

ANNUAL FINANCIAL REPORT

CLERK OF CIRCUIT COURT
AND COMPTROLLER

HENDRY COUNTY
FLORIDA



*Kimberley
Barrineau*



FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2023
HENDRY COUNTY, FLORIDA

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HENDRY COUNTY, FLORIDA

**COMBINED
FINANCIAL STATEMENTS**

SEPTEMBER 30, 2023

**INCLUDING
BOARD OF COUNTY COMMISSIONERS,
CONSTITUTIONAL OFFICERS,
AND COMPONENT UNIT**

SECTION I

COMBINED FINANCIAL STATEMENTS

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Report of Independent Auditor

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the discretely presented component unit and the aggregate remaining fund information of Hendry County, Florida (the "County"), as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, 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 County as of September 30, 2023 and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and County Transportation Trust Fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as provided in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Required Supplementary Information, Continued

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the 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 introductory section, combining statements and schedules and statistical section as provided in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and Chapter 10.550, Rules of the Auditor General, and are also not a required part of the basic financial statements.

The combining 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 procedure in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and schedules and the schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 28, 2024, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida
August 28, 2024

**MANAGEMENT
DISCUSSION & ANALYSIS**

Hendry County, Florida

Management's Discussion and Analysis

This discussion and analysis of Hendry County's (the "County") financial statements is designed to introduce the basic financial statements and provide an analytical overview of the County's financial activities for the fiscal year ended September 30, 2023. The basic financial statements are comprised of the government-wide financial statements, fund financial statements, and footnotes. We hope this will assist readers in identifying significant financial issues and changes in the County's financial position.

Financial Highlights

- At the close of fiscal year 2023 the County's total assets and deferred outflows of resources exceeded its total liabilities and deferred inflows of resources, resulting in a net position of \$72,484,260 an increase of \$1,389,132 over last year. Governmental and business-type assets and deferred outflows of resources exceeded its liabilities and deferred inflows by \$54,369,712 and \$18,114,548, respectively, which was an increase of \$2,172,707 for governmental assets and deferred outflows and a decrease of \$783,575 for business-type assets and deferred outflows.
- Total revenues for governmental activities were \$90,561,636, which was an increase of \$14,124,799 over prior year.
- Total expenses for governmental activities were \$91,987,853, which was an increase of \$14,865,690 over prior year.
- Noncurrent liabilities are reported at \$45,678,856 on September 30, 2023 for governmental activities and \$7,219,608 for business-type activities.
- Capital Assets net of depreciation are reported at \$80,944,469 on September 30, 2023 for all fund types.

Government-Wide Financial Statements

The government-wide financial statements (statement of net assets and statement of activities) concentrate on the County as a whole and do not emphasize fund types but rather a governmental or a business-type classification, which are presented in separate columns. The governmental and business-type activities comprise the primary government and are reported separate from the component units for which the County is accountable.

General governmental and intergovernmental revenues support the governmental activities, whereas business-type activities are primarily supported by user fees and charges for services. The purpose of the government-wide financial statements is to allow the user to be able to analyze the County's total financial position.

The statement of activities reflects the expenses of a given function or segment, which are offset by program revenues. Program revenues are defined as charges for services, operating grants and contributions, and capital grants and contributions directly associated with a given function. Taxes are reported under general revenue.

Fund Financial Statements

The accounts of the County are organized on a 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 or retained earnings, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The County's funds are presented in separate fund financial statements. These funds are presented on a governmental fund financial statement and a proprietary fund financial statement. The County's major funds are presented in separate columns on the fund financial statements. The definition of a major fund is one that meets certain criteria set-forth in Governmental Accounting Standards Board Statements Number 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments (GASB 34). The funds that do not meet the criteria of a major fund are considered non-major funds and are combined into a single column on the fund financial statements.

The County adopts an annual budget for all funds. A budgetary comparison has been presented for the General Fund and County Transportation Trust Fund, which compares not only actual results to budget but also the original adopted budget to final budget.

Governmental Fund Financial Statements

Governmental fund financial statements are prepared on the modified accrual basis using current financial resources measurement focus. Under the modified accrual basis, revenues are recognized when they become measurable and available as net current assets.

Three of the County's governmental funds, the General Fund, County Transportation Trust Fund, and ARPA and Hendry Cares Act Grant Fund are classified as major funds. All other governmental funds are combined into a single column on the governmental fund financial statements. Individual fund data for the non-major funds are found in combining statement as supplemental financial data.

Proprietary Fund Financial Statements

Proprietary fund financial statements like government-wide financial statements are prepared on the full accrual basis. Proprietary funds record both operating and non-operating revenues and expenses. Operating revenues are those that are obtained from the operations of the proprietary fund.

The County reports their Port LaBelle Utility System in the proprietary fund financial statement. This enterprise fund represents our water and sewer system that the county owns and operates.

Fiduciary Fund Financial Statement

The fiduciary fund financial statement is not included in the government-wide financial statements because the resources of those funds are not available to support the County's programs. The only type of fiduciary funds the County maintains, custodial funds, are used to account for assets held by the County as an agent for individuals.

Government-Wide Financial Analysis

The government-wide financial statements were designed so that the user could determine if the County is in a better or worse condition from the prior year.

The following is a condensed summary of net position for the primary government for fiscal years 2022 and 2023 with increases and decreases.

Hendry County, Florida Summary of Net Position with Prior Year Comparison September 30, 2023 and 2022								
	Governmental Activities 2022	Governmental Activities 2023	Governmental Activities Inc / (Dec)	Business-type Activities 2022	Business-type Activities 2023	Business-type Activities Inc / (Dec)	All Activities Total 2023	All Activities Total Inc / (Dec)
Current & Other assets	\$ 36,951,215	\$ 49,859,043	\$ 12,907,828	\$ 11,463,261	\$ 11,750,068	\$ 286,807	\$ 61,609,111	\$ 13,194,635
Capital assets	67,120,187	66,513,027	(607,160)	15,066,537	14,431,442	(635,095)	80,944,469	(1,242,255)
Deferred outflows	8,365,215	8,670,407	305,192	577,078	606,367	29,289	9,276,774	334,481
Total assets and deferred outflows	112,436,617	125,042,477	12,605,860	27,106,876	26,787,877	(318,999)	151,830,354	12,286,861
Current & Other liabilities	16,544,148	18,889,870	2,345,722	1,226,833	1,107,427	(119,406)	19,997,297	2,226,316
Non-current liabilities	39,253,894	45,678,856	6,424,962	5,986,631	7,219,608	1,232,977	52,898,464	7,657,939
Deferred inflows	7,497,576	6,104,039	(1,393,537)	427,786	346,294	(81,492)	6,450,333	(1,475,029)
Total liabilities and deferred inflows	63,295,618	70,672,765	7,377,147	7,641,250	8,673,329	1,032,079	79,346,094	8,409,226
Net position:								
Invested in capital assets, net of related debt	61,104,395	61,350,754	246,359	8,871,283	9,600,442	729,159	70,951,196	975,518
Restricted	18,777,361	22,805,561	4,028,200	5,512,227	5,243,465	(268,762)	28,049,026	3,759,438
Unrestricted	(30,740,757)	(29,786,603)	954,154	5,082,226	3,270,641	(1,811,585)	(26,515,962)	(857,431)
Total Net Position	\$ 49,140,999	\$ 54,369,712	\$ 5,228,713	\$ 19,465,736	\$ 18,114,548	\$ (1,351,188)	\$ 72,484,260	\$ 3,877,525

Investment in capital assets, net of related debt is the largest portion of the net assets. This represents capital assets (land, buildings, improvements, equipment, furniture, vehicles, and infrastructure), net of accumulated depreciation, and the outstanding related debt used to acquire the assets.

The restricted net position balance of \$5,243,465 in 2023 represents contractual obligations and \$22,805,561 represents special revenue and capital project requirements in 2023.

The unrestricted net position balance of (\$26,515,962) represents assets that are available for spending at the County's discretion, however, it is important to note that this balance is county wide and there are restrictions within each source of funds as to what these funds can be used for.

Governmental Activities Analysis

Governmental Revenue Accounts increased 18% from 2022 to 2023. The majority of this variance is due to increases in ad-valorem taxes and grant income due to major road and airport grants and ARPA and CARES Act economic recovery grants. Expenses increased 15% in 2023. These increases are related to increases in Salaries and Benefits associated with the actuarial determined pension expenses. The Hendry County Board of County Commissioners, Hendry County Staff as well as all Hendry County Constitutional Officials have worked diligently to become more efficient and cost effective over the past few years and will continue this process into the future.

Business Activities Analysis

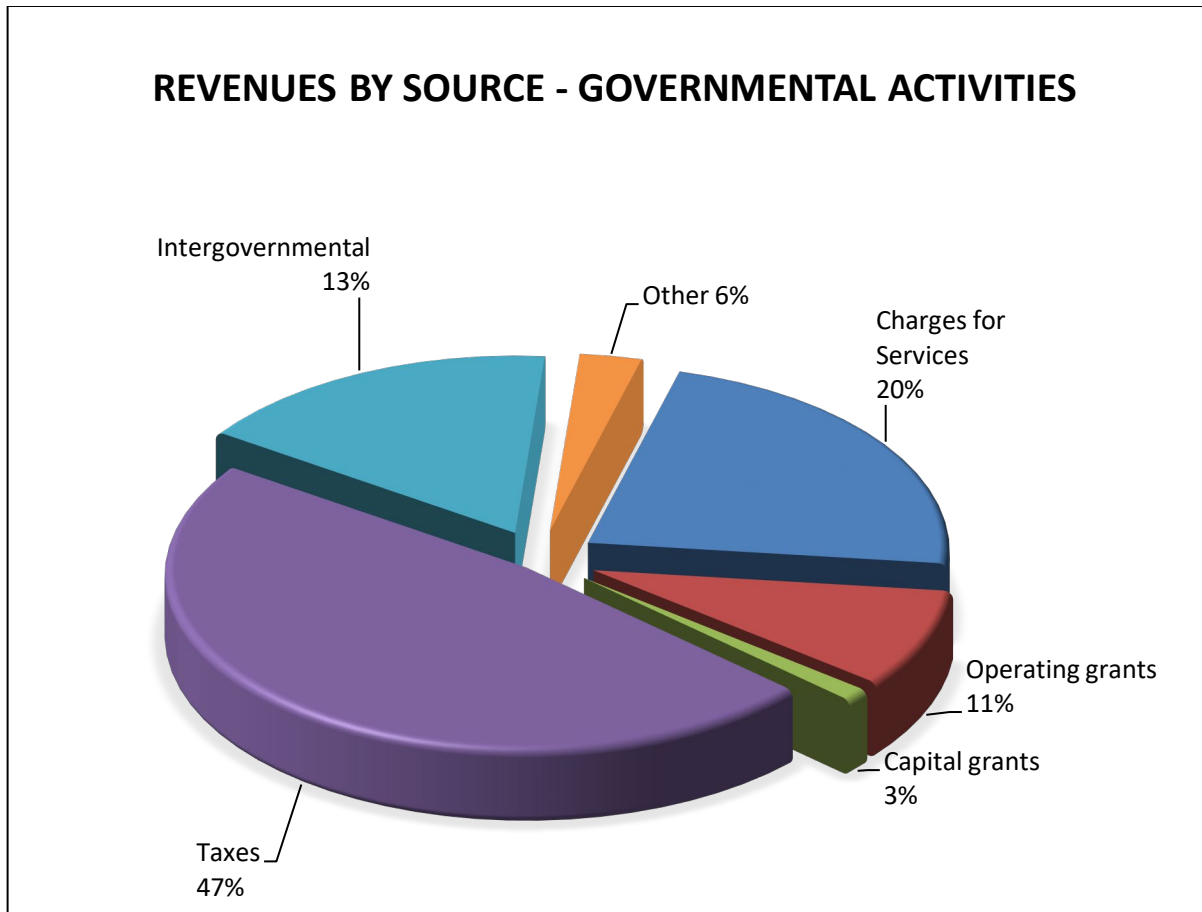
The Port LaBelle Utility System had increases in revenue and expenses due to the economic growth in the Port LaBelle area. New homes were built and existing inventory purchases causing revenues to increase.

The following schedule represents Summary of Revenues and Expenditures and Changes in Net Position for the year September 30, 2023.

Hendry County, Florida					
Summary of Revenues, Expenses and Changes in Net Position					
As of September 30, 2023					
	Governmental Activities 2022	Governmental Activities 2023	Business-type Activities 2022	Business-type Activities 2023	Total 2023
Revenues:					
Program Revenues:					
Charges for Service	\$ 17,101,550	\$ 17,760,532	\$ 5,091,265	\$ 2,664,722	\$ 20,425,254
Operating Grants and Contributions	6,692,667	9,606,539	-	-	9,606,539
Capital Grants and Contributions	1,866,098	3,211,735	-	-	3,211,735
General Revenues:					
Taxes	35,937,376	42,922,324	-	-	42,922,324
Intergovernmental revenues, not restricted for specific purposes	12,709,090	11,393,235	-	-	11,393,235
Other	2,132,806	5,610,219	135,018	403,422	6,013,641
Total Revenues	76,439,587	90,504,584	5,226,283	3,068,144	93,572,728
Expenses:					
Program Activities:					
General Government	20,956,172	26,076,104	-	-	26,076,104
Court Related	2,474,170	2,512,198	-	-	2,512,198
Public Safety	29,402,542	36,353,837	-	-	36,353,837
Physical Environment	4,621,644	5,206,318	-	-	5,206,318
Transportation	14,490,880	12,768,951	-	-	12,768,951
Economic environment	1,593,734	1,612,044	-	-	1,612,044
Culture and recreation	1,223,995	1,342,154	-	-	1,342,154
Human Services	2,190,153	2,222,713	-	-	2,222,713
Interest on long-term debt	168,873	237,558	-	-	237,558
Business-type activities:					
Water and wastewater	-	-	3,104,137	3,851,719	3,851,719
	<u>77,122,163</u>	<u>88,331,877</u>	<u>3,104,137</u>	<u>3,851,719</u>	<u>92,183,596</u>
Increase in net position	(682,576)	2,172,707	2,122,146	(783,575)	1,389,132
Beginning Net position, October 1	49,823,575	52,197,005	17,343,480	18,898,123	71,095,128
Ending Net position, September 30	<u>\$ 49,140,999</u>	<u>\$ 54,369,712</u>	<u>\$ 19,465,626</u>	<u>\$ 18,114,548</u>	<u>\$ 72,484,260</u>

Governmental Activities

The following is a chart of revenues by source for governmental activities by percent of total revenues for fiscal year 2023.



<u>Revenue Source</u>	<u>Revenues</u>	<u>Percent of Total Revenue</u>
Charges for Service	\$ 17,760,532	20%
Operating Grants and Contributions	9,606,539	11%
Capital Grants and Contributions	3,211,735	3%
Taxes	42,922,324	47%
Intergovernmental revenues, not restricted for specific purposes	11,393,235	13%
Other	5,610,219	6%
	<u>\$ 90,504,584</u>	<u>100%</u>

Governmental Activities - Continued

The following is a chart of expenses by program for governmental activities for fiscal year 2023.

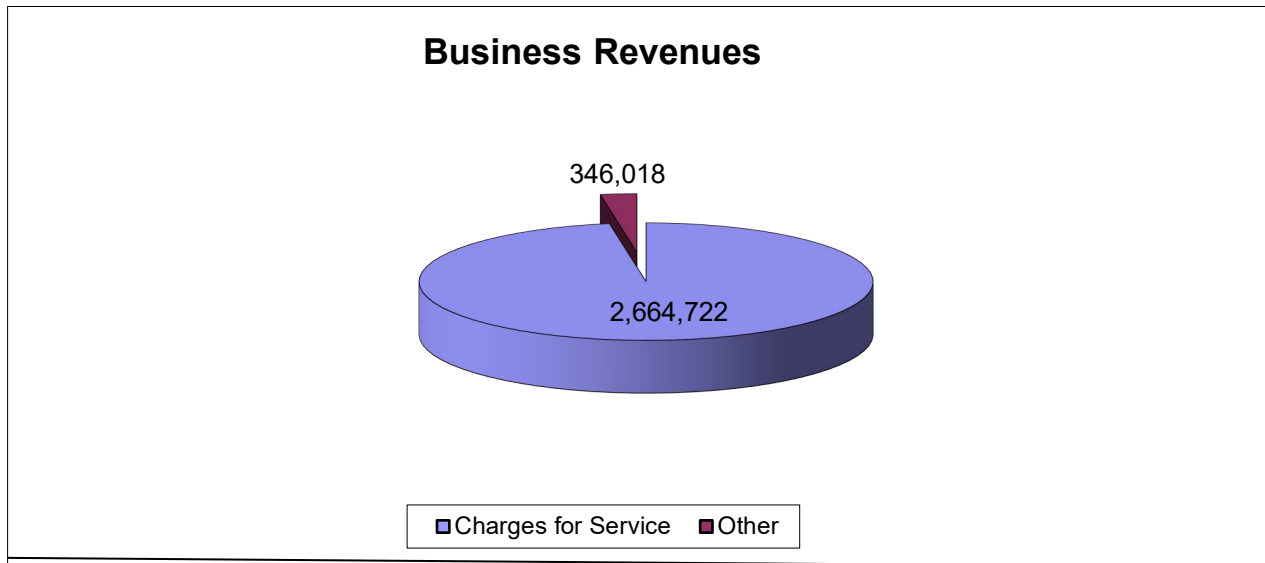
<u>Program</u>	<u>Expenses</u>	<u>Percent of Total Expense</u>
General Government	\$ 26,076,104	30%
Court Related	2,512,199	3%
Public Safety	36,353,837	41%
Physical Environment	5,206,318	6%
Transportation	12,768,951	14%
Economic environment	1,612,044	2%
Human Services	1,342,154	2%
Culture and recreation	2,222,713	2%
Interest on long-term debt	237,558	0%
Totals	<u>\$ 88,331,877</u>	<u>100.00%</u>

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Business-Type Activities

The following is a chart of Revenues by Source for our Business Activities for fiscal year 2023. Our Business Activities consist of Port LaBelle Utilities. Total Revenues created from Charges for Services consisted of \$2,664,722. This represents charges for water/sewer usage. Miscellaneous revenues totaling \$346,018 resulted from interest revenue and miscellaneous charges.

