-	4,800
Due to Others	-	-	-	-	-	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-	-
Total Liabilities	-	-	1,442	-	229,233	-	23	5,978	-	4,800
Deferred Inflows of Resources:										
Unavailable Revenue:										
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	72,900	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	72,900	-	-	-	-	-
Fund Balances:										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	61,859	130,483	47,752	152,967	5,261	103,951	23,211	34,525	337,611	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	61,859	130,483	47,752	152,967	5,261	103,951	23,211	34,525	337,611	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 61,859	\$ 130,483	\$ 49,194	\$ 152,967	\$ 307,394	\$ 103,951	\$ 23,234	\$ 40,503	\$ 337,611	\$ 4,800

**HIGHLANDS COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
SEPTEMBER 30, 2021**

	Special Revenue Funds									
	Sebring Acres Special Benefit District	Orange Blossom (Unit 12) Special Benefit District	Lake Haven Estates Special Benefit District	Lorida Special Benefit Fire District	Lake Placid Special Benefit Fire District	Law Enforcement Education	Building Code Enforcement	Florida Boating Improvement	Special Law Enforcement Trust	Highway Park Special Benefit District
ASSETS										
Cash and Cash Equivalents	\$ 185,011	\$ 8,465	\$ 32,770	\$ 2,952	\$ 419,028	\$ 212,738	\$ 2,949,692	\$ 263,938	\$ 282,006	\$ 36,376
Investments	-	-	-	-	-	67,195	-	-	-	-
Accounts Receivable - Net	318	14	61	4	720	363	6,282	452	483	64
Due from Other Funds	54	-	55	-	-	-	-	-	-	39
Due from Other Governmental Units	-	-	-	30	-	2,048	-	2,864	-	-
Prepaid Items	-	-	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 185,383</u>	<u>\$ 8,479</u>	<u>\$ 32,886</u>	<u>\$ 2,986</u>	<u>\$ 419,748</u>	<u>\$ 282,344</u>	<u>\$ 2,955,974</u>	<u>\$ 267,254</u>	<u>\$ 282,489</u>	<u>\$ 36,479</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES										
Liabilities:										
Vouchers Payable	\$ 214	\$ -	\$ 754	\$ -	\$ -	\$ -	\$ 6,590	\$ 4,482	\$ 26,565	\$ 513
Accrued Wages Payable	-	-	-	-	-	-	29,013	-	-	-
Contracts Payable-Retained Percentage	-	-	-	-	-	-	-	-	-	-
Customer Deposits	-	-	-	-	-	-	-	-	-	-
Due to Other Governmental Units	-	-	-	-	-	-	12,754	-	-	-
Due to Other Funds	-	-	-	-	-	-	-	-	-	-
Due to Others	-	-	-	-	-	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-	-
Total Liabilities	<u>214</u>	<u>-</u>	<u>754</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,357</u>	<u>4,482</u>	<u>26,565</u>	<u>513</u>
Deferred Inflows of Resources:										
Unavailable Revenue:										
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	185,169	8,479	32,132	2,986	419,748	282,344	2,907,617	262,772	255,924	35,966
Unassigned	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	<u>185,169</u>	<u>8,479</u>	<u>32,132</u>	<u>2,986</u>	<u>419,748</u>	<u>282,344</u>	<u>2,907,617</u>	<u>262,772</u>	<u>255,924</u>	<u>35,966</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 185,383</u>	<u>\$ 8,479</u>	<u>\$ 32,886</u>	<u>\$ 2,986</u>	<u>\$ 419,748</u>	<u>\$ 282,344</u>	<u>\$ 2,955,974</u>	<u>\$ 267,254</u>	<u>\$ 282,489</u>	<u>\$ 36,479</u>

**HIGHLANDS COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
SEPTEMBER 30, 2021**

	Special Revenue Funds								
	Affordable Housing Assistance Trust	Sun-N-Lakes 1 - 20 Improvement Trust	Highlands Park Estates Special Benefit District	West Sebring Special Benefit Fire District	Driver Education Safety Trust	Tourist Development Trust	Industrial Development Agency	Domestic Violence Training	Fire Inspection and Safety
ASSETS									
Cash and Cash Equivalents	\$ 806,810	\$ 60,127	\$ 117,704	\$ 172,370	\$ 59,675	\$ 1,364,995	\$ 1,039	\$ 113,428	\$ 173,237
Investments	-	-	-	-	-	237,454	-	-	-
Accounts Receivable - Net	1,492	103	253	298	100	2,352	2	194	296
Due from Other Funds	-	-	392	-	-	-	-	-	-
Due from Other Governmental Units	281,727	-	2,972	444	2,352	157,795	-	908	-
Prepaid Items	-	-	-	485,228	-	3,581	-	-	-
Total Assets	<u>\$ 1,090,029</u>	<u>\$ 60,230</u>	<u>\$ 121,321</u>	<u>\$ 658,340</u>	<u>\$ 62,127</u>	<u>\$ 1,766,177</u>	<u>\$ 1,041</u>	<u>\$ 114,530</u>	<u>\$ 173,533</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
Liabilities:									
Vouchers Payable	\$ 61,122	\$ -	\$ 1,022	\$ -	\$ -	\$ 81,322	\$ -	\$ -	\$ 76
Accrued Wages Payable	2,680	-	-	-	-	1,059	-	-	784
Contracts Payable-Retained Percentage	-	-	-	-	-	-	-	-	-
Customer Deposits	-	-	1,500	-	-	-	-	-	-
Due to Other Governmental Units	343	-	-	-	36,521	607	-	-	-
Due to Other Funds	-	-	-	-	-	-	-	-	-
Due to Others	-	-	-	-	-	-	-	-	-
Advances from Other Funds	-	-	42,335	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-
Total Liabilities	64,145	-	44,857	-	36,521	82,988	-	-	860
Deferred Inflows of Resources:									
Unavailable Revenue:									
Intergovernmental	-	-	-	-	-	5,000	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	5,000	-	-	-
Fund Balances:									
Nonspendable	-	-	-	485,228	-	3,581	-	-	-
Restricted	1,025,884	60,230	76,464	173,112	25,606	1,674,608	1,041	114,530	172,673
Unassigned	-	-	-	-	-	-	-	-	-
Total Fund Balances	<u>1,025,884</u>	<u>60,230</u>	<u>76,464</u>	<u>658,340</u>	<u>25,606</u>	<u>1,678,189</u>	<u>1,041</u>	<u>114,530</u>	<u>172,673</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,090,029</u>	<u>\$ 60,230</u>	<u>\$ 121,321</u>	<u>\$ 658,340</u>	<u>\$ 62,127</u>	<u>\$ 1,766,177</u>	<u>\$ 1,041</u>	<u>\$ 114,530</u>	<u>\$ 173,533</u>

**HIGHLANDS COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
SEPTEMBER 30, 2021**

	Special Revenue Funds								
	Venus Special Benefit Fire District	Sebring Parkway Maintenance	State Court Facilities Trust	Innovations and Supplemental Courts Funding Trust	Crime Prevention	Court Tech 28.24(12)(e)1	Court	Home Initiatives Partnership	Placid Lakes Special Benefit Fire District
ASSETS									
Cash and Cash Equivalents	\$ 93,136	\$ 1,081,980	\$ 76,634	\$ 20,112	\$ 87,079	\$ 106,773	\$ 88,016	\$ 596	\$ 1,880
Investments	-	88,094	-	-	67,195	-	-	-	-
Accounts Receivable - Net	161	1,702	162	110	144	193	2,924	1	3
Due from Other Funds	-	-	-	-	-	-	-	-	-
Due from Other Governmental Units	-	22,950	14,853	9,224	3,553	21,851	53,338	-	-
Prepaid Items	-	-	1,911	-	-	17,667	-	-	-
Total Assets	<u>\$ 93,297</u>	<u>\$ 1,194,726</u>	<u>\$ 93,560</u>	<u>\$ 29,446</u>	<u>\$ 157,971</u>	<u>\$ 146,484</u>	<u>\$ 144,278</u>	<u>\$ 597</u>	<u>\$ 1,883</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
Liabilities:									
Vouchers Payable	\$ -	\$ 449	\$ 7,355	\$ 4,335	\$ -	\$ 34,352	\$ 1,819	\$ -	\$ -
Accrued Wages Payable	-	-	3,150	-	-	7,404	8,579	-	-
Contracts Payable-Retained Percentage	-	-	-	-	-	-	-	-	-
Customer Deposits	-	-	-	-	-	-	-	-	-
Due to Other Governmental Units	-	85	-	-	-	56	787	-	-
Due to Other Funds	-	-	5,197	-	-	-	46,843	-	-
Due to Others	-	-	-	-	-	-	86,250	-	-
Advances from Other Funds	-	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-
Total Liabilities	-	534	15,702	4,335	-	41,812	144,278	-	-
Deferred Inflows of Resources:									
Unavailable Revenue:									
Intergovernmental	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	-	-
Fund Balances:									
Nonspendable	-	-	1,911	-	-	17,667	-	-	-
Restricted	93,297	1,194,192	75,947	25,111	157,971	87,005	-	597	1,883
Unassigned	-	-	-	-	-	-	-	-	-
Total Fund Balances	<u>93,297</u>	<u>1,194,192</u>	<u>77,858</u>	<u>25,111</u>	<u>157,971</u>	<u>104,672</u>	<u>-</u>	<u>597</u>	<u>1,883</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 93,297</u>	<u>\$ 1,194,726</u>	<u>\$ 93,560</u>	<u>\$ 29,446</u>	<u>\$ 157,971</u>	<u>\$ 146,484</u>	<u>\$ 144,278</u>	<u>\$ 597</u>	<u>\$ 1,883</u>

**HIGHLANDS COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
SEPTEMBER 30, 2021**

	Special Revenue Funds								
	Oak Manor Avenue Road Paving District	Public Records Modernization Trust	Teen Court Operations	Court Related Technology Modernization Trust	Court Services	Homeowner's Foreclosure Education	Community Donations	Inmate Welfare	Impact Fee Parks and Recreation Avon Park
ASSETS									
Cash and Cash Equivalents	\$ -	\$ 319,744	\$ 8,887	\$ 185,296	\$ 218,024	\$ 342	\$ 117,477	\$ 868,283	\$ 4,775
Investments	-	-	-	-	-	-	-	-	-
Accounts Receivable - Net	-	554	20	360	520	-	-	58,404	8
Due from Other Funds	23	-	-	-	-	-	-	-	-
Due from Other Governmental Units	-	-	-	-	32,202	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 23</u>	<u>\$ 320,298</u>	<u>\$ 8,907</u>	<u>\$ 185,656</u>	<u>\$ 250,746</u>	<u>\$ 342</u>	<u>\$ 117,477</u>	<u>\$ 926,687</u>	<u>\$ 4,783</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
Liabilities:									
Vouchers Payable	\$ -	\$ -	\$ -	\$ 10,167	\$ 1,829	\$ -	\$ -	\$ 15,816	\$ -
Accrued Wages Payable	-	-	525	3,505	53,714	-	-	504	-
Contracts Payable-Retained Percentage	-	-	-	-	-	-	-	-	-
Customer Deposits	-	-	-	-	-	-	-	-	-
Due to Other Governmental Units	-	-	-	5,315	195,203	-	-	-	-
Due to Other Funds	4,267	-	-	-	-	-	-	-	-
Due to Others	-	-	-	-	-	-	-	-	-
Advances from Other Funds	31,856	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-
Total Liabilities	36,123	-	525	18,987	250,746	-	-	16,320	-
Deferred Inflows of Resources:									
Unavailable Revenue:									
Intergovernmental	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	-	-
Fund Balances:									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	320,298	8,382	166,669	-	342	117,477	910,367	4,783
Unassigned	(36,100)	-	-	-	-	-	-	-	-
Total Fund Balances	<u>(36,100)</u>	<u>320,298</u>	<u>8,382</u>	<u>166,669</u>	<u>-</u>	<u>342</u>	<u>117,477</u>	<u>910,367</u>	<u>4,783</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 23</u>	<u>\$ 320,298</u>	<u>\$ 8,907</u>	<u>\$ 185,656</u>	<u>\$ 250,746</u>	<u>\$ 342</u>	<u>\$ 117,477</u>	<u>\$ 926,687</u>	<u>\$ 4,783</u>

**HIGHLANDS COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
SEPTEMBER 30, 2021**

	Special Revenue Funds							Capital Projects Fund	
	Impact Fee Correctional Facilities	Impact Fee Fire	Impact Fee Libraries	Impact Fee Law Enforcement	Impact Fee Emergency Medical Services	Thunderbird Hill Waste Water Special Benefit District	Highlands County Fire Protection Special Benefit District	HCPIRN Construction	Total All Nonmajor Governmental Funds
ASSETS									
Cash and Cash Equivalents	\$ 4,706	\$ 4,991	\$ 1,786	\$ 1,382	\$ 1,068	\$ 73,368	\$ 3,937,399	\$ 2,849,550	\$ 21,627,815
Investments	-	-	-	-	-	-	-	-	459,938
Accounts Receivable - Net	9	9	3	2	2	129	5,624	255	92,504
Due from Other Funds	-	-	-	-	-	91	30,707	-	193,618
Due from Other Governmental Units	-	-	-	-	-	-	8,131	-	772,886
Prepaid Items	-	-	-	-	-	-	4,307	298,860	811,554
Total Assets	<u>\$ 4,715</u>	<u>\$ 5,000</u>	<u>\$ 1,789</u>	<u>\$ 1,384</u>	<u>\$ 1,070</u>	<u>\$ 73,588</u>	<u>\$ 3,986,168</u>	<u>\$ 3,148,665</u>	<u>\$ 23,958,315</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
Liabilities:									
Vouchers Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,280	\$ 3,053	\$ 327,772
Accrued Wages Payable	-	-	-	-	-	-	134,400	-	245,317
Contracts Payable-Retained Percentage	-	-	-	-	-	-	-	-	6,958
Customer Deposits	-	-	-	-	-	-	-	-	3,500
Due to Other Governmental Units	-	-	-	-	-	-	651	-	252,327
Due to Other Funds	-	-	-	-	-	-	16,375	-	306,715
Due to Others	-	-	-	-	-	-	-	-	86,250
Advances from Other Funds	-	-	-	-	-	57,357	-	-	131,548
Unearned Revenue	-	-	-	-	-	-	-	-	1,000,000
Total Liabilities	-	-	-	-	-	57,357	192,706	3,053	2,360,387
Deferred Inflows of Resources:									
Unavailable Revenue:									
Intergovernmental	-	-	-	-	-	-	-	-	5,000
Charges for Services	-	-	-	-	-	-	1,691	-	74,591
Total Deferred Inflows of Resources	-	-	-	-	-	-	1,691	-	79,591
Fund Balances:									
Nonspendable	-	-	-	-	-	-	4,307	298,860	811,554
Restricted	4,715	5,000	1,789	1,384	1,070	16,231	3,787,464	2,846,752	20,742,883
Unassigned	-	-	-	-	-	-	-	-	(36,100)
Total Fund Balances	<u>4,715</u>	<u>5,000</u>	<u>1,789</u>	<u>1,384</u>	<u>1,070</u>	<u>16,231</u>	<u>3,791,771</u>	<u>3,145,612</u>	<u>21,518,337</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,715</u>	<u>\$ 5,000</u>	<u>\$ 1,789</u>	<u>\$ 1,384</u>	<u>\$ 1,070</u>	<u>\$ 73,588</u>	<u>\$ 3,986,168</u>	<u>\$ 3,148,665</u>	<u>\$ 23,958,315</u>

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

	Special Revenue Funds									
	Lake Placid Sun-N-Lake Estates Fire District	DeSoto City Special Benefit Fire District	Orange Villa Special Benefit District	Hickory Hills Special Benefit District	Placid Lakes Special Benefit District	Sebring Country Estates Special Benefit District	Avon Park Estates Special Benefit District	Highlands Lakes Special Tax District	Highlands Park Special Benefit Fire District	Istokpoga Marsh Watershed Improve- ment District
REVENUES										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	25,905
Charges for Services	-	-	-	-	600	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-	-	-	-	-
Assessments	15,020	-	1,818	1,377	175,898	20,670	107,226	3,384	1,698	146,004
Net Change in Fair Value of Investments	231	857	19	455	11,727	1,363	23,711	2,445	1,541	32,018
Miscellaneous	-	-	-	-	385	-	-	-	-	-
Total Revenues	15,251	857	1,837	1,832	188,610	22,033	130,937	5,829	3,239	203,927
EXPENDITURES										
Current:										
General Government	-	-	-	-	-	-	-	-	-	-
Public Safety	424,389	-	-	-	-	-	-	146,722	-	-
Physical Environment	-	-	-	-	-	-	-	-	-	39,362
Transportation	-	-	1,765	23,867	260,568	21,076	59,073	-	-	-
Economic Environment	-	-	-	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-	-	-
Court Related	-	-	-	-	-	-	-	-	-	-
Debt Service:										
Principal Retirement	-	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-
Total Expenditures	424,389	-	1,765	23,867	260,568	21,076	59,073	146,722	-	39,362
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(409,138)	857	72	(22,035)	(71,958)	957	71,864	(140,893)	3,239	164,565
OTHER FINANCING SOURCES (USES)										
Transfers In	-	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-	-
Insurance Recoveries	-	-	-	-	-	-	-	-	-	-
Sale of Surplus Assets	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	(409,138)	857	72	(22,035)	(71,958)	957	71,864	(140,893)	3,239	164,565
Fund Balances - October 1, 2020	429,349	37,045	131	22,050	499,694	51,246	1,232,129	143,847	66,131	220,100
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ 20,211</u>	<u>\$ 37,902</u>	<u>\$ 203</u>	<u>\$ 15</u>	<u>\$ 427,736</u>	<u>\$ 52,203</u>	<u>\$ 1,303,993</u>	<u>\$ 2,954</u>	<u>\$ 69,370</u>	<u>\$ 384,665</u>

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

	Highlands Park Estates Improve- ment Trust	Leisure Lakes Special Benefit Fire District	Sebring Hills Special Benefit District	Red Hill Farms Improve- ment District	E911 Emergency Operations	Hospital District	Orange Blossom Estates Special Benefit District	Sun-N-Lakes of Lake Placid Recreation District	Conserva- tion Trust	Intergov- ernmental Radio Communi- cations
REVENUES										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	13,508	283,124	-	-	9,977	-
Charges for Services	-	-	-	-	419,010	-	-	400	65,390	54,405
Fines and Forfeitures	-	-	-	-	-	-	-	-	-	-
Assessments	-	12,302	20,054	7,429	-	-	-	74,752	-	-
Net Change in Fair Value of Investments	1,399	2,876	1,254	3,214	29,963	3,682	529	1,520	6,588	-
Miscellaneous	-	-	-	-	-	-	-	2,800	-	33,986
Total Revenues	1,399	15,178	21,308	10,643	462,481	286,806	529	79,472	81,955	88,391
EXPENDITURES										
Current:										
General Government	-	-	-	-	-	-	-	-	-	-
Public Safety	-	29,919	-	-	1,009,326	-	-	-	-	389,428
Physical Environment	-	-	-	-	-	-	-	-	4,228	-
Transportation	-	-	18,978	673	-	-	275	-	-	-
Economic Environment	-	-	-	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	298,505	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	111,877	-	-
Court Related	-	-	-	-	-	-	-	-	-	-
Debt Service:										
Principal Retirement	-	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-
Total Expenditures	-	29,919	18,978	673	1,009,326	298,505	275	111,877	4,228	389,428
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,399	(14,741)	2,330	9,970	(546,845)	(11,699)	254	(32,405)	77,727	(301,037)
OTHER FINANCING SOURCES (USES)										
Transfers In	-	-	-	-	442,324	-	-	-	-	301,037
Transfers Out	-	-	-	-	-	-	-	-	-	-
Insurance Recoveries	-	-	-	-	-	-	-	-	-	-
Sale of Surplus Assets	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	442,324	-	-	-	-	301,037
NET CHANGE IN FUND BALANCE	1,399	(14,741)	2,330	9,970	(104,521)	(11,699)	254	(32,405)	77,727	-
Fund Balances - October 1, 2020	60,460	145,224	45,422	142,997	109,782	115,650	22,957	66,930	259,884	-
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ 61,859</u>	<u>\$ 130,483</u>	<u>\$ 47,752</u>	<u>\$ 152,967</u>	<u>\$ 5,261</u>	<u>\$ 103,951</u>	<u>\$ 23,211</u>	<u>\$ 34,525</u>	<u>\$ 337,611</u>	<u>\$ -</u>

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

	Special Revenue Funds									
	Sebring Acres Special Benefit District	Orange Blossom (Unit 12) Special Benefit District	Lake Haven Estates Special Benefit District	Lorida Special Benefit Fire District	Lake Placid Special Benefit Fire District	Law Enforcement Education	Building Code Enforce- ment	Florida Boating Improve- ment	Special Law Enforce- ment Trust	Highway Park Special Benefit District
REVENUES										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-	1,350,362	-	-	-
Intergovernmental	-	-	-	-	-	-	-	39,426	47,618	-
Charges for Services	-	-	-	-	-	22,432	231,497	-	-	-
Fines and Forfeitures	-	-	-	-	-	-	-	-	-	-
Assessments	10,131	-	10,344	1,632	192	-	-	-	-	7,291
Net Change in Fair Value of Investments	4,184	191	811	146	9,515	4,461	57,040	5,257	5,402	844
Miscellaneous	-	-	-	-	-	-	4,894	-	-	-
Total Revenues	14,315	191	11,155	1,778	9,707	26,893	1,643,793	44,683	53,020	8,135
EXPENDITURES										
Current:										
General Government	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	29,788	3,231	-	902,969	-	26,566	-
Physical Environment	-	-	-	-	-	-	-	-	-	-
Transportation	10,626	-	9,893	-	-	-	-	-	-	6,742
Economic Environment	-	-	-	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	13,898	-	-
Court Related	-	-	-	-	-	-	-	-	-	-
Debt Service:										
Principal Retirement	-	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-
Total Expenditures	10,626	-	9,893	29,788	3,231	-	902,969	13,898	26,566	6,742
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	3,689	191	1,262	(28,010)	6,476	26,893	740,824	30,785	26,454	1,393
OTHER FINANCING SOURCES (USES)										
Transfers In	-	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	(1,056,003)	-	-	-
Insurance Recoveries	-	-	-	-	-	-	-	-	-	-
Sale of Surplus Assets	-	-	-	-	-	-	18,502	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	(1,037,501)	-	-	-
NET CHANGE IN FUND BALANCE	3,689	191	1,262	(28,010)	6,476	26,893	(296,677)	30,785	26,454	1,393
Fund Balances - October 1, 2020	181,480	8,288	30,870	30,996	413,272	255,451	3,204,294	231,987	229,470	34,573
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ 185,169</u>	<u>\$ 8,479</u>	<u>\$ 32,132</u>	<u>\$ 2,986</u>	<u>\$ 419,748</u>	<u>\$ 282,344</u>	<u>\$ 2,907,617</u>	<u>\$ 262,772</u>	<u>\$ 255,924</u>	<u>\$ 35,966</u>

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

	Special Revenue Funds								
	Affordable Housing Assistance Trust	Sun-N-Lakes 1 - 20 Improvement Trust	Highlands Park Estates Special Benefit District	West Sebring Special Benefit Fire District	Driver Education Safety Trust	Tourist Development Trust	Industrial Development Agency	Domestic Violence Training	Fire Inspection and Safety
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,150,806	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-	-	-	680
Intergovernmental	1,018,221	-	-	-	-	9,816	-	-	-
Charges for Services	345,273	-	1,677	-	26,075	-	-	8,459	26,240
Fines and Forfeitures	-	-	-	-	-	-	-	-	-
Assessments	-	-	74,160	6,155	-	-	-	-	-
Net Change in Fair Value of Investments	11,333	1,362	2,985	4,529	1,054	23,218	24	2,367	3,940
Miscellaneous	-	-	-	-	-	-	-	-	-
Total Revenues	1,374,827	1,362	78,822	10,684	27,129	1,183,840	24	10,826	30,860
EXPENDITURES									
Current:									
General Government	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	49,407	36,521	-	-	-	21,077
Physical Environment	-	-	-	-	-	11,670	-	-	-
Transportation	-	-	39,856	-	-	-	-	-	-
Economic Environment	716,053	-	-	-	-	671,939	-	-	-
Human Services	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-	-
Court Related	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal Retirement	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	2,459	-	-	-	-	-	-
Total Expenditures	716,053	-	42,315	49,407	36,521	683,609	-	-	21,077
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	658,774	1,362	36,507	(38,723)	(9,392)	500,231	24	10,826	9,783
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-
Insurance Recoveries	-	-	10,000	-	-	-	-	-	-
Sale of Surplus Assets	-	-	-	-	-	510	-	-	-
Total Other Financing Sources (Uses)	-	-	10,000	-	-	510	-	-	-
NET CHANGE IN FUND BALANCE	658,774	1,362	46,507	(38,723)	(9,392)	500,741	24	10,826	9,783
Fund Balances - October 1, 2020	367,110	58,868	29,957	697,063	34,998	1,177,448	1,017	103,704	162,890
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ 1,025,884</u>	<u>\$ 60,230</u>	<u>\$ 76,464</u>	<u>\$ 658,340</u>	<u>\$ 25,606</u>	<u>\$ 1,678,189</u>	<u>\$ 1,041</u>	<u>\$ 114,530</u>	<u>\$ 172,673</u>

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

	Special Revenue Funds								
	Venus Special Benefit Fire District	Sebring Parkway Maintenance	State Court Facilities Trust	Innovations and Supplemental Courts Funding Trust	Crime Prevention	Court Tech 28.24(12)(e)1	Court	Home Initiatives Partnership	Placid Lakes Special Benefit Fire District
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-	-	-	-
Intergovernmental	-	47,136	-	-	-	20,000	354,129	-	-
Charges for Services	-	-	160,939	99,395	41,034	244,480	-	-	-
Fines and Forfeitures	-	-	-	-	914	-	-	-	-
Assessments	63	-	-	-	-	-	-	-	1,565
Net Change in Fair Value of Investments	2,060	20,270	529	1,026	1,433	1,547	1,628	14	26
Miscellaneous	-	-	-	-	-	645	-	-	-
Total Revenues	2,123	67,406	161,468	100,421	43,381	266,672	355,757	14	1,591
EXPENDITURES									
Current:									
General Government	-	-	-	-	-	-	-	-	-
Public Safety	1,807	-	-	-	59,215	-	-	-	-
Physical Environment	-	-	-	-	-	-	-	-	-
Transportation	-	83,982	-	-	-	-	-	-	-
Economic Environment	-	-	-	-	-	-	-	62	-
Human Services	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-	-
Court Related	-	-	249,031	96,980	-	369,646	308,914	-	-
Debt Service:									
Principal Retirement	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
Total Expenditures	1,807	83,982	249,031	96,980	59,215	369,646	308,914	62	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	316	(16,576)	(87,563)	3,441	(15,834)	(102,974)	46,843	(48)	1,591
OTHER FINANCING SOURCES (USES)									
Transfers In	-	153,248	-	26,570	-	102,974	-	-	-
Transfers Out	-	-	(16,148)	(24,888)	-	-	(46,843)	-	-
Insurance Recoveries	-	1,149	-	-	-	-	-	-	-
Sale of Surplus Assets	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	154,397	(16,148)	1,682	-	102,974	(46,843)	-	-
NET CHANGE IN FUND BALANCE	316	137,821	(103,711)	5,123	(15,834)	-	-	(48)	1,591
Fund Balances - October 1, 2020	92,981	1,056,371	181,569	19,988	173,805	104,672	-	645	292
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ 93,297</u>	<u>\$ 1,194,192</u>	<u>\$ 77,858</u>	<u>\$ 25,111</u>	<u>\$ 157,971</u>	<u>\$ 104,672</u>	<u>\$ -</u>	<u>\$ 597</u>	<u>\$ 1,883</u>

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

	Special Revenue Funds								
	Oak Manor Avenue Road Paving	Public Records Modernization Trust	Teen Court Operations	Court Related Technology Modernization Trust	Court Services	Homeowner's Foreclosure Education	Community Donations	Inmate Welfare	Impact Fee Parks and Recreation Avon Park
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	232,452	-	-	-	-
Charges for Services	-	80,402	19,823	230,282	1,109,738	226	-	-	-
Fines and Forfeitures	-	-	-	-	842,146	-	-	-	-
Assessments	4,418	-	-	-	-	-	-	-	-
Net Change in Fair Value of Investments	167	5,573	200	3,294	10,735	3	-	-	108
Miscellaneous	-	3,000	-	7,850	-	-	58,033	499,046	-
Total Revenues	4,585	88,975	20,023	241,426	2,195,071	229	58,033	499,046	108
EXPENDITURES									
Current:									
General Government	-	3,000	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	27,076	211,372	-
Physical Environment	-	-	-	-	-	-	-	-	-
Transportation	38,596	-	-	-	-	-	-	-	-
Economic Environment	-	-	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-	-
Court Related	-	-	17,862	175,252	2,195,071	-	-	-	-
Debt Service:									
Principal Retirement	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	1,047	-	-	-	-	-	-	-	-
Total Expenditures	39,643	3,000	17,862	175,252	2,195,071	-	27,076	211,372	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(35,058)	85,975	2,161	66,174	-	229	30,957	287,674	108
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-
Insurance Recoveries	-	-	-	-	-	-	-	-	-
Sale of Surplus Assets	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	(35,058)	85,975	2,161	66,174	-	229	30,957	287,674	108
Fund Balances - October 1, 2020	(1,042)	234,323	6,221	100,495	-	113	86,520	622,693	4,675
FUND BALANCES - SEPTEMBER 30, 2021	\$ (36,100)	\$ 320,298	\$ 8,382	\$ 166,669	\$ -	\$ 342	\$ 117,477	\$ 910,367	\$ 4,783