All business type expenditures for fiscal year 2023 consisted of water and wastewater expenses to operate Port LaBelle Utility Systems and administrative fees.



Financial Analysis

Governmental Funds

Governmental funds use the current financial resources measurement focus that focus on near-term inflows and outflows. The General Fund is the general operating fund that is used to account for all financial resources, except those required to be accounted for in another fund. The Fine & Forfeiture fund is comprised to fund the Hendry County Sheriff’s office, probation department, courthouse security, mandated costs for law enforcement, and other misc. items to do with the same.

Proprietary Funds

Proprietary funds are comprised of enterprise funds and internal service funds. An enterprise fund is used to account for activities for which a fee is charged to external users for goods and services. Internal service funds are those that provide a service, primarily within the government, and charge a recovery fee.

Capital Assets

Non-depreciable capital assets include land and construction in progress. Depreciable assets include buildings, improvements other than buildings, machinery and equipment, and infrastructure. Total Capital assets total \$80,944,469. This is a decrease of \$1,242,255 over prior year.

Debt Administration

As of September 30, 2023, the County had a total of governmental and business-type long-term liabilities of \$52,898,464. Governmental liabilities of \$45,678,856 mostly consisted of pension related liabilities of \$35,590,317, other post-employment benefits of \$2,587,100, and notes and capital leases payable of \$6,505,206. Additionally, business-type liabilities of \$7,219,608 mostly consisted of revenue bonds of \$4,831,000 and pension related liabilities of \$2,491,846.

Request for information

This financial report is designed to provide the reader an overview of the County. Questions regarding any information provided in this report should be directed to: Hendry County Clerk of Courts, Finance Department, 25 East Hickpochee Avenue, LaBelle, FL 33935, phone (863) 675-5322.

**BASIC
FINANCIAL
STATEMENTS**

HENDRY COUNTY, FLORIDA
STATEMENT OF NET POSITION
September 30, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 32,547,682	\$ 6,280,645	\$ 38,828,327
Prepaid expenses	14,984	-	14,984
Receivables (net)	11,655,696	225,958	11,881,654
Due from other funds	4,679,789	-	4,679,789
Restricted cash and cash equivalents	-	3,357,563	3,357,563
Restricted investments, at fair value	-	1,885,902	1,885,902
Noncurrent assets:			
Accounts receivable	960,892	-	960,892
Land and other non-depreciable assets	27,475,663	639,764	28,115,427
Capital assets, net of depreciation	39,037,364	13,791,678	52,829,042
TOTAL ASSETS	116,372,070	26,181,510	142,553,580
DEFERRED OUTFLOWS OF RESOURCES			
Related to OPEB	539,186	37,062	576,248
Related to pensions	8,131,221	569,305	8,700,526
TOTAL DEFERRED OUTFLOWS	8,670,407	606,367	9,276,774
LIABILITIES			
Accounts payable	7,702,529	75,221	7,777,750
Accrued liabilities	1,196,236	56,576	1,252,812
Due to other funds	4,498,815	180,974	4,679,789
Due to other governments	1,782,511	-	1,782,511
Other liabilities	2,542,588	-	2,542,588
Liabilities payable from restricted assets:			
Current portion of long term debt	1,167,191	341,900	1,509,091
Customer deposits	-	452,756	452,756
Noncurrent liabilities:			
Due in more than one year	45,678,856	7,219,608	52,898,464
TOTAL LIABILITIES	64,568,726	8,327,035	72,895,761
DEFERRED INFLOWS OF RESOURCES			
Related to OPEB	2,693,180	185,423	2,878,603
Related to deferred lease proceeds	1,113,185	-	1,113,185
Related to pensions	2,297,674	160,871	2,458,545
TOTAL DEFERRED INFLOWS	6,104,039	346,294	6,450,333
NET POSITION			
Invested in capital assets net of related debt	61,350,754	9,600,442	70,951,196
Restricted for Contractual obligations	-	5,243,465	5,243,465
Restricted for General government	22,805,561	-	22,805,561
Unrestricted	(29,786,603)	3,270,641	(26,515,962)
TOTAL NET POSITION	\$ 54,369,712	\$ 18,114,548	\$ 72,484,260

The accompanying notes to the financial statements are an integral part of this statement.

HENDRY COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
September 30, 2023

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental Activities :				
General government	\$ 26,076,104	\$ 11,202,300	\$ 75,000	\$ 1,115,777
Court related	2,512,199	2,402,628	-	-
Public safety	36,353,837	1,794,141	4,056,180	-
Physical environment	5,206,318	254,316	38,892	93,750
Transportation	12,768,951	2,044,816	5,409,390	2,002,208
Economic environment	1,612,044	48,780	-	-
Culture and recreation	1,342,154	13,551	27,077	-
Human services	2,222,713	-	-	-
Interest on long-term debt	237,558	-	-	-
Total governmental activities	88,331,877	17,760,532	9,606,539	3,211,735
Business-type Activities :				
Water and Wastewater	3,851,719	2,664,722	-	-
Total primary government	\$ 92,183,596	\$ 20,425,254	\$ 9,606,539	\$ 3,211,735

General revenues and net transfers :

 Taxes

 Property taxes

 Gasoline taxes

 Other taxes

 Licenses and permits

 Fines and forfeitures

 Intergovernmental revenues

 Miscellaneous

Transfers in/out net

Total general revenues and net transfers

Change in net position

Net position, beginning - as restated

Net position, ending

The accompanying notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$(13,683,027)	\$ -	\$ (13,683,027)
(109,571)	-	(109,571)
(30,503,516)	-	(30,503,516)
(4,819,360)	-	(4,819,360)
(3,312,537)	-	(3,312,537)
(1,563,264)	-	(1,563,264)
(1,301,526)	-	(1,301,526)
(2,222,713)	-	(2,222,713)
(237,558)	-	(237,558)
<u>(57,753,071)</u>	<u>-</u>	<u>(57,753,071)</u>
<u>-</u>	<u>(1,186,997)</u>	<u>(1,186,997)</u>
<u>(57,753,071)</u>	<u>(1,186,997)</u>	<u>(58,940,068)</u>
35,187,882	-	35,187,882
4,136,845	-	4,136,845
3,597,597	-	3,597,597
1,765,653	-	1,765,653
245,994	-	245,994
11,393,235	-	11,393,235
3,655,976	346,018	4,001,994
(57,404)	57,404	-
<u>59,925,778</u>	<u>403,422</u>	<u>60,329,200</u>
2,172,707	(783,575)	1,389,132
<u>52,197,005</u>	<u>18,898,123</u>	<u>71,095,128</u>
<u>\$ 54,369,712</u>	<u>\$ 18,114,548</u>	<u>\$ 72,484,260</u>

HENDRY COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2023

	General	County Transportation Trust	ARPA & Hendry Cares Act	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and investments	\$ 7,021,652	\$ 467,099	\$ 7,808,587	\$ 17,250,344	\$ 32,547,682
Prepaid expenses	14,984	-	-	-	14,984
Receivables (net)	6,268,674	3,122,038	28,379	3,197,497	12,616,588
Due from other funds	2,909,962	-	1,733,000	36,827	4,679,789
Total assets	<u>\$16,215,272</u>	<u>\$3,589,137</u>	<u>\$ 9,569,966</u>	<u>\$ 20,484,668</u>	<u>\$ 49,859,043</u>
Liabilities, deferred inflows of resources and fund balances					
Liabilities					
Accounts payable	\$ 4,733,885	\$1,984,894	\$ 14,575	\$ 969,175	\$ 7,702,529
Accrued liabilities	1,059,161	56,796	3,810	76,469	1,196,236
Due to other funds	10,916	391,048	-	4,096,851	4,498,815
Due to other government	1,782,511	-	-	-	1,782,511
Unearned revenue	108,156	-	1,720,054	276,249	2,104,459
Other liabilities	86,873	168,125	-	183,131	438,129
Total liabilities	<u>7,781,502</u>	<u>2,600,863</u>	<u>1,738,439</u>	<u>5,601,875</u>	<u>17,722,679</u>
Deferred inflows of resources					
Deferred lease proceeds	216,152	-	-	897,033	1,113,185
Fund balances					
Restricted	-	988,274	7,831,527	13,985,760	22,805,561
Unassigned	8,217,618	-	-	-	8,217,618
Total fund balances	<u>8,217,618</u>	<u>988,274</u>	<u>7,831,527</u>	<u>13,985,760</u>	<u>31,023,179</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$16,215,272</u>	<u>\$3,589,137</u>	<u>\$ 9,569,966</u>	<u>\$ 20,484,668</u>	<u>\$ 49,859,043</u>

The accompanying notes to the financial statements are an integral part of this statement.

HENDRY COUNTY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
September 30, 2023

Fund Balances - total governmental funds		\$ 31,023,179
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Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds:

Non-depreciable governmental capital assets	\$ 27,475,663		
Depreciable governmental capital assets, net	<u>39,037,364</u>		66,513,027

Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds:

Notes payable	(5,162,273)		
Leases liability	(1,342,933)		
Other Post Employment Benefits	(2,589,100)		
Net Pension liability	(35,590,317)		
Deferred outflows related to pensions	8,131,221		
Deferred inflows related to pensions	(2,297,674)		
Deferred outflows related to OPEB	539,186		
Deferred inflows related to OPEB	(2,693,180)		
Compensated absences	<u>(2,161,424)</u>		<u>(43,166,494)</u>

Net position of governmental activities		<u><u>\$ 54,369,712</u></u>
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The accompanying notes to the financial statements are an integral part of this statement.

HENDRY COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS

For the Year Ended September 30, 2023

	General	County Transportation Trust	ARPA & Hendry Cares Act	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 22,901,297	\$ 1,490,666	\$ -	\$ 12,389,486	\$ 36,781,449
Licenses and permits	107,531	-	-	1,658,122	1,765,653
Intergovernmental	14,629,313	8,055,599	3,389,661	4,291,396	30,365,969
Charges for services	8,556,418	860,000	-	8,344,114	17,760,532
Fines and forfeitures	-	-	-	245,994	245,994
Miscellaneous	1,220,021	491,165	420,726	1,510,127	3,642,039
Total revenues	<u>47,414,580</u>	<u>10,897,430</u>	<u>3,810,387</u>	<u>28,439,239</u>	<u>90,561,636</u>
EXPENDITURES					
Current					
General government	16,163,480	-	-	7,139,085	23,302,565
Court related	1,870,831	-	-	286,962	2,157,793
Public safety	25,033,910	-	413,137	3,898,062	29,345,109
Physical environment	670,070	-	-	4,371,381	5,041,451
Transportation	-	10,338,644	-	2,112,477	12,451,121
Economic environment	440,649	-	-	1,100,904	1,541,553
Culture and recreation	172,198	-	-	1,110,306	1,282,504
Human services	1,287,948	-	-	-	1,287,948
Capital outlay					
General government	146,957	-	-	274,303	421,260
Public safety	1,181,690	-	392,138	53,922	1,627,750
Physical environment	91,203	-	-	199,965	291,168
Transportation	-	1,203,492	-	1,998,161	3,201,653
Debt service					
Principal retirement	1,210,483	-	-	-	1,210,483
Interest	237,558	-	-	-	237,558
Total expenditures	<u>48,506,977</u>	<u>11,542,136</u>	<u>805,275</u>	<u>22,545,528</u>	<u>83,399,916</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(1,092,397)</u>	<u>(644,706)</u>	<u>3,005,112</u>	<u>5,893,711</u>	<u>7,161,720</u>
OTHER FINANCING SOURCES (USES)					
Issuance of debt	401,739	-	-	-	401,739
Sale of capital assets	13,937	-	-	-	13,937
Transfers in	29,536,088	-	-	812,002	30,348,090
Transfers out	(22,311,564)	-	-	(8,093,930)	(30,405,494)
Total other financing sources (uses)	<u>7,640,200</u>	<u>-</u>	<u>-</u>	<u>(7,281,928)</u>	<u>358,272</u>
Net change in fund balances	6,547,803	(644,706)	3,005,112	(1,388,217)	7,519,992
Fund balances, October 1-as restated	1,669,815	1,632,980	4,826,415	15,373,977	23,503,187
Fund balances, September 30, 2023	<u>\$ 8,217,618</u>	<u>\$ 988,274</u>	<u>\$ 7,831,527</u>	<u>\$ 13,985,760</u>	<u>\$ 31,023,179</u>

The accompanying notes to the financial statements are an integral part of this statement.

HENDRY COUNTY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
For the Fiscal Year ended September 30, 2023

Net change in fund balances - total governmental funds: \$ 7,519,992

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 and reported as depreciation or amortization expense. This is the amount by which depreciation, amortization and capital asset adjustments were above capital outlays in the current period. (1,277,847)

Debt proceeds provide current financial resources for governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal payments	\$ 1,210,483	
Proceeds from issuance of debt	<u>(401,739)</u>	808,744

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. The net changes associated with these expenses/expenditures are as follow:

Other post employment benefits expenses	96,378	
Decrease in compensated absences	177,157	
Pension expenses	<u>(5,151,717)</u>	<u>(4,878,182)</u>

Change in net position of governmental activities \$ 2,172,707

The accompanying notes to the financial statements are an integral part of this statement.

HENDRY COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
For the Fiscal Year Ended September 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 19,031,107	\$ 22,901,297	\$ 22,901,297	\$ -
Licenses and permits	77,000	107,531	107,531	-
Intergovernmental	6,277,624	14,435,649	14,629,313	193,664
Charges for services	6,391,579	7,947,572	8,556,418	608,846
Miscellaneous	392,075	1,051,873	1,220,021	168,148
Total revenues	<u>32,169,385</u>	<u>46,443,922</u>	<u>47,414,580</u>	<u>970,658</u>
EXPENDITURES				
Current				
General government	11,370,091	15,990,947	15,761,741	229,206
Court related	1,639,273	1,808,069	1,870,831	(62,762)
Public safety	17,934,177	26,336,719	25,033,910	1,302,809
Physical environment	519,507	670,070	670,070	-
Economic environment	476,998	440,649	440,649	-
Culture and recreation	134,202	173,531	172,198	1,333
Human services	1,311,633	1,287,948	1,287,948	-
Capital Outlay				
General government	10,000	146,957	146,957	-
Public safety	40,585	156,840	1,272,893	(1,116,053)
Debt service				
Principal retirement	220,500	1,146,864	1,210,483	(63,619)
Interest and fiscal charges	750,200	194,790	237,558	(42,768)
Contingency	50,000	50,000	-	50,000
Total expenditures	<u>34,457,166</u>	<u>48,403,384</u>	<u>48,105,238</u>	<u>298,146</u>
Deficiencies of revenues under expenditures	<u>(2,287,781)</u>	<u>(1,959,462)</u>	<u>(690,658)</u>	<u>1,268,804</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	13,937	13,937	-
Transfers in	23,520,168	27,030,087	29,536,088	2,506,001
Transfers out	(21,320,005)	(20,790,231)	(22,311,564)	(1,521,333)
Total other financing sources (uses)	<u>2,200,163</u>	<u>6,253,793</u>	<u>7,238,461</u>	<u>984,668</u>
Net change in fund balances	(87,618)	4,294,331	6,547,803	2,253,472
Fund balances - October 1, 2022	87,618	1,669,815	1,669,815	-
Fund balances - September 30, 2023	<u>\$ -</u>	<u>\$ 5,964,146</u>	<u>\$ 8,217,618</u>	<u>\$ 2,253,472</u>

See reconciliation in Tax Collector's financial statements for difference in actual general government expenditures.

The accompanying notes to the financial statements are an integral part of this statement.

HENDRY COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COUNTY TRANSPORTATION TRUST
For the Fiscal Year Ended September 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,338,600	\$ 1,490,666	\$ 1,490,666	\$ -
Intergovernmental	18,336,011	8,055,599	8,055,599	-
Charges for services	857,100	860,000	860,000	-
Miscellaneous	27,000	491,165	491,165	-
Total revenues	<u>20,558,711</u>	<u>10,897,430</u>	<u>10,897,430</u>	<u>-</u>
EXPENDITURES				
Current				
Transportation	15,692,184	10,338,644	10,338,644	-
Capital outlay				
Transportation	4,866,527	1,203,492	1,203,492	-
Debt service				
Principal & interest retirement	-	-	-	-
Total expenditures	<u>20,558,711</u>	<u>11,542,136</u>	<u>11,542,136</u>	<u>-</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>-</u>	<u>(644,706)</u>	<u>(644,706)</u>	<u>-</u>
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	(644,706)	(644,706)	-
Fund balance-October 1, 2022	<u>-</u>	<u>1,632,980</u>	<u>1,632,980</u>	<u>-</u>
Fund balance- September 30, 2023	<u><u>\$ -</u></u>	<u><u>\$ 988,274</u></u>	<u><u>\$ 988,274</u></u>	<u><u>\$ -</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

HENDRY COUNTY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUND
For the Fiscal Year Ended September 30, 2023

		Business-type Activities <u>Enterprise Fund</u>
		<u>Port LaBelle Utility System</u>
<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>		
Assets		
Current Assets		
Cash and cash equivalents	\$	6,280,645
Receivables (net)		225,958
Restricted Assets:		
Cash and cash equivalents	\$	3,357,563
Investments, at fair value		1,885,902
Total Restricted Assets		<u>5,243,465</u>
Total current assets		<u>11,750,068</u>
Noncurrent Assets		
Capital Assets		
Non-depreciable		639,764
Depreciable		29,511,374
Less: accumulated depreciation		<u>(15,719,696)</u>
Total Capital Assets, net		<u>14,431,442</u>
Total noncurrent assets		<u>14,431,442</u>
Total assets		<u>26,181,510</u>
Deferred outflows of resources		
Related to OPEB	37,062	
Related to pensions	569,305	
Total Deferred outflows of resources		<u>606,367</u>
Total assets and deferred outflows of resources		<u>26,787,877</u>

The accompanying notes to the financial statements are an integral part of this statement.

Business-type Activities
Enterprise Fund

Port LaBelle
Utility System

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

Liabilities

Current liabilities	
Accounts payable	75,221
Accrued liabilities	56,576
Due to other funds	180,974
Total current liabilities	312,771
Current liabilities payable from restricted assets	
Notes payable	-
Bonds payable	341,900
Customer deposits	452,756
Total current liabilities payable from restricted assets	794,656
Noncurrent liabilities	
Accrued compensated absences	60,055
Notes payable	-
Bonds payable	4,489,100
Total OPEB liability	178,607
Net pension liability	2,491,846
Total noncurrent liabilities	7,219,608
Total liabilities	8,327,035
Deferred inflows of resources	
Related to OPEB	185,423
Related to pensions	160,871
Total Deferred inflows of resources	346,294
Net position	
Invested in capital assets, net of related debt	9,600,442
Restricted for contractual obligations	5,243,465
Unrestricted	3,270,641
Total net position	\$ 18,114,548

HENDRY COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
For the Fiscal Year Ended September 30, 2023

	Business-type Activities Enterprise Fund
	Port LaBelle Utility System
OPERATING REVENUES	
Charges for services	\$ 2,664,722
Miscellaneous	261,902
	2,926,624
OPERATING EXPENSES	
Personal services	1,400,731
Contractual services	173,862
Repairs and maintenance	540,321
Depreciation and amortization	996,538
Office	13,629
Supplies	140,927
Utilities	160,182
Other expense	290,457
	3,716,647
Total operating expenses	3,716,647
Operating income (loss)	(790,023)
NON-OPERATING REVENUES (EXPENSES)	
Transfers In	57,404
Interest income	84,116
Interest and fiscal charges	(135,072)
	6,448
Total non-operating (expenses)	6,448
Change in net position	(783,575)
Total net position, October 1, 2022 - as restated	18,898,123
Total net position, September 30, 2023	\$ 18,114,548

The accompanying notes to the financial statements are an integral part of this statement.

HENDRY COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2023

	<u>Business-type Activities</u>
	<u>Enterprise Funds</u>
	<u>Port LaBelle</u>
	<u>Utility System</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	\$ 3,957,117
Cash payments to suppliers for goods and services	(1,694,991)
Net cash paid to other governments and funds	(153,907)
Cash payments to employees for services	<u>(622,692)</u>
Net cash provided by operating activities	<u>1,485,527</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Deposits collected from customers less deposits refunded to customers	<u>(121,991)</u>
Net cash used in noncapital financing activities	<u>(121,991)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Transfers In from other funds	57,404
Principal paid on notes payable and revenue bonds	(328,011)
Interest paid on notes payable and revenue bonds	<u>(135,072)</u>
Net cash used in capital financing activities	<u>(405,679)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest income	84,116
Acquisition of capital assets and construction in progress	<u>(102,758)</u>
Net cash used in investing activities	<u>(18,642)</u>
Net increase in cash and cash equivalents	939,215
Cash and cash equivalents on October 1, 2022	<u>8,698,993</u>
Cash and cash equivalents on September 30, 2023	<u><u>\$ 9,638,208</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

Business-type Activities
Enterprise Funds

Port LaBelle
Utility System

Reconciliation of operating income (loss) to net cash provided
by operating activities:

Operating income (loss)	\$ (790,023)
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Adjustments to reconcile operating income (loss) to net cash
provided by operating activities:

Depreciation and amortization	996,538
OPEB & Pension expense	1,394,543

Changes in assets and liabilities:

(Increase) decrease in:

Accounts receivable	640,788
Due from other governments	(214,337)

Increase (decrease) in:

Accounts payable	(40,911)
Accrued liabilities	(104,701)
Due to other funds	180,974
Deferred outflows - pension related (increase) decrease	(43,008)
Deferred inflows - pension related increase (decrease)	(49,350)
Net pension liability increase (decrease)	(478,286)
Deferred outflows - OPEB related (increase) decrease	13,719
Deferred inflows - OPEB related increase (decrease)	(32,142)
Total OPEB liability increase (decrease)	11,723

Total adjustments	2,275,550
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Net cash provided by operating activities	\$ 1,485,527
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HENDRY COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
September 30, 2023

	Custodial Funds
ASSETS	
Cash and cash equivalents	\$ 5,360,515
Total assets	5,360,515
 LIABILITIES	
Accounts payable	9,045
Due to other governments	708,617
Due to individuals	1,171,378
Total liabilities	1,889,040
 NET POSITION	
Restricted for:	
Individuals, organizations, and other governments	3,471,475
Total net position	\$ 3,471,475

The accompanying notes to the financial statements are an integral part of this statement.

HENDRY COUNTY, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
As of September 30, 2023

	Custodial Funds
Additions:	
Taxes, fees, fines collected for other governments	\$ 128,254,117
Licenses and tag fees collected for other governments	9,059,616
Deposits and other trust activities	5,008,207
Total additions	142,321,940
 Deductions:	
Taxes, fees, fines disbursed for other governments	127,882,269
Licenses and tag fees disbursed for other governments	9,059,616
Deposits and other trust activities disbursed	5,110,275
Total deductions	142,052,160
Change in Net Position	269,780
Net Position, beginning	3,201,695
Net Position, ending	\$ 3,471,475

The accompanying notes to the financial statements are an integral part of this statement.

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Hendry County (the “County”) was created in 1923 by the Laws of Florida 1923, Chapter 23-9369 as amended, Section 7.26, Florida Statutes and is a political subdivision of the State of Florida. It is governed by an elected Board of County Commissioners (the “Board”) which is a body of elected Constitutional Officers of Hendry County. In addition to the members of the Board of County Commissioners, there are five elected Constitutional Officers: Clerk of the Circuit Court, Sheriff, Tax Collector, Property Appraiser, and Supervisor of Elections, which were established by the Constitution of the State of Florida, Article VIII, Section 1(d). The Constitutional Officers maintain separate accounting records and budgets.

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

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

Blended component units are legally separate entities that are in substance part of the County’s operation, as they either have governing bodies that are substantively the same as the Board and there is a financial benefit or burden relationship between the Board and the component unit, or they provide their services exclusively or almost exclusively to the County government. The financial transactions of these component units are merged in with transactions of the County as part of the primary government. The blended component unit of the County is as follows:

East Hendry County Drainage District

The District maintains the canals, ditches and storm water treatment areas located in East Hendry County. By Petition of the Hendry County Board of County Commissioners, pursuant to the provisions of Laws of Florida, Chapter 67-1443, the creation of the East Hendry County Drainage District was approved by court order on October 9, 1984.

Hendry County also has a number of independent special districts, whose financials are not included in this report, but are subject to independent audit and whose financials are made available to the public by the District. These include the Bolles Drainage District, the Central County Water Control District, the Clewiston Drainage District, the Collins Slough Water Control District, the Devil's Garden Water Control District, the Gerber Groves Water control District, the Hendry Hilliard Water Control District, the Hendry County Hospital Authority, the Area Housing Commission of Clewiston and the Hendry-LaBelle Recreation Board.

B. Government-Wide and Fund Financial Statements

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

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements, Continued

The government-wide financial statements (the statement of net position and the statement of activities) report on the Board as a whole and do not emphasize fund types but rather a governmental or a business-type classification, which are presented in separate columns. These statements report on the Board as a whole, both the primary government and its component units, and provide a consolidated financial picture of the Board of County Commissioners. As part of the consolidation process, inter-fund activities are eliminated to avoid distorted financial results.

The Statement of Net Position reports all financial and capital resources of the Board's governmental and business-type activities. It is presented in a net position format (assets less liabilities equal net position) and shown with three components: amounts invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The statement of activities reflects the expenses of a given function or segment, which are offset by program revenues. Program revenues are defined as charges for services, operating grants and contributions and capital grants and contributions directly associated with a given function. Taxes are reported under general revenue.

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

The Board's major funds are presented in separate columns on the governmental fund financial statements and the proprietary fund financial statements. The definition of a major fund is one that meets certain criteria set-forth in GASB 34. The funds that do not meet the criteria of a major fund are considered non-major funds and are combined into a single column on the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounts of the Board 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 or retained earnings, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

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.

The government-wide financial statements are prepared on a full accrual basis using the economic resources measurement focus, as are the proprietary fund financial statements.

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation, Continued

Revenues are recorded when earned and expenses are recorded when a liability is incurred. Property taxes are recognized in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all of the eligibility requirements have been met.

Proprietary funds record both operating and non-operating revenues and expenses. Operating revenues are those that are obtained from the operations of the proprietary fund and include user fees. Non-operating revenues are not related to the operations of the proprietary fund and include interest and other miscellaneous earnings. Operating expenses represent the cost of operations, which includes depreciation. Non-operating expenses are not related to operations such as interest expense.

Governmental fund financial statements are prepared on the modified accrual basis using the current financial resources measurement focus. Under the modified accrual basis, revenues are recognized when they become measurable and available as net current assets. The Board considers all revenues available if they are collected within sixty days after year-end. Primary revenues, such as property taxes, special assessments, intergovernmental revenues, charges for services, sales and franchise taxes, rents and interest are treated as susceptible to accrual under the modified accrual basis and have been recognized as revenues.

Expenditures reported in governmental fund financial statements are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule includes principal and interest on general long-term debt, which is recognized when due, the noncurrent portion of accrued compensated absences and other post employment benefits.

The business-type activities reported in the government-wide financial statements and proprietary funds follow private sector standards issued prior to December 1, 1989, to the extent those standards do not conflict with Governmental Accounting Standards Board statements. However, pursuant to Government Accounting Standards Board Statement Number 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting, the Board has elected not to apply accounting standards issued after November 30, 1989, by the Financial Accounting Standards Board.

When both restricted and unrestricted resources are available, restricted resources will be used first for incurred expenses, and then unrestricted as needed.

The Board reports the following major governmental funds:

General Fund

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

County Transportation Trust Fund

The *County Transportation Trust Fund* accounts for revenues received and expended for the construction and maintenance of roadways.

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

ARPA and Hendry Cares Act Fund

The ARPA & *Hendry Cares Act Fund* is a special revenue fund accounts for revenues received and expended for the American Rescue Plan and Hendry Cares Act COVID recovery program.

The Board reports the following major proprietary fund:

The Port LaBelle Utility System

The *Port LaBelle Utility System* accounts for activities related to the county-owned water and systems.

Additionally, the Board reports Agency Funds. Agency funds are custodial funds and do not involve measurement of results of operations. These funds are clearing accounts for assets held by the County as an agent for other funds. These funds hold assets prior to disbursement or in a custodial capacity.

E. Budgets and Budgetary Accounting

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

- (1) On or before July 15, a tentative budget for the fiscal year commencing the following October 1 is presented to the Board.
- (2) The tentative budget is reviewed by the Board and any necessary changes are made.
- (3) Public hearings are conducted to inform the taxpayers of the tentative budget and proposed tax levies and to obtain taxpayer comments.
- (4) On or before September 30, the budget is legally adopted through passage of a resolution.
- (5) Section 129.07 of the Florida Statutes prohibits incurring expenditures in excess of total fund appropriations.
- (6) Formal budgetary integration is employed as a management control device during the year in all Governmental Fund Types. Estimated beginning fund balances are considered in the budgetary process, but are not included in the financial statements as budgeted revenue.
- (7) Budgets for General, Special Revenue, Debt Service and Capital Projects Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
- (8) Formal budgetary integration is employed as a management control device during the year in all Governmental Fund Types. Estimated beginning fund balances are considered in the budgetary process, but are not included in the financial statements as budgeted revenue.

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgets and Budgetary Accounting (continued)

The annual budgets serve as the legal authorization for expenditures. Expenditures cannot legally exceed the total amount budgeted for each fund. The Board must approve all budget amendments, which change the legally adopted total appropriation for a fund.

If, during the fiscal year, additional revenues become available for appropriation in excess of those estimated in the budget, the Board may make supplemental appropriations by resolution for the year up to the amount of such excess. During the fiscal year the Board, in accordance with Florida Statutes, approved various supplemental appropriations. Appropriations lapse at fiscal year-end.

F. Assets, Liabilities, and Net Position or Fund Equity

Cash and Investments

The Board considers cash and cash equivalents to be cash on hand, demand deposits, highly liquid investments, including those held as restricted assets, with original maturities of three months or less when purchased, and those included in the internal investment pool.

For accounting and investment purposes, the Board maintains a cash pool that is available for use by all funds except those whose cash and investments may be segregated due to legal or other restrictions.

Interest earned on investments in the pool is allocated to the various funds based upon each fund's equity balance in the pool during the allocation period.

Inventories

Inventories, consisting primarily of materials and supplies, are stated at cost, which approximates fair market value. The "first-in, first-out" method of accounting is used to determine cost. All inventories are recorded as expenditures, or expenses, as they are used (consumption method).

Capital Assets

Capital assets include property, plant and equipment. Infrastructure assets are defined as public domain fixed assets such as roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, lighting systems and similar assets that are immovable and of value only to the government unit.

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HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Assets, Liabilities, and Net Position or Fund Equity (continued)

Capital assets are reported in the government-wide financial statements in the applicable governmental or business-type activities column, as well as the proprietary fund financial statements. The threshold for capitalizing property, plant, and equipment is \$5,000. The threshold for capitalizing infrastructure is \$100,000. Capital assets are recorded at cost, or estimated historical cost. Contributed assets are recorded at estimated fair market value at the time received.

Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets. Florida Statutes require that the Board maintain accountability for all assets used in operations, except those maintained by the Sheriff.

The ranges of the useful lives are as follows:

Asset	Years
Buildings	30-50
Infrastructure	10-100
Improvements other than	
Buildings	6-50
Equipment	3-35
Computer Equipment	3-10
Furniture	4-20
Vehicles & Rolling Stock	3-15

Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period and therefore will not be recognized as expended until then. The Board presents deferred outflows associated with pensions and other post employment benefits to be expensed over future periods.

Deferred inflows of resources are reported in governmental activities to offset receivables and deposits that do not meet the availability criterion under the modified accrual basis of accounting. The Board presents amounts associated with pensions and other post employment benefits as deferred inflows of resources.

Compensated Absences

The Board maintains a policy that permits employees to accumulate earned but unused vacation and sick pay benefits that will be paid to employees upon separation from Board service if certain criteria are met. These benefits, plus their related tax and retirement costs are classified as compensated absences. Both the current and long-term portion of compensated absences are accrued and reported in the government-wide and proprietary fund financial statements. This is accounted for pursuant to GASB Statement Number 16, *Accounting for Compensated Absences*.

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Assets, Liabilities, and Net Position or Fund Equity (continued)

Net Position / Fund Balance Classification

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

Nonspendable fund balances include amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. The County considers inventories and prepaid items as part of this category, as well as long-term receivables from which proceeds are not restricted, committed or assigned.

Spendable Fund Balances:

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

Committed Fund Balance: Amounts that are committed for specific purposes by formal action of the governments' highest level of decision making authority. These amounts are not subject to legal enforceability as in restricted, however those amounts cannot be used for any other purpose unless the government removes or changes the limitation by taking the same form of action it employed to previously impose the limitation.

Assigned Fund Balance: Amounts that are intended by the government to be used for specific purposes but are neither restricted nor limited. Intent should be expressed by (a) the governing body itself, or (b) a subordinate high-level body or official possessing the authority to assign amounts to be used for specific purposes.

Unassigned Fund Balance: The residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, limited or assigned to specific purposes within the general fund.

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

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

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

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

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Board to make estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenue and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

H. New Accounting Pronouncements

Effective October 1, 2022, the County adopted the provisions of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. It has become common for governments to enter into subscription-based contracts to use vendor-provided information technology(IT). This statement establishes an accounting model that is intended to improve the financial reporting for IT contracts that conveys control of the right to use another party's ITS software as specified in a contract for a period of time in an exchange or exchange like transaction. See Note 15 for more information.

NOTE 2 - PROPERTY TAXES

Property taxes become due and payable on November 1 of each year and are delinquent on April 1 of the following year. Discounts on property taxes are allowed for payments made prior to the April 1 delinquent date. Tax certificates for the full amount of any unpaid taxes must be sold no later than June 1 of each year.

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. Procedures for collecting delinquent taxes, including applicable tax certificate sales and tax deed sales, are provided by Florida Statutes and are performed by the Hendry County Tax Collector.

The enforceable lien date is approximately two years after taxes become delinquent and occurs only upon request of a holder of a delinquent tax certificate. There was no significant delinquent property taxes receivable at September 30, 2023.

Important dates in the property tax cycle are as follows:

- Assessment roll certified- July 1
- Millage resolution approved- no later than 93 days following certification of assessment roll
- Beginning of fiscal year for which taxes have been levied- October 1
- Taxes due and payable (levy date)- November 1
- Property taxes payable (maximum discount of 4 percent)- 30 days after levy date
- Due date- March 31
- Taxes become delinquent (lien date)- April 1
- Tax certificate sold- prior to June 1

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2023

NOTE 3 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

As of September 30, 2023, the County has the following non-major governmental funds with deficit fund balances. The County anticipates these deficits to be resolved in the next fiscal year(s) as noted below:

Deficit Fund Balances

The Emergency 911 Fund has a deficit fund balance of \$540,711. It is anticipated that the deficit will be resolved in future fiscal years as expenditures will be less than revenues.

The Line of Credit Projects Fund has a deficit fund balance of \$833,651. It is anticipated that the deficit will be resolved in future fiscal years revenues are received. Projects were funded with loan proceeds prior to receiving revenues which is what created the deficit.

The Murray Road MSBU Fund has a deficit fund balance of \$34,717. It is anticipated that the deficit will be resolved in the next fiscal year as expenditures will be less than revenues.

The Fines and Forfeitures Fund has a deficit fund balance of \$419,586. It is anticipated that the deficit will be resolved in future fiscal years as expenditures will be less than revenues.

Deficit Net Position

The County's unrestricted net position balance was again a deficit and totaled \$(29,786,603), due substantially from recording the current year actuarially determined pension liabilities of approximately \$36 million.