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

	Special Revenue Funds						Capital Projects Fund	
	Impact Fee Correctional Facilities	Impact Fee Fire	Impact Fee Libraries	Impact Fee Law Enforcement	Impact Fee Emergency Medical Services	Thunderbird Hill Waste Water Special Benefit District	Highlands County Fire Protection Special Benefit District	Total All Nonmajor Governmental Funds
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,150,806
Licenses and Permits	-	-	-	-	-	-	-	1,351,042
Intergovernmental	-	-	-	-	-	-	73,945	2,175,257
Charges for Services	-	-	-	-	-	-	-	3,187,777
Fines and Forfeitures	-	-	-	-	-	-	-	843,060
Assessments	-	-	-	-	-	17,160	5,771,854	6,492,597
Net Change in Fair Value of Investments	107	113	40	31	24	1,678	82,729	406,966
Miscellaneous	-	-	-	-	-	-	-	610,639
Total Revenues	107	113	40	31	24	18,838	5,928,528	16,218,144
EXPENDITURES								
Current:								
General Government	-	-	-	-	-	-	-	3,000
Public Safety	-	-	-	-	-	-	3,939,257	8,790,994
Physical Environment	-	-	-	-	-	1,629	-	56,889
Transportation	-	-	-	-	-	-	-	575,970
Economic Environment	-	-	-	-	-	-	-	1,388,054
Human Services	-	-	-	-	-	-	-	298,505
Culture and Recreation	-	-	-	-	-	-	-	125,775
Court Related	-	-	-	-	-	-	-	3,412,756
Debt Service:								
Principal Retirement	-	-	-	-	-	-	345,000	345,000
Interest and Fiscal Charges	-	-	-	-	-	1,419	114,400	119,325
Total Expenditures	-	-	-	-	-	3,048	4,398,657	15,116,268
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	107	113	40	31	24	15,790	1,529,871	1,101,876
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	-	-	1,026,153
Transfers Out	-	-	-	-	-	-	-	(1,143,882)
Insurance Recoveries	-	-	-	-	-	-	5,430	16,579
Sale of Surplus Assets	-	-	-	-	-	-	26,050	45,062
Total Other Financing Sources (Uses)	-	-	-	-	-	-	31,480	(56,088)
NET CHANGE IN FUND BALANCE	107	113	40	31	24	15,790	1,561,351	1,045,788
Fund Balances - October 1, 2020	4,608	4,887	1,749	1,353	1,046	441	2,230,420	20,472,549
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ 4,715</u>	<u>\$ 5,000</u>	<u>\$ 1,789</u>	<u>\$ 1,384</u>	<u>\$ 1,070</u>	<u>\$ 16,231</u>	<u>\$ 3,791,771</u>	<u>\$ 21,518,337</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LAKE PLACID SUN-N-LAKE ESTATES FIRE DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ -	\$ -	\$ 15,020	\$ 15,020
Net Change in Fair Value of Investments	-	-	231	231
Total Revenues	-	-	15,251	15,251
EXPENDITURES				
Current:				
Public Safety:				
Special Benefit Districts	-	424,389	424,389	-
DEFICIENCY OF REVENUES UNDER EXPENDITURES	-	(424,389)	(409,138)	15,251
Fund Balances - October 1, 2020	-	424,389	429,349	4,960
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,211</u>	<u>\$ 20,211</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DESOTO CITY SPECIAL BENEFIT FIRE DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Net Change in Fair Value of Investments	\$ -	\$ -	\$ 857	\$ 857
EXCESS OF REVENUES OVER EXPENDITURES	-	-	857	857
Fund Balances - October 1, 2020	-	-	37,045	37,045
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,902</u>	<u>\$ 37,902</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ORANGE VILLA SPECIAL BENEFIT DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ 1,320	\$ 1,320	\$ 1,818	\$ 498
Net Change in Fair Value of Investments	-	-	19	19
Total Revenues	1,320	1,320	1,837	517
EXPENDITURES				
Current:				
Transportation:				
Special Benefit Districts	1,775	1,775	1,765	10
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(455)	(455)	72	527
Fund Balances - October 1, 2020	455	455	131	(324)
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 203</u>	<u>\$ 203</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HICKORY HILLS SPECIAL BENEFIT DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ 2,350	\$ 2,350	\$ 1,377	\$ (973)
Net Change in Fair Value of Investments	-	439	455	16
Total Revenues	2,350	2,789	1,832	(957)
EXPENDITURES				
Current:				
Transportation:				
Special Benefit Districts	23,417	23,867	23,867	-
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(21,067)	(21,078)	(22,035)	(957)
Fund Balances - October 1, 2020	21,067	21,078	22,050	972
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15</u>	<u>\$ 15</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PLACID LAKES SPECIAL BENEFIT DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ -	\$ -	\$ 600	\$ 600
Assessments	162,279	162,279	175,898	13,619
Net Change in Fair Value of Investments	9,200	9,200	11,727	2,527
Miscellaneous	-	-	385	385
Total Revenues	171,479	171,479	188,610	17,131
EXPENDITURES				
Current:				
Transportation:				
Special Benefit Districts	320,563	340,563	260,568	79,995
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(149,084)	(169,084)	(71,958)	97,126
Fund Balances - October 1, 2020	149,084	169,084	499,694	330,610
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 427,736</u>	<u>\$ 427,736</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SEBRING COUNTRY ESTATES SPECIAL BENEFIT DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ 19,687	\$ 19,687	\$ 20,670	\$ 983
Net Change in Fair Value of Investments	-	-	1,363	1,363
Total Revenues	19,687	19,687	22,033	2,346
EXPENDITURES				
Current:				
Transportation:				
Special Benefit Districts	23,000	23,000	21,076	1,924
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,313)	(3,313)	957	4,270
Fund Balances - October 1, 2020	3,313	3,313	51,246	47,933
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,203</u>	<u>\$ 52,203</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
AVON PARK ESTATES SPECIAL BENEFIT DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ 92,000	\$ 92,000	\$ 107,226	\$ 15,226
Net Change in Fair Value of Investments	400	400	23,711	23,311
Total Revenues	92,400	92,400	130,937	38,537
EXPENDITURES				
Current:				
Transportation:				
Special Benefit Districts	92,400	130,400	59,073	71,327
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(38,000)	71,864	109,864
Fund Balances - October 1, 2020	-	38,000	1,232,129	1,194,129
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,303,993</u>	<u>\$ 1,303,993</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HIGHLANDS LAKES SPECIAL TAX DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ -	\$ 791	\$ 3,384	\$ 2,593
Net Change in Fair Value of Investments	-	1,452	2,445	993
Total Revenues	-	2,243	5,829	3,586
EXPENDITURES				
Current:				
Public Safety:				
Special Benefit Districts	126,870	146,722	146,722	-
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(126,870)	(144,479)	(140,893)	3,586
Fund Balances - October 1, 2020	126,870	144,479	143,847	(632)
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,954</u>	<u>\$ 2,954</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HIGHLANDS PARK SPECIAL BENEFIT FIRE DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ -	\$ -	\$ 1,698	\$ 1,698
Net Change in Fair Value of Investments	-	-	1,541	1,541
Total Revenues	-	-	3,239	3,239
EXPENDITURES				
Current:				
Public Safety:				
Special Benefit Districts	52,890	61,295	-	61,295
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(52,890)	(61,295)	3,239	64,534
Fund Balances - October 1, 2020	52,890	61,295	66,131	4,836
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69,370</u>	<u>\$ 69,370</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ISTOKPOGA MARSH WATERSHED IMPROVEMENT DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 4,473,702	\$ 4,449,293	\$ 25,905	\$ (4,423,388)
Assessments	150,664	150,664	146,004	(4,660)
Net Change in Fair Value of Investments	-	-	32,018	32,018
Total Revenues	4,624,366	4,599,957	203,927	(4,396,030)
EXPENDITURES				
Current:				
Physical Environment:				
Istokpoga Marsh Improvements	4,886,751	5,005,245	39,362	4,965,883
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(262,385)	(405,288)	164,565	569,853
Fund Balances - October 1, 2020	262,385	405,288	220,100	(185,188)
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 384,665</u>	<u>\$ 384,665</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HIGHLANDS PARK ESTATES IMPROVEMENT TRUST FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Net Change in Fair Value of Investments	\$ 180	\$ 180	\$ 1,399	\$ 1,219
EXPENDITURES				
Current:				
Transportation:				
Improvement Trust	59,847	59,847	-	59,847
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(59,667)	(59,667)	1,399	61,066
Fund Balances - October 1, 2020	59,667	59,667	60,460	793
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,859</u>	<u>\$ 61,859</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LEISURE LAKES SPECIAL BENEFIT FIRE DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ -	\$ -	\$ 12,302	\$ 12,302
Net Change in Fair Value of Investments	-	-	2,876	2,876
Total Revenues	-	-	15,178	15,178
EXPENDITURES				
Current:				
Public Safety:				
Special Benefit Districts	109,772	140,248	29,919	110,329
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(109,772)	(140,248)	(14,741)	125,507
Fund Balances - October 1, 2020	109,772	140,248	145,224	4,976
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 130,483</u>	<u>\$ 130,483</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SEBRING HILLS SPECIAL BENEFIT DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ 25,883	\$ 25,883	\$ 20,054	\$ (5,829)
Net Change in Fair Value of Investments	-	-	1,254	1,254
Total Revenues	25,883	25,883	21,308	(4,575)
EXPENDITURES				
Current:				
Transportation:				
Special Benefit Districts	25,883	25,883	18,978	6,905
EXCESS OF REVENUES OVER EXPENDITURES	-	-	2,330	2,330
Fund Balances - October 1, 2020	-	-	45,422	45,422
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,752</u>	<u>\$ 47,752</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
RED HILL FARMS IMPROVEMENT DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ 5,900	\$ 5,900	\$ 7,429	\$ 1,529
Net Change in Fair Value of Investments	863	863	3,214	2,351
Total Revenues	6,763	6,763	10,643	3,880
EXPENDITURES				
Current:				
Transportation:				
Special Benefit Districts	6,763	6,763	673	6,090
EXCESS OF REVENUES OVER EXPENDITURES	-	-	9,970	9,970
Fund Balances - October 1, 2020	-	-	142,997	142,997
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 152,967</u>	<u>\$ 152,967</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
E911 EMERGENCY OPERATIONS FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 13,508	\$ 13,508
Charges for Services	424,010	424,010	419,010	(5,000)
Net Change in Fair Value of Investments	-	-	29,963	29,963
Total Revenues	424,010	424,010	462,481	38,471
EXPENDITURES				
Current:				
Public Safety:				
E911 Operations	1,168,657	1,168,657	1,009,326	159,331
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(744,647)	(744,647)	(546,845)	197,802
OTHER FINANCING SOURCES				
Transfers In	744,647	744,647	442,324	(302,323)
NET CHANGE IN FUND BALANCE	-	-	(104,521)	(104,521)
Fund Balances - October 1, 2020	-	-	109,782	109,782
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,261</u>	<u>\$ 5,261</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HOSPITAL DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 283,125	\$ 283,124	\$ 283,124	\$ -
Net Change in Fair Value of Investments	-	-	3,682	3,682
Total Revenues	283,125	283,124	286,806	3,682
EXPENDITURES				
Current:				
Human Services:				
Other Human Services	334,125	311,957	298,505	13,452
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(51,000)	(28,833)	(11,699)	17,134
Fund Balances - October 1, 2020	51,000	28,833	115,650	86,817
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 103,951</u>	<u>\$ 103,951</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ORANGE BLOSSOM ESTATES SPECIAL BENEFIT DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Net Change in Fair Value of Investments	\$ 50	\$ 50	\$ 529	\$ 479
EXPENDITURES				
Current:				
Transportation:				
Special Benefit Districts	22,900	22,900	275	22,625
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(22,850)	(22,850)	254	23,104
Fund Balances - October 1, 2020	22,850	22,850	22,957	107
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,211</u>	<u>\$ 23,211</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SUN-N-LAKES OF LAKE PLACID RECREATION DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ -	\$ -	\$ 400	\$ 400
Assessments	63,876	68,676	74,752	6,076
Net Change in Fair Value of Investments	-	-	1,520	1,520
Miscellaneous	1,200	1,200	2,800	1,600
Total Revenues	65,076	69,876	79,472	9,596
EXPENDITURES				
Current:				
Culture and Recreation:				
Special Benefit Districts	104,468	116,194	111,877	4,317
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(39,392)	(46,318)	(32,405)	13,913
Fund Balances - October 1, 2020	39,392	46,318	66,930	20,612
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,525</u>	<u>\$ 34,525</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CONSERVATION TRUST FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 9,973	\$ 9,977	\$ 4
Charges for Services	-	-	65,390	65,390
Net Change in Fair Value of Investments	-	-	6,588	6,588
Total Revenues	-	9,973	81,955	71,982
EXPENDITURES				
Current:				
Physical Environment:				
Conservation and Resource Management	55,998	64,275	4,228	60,047
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(55,998)	(54,302)	77,727	132,029
Fund Balances - October 1, 2020	55,998	54,302	259,884	205,582
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 337,611</u>	<u>\$ 337,611</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
INTERGOVERNMENTAL RADIO COMMUNICATIONS FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 50,000	\$ 50,000	\$ 54,405	\$ 4,405
Miscellaneous	33,850	33,850	33,986	136
Total Revenues	83,850	83,850	88,391	4,541
EXPENDITURES				
Current:				
Public Safety:				
Other Public Safety	391,431	391,431	389,428	2,003
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(307,581)	(307,581)	(301,037)	6,544
OTHER FINANCING SOURCES				
Transfers In	307,581	307,581	301,037	(6,544)
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balances - October 1, 2020	-	-	-	-
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SEBRING ACRES SPECIAL BENEFIT DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ 8,900	\$ 8,900	\$ 10,131	\$ 1,231
Net Change in Fair Value of Investments	400	400	4,184	3,784
Total Revenues	9,300	9,300	14,315	5,015
EXPENDITURES:				
Current:				
Transportation:				
Special Benefit Districts	75,700	77,076	10,626	66,450
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(66,400)	(67,776)	3,689	71,465
Fund Balances - October 1, 2020	66,400	67,776	181,480	113,704
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 185,169</u>	<u>\$ 185,169</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ORANGE BLOSSOM (UNIT 12) SPECIAL BENEFIT DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Net Change in Fair Value of Investments	\$ -	\$ -	\$ 191	\$ 191
EXPENDITURES				
Current:				
Transportation:				
Special Benefit Districts	8,200	8,200	-	8,200
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(8,200)	(8,200)	191	8,391
Fund Balances - October 1, 2020	8,200	8,200	8,288	88
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,479</u>	<u>\$ 8,479</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LAKE HAVEN ESTATES SPECIAL BENEFIT DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ 10,098	\$ 10,098	\$ 10,344	\$ 246
Net Change in Fair Value of Investments	-	-	811	811
Total Revenues	10,098	10,098	11,155	1,057
EXPENDITURES				
Current:				
Transportation:				
Special Benefit Districts	11,658	11,658	9,893	1,765
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,560)	(1,560)	1,262	2,822
Fund Balances - October 1, 2020	1,560	1,560	30,870	29,310
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,132</u>	<u>\$ 32,132</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FLORIDA SPECIAL BENEFIT FIRE DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ 250	\$ 250	\$ 1,632	\$ 1,382
Net Change in Fair Value of Investments	250	250	146	(104)
Total Revenues	500	500	1,778	1,278
EXPENDITURES				
Current:				
Public Safety:				
Special Benefit Districts	39,600	29,788	29,788	-
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(39,100)	(29,288)	(28,010)	1,278
Fund Balances - October 1, 2020	39,100	29,288	30,996	1,708
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,986</u>	<u>\$ 2,986</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LAKE PLACID SPECIAL BENEFIT FIRE DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ -	\$ -	\$ 192	\$ 192
Net Change in Fair Value of Investments	5,000	5,000	9,515	4,515
Total Revenues	5,000	5,000	9,707	4,707
EXPENDITURES				
Current:				
Public Safety:				
Special Benefit Districts	410,100	410,350	3,231	407,119
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(405,100)	(405,350)	6,476	411,826
Fund Balances - October 1, 2020	405,100	405,350	413,272	7,922
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 419,748</u>	<u>\$ 419,748</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LAW ENFORCEMENT EDUCATION FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 18,795	\$ 18,795	\$ 22,432	\$ 3,637
Net Change in Fair Value of Investments	3,800	3,800	4,461	661
Total Revenues	22,595	22,595	26,893	4,298
EXPENDITURES				
Current:				
Public Safety:				
Sheriff	22,595	22,595	-	22,595
EXCESS OF REVENUES OVER EXPENDITURES	-	-	26,893	26,893
Fund Balances - October 1, 2020	-	-	255,451	255,451
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 282,344</u>	<u>\$ 282,344</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
BUILDING CODE ENFORCEMENT
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Licenses and Permits	\$ 846,300	\$ 846,300	\$ 1,350,362	\$ 504,062
Charges for Services	114,300	114,300	231,497	117,197
Net Change in Fair Value of Investments	30,000	30,000	57,040	27,040
Miscellaneous	1,200	1,200	4,894	3,694
Total Revenues	991,800	991,800	1,643,793	651,993
EXPENDITURES				
Current:				
Public Safety:				
Protective Inspections	892,478	1,000,293	902,969	97,324
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	99,322	(8,493)	740,824	749,317
OTHER FINANCING SOURCES				
Transfers Out	-	(1,056,003)	(1,056,003)	-
Sale of Surplus Assets	-	-	18,502	18,502
Total Other Financing Sources (Uses)	-	(1,056,003)	(1,037,501)	18,502
NET CHANGE IN FUND BALANCE	99,322	(1,064,496)	(296,677)	767,819
Fund Balances - October 1, 2020	(99,322)	1,064,496	3,204,294	2,139,798
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,907,617</u>	<u>\$ 2,907,617</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FLORIDA BOATING IMPROVEMENT FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 46,500	\$ 46,500	\$ 39,426	\$ (7,074)
Net Change in Fair Value of Investments	1,500	1,500	5,257	3,757
Total Revenues	48,000	48,000	44,683	(3,317)
EXPENDITURES				
Current:				
Culture and Recreation:				
Parks Department	74,678	72,715	13,898	58,817
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(26,678)	(24,715)	30,785	55,500
Fund Balances - October 1, 2020	26,678	24,715	231,987	207,272
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 262,772</u>	<u>\$ 262,772</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SPECIAL LAW ENFORCEMENT TRUST FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 47,618	\$ 47,618
Net Change in Fair Value of Investments	-	-	5,402	5,402
Total Revenues	-	-	53,020	53,020
EXPENDITURES				
Current:				
Public Safety:				
County Jail	-	229,470	26,566	202,904
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(229,470)	26,454	255,924
Fund Balances - October 1, 2020	-	229,470	229,470	-
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 255,924</u>	<u>\$ 255,924</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HIGHWAY PARK SPECIAL BENEFIT DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ 6,422	\$ 6,422	\$ 7,291	\$ 869
Net Change in Fair Value of Investments	150	150	844	694
Total Revenues	6,572	6,572	8,135	1,563
EXPENDITURES				
Current:				
Transportation:				
Special Benefit Districts	9,093	9,093	6,742	2,351
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,521)	(2,521)	1,393	3,914
Fund Balances - October 1, 2020	2,521	2,521	34,573	32,052
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,966</u>	<u>\$ 35,966</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
AFFORDABLE HOUSING ASSISTANCE TRUST FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 148,675	\$ 1,018,221	\$ 869,546
Charges for Services	-	294,228	345,273	51,045
Net Change in Fair Value of Investments	-	6,164	11,333	5,169
Total Revenues	-	449,067	1,374,827	925,760
EXPENDITURES				
Current:				
Economic Environment:				
State Housing Assistance Grant	389,467	1,005,878	716,053	289,825
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(389,467)	(556,811)	658,774	1,215,585
Fund Balances - October 1, 2020	389,467	556,811	367,110	(189,701)
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,025,884</u>	<u>\$ 1,025,884</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SUN-N-LAKES 1 - 20 IMPROVEMENT TRUST
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Net Change in Fair Value of Investments	\$ 250	\$ 250	\$ 1,362	\$ 1,112
EXPENDITURES				
Current:				
Transportation:				
Special Benefit Districts	58,425	58,425	-	58,425
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(58,175)	(58,175)	1,362	59,537
Fund Balances - October 1, 2020	58,175	58,175	58,868	693
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,230</u>	<u>\$ 60,230</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HIGHLANDS PARK ESTATES SPECIAL BENEFIT DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ -	\$ -	\$ 1,677	\$ 1,677
Assessments	61,256	61,256	74,160	12,904
Net Change in Fair Value of Investments	1,500	1,500	2,985	1,485
Total Revenues	62,756	62,756	78,822	16,066
EXPENDITURES				
Current:				
Transportation:				
Special Benefit Districts	56,182	56,182	39,856	16,326
Debt Service:				
Principal Retirement	19,971	19,971	-	19,971
Interest	2,459	2,459	2,459	-
Total Debt Service	22,430	22,430	2,459	19,971
Total Expenditures	78,612	78,612	42,315	36,297
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(15,856)	(15,856)	36,507	52,363
OTHER FINANCING SOURCES				
Insurance Recoveries	-	-	10,000	10,000
NET CHANGE IN FUND BALANCE	(15,856)	(15,856)	46,507	62,363
Fund Balances - October 1, 2020	15,856	15,856	29,957	14,101
FUND BALANCES - SEPTEMBER 30, 2021	\$ -	\$ -	\$ 76,464	\$ 76,464

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
WEST SEBRING SPECIAL BENEFIT FIRE DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ -	\$ -	\$ 6,155	\$ 6,155
Net Change in Fair Value of Investments	-	-	4,529	4,529
Total Revenues	-	-	10,684	10,684
EXPENDITURES				
Current:				
Public Safety:				
Special Benefit Districts	115,635	666,962	49,407	617,555
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(115,635)	(666,962)	(38,723)	628,239
Fund Balances - October 1, 2020	115,635	666,962	697,063	30,101
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 658,340</u>	<u>\$ 658,340</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DRIVER EDUCATION SAFETY TRUST FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 20,000	\$ 26,075	\$ 26,075	\$ -
Net Change in Fair Value of Investments	-	1,054	1,054	-
Total Revenues	20,000	27,129	27,129	-
EXPENDITURES				
Current:				
Public Safety:				
Sheriff	20,000	36,524	36,521	3
DEFICIENCY OF REVENUES UNDER EXPENDITURES	-	(9,395)	(9,392)	3
Fund Balances - October 1, 2020	-	9,395	34,998	25,603
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,606</u>	<u>\$ 25,606</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TOURIST DEVELOPMENT TRUST FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 750,250	\$ 750,250	\$ 1,150,806	\$ 400,556
Intergovernmental	-	50,816	9,816	(41,000)
Net Change in Fair Value of Investments	-	-	23,218	23,218
Total Revenues	750,250	801,066	1,183,840	382,774
EXPENDITURES				
Current:				
Physical Environment:				
Lakes	-	290,441	11,670	278,771
Economic Environment:				
Industry Development	870,412	965,883	671,939	293,944
Total Expenditures	870,412	1,256,324	683,609	572,715
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(120,162)	(455,258)	500,231	955,489
OTHER FINANCING USES				
Sale of Surplus Assets	-	-	510	510
NET CHANGE IN FUND BALANCE	(120,162)	(455,258)	500,741	955,999
Fund Balances - October 1, 2020	120,162	455,258	1,177,448	722,190
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,678,189</u>	<u>\$ 1,678,189</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DOMESTIC VIOLENCE TRAINING FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 5,500	\$ 5,500	\$ 8,459	\$ 2,959
Net Change in Fair Value of Investments	200	200	2,367	2,167
Total Revenues	5,700	5,700	10,826	5,126
EXPENDITURES				
Current:				
Public Safety:				
Sheriff	5,700	5,700	-	5,700
EXCESS OF REVENUES OVER EXPENDITURES	-	-	10,826	10,826
Fund Balances - October 1, 2020	-	-	103,704	103,704
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 114,530</u>	<u>\$ 114,530</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FIRE INSPECTION AND SAFETY FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Licenses and Permits	\$ 750	\$ 750	\$ 680	\$ (70)
Charges for Services	22,500	22,500	26,240	3,740
Net Change in Fair Value of Investments	450	450	3,940	3,490
Total Revenues	23,700	23,700	30,860	7,160
EXPENDITURES				
Current:				
Public Safety:				
Fire Control	43,860	43,860	21,077	22,783
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(20,160)	(20,160)	9,783	29,943
Fund Balances - October 1, 2020	20,160	20,160	162,890	142,730
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 172,673</u>	<u>\$ 172,673</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
VENUS SPECIAL BENEFIT FIRE DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ -	\$ -	\$ 63	\$ 63
Net Change in Fair Value of Investments	-	-	2,060	2,060
Total Revenues	-	-	2,123	2,123
EXPENDITURES				
Current:				
Public Safety:				
Special Benefit Districts	78,602	90,211	1,807	88,404
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(78,602)	(90,211)	316	90,527
Fund Balances - October 1, 2020	78,602	90,211	92,981	2,770
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 93,297</u>	<u>\$ 93,297</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SEBRING PARKWAY MAINTENANCE FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 71,972	\$ 71,972	\$ 47,136	\$ (24,836)
Net Change in Fair Value of Investments	-	-	20,270	20,270
Total Revenues	71,972	71,972	67,406	(4,566)
EXPENDITURES				
Current:				
Transportation:				
Other Transportation	225,418	242,614	83,982	158,632
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(153,446)	(170,642)	(16,576)	154,066
OTHER FINANCING SOURCES				
Transfers In	153,446	153,446	153,248	(198)
Insurance Recoveries	-	-	1,149	1,149
Total Other Financing Sources (Uses)	153,446	153,446	154,397	951
NET CHANGE IN FUND BALANCE	-	(17,196)	137,821	155,017
Fund Balances - October 1, 2020	-	17,196	1,056,371	1,039,175
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,194,192</u>	<u>\$ 1,194,192</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STATE COURT FACILITIES TRUST FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 150,300	\$ 151,447	\$ 160,939	\$ 9,492
Net Change in Fair Value of Investments	5,250	5,250	529	(4,721)
Total Revenues	155,550	156,697	161,468	4,771
EXPENDITURES				
Current:				
Court Related:				
Court Related Operations	280,986	284,348	249,031	35,317
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(125,436)	(127,651)	(87,563)	40,088
OTHER FINANCING USES				
Transfers Out	(15,000)	(16,148)	(16,148)	-
NET CHANGE IN FUND BALANCE	(140,436)	(143,799)	(103,711)	40,088
Fund Balances - October 1, 2020	140,436	143,799	181,569	37,770
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77,858</u>	<u>\$ 77,858</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
INNOVATIONS AND SUPPLEMENTAL COURTS FUNDING TRUST FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 77,700	\$ 89,847	\$ 99,395	\$ 9,548
Net Change in Fair Value of Investments	125	427	1,026	599
Total Revenues	77,825	90,274	100,421	10,147
EXPENDITURES				
Current:				
Court Related:				
Court Related Operations	155,300	155,450	96,980	58,470
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(77,475)	(65,176)	3,441	68,617
OTHER FINANCING SOURCES (USES)				
Transfers In	30,650	30,650	26,570	(4,080)
Transfers Out	(37,700)	(49,999)	(24,888)	25,111
Total Other Financing Sources (Uses)	(7,050)	(19,349)	1,682	21,031
NET CHANGE IN FUND BALANCE	(84,525)	(84,525)	5,123	89,648
Fund Balances - October 1, 2020	84,525	84,525	19,988	(64,537)
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,111</u>	<u>\$ 25,111</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CRIME PREVENTION FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 33,600	\$ 33,600	\$ 41,034	\$ 7,434
Fines and Forfeitures	-	-	914	914
Net Change in Fair Value of Investments	2,990	2,990	1,433	(1,557)
Total Revenues	36,590	36,590	43,381	6,791
EXPENDITURES				
Current:				
Public Safety:				
Crime Prevention	59,215	59,215	59,215	-
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(22,625)	(22,625)	(15,834)	6,791
Fund Balances - October 1, 2020	22,625	22,625	173,805	151,180
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 157,971</u>	<u>\$ 157,971</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COURT TECH 28.24(12)(e)1 FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 20,000	\$ 20,000	\$ 20,000	\$ -
Charges for Services	170,000	244,480	244,480	-
Net Change in Fair Value of Investments	100	1,547	1,547	-
Miscellaneous	-	-	645	645
Total Revenues	190,100	266,027	266,672	645
EXPENDITURES				
Current:				
Court Related:				
Court Related Operations	491,138	574,041	369,646	204,395
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(301,038)	(308,014)	(102,974)	205,040
OTHER FINANCING SOURCES				
Transfers In	250,710	250,710	102,974	(147,736)
NET CHANGE IN FUND BALANCE	(50,328)	(57,304)	-	57,304
Fund Balances - October 1, 2020	50,328	57,304	104,672	47,368
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 104,672</u>	<u>\$ 104,672</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HOME INITIATIVES PARTNERSHIP FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Net Change in Fair Value of Investments	\$ -	\$ -	\$ 14	\$ 14
EXPENDITURES				
Current:				
Economic Environment:				
Housing Initiatives	615	615	62	553
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(615)	(615)	(48)	567
Fund Balances - October 1, 2020	615	615	645	30
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 597</u>	<u>\$ 597</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
OAK MANOR AVENUE ROAD PAVING FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ -	\$ -	\$ 4,418	\$ 4,418
Net Change in Fair Value of Investments	-	-	167	167
Total Revenues	-	-	4,585	4,585
EXPENDITURES				
Current:				
Transportation:				
Special Benefit Districts	70,428	70,428	38,596	31,832
Debt Service:				
Principal Retirement	4,092	4,092	-	4,092
Interest	1,047	1,047	1,047	-
Total Debt Service	5,139	5,139	1,047	4,092
Total Expenditures	75,567	75,567	39,643	35,924
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(75,567)	(75,567)	(35,058)	40,509
OTHER FINANCING SOURCES				
Issuance of Debt	75,567	75,567	-	(75,567)
NET CHANGE IN FUND BALANCE	-	-	(35,058)	(35,058)
Fund Balances - October 1, 2020	-	-	(1,042)	(1,042)
FUND BALANCES - SEPTEMBER 30, 2021	\$ -	\$ -	\$ (36,100)	\$ (36,100)

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COURT SERVICES FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	\$ 227,656	\$ 232,450	\$ 232,452	\$ 2
Charges for Services	994,076	994,076	1,109,738	115,662
Fines and Forfeitures	675,280	675,283	842,146	166,863
Net Change in Fair Value of Investments	4,080	4,080	10,735	6,655
Total Revenues	1,901,092	1,905,889	2,195,071	289,182
EXPENDITURES				
Current:				
Court Related:				
Operating Related Operations	1,901,092	1,905,889	2,195,071	(289,182)
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-	-
Fund Balances - October 1, 2020	-	-	-	-
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
IMPACT FEE - PARKS AND RECREATION - AVON PARK
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Net Change in Fair Value of Investments	\$ -	\$ -	\$ 108	\$ 108
EXPENDITURES				
Current:				
Culture and Recreation:				
Impact Fees	4,638	4,638	-	4,638
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,638)	(4,638)	108	4,746
Fund Balances - October 1, 2020	4,638	4,638	4,675	37
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,783</u>	<u>\$ 4,783</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
IMPACT FEE - CORRECTIONAL FACILITIES
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Net Change in Fair Value of Investments	\$ -	\$ -	\$ 107	\$ 107
EXPENDITURES				
Current:				
Public Safety:				
Impact Fees	4,572	4,572	-	4,572
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,572)	(4,572)	107	4,679
Fund Balances - October 1, 2020	4,572	4,572	4,608	36
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,715</u>	<u>\$ 4,715</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
IMPACT FEE - FIRE
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Net Change in Fair Value of Investments	\$ -	\$ -	\$ 113	\$ 113
EXPENDITURES				
Current:				
Public Safety:				
Impact Fees	4,848	4,848	-	4,848
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,848)	(4,848)	113	4,961
Fund Balances - October 1, 2020	4,848	4,848	4,887	39
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
IMPACT FEE - LIBRARIES
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Net Change in Fair Value of Investments	\$ -	\$ -	\$ 40	\$ 40
EXPENDITURES				
Current:				
Culture and Recreation:				
Impact Fees	1,734	1,734	-	1,734
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,734)	(1,734)	40	1,774
Fund Balances - October 1, 2020	1,734	1,734	1,749	15
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,789</u>	<u>\$ 1,789</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
IMPACT FEE - LAW ENFORCEMENT
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Net Change in Fair Value of Investments	\$ -	\$ -	\$ 31	\$ 31
EXPENDITURES				
Current:				
Public Safety:				
Impact Fees	1,341	1,341	-	1,341
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,341)	(1,341)	31	1,372
Fund Balances - October 1, 2020	1,341	1,341	1,353	12
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,384</u>	<u>\$ 1,384</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
IMPACT FEE - EMERGENCY MEDICAL SERVICES
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Net Change in Fair Value of Investments	\$ -	\$ -	\$ 24	\$ 24
EXPENDITURES:				
Current:				
Public Safety:				
Impact Fees	1,037	1,037	-	1,037
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,037)	(1,037)	24	1,061
Fund Balances - October 1, 2020	1,037	1,037	1,046	9
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,070</u>	<u>\$ 1,070</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
THUNDERBIRD HILL WASTE WATER SPECIAL BENEFIT DISTRICT
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ 17,200	\$ 17,200	\$ 17,160	\$ (40)
Net Change in Fair Value of Investments	-	-	1,678	1,678
Total Revenues	17,200	17,200	18,838	1,638
EXPENDITURES				
Current:				
Physical Environment:				
Special Benefit District	3,000	3,000	1,629	1,371
Debt Service:				
Principal Retirement	12,300	12,300	-	12,300
Interest	1,900	1,900	1,419	481
Total Debt Service	14,200	14,200	1,419	12,781
Total Expenditures	17,200	17,200	3,048	14,152
EXCESS OF REVENUES OVER EXPENDITURES	-	-	15,790	15,790
Fund Balances - October 1, 2020	-	-	441	441
FUND BALANCES - SEPTEMBER 30, 2021	\$ -	\$ -	\$ 16,231	\$ 16,231

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HIGHLANDS COUNTY FIRE PROTECTION SPECIAL BENEFIT DISTRICT
YEAR ENDED SEPTEMBER 30, 2021

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	\$ -	\$ 75,636	\$ 73,945	\$ (1,691)
Assessments	5,479,830	5,479,830	5,771,854	292,024
Net Change in Fair Value of Investments	23,000	23,000	82,729	59,729
Total Revenues	5,502,830	5,578,466	5,928,528	350,062
EXPENDITURES				
Current:				
Public Safety:				
Special Benefit District	5,474,748	5,638,857	3,939,257	1,699,600
Debt Service:				
Principal Retirement	345,000	345,000	345,000	-
Interest	114,400	114,400	114,400	-
Total Debt Service	459,400	459,400	459,400	-
Total Expenditures	5,934,148	6,098,257	4,398,657	1,699,600
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(431,318)	(519,791)	1,529,871	2,049,662
OTHER FINANCING SOURCES				
Insurance Recoveries	-	-	5,430	5,430
Sale of Surplus Assets	-	-	26,050	26,050
Total Other Financing Sources	-	-	31,480	31,480
NET CHANGE IN FUND BALANCE	(431,318)	(519,791)	1,561,351	2,081,142
Fund Balances - October 1, 2020	431,318	519,791	2,230,420	1,710,629
FUND BALANCES - SEPTEMBER 30, 2021	\$ -	\$ -	\$ 3,791,771	\$ 3,791,771

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HIGHLANDS COUNTY PUBLIC IMPROVEMENT REVENUE
NOTE FUND (HCPIN CONSTRUCTION) FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Net Change in Fair Value of Investments	\$ -	\$ -	\$ 9,576	\$ 9,576
EXPENDITURES				
Current:				
Public Safety:				
Special Benefit District	2,948,886	4,799,908	1,482,924	3,316,984
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(2,948,886)	(4,799,908)	(1,473,348)	3,326,560
Fund Balances - October 1, 2020	2,948,886	4,799,908	4,618,960	(180,948)
FUND BALANCES - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,145,612</u>	<u>\$ 3,145,612</u>

HIGHLANDS COUNTY, FLORIDA INTERNAL SERVICE FUNDS

The Internal Service Funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the Board and to other governmental units on a cost reimbursement basis. The Board maintains the following Internal Service Funds:

Employee Benefit - To account for employer, employee and retiree contributions to the County's health and dental plans and the payment of health and dental expenses.

Insurance - To account for activity related to property, general liability, public officials and employment practices liability, automobile, crime and worker's compensation needs of County departments and elected officials.

Compensated Absences - To account for accumulated leave credits, which will be paid to employees upon termination of employment.

**HIGHLANDS COUNTY, FLORIDA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2021**

	Employee Benefit Fund	Insurance Fund	Compensated Absences Fund	Total
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 1,257,584	\$ 63,975	\$ 5,200,679	\$ 6,522,238
Investments	-	-	870,984	870,984
Accounts Receivable	32,626	20	2,150	34,796
Total Assets	<u>1,290,210</u>	<u>63,995</u>	<u>6,073,813</u>	<u>7,428,018</u>
LIABILITIES				
Current Liabilities:				
Vouchers Payable	25,772	814	433	27,019
Claims Payable	690,897	646	-	691,543
Due to Other Governmental Units	11,993	-	-	11,993
Unearned Revenues	532,501	-	-	532,501
Total Current Liabilities	<u>1,261,163</u>	<u>1,460</u>	<u>433</u>	<u>1,263,056</u>
Noncurrent Liabilities:				
Compensated Absences	-	-	6,073,380	6,073,380
Total Liabilities	<u>1,261,163</u>	<u>1,460</u>	<u>6,073,813</u>	<u>7,336,436</u>
NET POSITION				
Unrestricted	<u>29,047</u>	<u>62,535</u>	<u>-</u>	<u>91,582</u>
Total Net Position	<u>\$ 29,047</u>	<u>\$ 62,535</u>	<u>\$ -</u>	<u>\$ 91,582</u>

HIGHLANDS COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED SEPTEMBER 30, 2021

	Employee Benefit Fund	Insurance Fund	Compensated Absences Fund	Total
OPERATING REVENUES				
Charges for Services	\$ 12,085,499	\$ 1,871,145	\$ 5,977,012	\$ 19,933,656
OPERATING EXPENSES				
General and Administrative	1,334,426	-	6,001,791	7,336,217
Insurance and Claims	11,736,350	1,862,394	-	13,598,744
Total Operating Expenses	<u>13,070,776</u>	<u>1,862,394</u>	<u>6,001,791</u>	<u>20,934,961</u>
OPERATING INCOME (LOSS)	(985,277)	8,751	(24,779)	(1,001,305)
NONOPERATING REVENUES				
Net Change in Fair Value of Investments	<u>19,852</u>	<u>19</u>	<u>24,779</u>	<u>44,650</u>
CHANGE IN NET POSITION	(965,425)	8,770	-	(956,655)
Net Position - October 1, 2020	<u>994,472</u>	<u>53,765</u>	<u>-</u>	<u>1,048,237</u>
NET POSITION - SEPTEMBER 30, 2021	<u>\$ 29,047</u>	<u>\$ 62,535</u>	<u>\$ -</u>	<u>\$ 91,582</u>

**HIGHLANDS COUNTY, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED SEPTEMBER 30, 2021**

	Employee Benefit Fund	Insurance Fund	Compensated Absences Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Internal Customers	\$ 12,113,372	\$ 1,871,154	\$ 5,977,012	\$ 19,961,538
Cash Payments for Insurance Premiums and Claims	(12,827,731)	(1,862,779)	-	(14,690,510)
Cash Payments to Employees for Services	-	-	(5,737,145)	(5,737,145)
Net Cash Provided (Used) by Operating Activities	(714,359)	8,375	239,867	(466,117)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Repayment on Advance to Other Funds	-	-	(293)	(293)
Transfer to Other Funds	-	-	(269)	(269)
Net Cash Used by Noncapital Financing Activities	-	-	(562)	(562)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of Investments	-	-	(175,838)	(175,838)
Sale of Investments	688,733	-	182,857	871,590
Investment Income	19,998	19	23,749	43,766
Net Cash Provided by Investing Activities	708,731	19	30,768	739,518
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(5,628)	8,394	270,073	272,839
Cash and Cash Equivalents - October 1, 2020	1,263,212	55,581	4,930,606	6,249,399
CASH AND CASH EQUIVALENTS - SEPTEMBER 30, 2021	<u>\$ 1,257,584</u>	<u>\$ 63,975</u>	<u>\$ 5,200,679</u>	<u>\$ 6,522,238</u>
RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (985,277)	\$ 8,751	\$ (24,779)	\$ (1,001,305)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Changes in Assets and Liabilities:				
(Increase) Decrease in:				
Accounts Receivable	15,793	9	-	15,802
Increase (Decrease) in:				
Vouchers Payable	(8,849)	(573)	-	(9,422)
Claims Payable	239,900	188	-	240,088
Compensated Absences	-	-	264,646	264,646
Due from Other Governmental Units	11,993	-	-	11,993
Unearned Revenues	12,081	-	-	12,081
Total Adjustments	270,918	(376)	264,646	535,188
Net Cash Provided (Used) by Operating Activities	<u>\$ (714,359)</u>	<u>\$ 8,375</u>	<u>\$ 239,867</u>	<u>\$ (466,117)</u>

HIGHLANDS COUNTY, FLORIDA FIDUCIARY FUNDS DESCRIPTIONS

These funds account for assets held by the County in a fiduciary capacity for individuals, private organizations, and/or other governmental units.

The County maintains the following Fiduciary Funds:

Custodial Funds

Sheriff's Inmates - To account for monies collected from inmates who have money in their possession at the time of their arrest and/or monies deposited on their behalf while incarcerated.

Sheriff's Cash Bonds - To account for cash appearance bonds collected by the Sheriff on behalf of other governments. These funds are disbursed weekly.

Sheriff's Unclaimed Evidence - To account for monies seized by law enforcement. These funds are maintained until final determination by Florida Statute or the court.

Sheriff's Individual Depositors - To account for fees charged to related to civil levies. Fees are collected and held until service is complete and then remitted to other entities or individuals.

Sheriff's Suspense - To account for fees and court ordered payments collected for various agencies. These funds are remitted to other governmental agencies.

Tax Collector's Tag Agency - To account for motor vehicle and vessel registrations, title transfer fees, drivers' license transactions, sales tax, birth certificate fees, and concealed weapons licensing fees remitted to the State of Florida.

Tax Collector's Tax and License - To account for the collection of ad valorem and non-ad valorem taxes, tangible personal property taxes and hunting and fishing licenses remitted to various taxing agencies and the State of Florida.

Tax Collector's Tax Redemption - To account for collection of redeemed tax certificates issued in connection with delinquent ad valorem and non ad valorem taxes and remittance to certificate holders.

Clerk's Child Support - To account for child support and/or alimony payments collected by the Clerk and remitted to the appropriate recipients.

Clerk's Suspense - To account for documentary stamp fees and recording fees, jury and witness payments and fines, and forfeitures collected through the court system and remitted to other governmental agencies.

Board's Agency Escrow - To account for the collection of funds held in escrow by the Board.

**HIGHLANDS COUNTY, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS - CUSTODIAL FUNDS
SEPTEMBER 30, 2021**

	Sheriff's Inmates	Sheriff's Cash Bond	Sheriff's Unclaimed Evidence	Sheriff's Individual Depositors	Sheriff's Suspense	Tax Collector's Tag Agency	Tax Collector's Tax and License	Tax Collector's Tax Redemption	Clerk's Child Support	Clerk's Suspense	Board's Agency Escrow	Total
ASSETS												
Cash and Cash Equivalents	\$ 2,951	\$ -	\$ 1,206	\$ -	\$ 11,531	\$ 201,538	\$ 595,716	\$ 137,982	\$ 2,468	\$ 2,471,314	\$ 204,852	\$ 3,629,558
Due from Others	1,215	-	-	-	-	1,178	-	-	-	3,965	353	6,711
Due from Other Governmental Units	-	-	-	-	514	-	-	-	-	755	-	1,269
Total Assets	4,166	-	1,206	-	12,045	202,716	595,716	137,982	2,468	2,476,034	205,205	3,637,538
LIABILITIES												
Due to Others	1,024	-	-	-	10,441	-	70,469	137,982	-	5,185	-	225,101
Due to Other Governmental Units	-	-	-	-	1,604	202,716	525,247	-	408	555,026	-	1,285,001
Total Liabilities	1,024	-	-	-	12,045	202,716	595,716	137,982	408	560,211	-	1,510,102
NET POSITION												
Restricted for Other Governments and Individuals	\$ 3,142	\$ -	\$ 1,206	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,060	\$ 1,915,823	\$ 205,205	\$ 2,127,436

HIGHLANDS COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS - CUSTODIAL FUNDS
SEPTEMBER 30, 2021

	Sheriff's Inmates	Sheriff's Cash Bond	Sheriff's Unclaimed Evidence	Sheriff's Individual Depositors	Sheriff's Suspense	Tax Collector's Tag Agency	Tax Collector's Tax and License	Tax Collector's Tax Redemption	Clerk's Child Support	Clerk's Suspense	Board's Agency Escrow	Total
ADDITIONS												
Tax, License, Fines, and Fees Collected for Other Governments and Individuals	\$ 267,697	\$ 21,456	\$ 62,746	\$ 6,296	\$ 37,814	\$ 14,572,271	\$ 47,741,573	\$ 4,590,008	\$ 137,574	\$ 21,663,912	\$ 5,102	\$ 89,106,449
DEDUCTIONS												
Tax, License, Fines, and Fees Disbursed to Other Governments and Individuals	<u>269,766</u>	<u>21,456</u>	<u>62,756</u>	<u>8,686</u>	<u>37,814</u>	<u>14,572,271</u>	<u>47,741,573</u>	<u>4,590,008</u>	<u>138,634</u>	<u>20,887,559</u>	<u>857</u>	<u>88,331,380</u>
CHANGE IN NET POSITION	(2,069)	-	(10)	(2,390)	-	-	-	-	(1,060)	776,353	4,245	775,069
Net Position - Beginning of Year (Restated, See Note 21)	<u>5,211</u>	<u>-</u>	<u>1,216</u>	<u>2,390</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,120</u>	<u>1,139,470</u>	<u>200,960</u>	<u>1,352,367</u>
NET POSITION - END OF YEAR	<u>\$ 3,142</u>	<u>\$ -</u>	<u>\$ 1,206</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,060</u>	<u>\$ 1,915,823</u>	<u>\$ 205,205</u>	<u>\$ 2,127,436</u>



Statistical Section

HIGHLANDS COUNTY, FLORIDA STATISTICAL SECTION

This section of the County's Comprehensive Annual Financial Report represents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the County's overall financial health.

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These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	
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Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment which the County's financial activities take place.	
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These schedules contain service and capital asset data to help the reader understand how the information in the County's financial report relates to the services provided by the County and the activities it performs.	
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Sources: Unless otherwise noted, the information contained in the schedules in this Statistical Section are derived from the comprehensive annual financial reports for the relevant year.

**HIGHLANDS COUNTY, FLORIDA
NET POSITION BY COMPONENTS
LAST TEN FISCAL YEARS
(IN THOUSANDS)**

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015*	2014	2013	2012
GOVERNMENTAL ACTIVITIES										
Net Investment in Capital Assets	\$ 243,879	\$ 231,232	\$ 225,367	\$ 213,827	\$ 206,255	\$ 197,479	\$ 194,776	\$ 192,567	\$ 189,798	\$ 186,017
Restricted	36,721	34,914	40,883	42,707	40,820	47,025	56,267	40,172	41,035	43,995
Unrestricted	(34,850)	(49,770)	(41,387)	(44,686)	(30,211)	(25,408)	(33,080)	14,911	17,893	17,406
Total Governmental Activities										
Net Position	<u>\$ 245,750</u>	<u>\$ 216,376</u>	<u>\$ 224,863</u>	<u>\$ 211,848</u>	<u>\$ 216,864</u>	<u>\$ 219,096</u>	<u>\$ 217,963</u>	<u>\$ 247,650</u>	<u>\$ 248,726</u>	<u>\$ 247,418</u>
BUSINESS-TYPE ACTIVITIES										
Net Investment in Capital Assets	\$ 9,072	\$ 8,684	\$ 8,758	\$ 9,369	\$ 9,153	\$ 9,393	\$ 9,369	\$ 9,728	\$ 10,068	\$ 9,954
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	11,858	10,935	10,118	9,002	7,650	5,609	5,378	5,069	3,260	2,734
Total Business-Type Activities										
Net Position	<u>\$ 20,930</u>	<u>\$ 19,619</u>	<u>\$ 18,876</u>	<u>\$ 18,371</u>	<u>\$ 16,803</u>	<u>\$ 15,002</u>	<u>\$ 14,747</u>	<u>\$ 14,797</u>	<u>\$ 13,328</u>	<u>\$ 12,688</u>
PRIMARY GOVERNMENT										
Net Investment in Capital Assets	\$ 252,951	\$ 239,916	\$ 234,125	\$ 223,196	\$ 215,408	\$ 206,872	\$ 204,145	\$ 202,295	\$ 199,866	\$ 195,971
Restricted	36,721	34,914	40,883	42,707	40,820	47,025	56,267	40,172	41,035	43,995
Unrestricted	(22,992)	(38,835)	(31,269)	(35,684)	(22,561)	(19,799)	(27,702)	19,980	21,153	20,140
Total Primary Government										
Net Position	<u>\$ 266,680</u>	<u>\$ 235,995</u>	<u>\$ 243,739</u>	<u>\$ 230,219</u>	<u>\$ 233,667</u>	<u>\$ 234,098</u>	<u>\$ 232,710</u>	<u>\$ 262,447</u>	<u>\$ 262,054</u>	<u>\$ 260,106</u>

*GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, was implemented in 2015.

HIGHLANDS COUNTY, FLORIDA

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
EXPENSES										
Governmental Activities:										
General Government	\$ 21,188,678	\$ 20,865,488	\$ 20,874,168	\$ 18,519,219	\$ 17,632,374	\$ 15,875,786	\$ 13,531,358	\$ 14,797,429	\$ 14,026,292	\$ 15,726,969
Public Safety	43,208,028	59,515,863	56,939,713	59,326,852	48,236,789	41,971,815	37,704,396	38,955,726	37,050,892	36,008,957
Physical Environment	1,068,965	1,250,441	1,178,231	1,864,091	1,276,317	1,688,061	1,038,196	1,021,946	1,558,380	1,391,528
Transportation	14,905,826	18,631,875	14,508,911	13,459,205	13,339,901	13,152,319	13,178,891	13,308,009	12,405,754	13,730,299
Economic Environment	2,977,572	3,266,775	3,704,233	3,508,116	2,716,539	2,713,202	3,227,914	1,813,659	2,169,217	2,571,305
Human Services	18,607,574	7,664,991	3,639,034	3,682,396	3,844,649	3,838,641	4,803,440	5,103,604	4,056,257	3,298,713
Culture and Recreation	3,042,138	3,542,238	2,894,053	2,988,164	3,241,983	3,041,505	2,991,401	2,800,793	2,819,321	2,919,597
Court Related	4,822,945	5,387,500	5,215,689	4,782,597	4,508,844	4,286,136	4,325,815	4,175,685	4,232,528	4,046,362
Debt Service:										
Interest on Long-Term Debt	413,615	462,290	452,226	479,532	526,214	576,318	447,348	407,662	386,170	294,638
Total Governmental Activities Expenses	110,235,341	120,587,461	109,406,258	108,610,172	95,323,610	87,143,783	81,248,759	82,384,513	78,704,811	79,988,368
Business-Type Activities:										
Solid Waste	8,615,200	8,904,617	9,019,161	8,258,598	7,911,813	8,229,484	7,839,954	6,820,416	7,993,191	8,304,132
Water and Sewer	-	-	-	-	-	-	-	-	-	300,578
Highway Park Utility	-	-	-	-	-	-	-	-	-	89,823
Energy Recovery	2,926,822	4,739,577	2,067,795	1,286,705	2,182,353	2,190,260	2,037,100	2,830,944	2,255,324	2,413,568
Total Business-Type Activities Expenses	11,542,022	13,644,194	11,086,956	9,545,303	10,094,166	10,419,744	9,877,054	9,651,360	10,248,515	11,108,101
Total Primary Government Expenses	<u>\$ 121,777,363</u>	<u>\$ 134,231,655</u>	<u>\$ 120,493,214</u>	<u>\$ 118,155,475</u>	<u>\$ 105,417,776</u>	<u>\$ 97,563,527</u>	<u>\$ 91,125,813</u>	<u>\$ 92,035,873</u>	<u>\$ 88,953,326</u>	<u>\$ 91,096,469</u>
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services:										
General Government	\$ 4,718,317	\$ 4,029,731	\$ 3,611,736	\$ 3,491,884	\$ 3,388,476	\$ 3,232,991	\$ 3,430,390	\$ 3,158,631	\$ 3,303,744	\$ 2,802,300
Public Safety	17,417,929	13,796,529	14,611,053	10,201,333	9,109,107	8,455,014	9,093,968	8,404,021	7,885,226	6,766,009
Physical Environment	306,658	286,800	223,291	209,208	203,253	190,111	188,619	200,061	196,423	248,362
Transportation	2,641,294	2,453,038	3,778,828	2,960,748	2,541,604	2,532,117	2,263,685	2,404,676	2,034,975	1,762,758
Economic Environment	345,273	192,294	218,340	234,972	190,647	133,273	91,339	-	-	-
Human Services	20,196	21,113	22,944	32,040	56,356	78,134	104,571	118,965	97,182	107,859
Culture and Recreation	190,729	160,345	198,047	205,665	205,127	231,252	255,352	236,647	249,848	230,599
Court Related	3,260,991	2,505,424	2,582,473	2,770,345	2,551,261	2,395,544	2,733,165	2,796,207	2,813,899	2,761,810
Operating Grants and Contributions:										
General Government	177,111	346,919	89,915	97,665	119,917	154,809	169,073	204,518	211,540	230,402
Public Safety	651,756	319,850	13,637,806	918,640	484,767	471,626	429,685	433,524	307,961	1,091,644
Physical Environment	366,376	320,161	269,695	320,313	322,895	442,290	234,827	206,295	869,464	519,960
Transportation	-	-	-	23,995	6,419	2,052	181,443	54,068	-	675,645
Economic Environment	756,005	454,711	1,363,228	738,802	408,358	826,494	1,103,227	1,064,101	650,825	1,044,748
Human Services	15,731,780	4,521,721	646,931	739,927	534,043	667,781	1,934,767	2,344,565	687,133	941,722
Culture and Recreation	217,880	207,999	194,621	241,801	193,493	207,941	258,164	239,627	177,843	294,188
Court Related	23,983	20,000	15,000	15,000	-	-	-	-	-	-

**HIGHLANDS COUNTY, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS (CONTINUED)**

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
PROGRAM REVENUES										
Governmental Activities (Continued):										
Capital Grants and Contributions:										
General Government	\$ -	\$ 60,657	\$ 167,864	\$ 98,063	\$ 60,657	\$ 60,657	\$ -	\$ -	\$ -	\$ -
Public Safety	156,012	481,644	446,895	38,756	86,077	400,886	21,466	154,816	832,757	324,557
Physical Environment	25,905	5,660,798	870,117	872,809	711,535	329,100	158,408	38,638	-	-
Transportation	8,134,378	454,091	809,475	2,151,471	2,899,663	696,326	795,084	1,178,687	2,002,772	2,529,199
Economic Environment	-	-	-	-	-	-	-	-	67,552	195,923
Human Services	-	39,871	956,079	606,301	-	-	-	-	-	45,230
Culture and Recreation	-	-	-	-	-	3,115	15,707	-	-	69,706
Court Related	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities										
Program Revenues	55,142,573	36,333,696	44,714,338	26,969,738	24,073,655	21,511,513	23,462,940	23,238,047	22,389,144	22,642,621
Business-Type Activities:										
Charges for Services:										
Solid Waste	9,670,526	9,342,369	9,043,194	9,704,626	9,282,253	8,245,581	8,026,002	8,112,624	8,120,527	8,304,716
Water and Sewer	-	-	-	-	-	-	-	-	-	437,330
Highway Park Utility	-	-	-	-	-	-	-	-	-	92,127
Energy Recovery	2,921,291	4,998,541	2,093,557	1,236,046	2,377,919	2,223,189	2,151,518	2,883,567	2,589,128	2,803,771
Operating Grants and Contributions:										
Solid Waste	158,379	26,280	90,909	90,909	90,909	90,909	90,910	90,909	70,588	90,374
Water and Sewer	-	-	-	-	-	-	-	-	-	-
Highway Park Utility	-	-	-	-	-	-	-	-	-	-
Energy Recovery	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions:										
Solid Waste	-	-	-	-	-	-	-	-	-	-
Water and Sewer	-	-	-	-	-	-	-	-	-	-
Highway Park Utility	-	-	-	-	-	-	-	-	-	-
Energy Recovery	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities										
Program Revenues	12,750,196	14,367,190	11,227,660	11,031,581	11,751,081	10,559,679	10,268,430	11,087,100	10,780,243	11,728,318
Total Primary Government										
Program Revenues	<u>\$ 67,892,769</u>	<u>\$ 50,700,886</u>	<u>\$ 55,941,998</u>	<u>\$ 38,001,319</u>	<u>\$ 35,824,736</u>	<u>\$ 32,071,192</u>	<u>\$ 33,731,370</u>	<u>\$ 34,325,147</u>	<u>\$ 33,169,387</u>	<u>\$ 34,370,939</u>
NET REVENUE (EXPENSE)										
Governmental Activities	\$ (55,092,768)	\$ (84,253,765)	\$ (64,691,920)	\$ (81,640,434)	\$ (71,249,955)	\$ (65,632,270)	\$ (57,785,819)	\$ (59,146,466)	\$ (56,315,667)	\$ (57,345,747)
Business-Type Activities	1,208,174	722,996	140,704	1,486,278	1,656,915	139,935	391,376	1,435,740	531,728	620,217
Total Primary Governmental										
Net Expense	<u>\$ (53,884,594)</u>	<u>\$ (83,530,769)</u>	<u>\$ (64,551,216)</u>	<u>\$ (80,154,156)</u>	<u>\$ (69,593,040)</u>	<u>\$ (65,492,335)</u>	<u>\$ (57,394,443)</u>	<u>\$ (57,710,726)</u>	<u>\$ (55,783,939)</u>	<u>\$ (56,725,530)</u>

**HIGHLANDS COUNTY, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS (CONTINUED)**

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION:										
Governmental Activities:										
Taxes:										
Property Taxes	\$ 44,385,911	\$ 41,984,688	\$ 39,979,150	\$ 39,565,159	\$ 38,462,928	\$ 37,278,775	\$ 36,998,413	\$ 30,637,891	\$ 31,472,962	\$ 32,423,039
Fuel Taxes	4,697,783	4,296,818	4,554,036	4,662,245	4,544,584	4,587,791	4,571,124	4,442,566	4,375,972	4,672,974
Sales Tax	11,634,496	9,952,249	9,766,712	9,811,985	9,072,162	9,128,971	8,646,977	8,104,374	7,690,604	7,413,355
Services Taxes	535,916	557,115	574,650	623,216	724,573	675,705	702,695	711,348	731,353	729,751
Other Taxes	1,200,802	913,665	1,064,256	560,188	482,936	481,072	453,063	420,444	384,622	368,501
State Shared Revenues	16,520,077	15,003,122	15,434,257	15,205,276	14,506,012	13,810,350	13,389,606	12,809,474	12,317,628	12,212,916
Net Change in Fair Value of Investments	1,088,320	948,096	1,274,929	892,708	662,365	451,282	456,608	240,985	296,350	731,814
Gain on Sale of Capital Assets	3,322,823	826,358	952,383	145,545	77,368	43,112	230,677	500	-	13,755
Insurance Recoveries	269,543	74,416	752,218	-	-	-	-	-	-	-
Miscellaneous	705,410	915,547	3,261,481	1,993,965	485,539	308,519	360,970	335,215	354,041	629,127
Transfers	105,872	294,798	92,916	226,063	-	-	-	-	-	-
Total Governmental Activities	<u>84,466,953</u>	<u>75,766,872</u>	<u>77,706,988</u>	<u>73,686,350</u>	<u>69,018,467</u>	<u>66,765,577</u>	<u>65,810,133</u>	<u>57,702,797</u>	<u>57,623,532</u>	<u>59,195,232</u>
Business-Type Activities:										
Net Change in Fair Value of Investments	150,383	276,307	450,023	243,064	143,822	59,744	46,870	35,409	35,162	38,339
Gain (Loss) on Sale of Capital Assets	32,669	15,000	2,888	5	-	55,000	1,951	(2,694)	73,727	-
Insurance Recoveries	25,392	23,552	4,382	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Transfers	(105,872)	(294,798)	(92,916)	(226,063)	-	-	-	-	-	-
Special Item:										
Loss on Transfer of Assets to Municipality	-	-	-	-	-	-	-	-	-	(3,315,330)
Total Business-Type Activities	<u>102,572</u>	<u>20,061</u>	<u>364,377</u>	<u>17,006</u>	<u>143,822</u>	<u>114,744</u>	<u>48,821</u>	<u>32,715</u>	<u>108,889</u>	<u>(3,276,991)</u>
Total Primary Government	<u>\$ 84,569,525</u>	<u>\$ 75,786,933</u>	<u>\$ 78,071,365</u>	<u>\$ 73,703,356</u>	<u>\$ 69,162,289</u>	<u>\$ 66,880,321</u>	<u>\$ 65,858,954</u>	<u>\$ 57,735,512</u>	<u>\$ 57,732,421</u>	<u>\$ 55,918,241</u>
Change in Net Position:										
Government Activities	\$ 29,374,185	\$ (8,486,893)	\$ 13,015,068	\$ (7,954,084)	\$ (2,231,488)	\$ 1,133,307	\$ 8,024,314	\$ (1,443,669)	\$ 1,307,865	\$ 1,849,485
Business-Type Activities	1,310,746	743,057	505,081	1,503,284	1,800,737	254,679	440,197	1,468,455	640,617	(2,656,774)
Total Primary Government	<u>\$ 30,684,931</u>	<u>\$ (7,743,836)</u>	<u>\$ 13,520,149</u>	<u>\$ (6,450,800)</u>	<u>\$ (430,751)</u>	<u>\$ 1,387,986</u>	<u>\$ 8,464,511</u>	<u>\$ 24,786</u>	<u>\$ 1,948,482</u>	<u>\$ (807,289)</u>

**HIGHLANDS COUNTY, FLORIDA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
GENERAL FUND										
Nonspendable	\$ 1,249,038	\$ 1,345,428	\$ 1,688,633	\$ 1,254,682	\$ 1,271,683	\$ 1,090,109	\$ 898,522	\$ 735,796	\$ 843,142	\$ 643,375
Restricted	-	-	-	-	-	-	-	-	-	-
Assigned	468,434	518,151	357,689	392,559	5,395,581	478,468	536,116	1,051,976	728,198	1,078,004
Unassigned	25,909,864	17,524,589	17,133,264	4,946,829	11,207,433	17,965,879	18,007,274	15,424,223	16,816,083	19,842,464
Total General Fund	<u>\$ 27,627,336</u>	<u>\$ 19,388,168</u>	<u>\$ 19,179,586</u>	<u>\$ 6,594,070</u>	<u>\$ 17,874,697</u>	<u>\$ 19,534,456</u>	<u>\$ 19,441,912</u>	<u>\$ 17,211,995</u>	<u>\$ 18,387,423</u>	<u>\$ 21,563,843</u>
ALL OTHER GOVERNMENTAL FUNDS										
Nonspendable	\$ 1,386,989	\$ 1,743,945	\$ 138,111	\$ 43,171	\$ 129,818	\$ 58,043	\$ 78,576	\$ 55,560	\$ 9,863	\$ -
Restricted	33,686,376	35,798,233	44,362,820	41,575,220	40,740,308	46,180,218	55,617,654	38,863,427	39,614,669	42,615,226
Assigned	1,108,725	1,131,596	1,131,596	1,131,596	1,131,596	1,131,596	1,209,272	1,131,596	4,136,848	-
Unassigned	(36,100)	(2,409)	(5,465,323)	(5,285,444)	(3,502,628)	(449,481)	(94,077)	(182,558)	(156,012)	(160,506)
Total All Other Governmental Funds	<u>\$ 36,145,990</u>	<u>\$ 38,671,365</u>	<u>\$ 40,167,204</u>	<u>\$ 37,464,543</u>	<u>\$ 38,499,094</u>	<u>\$ 46,920,376</u>	<u>\$ 56,811,425</u>	<u>\$ 39,868,025</u>	<u>\$ 43,605,368</u>	<u>\$ 42,454,720</u>

HIGHLANDS COUNTY, FLORIDA
CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
REVENUES										
Taxes	\$ 62,404,912	\$ 57,650,705	\$ 55,887,727	\$ 55,172,719	\$ 53,234,947	\$ 52,101,154	\$ 51,319,790	\$ 44,263,651	\$ 44,593,603	\$ 45,544,644
Licenses and Permits	1,455,417	1,037,516	1,001,754	1,465,721	773,153	768,201	670,995	592,967	499,113	489,004
Intergovernmental	40,845,539	31,496,711	34,817,945	22,550,893	21,205,397	18,627,084	19,987,878	19,391,575	20,076,861	22,480,446
Charges for Services	14,299,662	11,369,540	11,944,323	10,893,391	10,219,318	9,464,472	10,046,027	9,628,330	8,938,804	7,329,535
Fines and Forfeitures	934,692	617,376	597,206	613,473	483,845	659,069	853,718	689,523	331,052	144,685
Assessments	6,492,597	5,910,454	5,432,424	2,222,840	2,236,688	2,151,722	2,167,235	2,071,734	2,038,077	2,004,101
Net Change in Fair Value of Investments	1,043,670	863,974	1,129,691	782,659	610,260	429,176	432,068	232,693	277,805	697,864
Miscellaneous	4,476,390	3,887,094	6,117,091	4,505,545	4,163,763	3,800,801	3,990,201	3,797,347	3,774,692	3,413,626
Total Revenues	131,952,879	112,833,370	116,928,161	98,207,241	92,927,371	88,001,679	89,467,912	80,667,820	80,530,007	82,103,905
EXPENDITURES										
Current:										
General Government	18,887,873	19,137,605	19,504,745	17,298,385	16,382,937	15,820,668	15,320,898	15,038,762	14,375,841	14,428,638
Public Safety	51,033,560	51,272,109	48,686,528	55,424,348	46,488,455	49,112,058	37,532,165	36,769,408	44,876,262	34,690,081
Physical Environment	1,220,904	1,662,450	3,256,902	3,807,540	5,951,756	1,652,101	1,419,943	1,030,244	1,542,732	1,376,193
Transportation	25,572,993	21,371,636	19,273,642	17,015,511	17,543,571	14,340,234	14,656,785	16,141,550	14,963,532	15,862,116
Economic Environment	2,998,436	3,091,151	3,548,911	3,413,605	2,663,981	2,646,019	3,058,180	1,763,053	2,119,215	2,848,424
Human Services	18,591,572	7,387,680	3,596,614	3,571,908	3,682,639	3,830,092	4,746,714	5,073,317	3,950,544	3,275,763
Culture and Recreation	2,826,716	3,057,918	2,770,798	2,661,198	2,915,249	2,719,949	2,576,017	2,536,456	2,436,329	2,655,630
Court Related	5,124,632	4,674,599	4,608,530	4,460,416	4,186,800	4,453,875	4,373,657	4,402,846	4,171,592	3,963,102
Debt Service:										
Principal Retirement	3,160,611	3,174,345	2,821,386	2,609,352	2,658,400	2,648,293	9,867,709	2,792,500	1,527,497	1,527,608
Interest	438,304	486,706	439,671	486,219	534,624	576,895	342,527	400,404	287,154	317,627
Total Expenditures	129,855,601	115,316,199	108,507,727	110,748,482	103,008,412	97,800,184	93,894,595	85,948,540	90,250,698	80,945,182
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,097,278	(2,482,829)	8,420,434	(12,541,241)	(10,081,041)	(9,798,505)	(4,426,683)	(5,280,720)	(9,720,691)	1,158,723
OTHER FINANCING SOURCES (USES)										
Transfers In	2,275,907	3,130,908	1,320,536	1,569,934	1,636,066	1,121,712	1,186,440	4,119,015	1,396,287	3,580,898
Transfers Out	(2,170,035)	(2,836,110)	(1,227,620)	(1,343,871)	(1,636,066)	(1,121,712)	(1,186,440)	(4,119,015)	(1,056,287)	(1,344,202)
Issuance of Refunding Note	-	-	-	-	-	-	-	-	-	-
Insurance Recoveries	261,580	74,416	752,217	-	-	-	-	-	-	-
Issuance of Debt	3,249,063	826,358	6,022,610	-	-	-	23,600,000	-	8,010,470	210,000
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	3,616,515	1,195,572	6,867,743	226,063	-	-	23,600,000	-	8,350,470	2,446,696
Net Change in Fund Balances	<u>\$ 5,713,793</u>	<u>\$ (1,287,257)</u>	<u>\$ 15,288,177</u>	<u>\$ (12,315,178)</u>	<u>\$ (10,081,041)</u>	<u>\$ (9,798,505)</u>	<u>\$ 19,173,317</u>	<u>\$ (5,280,720)</u>	<u>\$ (1,370,221)</u>	<u>\$ 3,605,419</u>
Debt Service as a Percentage of Noncapital Expenditures	3.28%	3.53%	3.51%	3.19%	3.73%	4.01%	11.62%	4.08%	2.44%	2.46%

**HIGHLANDS COUNTY, FLORIDA
TAXABLE VALUE AND ACTUAL VALUE OF PROPERTY
LAST TEN FISCAL YEARS**

Fiscal Year	Real Property (Assessed Value ^a)				Assessed Value ^a of Personal Property	Less: Allowable Exemptions	Total Taxable Value ^b	Total Direct Tax Rate ^c
	Residential Property	Agriculture	Commercial Property	Other				
2021	\$ 5,069,210,600	\$ 641,097,786	\$ 949,233,771	\$ 1,130,867,590	\$ 752,606,707	\$ 3,207,042,444	\$ 5,335,974,010	8.5500
2020	4,696,604,547	630,636,086	945,504,608	1,116,687,337	688,218,384	3,025,622,319	5,052,028,643	8.5500
2019	4,420,651,377	571,111,854	940,284,611	1,091,717,986	686,246,734	2,873,692,500	4,836,320,062	8.5500
2018	4,185,031,437	683,819,126	909,541,660	1,069,894,445	688,743,734	2,775,178,889	4,761,851,513	8.5500
2017	3,908,190,237	733,151,871	899,474,589	1,059,389,125	668,544,116	2,637,549,375	4,631,200,563	8.5500
2016	3,521,950,986	722,088,198	879,493,681	1,041,600,090	667,761,606	2,329,575,367	4,503,319,194	8.5500
2015	3,430,182,769	734,356,228	872,987,089	1,024,869,481	675,833,516	2,272,404,297	4,465,824,786	8.5500
2014	3,444,169,441	712,697,860	863,410,453	1,025,462,248	682,100,936	2,285,182,642	4,442,658,296	7.1000
2013	3,572,305,436	725,319,963	839,352,031	1,030,868,951	701,451,574	2,321,476,920	4,547,821,035	7.1000
2012	3,937,953,139	695,048,858	850,340,509	1,062,203,211	629,408,701	2,465,928,211	4,709,026,207	7.1000

Source: Highlands County Property Appraiser.

Notes:

^a Assessed value is determined by the Highlands County Property Appraiser on January 1 of each year at 100% of fair market value, as required by Section 192.042, Florida Statutes.