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HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2023

NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS

All County depositories are banks or savings institutions designated by the State Treasurer as qualified public depositories. Chapter 280, *Florida Statutes* "Florida Security for Public Deposits Act" provides procedures for public depositories to insure monies in banks and savings and loans are collateralized with the Treasurer as an agent for the public entities.

The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. Chapter 280 defines deposits as time deposit accounts, demand deposit accounts, and certificates of deposit. County depositories are banks designated as qualified depositories by the State Treasurer. The County's bank balance of deposits insured by Federal Depository Insurance or pursuant to Chapter 280 of the Florida Statutes was \$49,055,347 as of September 30, 2023.

Board investments are made in accordance with the provisions of Section 218.415, *Florida Statutes* "Investment of Local Government Surplus Funds." Authorized investments include U.S. Government obligations, passbook savings accounts, tax-exempt State and municipal securities, certificates of deposit, Local Government Surplus Funds Investment Pool Trust Fund (SBA), the Florida Local Government Investment Trust (FLGIT), treasury bills, and any other investments authorized by Chapter 218, *Florida Statutes*. There were no violations of this policy during the fiscal year.

The Board adheres to the requirements of Governmental Accounting Standards Board (GASB) Statement Number 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," as amended by GASB Number 79, "Certain External Investment Pools and Pool Participants." Florida Statutes and Board policy authorize investments in PRIME, an external 2a7-like investment pool. The Fund is publicly traded and may lose principal. PRIME is not registered with the SEC as an investment company, but nevertheless has a policy that it will, and does, operate as a qualifying external investment pool. PRIME has a Standard & Poor's rating of AAAM at September 30, 2023 and meets all of the necessary criteria to elect to measure all of the investments in PRIME at amortized cost. In terms of interest rate risk, PRIME had a weighted average days to maturity (WAM) of 28 days and a weighted average life (WAL) of 71 days at September 30, 2023. PRIME was not exposed to any foreign currency risk nor did it participate in a securities lending program during the period from October 1, 2022 through September 30, 2023.

There are currently no limitations as to the frequency of redemptions; however, PRIME has the ability to impose restrictions on withdrawals should a material event occur. Detailed information on the withdrawal restrictions that may be imposed and PRIME's responsibilities should such an event occur is described in Section 218.409(8)(a), *Florida Statutes*.

The County's investment in PRIME represented less than 1% of the PRIME's total investments. Investments held in PRIME include, but are not limited to, short-term federal agency obligations, treasury bills, repurchase agreements and commercial paper. These short-term investments are stated at cost, which approximates market. Investment income is recognized as earned and is allocated to participants of the Fund based on their equity participation.

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2023

NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS, CONTINUED

At September 30, 2023, the County reported PRIME investments of \$30,964 at fair value.

At September 30, 2023, the County reported investments in the Florida Local Government Investment Trust (FLGIT) of \$14,792,204.

The County maintained investments in Treasury Securities at the Bank of New York Mellon in in the amount of \$3,509,377, at fair value, as of September 30, 2023.

In accordance with GASB 40, *Deposit and Investment Risk Disclosures—an amendment of GASB Statement No. 3*, certain risks about investments must be disclosed.

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to change in market interest rates. The Board limits its exposure to interest risk by holding all securities until maturity. The Treasury Securities had a weighted average days to maturity (WAM) of 28 days and a weighted average life (WAL) of 71 days at September 30, 2023.

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt.

Custodial credit is the risk that in the event of the failure of the counterparty, the Board will not be able to recover the value of their investments or collateral securities that are in the possession of an outside party.

Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer.

Foreign currency risk is the risk that fluctuations in the currency exchange rate may affect transactions conducted in currencies other than US Dollars and the carrying value of foreign investments.

Treasury Securities are not considered to have credit risk, custodial credit risk, concentration of credit risk, or foreign currency risk.

Fair Value Measurements

In accordance with GASB 72, *Fair Value Measurement and Applications*, the framework for measuring fair value provided a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2023

NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS, CONTINUED

The three levels of fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

US government securities are valued at the closing price reported in the active market in which the individual security is traded and are assigned a Level 1 input.

NOTE 5 - ACCOUNTS RECEIVABLE

At September 30, 2023, receivables were as follows:

<u>Enterprise:</u>	<u>Labelle Utility</u>
Accounts receivable	\$ 225,958
Less: allowance for bad debt	-
Total receivables	\$ 225,958

NOTE 6 - SPECIAL ASSESSMENT

In connection with the Port LaBelle Utility System (PLUS), the Board has commenced a phased construction program to provide utility service to vacant lots in Units 1–9 in Hendry County and Unit 102 in Glades County. The costs of the improvements are to be financed by special assessments levied against individual lots. The remaining balance of the assessment (if any) is to be paid over a twenty-year period through the real estate tax collection process. Interest at 7% is to be charged on the unpaid balance. The special assessment rate for lots in Hendry County is \$975 per lot, and the rate per lot in Glades County is \$1,080 per lot.

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2023

NOTE 7 - RESTRICTED ASSETS AND LIABILITIES

Restricted assets of the proprietary fund represent monies to be restricted for special assessments, renewal and replacement, capital improvements and construction, and customer deposits under the terms of outstanding bond agreements, resolutions, and other contractual agreements.

Restricted assets reported on the proprietary fund statement of net position at September 30, 2023, were as follows:

Port LaBelle Utility

Restricted cash and cash Equivalents	\$ 3,357,563
Restricted investments, at fair value	<u>1,885,902</u>
Total restricted assets	<u><u>\$ 5,243,465</u></u>

Assets restricted for debt service are for the payment of bond principal and interest and bond reserve requirements. Assets restricted for renewal and replacement are for the payment of unusual or extra-ordinary maintenance or repairs. Additionally, assets are restricted for capital improvements and construction. Customer deposits are advance payments held until certain conditions are met.

Liabilities payable from restricted assets were at September 30, 2023 comprised of the following:

Port LaBelle Utility

Current portion of long-term debt	\$ 341,900
Customer deposits	<u>452,756</u>
Total	<u><u>\$ 794,656</u></u>

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HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2023

NOTE 8 - CAPITAL ASSETS

During the year ended September 30, 2023, the following changes in capital assets occurred:

	Beginning Balance 10/01/2022	Increases	Decreases	Adjustments	Ending Balance 09/30/2023
<i>Governmental Activities</i>					
Capital Assets not being depreciated:					
Land	\$ 7,496,269	\$ -	\$ -	\$ -	\$ 7,496,269
Construction in progress	17,981,143	4,001,084	-	(2,002,833)	19,979,394
Total capital assets not being depreciated	<u>25,477,412</u>	<u>4,001,084</u>	<u>-</u>	<u>(2,002,833)</u>	<u>27,475,663</u>
Capital assets being depreciated:					
Buildings and improvements	138,000,122	98,513	-	(1,725,920)	136,372,715
Right-to-use leased equipment	1,040,360	1,219,034	(41,427)	(156,139)	2,061,828
Furniture and equipment	31,577,937	1,435,143	(298,698)	1,177,433	33,891,815
Total capital assets being depreciated	<u>170,618,419</u>	<u>2,752,690</u>	<u>(340,125)</u>	<u>(704,626)</u>	<u>172,326,358</u>
Less accumulated depreciation for:					
Buildings and improvements	(100,486,842)	(2,615,451)	-	(1,580,944)	(104,683,237)
Right-to-use leased equipment	(412,893)	(418,455)	-	145,708	(685,640)
Furniture and equipment	(28,075,909)	(1,377,099)	276,908	1,255,983	(27,920,117)
Total accumulated depreciation	<u>(128,975,644)</u>	<u>(4,411,005)</u>	<u>276,908</u>	<u>(179,253)</u>	<u>(133,288,994)</u>
Total capital assets being depreciated, net	<u>41,642,775</u>	<u>(1,658,315)</u>	<u>(63,217)</u>	<u>(883,879)</u>	<u>39,037,364</u>
Total governmental activities capital assets, net	<u>\$ 67,120,187</u>	<u>\$ 2,342,769</u>	<u>\$ (63,217)</u>	<u>\$ (2,886,712)</u>	<u>\$ 66,513,027</u>
<i>Business-Type Activities:</i>					
Capital assets not being depreciated:					
Land	\$ 537,006	\$ -	\$ -	\$ -	\$ 537,006
Construction in Progress	-	102,758	-	-	102,758
Total capital assets not being depreciated	<u>537,006</u>	<u>102,758</u>	<u>-</u>	<u>-</u>	<u>639,764</u>
Capital assets being depreciated:					
Buildings and improvements	29,070,139	6,503	-	(115,301)	28,961,341
Furniture and equipment	182,550	130,265	-	237,218	550,033
Total capital assets being depreciated	<u>29,252,689</u>	<u>136,768</u>	<u>-</u>	<u>121,917</u>	<u>29,511,374</u>
Less accumulated depreciation for:					
Buildings and improvements	(14,502,396)	(961,682)	-	50,825	(15,413,253)
Furniture and equipment	(220,763)	(34,856)	-	(50,825)	(306,444)
Total accumulated depreciation	<u>(14,723,159)</u>	<u>(996,538)</u>	<u>-</u>	<u>-</u>	<u>(15,719,697)</u>
Total capital assets being depreciated, net	<u>14,529,530</u>	<u>(859,770)</u>	<u>-</u>	<u>121,917</u>	<u>13,791,677</u>
Total business-type activities capital assets, net	<u>\$ 15,066,536</u>	<u>\$ (757,012)</u>	<u>\$ -</u>	<u>\$ 121,917</u>	<u>\$ 14,431,441</u>

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2023

NOTE 8 - CAPITAL ASSETS (CONTINUED)

Depreciation costs were charged to functions/ programs as follows:

Governmental activities:

General government	\$ 618,415
Court related	24,203
Public safety	2,220,784
Physical environment	164,867
Transportation	317,830
Economic environment	70,491
Culture and recreation	59,650
Human services	934,765
Total depreciation cost for governmental activities	<u>\$ 4,411,005</u>

Business-type activities:

Water and wastewater depreciation cost	<u>\$ 996,538</u>
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NOTE 9 - LONG-TERM OBLIGATIONS

Business Type - Revenue Bonds

Revenue Bonds

The Board issued revenue bonds for business-type activities. The descriptions and balances of the outstanding revenue bonds as of September 30, 2023, were as follows:

\$5,492,600 Hendry County, Water and Sewer System Revenue Bonds, Series 2021, bearing interest of 2.24% payable on September 1, 2022 and annually thereafter on September 1, with principal maturing from September 1, 2023 to September 1, 2036.	<u>\$ 4,831,000</u>
Total business-type - revenue bonds	<u>\$ 4,831,000</u>

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2023

NOTE 9 - LONG-TERM OBLIGATIONS (CONTINUED)

Government Funds - Notes Payable, Capital Leases, & Other Payables

Notes Payable

\$267,500 loan to to purchase seven vehicles, bearing interest at a rate of 2.65%. The loan requires four annual payments of principal and interest of \$71,545 beginning on February 22, 2023 with the final payment due on February 22, 2026. Outstanding balance as of Sepetmber 30, 2023 is

\$ 203,523

\$350,000 loan to to purchase two ambulances, bearing interest at a rate of 2.25%. The loan requires four annual payments of principal and interest of \$92,477 beginning on June 15, 2023 with the final payment due on June 15, 2026. Outstanding balance as of Sepetmber 30, 2023 is

265,398

\$6,000,000 bank loan to fund capital projects, bearing interest at a rate of 3.65%. The loan is intended to be paid using future local government half-cent sales tax revenues. The loan contract requires semi-annual payments of \$435,798. Final payment is due November 2026.

4,693,352

Total governmental - notes payable **5,162,273**

Leases

The Sheriff has entered into various leases for the use of vehicles which are classified as long-term leases for accounting purposes. The lease terms range from 13 to 60 months and are not mutually cancellable. Annual lease payments range from \$391,000 to \$119,000 per year for all leases with the final lease terminating in fiscal year 2023. As of September 30, 2023 the lease liability is

1,075,302

On November 1, 2022, The Tax Collector entered into a five year Subscription-Based Information Technology Arrangements (SBITA) valued at \$419,631 at implementation. The initial liability was determined using a discount rate of 3.00%, which reflects the Tax Collector's incremental borrowing rate. The Tax Collector is required to make annual payments of \$72,000, including principle and interest. As of September 30, 2023, the SBITA liability at fiscal year end is

267,631

Total governmental - leases payable **1,342,933**

Total Governmental Funds - Debt Service Requirements **\$ 6,505,206**

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2023

NOTE 9 - LONG-TERM OBLIGATIONS (CONTINUED)

Government Funds - Notes Payable, Leases, & Other Payables (continued)

The annual debt service requirements at September 30, 2023, were as follows:

Fiscal Year(s)	Government Funds Long-Term Debt		Business-type Long-Term Debt		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 1,131,273	\$ 416,375	\$ 341,900	\$ 108,214	\$ 1,473,173	\$ 524,589
2025	1,040,550	362,739	349,300	100,556	1,389,850	463,295
2026	3,987,767	170,859	357,800	92,732	4,345,567	263,591
2027	234,276	11,004	365,300	84,717	599,576	95,721
2028	111,340	8,150	373,900	76,534	485,240	84,684
2029-2033	-	-	1,996,200	253,373	1,996,200	253,373
2034-2036	-	-	1,046,600	41,427	1,046,600	41,427
Total	\$ 6,505,206	\$ 969,127	\$ 4,831,000	\$ 757,553	\$ 11,336,206	\$ 1,726,680

Changes in bonded and other indebtedness of the Board for the year ended September 30, 2023, was as follows:

	Beginning Balance 10/1/2022	Additions	Reductions	Ending Balance 9/30/2023	Due Within One Year
<u>Governmental Activities</u>					
Notes Payable	\$ 5,453,044	\$ 617,539	\$ (908,310)	\$ 5,162,273	\$ 802,211
Capital Leases	562,748	-	(562,748)	-	-
Lease Liability	627,467	1,067,034	(351,568)	1,342,933	364,980
Other Post Employment Benefits	2,420,464	168,636	-	2,589,100	-
FRS Pension Liability	23,966,584	3,490,665	-	27,457,249	-
HIS Liability	5,219,999	2,913,069	-	8,133,068	-
Compensated Absences	2,338,581	-	(177,157)	2,161,424	-
Total governmental activities long-term liabilities	\$40,588,887	\$ 8,256,943	\$ (1,999,783)	\$ 46,846,047	\$ 1,167,191

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2023

NOTE 9 - LONG-TERM OBLIGATIONS (CONTINUED)

	Beginning Balance 10/1/2022	Additions	Reductions	Ending Balance 9/30/2023	Due Within One Year
<u>Business-Type Activities</u>					
Port LaBelle Utility Systems					
Notes Payable	\$ 1,020,970	\$ -	\$ (1,020,970)	\$ -	\$ -
Revenue Bonds	5,165,500	-	(334,500)	4,831,000	341,900
Other Post Employment					
Benefits	166,884	11,723	-	178,607	-
FRS Pension liability	1,653,436	268,975	-	1,922,411	-
HIS Liability	360,124	209,311	-	569,435	-
Compensated Absences	50,380	9,675	-	60,055	-
Total business-type activities long-term liabilities	<u>\$ 8,417,294</u>	<u>\$ 499,684</u>	<u>\$ (1,355,470)</u>	<u>\$ 7,561,508</u>	<u>\$ 341,900</u>

NOTE 10 - LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

The landfill stopped accepting solid waste on December 1, 1992, and finished placing the required cover on the landfill during the fiscal year ended September 30, 1994. The County completed post closure care requirements during fiscal year 2017 in accordance with landfill laws and Subpart H of 40 Code of Federal Regulations, Part 264, as adopted by reference in Rule 62-701.630 of the Florida Administrative Code (FAC).

The County continually conducts monitoring to detect any potential incidents of environmental contamination. If any contamination is detected, the County will submit a plan to the Florida Department of Environmental Protection to remedy the problems discovered. The County does not believe that any additional liabilities arising from the closed landfill remedial actions would materially affect the County's financial condition.

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2023

NOTE 11 - COMMITMENTS & CONTINGENCIES

Contingencies

Grants and Assistance

Activities of certain funds of the Board are financed in whole or in part by various forms of grants and assistance, principally from the federal government. There can be no absolute assurance that such assistance will continue in the future at the present levels. Amounts received from grantor agencies are subject to audit or adjustment by the grantor agencies. Also, any amounts disallowed could constitute liabilities of the applicable funds.

Litigation

The Board, in accordance with the normal conduct of its affairs, is involved in various judgments, claims, and litigation. It is expected that the final settlement of these matters will not materially affect the financial statements of the Board.

NOTE 12 - RETIREMENT PLAN

Florida Retirement System:

General Information - All of the employees of the primary government participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, *Florida Statutes*, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan (“Pension Plan”) and the Retiree Health Insurance Subsidy (“HIS Plan”).

Under Section 121.4501, *Florida Statutes*, the FRS also provides a defined contribution plan (“Investment Plan”) alternative to the FRS Pension Plan, which is administered by the State Board of Administration (“SBA”). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, *Florida Statutes*, and Chapter 60S, *Florida Administrative Code*. Amendments to the law can be made only by an act of the Florida State Legislature.

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

www.dms.myflorida.com/workforce_operations/retirement/publications.

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2023

NOTE 12 - RETIREMENT PLAN (CONTINUED)

Pension Plan

Plan Description – The Pension 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 other classes.

Elected County Officers Class- Members who hold specified elective offices in local government.

Senior Management Service Class (SMSC)- Members in senior management positions.

Special Risk Class- Members who are employed in public safety and meet the criteria to qualify for this class.

Benefits Provided – Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service or 25 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service.

Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service. Elected Officers’ class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five highest years of salary for each year of credited service.

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular, Senior Management Service, and Elected Officers’ class members, and to age 60 or 30 years of service regardless of age for Special Risk and Special Risk Administrative Support class members.

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2023

NOTE 12 - RETIREMENT PLAN (CONTINUED)

Pension Plan (continued)

Also, the final average compensation for all these members will be based on the eight highest years of salary.

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

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

Contributions – Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year.

The employer contribution rates by job class for the periods from October 1, 2022 through June 30, 2023 and July 1, 2023 through September 30, 2023, respectively, were as follows: regular 11.91% and 13.57%; county elected officers 57.00% and 58.68%; senior management 31.57% and 34.52%; special risk 27.83% and 32.67%; special risk administration 38.65% and 39.82%; and DROP participants 18.60% and 21.13%.

The County's contributions to the Pension Plan totaled \$3,307,034 for the fiscal year ended September 30, 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2023, the County reported a liability of \$29,379,660 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The County's proportionate share of the net pension liability was based on the County's 2022-23 fiscal year contributions relative to the 2021-22 fiscal year contributions of all participating members. At June 30, 2023, the County's proportionate share was 0.073731475%, which was an increase of 0.00487% from its proportionate share measured as of June 30, 2022.

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2023

NOTE 12 - RETIREMENT PLAN (CONTINUED)

Pension Plan (continued)

For the fiscal year ended September 30, 2023, the County recognized pension (benefit) of (\$4,995,703), excluding HIS. In addition the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,758,496	\$ -
Change of assumptions	1,915,210	-
Net difference between projected and actual earnings on Pension Plan investments	1,226,974	-
Changes in proportion and differences between County Pension Plan contributions and proportionate share of contributions	1,876,063	(1,449,695)
County Pension Plan contributions subsequent to the measurement date	<u>(1,066,567)</u>	<u>-</u>
Total	<u>\$ 6,710,176</u>	<u>\$ (1,449,695)</u>

The deferred outflows of resources related to the Pension Plan, totaling \$1,066,567 resulting from County contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	Amount
2024	804,077
2025	(276,200)
2026	4,868,589
2027	720,970
2028	209,612
Thereafter	-

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2023

NOTE 12 - RETIREMENT PLAN (CONTINUED)

Pension Plan (continued)

Actuarial Assumptions – The total pension liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumption, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.25%, average, including inflation
Investment rate of return	6.70%, net of pension plan investment expense, including inflation

The Mortality assumption was based on the PUB-2010 with Projection Scale MP-2018.

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

The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption.

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

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual Return	Standard Deviation
Cash	1.0%	2.9%	2.9%	1.1%
Fixed income	19.8%	4.5%	4.4%	3.4%
Global equity	54.0%	8.7%	7.1%	18.1%
Real estate (property)	10.3%	7.6%	6.6%	14.8%
Private equity	11.1%	11.9%	8.8%	26.3%
Strategic investments	3.8%	6.3%	6.1%	7.7%
Total	100.0%			
Assumed Inflation - Mean			2.4%	1.4%

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

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2023

NOTE 12 - RETIREMENT PLAN (CONTINUED)

Pension Plan (continued)

Discount Rate – The discount rate used to measure the total pension liability was 6.70%. 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 discount rate for calculation of the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the County’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following represents the County’s proportionate share of the net pension liability calculated using the discount rate of 6.70%, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.70%) or one percentage point higher (7.70%) than the current rate:

	1%, Decrease (5.70%)	Discount Rate (6.70%)	1% Increase (7.70%)
County's proportionate share of the net pension liability/(asset)	<u>\$ 50,810,102</u>	<u>\$ 29,379,660</u>	<u>\$ 11,461,261</u>

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

Payables to the Pension Plan – At September 30, 2023, the County reported approximately \$85,000 payable for outstanding contributions to the Pension Plan.

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HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2023

NOTE 12 - RETIREMENT PLAN (CONTINUED)

HIS Plan

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

Benefits Provided – For the fiscal year ended September 30, 2023, 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 \$45 and a maximum HIS payment of \$225 per month. To be eligible to receive these benefits, 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 September 30, 2023, the HIS contribution was 1.66%. 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 legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The County's contributions to the HIS Plan totaled \$364,778 for the fiscal year ended September 30, 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2023, the County reported a liability of \$8,702,503 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The County's proportionate share of the net pension liability was based on the County's 2022-23 fiscal year contributions relative to the 2021-22 fiscal year contributions of all participating members. At June 30, 2023, the County's proportionate share was 0.05480%, which was an increase of 0.00212% from its proportionate share measured as of June 30, 2023.

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2023

NOTE 12 - RETIREMENT PLAN (CONTINUED)

HIS Plan (continued)

For the fiscal year ended September 30, 2023, the County recognized HIS expense of \$47,771. In addition the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 127,399	\$ (20,426)
Change of assumptions	228,786	(754,101)
Net difference between projected and actual earnings on HIS Plan investments	4,494	-
Changes in proportion and differences between County HIS Plan contributions and proportionate share of contributions	563,104	(234,323)
County HIS Plan contributions subsequent to the measurement date	(112,974)	-
Total	<u>\$ 810,809</u>	<u>\$ (1,008,850)</u>

The deferred outflows of resources related to the HIS Plan, totaling \$112,974 resulting from County contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	Amount
2024	\$ 12,143
2025	26,451
2026	(7,676)
2027	(89,832)
2028	(31,664)
Thereafter	5,510

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2023

NOTE 12 - RETIREMENT PLAN (CONTINUED)

HIS Plan (continued)

Actuarial Assumptions – The total pension liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumption, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.25%, average, including inflation
Discount rate	3.65%

Mortality rates were based on the PUB-2010 with Projection Scale MP-2018.

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

Discount Rate – The discount rate used to measure the total pension liability was 3.65%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the County’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following represents the County’s proportionate share of the net pension liability calculated using the discount rate of 3.65%, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.65%) or one percentage point higher (4.65%) than the current rate:

	1%, Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
County's proportionate share of the net pension liability	\$ 9,956,378	\$ 8,702,503	\$ 7,664,947

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

Payables to the HIS Plan – At September 30, 2023, the County reported an approximated payable of \$6,500 for outstanding contributions to the HIS Plan.

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2023

NOTE 12 - RETIREMENT PLAN (CONTINUED)

Investment Plan

The SBA administers the defined contribution plan officially titled the FRS 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. Board 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 Pension 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 Investment 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. Allocations to the investment member's accounts during the 2021-22 fiscal year, as established by Section 121.72, *Florida Statutes*, are based on a percentage of gross compensation, by class. The allocation include a required employee contribution of 3% of gross compensation for each member class.

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 Pension Plan is transferred to the Investment Plan, the member must have the years of service required for 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 September 30, 2023, 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 Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The County's Investment Plan contributions totaled \$953,939 for the fiscal year ended September 30, 2023.

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2023

NOTE 13 - RISK MANAGEMENT

The Board 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 Public Risk Management (PRM), a local government liability risk pool.

PRM administers insurance activities relating to property, general, automobile, public official's liability, workers' compensation, health and auto physical damage. The pool assesses each member its pro rata share of the estimated amount required to meet current year losses, operating expenses and reinsurance costs (premiums). To reduce its exposure to large losses on all types of insured events PRM uses reinsurance policies purchased from third parties. The Fund is fully funded annually.

Major uninsurable risks include damages to infrastructure assets and damages or governmental fines due to seepage, pollution or contamination of any kind. Since the amounts of loss cannot be reasonably estimated and the likelihood is undeterminable, no provision for such occurrences is included in these financial statements.

NOTE 14 - OTHER POST-EMPLOYMENT BENEFITS

Implementation of New GASB Statement

The County implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. GASB Statement No. 75 specifies that governments must recognize their total OPEB liability and related deferred outflows of resources, deferred inflows of resources, and OPEB expense in the financial statements based on the actuarial present value of projected benefit payments.

County OPEB Plan Description

In accordance with Section 112.0801, *Florida Statutes*, because the Board provides medical plans to employees of the County and their eligible dependents, the Board is also required to provide retirees the opportunity to participate in the group employee health plan. Retirees participating in the group insurance plans offered by the County are required to contribute 100% of the active participants cost of participation.

Participant Count

As of September 30, 2023, membership consisted of:

Active Employees	421
Retired Participants (plus covered spouses)	60
Total Participants:	<hr/> 481 <hr/>

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2023

NOTE 14 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Participant Averages

Active Participants	
Average age	44.8
Average service	7.4
Retirees average age	70.0

Net OPEB Liability Assumptions

The County's net OPEB liability was measured as of September 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of October 1, 2022.

The total OPEB liability in the September 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Interest Rate:	
Discount Rate	4.63%
Municipal Bond Rate	4.63%
Inflation	2.50% per year

Mortality rates were based on the PUB-2010 Public Retirement Plans General mortality table projected generationally with Scale MP-2021 for the Regular Class and Elected Officials and PUB-2010 Public Retirement Safety mortality table projected generationally with Scale MP-2021 for the Special Risk Class.

The most recent retirement and withdrawal experience study covered the period from July 1, 2013 to June 30, 2018.

Under GASB 75, the discount rate for unfunded plans must be based on a yield or index rate for a 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. Rates were taken from the Bond Buyer 20-Bond GO index as of the measurement date.

Actuarial Standards of Practice

Actuarial Standards of Practice No. 6 ("ASOP 6") provides guidance on measuring retiree group benefits obligations and determining retiree group benefits periodic costs or actuarially determined contributions.

Actuarial Standards Practice No. 35 ("ASOP 35") requires that each demographic and other noneconomic assumption should be reasonable individually and in conjunctions with one another. At each measurement date, the actuary should consider whether the selected assumptions continue to be reasonable. If the actuary determines that one or more of the previously selected assumptions are no longer reasonable, the actuary will perform an experience study to determine the best estimate for the Plan's population.

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2023

NOTE 14 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Actuarial Standards of Practice, (Continued)

Actuarial Standards of Practice No. 27 Revised (“ASOP 27”) requires that each economical assumption be reasonable based on the following characteristics: (a) appropriate for the purpose of the measurement; (b) reflects the actuary's professional judgement; (c) takes into account historical and current economic data that is relevant as of the measurement date; (d) reflects the actuary's estimate of future experience, observation of the estimates inherent in market data, or a combination thereof; and (e) has no significant bias. Given the uncertain nature of the items for which assumptions are selected, different actuaries will apply different professional judgement and may choose different reasonable assumptions. As a result, arrange of reasonable assumptions may develop both for an individual actuary and across actuarial practice.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances at September 30, 2022	\$ 2,587,348	\$ -	\$ 2,587,348
Changes for the year:			
Service cost	197,667	-	197,667
Interest on the total OPEB liability	120,860	-	120,860
Difference between expected and actual experience	-	-	-
Employer contributions	-	76,427	(76,427)
Changes in assumptions	(61,741)	-	(61,741)
Benefit payments	(76,427)	(76,427)	-
Net Changes	180,359	-	180,359
Balances at September 30, 2023	\$ 2,767,707	\$ -	\$ 2,767,707

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HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2023

NOTE 14 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the Net OPEB Liability

Impact of change in Discount Rate

The following presents the net OPEB liability of the County, calculated using the discount rate of 4.63%, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1% lower (3.63%) or 1% higher (5.63%) than the current rate:

	1% Decrease (3.63%)	Current Discount Rate (4.63%)	1% Increase (5.63%)
Net OPEB Liability	\$ 3,215,312	\$ 2,767,707	\$ 2,404,817

Impact of change in Healthcare Trend Rates

The following presents the net OPEB liability of the County, calculated using a healthcare cost trend rates of 1% higher than the assumed healthcare cost trend rates for all years and a healthcare cost trend rate that is 1% lower than the assumed health care cost trend rates for all years:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Net OPEB Liability	\$ 2,524,655	\$ 2,767,707	\$ 3,064,207

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

Since certain OPEB expense items are amortized over closed periods each year, the deferred portions of these items must be tracked annually. If the amounts increase the OPEB expense, they are labeled as deferred outflows and amounts that decrease the OPEB expense are labeled as deferred inflows. These outflows and inflows are amortized on a level dollar basis with no interest added for the deferred inflows. These outflows and inflows are amortized on a level dollar basis with no interest added for the deferred amounts. Deferred experience gain/losses and changes in assumptions are amortized over the average remaining service lives of all employees that are provided with benefits through the OPEB plan at the beginning of the measurement period. Investment gains/lowest are amortized over a five year period. The following shows the summary of the deferred outflows and inflows as of September 30, 2023:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (1,251,318)
Change in assumptions	576,248	(1,627,285)
	\$ 576,248	\$ (2,878,603)

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2023

NOTE 14 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended September 30:	Amounts
2024	\$ (345,176)
2025	(288,330)
2026	(424,224)
2027	(424,220)
2028	(404,453)
Thereafter	(415,952)

NOTE 15-SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The County implemented GASB Statement No. 96, Subscription-Based Information Technology Arrangements, for the fiscal year ended September 30, 2023. This statement establishes an accounting model that is intended to improve the financial reporting for IT contracts that conveys control of the right to use another party's ITS software as specified in a contract for a period of time in an exchange or exchange like transaction. On November 1, 2022, the Tax Collector entered into a five year Subscription-Based Information Technology Arrangements (SBITA) valued at \$419,631 at implementation. The initial liability was determined using a discount rate of 3.00%, which reflects the Tax Collector's incremental borrowing rate. The Tax Collector is required to make annual payments of \$72,000, including principle and interest. As of September 30, 2023, the right-to-use SBITA asset and related accumulated amortization is \$419,631 and \$83,926, respectively. The related SBITA liability at fiscal year end is \$267,631.

NOTE 16 - LEASES

The County is a lessor for noncancellable leases of land and buildings and is a lessee in noncancellable leases for vehicles and equipment. The County implemented GASB Statement Number 87, Leases, for the fiscal year ended September 30, 2022. The objective of this statement is to establish a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. This Statement requires a lessee to recognize an intangible right-to-use asset and corresponding lease liability. Similarly, a lessor is required to recognize a lease receivable, included in accounts receivable, and a deferred inflow of resources.

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2023

NOTE 16 - LEASES, CONTINUED

Leases Receivable

The County recognized a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Later, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Likewise, the deferred inflow of resources is recognized as revenue over the term of the lease.

These balances are \$224,641 for the General Fund, \$198,298 for the LaBelle Airport Fund, \$524,254 for the Airglades Airport Fund and \$206,596 for the Building Projects Special Revenue Funds as of September 30, 2023. Due dates of the leases range from January 2023 to April 2062 with a current portion amount of \$192,897 and \$960,892 is non-current..

Leases Payable

The County is a lessee for noncancellable leases of vehicles and equipment. The County recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements, as applicable. The County recognizes lease liabilities with an initial, individual value of \$10,000 or more. At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the term of the lease.

HENDRY COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2023

NOTE 17 - RESTATEMENT

Governmental Fund and Activities

The County determined it was necessary to correct an error in previously issued financial statements. The County received approximately \$7 million of related advance funding from the U.S. Department of the Treasury for COVID-19 recovery grants during fiscal years 2021, 2022 and 2023. In 2024 the County received revised guidance from the granting agency and made the determination to revise their projects to expend those funds. The County identified and calculated the amount of Emergency Medical Services (EMS) wages expended in fiscal years 2021, 2022 and 2023 that were eligible for reimbursement from the COVID-19 grants. This resulted in an increase in fund balance and net position in governmental funds of \$3,056,006.

The County reports ARPA and Hendry Cares Grant Fund as a major fund and beginning fund balance was increased from \$1,770,409 to \$4,826,415. This same restatement resulted in net position for governmental activities being increased from \$49,140,999 to \$52,197,005.

Business-type Activities

The County determined it was necessary to correct an error in previously issued financial statements. The County identified assets that needed to be removed as well as assets that needed to be added to the depreciation schedule. Additionally, the related accumulated depreciation amounts for each asset was recalculated and the corresponding adjustments were made. The net effect of these adjustments resulted in a decrease in beginning Business-type net position in the amount of \$567,503, resulting in a restated beginning net position amount of \$18,898,123.