^b Taxable values are based on the assessed value after deducting allowable statutory exemptions.

^c Per \$1,000 of value.

**HIGHLANDS COUNTY, FLORIDA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
(PER \$1,000 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS**

Fiscal Year	Direct Rates		Overlapping Rates ^a						Total Overlapping Rates	Total Countywide
	General Government	Total Direct Rate	School District	South Florida Water District	Southwest Florida Water District	City of Avon Park	City of Sebring	Town of Lake Placid		
2021	8.5500	8.5500	6.0750	0.2675	0.2669	1.0000	5.3184	3.3250	16.2528	24.8028
2020	8.5500	8.5500	6.1200	0.2795	0.2801	0.3000	5.3184	3.5000	15.7980	24.3480
2019	8.5500	8.5500	6.3220	0.2936	0.2955	0.3000	5.3184	3.6500	16.1795	24.7295
2018	8.5500	8.5500	6.5420	0.3100	0.3131	0.3000	5.3184	3.6500	16.4335	24.9835
2017	8.5500	8.5500	7.1850	0.3551	0.3488	0.3000	4.8184	3.6500	16.6573	25.2073
2016	8.5500	8.5500	7.1850	0.3551	0.3488	0.3000	4.8184	3.6500	16.6573	25.2073
2015	8.5500	8.5500	7.2780	0.3842	0.3658	0.3000	4.9900	3.6500	16.9680	25.5180
2014	7.1000	7.1000	7.2650	0.4110	0.3818	0.3000	4.9900	3.6500	16.9978	24.0978
2013	7.1000	7.1000	7.6980	0.4289	0.3928	3.6000	4.9900	3.6500	20.7597	27.8597
2012	7.1000	7.1000	7.8130	0.4363	0.3928	5.8745	5.2500	3.6500	23.4166	30.5166

Source: Highlands County Property Appraiser.

Notes:

The County's basic property tax rate may be increased only by a majority vote of the Board of County Commissioners.

^a Overlapping rates are those of local and county governments that apply to property owners within Highlands County. Not all overlapping rates apply to all Highlands County property owners.

**HIGHLANDS COUNTY, FLORIDA
PRINCIPAL PROPERTY TAX PAYERS
CURRENT FISCAL YEAR AND NINE YEARS PRIOR**

Taxpayer	Type of Business	Fiscal Year 2021			Fiscal Year 2012		
		Assessed Value	Rank	Percentage of Total County Assessed Value	Assessed Value	Rank	Percentage of Total County Assessed Value
Duke Energy f/k/a Progress Energy	Electric Utility	\$ 171,576,512	1	2.01%	\$ 106,700,370	1	1.49%
FLA Gas Transmission Co	Gas System	80,734,224	2	0.95%	91,619,533	2	1.28%
Tanglewood Investors Limited	Real Estate	52,658,789	4	0.62%	32,665,981	7	0.46%
Sebring Airport Authority	Industrial/Entertainment	49,118,898	3	0.57%	60,887,913	3	0.85%
Blue Head Land & Cattle Co LLC	Agriculture	45,506,225	5	0.53%	-	-	-
Glades Electric Coop Inc.	Electric Utility	45,006,296	6	0.53%	38,715,781	6	0.54%
Gulfstream Natural Gas Sys LLC	Gas System	41,965,066	7	0.49%	57,767,300	4	0.81%
Embarq-Florida Inc.	Telephone Services	29,295,010	8	0.34%	29,996,100	8	0.42%
Lykes Bros Inc.	Cattle & Citrus	28,999,278	9	0.34%	54,549,904	5	0.76%
Sun Comm Acquisitions LLC	Real Estate	24,886,545	10	0.29%	-	-	-
Highlands County Hospital	Hospital	-	-	-	27,968,264	9	0.39%
Walmart	Retail	-	-	-	25,060,608	10	0.35%
Total Assessed Value of Ten Largest Taxpayers		569,746,843		6.67%	525,931,754		7.35%
Total Assessed Value of All Other Taxpayers		7,973,269,611		93.33%	6,649,022,664		92.65%
Total Assessed Value of All Taxpayers		<u>\$ 8,543,016,454</u>		<u>100.00%</u>	<u>\$ 7,174,954,418</u>		<u>100.00%</u>

Source: Highlands County Property Appraiser.

Note: The assessed value includes real and personal property.

**HIGHLANDS COUNTY, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year	Taxes Levied for the Fiscal Year ^a (Original Levy)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years ^b	Total Collections to Date ^b	
		Amount ^b	Percentage of Original Levy		Amount	Percentage of Original Levy
2021	\$ 45,622,580	N/A	N/A	N/A	N/A	N/A
2020	43,194,901	N/A	N/A	N/A	N/A	N/A
2019	41,350,592	N/A	N/A	N/A	N/A	N/A
2018	40,713,868	N/A	N/A	N/A	N/A	N/A
2017	39,596,821	\$ 38,268,827	96.65%	\$ -	\$ 38,268,827	96.65%
2016	38,503,428	37,129,634	96.43%	78,509	37,208,143	96.64%
2015	38,168,421	36,841,599	96.52%	82,693	36,924,293	96.74%
2014	32,330,893	30,487,500	94.30%	78,347	30,565,848	94.54%
2013	32,289,547	31,226,552	96.71%	99,762	31,326,313	97.02%
2012	33,440,571	32,238,611	96.41%	793,319	33,031,930	98.78%

Source: Highlands County Property Appraiser.

Notes:

^a Property taxes become due and payable on November 1 of each year. A 4% discount is allowed if taxes are paid in November, with the discount declining by one percent each month thereafter. Accordingly, taxes collected will never be 100% of the tax levy. Taxes become delinquent on April 1 of each year and tax certificates for the full amount of any unpaid taxes must be sold no later than June 1 of each year.

Property taxes receivable and a corresponding reserve for uncollectible property taxes are not included in the financial statements as there are no delinquent taxes as of September 30, 2021.

Information regarding the Original Levy was obtained from the Property Appraiser.

^b Information was obtained from the Tax Collector's Recapitulation of the Tax Roll report. Data for 2018, 2019, 2020 and 2021 was not available.

HIGHLANDS COUNTY, FLORIDA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities					Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita	Personal Income	Population
	General Obligation Bonds	Notes Payable	Revenue Certificates	Mortgage Payable	Capital Leases	Notes Payable	Capital Leases					
2021	\$ -	\$ 19,553,596	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,553,596	N/A	N/A	N/A	N/A
2020	-	22,714,207	-	-	-	-	-	22,714,207	17.44%	213	\$ 3,962,441	\$ 106,639
2019	-	25,042,643	-	-	845,909	-	-	25,888,552	14.08%	244	3,646,058	105,890
2018	-	21,008,750	-	-	1,678,578	-	-	22,687,328	15.21%	217	3,451,815	104,453
2017	-	22,404,315	-	-	2,892,365	60,596	-	25,357,276	13.50%	244	3,422,997	103,828
2016	-	23,768,018	15,000	-	4,172,062	296,472	97,790	28,349,342	11.52%	278	3,266,766	102,058
2015	-	25,085,303	30,000	-	5,488,070	522,271	192,879	31,318,523	10.14%	313	3,175,079	100,204
2014	-	9,996,456	45,000	-	6,829,624	738,423	285,343	17,894,846	16.94%	182	3,030,704	98,363
2013	-	11,526,895	60,000	-	8,076,685	945,342	375,254	20,984,176	13.96%	214	2,929,161	98,118
2012	-	12,870,317	75,000	-	93,561	1,311,594	-	14,350,472	20.80%	146	2,984,417	98,224

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

**HIGHLANDS COUNTY, FLORIDA
OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
SEPTEMBER 30, 2021**

	Debt Outstanding	Estimated Percentage Applicable ^a	Estimated Share of Overlapping Debt
Direct Debt			
Notes Payable	\$ 19,553,596	100%	\$ 19,553,596
Total Direct Debt	19,553,596		19,553,596
Overlapping Debt			
Highlands County School Board:			
Bonds Payable	2,895,000	100%	2,895,000
Certificates of Participation	35,800,000	100%	35,800,000
South Florida Water Management District:			
Certificates of Participation	320,575,000	14%	45,531,487
Total Overlapping Debt	359,270,000		84,226,487
Total Direct and Overlapping Debt	\$ 378,823,596		\$ 103,780,083

Source: Debt outstanding data provided by each respective agency.

Notes:

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Highlands County. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

^a The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the taxable assessed value that is within the government's boundaries and dividing it by the County's total taxable assessed value.

**HIGHLANDS COUNTY, FLORIDA
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS**

Infrastructure Sales Surtax Pledged Revenue Coverage					
Fiscal Year	Infrastructure Sales Surtax Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2021	\$ 11,634,496	\$ 2,685,000	\$ 313,711	\$ 2,998,711	3.88
2020	9,952,249	2,200,744	361,928	2,562,672	3.88
2019	9,766,713	1,725,366	399,322	2,124,688	4.60
2018	9,811,985	1,383,363	426,446	1,809,809	5.42
2017	9,072,162	1,351,833	450,352	1,802,185	5.03
2016	9,128,971	1,295,755	465,995	1,761,750	5.18
2015	8,646,980	1,550,112	200,478	1,750,590	4.94
2014	8,104,375	1,509,888	234,169	1,744,057	4.65
2013	7,690,604	1,465,066	266,974	1,732,040	4.44
2012	7,413,352	1,405,630	298,654	1,704,284	4.35

Notes:

Details regarding the County's outstanding debt can be found in the notes to the financial statements.

The 2010 Infrastructure Sales Surtax Revenue Note and 2005 Infrastructure Sales Surtax Revenue Note are serviced from and secured by designated revenues derived from the County's share of the one cent local discretionary infrastructure sales surtax.

**HIGHLANDS COUNTY, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

<u>Year</u>	<u>Population^a</u>	<u>Total Personal Income^a (in thousands)</u>	<u>Per Capita Personal Income^a</u>	<u>Public School Enrollment^b</u>	<u>Unemployment Rate^c</u>
2021	-	\$ -	\$ -	12,119	5.70%
2020	106,639	3,962,441	37,158	12,047	5.90%
2019	105,890	3,646,058	34,433	11,993	4.30%
2018	104,453	3,451,815	33,047	12,308	4.20%
2017	103,828	3,422,997	32,968	12,513	4.80%
2016	102,058	3,266,766	32,009	12,296	6.90%
2015	100,204	3,175,079	31,686	12,481	7.40%
2014	98,363	3,030,704	30,726	12,059	8.20%
2013	98,118	2,929,161	29,853	12,202	9.40%
2012	98,244	2,984,417	30,378	12,070	10.30%

Notes:

^a Information was provided by the U.S. Department of Commerce, Bureau of Economic Analysis.

^b Information was provided by the Highlands County School Board.

^c Information was provided by the Florida Research and Economic Information Database.

**HIGHLANDS COUNTY, FLORIDA
PRINCIPAL EMPLOYERS
CURRENT FISCAL YEAR AND NINE YEARS PRIOR**

Employer	2021			2012		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Advent Health f/k/a Florida Hospital	1,639	1	4.49%	1,500	2	3.76%
Highlands County School Board	1,599	2	4.38%	1,582	1	3.97%
Wal-Mart	935	3	2.56%	796	3	2.00%
Publix	522	4	1.43%	-		0.00%
South Florida State College	421	5	1.15%	-		0.00%
Alan Jay Automotive	400	6	1.10%	250	10	0.63%
Avon Park Correctional Institute	391	7	1.07%	-		0.00%
Costa Farms	388	8	1.06%	-		0.00%
Highlands County Board of County Commissioners	381	9	1.04%	360	6	0.90%
Highlands County Sheriff's Office	371	10	1.02%	349	8	0.88%
DelRay Plants	-		0.00%	350	7	0.88%
The Results Company f/k/a Agero	-		0.00%	600	4	1.51%
Highlands Regional Medical Center	-		0.00%	413	5	1.04%
The Palms of Sebring	-		0.00%	257	9	0.64%
Total	<u>7,047</u>		<u>19.30%</u>	<u>6,457</u>		<u>16.21%</u>
Labor Force Employed	36,477			39,860		

Source: Top Employee information was provided by the Highlands County Economic Development Commission. Labor force employee numbers were obtained from the Florida Research and Economic Database.

*** Information not available.

HIGHLANDS COUNTY, FLORIDA
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function	Full-Time Equivalent Employees as of September 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
GENERAL GOVERNMENT										
Legislative	5	5	5	5	5	5	5	5	5	5
Executive	4	5	5	4	4	5	6	5	4	4
Financial and Administrative	133	135	129	124	124	116	119	122	127	121
Comprehensive Planning	5	4	4	5	5	5	6	6	5	5
Other General Government	28	24	26	26	24	27	27	27	27	31
PUBLIC SAFETY										
Law Enforcement	237	243	243	244	232	220	216	216	205	219
Fire Control	36	29	32	16	13	14	16	13	19	17
Detention / Correction	107	112	111	110	106	108	104	99	111	118
Protective Inspection	18	17	18	16	13	16	15	15	16	15
Emergency and Disaster	6	9	7	4	5	4	6	6	6	6
Ambulance and Rescue	62	69	65	63	66	61	57	64	64	64
Other Public Safety	5	6	5	3	3	3	2	2	2	2
PHYSICAL ENVIRONMENT										
Water Utility Services	16	17	19	16	21	19	20	21	22	22
Conservation and Rescue	14	13	16	14	13	14	14	14	12	12
TRANSPORTATION										
Road and Street Facilities	120	107	120	120	112	113	107	112	111	111
ECONOMIC ENVIRONMENT										
Housing	1	1	1	1	1	1	1	1	1	1
Veteran Services	4	3	3	3	3	3	3	3	3	3
Other	3	3	3	3	3	2	1	2	2	2
HUMAN SERVICES										
Health	8	6	8	8	8	8	8	7	9	8
Welfare	1	1	1	1	1	7	9	10	10	7
Other Human Services	-	-	1	1	1	-	-	-	-	-
CULTURE AND RECREATION										
Libraries	20	19	16	16	14	16	18	17	18	18
Parks and Recreation	16	17	16	17	18	18	18	18	18	14
COURT RELATED										
Court General Administration	23	21	19	23	21	22	14	9	11	15
Circuit Court Criminal	5	4	4	5	5	6	6	7	8	5
Circuit Court Civil	4	4	4	3	3	4	4	4	4	3
Circuit Court Family	10	9	10	8	9	9	9	6	9	8
Circuit Court Juvenile	5	4	5	3	3	3	2	3	4	4
Court General Operations	6	6	9	9	8	7	16	11	11	12
County Court Traffic	6	4	6	6	6	7	7	7	7	6
Total	<u>908</u>	<u>897</u>	<u>911</u>	<u>877</u>	<u>850</u>	<u>843</u>	<u>836</u>	<u>832</u>	<u>851</u>	<u>858</u>

HIGHLANDS COUNTY, FLORIDA OPERATING INDICATORS BY FUNCTION

Function / Program	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
GENERAL GOVERNMENT										
New Hires	68	52	89	66	46	46	50	54	48	27
Purchase Orders Issued	1,693	1,687	1,681	1,708	1,910	1,518	1,629	1,696	1,804	1,764
Comp Plan Amendments	19	10	7	5	7	15	13	2	3	6
IT Work Orders Completed	17,317	17,050	15,636	17,676	14,636	8,917	9,778	9,205	7,567	5,605
IT Users Served	689	650	650	650	650	650	650	650**	812	801
PUBLIC SAFETY										
Emergency Medical Services:										
Emergency 911 Call Volume:										
Fire/Rescue Calls	29,813	19,292	20,629	****	****	****	****	****	****	****
EMS Calls	****	****	****	17,089	17,365	16,546	15,696	14,814	14,645	14,782
Fire Department Calls	****	****	****	3,914	11,002	9,337	8,174	7,412	7,442	7,204
Average EMS Response Time (in Minutes)	7.54	7.20	7.23	7.02	7.06	8.04	7.99	7.15	6.80	6.78
Air Medical Service (Number of Flights)	143	188	212	135	116	104	108	106	88	122
Sheriff:										
Arrests Made	2,099	2,054	3,570	3,699	3,258	4,474	5,489	6,014	4,431	4,845
Traffic Citations Issued	4,376	2,466	3,888	2,040	2,116	2,349	3,244	3,188	4,534	5,501
Detentions and Correction:										
Jail Average Daily Population	453	397	460	417	423	379	387	399	399	422
Building Department:										
Permits Issued	9,080	7,014	6,820	11,339	5,598	5,407	4,745	4,185	3,651	3,508
Inspections Performed	17,585	13,216	14,431	19,685	9,430	7,527	7,527	6,210	5,390	5,179
Zoning Department:										
Code Enforcement Complaints Received	1,282	2,691	2,142	1,975	2,818	2,222	1,552	2,272	2,875	3,333
Code Enforcement Inspections Performed	5,617	5,329	3,623	3,347	4,219	4,106	4,050	4,664	5,618	6,103
PHYSICAL ENVIRONMENT										
Recycled Waste (Tons)	389	2,200	3,366	5,528	3,614	2,391	2,563	2,737	3,014	2,791
Landfill Waste:										
Residential Household Waste (Tons)	45,497	44,450	37,960	37,954	37,575	39,411	37,609	36,189	37,449	38,394
Commercial Waste (Tons)	42,158	39,285	36,506	38,443	30,975	28,238	26,856	28,763	28,014	27,956
TRANSPORTATION										
Miles of Road Constructed	0.29	4.31	-	-	0.10	-	0.31	2.12	0.18	0.09
Miles of Road Reconstructs	0.13	132.42	0.06	-	1.10	1.54	1.38	1.39	0.48	0.61
Miles of Road Resurfaced	35.01	67.00	22.39	8.09	30.81	31.30	34.95	31.30	31.39	36.44

HIGHLANDS COUNTY, FLORIDA

OPERATING INDICATORS BY FUNCTION (CONTINUED)

Function / Program	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
ECONOMIC ENVIRONMENT										
Down Payment Assistance Loan Program	***	***	***	***	***	***	***	***	***	***
Veterans' Services:										
In Office Visits	1,600	1,400	4,905	5,043	5,291	***	5,032	4,717	5,986	6,747
Phone Calls Received	12,292	12,300	10,503	7,990	7,264	***	19,200	19,200	24,729	26,583
Home Visits	-	-	5	5	12	***	3	6	***	***
Transportation Trips	-	125	250	242	242	***	89	74	80	***
Presentations	25	40	52	29	30	***	110	104	289	266
HUMAN SERVICES										
Animal Services:										
Number of Complaints Received *	5,216	4,486	5,603	5,373	2,994	7,359	8,553	8,442	7,030	8,067
Number of Impoundments *	2,955	2,678	3,531	3,035	1,726	3,316	3,547	3,433	3,593	4,928
Animals Reclaimed *	292	243	268	285	118	340	412	371	229	283
Animals Adopted *	214	185	329	434	139	451	601	557	277	322
Animals Donated to Humane Society *	1,335	1,240	1,323	1,046	420	1,277	***	713	771	938
Animals Euthanized *	806	731	1,225	1,038	616	1,146	1,441	1,798	2,232	2,925
Wildlife Relocated	***	***	52	***	***	***	***	104	***	297
Transportation Trips for Disadvantaged Persons	52,560	64,316	74,525	72,219	78,334	92,039	100,123	126,472	74,172	73,147
CULTURE AND RECREATION										
Library Operations:										
Registered Borrowers in Highlands County	91,143	89,250	88,030	20,409	18,736	20,218	19,846	20,320	21,178	11,830
Library Visitors	118,467	136,564	233,161	248,481	269,095	284,480	287,573	284,785	278,277	290,139
Items Circulated:										
Adult	175,345	172,284	233,352	281,953	295,853	354,156	305,349	253,187	260,875	267,294
Children	77,895	68,059	111,532	104,319	122,681	123,069	119,176	94,354	89,103	87,032
Adult Programs:										
Number of Programs	17	95	159	247	510	414	392	237	189	251
Number of Attendees	150	1,198	2,202	2,263	4,187	2,766	3,259	1,821	1,385	1,963
Children's Programs:										
Number of Programs	109	117	229	205	226	287	195	319	197	251
Number of Attendees	1,980	3,262	3,124	2,681	3,242	3,736	3,120	2,875	3,734	4,056
Volunteer Hours	3,621	2,825	5,164	6,058	5,435	5,425	5,204	2,103	4,304	6,140
Library Webpage Visits	145,745	186,041	230,313	919,587	1,087,095	1,226,146	***	353,182	215,303	207,842
Public Internet Usage (Hours)	23,222	10,702	33,962	194,178	105,715	25,165	35,341	46,595	50,881	54,619
Park Rentals:										
H. L. Bishop	28	29	61	64	32	49	52	47	29	48
Boat Ramps Maintained	38	38	38	38	38	38	38	38	38	38

**HIGHLANDS COUNTY, FLORIDA
OPERATING INDICATORS BY FUNCTION (CONTINUED)**

Function / Program	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
COURT RELATED										
Cases in Court	13,864	15,948	26,955	27,557	26,840	26,967	29,806	30,953	29,831	30,704
Individuals thru Security	54,355	52,611	106,396	100,996	124,283	111,171	125,991	130,060	122,695	146,858

Sources: Information was obtained from various County departments.

* For 2017 these numbers represent the time period of April 2017 through September 2017. Information for the remainder of the fiscal year is not available due to a transition of Animal Services to the Sheriff's Office.

** Methodology for calculating number of IT Users changed in 2014.

*** Information not available.

**** As of January 1, 2019, all EMS and Fire calls became combined into Fire/Rescue calls

HIGHLANDS COUNTY, FLORIDA CAPITAL ASSETS BY FUNCTION

Function / Program	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
GENERAL GOVERNMENT										
IT Networked Buildings	54	54	54	46	42	43	43	43	43	39
PUBLIC SAFETY										
EMS Vehicles:										
Ambulances	12	14	12	13	15	14	12	12	12	12
Jaws	17	17	2	2	1	2	2	2	2	2
Administrative	7	7	6	5	3	3	2	2	2	2
Paid/Volunteer Fire Stations:	17	17	17	17	17	17	*	*	*	*
Sheriff:										
Stations	1	1	1	1	1	1	1	1	1	1
Sub-Stations	3	3	3	3	4	4	3	5	5	5
Patrol Vehicles	165	144	144	129	110	97	103	104	104	99
Command Center	2	1	1	1	1	3	3	1	1	1
Special Operations Vehicle	2	3	3	2	4	4	3	3	3	2
Aircraft	-	1	1	1	1	1	1	1	1	1
Watercraft	3	3	3	3	3	3	3	4	4	4
Correction Facility Capacity	504	504	504	504	504	504	504	504	504	504
TRANSPORTATION										
Miles of County Road:										
Paved	938	1,003	999	998	998	998	1,010	1,010	1,007	998
Unpaved	189	194	198	200	197	197	217	215	213	220
Number of Airports	2	2	2	2	3	3	3	3	3	3
CULTURE AND RECREATION										
Number of County Libraries	3	3	3	3	3	3	3	3	3	3
Library Books	222,189	257,241	253,678	245,326	233,238	206,601	236,135	245,123	148,506	219,767
Library Audio Materials	7,451	9,888	9,652	*	9,252	17,941	18,284	12,261	7,967	11,202
Library Video Materials	23,129	32,537	28,380	12,519	26,637	20,886	22,555	31,378	19,799	21,169
Number of County Boat Ramps	38	38	38	38	38	38	38	38	38	38
Number of County Parks	45	45	45	45	45	45	45	45	45	45
Parks with Playgrounds	4	4	4	4	4	4	4	4	5	4
Parks with Baseball/Softball Fields	10	10	10	10	10	10	10	10	10	6
Park Acreage (Estimated):										
Developed	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465
Undeveloped	30.67	30.67	30.67	30.67	30.67	30.67	30.67	30.67	30.67	30.67

Sources: Information was obtained from various County departments.

* Information not available



Compliance Section

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

Federal / State Agency Federal Program / State Project	Assistance Listing Number	Pass-Through Entity Identifying Number	Amounts Passed Through To Subrecipients	Expenditures
FEDERAL AWARDS				
U.S. Department of Justice				
Direct Programs				
Public Safety Partnership and Community Policing Grants	16.710	2017UMWX0138	\$ -	\$ 48,547
Public Safety Partnership and Community Policing Grants	16.710	2020UMWX0104	-	73,865
Total Public Safety Partnership and Community Policing Grants			-	122,412
JAG Program				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-JAGC-HIGH-2-5R-042	-	59,159
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-DJ-BX-0069	-	16,890
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2021-JAGC-HIGH-1-Y5-174	-	49,487
Total Edward Byrne Memorial Justice Assistance Grant Program			-	125,536
Pass-Through from Florida Attorney General				
Crime Victim Assistance	16.575	VOCA-2020-HCSO-00793	-	133,704
Pass-Through from Florida Department of Law Enforcement				
Residential Substance Abuse Treatment for State Prisoners	16.593	2021-RSAT-HIGH-1-H7-005	-	82,500
Total U.S. Department of Justice			-	464,152
U.S. Department of Transportation				
Pass-Through from Florida Department of Transportation:				
Highway Planning and Construction	20.205	431343-1-38-01	-	324,592
Highway Planning and Construction	20.205	433203-1-38-01	-	339,798
Highway Planning and Construction	20.205	435067-1-3/58/68-01	-	109,936
Highway Planning and Construction	20.205	441739	-	25,475
Total Highway Planning and Construction Cluster			-	799,801
Total U.S. Department of Transportation			-	799,801
U.S. Department of Treasury				
Pass-Through from Florida Department of Emergency Management:				
COVID-19 Coronavirus Relief Funds	21.019	Y2270	-	14,757,318
Pass-Through from Florida Housing Finance Corporation:				
COVID-19 Coronavirus Relief Funds	21.019	061-2020	-	307,032
Total COVID-19 Coronavirus Relief Funds			-	15,064,350
Direct Programs				
COVID-19-Coronavirus State and Local Fiscal Recovery Funds	21.027	1505-0127	-	21,031
Total U.S. Department of Treasury			-	15,085,381
U.S. Election Assistance Commission				
Pass-Through from Florida Division of Elections:				
Help America Vote Act Requirements Payments	90.404	2020-001-HIG	-	628
Help America Vote Act Requirements Payments	90.404	2021-001-HIG	-	63,411
Total Help America Vote Act Requirements Payments			-	64,039
Total U.S. Election Assistance Commission			-	64,039
U.S. Department of Health and Human Services				
Direct Programs				
COVID-19-Provider Relief Fund	93.498	HHS-13841142389	-	133,378
Pass-Through from Ounce of Prevention Fund of Florida, Inc.:				
Promoting Safe and Stable Families	93.556	HF-18-19-42	-	11,132
Promoting Safe and Stable Families	93.556	HF-21-22-42	-	4,947
Total Promoting Safe and Stable Families			-	16,079
Temporary Assistance for Needy Families	93.558	HF-18-19-42	-	71,634
Temporary Assistance for Needy Families	93.558	HF-21-22-42	-	31,833
Total Temporary Assistance for Needy Families Cluster			-	103,467
Pass-Through U.S. Agency for Children and Families and				
Office of Child Support Enforcement, Florida Department of Revenue:				
Child Support Enforcement	93.563	COC28	-	354,129
Total U.S. Department of Health and Human Services			-	607,053

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

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

Federal / State Agency Federal Program / State Project	Assistance Listing Number	Pass-Through Entity Identifying Number	Amounts Passed Through To Subrecipients	Expenditures
FEDERAL AWARDS (CONTINUED)				
Department of Homeland Security				
Pass-Through from Florida Division of Emergency Management:				
Emergency Management Performance Grants	97.042	G0136	\$ -	\$ 59,583
Emergency Management Performance Grants	97.042	G0172	-	<u>11,510</u>
Total Emergency Management Performance Grants			-	71,093
COVID-19-Assistance to Firefighters Grant Program	97.044	EMW-2020-FG-02723	-	<u>75,636</u>
Total Department of Homeland Security			-	<u>146,729</u>
Total Expenditures of Federal Awards			<u>\$ -</u>	<u>\$ 17,167,155</u>

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

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

Federal / State Agency Federal Program / State Project	CSFA Number	Grant Contract Number	Amounts Passed Through To Subrecipients	Expenditures
STATE FINANCIAL ASSISTANCE				
Florida Department of Economic Opportunity				
Enterprise Florida, Inc. - Rural Toolkit Site Preparedness Grant	40.003	G-03295	\$ -	\$ 25,000
Enterprise Florida, Inc. - Rural Toolkit Marketing Grant	40.003	G-03294	-	5,000
Total Enterprise Florida, Inc. Program			-	30,000
Florida Sports Foundation Grant	40.040	178088732	-	6,256
Florida Sports Foundation Grant	40.040	189983325	-	3,560
Florida Sports Foundation Grant	40.040	190083134	-	5,000
Total Florida Sports Foundation Grant			-	14,816
Total Florida Department of Economic Opportunity			-	44,816
Florida Department of Environmental Protection				
Small County Consolidated Waste Grants	37.012	SC115	-	158,379
Total Florida Department of Environmental Protection			-	158,379
Florida Department of State & Secretary of State				
State Aid to Libraries	45.030	18-ST-16	-	192,350
Historic Preservation Grants	45.031	21.h.sm.200.046	-	19,720
Total Florida Department of State & Secretary of State			-	212,070
Florida Executive Office of the Governor				
Emergency Management Programs	31.063	G0136	-	105,806
Emergency Management Projects	31.067	T0034	-	2,503
Emergency Management Projects	31.067	T0079	-	2,572
Total Emergency Management Projects			-	5,075
Total Florida Executive Office of the Governor			-	110,881
Florida Housing Finance Corporation				
State Housing Initiatives Partnership (SHIP) Program	40.901	N/A	-	38,884
Total Florida Housing Finance Corporation			-	38,884
Florida Department of Transportation				
County Incentive Grant Program	55.008	429841-1-54-01	-	3,760,057
County Incentive Grant Program	55.008	433553-1-54-01	-	1,537,063
Total County Incentive Grant Program			-	5,297,120
Small County Outreach Program	55.009	436644-1-54-01	-	15,851
Small County Road Assistance Program	55.016	440447-1-54-01	-	1,972,560
Small County Road Assistance Program	55.016	436643-1-54-01	-	1,910
Total Small County Road Assistance Program			-	1,974,470
Total Florida Department of Transportation			-	7,287,441
Florida Department of Health				
County Grant Awards	64.005	C6028	-	341
County Grant Awards	64.005	C8028	-	2,160
County Grant Awards	64.005	C9028	-	16,968
Total County Grant Awards			-	19,469
Total Florida Department of Health			-	19,469
Florida Department of Highway Safety and Motor Vehicles				
Child Abuse Prevention and Intervention License Plate Project	76.067	N/A	-	140
Child Abuse Prevention and Intervention License Plate Project	76.067	N/A	-	70
Child Abuse Prevention and Intervention License Plate Project	76.067	20-21-LPVC-CAC-23	-	2,039
Total Florida Department of Highway Safety and Motor Vehicles			-	2,249
Florida Department of Legal Affairs and Attorney General				
FL Network of Children's Advocacy Centers	41.031	20/21-GR-CAC23	-	37,168
FL Network of Children's Advocacy Centers	41.031	21/22-GR-CAC23	-	12,010
Total Florida Department of Legal Affairs and Attorney General			-	49,178
Total State Financial Assistance			\$ -	\$ 7,923,367

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

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

NOTE 1 BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) includes the federal award and state financial assistance activity of Highlands County, Florida (County) under programs of the federal government and State of Florida for the year ended September 30, 2021. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and Chapter 69I-5, Rules of the Florida Department of Financial Services. Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting for awards and financial assistance recorded in governmental funds and the accrual basis of accounting for awards and financial assistance recorded in the proprietary funds, which are described in Note 1 to the County's basic financial statements. Such expenditures are recognized following the cost principles in contained in the Uniform Guidance for all awards, with the exception of assistance listing number 21.019, which follows criteria determined by the Department of Treasury for allowability of costs. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement.

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

NOTE 3 CONTINGENCIES

Grant monies received and disbursed by the County are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the County does not believe that such disallowances, if any, would have a material effect on the financial position of the County. As of March 11, 2022, there were no material questioned or disallowed costs as a result of grant audits in process or completed.

HIGHLANDS COUNTY, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE (CONTINUED)
SEPTEMBER 30, 2021

NOTE 4 OUNCE OF PREVENTION MATCH

In addition to the amounts listed on the Schedule, the County received additional funding from the State of Florida as a match for certain Federal programs. The amounts listed below represent the funding provided by the State of Florida as a match to the specified Federal programs.

Federal Agency Federal Program	Assistance Listing Number	Pass-Through Entity Identifying Number	Expenditures
State Matching Monies			
Pass-Through from Ounce of Prevention Fund of Florida, Inc.:			
Promoting Safe and Stable Families	93.556	HF-18-19-42	\$ 3,773
Promoting Safe and Stable Families	93.556	HF-21-22-42	<u>1,677</u>
Total Promoting Safe and Stable Families			5,450
Temporary Assistance for Needy Families	93.558	HF-18-19-42	127,911
Temporary Assistance for Needy Families	93.558	HF-21-22-42	<u>56,842</u>
Total Temporary Assistance for Needy Families Cluster			<u>184,753</u>
Total State Matching Monies			<u>\$ 190,203</u>



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

Board of County Commissioners
Highlands County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Highlands County, Florida (County), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 11, 2022.

Internal Control Over Financial Reporting

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

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

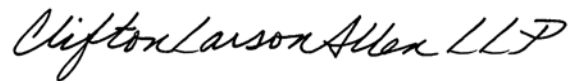
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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

Purpose of this Report

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

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

CliftonLarsonAllen LLP

Sebring, Florida
March 11, 2022



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Board of County Commissioners
Highlands County, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited Highlands County, Florida's (County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, and the requirements described in the Florida Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs and state projects for the year ended September 30, 2021. The County's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal awards and state projects applicable to its federal programs and state projects.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General for Local Governmental Entity Audits. Those standards, Uniform Guidance, and Chapter 10.550, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our qualified and unmodified opinions on compliance for major federal programs and state projects. However, our audit does not provide a legal determination of the County's compliance.

Basis for Qualified Opinion on Coronavirus Relief Funds

As described in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding Assistance Listing Number 21.019 Coronavirus Relief Funds as described in finding 2021-001 for reporting. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

Qualified Opinion on Coronavirus Relief Funds

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion* paragraph, 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 Coronavirus Relief Funds for the year ended September 30, 2021.

Unmodified Opinion on Each of the Other Major Federal Programs and State Projects

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 other major federal programs and state projects identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended September 30, 2021.

Other Matters

The County's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as 2021-001 that we consider to be a material weakness.

The County's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

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

CliftonLarsonAllen LLP

Sebring, Florida
March 11, 2022

**HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL PROGRAMS AND STATE PROJECTS
YEAR ENDED SEPTEMBER 30, 2021**

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? x yes _____ no
 - Significant deficiency(ies) identified? _____ yes x none reported
2. Type of auditors' report issued on compliance for major federal programs: Qualified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? x yes _____ no

Identification of Major Federal Programs

Assistance Listing Number(s)

21.019
20.205

Name of Federal Program or Cluster

COVID-19 Coronavirus Relief Funds
Highway Planning and Construction Cluster

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

_____ yes x no

**HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL PROGRAMS AND STATE PROJECTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2021**

Section I – Summary of Auditors' Results (Continued)

State Financial Assistance

1. Internal control over state projects:

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

2. Type of auditors' report issued on compliance for state projects: Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with Chapter 10.557, Rules of the Auditor General? _____ yes x no

Identification of Major State Projects

CSFA Number(s)

55.008

Name of State Project

County Incentive Grant Program

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

\$ 750,000

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing standards*.

**HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL PROGRAMS AND STATE PROJECTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs

2020-001 – Reporting

Federal agency: Department of the Treasury

Federal program title: COVID-19 Coronavirus Relief Funds

Assistance Listing Number: 21.019

Pass-Through Agency: Florida Division of Emergency Management

Pass-Through Number: Y2270

Award Period: 03/01/2020 – 12/30/2021

Type of Finding:

- Material Weakness in Internal Control over Compliance
- Noncompliance

Criteria or specific requirement: 2 CFR Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) requires compliance with reporting provisions. The County should have internal controls in place to ensure compliance with those provisions. The County's funding agreement with the Florida Division of Emergency Management (FDEM) required submission of quarterly reports and a close-out report. These reports should have included the status and progress of the expenditure of funds, in addition to any other information requested by FDEM. Quarterly reports were due to FDEM no later than 15 days after the end of each quarter of the program year and were to be submitted each quarter until submission of the administrative close-out report.

Condition: The County was unable to provide documentation that reports were submitted.

Questioned costs: None.

Context: The reports were submitted electronically through a portal maintained by FDEM. Copies of the reports were not available for audit.

Cause: The County did not retain copies or screen shots of the reports submitted to the portal, and the portal does not have functionality to provide copies of prior submissions.

Effect: If all required reports are not completed in an accurate and timely manner, the grantor may withhold further payments.

Repeat Finding: No.

Recommendation: We recommend retaining copies of reports submitted to document compliance with grant requirements. When reports are submitted electronically, the County should retain screen shots of the information input along with evidence of the date and time of submission.

**HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL PROGRAMS AND STATE PROJECTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Views of responsible officials: We agree that we were unable to provide documentation related to the quarterly and close out reports when requested by the auditors because they no longer exist. The Florida Cares Act Management System was the portal used to submit the required supporting documentation for Coronavirus Relief Fund (CRF) programs. We recognize it is critical for the assigned grant administrators to understand the compliance and reporting requirements for all grants. The County has established procedures through the Legislative Affairs & Grants Coordinator for report submittals and grant tracking to ensure that documentation is timely and is retained by the respective departments.

Section IV – Findings and Questioned Costs – Major State Projects

Our audit did not disclose any matters required to be reported in accordance with Chapter 10.550, Rules of the Auditor General.



MANAGEMENT LETTER

Board of County Commissioners
Highlands County, Florida

Report on the Financial Statements

We have audited the financial statements of Highlands County, Florida (County), as of and for the fiscal year ended September 30, 2021 and have issued our report thereon dated March 11, 2022.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control Over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 11, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition and Management

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

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

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

Special District Component Units

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

Specific Information (For a dependent special district or an independent special district, or a local government entity that includes the information of a dependent special district)

The information required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, is included in Attachment A to this letter.

Specific Information (For an independent special district that imposes ad valorem special taxes)

There are no special districts included in the reporting entity that are imposing ad valorem taxes and are required to report under Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General.

Specific Information (For an independent special district that imposes non-ad valorem special assessments)

The information required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, is included in Attachment A to this letter.

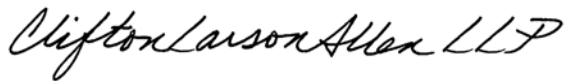
Additional Matters

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

Board of County Commissioners
Highlands County, Florida

Purpose of this Letter

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

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

CliftonLarsonAllen LLP

Sebring, Florida
March 11, 2022

Management Letter Special District Specific Information Attachment A

Special District	The total number of district employees compensated in the last pay period of the district's fiscal year as:	The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as:	All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as:	All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as:	Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as (provide list):	The rate or rates of non-ad valorem special assessments imposed by the District as:	The total amount of special assessments collected by or on behalf of the district as:	The total amount of outstanding bonds issued by the district and the terms of such bonds as:
Lake Placid Sun-N-Lake Estates Fire District	-	- \$	- \$	- \$	424,389	N/A	\$ 15,020	\$ -
DeSoto City Special Benefit Fire District	-	- \$	- \$	- \$	-	N/A	\$ -	\$ -
Orange Villa Special Benefit District	-	- \$	- \$	- \$	-	\$48.00/Per home site	\$ 1,818	\$ -
Hickory Hills Special Benefit District	-	- \$	- \$	220 \$	-	\$0.00/Lot	\$ 1,377	\$ -
Placid Lakes Special Benefit District	1 FTE @ 37.50%	7 \$	17,083 \$	173,546 \$	-	\$20.00/lot or fraction thereof	\$ 175,898	\$ -
Sebring Country Estates Special Benefit District	-	- \$	- \$	- \$	-	\$18.00/Improved lot	-	-
Avon Park Estates Special Benefit District	-	- \$	- \$	- \$	-	\$6.00/Unimproved lot	\$ 20,670	\$ -
Highlands Lakes Special Tax District	-	- \$	- \$	- \$	107,657	\$40.00/Lot or fraction thereof	\$ 107,226	\$ -
Highlands Park Special Benefit Fire District	-	- \$	- \$	- \$	-	N/A	\$ 3,384	\$ -
Istokpoga Marsh Watershed Improvement District	-	7 \$	- \$	68,245 \$	-	N/A	\$ 1,698	\$ -
Highlands Park Estates Improvement Trust	-	- \$	- \$	- \$	-	\$8.00/Acre or fraction thereof	\$ 146,004	\$ -
Leisure Lakes Special Benefit Fire District	-	- \$	- \$	- \$	-	N/A	\$ -	\$ -
Sebring Hills Special Benefit District	-	1 \$	- \$	22,705 \$	-	N/A	\$ 12,302	\$ -
Red Hill Farms Improvement District	-	- \$	- \$	- \$	-	\$23.00/per home/or Business improved lot	-	-
Orange Blossom Estates Special Benefit District	N/A	N/A	N/A	N/A	N/A	\$3.00/Vacant lot	\$ 20,054	\$ -
Sun-N-Lakes of Lake Placid Recreation District	1 FTE @ 37.50%	14 \$	17,083 \$	70,038 \$	-	\$15.00/Lot or fraction thereof	\$ 7,429	\$ -
Sebring Acres Special Benefit District	-	- \$	1,376 \$	- \$	-	N/A	N/A	N/A
Orange Blossom (Unit 12) Special Benefit District	N/A	N/A	N/A	N/A	N/A	\$25.00/Buildable lot	-	-
Lake Haven Estates Special Benefit District	-	- \$	- \$	- \$	-	\$12.50/Non-buildable lot	\$ 74,752	\$ -
Lorida Special Benefit Fire District	-	- \$	- \$	29,788 \$	-	\$50.00/Lot or fraction thereof	\$ 10,131	\$ -
Lake Placid Special Benefit Fire District	-	- \$	- \$	- \$	-	N/A	N/A	N/A
Highway Park Special Benefit District	-	- \$	- \$	- \$	-	\$20.00/Improved lot	-	-
Sun-N-Lakes 1-20 Improvement Trust	-	- \$	- \$	- \$	-	\$5.00/Unimproved lot or fraction thereof	\$ 10,344	\$ -
Highlands Park Estates Special Benefit District	1 FTE @ 25.00%	13 \$	11,389 \$	14,868 \$	-	N/A	\$ 1,632	\$ -
West Sebring Special Benefit Fire District	-	2 \$	- \$	45,550 \$	485,228	\$20.00/Improved lot or fraction thereof	-	-
Venus Special Benefit Fire District	-	- \$	- \$	- \$	-	\$10.00/Lot or fraction thereof	\$ 74,160	\$ -
Placid Lakes Special Benefit Fire District	-	- \$	- \$	- \$	-	N/A	\$ 6,155	\$ -
Oak Manor Avenue Road Paving District	-	- \$	- \$	3,240 \$	-	N/A	\$ 63	\$ -
Thunderbird Hill Wastewater Special Benefit District	-	- \$	- \$	- \$	-	\$1.4631/Per front foot of County maintained road frontage	-	-
Highlands County Fire Protection Special Benefit District	78 EE but 39.55 EE when considering salary splits with EMS dept (General Fd)	124 \$	2,063,412 \$	806,159 \$	-	\$6.448/Per front foot of non County maintained road frontage	\$ 4,418	\$ -
						\$40.00/Improved/Residential	-	-
						\$20.00/Unimproved lot/tract or fraction thereof	-	-
						\$40.00/Rental MH Park	\$ 17,160	\$ -
						\$0.0458/Dwelling s.f. (max \$115.00)	-	-
						\$0.06869/Commercial s.f.	-	-
						\$0.06297/Industrial/Warehouse s.f.	-	-
						\$0.06869/Institutional s.f.	-	-
						\$25.18/Parcel	\$ 5,771,854	\$ -



INDEPENDENT ACCOUNTANTS' REPORT

Board of County Commissioners and the Florida Auditor General
Highlands County, Florida

We have examined Highlands County, Florida's (County) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds and Section 365.172(10) and 365.173(2)(d), Florida Statutes, regarding emergency communications number E911 system fund during the year ended September 30, 2021. Management of the County is responsible for the County's compliance with the specified requirements. Our responsibility is to express an opinion on the County's compliance with the specified requirements based on our examination.

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

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

In our opinion, the County complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds and Section 365.172(10) and 365.173(2)(d), Florida Statutes, regarding emergency communications number E911 system fund during the year ended September 30, 2021.

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Sebring, Florida
March 11, 2022



**HIGHLANDS COUNTY, FLORIDA
CORRECTIVE ACTION PLAN
YEAR ENDED SEPTEMBER 30, 2021**

Department of Treasury

Highlands County, Florida Highlands County Board of County Commissioners respectfully submits the following corrective action plan for the year ended September 30, 2021.

Audit period: October 1, 2020 through September 30, 2021

The finding from the schedule of findings and questioned costs is discussed below. The finding is numbered consistently with the number assigned in the schedule.

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

Department of Treasury

2021-001 Coronavirus Relief Fund – Assistance Listing No. 21.019

Recommendation: We recommend retaining copies of reports submitted to document compliance with grant requirements. When reports are submitted electronically, the County should retain screen shots of the information input along with evidence of the date and time of submission.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: We agree that we were unable to provide documentation related to the quarterly and close out reports when requested by the auditors because they no longer exist. The Florida Cares Act Management System was the portal used to submit the required supporting documentation for Coronavirus Relief Fund (CRF) programs. We recognize it is critical for the assigned grant administrators to understand the compliance and reporting requirements for all grants. The County has established procedures through the Legislative Affairs & Grants Coordinator for report submittals and grant tracking to ensure that documentation is timely and is retained by the respective departments.

Name(s) of the contact person(s) responsible for corrective action: Tanya Cannady, Business Service Director

Planned completion date for corrective action plan: September 30, 2022

If the Department of Treasury has questions regarding this plan, please call Tanya Cannady at (863) 402-6842.

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA**

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL REPORTS**

YEAR ENDED SEPTEMBER 30, 2021



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**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
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YEAR ENDED SEPTEMBER 30, 2021**

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INDEPENDENT AUDITORS' REPORT

The Honorable Jerome Kaszubowski
Clerk of Courts
Highlands County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Clerk of Courts of Highlands County, Florida (the Clerk) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Clerk as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and budgetary comparisons for the General Fund and Court Services Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

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

During the fiscal year ended September 30, 2021, the Clerk adopted GASB Statement No. 84, *Fiduciary Activities*. As a result of the implementation of this standard, the Clerk reported a restatement for the change in accounting principle (see Note 8.) Our auditors' opinion was not modified with respect to this restatement.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk's basic financial statements. The combining statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Honorable Jerome Kaszubowski
Clerk of Courts
Highlands County, Florida

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 10, 2022, on our consideration of the Clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Clerk's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk's internal control over financial reporting and compliance.

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

CliftonLarsonAllen LLP

Sebring, Florida
February 10, 2022

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

ASSETS	General	Court	Public Records Modernization Trust	Court Related Technology Modernization Trust	Court Services	Nonmajor Governmental Funds	Total Governmental Funds
Cash and Cash Equivalents	\$ 124,241	\$ 88,016	\$ 319,744	\$ 185,296	\$ 218,024	\$ 9,229	\$ 944,550
Accounts Receivable	138	2,924	554	360	520	20	4,516
Due from Other Governmental Units	265,231	53,338	-	-	32,202	-	350,771
Prepaid Items	172,508	-	-	-	-	-	172,508
Total Assets	\$ 562,118	\$ 144,278	\$ 320,298	\$ 185,656	\$ 250,746	\$ 9,249	\$ 1,472,345
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Vouchers Payable	\$ 74,561	\$ 1,819	\$ -	\$ 10,167	\$ 1,829	\$ -	\$ 88,376
Due to Other Governmental Units	10,343	787	-	5,315	195,203	-	211,648
Due to Others	-	86,250	-	-	-	-	86,250
Due to Constitutional Officers	369,734	46,843	-	-	-	-	416,577
Accrued Payroll and Related Liabilities	107,480	8,579	-	3,505	53,714	525	173,803
Total Liabilities	562,118	144,278	-	18,987	250,746	525	976,654
FUND BALANCES							
Nonspendable	172,508	-	-	-	-	-	172,508
Restricted	-	-	320,298	166,669	-	8,724	495,691
Unassigned	(172,508)	-	-	-	-	-	(172,508)
Total Fund Balances	-	-	320,298	166,669	-	8,724	495,691
Total Liabilities and Fund Balances	\$ 562,118	\$ 144,278	\$ 320,298	\$ 185,656	\$ 250,746	\$ 9,249	\$ 1,472,345

See accompanying Notes to Financial Statements.

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2021**

	General	Court	Public Records Modernization Trust	Court Related Technology Modernization Trust	Court Services	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES							
Intergovernmental:							
Appropriation from Board of County Commissioners	\$ 4,263,543	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,263,543
Miscellaneous Revenues:							
Recording Fees	-	-	80,402	230,282	-	-	310,684
Intergovernmental	190,760	354,129	-	-	232,452	-	777,341
Court Related Service Charge	-	-	-	-	1,109,738	20,049	1,129,787
Fines and Forfeitures	-	-	-	-	842,146	-	842,146
Interest Earnings	-	1,628	5,573	3,294	10,735	203	21,433
Other Miscellaneous Revenues	213,708	-	3,000	7,850	-	-	224,558
Total Revenues	<u>4,668,011</u>	<u>355,757</u>	<u>88,975</u>	<u>241,426</u>	<u>2,195,071</u>	<u>20,252</u>	<u>7,569,492</u>
EXPENDITURES							
General Government:							
Personal Services	3,233,362	-	-	-	-	-	3,233,362
Operating Expenditures	880,630	-	3,000	-	-	-	883,630
Capital Outlay	32,887	-	-	-	-	-	32,887
Total General Government	<u>4,146,879</u>	<u>-</u>	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,149,879</u>
Court Related:							
Personal Services	217,558	286,960	-	107,389	1,848,996	17,652	2,478,555
Operating Expenditures	5,536	21,954	-	67,863	56,892	210	152,455
Capital Outlay	56,546	-	-	-	-	-	56,546
Total Court Related	<u>279,640</u>	<u>308,914</u>	<u>-</u>	<u>175,252</u>	<u>1,905,888</u>	<u>17,862</u>	<u>2,687,556</u>
Total Expenditures	<u>4,426,519</u>	<u>308,914</u>	<u>3,000</u>	<u>175,252</u>	<u>1,905,888</u>	<u>17,862</u>	<u>6,837,435</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	241,492	46,843	85,975	66,174	289,183	2,390	732,057
OTHER FINANCING USES							
Unexpended Budget Balance Reverting to Board of County Commissioners	(241,492)	(46,843)	-	-	-	-	(288,335)
Distribution of Excess Fees to State of Florida	-	-	-	-	(289,183)	-	(289,183)
Total Other Financing Uses	<u>(241,492)</u>	<u>(46,843)</u>	<u>-</u>	<u>-</u>	<u>(289,183)</u>	<u>-</u>	<u>(577,518)</u>
NET CHANGE IN FUND BALANCE	-	-	85,975	66,174	-	2,390	154,539
Fund Balance - October 1, 2020	-	-	234,323	100,495	-	6,334	341,152
FUND BALANCE - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 320,298</u>	<u>\$ 166,669</u>	<u>\$ -</u>	<u>\$ 8,724</u>	<u>\$ 495,691</u>

See accompanying Notes to Financial Statements.

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2021**

	Budget			Variance - Favorable (Unfavorable)
	Original	Final	Actual	
REVENUES				
Intergovernmental:				
Appropriation from Board of County Commissioners	\$ 4,263,543	\$ 4,263,543	\$ 4,263,543	\$ -
Miscellaneous Revenues:				
Other Miscellaneous Revenues	-	213,706	213,708	2
Intergovernmental	-	190,760	190,760	-
Total Revenues	4,263,543	4,668,009	4,668,011	2
EXPENDITURES				
General Government:				
Personal Services	3,171,348	3,469,862	3,233,362	236,500
Operating Expenditures	768,413	885,608	880,630	4,978
Capital Outlay	-	32,887	32,887	-
Total General Government	3,939,761	4,388,357	4,146,879	241,478
Court Related:				
Personal Services	257,230	217,564	217,558	6
Operating Expenditures	9,585	5,542	5,536	6
Capital Outlay	56,967	56,546	56,546	-
Total Court Related	323,782	279,652	279,640	12
Total Expenditures	4,263,543	4,668,009	4,426,519	241,490
EXCESS OF REVENUES OVER EXPENDITURES	-	-	241,492	241,492
OTHER FINANCING USES				
Unexpended Budget Balance Reverting to Board of County Commissioners	-	-	(241,492)	(241,492)
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - October 1, 2020	-	-	-	-
FUND BALANCE - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
COURT SERVICES FUND
YEAR ENDED SEPTEMBER 30, 2021**

	Budget			Variance -
	Original	Final	Actual	Favorable (Unfavorable)
REVENUES				
Miscellaneous Revenues:				
Intergovernmental	\$ 227,656	\$ 232,450	\$ 232,452	\$ 2
Court Related Service Charge	994,076	994,075	1,109,738	115,663
Fines and Forfeitures	675,280	675,283	842,146	166,863
Interest Earnings	4,080	4,080	10,735	6,655
Total Revenues	1,901,092	1,905,888	2,195,071	289,183
EXPENDITURES				
Court Related:				
Personal Services	1,855,840	1,848,996	1,848,996	-
Operating Expenditures	45,252	56,892	56,892	-
Total Court Related	1,901,092	1,905,888	1,905,888	-
Total Expenditures	1,901,092	1,905,888	1,905,888	-
EXCESS OF REVENUES OVER EXPENDITURES	-	-	289,183	289,183
OTHER FINANCING USES				
Distribution of Excess Fees to State of Florida	-	-	(289,183)	(289,183)
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - October 1, 2020	-	-	-	-
FUND BALANCE - SEPTEMBER 30, 2021	\$ -	\$ -	\$ -	\$ -

See accompanying Notes to Financial Statements.

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2021**

	Internal Service Fund
	Compensated Absences
ASSETS	
Cash and Cash Equivalents	\$ 407,298
Accounts Receivable	545
Total Assets	<u>407,843</u>
LIABILITIES	
Due to BOCC	326
Accrued Compensated Absences Payable	<u>407,517</u>
Total Liabilities	<u>407,843</u>
NET POSITION	
Unrestricted	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED SEPTEMBER 30, 2021**

	Internal Service Fund <u>Compensated Absences</u>
OPERATING REVENUES	
Charges for Services	\$ 462,061
OPERATING EXPENSES	
Compensated Absences Expense	<u>464,666</u>
OPERATING LOSS	(2,605)
NONOPERATING REVENUES	
Net Change in Fair Value of Investments	<u>2,605</u>
CHANGE IN NET POSITION	-
Net Position - October 1, 2020	<u>-</u>
NET POSITION - SEPTEMBER 30, 2021	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED SEPTEMBER 30, 2021**

	Internal Service Fund Compensated Absences
CASH FLOW FROM OPERATING ACTIVITIES	
Charges for Services	\$ 462,061
Cash Paid to Employees for Services	(401,160)
Net Cash Provided by Operating Activities	<u>60,901</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Payment to Other Constitutional Officers	(293)
Net Cash Used by Noncapital Financing Activities	<u>(293)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Income	<u>2,557</u>
Net Cash Provided by Investing Activities	<u>2,557</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	63,165
Cash and Cash Equivalents - October 1, 2020	<u>344,133</u>
CASH AND CASH EQUIVALENTS - SEPTEMBER 30, 2021	<u><u>\$ 407,298</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Loss	\$ (2,605)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Changes in Assets and Liabilities:	
Increase in Compensated Absences	63,506
Net Cash Provided by Operating Activities	<u><u>\$ 60,901</u></u>

See accompanying Notes to Financial Statements.

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2021**

	<u>Custodial Funds</u>
ASSETS	
Cash and Cash Equivalents	\$ 2,473,782
Due from Others	3,965
Due from Other Governmental Units	755
Total Assets	<u>2,478,502</u>
LIABILITIES	
Due to Others	5,185
Due to Other Governmental Units	555,434
Total Liabilities	<u>560,619</u>
NET POSITION - Restricted for Other Governments and Individuals	<u><u>\$ 1,917,883</u></u>

See accompanying Notes to Financial Statements.

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2021**

	<u>Custodial Funds</u>
ADDITIONS	
Fines/Fees Collected for Other Governments and Individuals	<u>\$ 21,801,486</u>
Total Additions	<u>21,801,486</u>
DEDUCTIONS	
Fines/Fees Disbursed to Other Governments and Individuals	<u>21,026,193</u>
Total Deductions	<u>21,026,193</u>
CHANGE IN NET POSITION	775,293
Net Position - Beginning of Year (Restated, See Note 8)	<u>1,142,590</u>
NET POSITION - END OF YEAR	<u><u>\$ 1,917,883</u></u>

See accompanying Notes to Financial Statements.

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Highlands County is a noncharter County established on April 3, 1921, under the laws of the state of Florida, Chapter 8513. The Clerk of Courts (Clerk) is one of six constitutional officers elected to serve within the County and receives a significant portion of its revenue from the Board of County Commissioners, Highlands County, Florida. The Clerk's financial statements include only the funds of the Clerk's office. There are no separate legal entities (component units) for which the Clerk is to be financially accountable.

The Clerk is elected every four years to serve as Clerk of the Circuit Court as well as the County Courts. In addition, the Clerk is the ex-officio Clerk to the Board of County Commissioners of Highlands County (Board). As Clerk to the Board, the Clerk is the auditor, recorder, and custodian of all County funds.

The Clerk is a budget officer in that noncourt functions of the Clerk are funded by revenues that are received from the Board in the form of an appropriation. The Clerk is required to submit to the Board excess revenues over expenditures as of September 30 of each year for the noncourt related budget.

Court related fees collected by the Clerk in carrying out his duties are used to fund the court functions of the Clerk of Courts. Excess fees are remitted per Sections 28.36 and 28.37, Florida Statutes.

The accompanying summary of significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies, as presented, should be viewed as an integral part of the financial statements. The following is a summary of the more significant policies:

Basis of Presentation

These financial statements have been prepared for the purpose of complying with Section 218.39(2), Florida Statutes, and Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*, which allow the Clerk to only present fund financial statements. These financial statements present only the portion of the funds of Highlands County, Florida that are attributable to the Clerk. They are not intended to present fairly the financial position and results of operations of Highlands County, Florida in conformity with accounting principles generally accepted in the United States of America (GAAP).

Fund Accounting

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

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting (Continued)

The purpose of the Clerk's various funds is as follows:

Major Governmental Funds

General Fund – The General Fund is used to account for all revenues and expenditures applicable to the general operations of the Clerk of the Courts that are not required either legally or by GAAP to be accounted for in another fund.

Court Fund – The Court Fund is a special revenue fund used to account for the Child Support Enforcement grant activity, which is restricted by the grantor, and bond estreature activity.

Public Records Modernization Trust Fund – The Public Records Modernization Trust Fund is a special revenue fund used to account for the additional service charges on recorded instruments used exclusively for modernizing the official recordkeeping systems in the Clerk's office per Section 28.24(12)(d), Florida Statutes.

Court Related Technology Modernization Trust Fund – The Court Related Technology Modernization Trust Fund is a special revenue fund used to account for the recording fees used exclusively to fund court related technology information needs for the Clerk of Courts per Section 28.24(12)(e), Florida Statutes.

Court Services Fund – The Court Services Fund is a special revenue fund used to account for court-related filing fees, service charges, fines, court costs, appropriations and expenses of the Clerk as mandated by Section 28.35, Florida Statutes.

Nonmajor Governmental Funds

Teen Court Fund – The Teen Court Fund is a special revenue fund used to account for assessment of mandatory court costs for the operation and administration of the Highlands County Court Program per Section 938.19, Florida Statutes.

Homeowner's Foreclosure Education Fund – The Homeowner's Foreclosure Education Fund is a special revenue fund used to account for funds for the purpose of educating the public as to the rights of homeowners regarding foreclosure proceedings.

Proprietary Fund

Internal Service Fund – The Internal Service Fund is used to account for the accumulation of funded compensated absences.

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting (Continued)

Fiduciary Funds

Custodial Funds – Custodial Funds are used to account for assets held by a government in a fiduciary capacity for individuals, private organizations or other governments.

Capital Assets

All capital assets purchased, which include equipment and intangible software, are recorded as expenditures in the governmental funds at the time of purchase. The Board holds legal title for the capital assets used in the operation of the Clerk and is accountable for them under Florida Law. The Clerk notifies the Board of capital assets purchased and the original cost is recorded in the capital asset records of Highlands County as a whole. The Clerk may not dispose of any capital assets in his custody. The Clerk is to notify the Board of any unused or obsolete assets, and it is the Board's responsibility to dispose of these assets in accordance with the various Florida Statutes.

Measurement Focus

Governmental Funds – Governmental funds are accounted for using a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported unassigned fund balances (net current assets) are considered a measure of "available, spendable, or appropriable resources." Governmental Funds operating statements present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Proprietary Fund – The Internal Service Fund is accounted for on a cost of services measurement focus which is referred to as a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of the fund are included in the statement of net position. Proprietary fund operating statements present increases (revenues) and decreases (expenses) in net position.

Custodial Funds – The custodial funds use the economic resources measurement focus.

Basis of Accounting

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

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

All governmental funds are accounted for using the modified accrual basis of accounting. Under this method, revenue is recognized when it becomes measurable and available as net current assets. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Clerk considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on long-term debt which is recognized when due.

The accrual basis of accounting is utilized by the fiduciary funds and proprietary fund. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Budgets and Budgetary Data

The following are the procedures followed in establishing the budget for the Clerk's office.

The Clerk is required to prepare two budgets. One budget relates to the Clerk's court related functions and is filed with the Clerks of Court Operations Corporation (CCOC). The other budget relates to the requirement of the Clerk as Clerk to the Board and is filed with the Board. Annual appropriated budgets for the General Fund and Court Services Fund are adopted on a basis consistent with GAAP.

Clerk to the Board Budget

1. On or before June 1 of each year, the Clerk submits to the Board a tentative budget for the ensuing fiscal year.
2. Within 15 days after certification of the ad valorem tax roll by the Property Appraiser, the County Budget Officer submits to the Board a proposed county-wide operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
3. By Board resolution, a tentative budget is submitted to the public. Public hearings are held to obtain taxpayers' comments.
4. Within 20 days after adoption of the tentative budget, a final budget is submitted for review and adoption at a final public hearing.
5. Prior to, or on, September 30, the County's operating budget is legally enacted through passage of a resolution.
6. The Clerk receives his budgeted revenues from the Board in monthly installments beginning in October.
7. Section 129.07, Florida Statutes, provides that only expenditures in excess of total fund budgets are unlawful. However, because the Clerk acts on all budget changes between departments, this becomes the level of control.

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Data (Continued)

Clerk to the Board Budget (Continued)

8. Formal budgetary integration is employed as a management control device during the year for all Governmental Funds.
9. All appropriations lapse at the close of the fiscal year.

Annual appropriated budgets for the General Fund and Court Services Fund are adopted on a basis consistent with GAAP. The Court Fund, Public Records Modernization Trust Fund, Court Related Technology Modernization Trust Fund, Teen Court Fund, and Homeowner's Foreclosure Education Fund are not legally required to have budgets.

Cash and Cash Equivalents

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

Investments

The Clerk invests surplus public funds in accordance with Section 218.415, Florida Statutes.

Compensated Absences

Employees of the Clerk earn paid-time-off in varying amounts. Upon retirement, death, resignation, or separation in good standing employees are eligible to receive payment, at their current rates of pay, up to 100% of accumulated paid-time-off based on years of service. However, employees having less than one year of service will not be paid for any accumulated paid-time-off. Employees of the Clerk are limited to no more than 400 hours of paid time-off carryover at year-end.

In governmental funds, only the amounts that normally would be liquidated with expendable available financial resources are accrued as current year expenditures. Paid-time-off for the Clerk's employees have been fully funded and are recorded as expenditures in the governmental funds.

Fund Balance

The classifications of fund balances are described as follows:

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

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance (Continued)

Restricted Fund Balance – Amounts that can be spent only for specific purposes because of constraints imposed by external providers (such as grantors, bondholders, and higher levels of government), or imposed by constitutional provisions or enabling legislation. The Clerk is reporting restricted fund balances in the Public Records Modernization Trust Fund, Court Related Technology Modernization Trust Fund, Teen Court Fund, and Homeowner's Foreclosure Education Fund.

Committed Fund Balance – Amounts that can be spent only for specific purposes determined by a formal action of the Clerk's highest level of decision-making authority.

Assigned Fund Balance – Amounts the Clerk intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.

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

When both restricted and unrestricted resources are available for use, it is the Clerk's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available. The Board adopted a fund balance policy for the county as a whole. The Clerk does not have a separate fund balance policy.

Unexpended Budget Balance Reverting to Board of County Commissioners

Section 218.36(2), Florida Statutes, requires that any excess of revenues over expenditures in the General Fund held by the Clerk at the end of each fiscal year for noncourt functions shall be remitted to the Board. Therefore, the excess of revenues over expenditures in the General Fund and Court Fund at the end of each fiscal year is reflected as unexpended budget balance reverting to the Board on the statement of revenues, expenditures, and changes in fund balance, and the related liability is included in due to constitutional officers.

Use of Estimates

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

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Post Employment Benefit Obligations

In accordance with Section 112.0801, Florida Statutes, the Clerk participates with the County in offering retiring employees the opportunity to continue in the County's health insurance plan. The participating retirees pay 100% of the premium cost applicable to an active employee. The liability and expense for other postemployment benefits, calculated in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, are reported in the financial statements of the County.

NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS

At September 30, 2021, the bank balance of the Clerk's deposits consisted of the following:

Deposits	\$ 3,086,217

The entire amount of the demand deposits is deposited in a state of Florida qualified depository and, therefore, is fully collateralized.

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Clerk's monies must be deposited in banks designated as qualified public depositories by the Chief Financial Officer, Florida Department of Financial Services. Therefore, the Clerk's total deposits are insured by the Federal Depository Insurance Corporation and collateralized by the Bureau of Collateral Management, Division of Treasury, and Florida Department of Financial Services. The law requires the Chief Financial Officer to ensure that funds are entirely collateralized throughout the fiscal year.

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

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

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

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

The Clerk invests funds throughout the year with Florida PRIME, an investment pool administered by the State Board of Administration, under the regulatory oversight of the state of Florida. Investments in Florida PRIME are made pursuant to Chapter 125.31, Florida Statutes. The investments are not categorized because they are not evidenced by securities that exist in physical or book entry form. Throughout the year and as of September 30, 2021, Florida PRIME contained certain floating and adjustable rate securities which were indexed based on the prime rate and/or one and three-month LIBOR rates. These investments represented 4.4% of Florida PRIME's portfolio at September 30, 2021.

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

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Clerk's investment policy limits the maximum duration of the overall portfolio to one year.

The dollar weighted average days to maturity (WAM) of Florida PRIME as of September 30, 2021 was 49 days. Next interest rate reset dates for floating securities are used in the calculation of the WAM. The weighted average life (WAL) of the Florida PRIME at September 30, 2021 was 64 days.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Clerk's investment policy limits investments to specified credit ratings for authorized investments. Investments in Florida PRIME must carry an "AAAm" rating from Standard and Poor's.