REQUIRED
SUPPLEMENTARY
INFORMATION

HENDRY COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
COMBINING SCHEDULE - BALANCE SHEET
GENERAL FUND
As of September 30, 2023

	<u>Board of County Commissioners</u>	<u>Clerk of Circuit Court</u>	<u>Property Appraiser</u>	<u>Sheriff</u>
Assets				
Cash and investments	\$ 3,800,209	\$ 925,079	\$267,534	\$1,517,092
Prepaid expenses	-	14,984	-	-
Receivables (net)	5,689,404	152,415	-	378,963
Due from other funds	2,822,527	-	-	87,435
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 12,312,140</u>	<u>\$ 1,092,478</u>	<u>\$267,534</u>	<u>\$ 1,983,490</u>
Liabilities, deferred inflows of resources and fund balances				
Liabilities				
Accounts payable	\$ 3,546,126	\$ 10,167	\$ 275	\$1,142,461
Accrued liabilities	224,024	93,396	31,355	688,197
Due to other funds	10,916	-	-	-
Due to other governments	-	988,915	235,904	55,107
Unearned revenue	10,431	-	-	97,725
Other liabilities	86,873	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>3,878,370</u>	<u>1,092,478</u>	<u>267,534</u>	<u>1,983,490</u>
Deferred inflows of resources				
Deferred lease proceeds	216,152	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances				
Unassigned	8,217,618	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances	<u>8,217,618</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 12,312,140</u>	<u>\$ 1,092,478</u>	<u>\$267,534</u>	<u>\$ 1,983,490</u>

<u>Supervisor of Elections</u>	<u>Tax Collector</u>	<u>Total</u>
\$ 64,748	\$ 446,990	\$ 7,021,652
-	-	14,984
5,000	42,892	6,268,674
-	-	2,909,962
<u>\$ 69,748</u>	<u>\$ 489,882</u>	<u>\$ 16,215,272</u>
-	\$ 34,856	\$ 4,733,885
-	22,189	1,059,161
-	-	10,916
69,748	432,837	1,782,511
-	-	108,156
-	-	86,873
<u>69,748</u>	<u>489,882</u>	<u>7,781,502</u>
-	-	216,152
-	-	8,217,618
-	-	8,217,618
<u>\$ 69,748</u>	<u>\$ 489,882</u>	<u>\$ 16,215,272</u>

HENDRY COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUND
As of September 30, 2023

	Board of County Commissioners	Clerk of Circuit Court	Property Appraiser	Sheriff
REVENUES				
Taxes	\$ 22,901,297	\$ -	\$ -	\$ -
Licenses and permits	107,531	-	-	-
Intergovernmental	12,661,992	132,595	-	1,762,722
Charges for services	2,251,435	1,694,460	1,723,906	570,423
Miscellaneous	898,637	121,930	14,319	161,725
Total revenues	<u>38,820,892</u>	<u>1,948,985</u>	<u>1,738,225</u>	<u>2,494,870</u>
EXPENDITURES				
Current				
General government	10,240,455	1,458,179	1,502,321	-
Court related	-	1,320,539	-	550,292
Public safety	7,667,683	-	-	17,366,227
Physical environment	670,070	-	-	-
Economic environment	440,649	-	-	-
Culture and recreation	172,198	-	-	-
Human services	1,287,948	-	-	-
Capital outlay				
General government	146,957	-	-	-
Public safety	-	-	-	1,181,690
Physical environment	91,203	-	-	-
Debt service				
Principal retirement	975,464	-	-	235,019
Interest and fiscal charges	194,790	-	-	42,768
Total expenditures	<u>21,887,417</u>	<u>2,778,718</u>	<u>1,502,321</u>	<u>19,375,996</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>16,933,475</u>	<u>(829,733)</u>	<u>235,904</u>	<u>(16,881,126)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds for financing capital assets	-	-	-	-
Proceeds from sale of capital assets	-	-	-	13,937
Transfers in	10,242,527	1,659,819	-	16,981,979
Transfers out	(20,628,199)	(830,086)	(235,904)	(114,790)
Total other financing sources (uses)	<u>(10,385,672)</u>	<u>829,733</u>	<u>(235,904)</u>	<u>16,881,126</u>
Net change in fund balances	6,547,803	-	-	-
Fund balances - October 1, 2022	1,669,815	-	-	-
Fund balances - September 30, 2023	<u>\$ 8,217,618</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Supervisor of Elections	Tax Collector	Total
\$ -	\$ -	\$ 22,901,297
-	-	107,531
72,004	-	14,629,313
-	2,316,194	8,556,418
6,070	17,340	1,220,021
<u>78,074</u>	<u>2,333,534</u>	<u>47,414,580</u>
660,089	2,302,436	16,163,480
-	-	1,870,831
-	-	25,033,910
-	-	670,070
-	-	440,649
-	-	172,198
-	-	1,287,948
-	-	146,957
-	-	1,181,690
-	-	91,203
-	-	1,210,483
-	-	237,558
<u>660,089</u>	<u>2,302,436</u>	<u>48,506,977</u>
<u>(582,015)</u>	<u>31,098</u>	<u>(1,092,397)</u>
-	401,739	401,739
-	-	13,937
651,763	-	29,536,088
(69,748)	(432,837)	(22,311,564)
<u>582,015</u>	<u>(31,098)</u>	<u>7,640,200</u>
-	-	6,547,803
-	-	1,669,815
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,217,618</u>

HENDRY COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
As of September 30, 2023

	Board of County Commissioners		Clerk of Circuit Court	
	Final Budget	Actual	Final Budget	Actual
REVENUES				
Taxes	\$ 22,901,297	\$ 22,901,297	\$ -	\$ -
Licenses and permits	107,531	107,531	-	-
Intergovernmental	12,661,992	12,661,992	10,935	132,595
Charges for services	2,251,435	2,251,435	1,351,547	1,694,460
Miscellaneous	890,148	898,637	-	121,930
Total revenues	<u>38,812,403</u>	<u>38,820,892</u>	<u>1,362,482</u>	<u>1,948,985</u>
EXPENDITURES				
General government	9,905,197	10,240,455	1,659,820	1,458,179
Court related	-	-	1,362,481	1,320,539
Public safety	7,669,761	7,667,683	-	-
Physical environment	670,070	670,070	-	-
Economic environment	440,649	440,649	-	-
Culture and recreation	173,531	172,198	-	-
Human services	1,287,948	1,287,948	-	-
Capital outlay				
General government	146,957	146,957	-	-
Public safety	-	-	-	-
Physical environment	91,203	91,203	-	-
Debt Service				
Principal retirement	975,464	975,464	-	-
Interest and fiscal charges	194,790	194,790	-	-
Contingency	-	-	-	-
Total expenditures	<u>21,555,570</u>	<u>21,887,417</u>	<u>3,022,301</u>	<u>2,778,718</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>17,256,833</u>	<u>16,933,475</u>	<u>(1,659,819)</u>	<u>(829,733)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	7,736,526	10,242,527	1,659,819	1,659,819
Transfers out	(20,790,231)	(20,628,199)	-	(830,086)
Total other financing sources (uses)	<u>(13,053,705)</u>	<u>(10,385,672)</u>	<u>1,659,819</u>	<u>829,733</u>
Net change in fund balances	4,203,128	6,547,803	-	-
Fund balances - October 1, 2022	1,669,815	1,669,815	-	-
Fund balances - September 30, 2023	<u>\$ 5,872,943</u>	<u>\$ 8,217,618</u>	<u>\$ -</u>	<u>\$ -</u>

Property Appraiser		Sheriff		Supervisor of Elections	
Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	1,762,722	1,762,722	-	72,004
1,723,906	1,723,906	570,423	570,423	-	-
-	14,319	161,725	161,725	-	6,070
<u>1,723,906</u>	<u>1,738,225</u>	<u>2,494,870</u>	<u>2,494,870</u>	<u>-</u>	<u>78,074</u>
1,723,906	1,502,321	-	-	651,763	660,089
-	-	445,588	550,292	-	-
-	-	18,666,958	17,366,227	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	156,840	1,181,690	-	-
-	-	-	-	-	-
-	-	171,400	235,019	-	-
-	-	-	42,768	-	-
-	-	50,000	-	-	-
<u>1,723,906</u>	<u>1,502,321</u>	<u>19,490,786</u>	<u>19,375,996</u>	<u>651,763</u>	<u>660,089</u>
-	235,904	(16,995,916)	(16,881,126)	(651,763)	(582,015)
-	-	13,937	13,937	-	-
-	-	16,981,979	16,981,979	651,763	651,763
-	(235,904)	-	(114,790)	-	(69,748)
<u>-</u>	<u>(235,904)</u>	<u>16,995,916</u>	<u>16,881,126</u>	<u>651,763</u>	<u>582,015</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HENDRY COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND, NON-GAAP BASIS (CONTINUED)
As of September 30, 2023

	Tax		Total		Variance - Positive (Negative)
	Collector		Final Budget	Actual	
	Final Budget	Actual			
REVENUES					
Taxes	\$ -	\$ -	\$22,901,297	\$22,901,297	\$ -
Licenses and permits	-	-	107,531	107,531	-
Intergovernmental	-	-	14,435,649	14,629,313	193,664
Charges for services	2,050,261	2,316,194	7,947,572	8,556,418	608,846
Miscellaneous	-	17,340	1,051,873	1,220,021	168,148
Total revenues	2,050,261	2,333,534	46,443,922	47,414,580	970,658
EXPENDITURES					
General government	2,050,261	1,900,697	15,990,947	15,761,741	229,206
Court related	-	-	1,808,069	1,870,831	(62,762)
Public safety	-	-	26,336,719	25,033,910	1,302,809
Physical environment	-	-	670,070	670,070	-
Economic environment	-	-	440,649	440,649	-
Culture and recreation	-	-	173,531	172,198	1,333
Human services	-	-	1,287,948	1,287,948	-
Capital outlay					
General government	-	-	146,957	146,957	-
Public safety	-	-	156,840	1,272,893	(1,116,053)
Physical environment	-	-	91,203	91,203	-
Debt Service					
Principal retirement	-	-	1,146,864	1,210,483	(63,619)
Interest and fiscal charges	-	-	194,790	237,558	(42,768)
Contingency	-	-	50,000	-	50,000
Total expenditures	2,050,261	1,900,697	48,494,587	48,196,441	298,146
Excess (deficiencies) of revenues over (under) expenditures	-	432,837	(2,050,665)	(781,861)	1,268,804
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of assets	-	-	13,937	13,937	-
Transfers in	-	-	27,030,087	29,536,088	2,506,001
Transfers out	-	(432,837)	(20,790,231)	(22,311,564)	(1,521,333)
Total financing sources (uses)	-	(432,837)	6,253,793	7,238,461	984,668
Net change in fund balances	-	-	4,203,128	6,456,600	2,253,472
Fund balances-October 1	-	-	1,669,815	1,669,815	-
Fund balances-September 30	\$ -	\$ -	\$ 5,872,943	\$ 8,126,415	\$2,253,472

see reconciliation in Tax Collector's financial statements

HENDRY COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2023

	Special Revenue Funds					
	Law Enforcement Trust	Section 8 Housing	Court Technology Fund	SHIP Local Affordable Housing	Emergency 911	Port Labelle Street Lighting District
Assets						
Cash and cash equivalents	\$ 36,322	\$ 81,996	\$ 98,010	\$ 533,620	\$ 17,450	\$ 82,559
Receivables (net)	-	-	10,034	1,680	69,974	72
Due from other funds	-	-	4,456	-	-	-
Total assets	\$ 36,322	\$ 81,996	\$ 112,500	\$ 535,300	\$ 87,424	\$ 82,631
 Liabilities, deferred inflows of resources and fund balances						
Liabilities						
Accounts payable	\$ -	\$ 1,107	\$ 48,506	\$ 116,611	\$ 101	\$ 10,800
Accrued liabilities	-	738	-	1,299	-	-
Due to other funds	-	-	-	-	628,034	2,638
Unearned revenue	-	-	-	276,249	-	-
Other liabilities	-	-	-	5,400	-	-
Total liabilities	-	1,845	48,506	399,559	628,135	13,438
 Deferred inflows of resources						
Deferred lease proceeds	-	-	-	-	-	-
 Fund balances						
Restricted	36,322	80,151	63,994	135,741	(540,711)	69,193
Total fund balances (deficits)	36,322	80,151	63,994	135,741	(540,711)	69,193
 Total liabilities, deferred inflows of resources and fund balances	\$ 36,322	\$ 81,996	\$ 112,500	\$ 535,300	\$ 87,424	\$ 82,631

Special Revenue Funds

East Hendry County Drainage District	East Hendry County Fire District	West Hendry County Fire District	Mid-County MSBU	East Hendry County Recreational MSBU	West Hendry County Recreational MSBU	Airport Sears MSBU	Felda MSBU
\$ 374,289	\$ 478,990	\$ 1,639,910	\$ 457,164	\$ 196,854	\$ 247,684	\$ 1,263,345	\$ 402,049
-	772	3,147	42	84,029	21,305	44	9
-	-	-	-	-	-	-	-
<u>\$ 374,289</u>	<u>\$ 479,762</u>	<u>\$ 1,643,057</u>	<u>\$ 457,206</u>	<u>\$ 280,883</u>	<u>\$ 268,989</u>	<u>\$ 1,263,389</u>	<u>\$ 402,058</u>
\$ 4,611	\$ 1,858	\$ 14,170	\$ 6,693	\$ 7,926	\$ 47	\$ 517	\$ 12,962
-	7,670	4,772	-	5,793	11,946	-	-
2,337	135,290	21,789	7,218	18,635	11,325	6,189	3,595
-	-	-	-	-	-	-	-
-	-	-	-	75,170	-	-	-
<u>6,948</u>	<u>144,818</u>	<u>40,731</u>	<u>13,911</u>	<u>107,524</u>	<u>23,318</u>	<u>6,706</u>	<u>16,557</u>
-	-	-	-	-	-	-	-
<u>367,341</u>	<u>334,944</u>	<u>1,602,326</u>	<u>443,295</u>	<u>173,359</u>	<u>245,671</u>	<u>1,256,683</u>	<u>385,501</u>
<u>367,341</u>	<u>334,944</u>	<u>1,602,326</u>	<u>443,295</u>	<u>173,359</u>	<u>245,671</u>	<u>1,256,683</u>	<u>385,501</u>
<u>\$ 374,289</u>	<u>\$ 479,762</u>	<u>\$ 1,643,057</u>	<u>\$ 457,206</u>	<u>\$ 280,883</u>	<u>\$ 268,989</u>	<u>\$ 1,263,389</u>	<u>\$ 402,058</u>

HENDRY COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2023

	Special Revenue Funds					
	North Labelle MSBU	Four Corners MSBU	Wheeler Road MSBU	Hooker's Point Lighting	Mosquito Control	Phillips Road MSBU
Assets						
Cash and cash equivalents	\$ 319,281	\$ 141,251	\$ 121,567	\$ 44,661	\$ 542,523	\$ 7,323
Receivables (net)	-	-	1,648	-	13,006	-
Due from other funds	-	-	-	-	-	-
Total assets	\$ 319,281	\$ 141,251	\$ 123,215	\$ 44,661	\$ 555,529	\$ 7,323
 Liabilities, deferred inflows of resources and fund balances						
Liabilities						
Accounts payable	\$ 1,020	\$ 47,719	\$ 156	\$ 1,140	\$ 15,923	\$ -
Accrued liabilities	-	-	-	-	-	-
Due to other funds	4,075	3,978	4,822	2,256	17,659	2,259
Unearned revenue	-	-	-	-	-	-
Other liabilities	-	-	-	-	3,506	-
Total liabilities	5,095	51,697	4,978	3,396	37,088	2,259
 Deferred inflows of resources						
Deferred lease proceeds	-	-	-	-	-	-
 Fund balances						
Restricted	314,186	89,554	118,237	41,265	518,441	5,064
Total fund balances (deficits)	314,186	89,554	118,237	41,265	518,441	5,064
 Total liabilities, deferred inflows of resources and fund balances	\$ 319,281	\$ 141,251	\$ 123,215	\$ 44,661	\$ 555,529	\$ 7,323

Special Revenue Funds

Sky Valley MSBU	Fines and forfeitures	LaBelle Airport Fund	Property Appraiser	Clerk of Circuit Court's Modernization Trust Fund	Documentary Stamps & Intangible Tax	Sheriff's Gun Range Fund	Sheriff's Training Fund	Sheriff's Equitable Sharing Program Fund
\$ 48,187	\$ 699,645	\$ 5,642	\$ 210,511	\$ 294,125	\$ -	\$ 15,984	\$ 23,728	\$ 2,764
-	21,931	905,953	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$ 48,187</u>	<u>\$ 721,576</u>	<u>\$ 911,595</u>	<u>\$ 210,511</u>	<u>\$ 294,125</u>	<u>\$ -</u>	<u>\$ 15,984</u>	<u>\$ 23,728</u>	<u>\$ 2,764</u>
\$ 287	\$ 37,422	\$ 204,340	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	8,621	1,294	-	-	-	-	-	-
2,252	1,090,604	323,446	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	4,515	38,266	-	-	-	-	-	-
<u>2,539</u>	<u>1,141,162</u>	<u>567,346</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	198,161	-	-	-	-	-	-
45,648	(419,586)	146,088	210,511	294,125	-	15,984	23,728	2,764
<u>45,648</u>	<u>(419,586)</u>	<u>146,088</u>	<u>210,511</u>	<u>294,125</u>	<u>-</u>	<u>15,984</u>	<u>23,728</u>	<u>2,764</u>
<u>\$ 48,187</u>	<u>\$ 721,576</u>	<u>\$ 911,595</u>	<u>\$ 210,511</u>	<u>\$ 294,125</u>	<u>\$ -</u>	<u>\$ 15,984</u>	<u>\$ 23,728</u>	<u>\$ 2,764</u>

HENDRY COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2023

	Special Revenue Funds				
	Sheriff's Commissary	Airglades Airport Fund	Seven K Estates MSBU	Murray Road MSBU	Building Department
Assets					
Cash and cash equivalents	\$ 1,012,993	\$ 744,375	\$ 2,192	\$ 535	\$ 2,717,354
Receivables (net)	154,290	570,632	-	-	-
Due from other funds	-	-	-	-	-
Total assets	\$ 1,167,283	\$ 1,315,007	\$ 2,192	\$ 535	\$ 2,717,354
Liabilities, deferred inflows of resources and fund balances					
Liabilities					
Accounts payable	\$ 5,569	\$ 21,116	\$ -	\$ -	\$ 4,091
Accrued liabilities	-	668	-	-	31,621
Due to other funds	87,435	68,896	2,236	35,252	67,316
Unearned revenue	-	-	-	-	-
Other liabilities	-	50,387	-	-	521
Total liabilities	93,004	141,067	2,236	35,252	103,549
Deferred inflows of resources					
Deferred lease proceeds	-	510,151	-	-	-
Fund balances					
Restricted	1,074,279	663,789	(44)	(34,717)	2,613,805
Total fund balances (deficits)	1,074,279	663,789	(44)	(34,717)	2,613,805
Total liabilities, deferred inflows of resources and fund balances	\$ 1,167,283	\$ 1,315,007	\$ 2,192	\$ 535	\$ 2,717,354

Special Revenue Funds				Capital Projects Fund	Total Non-Major Governmental Funds
Country Village MSBU	Solid Waste Disposal	Line of Credit Projects	Building Repairs & Improvements	Capital Projects	
\$ (420)	\$ 2,805,194	\$ 10,726	\$ 95,146	\$ 1,474,815	\$ 17,250,344
-	183	-	222,112	1,116,634	3,197,497
-	32,371	-	-	-	36,827
<u>\$ (420)</u>	<u>\$ 2,837,748</u>	<u>\$ 10,726</u>	<u>\$ 317,258</u>	<u>\$ 2,591,449</u>	<u>\$ 20,484,668</u>
\$ -	\$ 248,705	\$ 44,377	\$ 27,100	\$ 84,301	\$ 969,175
-	2,047	-	-	-	76,469
-	51,516	800,000	-	695,799	4,096,851
-	-	-	-	-	276,249
-	-	-	5,366	-	183,131
<u>-</u>	<u>302,268</u>	<u>844,377</u>	<u>32,466</u>	<u>780,100</u>	<u>5,601,875</u>
-	-	-	188,721	-	897,033
(420)	2,535,480	(833,651)	96,071	1,811,349	13,985,760
<u>(420)</u>	<u>2,535,480</u>	<u>(833,651)</u>	<u>96,071</u>	<u>1,811,349</u>	<u>13,985,760</u>
<u>\$ (420)</u>	<u>\$ 2,837,748</u>	<u>\$ 10,726</u>	<u>\$ 317,258</u>	<u>\$ 2,591,449</u>	<u>\$ 20,484,668</u>