On September 30, 2021, Standard and Poor's Ratings Services assigned the Florida PRIME an "AAAm" principal stability funding rating.

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Credit Risk (Continued)

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

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

As of September 30, 2021, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value.

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

Deposits	\$ 2,926,028
Petty Cash and Change in Funds	7,300
Florida PRIME	892,302
Total	<u>\$ 3,825,630</u>
Balance Sheet - Governmental Funds:	
Cash and Cash Equivalents	\$ 944,550
Statement of Net Position - Proprietary Fund:	
Cash and Cash Equivalents	407,298
Statement of Fiduciary Net Position - Custodial Fund:	
Cash and Cash Equivalents	2,473,782
Total Cash, Cash Equivalents, and Investments	<u>\$ 3,825,630</u>

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 3 PERSONNEL COMMITMENTS

Employees of the Clerk earn paid-time-off in varying amounts. In the event of retirement or termination of employment, an employee is paid for a portion of paid-time-off credits unused.

The following shows the change in compensated absences for the fiscal year ended September 30, 2021:

Accrued Compensated Absences - September 30, 2020	\$ 344,011
Leave Earned by Employees	464,666
Payments to Employees	(401,160)
Accrued Compensated Absences - September 30, 2021	<u>\$ 407,517</u>

NOTE 4 PENSION PLANS

Background

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

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

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 4 PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan

Plan Description

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

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

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

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

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 4 PENSION PLANS (CONTINUED)

Benefits Provided

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

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

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

Retiree Health Insurance Subsidy Program

Plan Description

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

Benefits Provided

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

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

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 4 PENSION PLANS (CONTINUED)

FRS Investment Plan

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

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

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2021, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Clerk.

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

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 4 PENSION PLANS (CONTINUED)

Contributions

Participating employer contributions are based upon statewide rates established by the state of Florida. The Clerk's contributions made to the plans during the years ended September 30, 2021, 2020, and 2019 were \$592,759, \$516,530, and \$460,231, respectively, equal to the actuarially determined contribution requirements for each year.

Additional information about pension plans can be found in the County's comprehensive annual financial report.

NOTE 5 RELATED PARTY TRANSACTIONS

Transactions with the Board and the Constitutional Officers of Highlands County, Florida, for the year ended September 30, 2021 were as follows:

Budget Appropriation

The General Fund of the Clerk received payments from the Board in the amount of \$4,263,543 for the year ended September 30, 2021. The amounts payable to the Board at September 30, 2021 for excess fees and other items were \$369,734.

Court Fund

The Board provides certain indirect costs for Child Support Enforcement Grant activities. The excess of revenues over expenditures is remitted to the Board at fiscal year-end. The amounts payable to the Board at September 30, 2021 for excess fees were \$46,843.

Various Services

The Board provides various services to the Clerk. The charges for these services for the fiscal year ended September 30, 2021 amounted to \$800,270.

The Clerk provides information technology support, communication and freight services, and other miscellaneous services to the Board. The Clerk received \$224,453 for these services for the fiscal year ended September 30, 2021.

NOTE 6 RISK MANAGEMENT

The Clerk is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County is a member of Preferred Governmental Insurance Trust (PGIT), a governmental insurance carrier. PGIT administers insurance activities relating to property, general liability, public official's and employment practices liability, automobile, crime, and worker compensation. The County is liable for deductibles on certain coverage. Transactions related to activities involving PGIT are presented in the statements of Highlands County as a whole.

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 7 CAPITAL ASSETS

The Clerk's capital assets include furniture, equipment, computer equipment, vehicles, and software. The Clerk, pursuant to Florida Statutes, records no capital assets for which the Clerk is custodian. The threshold for capitalizing all capital assets, except software, is \$5,000. The threshold for capitalizing software is \$15,000 for internally generated software and \$25,000 for purchased software. Capital assets are recorded at cost or estimated historical cost. Contributed assets are recorded at estimated acquisition value at the time received. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets as follows:

<u>Assets</u>	<u>Years</u>
Operating Machinery and Equipment	4-20
Software - Internally Generated	3-10
Software - Purchased/Leased	3-10

Detailed information concerning capital assets is recorded and reported in the government-wide financial statements of the County.

The following is a summary of the changes in capital assets for which the Clerk is custodian during fiscal year 2021:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Capital Assets, Not Being				
Depreciated/Amortized:				
Software Conversion in Process	\$ 133,600	\$ -	\$ -	\$ 133,600
IT Equipment in Development	1,560,005	2,179,869	(3,647)	3,736,227
Total Capital Assets Not Being				
Depreciated/Amortized	1,693,605	2,179,869	(3,647)	3,869,827
Capital Assets, Being				
Depreciated/Amortized:				
Equipment	2,688,715	680,125	(252,941)	3,115,899
Computer Software	1,443,320	-	-	1,443,320
Total Capital Assets Being				
Depreciated/Amortized	4,132,035	680,125	(252,941)	4,559,219
Less: Accumulated				
Depreciation/Amortization:				
Equipment	(1,835,125)	(290,510)	252,941	(1,872,694)
Computer Software	(1,141,882)	(121,764)	-	(1,263,646)
Total Accumulated				
Depreciation/Amortization	(2,977,007)	(412,274)	252,941	(3,136,340)
Total Capital Assets, Being				
Depreciated/Amortized, Net	1,155,028	267,851	-	1,422,879
Total Capital Assets, Net	<u>\$ 2,848,633</u>	<u>\$ 2,447,720</u>	<u>\$ (3,647)</u>	<u>\$ 5,292,706</u>

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 8 CHANGE IN ACCOUNTING PRINCIPLE

During the year ended September 30, 2021, the Clerk adopted new accounting guidance by implementing the provisions of GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying and reporting fiduciary activities. The implementation of this statement has resulted in changing the presentation of the financial statements by establishing requirements for reporting net position in custodial funds. Beginning net position has been restated to reflect this change.

	Custodial Funds
Net Position – Beginning of Year, as Previously Reported	\$ -
Change in Accounting Principle	1,142,590
Net Position – Beginning of Year, as Restated	<u>\$ 1,142,590</u>

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

	Teen Court	Homeowner's Foreclosure Education	Total Nonmajor Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 8,887	\$ 342	\$ 9,229
Accounts Receivable	20	-	20
	<u>8,907</u>	<u>342</u>	<u>9,249</u>
Total Assets	<u>\$ 8,907</u>	<u>\$ 342</u>	<u>\$ 9,249</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accrued Payroll and Related Liabilities	\$ 525	\$ -	\$ 525
Total Liabilities	525	-	525
FUND BALANCES			
Restricted	8,382	342	8,724
	<u>8,382</u>	<u>342</u>	<u>8,724</u>
Total Liabilities and Fund Balances	<u>\$ 8,907</u>	<u>\$ 342</u>	<u>\$ 9,249</u>

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2021**

	Teen Court	Homeowner's Foreclosure Education	Total Nonmajor Governmental Funds
REVENUES			
Miscellaneous Revenues:			
Court Related Service Charge	\$ 19,823	\$ 226	\$ 20,049
Interest Earnings	200	3	203
Total Revenues	<u>20,023</u>	<u>229</u>	<u>20,252</u>
EXPENDITURES			
Court Related:			
Personal Services	17,652	-	17,652
Operating Expenditures	210	-	210
Total Expenditures	<u>17,862</u>	<u>-</u>	<u>17,862</u>
NET CHANGE IN FUND BALANCE	2,161	229	2,390
Fund Balance - October 1, 2020	<u>6,221</u>	<u>113</u>	<u>6,334</u>
FUND BALANCES - SEPTEMBER 30, 2021	<u><u>\$ 8,382</u></u>	<u><u>\$ 342</u></u>	<u><u>\$ 8,724</u></u>

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
FIDUCIARY FUND DESCRIPTIONS
YEAR ENDED SEPTEMBER 30, 2021**

The Clerk maintains the following Custodial Funds:

Child Support – To account for child support and/or alimony payments collected by the Clerk and remitted to the appropriate recipients.

Suspense – Used by the Clerk to account for documentary stamp and recording fees, jury and witness payments, and fines and forfeitures collected through the court system and remitted to other governmental agencies.

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS – CUSTODIAL FUNDS
SEPTEMBER 30, 2021**

	<u>Custodial Funds</u>		Total
	<u>Child Support</u>	<u>Suspense</u>	<u>Custodial Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 2,468	\$ 2,471,314	\$ 2,473,782
Due from Others	-	3,965	3,965
Due from Other Governmental Units	-	755	755
Total Assets	<u>2,468</u>	<u>2,476,034</u>	<u>2,478,502</u>
LIABILITIES			
Due to Others	-	5,185	5,185
Due to Other Governmental Units	408	555,026	555,434
Total Liabilities	<u>408</u>	<u>560,211</u>	<u>560,619</u>
NET POSITION - Restricted for Other Governments and Individuals	<u>\$ 2,060</u>	<u>\$ 1,915,823</u>	<u>\$ 1,917,883</u>

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS – CUSTODIAL FUNDS
YEAR ENDED SEPTEMBER 30, 2021**

	<u>Custodial Funds</u>		<u>Total Custodial Funds</u>
	<u>Child Support</u>	<u>Suspense</u>	
ADDITIONS			
Fines/Fees Collected for Other Governments and Individuals	\$ 137,574	\$ 21,663,912	\$ 21,801,486
Total Additions	<u>137,574</u>	<u>21,663,912</u>	<u>21,801,486</u>
DEDUCTIONS			
Fines/Fees Disbursed to Other Governments and Individuals	138,634	20,887,559	21,026,193
Total Deductions	<u>138,634</u>	<u>20,887,559</u>	<u>21,026,193</u>
CHANGE IN NET POSITION	(1,060)	776,353	775,293
Net Position - Beginning of Year (Restated, See Note 8)	<u>3,120</u>	<u>1,139,470</u>	<u>1,142,590</u>
NET POSITION - END OF YEAR	<u>\$ 2,060</u>	<u>\$ 1,915,823</u>	<u>\$ 1,917,883</u>



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

The Honorable Jerome Kaszubowski
Clerk of Courts
Highlands County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the Clerk of Courts of Highlands County, Florida (the Clerk), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements, and have issued our report thereon dated February 10, 2022.

Internal Control Over Financial Reporting

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

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

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

The Honorable Jerome Kaszubowski
Clerk of Courts
Highlands County, Florida

Compliance and Other Matters

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

Purpose of this Report

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

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

CliftonLarsonAllen LLP

Sebring, Florida
February 10, 2022



MANAGEMENT LETTER

The Honorable Jerome Kaszubowski
Clerk of Courts
Highlands County, Florida

Report on the Financial Statements

We have audited the financial statements of the Clerk of Courts of Highlands County, Florida (the Clerk), as of and for the fiscal year ended September 30, 2021 and have issued our report thereon dated February 10, 2022.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated February 10, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

The Honorable Jerome Kaszubowski
Clerk of Courts
Highlands County, Florida

Financial Management

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

Additional Matters

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

Purpose of this Letter

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

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

CliftonLarsonAllen LLP

Sebring, Florida
February 10, 2022



INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Jerome Kaszubowski, Clerk of Courts
and the Florida Auditor General
Highlands County, Florida

We have examined the Clerk of Courts of Highlands County, Florida's (the Clerk) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds; Section 61.181, Florida Statutes, regarding clerk of the courts alimony and child support payments, and Sections 28.35 and 28.36, Florida Statutes, regarding clerks of court performance standards and budgets, during the year ended September 30, 2021. Management of the Clerk is responsible for the Clerk's compliance with the specified requirements. Our responsibility is to express an opinion on the Clerk's compliance with the specified requirements based on our examination.

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

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

In our opinion, the Clerk complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds; Section 61.181, Florida Statutes, regarding clerks of the courts alimony and child support payments; and Sections 28.35 and 28.36, Florida Statutes, regarding clerks of the courts performance standards and budgets during the year ended September 30, 2021.

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Sebring, Florida
February 10, 2022

**PROPERTY APPRAISER
HIGHLANDS COUNTY, FLORIDA**

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL REPORTS**

YEAR ENDED SEPTEMBER 30, 2021



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**PROPERTY APPRIASER
HIGHLANDS COUNTY, FLORIDA
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INDEPENDENT AUDITORS' REPORT

Honorable C. Raymond McIntyre
Property Appraiser
Highlands County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the major fund and the aggregate remaining fund information of the Property Appraiser of Highlands County, Florida (Property Appraiser), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Property Appraiser's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

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

Emphasis of Matter

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

Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 11, 2022, on our consideration of the Property Appraiser's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Property Appraiser's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Property Appraiser's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Sebring, Florida
January 11, 2022

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

ASSETS

Cash and Cash Equivalents	\$ 109,231
Accounts Receivable	<u>652</u>
Total Assets	<u><u>\$ 109,883</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Vouchers Payable	\$ 8,775
Accrued Wages Payable	56,053
Due to Other Governmental Units	4,671
Due to Board of County Commissioners	<u>40,384</u>
Total Liabilities	109,883

FUND BALANCE

Unassigned	<u>-</u>
Total Fund Balance	<u>-</u>
Total Liabilities and Fund Balance	<u><u>\$ 109,883</u></u>

See accompanying Notes to Financial Statements.

**PROPERTY APPRIASER
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2021**

	Budget			Variance -
	Original	Final	Actual	Positive (Negative)
REVENUES				
Intergovernmental:				
Appropriations from Board of County Commissioners	\$ 3,263,270	\$ 3,263,270	\$ 3,263,270	\$ -
South Florida Water Management District	7,835	7,835	7,835	-
Southwest Florida Water Management District	47,960	47,960	47,960	-
Total Intergovernmental Revenues	3,319,065	3,319,065	3,319,065	-
Miscellaneous Revenues:				
Interest Earnings	-	-	19	19
Other Miscellaneous Revenues	-	-	1,017	1,017
Total Miscellaneous Revenues	-	-	1,036	1,036
Total Revenues	3,319,065	3,319,065	3,320,101	1,036
EXPENDITURES				
General Government:				
Financial and Administrative:				
Personal Services	2,483,656	2,556,901	2,537,903	18,998
Operating Expenditures	835,409	737,223	716,167	21,056
Capital Outlay	-	24,941	24,940	1
Total Expenditures	3,319,065	3,319,065	3,279,010	40,055
EXCESS OF REVENUES OVER EXPENDITURES	-	-	41,091	41,091
OTHER FINANCING USES				
Transfer of Excess Fees	-	-	(41,091)	(41,091)
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - October 1, 2020	-	-	-	-
FUND BALANCE - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**PROPERTY APPRAISER
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2021**

	Internal Service Fund
	<u>Compensated Absences</u>
ASSETS	
Cash and Cash Equivalents	\$ 395,374
LIABILITIES	
Accrued Compensated Absences Payable	<u>395,374</u>
NET POSITION	
Unrestricted	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

**PROPERTY APPRAISER
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED SEPTEMBER 30, 2021**

	Internal Service Fund <u>Compensated Absences</u>
OPERATING REVENUES	
Charges for Services	\$ 289,375
OPERATING EXPENSES	
Compensated Absences Expense	<u>289,598</u>
OPERATING LOSS	(223)
NONOPERATING REVENUES	
Net Change in Fair Value of Investments	<u>223</u>
CHANGE IN NET POSITION	-
Net Position - October 1, 2020	<u>-</u>
NET POSITION - SEPTEMBER 30, 2021	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

**PROPERTY APPRAISER
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF CASH FLOWS – PROPRIETARY FUND
YEAR ENDED SEPTEMBER 30, 2021**

	Internal Service Fund <u>Compensated Absences</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Charges for Services	\$ 289,375
Cash Paid to Employees for Services	<u>(379,532)</u>
Net Cash Used by Operating Activities	(90,157)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	<u>223</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(89,934)
Cash and Cash Equivalents - October 1, 2020	<u>485,308</u>
CASH AND CASH EQUIVALENTS - SEPTEMBER 30, 2021	<u><u>\$ 395,374</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating Loss	\$ (223)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Changes in Assets and Liabilities:	
Decrease in Compensated Absences	<u>(89,934)</u>
Net Cash Used by Operating Activities	<u><u>\$ (90,157)</u></u>

See accompanying Notes to Financial Statements.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Highlands County is a noncharter county established April 23, 1921, under the laws of Florida 1921, Chapter 8513. The Property Appraiser of Highlands County, Florida (Property Appraiser) is one of six constitutional officers elected to serve within the county and receives a significant portion of its revenue from the Board of County Commissioners (the Board), Highlands County, Florida. The Property Appraiser's financial statements include only the funds of the Property Appraiser's office. There are no separate legal entities (component units) for which the Property Appraiser is financially accountable.

The Property Appraiser is elected every four years to serve as the official appraiser of property within the county as it relates to the ad valorem tax rolls. The Property Appraiser is responsible for ensuring that all property is included on the tax rolls, that the fair value of the property is correctly reflected in the rolls, and that the proper millage rate has been applied to the recorded property values. In addition, the Property Appraiser is responsible to ensure that all taxable tangible personal property is properly reflected on the tax rolls.

The Property Appraiser is a "fee" officer, in that operating revenues are received based upon the services rendered to the various taxing governmental units within the county. The Property Appraiser receives the majority of his operating revenues from the Board of County Commissioners in the form of an appropriation. The balance of fees in excess of expenditures remaining at September 30 are divided among the various taxing governmental units in the same proportion as that particular unit's payments to the Property Appraiser during the year relates to the total payments from all taxing governmental units.

The accompanying summary of significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies, as presented, should be viewed as an integral part of the financial statements. The following is a summary of the more significant policies:

Basis of Presentation

These financial statements have been prepared for the purpose of complying with Section 218.39(2), Florida Statutes, and Chapter 10.550, Rules of the Auditor General – Local Governmental Entity Audits, which allows the Property Appraiser to only present fund financial statements. These financial statements present only the portion of the funds of Highlands County, Florida that are attributable to the Property Appraiser. They are not intended to present fairly the financial position and results of operations of Highlands County, Florida in conformity with accounting principles generally accepted in the United States of America.

Fund Accounting

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting (Continued)

The purpose of the Property Appraiser's various funds is as follows:

Governmental Funds

General Fund – The General Fund is the general operating fund of the Property Appraiser. It is used to account for all financial resources not required to be accounted for in another fund. Intergovernmental revenues and fees are recorded in this fund. Expenditures for general governmental services are paid through this fund.

Proprietary Funds

Internal Service Fund – The Internal Service Fund is used to account for the accumulation of funded compensated absences.

Capital Assets

All capital assets purchased are recorded as expenditures in the General Fund at the time of purchase. The Board holds legal title for the capital assets used in the operation of the Property Appraiser and is accountable for them under Florida Law. The Property Appraiser notifies the Board of capital assets purchased and the original cost is recorded in the capital assets records of Highlands County as a whole. The Property Appraiser may not dispose of any capital assets in his custody. The Property Appraiser is to notify the Board of any unused or obsolete assets and it is the Boards' responsibility to dispose of these assets in accordance with the various Florida Statutes.

Measurement Focus

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

Proprietary Fund – The Internal Service Fund is accounted for on a cost of services measurement focus which is referred to as a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of the fund are included in the statement of net position. Proprietary Fund operating statements present increases (revenues) and decreases (expenses) in net position.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

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

Governmental Funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they become measurable and available as net current assets. Revenues are considered to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due.

The accrual basis of accounting is utilized by Proprietary Funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Budgets and Budgetary Data

The following are the procedures followed in establishing the budget for the Property Appraiser's office:

1. On or before June 1 of each year, the Property Appraiser submits an annual budget for the operations of his office to the state of Florida, Department of Revenue (the Department). A copy of his budget is also furnished to the Board of County Commissioners. After his budget has been reviewed and approved by the Department, it becomes his operating budget for the ensuing fiscal year.
2. The Property Appraiser's operating budget can only be amended after written approval has been received from the Department.
3. Florida Statutes provide that it is unlawful to make expenditures that exceed the total amount budgeted for each fund. The Department of Revenue approves all transfers between appropriation categories, and this becomes the level of control for budgetary considerations.
4. Formal budgetary integration is employed as a management control device during the year for the governmental funds.
5. Annual appropriated budget for the General Fund is legally adopted on a basis consistent with accounting principles generally accepted in the United States of America.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

The Property Appraiser considers the following as cash and cash equivalents:

1. Cash on hand, demand deposits; and
2. Deposits in the Local Government Surplus Funds Trust Fund (Florida Prime) under the management of the State Board of Administration.

Investments

The Property Appraiser invests surplus public funds in accordance with Section 218.415, Florida Statutes.

Compensated Absences

Employees of the Property Appraiser earn annual and sick leave in varying amounts. Upon retirement, death, resignation, or separation in good standing, employees are eligible to receive payment at their current rate of pay for 100% of accumulated annual leave.

There is no limit on the amount of sick leave that can be accumulated by employees of the Property Appraiser. The limit of lump-sum reimbursements of sick leave credits is based on years of continuous service. Employees of the Property Appraiser with 10 or more years of continuous service are fully vested for sick leave. Upon termination of employment, these employees are eligible to receive payment for accumulated sick leave up to 500 hours at their current rate of pay.

In the governmental funds, only the amounts that normally would be liquidated with expendable available financial resources are accrued as current year expenditures. The vested liability for accrued compensated absences has been budgeted for and fully funded by the General Fund.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

The classifications of fund balances are described as follows:

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

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

Committed Fund Balance – Amounts that can be spent only for specific purposes determined by a formal action of the Property Appraiser's highest level of decision-making authority.

Assigned Fund Balance – Amounts the Property Appraiser intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.

Unassigned Fund Balance – Amounts that are available for any purpose; these amounts can be reported only in the Property Appraiser's General Fund.

Net Position

The classifications of net position are described as follows:

When both restricted and unrestricted resources are available for use, it is the Property Appraiser's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available. The Board adopted a fund balance policy for the county as a whole. The Property Appraiser does not have a separate fund balance policy as any unexpended fund balance is returned to the Board and other taxing units each year.

Use of Estimates

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

Other Postemployment Benefit Obligations

In accordance with Section 112.0801, Florida Statutes, the Property Appraiser participates with the County in offering retiring employees the opportunity to continue in the county's health insurance plan. The participating retirees pay 100% of the premium cost applicable to an active employee. The liability and expense for other postemployment benefits, calculated in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, are reported in the financial statements of the County.

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

NOTE 2 CASH AND CASH EQUIVALENTS

At September 30, 2021, the bank balance of the Property Appraiser's deposits were \$629,867. The entire amount of the demand deposits is deposited in a state of Florida qualified depository and, therefore, is fully collateralized.

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

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

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

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

The Property Appraiser invests funds throughout the year with Florida PRIME, an investment pool administered by the State Board of Administration, under the regulatory oversight of the state of Florida. Investments in Florida PRIME are made pursuant to Chapter 125.31, Florida Statutes. The investments are not categorized because they are not evidenced by securities that exist in physical or book entry form. Throughout the year and as of September 30, 2021, Florida PRIME contained certain floating and adjustable rate securities which were indexed based on the prime rate and/or one and three-month LIBOR rates. These investments represented 4.4% of Florida Prime's portfolio at September 30, 2021.

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

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

NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

The dollar weighted-average days to maturity (WAM) of Florida PRIME as of September 30, 2021 was 49 days. Next interest rate reset dates for floating securities are used in the calculation of the WAM. The weighted average life (WAL) of the Florida PRIME at September 30, 2021 was 64 days.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investments in Florida PRIME must carry an "AAAm" rating from Standard and Poor's.

On September 30, 2021, Standard and Poor's Ratings Services assigned the Florida PRIME an "AAAm" principal stability funding rating.

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

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

NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)

Credit Risk (Continued)

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

As of September 30, 2021, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value.

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

Demand Deposits	\$ 492,191
Petty Cash and Change Funds	100
Florida PRIME	12,314
Total	<u>\$ 504,605</u>
Balance Sheet - General Fund:	
Cash and Cash Equivalents	\$ 109,231
Statement of Net Position - Proprietary Fund:	
Cash and Cash Equivalents	395,374
Total Cash and Cash Equivalents	<u>\$ 504,605</u>

NOTE 3 PERSONNEL COMMITMENTS

Employees of the Property Appraiser earn annual leave and sick leave in varying amounts. In the event of retirement or termination of employment, an employee is paid for vested accumulated unused credits. The cash benefit of compensated absences is determined by multiplying the employee's current wage rate by the number of hours of unused credits.

The following shows the change in compensated absences for the fiscal year ended September 30, 2021:

Compensated Absences - September 30, 2020	\$ 485,308
Leave Earned by Employees	289,598
Payments to Employees	<u>(379,532)</u>
Compensated Absences - September 30, 2021	<u>\$ 395,374</u>

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

NOTE 4 PENSION PLANS

Background

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

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

Florida Retirement System Pension Plan

Plan Description

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

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

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

NOTE 4 PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Benefits Provided

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

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

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

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

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

NOTE 4 PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Benefits Provided

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

Retiree Health Insurance Subsidy Program

Plan Description

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

Benefits Provided

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

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

FRS Investment Plan

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

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

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

NOTE 4 PENSION PLANS (CONTINUED)

FRS Investment Plan (Continued)

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2021, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Property Appraiser.

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

Contributions

Participating employer contributions are based upon statewide rates established by the state of Florida. The Property Appraiser's contributions made to the plans during the years ended September 30, 2021, 2020, and 2019 were \$313,549, \$276,705, and \$241,810, respectively, equal to the actuarially determined contribution requirements for each year.

Additional information about pension plans can be found in the county's comprehensive annual financial report.

NOTE 5 RELATED PARTY TRANSACTIONS

Transactions with the Highlands County Board of Commissioners and the Constitutional Officers of Highlands County, Florida, for the year ended September 30, 2021, were as follows:

Budget Appropriation – The General Fund of the Property Appraiser received revenue from the Board of County Commissioners in the amount of \$3,263,270 for the year ended September 30, 2021. Excess fees payable to the Board at September 30, 2021 was \$40,384.

Various Services – The Board of County Commissioners provides various services to the Property Appraiser. The charges for these services for the fiscal year ended September 30, 2021 amounted to \$382,555.

Amounts paid to the Clerk for the fiscal year ended September 30, 2021, for other services were \$6,643.

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

NOTE 6 RISK MANAGEMENT

The Property Appraiser is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The county is a member of Preferred Governmental Insurance Trust (PGIT), a governmental insurance carrier. PGIT administers insurance activities relating to property, general liability, public official's and employment practices liability, automobile, crime, and workers' compensation. The county is liable for deductibles on certain coverage. Transactions related to activities related to PGIT are presented in the statements of Highlands County as a whole.

NOTE 7 CAPITAL ASSETS

The Property Appraiser's capital assets include furniture, equipment, computer equipment, vehicles, and software. The Property Appraiser, pursuant to Florida Statutes, records no capital assets for which the Property Appraiser is custodian. The threshold for capitalizing all capital assets, except software, is \$5,000. The threshold for capitalizing software is \$15,000 for internally generated software and \$25,000 for purchased software. Capital assets are recorded at cost. Contributed assets are recorded at estimated acquisition value at the time received. Contributed assets are recorded at estimated fair value at the time received. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets as follows:

Machinery and Equipment	4 to 20 Years
Software - Internally Generated	3 to 10 Years
Software - Purchased/Leased	3 to 10 Years

Detailed information concerning capital assets is recorded and reported in the government-wide financial statements of the county. The following is a summary of the changes in capital assets for which the Property Appraiser is custodian during fiscal year 2021:

	Beginning Balance	Additions	Deletions	Ending Balances
Capital Assets, Being Depreciated/Amortized:				
Equipment	\$ 580,066	\$ 24,940	\$ -	\$ 605,006
Computer Software	2,791,399	-	-	2,791,399
Total Capital Assets Being Depreciated/Amortized	3,371,465	24,940	-	3,396,405
Less: Accumulated Depreciation/Amortization:				
Equipment	(533,851)	(15,040)		(548,891)
Computer Software	(2,791,399)	-	-	(2,791,399)
Total Accumulated Depreciation/Amortization	(3,325,250)	(15,040)	-	(3,340,290)
Total Capital Assets, Net	<u>\$ 46,215</u>	<u>\$ 9,900</u>	<u>\$ -</u>	<u>\$ 56,115</u>



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

Honorable C. Raymond McIntyre
Property Appraiser
Highlands County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the major fund and the aggregate remaining fund information of the Property Appraiser of Highlands County, Florida (Property Appraiser), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Property Appraiser's basic financial statements, and have issued our report thereon dated January 11, 2022.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2021-001 that we consider to be a material weakness.

Honorable C. Raymond McIntyre
Property Appraiser
Highlands County, Florida

Compliance and Other Matters

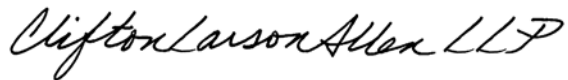
As part of obtaining reasonable assurance about whether the Property Appraiser's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and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

Highlands County Property Appraiser's Response to Finding

The Property Appraiser's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The Property Appraiser's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



CliftonLarsonAllen LLP

Sebring, Florida
January 11, 2022



MANAGEMENT LETTER

Honorable C. Raymond McIntyre
Property Appraiser
Highlands County, Florida

Report on the Financial Statements

We have audited the financial statements of the Property Appraiser of Highlands County, Florida (Property Appraiser), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated January 11, 2022.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated January 11, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Honorable C. Raymond McIntyre
Property Appraiser
Highlands County, Florida

Financial Management

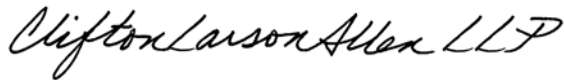
Section 10.554(1)(i)2, *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

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

Purpose of this Letter

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

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

CliftonLarsonAllen LLP

Sebring, Florida
January 11, 2022

**PROPERTY APPRAISER
HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2021**

Current Year

2021-001 – Financial Statement Adjustments

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

Condition: The accrued compensated absences liability included accrued sick leave in excess of the amount allowed by the Property Appraiser's policy.

Criteria or Specific Requirement: Accrued compensated absences liability should only include those amounts which are payable to an employee in accordance with the Property Appraiser's leave policy.

Context: While performing auditing procedures, it was noted that the liability for one individual exceeded the amount allowed by the Property Appraiser's leave policy.

Effect: Assets, liabilities, revenue and expenses were overstated in the internal service fund. General fund expenditures were overstated by the excess amount paid to the internal service fund. Additionally, excess fees and amounts due to the BOCC and other governments were understated by the same amount.

Cause: Internal controls over financial reporting did not detect inaccuracies in the leave liability report.

Recommendation: We recommend developing additional codes in the payroll system for all potential leave liability limitations. We also recommend developing procedures to review the leave liability report as compared to known payouts and the Property Appraiser's leave policy to ensure the compensated absences liability is properly accrued at year end.

Views of Responsible Officials: The Property Appraiser's Office agrees with the 2021-001 - Financial Statement Adjustments and the findings above.



INDEPENDENT ACCOUNTANTS' REPORT

Honorable C. Raymond McIntyre, Property Appraiser
and the Florida Auditor General
Highlands County, Florida

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

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

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

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

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Sebring, Florida
January 11, 2022

**SHERIFF
HIGHLANDS COUNTY, FLORIDA**

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL REPORTS**

YEAR ENDED SEPTEMBER 30, 2021



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**SHERIFF
HIGHLANDS COUNTY, FLORIDA
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YEAR ENDED SEPTEMBER 30, 2021**

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INDEPENDENT AUDITORS' REPORT

The Honorable Paul Blackman
Sheriff
Highlands County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Sheriff of Highlands County, Florida (Sheriff), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

The Honorable Paul Blackman
Sheriff
Highlands County, Florida

Opinions

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

Emphasis of Matter

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

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

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's basic financial statements. The combining statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Honorable Paul Blackman
Sheriff
Highlands County, Florida

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2022 on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Sheriff's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.

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

CliftonLarsonAllen LLP

Sebring, Florida
January 27, 2022

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

	General Fund	Inmate Welfare Fund	Non-Major Community Donation Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 1,529,404	\$ 868,283	\$ 117,477	\$ 2,515,164
Accounts Receivable	20,875	58,404	-	79,279
Prepaid Items	56,099	-	-	56,099
Total Assets	<u>\$ 1,606,378</u>	<u>\$ 926,687</u>	<u>\$ 117,477</u>	<u>\$ 2,650,542</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Vouchers Payable	\$ 127,050	\$ 15,816	\$ -	\$ 142,866
Accrued Wages Payable	634,497	504	-	635,001
Due to Board of County Commissioners	844,831	-	-	844,831
Total Liabilities	<u>1,606,378</u>	<u>16,320</u>	<u>-</u>	<u>1,622,698</u>
FUND BALANCE				
Nonspendable	56,099	-	-	56,099
Restricted	-	910,367	117,477	1,027,844
Unassigned	(56,099)	-	-	(56,099)
Total Fund Balance	<u>-</u>	<u>910,367</u>	<u>117,477</u>	<u>1,027,844</u>
Total Liabilities and Fund Balance	<u>\$ 1,606,378</u>	<u>\$ 926,687</u>	<u>\$ 117,477</u>	<u>\$ 2,650,542</u>

See accompanying Notes to Financial Statements.