HENDRY COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2023

	Special Revenue Funds					
	Law Enforcement Trust	Section 8 Housing	Court Technology Fund	SHIP Local Affordable Housing	Emergency 911	Port Labelle Street Lighting District
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,842
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	424,735	-	562,136	73,124	-
Charges for services	-	48,780	85,064	-	185,063	-
Fines and forfeitures	-	-	-	-	-	-
Miscellaneous	-	533	2,797	2,711	-	83
Total revenues	<u>-</u>	<u>474,048</u>	<u>87,861</u>	<u>564,847</u>	<u>258,187</u>	<u>48,925</u>
EXPENDITURES						
Current						
General government	-	-	74,759	-	-	-
Court related	-	-	-	-	-	-
Public safety	-	-	-	-	367,713	-
Physical environment	-	-	-	-	-	75,082
Transportation	-	-	-	-	-	-
Economic environment	-	538,768	-	562,136	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Physical environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>538,768</u>	<u>74,759</u>	<u>562,136</u>	<u>367,713</u>	<u>75,082</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>-</u>	<u>(64,720)</u>	<u>13,102</u>	<u>2,711</u>	<u>(109,526)</u>	<u>(26,157)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	72
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72</u>
Net change in fund balances	-	(64,720)	13,102	2,711	(109,526)	(26,085)
Fund balances - September 30, 2022	36,322	144,871	50,892	133,030	(431,185)	95,278
Fund balances - September 30, 2023	<u>\$ 36,322</u>	<u>\$ 80,151</u>	<u>\$ 63,994</u>	<u>\$ 135,741</u>	<u>\$ (540,711)</u>	<u>\$ 69,193</u>

Special Revenue Funds

East Hendry County Drainage District	East Hendry County Fire District	West Hendry County Fire District	Mid-County MSBU	East Hendry County Recreational MSBU	West Hendry County Recreational MSBU	Airport Sears MSBU	Felda MSBU
\$ 48,078	\$ 765,684	\$ 954,021	\$ 258,877	\$ 409,361	\$ 572,083	\$ 93,750	\$ 22,999
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	411	-	-	-
-	-	-	-	-	-	-	-
13,964	15,988	61,346	32,254	76,471	26,668	47,524	15,110
<u>62,042</u>	<u>781,672</u>	<u>1,015,367</u>	<u>291,131</u>	<u>486,243</u>	<u>598,751</u>	<u>141,274</u>	<u>38,109</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	720,767	978,671	-	-	-	-	-
26,424	-	-	-	-	-	47,673	27,588
-	-	-	442,554	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	490,280	620,026	-	-
-	-	-	-	8,887	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	1,238	-
-	-	-	-	-	-	-	-
<u>26,424</u>	<u>720,767</u>	<u>978,671</u>	<u>442,554</u>	<u>499,167</u>	<u>620,026</u>	<u>48,911</u>	<u>27,588</u>
35,618	60,905	36,696	(151,423)	(12,924)	(21,275)	92,363	10,521
493	223,244	222,658	263	-	-	45	8
-	-	-	-	-	-	-	-
<u>493</u>	<u>223,244</u>	<u>222,658</u>	<u>263</u>	<u>-</u>	<u>-</u>	<u>45</u>	<u>8</u>
36,111	284,149	259,354	(151,160)	(12,924)	(21,275)	92,408	10,529
331,230	50,795	1,342,972	594,455	186,283	266,946	1,164,275	374,972
<u>\$ 367,341</u>	<u>\$ 334,944</u>	<u>\$ 1,602,326</u>	<u>\$ 443,295</u>	<u>\$ 173,359</u>	<u>\$ 245,671</u>	<u>\$ 1,256,683</u>	<u>\$ 385,501</u>

HENDRY COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2023

	Special Revenue Funds						
	North Labelle MSBU	Four Corners MSBU	Wheeler Road MSBU	Hooker's Point Lighting	Mosquito Control	Phillips Road MSBU	Sky Valley MSBU
REVENUES							
Taxes	\$ 49,557	\$ 17,738	\$ 88,382	\$ 10,577	\$ 663,899	\$ 19,168	\$ 13,546
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	38,892	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-
Miscellaneous	11,897	6,493	6,527	1,803	55,098	512	1,863
Total revenues	<u>61,454</u>	<u>24,231</u>	<u>94,909</u>	<u>12,380</u>	<u>757,889</u>	<u>19,680</u>	<u>15,409</u>
EXPENDITURES							
Current							
General government	-	-	-	-	-	-	-
Court related	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Physical environment	16,324	49,396	43,391	15,975	793,997	17,461	13,296
Transportation	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Capital outlay							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Physical environment	-	64,261	134,466	-	-	-	-
Transportation	-	-	-	-	-	-	-
Total expenditures	<u>16,324</u>	<u>113,657</u>	<u>177,857</u>	<u>15,975</u>	<u>793,997</u>	<u>17,461</u>	<u>13,296</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>45,130</u>	<u>(89,426)</u>	<u>(82,948)</u>	<u>(3,595)</u>	<u>(36,108)</u>	<u>2,219</u>	<u>2,113</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	552	471	782	-	6,641	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>552</u>	<u>471</u>	<u>782</u>	<u>-</u>	<u>6,641</u>	<u>-</u>	<u>-</u>
Net change in fund balances	45,682	(88,955)	(82,166)	(3,595)	(29,467)	2,219	2,113
Fund balances - September 30, 2022	268,504	178,509	200,403	44,860	547,908	2,845	43,535
Fund balances - September 30, 2023	<u>\$ 314,186</u>	<u>\$ 89,554</u>	<u>\$ 118,237</u>	<u>\$ 41,265</u>	<u>\$ 518,441</u>	<u>\$ 5,064</u>	<u>\$ 45,648</u>

Special Revenue Funds

Fines and Forfeitures	LaBelle Airport Fund	Property Appraiser	Clerk of Circuit Court's Modernization Trust Fund	Documentary Stamps & Intangible Tax	Sheriff's Gun Range Fund	Sheriff's Training Fund	Sheriff's Equitable Sharing Program
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
27,778	2,002,208	-	-	-	-	-	-
392,492	550,314	133,473	108,608	5,483,508	22,059	3,351	-
245,994	-	-	-	-	-	-	-
186,572	14,143	1,042	-	-	215	276	34
<u>852,836</u>	<u>2,566,665</u>	<u>134,515</u>	<u>108,608</u>	<u>5,483,508</u>	<u>22,274</u>	<u>3,627</u>	<u>34</u>
143,322	-	125,000	59,318	5,483,508	-	-	-
286,962	-	-	-	-	-	-	-
524,170	-	-	-	-	24,664	-	-
-	-	-	-	-	-	-	-
-	704,081	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
25,913	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	1,998,161	-	-	-	-	-	-
<u>980,367</u>	<u>2,702,242</u>	<u>125,000</u>	<u>59,318</u>	<u>5,483,508</u>	<u>24,664</u>	<u>-</u>	<u>-</u>
(127,531)	(135,577)	9,515	49,290	-	(2,390)	3,627	34
300,000	-	-	-	-	-	-	-
(20,682)	-	-	-	-	-	-	-
<u>279,318</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
151,787	(135,577)	9,515	49,290	-	(2,390)	3,627	34
(571,373)	281,665	200,996	244,835	-	18,374	20,101	2,730
<u>\$ (419,586)</u>	<u>\$ 146,088</u>	<u>\$ 210,511</u>	<u>\$ 294,125</u>	<u>\$ -</u>	<u>\$ 15,984</u>	<u>\$ 23,728</u>	<u>\$ 2,764</u>

HENDRY COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2023

	Special Revenue Funds					
	Sheriff's Commissary	Airglades Airport Fund	Seven K Estates MSBU	Murray Road MSBU	Building Department	Country Village MSBU
REVENUES						
Taxes	\$ -	\$ -	\$ 1,693	\$ 7,765	\$ -	\$ -
Licenses and permits	-	-	-	-	1,658,122	-
Intergovernmental	-	-	-	-	-	-
Charges for services	442,173	634,502	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Miscellaneous	14,242	365,873	-	11	-	-
Total revenues	<u>456,415</u>	<u>1,000,375</u>	<u>1,693</u>	<u>7,776</u>	<u>1,658,122</u>	<u>-</u>
EXPENDITURES						
Current						
General government	-	-	-	-	-	-
Court related	-	-	-	-	-	-
Public safety	219,148	-	-	-	1,062,929	-
Physical environment	-	-	3,063	13,417	-	420
Transportation	-	965,842	-	-	-	-
Economic environment	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay						
General government	-	-	-	-	-	-
Public safety	53,922	-	-	-	-	-
Physical environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Total expenditures	<u>273,070</u>	<u>965,842</u>	<u>3,063</u>	<u>13,417</u>	<u>1,062,929</u>	<u>420</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>183,345</u>	<u>34,533</u>	<u>(1,370)</u>	<u>(5,641)</u>	<u>595,193</u>	<u>(420)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	183,345	34,533	(1,370)	(5,641)	595,193	(420)
Fund balances - September 30, 2022	890,934	629,256	1,326	(29,076)	2,018,612	-
Fund balances - September 30, 2023	<u>\$ 1,074,279</u>	<u>\$ 663,789</u>	<u>\$ (44)</u>	<u>\$ (34,717)</u>	<u>\$ 2,613,805</u>	<u>\$ (420)</u>

Special Revenue Funds			Capital Projects Fund	Total Non-Major Governmental Funds
Solid Waste Disposal	Line of Credit Projects	Building Repairs & Improvements	Capital Projects	
\$3,378,710	\$ -	\$ -	\$ 4,964,756	\$ 12,389,486
-	-	-	-	1,658,122
93,750	-	25,000	1,043,773	4,291,396
254,316	-	-	-	8,344,114
-	-	-	-	245,994
123,773	-	82,345	341,959	1,510,127
<u>3,850,549</u>	<u>-</u>	<u>107,345</u>	<u>6,350,488</u>	<u>28,439,239</u>
-	1,166,715	86,463	-	7,139,085
-	-	-	-	286,962
-	-	-	-	3,898,062
3,227,874	-	-	-	4,371,381
-	-	-	-	2,112,477
-	-	-	-	1,100,904
-	-	-	-	1,110,306
-	-	-	239,503	274,303
-	-	-	-	53,922
-	-	-	-	199,965
-	-	-	-	1,998,161
<u>3,227,874</u>	<u>1,166,715</u>	<u>86,463</u>	<u>239,503</u>	<u>22,545,528</u>
<u>622,675</u>	<u>(1,166,715)</u>	<u>20,882</u>	<u>6,110,985</u>	<u>5,893,711</u>
56,773	-	-	-	812,002
-	-	-	(8,073,248)	(8,093,930)
<u>56,773</u>	<u>-</u>	<u>-</u>	<u>(8,073,248)</u>	<u>(7,281,928)</u>
679,448	(1,166,715)	20,882	(1,962,263)	(1,388,217)
1,856,032	333,064	75,189	3,773,612	15,373,977
<u>\$2,535,480</u>	<u>\$ (833,651)</u>	<u>\$ 96,071</u>	<u>\$ 1,811,349</u>	<u>\$ 13,985,760</u>

HENDRY COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
As of September 30, 2023

	Clerk of the Circuit Court	Sheriff	Tax Collector	Total Custodial Funds
ASSETS				
Cash and cash equivalents	\$ 3,796,473	\$ 445,518	\$1,118,524	\$ 5,360,515
Total assets	<u>3,796,473</u>	<u>445,518</u>	<u>1,118,524</u>	<u>5,360,515</u>
LIABILITIES				
Accounts payable	-	9,045	-	9,045
Due to other governments	417,673	275,902	15,042	708,617
Due to individuals	-	67,896	1,103,482	1,171,378
Total liabilities	<u>417,673</u>	<u>352,843</u>	<u>1,118,524</u>	<u>1,889,040</u>
NET POSITION				
Restricted for:				
Individuals, organizations, and other governments	3,378,800	92,675	-	3,471,475
Total Net Position	<u>\$ 3,378,800</u>	<u>\$ 92,675</u>	<u>\$ -</u>	<u>\$ 3,471,475</u>

HENDRY COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
For the Fiscal Year Ended September 30, 2023

	Clerk of the Circuit Court	Sheriff	Tax Collector	Total Custodial Funds
Additions:				
Taxes, fees, fines collected for other governments	\$ 19,309,166	\$ 202,952	\$ 108,741,999	\$ 128,254,117
Licenses and tag fees collected for other governments	-	-	9,059,616	9,059,616
Deposits and other trust activities	4,522,051	459,066	27,090	5,008,207
Total additions	23,831,217	662,018	117,828,705	142,321,940
Deductions:				
Taxes, fees, fines disbursed for other governments	19,106,989	33,281	108,741,999	127,882,269
Licenses and tag fees disbursed for other governments	-	-	9,059,616	9,059,616
Deposits and other trust activities disbursed	4,468,680	614,505	27,090	5,110,275
Total deductions	23,575,669	647,786	117,828,705	142,052,160
Change in Fiduciary Net Position	255,548	14,232	-	269,780
Fiduciary Net Position:				
Beginning	3,123,252	78,443	-	3,201,695
Ending	<u>\$ 3,378,800</u>	<u>\$ 92,675</u>	<u>\$ -</u>	<u>\$ 3,471,475</u>

HENDRY COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
Fiscal Year Ended September 30, 2023

Schedule of the County's Proportionate Share of Net Pension Plan Liability
Florida Retirement System Pension Plan
For the Last Ten Fiscal Years Ended June 30

	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
County's proportion of the net pension liability	0.07373%	0.06886%	0.06880%	0.07456%	0.07159%	0.07300%	0.07537%	0.07325%	0.06703%	0.06420%
County's proportionate share of the net pension liability	\$ 29,379,659	\$ 25,620,020	\$ 5,197,274	\$ 32,313,563	\$ 24,653,496	\$ 22,074,803	\$ 22,294,200	\$ 18,496,380	\$ 8,657,429	\$ 3,917,027
County's covered - employee payroll	\$ 16,490,649	\$ 14,653,169	\$ 14,123,289	\$ 14,089,706	\$ 13,231,730	\$ 13,217,447	\$ 13,087,294	\$ 12,162,212	\$ 11,951,308	\$ 11,095,372
County's proportionate share of the net pension liability as a percentage of its covered employee payroll	178.16%	174.84%	36.80%	229.34%	186.32%	167.01%	170.35%	152.08%	72.44%	35.30%
Plan fiduciary net position as a percentage of the total pension liability	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

Schedule of the County's Contributions to the Florida Retirement System Pension Plan
Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 3,307,034	\$ 2,602,358	\$ 2,241,195	\$ 2,193,050	\$ 1,951,402	\$ 1,809,113	\$ 1,787,412	\$ 1,598,337	\$ 1,877,742	\$ 1,701,137
Contributions in relation to the contractually required contribution	(3,307,034)	(2,602,358)	(2,241,195)	(2,193,050)	(1,951,402)	(1,809,113)	(1,787,412)	(1,598,337)	1,877,742	1,701,137
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered-employee payroll	\$ 16,603,038	\$ 14,855,500	\$ 14,121,328	\$ 14,316,481	\$ 13,464,976	\$ 12,964,821	\$ 13,264,354	\$ 12,110,054	\$ 11,951,308	\$ 11,095,372
Contributions as a percentage of covered employee payroll	19.92%	17.52%	15.87%	15.32%	14.49%	13.95%	13.48%	13.20%	15.71%	15.33%

HENDRY COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
Fiscal Year Ended September 30, 2023

Schedule of the County's Proportionate Share of Net Pension Plan Liability
Health Insurance Subsidy Plan
For the Last Ten Fiscal Years Ended June 30

	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
County's proportion of the HIS Plan liability	0.05480%	0.05268%	0.05182%	0.05249%	0.05095%	0.05070%	0.04993%	0.04734%	0.00473%	0.04660%
County's proportionate share of the HIS Plan liability	\$ 8,702,503	\$ 5,580,123	\$ 6,357,066	\$ 6,409,069	\$ 5,701,084	\$ 5,366,772	\$ 5,338,798	\$ 5,587,709	\$ 4,828,351	\$ 4,356,955
County's covered-employee payroll	\$ 21,758,505	\$ 19,238,501	\$ 18,458,124	\$ 18,206,917	\$ 16,946,918	\$ 17,326,036	\$ 15,959,182	\$ 14,890,780	\$ 14,489,748	\$ 13,530,942
County's proportionate share of the HIS Plan liability as a percentage of its covered employee payroll	40.00%	29.00%	34.44%	35.20%	33.64%	30.98%	33.45%	37.52%	33.32%	32.20%
Plan fiduciary net position as a percentage of the total HIS Plan liability	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

Schedule of the County's Contributions to the Health Insurance Subsidy Plan
Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 364,778	\$ 325,325	\$ 307,334	\$ 307,711	\$ 291,388	\$ 271,273	\$ 269,317	\$ 247,253	\$ 197,705	\$ 171,106
Contributions in relation to the contractually required contribution	(364,778)	(325,325)	(307,334)	(307,711)	(291,388)	(271,273)	(269,317)	(247,253)	(197,705)	(171,106)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered-employee payroll	\$ 21,944,210	\$ 19,636,889	\$ 18,514,110	\$ 18,536,853	\$ 17,553,102	\$ 16,351,775	\$ 16,223,884	\$ 14,894,726	\$ 14,489,748	\$ 13,530,942
Contributions as a percentage of covered employee payroll	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.36%	1.26%

HENDRY COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in Net OPEB Liability

For the fiscal years ended September 30:

Schedule of Changes in

	2023	2022	2021	2020	2019	2018
Service Cost	\$ 197,667	\$ 457,457	\$ 443,980	\$ 359,989	\$ 247,984	\$ 324,922
Interest	120,860	129,730	116,686	133,841	159,790	142,870
Difference between expected and actual experience	-	(1,182,271)	-	(729,231)	-	-
Change in assumptions	(61,741)	(2,021,888)	30,266	571,083	951,258	(397,934)
Benefit payments	(76,427)	(156,959)	(131,136)	(211,642)	(204,486)	(115,734)
Net change in Total OPEB Liability	180,359	(2,773,931)	459,796	124,040	1,154,546	(45,876)
Total OPEB Liability - beginning	2,587,348	5,361,279	4,901,483	4,777,443	3,622,897	3,668,773
Total OPEB Liability - ending	<u>2,767,707</u>	<u>2,587,348</u>	<u>5,361,279</u>	<u>4,901,483</u>	<u>4,777,443</u>	<u>3,622,897</u>
Contributions - Employer	76,427	156,959	131,136	211,642	204,486	115,734
Benefit payments	(76,427)	(156,959)	(131,136)	(211,642)	(204,486)	(115,734)
Net change in Plan Fiduciary Net Position	-	-	-	-	-	-
Plan Fiduciary Net Position - beginning	-	-	-	-	-	-
Plan Fiduciary Net Position - ending	-	-	-	-	-	-
Net OPEB Liability	<u>\$ 2,767,707</u>	<u>\$ 2,587,348</u>	<u>\$ 5,361,279</u>	<u>\$ 4,901,483</u>	<u>\$ 4,777,443</u>	<u>\$ 3,622,897</u>
Covered employee Payroll	\$22,602,864	\$ 20,686,232	\$ 19,234,453	\$ 18,141,628	\$ 17,296,799	-
Plan net OPEB liability as a % of the covered employee payroll	12.24%	12.51%	27.87%	27.02%	27.62%	N/A

Since GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, was implemented for fiscal year 2018, the total OPEB liability was not available prior to fiscal year 2018.