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2021**

	General Fund	Inmate Welfare Fund	Non-Major Community Donation Fund	Total Governmental Funds
REVENUES				
Intergovernmental:				
Appropriation from Board of County Commissioners	\$ 37,608,661	\$ -	\$ -	\$ 37,608,661
Miscellaneous Revenues:				
Commissary Sales	-	147,269	-	147,269
Miscellaneous Revenues	-	351,777	58,033	409,810
Total Revenues	<u>37,608,661</u>	<u>499,046</u>	<u>58,033</u>	<u>38,165,740</u>
EXPENDITURES				
Court Related:				
Courthouse Security:				
Personal Services	1,193,440	-	-	1,193,440
Operating Expenditures	6,450	-	-	6,450
Total Court Related	<u>1,199,890</u>	<u>-</u>	<u>-</u>	<u>1,199,890</u>
Public Safety:				
Law Enforcement:				
Personal Services	19,527,155	-	-	19,527,155
Operating Expenditures	3,084,527	-	27,076	3,111,603
Capital Outlay	1,333,184	-	-	1,333,184
Total Law Enforcement	<u>23,944,866</u>	<u>-</u>	<u>27,076</u>	<u>23,971,942</u>
Corrections and Detention:				
Personal Services	9,353,101	25,162	-	9,378,263
Operating Expenditures	2,292,854	186,210	-	2,479,064
Capital Outlay	42,540	-	-	42,540
Total Corrections and Detention	<u>11,688,495</u>	<u>211,372</u>	<u>-</u>	<u>11,899,867</u>
Total Expenditures	<u>36,833,251</u>	<u>211,372</u>	<u>27,076</u>	<u>37,071,699</u>
EXCESS OF REVENUES OVER EXPENDITURES	775,410	287,674	30,957	1,094,041
OTHER FINANCING USES				
Unexpended Budget Balance Reverting to Board of County Commissioners	<u>(775,410)</u>	<u>-</u>	<u>-</u>	<u>(775,410)</u>
NET CHANGE IN FUND BALANCE	-	287,674	30,957	318,631
Fund Balance - October 1, 2020	<u>-</u>	<u>622,693</u>	<u>86,520</u>	<u>709,213</u>
FUND BALANCE - SEPTEMBER 30, 2021	<u><u>\$ -</u></u>	<u><u>\$ 910,367</u></u>	<u><u>\$ 117,477</u></u>	<u><u>\$ 1,027,844</u></u>

See accompanying Notes to Financial Statements.

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

	General Fund			Variance -
	Budget			Positive
	Original	Final	Actual	(Negative)
REVENUES				
Intergovernmental:				
Appropriation from Board of County Commissioners	\$ 30,532,451	\$ 37,633,661	\$ 37,608,661	\$ (25,000)
Total Revenues	30,532,451	37,633,661	37,608,661	(25,000)
EXPENDITURES				
Court Related:				
Courthouse Security:				
Personal Services	1,198,291	1,221,968	1,193,440	28,528
Operating Expenditures	7,960	7,960	6,450	1,510
Total Court Related	1,206,251	1,229,928	1,199,890	30,038
Public Safety:				
Law Enforcement:				
Personal Services	16,646,902	19,641,053	19,527,155	113,898
Operating Expenditures	2,646,757	3,336,785	3,084,527	252,258
Capital Outlay	25,000	1,333,635	1,333,184	451
Total Law Enforcement	19,318,659	24,311,473	23,944,866	366,607
Corrections and Detention:				
Personal Services	9,316,858	9,487,830	9,353,101	134,729
Operating Expenditures	690,683	2,536,890	2,292,854	244,036
Capital Outlay	-	42,540	42,540	-
Total Corrections and Detention	10,007,541	12,067,260	11,688,495	378,765
Total Expenditures	30,532,451	37,608,661	36,833,251	775,410
EXCESS OF REVENUES OVER EXPENDITURES				
	-	25,000	775,410	750,410
OTHER FINANCING USES				
Unexpended Budget Balance Reverting to Board of County Commissioners	-	(25,000)	(775,410)	(750,410)
NET CHANGE IN FUND BALANCE				
	-	-	-	-
Fund Balance - October 1, 2020	-	-	-	-
FUND BALANCE - SEPTEMBER 30, 2021				
	\$ -	\$ -	\$ -	\$ -

See accompanying Notes to Financial Statements.

SHERIFF
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2021

	Internal Service Fund
	<u>Compensated Absences</u>
ASSETS	
Cash and Cash Equivalents	\$ 3,199,063
LIABILITIES	
Accrued Compensated Absences Payable	<u>3,199,063</u>
NET POSITION	
Unrestricted	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

SHERIFF
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED SEPTEMBER 30, 2021

	<u>Internal Service</u> <u>Fund</u> <u>Compensated</u> <u>Absences</u>
OPERATING REVENUES	
Charges for Services	\$ 2,959,173
OPERATING EXPENSES	
Compensated Absences Expense	<u>2,963,000</u>
OPERATING LOSS	(3,827)
NONOPERATING REVENUES	
Investment Earnings	<u>3,827</u>
CHANGE IN NET POSITION	-
Net Position - October 1, 2020	<u>-</u>
NET POSITION - SEPTEMBER 30, 2021	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED SEPTEMBER 30, 2021**

	Internal Service Fund Compensated Absences
CASH FLOWS FROM OPERATING ACTIVITIES	
Charges for Services	\$ 2,959,173
Cash Paid to Employees for Services	<u>(2,804,555)</u>
Net Cash Provided by Operating Activities	154,618
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Income	<u>3,827</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	158,445
Cash and Cash Equivalents - October 1, 2020	<u>3,040,618</u>
CASH AND CASH EQUIVALENTS - SEPTEMBER 30, 2021	<u><u>\$ 3,199,063</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Loss	\$ (3,827)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Increase in Compensated Absences	<u>158,445</u>
Net Cash Provided by Operating Activities	<u><u>\$ 154,618</u></u>

See accompanying Notes to Financial Statements.

SHERIFF
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2021

	Custodial Funds
ASSETS	
Cash and Cash Equivalents	\$ 15,688
Due from Other Governmental Units	514
Due from Others	1,215
Total Assets	<u>17,417</u>
LIABILITIES	
Due to Others	11,465
Due to Other Governmental Units	1,604
Total Liabilities	<u>13,069</u>
NET POSITION	
Restricted	<u>\$ 4,348</u>

See accompanying Notes to Financial Statements.

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

	<u>Custodial Funds</u>
ADDITIONS	
Collections from Individuals	\$ 396,009
DEDUCTIONS	
Payments to Other Governments, Entities, and Individuals	<u>400,478</u>
CHANGE IN NET POSITION	(4,469)
Net Position - Beginning of Year (Restated, See Note 10)	<u>8,817</u>
NET POSITION - END OF YEAR	<u><u>\$ 4,348</u></u>

See accompanying Notes to Financial Statements.

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Highlands County is a noncharter County established April 23, 1921 under the laws of Florida 1921, Chapter 8513. The Sheriff of Highlands County, Florida (Sheriff) is one of six constitutional officers elected to serve within the County and receives a significant portion of his revenue from the Board of County Commissioners, Highlands County, Florida. The Sheriff's financial statements include only the funds of the Sheriff's office. There are no separate legal entities (component units) for which the Sheriff is financially accountable.

The Sheriff is elected every four years to serve as the Keeper of the Peace for Highlands County.

The Sheriff is a "budget" officer in that all of the Sheriff's operating revenues are received from the Board of County Commissioners (Board) in the form of an appropriation. Any fees collected by the office in carrying out duties as Sheriff, except for reimbursements for overtime incurred while assisting other federal and state agencies, are remitted to the Board at the end of each month. The Sheriff is also required to submit back to the Board any excess revenues over expenditures as of September 30 of each year.

The accompanying summary of significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies, as presented, should be viewed as an integral part of the financial statements. The following is a summary of the more significant policies:

Basis of Presentation

These financial statements have been prepared for the purpose of complying with Section 218.39(2), Florida Statutes, and Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*, which allows the Sheriff to present only fund financial statements. These financial statements present only the portion of the funds of Highlands County, Florida that are attributable to the Sheriff. They are not intended to present fairly the financial position and results of operations of Highlands County, Florida in conformity with accounting principles generally accepted in the United States of America.

Fund Accounting

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

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting (Continued)

The purpose of the Sheriff's various funds is as follows:

Major Governmental Funds

General Fund – The General Fund is the general operating fund of the Sheriff. The majority of the Sheriff's day-to-day operations are accounted for in this fund. It is used to account for all financial resources not required to be accounted for in another fund. Appropriations received from the Board are recorded in this fund. Expenditures for general government services are paid through this fund.

Inmate Welfare Fund – The Inmate Welfare Fund is a special revenue fund used to account for the profits earned from telephone services and commissary services operated within the County jail. Profits are earned from sales of products such as candy and toothpaste to the inmates. Profits from these sales can only be spent for the benefit of the inmates.

Nonmajor Governmental Fund

Community Donations Fund – The Community Donations Fund is a special revenue fund used to account for public donations received by the Sheriff's office for specific purposes.

Proprietary Fund

Internal Service Fund – The Internal Service Fund is used to account for the accumulation of funded compensated absences.

Fiduciary Funds

Custodial Funds – Custodial Funds are used to account for assets held by a government in a fiduciary capacity for individuals, private organizations or other governments and/or funds.

Capital Assets

All capital assets purchased are recorded as expenditures in the governmental funds at the time of purchase. Capital assets used by the Sheriff are capitalized in the basic financial statements of the County rather than in the governmental funds of the Sheriff. Capital assets are valued at historical cost or estimated historical cost if actual is not available. Donated capital assets are recorded at acquisition value at the date of donation. The Sheriff maintains custodial responsibility for the capital assets used by his office.

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus

Governmental Funds – The governmental funds are accounted for using a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. The reported unassigned fund balances (net current assets) are considered a measure of “available, spendable, or appropriable resources.” Governmental fund operating statements present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Proprietary Fund – The Internal Service Fund is accounted for on a cost of services measurement focus which is referred to as a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of the fund are included in the statement of net position. Proprietary Fund operating statements present increases (revenues) and decreases (expenses) in net position.

The Custodial funds use the economic resources measurement focus.

Basis of Accounting

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

Governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they become measurable and available as net current assets. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Sheriff considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on long-term debt which is recognized when due.

The accrual basis of accounting is utilized by the fiduciary fund and proprietary fund. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Data

The following are the procedures followed in establishing the budget for the Sheriff's office:

1. On or before June 1 of each year, the Sheriff submits to the Board a tentative budget for the ensuing fiscal year.
2. Within 15 days after certification of the ad valorem tax roll by the Property Appraiser, the County Budget Officer submits to the Board a proposed county-wide operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
3. By Board resolution, a tentative budget is submitted to the public. Public hearings are held to obtain taxpayers' comments.
4. Within 20 days after adoption of the tentative budget, a final budget is submitted for review and adoption at a final public hearing.
5. Prior to, or on, September 30, the County's operating budget is legally enacted through passage of a resolution.
6. If the Board adopts a budget that includes amendments, modifications, increases, or reductions to the Sheriff's proposed budget, they must provide the Sheriff written notice of the changes.
7. The Sheriff receives budgeted revenues from the Board in installments. One twelfth of the budget is received in all months except January and September. One sixth of the budget is received in January, and no appropriation is received in September.
8. Section 129.07, Florida Statutes, provides that only expenditures in excess of total fund budgets are unlawful. However, because the Sheriff acts on all budget changes between departments, this becomes the level of control.
9. Formal budgetary integration is employed as a management control device during the year for all Governmental Funds.
10. Annual appropriated budgets for the General Fund are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).
11. All appropriations lapse at the close of the fiscal year.

Cash and Cash Equivalents

The Sheriff considers the following as cash and cash equivalents:

1. Cash on hand, demand deposits; and
2. Deposits in the Local Government Surplus Funds Trust Fund (Florida PRIME) under the management of the State Board of Administration.

Investments

The Sheriff invests surplus public funds in accordance with Section 218.415, Florida Statutes.

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prepaid Items

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

Compensated Absences

Employees of the Sheriff earn annual and sick leave in varying amounts. Upon retirement, death, resignation or separation in good standing, employees are eligible to receive payment for accumulated annual and sick leave. Annual leave will be paid out 100% at the current rate of pay. There is no limit on the amount of sick leave that can be accumulated by an employee. Sick leave will be paid out at varying rates based on years of service and minimum balances, and payout is capped at 2,080 hours.

In the governmental funds, only the amounts that normally would be liquidated with expendable available financial resources are accrued as current year expenditures. Annual and sick leave credits for the Sheriff's Office employees have been fully funded and are recorded as an expenditure in the Internal Service Fund. No liability has been recorded for the nonvesting accumulating rights to receive sick leave pay benefits.

Fund Balance

The classifications of fund balances are described as follows:

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

Restricted Fund Balance – Amounts that can be spent only for specific purposes because of constraints imposed by external providers (such as grantors, bondholders, and higher levels of government), or imposed by constitutional provisions or enabling legislation. The Sheriff is reporting restricted fund balances in the Inmate Welfare fund and Community Donations fund.

Committed Fund Balance – Amounts that can be spent only for specific purposes determined by a formal action of the Sheriff's highest level of decision-making authority.

Assigned Fund Balance – Amounts the Sheriff intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.

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

When both restricted and unrestricted resources are available for use, it is the Sheriff's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available. The Board adopted a fund balance policy for the county as a whole. The Sheriff does not have a separate fund balance policy.

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unexpended Budget Balance Reverting to Board of County Commissioners

Chapter 218, Florida Statutes, requires that any excess of revenues over expenditures in the General Fund held by the Sheriff at the end of each fiscal year shall be remitted to the Board. Therefore, the excess of revenues over expenditures in the General Fund at the end of each fiscal year is reflected as unexpended budget balance reverting to the Board on the statement of revenues, expenditures and changes in fund balance, and the related liability is included in due to the Board.

Use of Estimates

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

Other Postemployment Benefit Obligations

In accordance with Section 112.0801, Florida Statutes, the Sheriff participates with the County in offering retiring employees the opportunity to continue in the County's health insurance plan. The participating retirees pay 100% of the premium cost applicable to an active employee. The liability and expense for other postemployment benefits, calculated in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, are reported in the financial statements of the County.

NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS

At September 30, 2021, the bank balance of the Sheriff's deposits were \$4,424,537. The entire amount of the demand deposits is deposited in a state of Florida qualified depository and, therefore, is fully collateralized.

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

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

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

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

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

The Sheriff invests funds throughout the year with Florida PRIME, an investment pool administered by the State Board of Administration, under the regulatory oversight of the state of Florida. Investments in Florida PRIME are made pursuant to Chapter 125.31, Florida Statutes. The investments are not categorized because they are not evidenced by securities that exist in physical or book entry form. Throughout the year and as of September 30, 2021, Florida PRIME contained certain floating and adjustable rate securities which were indexed based on the prime rate and/or one and three-month LIBOR rates. These investments represented 4.4% of Florida PRIME's portfolio at September 30, 2021.

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

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Sheriff has no policy on interest rate risk.

The dollar weighted average days to maturity (WAM) of Florida PRIME as of September 30, 2021 was 49 days. Next interest rate reset dates for floating securities are used in the calculation of the WAM. The weighted average life (WAL) of the Florida PRIME at September 30, 2021 was 64 days.

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Sheriff's investment policy limits investments to specified credit ratings for authorized investments. Investments in Florida PRIME must carry an "AAAm" rating from Standard and Poor's.

On September 30, 2021, Standard and Poor's Ratings Services assigned the Florida PRIME an "AAAm" principal stability funding rating.

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

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

As of September 30, 2021, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value.

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

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

Demand Deposits	\$ 3,267,261
Petty Cash and Change Fund	1,656
Florida PRIME	2,460,998
Total	<u>\$ 5,729,915</u>
Balance Sheet:	
Cash and Cash Equivalents	\$ 2,515,164
Statement of Net Position:	
Cash and Cash Equivalents	3,199,063
Statement of Fiduciary Net Position:	
Cash and Cash Equivalents	15,688
Total Cash and Cash Equivalents	<u>\$ 5,729,915</u>

NOTE 3 PERSONNEL COMMITMENTS

Employees of the Sheriff earn annual leave and sick leave in varying amounts. In the event of retirement or termination of employment, an employee is paid for accumulated leave credits unused. Employees may be paid for accumulated sick leave benefits at varying amounts based on years of service. The cash benefit of these compensated absences is determined by multiplying the employee's current wage rate by the number of unused credits.

The following shows the change in compensated absences for the fiscal year ended September 30, 2021:

Compensated Absences - September 30, 2020	\$ 3,040,618
Leave Earned by Employees	2,963,000
Payments to Employees	<u>(2,804,555)</u>
Compensated Absences - September 30, 2021	<u>\$ 3,199,063</u>

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 4 PENSION PLANS

Background

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

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

Florida Retirement System Pension Plan

Plan Description

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

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

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 4 PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Plan Description (Continued)

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

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

Benefits Provided

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

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

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 4 PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Benefits Provided (Continued)

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

Retiree Health Insurance Subsidy Program

Plan Description

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

Benefits Provided

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

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

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

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 4 PENSION PLANS (CONTINUED)

FRS Investment Plan

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

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2021, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Sheriff.

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

Contributions

Participating employer contributions are based upon statewide rates established by the state of Florida. The Sheriff's contributions made to the plans during the years ended September 30, 2021, 2020, and 2019 were \$4,242,848 \$4,025,392 and \$3,892,743, respectively, equal to the actuarially determined contribution requirements for each year.

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 4 PENSION PLANS (CONTINUED)

Contributions (Continued)

Additional information about pension plans can be found in the County's comprehensive annual financial report.

NOTE 5 DEFINED CONTRIBUTION PLAN

401(a) Discretionary Contribution Plan

The Sheriff maintains a defined contribution retirement plan for governmental entities, the Highlands County Sheriff's Office 401(a) Discretionary Contribution Plan. The Sheriff is the Plan Administrator. The Plan was organized pursuant to Internal Revenue Code Section 401(a) by declaration of the Sheriff.

Employees working in the telecommunications and nursing areas are generally eligible to participate in the Plan. The Sheriff determines the contribution rate. The contribution rate for the year ended September 30, 2021 was 3%. There were no employee contributions to the plan. Contributions to the Plan for fiscal years ended September 30, 2021, 2020, and 2019 were \$42,625, \$42,832, and \$37,980, respectively.

NOTE 6 RELATED PARTY TRANSACTIONS

Transactions with the Highlands County Board of Commissioners and the Constitutional Officers of Highlands County, Florida for the year ended September 30, 2021 were as follows:

Budget Appropriation

The General Fund of the Sheriff received revenues from the Board of County Commissioners in the amount of \$37,608,661 for the year ended September 30, 2021. Amounts payable to the Board at September 30, 2021 for excess fees was \$775,410. Additionally, the Sheriff received other miscellaneous fees of \$69,421 which were payable to the Board of County Commissioners at September 30, 2021.

Various Goods and Services

The Board of County Commissioners provides various goods, services, and employee benefits to the Sheriff. The charges for these goods, services, and employee benefits for the fiscal year ended September 30, 2021 amounted to \$3,511,756.

The Clerk of the Circuit Court provides the Sheriff various software maintenance and licensing services. The charges for these services for the fiscal year ended September 30, 2021 amounted to \$26,830.

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 7 RISK MANAGEMENT

The Sheriff is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Sheriff is a member of the Florida Sheriffs Risk Management Fund and participates in the following programs: Florida Sheriffs' Self-Insurance Program, Florida Sheriffs' Workers' Compensation Self Insurance Program, and the Sheriffs' Automobile Risk Program, governmental insurance carriers. These agencies administer insurance activities relating to property, general liability, public official's and employment practices liability, automobile, crime, and workers' compensation. The Sheriff is liable for deductibles on certain coverage. There have been no settlements which have exceeded insurance coverage in the past three years.

NOTE 8 CAPITAL ASSETS

The Sheriff's capital assets include furniture, equipment, computer equipment, vehicles, and software. The threshold for capitalizing all capital assets, except software, is \$5,000. The threshold for capitalizing software is \$15,000 for internally generated software and \$25,000 for purchased software. Capital assets are recorded at cost or estimated historical cost. Contributed assets are recorded at estimated acquisition value at the time received. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets as follows:

<u>Assets</u>	<u>Years</u>
Leasehold Improvements	3 to 40
Machinery and Equipment	4 to 20
Software - Internally Generated	3 to 10
Software - Purchased/Leased	3 to 10

Detailed information concerning capital assets is recorded and reported in the government-wide financial statement of the County.

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 8 CAPITAL ASSETS (CONTINUED)

The following is a summary of the changes in capital assets for which the Sheriff is custodian during fiscal year 2021:

	Beginning Balance	Additions	Deletions	Ending Balances
Capital Assets, Being Depreciated/Amortized:				
Equipment	\$ 11,731,596	\$ 1,419,341	\$ (304,842)	\$ 12,846,095
Leasehold Improvements	7,366	-	-	7,366
Computer Software	657,943	-	-	657,943
Total Capital Assets Being Depreciated/Amortized	12,396,905	1,419,341	(304,842)	13,511,404
Less: Accumulated Depreciation/ Amortization:				
Equipment	(8,792,397)	(1,059,693)	294,642	(9,557,448)
Leasehold Improvements	-	(1,473)	-	(1,473)
Computer Software	(276,617)	(46,221)	-	(322,838)
Total Accumulated Depreciation/Amortization	(9,069,014)	(1,107,387)	294,642	(9,881,759)
Total Capital Assets, Net	<u>\$ 3,327,891</u>	<u>\$ 311,954</u>	<u>\$ (10,200)</u>	<u>\$ 3,629,645</u>

NOTE 9 COMMITMENTS AND CONTINGENCIES

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

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

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 10 CHANGE IN ACCOUNTING PRINCIPLE

During the year ended September 30, 2021, the Sheriff adopted new accounting guidance by implementing the provisions of GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying and reporting fiduciary activities. The implementation of this statement has resulted in changing the presentation of the financial statements by establishing requirements for reporting net position in custodial funds. Beginning net position has been restated to reflect this change where necessary.

	Custodial Funds
Net Position – Beginning of Year, as Previously Reported	\$ -
Change in Accounting Principle	8,817
Net Position – Beginning of Year, as Restated	<u>\$ 8,817</u>

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
CUSTODIAL FUNDS DESCRIPTIONS
YEAR ENDED SEPTEMBER 30, 2021**

These funds are used to account for assets held by the Sheriff as a custodian for individuals, other governmental units, and/or other funds.

Custodial Funds:

Inmates – To account for monies collected from inmates who have money in their possession at the time of their arrest and/or monies deposited on their behalf while incarcerated.

Cash Bond – To account for cash appearance bonds collected by the Sheriff on behalf of other governments. These funds are disbursed weekly.

Unclaimed Evidence – To account for monies seized by law enforcement. These funds are maintained until final determination by Florida Statute or the court.

Individual Depositors – To account for fees charged related to civil levies. Fees are collected and held until service is complete and then remitted to other entities or individuals.

Suspense – To account for fees and court ordered payments collected for various agencies. These funds are remitted to other governmental agencies.

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS - CUSTODIAL FUNDS
SEPTEMBER 30, 2021**

	Custodial Funds					Total
	Inmates	Cash Bond	Unclaimed Evidence	Individual Depositors	Suspense	Custodial Funds
ASSETS						
Cash and Cash Equivalents	\$ 2,951	\$ -	\$ 1,206	\$ -	\$ 11,531	\$ 15,688
Due from Other Governmental Units	-	-	-	-	514	514
Due from Others	1,215	-	-	-	-	1,215
Total Assets	4,166	-	1,206	-	12,045	17,417
LIABILITIES						
Due to Others	1,024	-	-	-	10,441	11,465
Due to Other Governmental Units	-	-	-	-	1,604	1,604
Total Liabilities	1,024	-	-	-	12,045	13,069
NET POSITION						
Restricted	\$ 3,142	\$ -	\$ 1,206	\$ -	\$ -	\$ 4,348

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

	Custodial Funds					Total Custodial Funds
	Inmates	Cash Bond	Unclaimed Evidence	Individual Depositors	Suspense	
ADDITIONS						
Collections from Individuals	\$ 267,697	\$ 21,456	\$ 62,746	\$ 6,296	\$ 37,814	\$ 396,009
DEDUCTIONS						
Payments to Other Governments, Entities, and Individuals	269,766	21,456	62,756	8,686	37,814	400,478
CHANGE IN NET POSITION	(2,069)	-	(10)	(2,390)	-	(4,469)
Net Position - Beginning of Year (Restated, See Note 10)	5,211	-	1,216	2,390	-	8,817
NET POSITION - END OF YEAR	<u>\$ 3,142</u>	<u>\$ -</u>	<u>\$ 1,206</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,348</u>



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

The Honorable Paul Blackman
Sheriff
Highlands County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the Sheriff of Highlands County, Florida (Sheriff), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements, and have issued our report thereon dated January 27, 2022.

Internal Control Over Financial Reporting

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

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

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

The Honorable Paul Blackman
Sheriff
Highlands County, Florida

Compliance and Other Matters

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

Purpose of this Report

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

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

CliftonLarsonAllen LLP

Sebring, Florida
January 27, 2022



MANAGEMENT LETTER

The Honorable Paul Blackman
Sheriff
Highlands County, Florida

Report on the Financial Statements

We have audited the financial statements of the Sheriff of Highlands County, Florida (Sheriff), as of and for the fiscal year ended September 30, 2021 and have issued our report thereon dated January 27, 2022.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated January 27, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

The Honorable Paul Blackman
Sheriff
Highlands County, Florida

Financial Management

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

Additional Matters

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

Purpose of this Letter

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

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

CliftonLarsonAllen LLP

Sebring, Florida
January 27, 2022



INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Paul Blackman, Sheriff
and the Florida Auditor General
Highlands County, Florida

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

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

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

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

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Sebring, Florida
January 27, 2022

**SUPERVISOR OF ELECTIONS
HIGHLANDS COUNTY, FLORIDA**

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL REPORTS**

YEAR ENDED SEPTEMBER 30, 2021



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**SUPERVISOR OF ELECTIONS
HIGHLANDS COUNTY, FLORIDA
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INDEPENDENT AUDITORS' REPORT

The Honorable Karen Healy
Supervisor of Elections
Highlands County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the major fund and the aggregate remaining fund information of the Supervisor of Elections of Highlands County, Florida (Supervisor of Elections), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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



The Honorable Karen Healy
Supervisor of Elections
Highlands County, Florida

Opinion

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

Emphasis of Matter

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

Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 12, 2022, on our consideration of the Supervisor of Elections' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Supervisor of Elections' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Supervisor of Elections' internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Sebring, Florida
January 12, 2022

**SUPERVISOR OF ELECTIONS
HIGHLANDS COUNTY, FLORIDA
BALANCE SHEET – GENERAL FUND
SEPTEMBER 30, 2021**

ASSETS

Cash and Cash Equivalents	\$ 45,532
Due from Other Governments	<u>65,069</u>
Total Assets	<u><u>\$ 110,601</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts Payable	\$ 3,510
Due to Other Constitutional Officers	90,825
Accrued Wages	<u>16,266</u>
Total Liabilities	110,601

FUND BALANCE

Nonspendable	-
Unassigned	<u>-</u>
Total Fund Balance	<u>-</u>

Total Liabilities and Fund Balance	<u><u>\$ 110,601</u></u>

See accompanying Notes to Financial Statements.

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

	Budget			Variance Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental:				
Appropriation from Board of County Commissioners	\$ 905,422	\$ 906,947	\$ 900,447	\$ (6,500)
Intergovernmental	-	64,196	64,196	-
Total Revenues	905,422	971,143	964,643	(6,500)
EXPENDITURES				
General Government:				
Financial and Administrative:				
Personal Services	641,435	725,837	704,268	21,569
Operating Expenditures	263,987	245,306	225,901	19,405
Total Expenditures	905,422	971,143	930,169	40,974
EXCESS OF REVENUES OVER EXPENDITURES	-	-	34,474	34,474
OTHER FINANCING USES				
Unexpended Budget Balance Reverting to Board of County Commissioners	-	-	(34,474)	(34,474)
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - October 1, 2020	-	-	-	-
FUND BALANCE - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**SUPERVISOR OF ELECTIONS
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF NET POSITION – PROPRIETARY FUND
SEPTEMBER 30, 2021**

	Internal Service Fund
	<u>Compensated Absences</u>
ASSETS	
Cash and Cash Equivalents	\$ 43,300
LIABILITIES	
Accrued Compensated Absences Payable	43,193
Due to Other Constitutional Officers	<u>107</u>
Total Liabilities	43,300
NET POSITION	
Unrestricted	<u>-</u>
Total Net Position	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

**SUPERVISOR OF ELECTIONS
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION –
PROPRIETARY FUND
YEAR ENDED SEPTEMBER 30, 2021**

	Internal Service Fund <u>Compensated Absences</u>
OPERATING REVENUES	
Charges for Services	\$ 40,251
OPERATING EXPENSES	
Compensated Absences Expense	<u>40,251</u>
CHANGE IN NET POSITION	-
Net Position - October 1, 2020	<u>-</u>
NET POSITION - SEPTEMBER 30, 2021	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

**SUPERVISOR OF ELECTIONS
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF CASH FLOWS – PROPRIETARY FUND
YEAR ENDED SEPTEMBER 30, 2021**

	Internal Service Fund Compensated Absences
CASH FLOWS FROM OPERATING ACTIVITIES	
Charges for Services	\$ 40,251
Cash Paid to Employees for Services	(42,640)
Net Cash Used by Operating Activities	<u>(2,389)</u>
CASH FLOWS FROM NONCAPITAL RELATED FINANCING ACTIVITIES	
Transfer to Other Constitutional Officers	(269)
CASH FLOWS FROM INVESTING ACTIVITIES	
Receipts of Interest	<u>107</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,551)
Cash and Cash Equivalents - October 1, 2020	<u>45,851</u>
CASH AND CASH EQUIVALENTS - SEPTEMBER 30, 2021	<u><u>\$ 43,300</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES	
Adjustments to Reconcile Operating Income to Net Cash Used by Operating Activities:	
Changes in Assets and Liabilities:	
Decrease in Compensated Absences	<u>\$ (2,389)</u>
Net Cash Used by Operating Activities	<u><u>\$ (2,389)</u></u>

See accompanying Notes to Financial Statements.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Highlands County is a noncharter county established on April 23, 1921 under the laws of the state of Florida 1921, Chapter 8513. The Supervisor of Elections of Highlands County, Florida (Supervisor of Elections) is one of six constitutional officers elected to serve within the county and receives a significant portion of its revenue from the Board of County Commissioners, Highlands County, Florida. The Supervisor of Elections' financial statements include only the funds of the Supervisor of Elections' office. There are no separate legal entities (component units) for which the Supervisor of Elections is financially accountable.

The Supervisor of Elections is elected every four years to serve as the official responsible for registering eligible voters within the county, conducting elections within the county, receiving qualifying fees for public office, and tabulating results of votes cast during elections.

The Supervisor of Elections is a "budget" officer in that all of the Supervisor of Elections' operating revenues are received from the Board of County Commissioners (the Board) in the form of an appropriation. Any fees collected by the Supervisor of Elections in carrying out her duties are remitted to the Board at the end of each month. The Supervisor of Elections is also required to submit back to the Board any excess revenues over expenditures as of September 30 of each year.

The accompanying summary of significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies, as presented, should be viewed as an integral part of the financial statements. The following is a summary of the more significant policies:

Basis of Presentation

These financial statements have been prepared for the purpose of complying with Section 218.39(2), Florida Statutes, and Chapter 10.550, Rules of the Auditor General – Local Governmental Entity Audits, which allows the Supervisor of Elections to only present fund financial statements. These financial statements present only the portion of the funds of Highlands County, Florida that are attributable to the Supervisor of Elections. They are not intended to present fairly the financial position and results of operations of Highlands County, Florida in conformity with accounting principles generally accepted in the United States of America (GAAP).

Fund Accounting

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting (Continued)

The purpose of the Supervisor of Elections' various funds are as follows:

Governmental Funds

General Fund – The General Fund is the general operating fund of the Supervisor of Elections. The majority of the Supervisor of Elections' day-to-day operations are accounted for in this fund. It is used to account for all financial resources not required to be accounted for in another fund. Appropriations received from the Board are recorded in this fund. Expenditures for general governmental services are paid for through this fund.

Proprietary Funds

Internal Service Fund – The Internal Service Fund is used to account for the accumulation of funded compensated absences.

Capital Assets

All capital assets purchased, which include equipment and intangible software, are recorded as expenditures in the General Fund at the time of purchase. The Board holds legal title for the capital assets used in the operations of the Supervisor of Elections and is accountable for them under Florida Law. The Supervisor of Elections notifies the Board of capital assets purchased and the original cost is recorded in the capital asset records of Highlands County as a whole. The Supervisor of Elections may not dispose of any capital assets in her custody. The Supervisor of Elections is to notify the Board of any unused or obsolete assets and it is the Board's responsibility to dispose of these assets in accordance with the various Florida Statutes.

Measurement Focus

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

Proprietary Fund — The Internal Service Fund is accounted for on a cost of services measurement focus which is referred to as a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of the fund are included on the balance sheet. Proprietary Fund type operating statements present increases (revenues) and decreases (expenses) in net position.

Basis of Accounting

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

Governmental Funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they become measurable and available as net current assets. For this purpose, revenues are available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due.

The accrual basis of accounting is utilized by Proprietary Funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Budgets and Budgetary Data

The following are the procedures followed in establishing the budget for the Supervisor of Elections' office:

1. On or before June 1 of each year, the Supervisor of Elections shall submit to the Board of County Commissioners a tentative budget for the ensuing fiscal year.
2. Within 15 days after certification of the ad valorem tax roll by the Property Appraiser, the County Budget Officer submits to the Board a proposed County-wide operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
3. By Board resolution, a tentative budget is submitted to the public. Public hearings are held to obtain taxpayers' comments.
4. Within 20 days after adoption of the tentative budget, a final budget is submitted for review and adoption at a final public hearing.
5. Prior to, or on, September 30, the county's operating budget is legally enacted through passage of a resolution.
6. The Supervisor of Elections receives her budgeted revenues from the Board in monthly installments beginning in October.
7. Section 129.07, Florida Statutes, provides that only expenditures in excess of total fund budgets are unlawful. The Supervisor of Elections' annual budget is monitored at varying levels of classification detail.
8. Formal budgetary integration is employed as a management control device during the year for the governmental funds.
9. Annual appropriated budgets for the General Fund are legally adopted on a basis consistent with GAAP.
10. All appropriations lapse at the close of the fiscal year.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

The Supervisor of Elections considers the following as cash and cash equivalents:

1. Cash on hand, demand deposits; and
2. Deposits in the Local Government Surplus Funds Trust Fund (Florida PRIME) under the management of the State Board of Administration.

Investments

The Supervisor of Elections invests surplus public funds in accordance with Section 218.415, Florida Statutes.

Compensated Absences

Employees of the Supervisor of Elections earn annual and sick leave in varying amounts. Upon retirement, death, resignation, or separation in good standing, employees are eligible to receive 100% of accumulated annual leave, up to 240 hours, at their current rates of pay.

There is no limit on the amount of sick leave that can be accumulated by employees of the Supervisor of Elections. Upon separation of service, up to 1,040 hours of sick leave will be paid out at varying rates based on years of continuous service, at the current rate of pay.

In governmental funds, only the amounts that normally would be liquidated with expendable available resources are accrued as current year expenditures. Annual and the vested sick leave credits for the Supervisor of Elections have been fully funded and are recorded as expenditures in the General Fund.

Fund Balance

The classifications of fund balances are described as follows:

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

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

Committed Fund Balance – Amounts that can be spent only for specific purposes determined by a formal action of the Supervisor of Elections' highest level of decision-making authority.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance (Continued)

Assigned Fund Balance – Amounts the Supervisor of Elections intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.

Unassigned Fund Balance – Amounts that are available for any purpose; these amounts can be reported only in the Supervisor of Elections' General Fund.

When both restricted and unrestricted resources are available for use, it is the Supervisor of Elections' policy to first apply restricted resources when expenditures are incurred for purposes for which both restricted and unrestricted assets are available. The Board of County Commissioners adopted a fund balance policy for the county as a whole. The Supervisor of Elections does not have a separate fund balance policy as any unexpended fund balance is returned to the Board of County Commissioners each year.

Unexpended Budget Balance Reverting to Board of County Commissioners

Section 218.36(2), Florida Statutes, requires that any excess of revenues over expenditures in the General Fund held by the Supervisor of Elections at the end of each fiscal year shall be remitted to the Board of County Commissioners. Therefore, the excess of revenues over expenditures in the General Fund at the end of each fiscal year is reflected as unexpended budget balance reverting to Board of County Commissioners on the statement of revenues, expenditures and changes in fund balance, and the related liability is included in due to constitutional officers.

Use of Estimates

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

Other Postemployment Benefit Obligations

In accordance with Section 112.0801, Florida Statutes, the Supervisor of Elections participates with the county in offering retiring employees the opportunity to continue in the County's health insurance plan. The participating retirees pay 100% of the premium cost applicable to an active employee. The liability and expense for other postemployment benefits, calculated in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, are reported in the financial statements of the County.

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

NOTE 2 CASH AND CASH EQUIVALENTS

At September 30, 2021, the bank balance of the Supervisor of Elections' deposits were \$70,731. The entire amount of the demand deposits is deposited in a state of Florida qualified depository and, therefore, is fully collateralized.

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

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

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

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

The Supervisor of Elections invests funds throughout the year with Florida PRIME, an investment pool administered by the State Board of Administration, under the regulatory oversight of the state of Florida. Investments in Florida PRIME are made pursuant to Chapter 125.31, Florida Statutes. The investments are not categorized because they are not evidenced by securities that exist in physical or book entry form. Throughout the year and as of September 30, 2021, Florida PRIME contained certain floating and adjustable rate securities which were indexed based on the prime rate and/or one and three-month LIBOR rates. These investments represented 4.4% of Florida PRIME's portfolio at September 30, 2021.

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

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

NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

The dollar weighted-average days to maturity (WAM) of Florida PRIME as of September 30, 2021 was 49 days. Next interest rate reset dates for floating securities are used in the calculation of the WAM. The weighted-average life (WAL) of the Florida PRIME at September 30, 2021 was 64 days.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Supervisor of Elections' investment policy limits investments to specified credit ratings for authorized investments. Investments in Florida PRIME must carry an "AAAm" rating from Standard and Poor's.

On September 30, 2021, Standard and Poor's Ratings Services assigned the Florida PRIME an "AAAm" principal stability funding rating.

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

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

As of September 30, 2021, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

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

NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)

Credit Risk (Continued)

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

Demand Deposits	\$ 69,419
Petty Cash and Change Funds	150
Florida PRIME	19,263
Total	<u>\$ 88,832</u>
Balance Sheet - General Fund:	
Cash and Cash Equivalents	\$ 45,532
Statement of Net Position - Proprietary Fund:	
Cash and Cash Equivalents	43,300
Total Cash and Cash Equivalents	<u>\$ 88,832</u>

NOTE 3 PERSONNEL COMMITMENTS

Employees of the Supervisor of Elections earn annual leave and sick leave in varying amounts. In the event of retirement or termination of employment, an employee is paid for accumulated unused credits. The cash benefit of compensated absences is determined by multiplying the employee's current wage rate by the number of hours of unused credits.

The following shows the change in compensated absences for the fiscal year ended September 30, 2021:

Compensated Absences - September 30, 2020	\$ 45,582
Leave Earned by Employees	40,251
Payments to Employees	<u>(42,640)</u>
Compensated Absences - September 30, 2021	<u>\$ 43,193</u>

The Supervisor of Elections is obligated to make available to retired employees the option to maintain coverage with the county group health insurance plan. The Supervisor of Elections incurs no cost for this as the retired employee makes monthly payments to the county for this insurance.

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

NOTE 4 PENSION PLANS

Background

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

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

Florida Retirement System Pension Plan

Plan Description

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

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

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

NOTE 4 PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Plan Description (Continued)

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

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

Benefits Provided

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

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

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

NOTE 4 PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Benefits Provided (Continued)

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

Retiree Health Insurance Subsidy Program

Plan Description

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

Benefits Provided

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

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

FRS Investment Plan

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

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

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

NOTE 4 PENSION PLANS (CONTINUED)

FRS Investment Plan (Continued)

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2021, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Supervisor of Elections.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options.

Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

Contributions

Participating employer contributions are based upon statewide rates established by the state of Florida. The Supervisor of Election's contributions made to the plans during the years ended September 30, 2021, 2020, and 2019 were \$94,729, \$94,953, and \$85,251, respectively, equal to the actuarially determined contribution requirements for each year.

Additional information about pension plans can be found in the county's comprehensive annual financial report.

NOTE 5 RELATED PARTY TRANSACTIONS

Transactions with the Highlands County Board of Commissioners and the Constitutional Officers of Highlands County, Florida, for the fiscal year ended September 30, 2021 were as follows:

Budget Appropriation

The General Fund of the Supervisor of Elections received appropriations from the Board of County Commissioners in the amount of \$900,447 for the fiscal year ended September 30, 2021. Excess fees and other amounts payable to the Board at September 30, 2021 were \$34,552.

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

NOTE 5 RELATED PARTY TRANSACTIONS (CONTINUED)

Various Services

The Board of County Commissioners provides various services to the Supervisor of Elections. The charges for these services for the fiscal year ended September 30, 2021 amounted to \$86,827.

The Clerk of Courts provides various services to the Supervisor of Elections. The charges for these services for the fiscal year ended September 30, 2021 amounted to \$116,626.

NOTE 6 RISK MANAGEMENT

The Supervisor of Elections is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The county is a member of Preferred Governmental Insurance Trust (PGIT), a governmental insurance carrier. PGIT administers insurance activities relating to property, general liability, public official's and employment practices liability, automobile, crime, and workers' compensation. The county is liable for deductibles on certain coverage. Transactions related to activities involving PGIT are presented in the statements of Highlands County as a whole.

NOTE 7 CAPITAL ASSETS

The Supervisor of Elections' capital assets include furniture, equipment, voter equipment, computer equipment, vehicles, and software. The Supervisor of Elections, pursuant to Florida Statutes, records no capital assets for which the Supervisor of Elections is custodian. The threshold for capitalizing all capital assets, except software, is \$5,000. The threshold for capitalizing software is \$15,000 for internally generated software and \$25,000 for purchased software. Capital assets are recorded at cost or estimated historical cost. Contributed assets are recorded at estimated acquisition value at the time received. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets as follows:

Machinery and Equipment	4 to 20 Years
Software - Internally Generated	3 to 10 Years
Software - Purchased/Leased	3 to 10 Years

Detailed information concerning capital assets is recorded and reported in the government-wide financial statements of the county.

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

NOTE 7 CAPITAL ASSETS (CONTINUED)

The following is a summary of the changes in capital assets for which the Supervisor of Elections is custodian during fiscal year 2021:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets, Being Depreciated/ Amortized:				
Equipment	\$ 598,092	\$ -	\$ -	\$ 598,092
Computer Software	31,914	-	-	31,914
Total Capital Assets, Being Depreciated/Amortized	630,006	-	-	630,006
Less: Accumulated Depreciation/ Amortization:				
Equipment	(310,677)	(61,014)	-	(371,691)
Computer Software	(31,914)	-	-	(31,914)
Total Accumulated Depreciation/Amortization	(342,591)	(61,014)	-	(403,605)
Total Capital Assets, Net	<u>\$ 287,415</u>	<u>\$ (61,014)</u>	<u>\$ -</u>	<u>\$ 226,401</u>



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

The Honorable Karen Healy
Supervisor of Elections
Highlands County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the major fund and the aggregate remaining fund information of the Supervisor of Elections of Highlands County, Florida (Supervisor of Elections), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' basic financial statements, and have issued our report thereon dated January 12, 2022.

Internal Control Over Financing Reporting

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

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

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

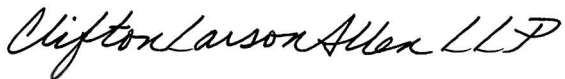
The Honorable Karen Healy
Supervisor of Elections
Highlands County, Florida

Compliance and Other Matters

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

Purpose of this Report

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

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

CliftonLarsonAllen LLP

Sebring, Florida
January 12, 2022



MANAGEMENT LETTER

The Honorable Karen Healy
Supervisor of Elections
Highlands County, Florida

Report on the Financial Statements

We have audited the financial statements of the Supervisor of Elections of Highlands County, Florida (Supervisor of Elections), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated January 12, 2022.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated January 12, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

The Honorable Karen Healy
Supervisor of Elections
Highlands County, Florida

Financial Management

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

Additional Matters

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

Purpose of this Letter

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

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

CliftonLarsonAllen LLP

Sebring, Florida
January 12, 2022



INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Karen Healy, Supervisor of Elections
and the Florida Auditor General
Highlands County, Florida

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

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

Our examination does not provide a legal determination on the Supervisor of Elections' compliance with specified requirements.

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

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

CliftonLarsonAllen LLP

Sebring, Florida
January 12, 2022

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA**

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL REPORTS**

YEAR ENDED SEPTEMBER 30, 2021



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**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
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INDEPENDENT AUDITORS' REPORT

The Honorable Eric T. Zwayer
Tax Collector
Highlands County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the major fund and the aggregate remaining fund information of the Tax Collector of Highlands County, Florida (Tax Collector), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Tax Collector's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

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

Emphasis of Matter

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

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Tax Collector's basic financial statements. The combining statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Honorable Eric T. Zwyer
Tax Collector
Highlands County, Florida

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 10, 2022 on our consideration of the Tax Collector's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Tax Collector's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tax Collector's internal control over financial reporting and compliance.

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

CliftonLarsonAllen LLP

Sebring, Florida
February 10, 2022

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2021**

	<u>General Fund</u>
ASSETS	
Cash and Cash Equivalents	\$ 1,397,653
Accounts Receivable, Net	5,126
Inventory	3,917
Prepaid Items	<u>27,781</u>
Total Assets	<u><u>\$ 1,434,477</u></u>
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Vouchers Payable	\$ 39,881
Due to Other Governmental Units	16,005
Due to Board of County Commissioners	1,320,750
Due to Others	2,574
Accrued Wages Payable	<u>55,267</u>
Total Liabilities	<u>1,434,477</u>
FUND BALANCE	
Nonspendable	31,698
Unassigned	<u>(31,698)</u>
Total Fund Balance	<u>-</u>
Total Liabilities and Fund Balance	<u><u>\$ 1,434,477</u></u>

See accompanying Notes to Financial Statements.

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2021**

	Budget			Variance with Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Charges for Services:				
Commissions from:				
Board of County Commissioners	\$ 1,779,817	\$ 1,779,817	\$ 1,852,943	\$ 73,126
South Florida Water Management District	4,474	4,474	4,000	(474)
Southwest Florida Water Management District	25,275	25,275	24,087	(1,188)
Other Taxing Districts	248,183	248,183	257,545	9,362
Other Fees	1,178,960	1,178,960	1,447,768	268,808
Total Charges for Services	3,236,709	3,236,709	3,586,343	349,634
Miscellaneous Revenues:				
Investment Earnings	14,000	14,000	1,406	(12,594)
Other Miscellaneous Revenues	38,245	38,245	37,755	(490)
Total Miscellaneous Revenues	52,245	52,245	39,161	(13,084)
Total Revenues	3,288,954	3,288,954	3,625,504	336,550
EXPENDITURES				
General Government:				
Financial and Administrative:				
Personal Services	2,814,483	2,814,483	2,616,726	197,757
Operating Expenditures	473,365	473,365	370,439	102,926
Total Expenditures	3,287,848	3,287,848	2,987,165	300,683
EXCESS OF REVENUES OVER EXPENDITURES	1,106	1,106	638,339	637,233
OTHER FINANCING SOURCES (USES)				
Transfer of Excess Fees	-	-	(638,339)	(638,339)
Unbudgeted Excess Fees	(1,106)	(1,106)	-	1,106
Total Other Financing Uses	(1,106)	(1,106)	(638,339)	(637,233)
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - October 1, 2020	-	-	-	-
FUND BALANCE - SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2021**

	Internal Service Fund
	<u>Compensated Absences</u>
ASSETS	
Cash and Cash Equivalents	\$ 109,237
LIABILITIES	
Accrued Compensated Absences Payable	<u>109,237</u>
NET POSITION	
Unrestricted	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED SEPTEMBER 30, 2021**

	Internal Service Fund <u>Compensated Absences</u>
OPERATING REVENUES	
Charges for Services	\$ 189,199
OPERATING EXPENSES	
Compensated Absence Expense	<u>189,344</u>
OPERATING LOSS	(145)
NONOPERATING REVENUES	
Investment Earnings	<u>145</u>
CHANGE IN NET POSITION	-
Net Position - October 1, 2020	<u>-</u>
NET POSITION - SEPTEMBER 30, 2021	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED SEPTEMBER 30, 2021**

	Internal Service Fund Compensated Absences
CASH FLOWS FROM OPERATING ACTIVITIES	
Charges for Services	\$ 189,199
Cash Paid to Employees for Services	(185,420)
Net Cash Provided by Operating Activities	<u>3,779</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	<u>145</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,924
Cash and Cash Equivalents - October 1, 2020	<u>105,313</u>
CASH AND CASH EQUIVALENTS - SEPTEMBER 30, 2021	<u><u>\$ 109,237</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Loss	\$ (145)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Changes in Assets and Liabilities:	
Increase in Compensated Absences	<u>3,924</u>
Net Cash Provided by Operating Activities	<u><u>\$ 3,779</u></u>

See accompanying Notes to Financial Statements.

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2021**

	Custodial Funds
ASSETS	
Cash and Cash Equivalents	\$ 935,236
Due from Others	<u>1,178</u>
Total Assets	<u>936,414</u>
LIABILITIES	
Due to Other Governmental Units	727,963
Due to Others	<u>208,451</u>
Total Liabilities	<u>936,414</u>
NET POSITION	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2021**

	Custodial Funds
ADDITIONS	
Tax, License, and Fee Collections	<u>\$ 66,903,852</u>
Total Additions	<u>66,903,852</u>
DEDUCTIONS	
Payments to State Agencies	14,572,271
Payments to Other Governments	47,741,573
Payments to Others	<u>4,590,008</u>
Total Deductions	<u>66,903,852</u>
CHANGE IN NET POSITION	-
Net Position - Beginning of Year	<u>-</u>
NET POSITION - END OF YEAR	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Highlands County is a noncharter County established April 23, 1921 under the Constitution and Laws of the State of Florida, 1921, Chapter 8513. The Tax Collector of Highlands County, Florida (Tax Collector) is one of six constitutional officers elected to serve within the County and receives a significant portion of his revenue through the fees and commissions that are generated by the Tax Collector's office pursuant to the provisions of Section 192.091, Florida Statutes. These financial statements include only the funds of the Tax Collector and are not meant to represent Highlands County, Florida. There are no separate legal entities (component units) for which the Tax Collector is financially accountable.

The Tax Collector is elected every four years to serve as the public official charged with the responsibility for collecting and disbursing ad valorem taxes, non-ad valorem taxes, and tangible taxes for the County as well as various other taxes and licenses. Additional duties of the Tax Collector include motor vehicle, mobile home, vessel and drivers' license registrations, hunting and fishing licenses, yard sale permits, certified copies of birth certificates, and concealed weapons licensing processing.

The Tax Collector is a "fee" officer in that operating revenues are received based upon the services rendered. The balance of fees in excess of expenditures remaining at September 30 is divided among the various taxing units in the same proportion as that particular unit's payments to the Tax Collector during the year bear to the total payments received from all taxing units.

The accompanying summary of significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies, as presented, should be viewed as an integral part of the financial statements. The following is a summary of the more significant policies:

Basis of Presentation

These financial statements have been prepared for the purpose of complying with Section 218.39(2), Florida Statutes, and Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*, which allows the Tax Collector to present only fund financial statements. These financial statements present only the portion of the funds of Highlands County, Florida that are attributable to the Tax Collector. They are not intended to present fairly the financial position and results of operations of Highlands County, Florida in conformity with accounting principles generally accepted in the United States of America (GAAP).

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting

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

Governmental Fund

General Fund – The General Fund is the general operating fund of the Tax Collector. The majority of the Tax Collector's day-to-day operating costs are accounted for in this fund. It is used to account for all financial resources not required to be accounted for in another fund. Fees from the collection of general property taxes, licenses, and certain other intergovernmental revenues are recorded in this fund. Expenditures for general governmental services are paid through this fund.

Proprietary Fund

Internal Service Fund – The Internal Service Fund is used to account for the accumulation of funded compensated absences.

Fiduciary Funds

Custodial Funds – Custodial Funds are used to account for assets held by a government in a fiduciary capacity for individuals, private organizations or other governments.

Capital Assets

All capital assets purchased, which include furniture, equipment, computer equipment, and vehicles, are recorded as expenditures in the General Fund at the time of purchase. The Board holds legal title for the capital assets used in the operations of the Tax Collector and is accountable for them under Florida Law. The Tax Collector notifies the Board of County Commissioners of capital assets purchased and the original cost is recorded in the capital asset records of the Board of County Commissioners. The Tax Collector may not dispose of any capital assets in his custody. The Tax Collector is to notify the Board of County Commissioners of any unused or obsolete assets, and it is the Board of County Commissioners' responsibility to dispose of these assets in accordance with the various Florida Statutes.

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus

Governmental Fund – The General Fund is presented using the flow of current financial resources measurement focus. This means that only current assets and current liabilities are generally included on the balance sheet. Their reported unassigned fund balances (net current assets) are considered a measure of “available, spendable, or appropriable resources.” Governmental fund operating statements present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Proprietary Fund – The Internal Service Fund is accounted for on a cost of services measurement focus which is referred to as a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of the fund are included in the statement of net position. Proprietary Fund operating statements present increases (revenues) and decreases (expenses) in net position.

The Custodial funds use the economic resources measurement focus.

Basis of Accounting

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

Governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they become measurable and available as net current assets. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Tax Collector considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due.

The accrual basis of accounting is utilized by the fiduciary fund and proprietary fund. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Data

The following are the procedures followed in establishing the budget for the Tax Collector's office:

1. On or before August 1 of each year, the Tax Collector submits an annual budget for the operations of the office to the State of Florida, Department of Revenue, Property Tax Administration (Department). A copy of the budget is also furnished to the Board of County Commissioners. After the budget has been reviewed and approved by the Department, it becomes the operating budget for the ensuing fiscal year.
2. The Tax Collector's operating budget can only be amended after written approval has been received from the Department.
3. Florida Statutes provide that it is unlawful to make expenditures that exceed the total amount budgeted for each fund. The Department of Revenue approves all transfers between appropriation categories, and this becomes the level of control for budgetary considerations.
4. Formal budgetary integration is employed as a management control device during the year for all Governmental Funds.
5. The budget for the General Fund is adopted on a basis consistent with GAAP.

Cash and Cash Equivalents

Cash and cash equivalents is cash on hand as well as demand deposits and investments in local government investment pools with original maturities of three months or less from the date of acquisition.

The Tax Collector maintains a pooled bank account where cash resources of several funds are consolidated for investment purposes. This account represents the amount owned by each fund. This practice gives the Tax Collector the ability to maximize the yield on the short-term investment of cash, increasing interest earnings accordingly.

Interest earned on pooled investments is allocated to the participating funds.

Investments

The Tax Collector invests surplus public funds in accordance with Section 218.415, Florida Statutes.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items using the consumption method. Under the consumption method, services paid for in advance are reported as an asset until the period in which the services are actually consumed.

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

Employees of the Tax Collector earn paid time off in varying amounts. Paid time off credits earned in excess of 400 hours which are not used by the close of business on December 31 of each calendar year shall be canceled. Upon terminal separation from the Tax Collector's office, employees having one year of satisfactory, continuous and creditable service are eligible to receive payment for paid time off up to 400 hours at their current rate of pay. The limit of lump-sum reimbursements of paid time off credits is based on years of service.

Fund Balance

The classifications of fund balances are described as follows:

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

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

Committed Fund Balance – Amounts that can be spent only for specific purposes determined by a formal action of the Tax Collector's highest level of decision-making authority.

Assigned Fund Balance – Amounts the Tax Collector intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.

Unassigned Fund Balance – Amounts that are available for any purpose; positive amounts can be reported only in the Tax Collector's General Fund.

When both restricted and unrestricted resources are available for use, it is the Tax Collector's policy to first apply restricted resources when an expenditure is incurred for purposes for which both restricted and unrestricted assets are available. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Tax Collector considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds. The Board of County Commissioners adopted a fund balance policy for the county as a whole. The Tax Collector does not have a separate fund balance policy because, by Florida Statute, the Tax Collector must return any excess fees at year-end.

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unexpended Budget Balance Reverting to Board of County Commissioners

Section 218.36(2), Florida Statutes, requires that any excess of revenues over expenditures in the General Fund (excess fees) held by the Tax Collector at the end of each fiscal year be distributed to each governmental unit in the same proportion as the fees paid by the governmental unit bear to the total fee income of the office. Therefore, the excess of revenues over expenditures in the General Fund at the end of each fiscal year is reflected as a transfer of excess fees on the statement of revenues, expenditures and changes in fund balance, and the related liability is recorded as due to the Board of County Commissioners and other governmental units.

Use of Estimates

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

Other Postemployment Benefit Obligations

In accordance with Section 112.0801, Florida Statutes, the Tax Collector participates with the County in offering retiring employees the opportunity to continue in the County's health insurance plan. The participating retirees pay 100% of the premium cost applicable to an active employee. The liability and expense for other postemployment benefits, calculated in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, are reported in the financial statements of the County.

NOTE 2 CASH AND CASH EQUIVALENTS

At year-end, the bank balance of the Tax Collector's deposits were \$467,036. The entire amount of the demand deposits is deposited in a State of Florida qualified depository and, therefore, is fully collateralized.

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

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)

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

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

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

The Tax Collector invests funds throughout the year with the following local government investment pools:

Florida PRIME

Florida PRIME is an investment pool administered by the State Board of Administration, under the regulatory oversight of the State of Florida. Investments in Florida PRIME are made pursuant to Chapter 125.31, Florida Statutes. The investments are not categorized because they are not evidenced by securities that exist in physical or book entry form. Throughout the year and as of September 30, 2021, Florida PRIME contained certain floating and adjustable rate securities which were indexed based on the prime rate and/or one and three-month LIBOR rates. These investments represented 4.4% of Florida PRIME's portfolio at September 30, 2021.

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

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

The dollar weighted average days to maturity (WAM) of Florida PRIME as of September 30, 2021 was 49 days. Next interest rate reset dates for floating securities are used in the calculation of the WAM. The weighted average life (WAL) of the Florida PRIME at September 30, 2021 was 64 days.

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)

Florida PRIME (Continued)

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investments in Florida PRIME must carry an “AAAm” rating from Standard and Poor’s.

On September 30, 2021, Standard and Poor’s Ratings Services assigned the Florida PRIME an “AAAm” principal stability funding rating.

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

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

As of September 30, 2021, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100% of their account value.

Florida Cooperative Liquid Assets Securities System

Florida Cooperative Liquid Assets Securities System (FLCLASS) is an independent local government investment pool. The trust is administered by Public Trust Advisors, LLC and an appointed Board of Trustees. FLCLASS is accounted for as a stable NAV investment pool, and operates like a money market fund with each share valued at \$1. At September 30, 2021, the WAM in days was 47 days. Next interest rate reset dates for floating securities are used in the calculation of the WAM.

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

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)

Florida Cooperative Liquid Assets Securities System (Continued)

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investments in FLCLASS carry an "AAAm" rating from Standard and Poor's.

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

Demand Deposits	\$ 673,869
Petty Cash and Change Funds	12,750
Florida PRIME	66,638
Florida Cooperative Liquid Assets Securities System (FLCLASS)	<u>1,688,869</u>
Total	<u><u>\$ 2,442,126</u></u>
Balance Sheet - General Fund:	
Cash and Cash Equivalents	\$ 1,397,653
Statement of Net Position - Proprietary Fund:	
Cash and Cash Equivalents	109,237
Statement of Fiduciary Net Position - Custodial Funds:	
Cash and Cash Equivalents	<u>935,236</u>
Total Cash and Cash Equivalents	<u><u>\$ 2,442,126</u></u>

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 3 PERSONNEL COMMITMENTS

Employees of the Tax Collector earn paid time off in varying amounts. In the event of retirement or termination of employment, an employee is paid for accumulated paid time off credits unused based on years of service. The cash benefit of these compensated absences is determined by multiplying the employee's current wage rate by the number of unused credits.

The following shows the change in compensated absences for the fiscal year ended September 30, 2021:

Compensated Absences - September 30, 2020	\$ 105,313
Increase in Leave Earned by Employees	189,344
Payments to Employees	<u>(185,420)</u>
Compensated Absences - September 30, 2021	<u><u>\$ 109,237</u></u>

NOTE 4 PENSION PLANS

Background

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

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

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 4 PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan

Plan Description

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

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

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

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

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 4 PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Benefits Provided

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

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

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

Retiree Health Insurance Subsidy Program

Plan Description

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

Benefits Provided

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

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

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 4 PENSION PLANS (CONTINUED)

FRS Investment Plan

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

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

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2021, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Tax Collector.

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

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 4 PENSION PLANS (CONTINUED)

Contributions

Participating employer contributions are based upon statewide rates established by the State of Florida. The Tax Collector's contributions made to the plans during the years ended September 30, 2021, 2020, and 2019 were \$301,730, \$302,470, and \$286,289, respectively, equal to the actuarially determined contribution requirements for each year.

Additional information about pension plans can be found in the County's comprehensive annual financial report.

NOTE 5 RELATED-PARTY TRANSACTIONS

Transactions with the Highlands County Board of Commissioners and the Constitutional Officers of Highlands County, Florida for the year ended September 30, 2021 were as follows:

Charges for Services

The General Fund of the Tax Collector received revenue from the Board of County Commissioners in the amount of \$1,852,943 for the year ended September 30, 2021. Excess fees payable to the Board at September 30, 2021 was \$622,334. Additionally, taxes and fees payable to the Board at September 30, 2021 were \$698,416.

Various Services

The Board of County Commissioners provides various services to the Tax Collector. The charges for these services for the fiscal year ended September 30, 2021 amounted to \$386,047.

The Clerk of Courts provides various services to the Tax Collector. The charges for IT support and software related expenditures for the fiscal year ended September 30, 2021 amounted to \$74,127.

NOTE 6 RISK MANAGEMENT

The Tax Collector is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County is a member of Preferred Governmental Insurance Trust (PGIT), a governmental insurance carrier. PGIT administers insurance activities relating to property, general liability, public official's and employment practices liability, automobile, crime, and worker compensation. The County is liable for deductibles on certain coverage. Transactions related to activities related to PGIT are presented in the statements of Highlands County as a whole.

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 7 CAPITAL ASSETS

The Tax Collector's capital assets include furniture, equipment, computer equipment, and vehicles. The Tax Collector, pursuant to Florida Statutes, records no capital assets for which the Tax Collector is custodian. The threshold for capitalizing all capital assets except software is \$5,000. The threshold for capitalizing software is \$15,000 for internally generated software and \$25,000 for purchased software. Capital assets are recorded at cost or estimated historical cost. Contributed assets are recorded at estimated acquisition value at the time received. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets as follows:

<u>Assets</u>	
Machinery and Equipment	4 to 20 Years
Software - Internally Generated	3 to 10 Years
Software - Purchased/Leased	3 to 10 Years

Detailed information concerning capital assets is recorded and reported in the government-wide financial statements of the County. The following is a summary of the changes in capital assets for which the Tax Collector was custodian during fiscal year 2021:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets, Being Depreciated/ Amortized:				
Equipment	\$ 261,878	\$ -	\$ -	\$ 261,878
Less Accumulated Depreciation/ Amortization:				
Equipment	(240,107)	(4,750)	-	(244,857)
Total Capital Assets, Net	<u>\$ 21,771</u>	<u>\$ (4,750)</u>	<u>\$ -</u>	<u>\$ 17,021</u>

NOTE 8 COMMITMENTS AND CONTINGENCIES

The Tax Collector is named as a defendant in several lawsuits concerning assessment and collection of prior years' ad valorem taxes on real and personal property located in Highlands County, Florida. The outcome of these matters turns upon disputed questions of property classifications and tax values. As of September 30, 2021, based on management's opinion, it does not appear the Tax Collector's assets will be affected and, consequently, no provision has been made for any liability that might arise from these claims.

NOTE 9 CHANGE IN ACCOUNTING PRINCIPLE

During the year ended September 30, 2021, the Tax Collector adopted new accounting guidance by implementing the provisions of GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying and reporting fiduciary activities. The implementation of this statement has resulted in changing the presentation of the financial statements and establishing requirements for reporting net position in custodial funds.

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
CUSTODIAL FUNDS DESCRIPTIONS
YEAR ENDED SEPTEMBER 30, 2021**

The Tax Collector maintains the following Custodial Funds:

Custodial Funds:

Tag – Used by the Tax Collector to account for motor vehicle and vessel registrations, title transfer fees, drivers' license transactions, sales tax, birth certificate fees, and concealed weapons licensing fees remitted to the State of Florida.

Tax and License – Used by the Tax Collector to account for the collection of ad valorem and non ad valorem taxes, tangible personal property taxes and hunting and fishing licenses remitted to various taxing agencies and the State of Florida.

Tax Redemption – Used by the Tax Collector to account for collection of redeemed tax certificates issued in connection with delinquent ad valorem and non ad valorem taxes and remittance to certificate holders.

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS – ALL CUSTODIAL FUNDS
SEPTEMBER 30, 2021**

	Custodial Funds			Total Custodial Funds
	Tag	Tax and License	Tax Redemption	
ASSETS				
Cash and Cash Equivalents	\$ 201,538	\$ 595,716	\$ 137,982	\$ 935,236
Due from Others	1,178	-	-	1,178
Total Assets	<u>202,716</u>	<u>595,716</u>	<u>137,982</u>	<u>936,414</u>
LIABILITIES				
Due to Other Governmental Units	202,716	525,247	-	727,963
Due to Others	-	70,469	137,982	208,451
Total Liabilities	<u>202,716</u>	<u>595,716</u>	<u>137,982</u>	<u>936,414</u>
NET POSITION	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS – ALL CUSTODIAL FUNDS
YEAR ENDED SEPTEMBER 30, 2021**

	Custodial Funds			Total Custodial Funds
	Tag	Tax and License	Tax Redemption	
ADDITIONS				
Tax, License, and Fee Collections	\$ 14,572,271	\$ 47,741,573	\$ 4,590,008	\$ 66,903,852
Total Additions	14,572,271	47,741,573	4,590,008	66,903,852
DEDUCTIONS				
Payments to State Agencies	14,572,271	-	-	14,572,271
Payments to Other Governments	-	47,741,573	-	47,741,573
Payments to Others	-	-	4,590,008	4,590,008
Total Deductions	14,572,271	47,741,573	4,590,008	66,903,852
CHANGE IN NET POSITION	-	-	-	-
Net Position - Beginning of Year	-	-	-	-
NET POSITION - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



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

The Honorable Eric T. Zwyer
Tax Collector
Highlands County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the major fund and the aggregate remaining fund information of the Tax Collector of Highlands County, Florida (Tax Collector), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Tax Collector's basic financial statements, and have issued our report thereon dated February 10, 2022.

Internal Control Over Financial Reporting

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

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

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

The Honorable Eric T. Zwyer
Tax Collector
Highlands County, Florida

Compliance and Other Matters

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

Purpose of this Report

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

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

CliftonLarsonAllen LLP

Sebring, Florida
February 10, 2022



MANAGEMENT LETTER

The Honorable Eric T. Zwyer
Tax Collector
Highlands County, Florida

Report on the Financial Statements

We have audited the financial statements of the Tax Collector of Highlands County, Florida (Tax Collector), as of and for the fiscal year ended September 30, 2021 and have issued our report thereon dated February 10, 2022.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated February 10, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

The Honorable Eric T. Zwyer
Tax Collector
Highlands County, Florida

Financial Management

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

Additional Matters

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

Purpose of this Letter

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

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

CliftonLarsonAllen LLP

Sebring, Florida
February 10, 2022



INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Eric T. Zwyer
Tax Collector
Highlands County, Florida

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

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

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

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

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

CliftonLarsonAllen LLP

Sebring, Florida
February 10, 2022