**HENDRY COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION**

Schedule of OPEB Contributions

	For the fiscal years ended September 30:					
	2023	2022	2021	2020	2019	2018
Actuarially Determined Contribution	\$ -	\$ 249,727	\$ 623,726	\$ 553,107	\$ 486,820	\$ 410,944
Contribution in Relation to the Actuarially Determined Contribution	76,427	156,959	131,136	211,642	204,486	115,734
Contribution Deficiency (Excess)	<u>\$ (76,427)</u>	<u>\$ 92,768</u>	<u>\$ 492,590</u>	<u>\$ 341,465</u>	<u>\$ 282,334</u>	<u>\$ 295,210</u>
Covered Employee Payroll	22,602,864	20,686,232	19,234,453	18,141,628	17,296,799	N/A
Contributions as a Percentage of Covered Payroll	0.34%	0.76%	0.68%	1.17%	1.18%	N/A

**SUPPLEMENTARY
REPORTS**

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

To the Honorable Board of County
Commissioners of Hendry 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 discretely presented component units and remaining fund information of Hendry County, Florida, (the "County") as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated August 28, 2024.

Report Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's basic 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 questioned costs as items 2023-001-HC and 2023-002-HC that we consider to be material weaknesses and item 2023-003-HC that we consider to be a significant deficiency.

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 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*.

The County's Response to Finding

The County's response to the 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 the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida

August 28, 2024

SINGLE AUDIT

Report of Independent Auditor on Compliance for Each Major Federal Awards Program and State Financial Assistance Project and on Internal Control over Compliance Required by the *Uniform Guidance* and Chapter 10.550, *Rules of the Auditor General*

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

Report on Compliance for Each Major Federal Program and State Financial Assistance Project

Opinion on Each Major Federal Program and State Financial Assistance Project

We have audited Hendry County, Florida's (the "County") compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement*; and the requirements described in the State of Florida Department of Financial Services' State Projects Compliance Supplement that could have a direct and material effect on each of the County's major federal programs and state financial assistance projects for the year ended September 30, 2023. The County's major federal programs and state financial assistance projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs and state financial assistance projects for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program and State Project

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists.

The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Report on Internal Control over Compliance, Continued

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 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 deficiencies, significant deficiencies, or material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-004-HC that we consider to be a material weakness and item 2023-005-HC that we consider to be a significant deficiency.

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

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

Ashley, Brown & Smith CPA's

Punta Gorda, Florida

August 28, 2024

HENDRY COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended September 30, 2023

FEDERAL AGENCY <i>Pass-through entity</i> Federal Program - Project Name	Federal Assistance Listing Number	Contract / Grant Number	Federal Expenditures	Transfers to Subrecipients
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
<i>Passed through the Federal Emergency Management Agency</i>				
Emergence Management Preparedness & Assistance (EMPG)	97.042	G0383	\$ 47,357	\$ -
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			47,357	-
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
<i>Passed through State of Florida, Department of Revenue</i>				
Title IV Child Support Enforcement	93.563	COC26	124,394	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			124,394	-
<u>U.S. ELECTION ASSISTANCE COMMISSION</u>				
<i>Help America Vote Act Requirements Payments</i>				
Elections Security / Network Enhancements	90.404	MOA#2022-23.e.es100.025	69,860	-
TOTAL U.S. ELECTION ASSISTANCE COMMISSION			69,860	-
<u>U.S. DEPARTMENT OF THE TREASURY</u>				
Coronavirus State and Local Fiscal Recovery Funds - FY2021	21.027	1505-0271	1,063,532	-
Coronavirus State and Local Fiscal Recovery Funds - FY2022	21.027	1505-0271	2,452,886	-
Coronavirus State and Local Fiscal Recovery Funds - FY2023	21.027	1505-0271	2,925,811	-
TOTAL U.S. DEPARTMENT OF THE TREASURY			6,442,229	-
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
<i>Passed through State of Florida, Department of Transportation</i>				
<i>Enhanced Mobility of Seniors and Individuals with Disabilities -</i>				
FTA Section 5310 Enhanced Mobility of Seniors	20.513	FM#448458-1-84-02	50,000	-
FTA Section 5310 Enhanced Mobility of Seniors	20.513	FM#450467-1-84-01	17,587	-
			<u>67,587</u>	<u>-</u>
Formula Grants for Rural Areas - FTA Section 5311 CARES/Fixed Route	20.509	FM#447489-1-84-01	22,241	-
Formula Grants for Rural Areas - FTA Section 5311 CARES-Clewiston/LaBelle	20.509	FM#448231-1-84-01	180,769	-
Formula Grants for Rural Areas - FTA Section 5311 CARES-Clew-Belle	20.509	FM#448231-1-84-02	129,419	-
Formula Grants for Rural Areas - FTA Section 5311	20.509	FM#447505-1-84-01/02	516,567	-
Formula Grants for Rural Areas - FTA Section 5311	20.509	FM#447505-1-84-03	75,713	-
			<u>924,709</u>	<u>-</u>
<i>Highway Planning and Construction Cluster -</i>				
Harlem Community/Blvd Wall Sign	20.205	FM#449698-1-38-01	596	-
Harlem Sidewalks at Various Locations	20.205	FM#438095-1-38/58/68-01	491,801	-
Tangent Safety Improvements on CR833, CR835, and CR846	20.205	FM#438377-1-38/58/68-01	1,049,101	-
Curve Safety Improvements On CR835	20.205	FM#438372-1-38/58/68-01	1,892,009	-
Total - Highway Planning and Construction Cluster			<u>3,433,507</u>	<u>-</u>
<i>Passed through the Federal Aviation Administration</i>				
<i>Airport Improvement Program -</i>				
LaBelle Municipal Airport Taxiway B Extension	20.106	3-12-0125-015-2021	117,139	-
LaBelle Municipal Airport Taxiway B Extension	20.106	3-12-0125-017-2022	111,985	-
LaBelle Municipal Airport Rescue	20.106	3-12-0125-018-2023	457	-
			<u>229,581</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			4,655,384	-
<u>U.S. DEPARTMENT OF JUSTICE - BUREAU OF JUSTICE ASSISTANCE</u>				
<i>Passed through State of Florida Department of Law Enforcement</i>				
Edward Byrne Memorial Justice Assistance Grant	16.738	15PBJA-21-GG-0241-MUMU	31,770	28,370
TOTAL U.S. DEPARTMENT OF JUSTICE			31,770	28,370
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
<i>Passed through State of Florida Department of Community Affairs</i>				
<i>Lower Income Housing Assistance Program_Section 8 Moderate</i>				
Rehabilitation - Section 8 Voucher Program	14.856	A3405	424,367	-
Community Development Block Grant (CDBG)	14.228	IR007	52,385	-
Community Development Block Grant (CDBG)	14.228	17DB-OL-09-36-01-H11	273,582	-
			<u>325,967</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			750,334	-
TOTAL FEDERAL AWARDS			\$ 12,121,328	\$ 28,370

The notes to Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

HENDRY COUNTY, FLORIDA
SCHEDULE OF STATE FINANCIAL ASSISTANCE
For the Fiscal Year Ended September 30, 2023

STATE AGENCY State Project - Project Name	State CSFA Number	Grant / Contract Number	State Expenditures	Transfers to Subrecipients
<u>STATE OF FLORIDA DEPARTMENT OF MANAGEMENT SERVICES</u>				
Prepaid Next Generation 911 (NG911) State Grant Program -				
911 Cybersecurity	72.003	S22-23-01-30	\$ 38,124	\$ -
GIS Data Maintenance / State Prepaid Wireless	72.003	S20-21-12-07	103,998	-
			<u>142,122</u>	<u>-</u>
Wireless 911 State Grant Program -				
911 Mapping Software	72.002	S22-23-01-31	35,000	-
			<u>177,122</u>	<u>-</u>
TOTAL STATE OF FLORIDA DEPARTMENT OF MANAGEMENT SERVICES				
<u>STATE OF FLORIDA DEPARTMENT OF LAW ENFORCEMENT</u>				
Law Enforcement Salary Assistance for Fiscally Constrained Counties -				
Law Enforcement Salary Assistance (LESA)	71.067	7G028	448,500	-
Law Enforcement Salary Assistance (LESA)	71.067	5V014	196,703	-
			<u>645,203</u>	<u>-</u>
TOTAL STATE OF FLORIDA DEPARTMENT OF LAW ENFORCEMENT				
<u>STATE OF FLORIDA DEPARTMENT OF HEALTH</u>				
EMS County Grant	65.005	C1026	18,490	-
			<u>18,490</u>	<u>-</u>
TOTAL STATE OF FLORIDA DEPARTMENT OF HEALTH				
<u>STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION</u>				
Small County Road Assistance Program (SCRAP) -				
CR78 From Kirby Thompson Road to Ft. Denaud Bridge Way	55.016	FM#435050-54-01	8,733	-
Small County Outreach Program (SCOP) -				
CR835 from 9.1 Mi South to 7.7 Mi South of US27	55.009	FM#438581-1-54-01	82,014	-
CR78 From Hidden Hammock Drive to Kirby Thompson Road	55.009	FM#446330-1-54-01	106,554	-
			<u>188,568</u>	<u>-</u>
County Incentive Grant Program -				
Helms Road Extension Construction From SR29 to SR80	55.008	FM#419948-3-5801	19,065	-
Helms Road Extension, PH VI (CIGP)	55.008	FM#419948-4-34-01	39,723	-
			<u>58,788</u>	<u>-</u>
Aviation Development Grants -				
LaBelle Municipal Airport T-Hangars and Access Drives	55.004	FM#439943-1-94-01	1,758,022	-
Florida Commission for the Transportation Disadvantaged (CTD) Trip and Equipment Grant	55.001	G2A09	332,278	-
Florida Commission for the Transportation Disadvantaged (CTD) Trip and Equipment Grant	55.001	G2K45	102,750	-
Florida Commission for the Transportation Disadvantaged (CTD) Trip and Equipment Grant	55.001	G2B32	138,500	-
			<u>573,528</u>	<u>-</u>
			<u>2,587,639</u>	<u>-</u>
TOTAL STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION				
<u>STATE OF FLORIDA DEPARTMENT OF EDUCATION AND COMMISSIONER OF EDUCATION</u>				
Coach Aaron Feis Guardian Program -	48.140	961-90210-3D001	82,328	-
			<u>82,328</u>	<u>-</u>
TOTAL STATE OF FLORIDA DEPARTMENT OF EDUCATION AND COMMISSIONER OF EDUCATION				
<u>STATE OF FLORIDA DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES</u>				
Hendry County, Dallas B Townsend AG Center	42.041	27507	207	-
Mosquito Control Research Grant	42.003	29490	38,892	-
			<u>39,099</u>	<u>-</u>
TOTAL STATE OF FLORIDA DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES				
<u>STATE OF FLORIDA HOUSING FINANCE CORPORATION</u>				
State Housing Initiatives Partnership Program (SHIP)	40.901	NONE	562,136	-
			<u>562,136</u>	<u>-</u>
TOTAL STATE OF FLORIDA HOUSING FINANCE CORPORATION				
<u>STATE OF FLORIDA DEPARTMENT OF ECONOMIC OPPORTUNITY</u>				
Community Planning Technical Assistance Grant	40.024	P0464	75,000	-
			<u>75,000</u>	<u>-</u>
TOTAL STATE OF FLORIDA DEPARTMENT OF ECONOMIC OPPORTUNITY				

The notes to Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

HENDRY COUNTY, FLORIDA
SCHEDULE OF STATE FINANCIAL ASSISTANCE - (CONTINUED)
For the Fiscal Year Ended September 30, 2023

STATE AGENCY State Project - Project Name	State CSFA Number	Grant / Contract Number	State Expenditures	Transfers to Subrecipients
STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION				
Statewide Surface Water Restoration and Wastewater Projects -				
DEP-Force Main from Airglades Airport to Clewiston	37.039	LPA0086	13,596	-
DEP-Water Restoration Assistance	37.039	S0858	156,947	-
			<u>170,543</u>	<u>-</u>
Small County Consolidated Grants	37.012	SC414	93,750	-
			<u>93,750</u>	<u>-</u>
TOTAL STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION			<u>264,293</u>	<u>-</u>
STATE OF FLORIDA EXECUTIVE OFFICE OF THE GOVERNOR				
Emergency Management Programs -				
Emergency Management Preparedness & Assistance Base Grant	31.063	A0249	105,806	-
Emergency Management Preparedness & Assistance Base Grant	31.063	A0381	29,616	-
			<u>29,616</u>	<u>-</u>
TOTAL STATE OF FLORIDA EXECUTIVE OFFICE OF THE GOVERNOR			<u>135,422</u>	<u>-</u>
TOTAL STATE FINANCIAL ASSISTANCE			<u>\$ 4,586,732</u>	<u>\$ -</u>

The notes to Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

HENDRY COUNTY, FLORIDA

NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – GENERAL

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the “Schedule”) presents the activity of all federal awards and state financial assistance of Hendry County, Florida (the “County”) for the year ended September 30, 2023. The information in the Schedule is presented in accordance with 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*”). Because the Schedule presents only a selected portion of the operations of the County, the schedule is not intended to and does not present the financial position, changes in net position, or cash flows of the County. The County’s reporting entity is defined in Note 1 to the County’s basic financial statements for the fiscal year ended September 30, 2023. All federal award and state financial assistance programs received directly from federal and state agencies, as well as federal award and state financial assistance programs passed through other government agencies, are included in the schedule.

The Schedule is presented in accordance with Uniform Guidance using the modified accrual basis of accounting, which is described in Note 1 to the County’s Basic Financial Statements for the fiscal year ended September 30, 2023.

NOTE 2 – INDIRECT COST RATE

The County has elected to not use the 10 percent de minimis indirect cost rate as covered in 2 CFR 200.414 (f) Indirect Costs.

NOTE 3 – CONTINGENCIES

Grant monies received by the County are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the County does not believe that such disallowances, if any, would have a material effect on the financial position of the County. As of September 30, 2023, there were no material questioned or disallowed costs as a result of grant audits in process or completed of which management was aware. Any adjustments to grant funding are recorded in the year the adjustment occurs.

NOTE 4 – MAJOR FEDERAL PROGRAM DETERMINATION

Major federal program determination has been completed in accordance with the Uniform Guidance.

NOTE 5 – MAJOR STATE PROJECT DETERMINATION

Major state program determination has been completed in accordance with the Florida Single Audit Act.

NOTE 6 – SUBRECIPIENTS

The County transferred \$28,370 of federal awards to the City of Clewiston during the fiscal year ended September 30, 2023.

HENDRY COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COST
YEAR ENDED SEPTEMBER 30, 2023

Part I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? X Yes ___ No

Significant deficiency(ies)? X Yes ___ None reported

Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards and State Projects

Internal control over major programs:

Material weakness(es) identified? X Yes ___ No

Significant deficiency(ies) identified? X Yes ___ None reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? X Yes ___ No

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550 for state projects? ___ Yes X No

Identification of major federal programs and state projects:

Major Federal Programs:

	<u>ALN</u>
U.S. DEPARTMENT OF TRANSPORTATION– Highway Planning and Construction Cluster	20.205
U.S. DEPARTMENT OF THE TREASURY– Coronavirus State and Local Fiscal Recovery Funds	21.027

Major State Projects:

	<u>CSFA No.</u>
STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION– Florida Commission for the Transportation Disadvantaged (CTD) Trip and Equipment Grant	55.001
Aviation Development Grant	37.039

HENDRY COUNTY, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COST - (CONTINUED)

YEAR ENDED SEPTEMBER 30, 2023

Part I – Summary of Auditor’s Results – (Continued)

Dollar threshold used to determine Type A programs:

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

Auditee qualified as low-risk auditee? Yes No

Part II – Financial Statement Findings

Finding: 2023-001-HC – Schedule of Expenditures of Federal Awards and State Financial Assistance. We consider this a repeat finding from the three previous fiscal year findings 2022-001-HC and 2021-001-HC and 2020-001-HC.

Finding Type: Material Weakness in Internal Control over Financial Reporting

Criteria: Policies and procedures should reasonably assure that Federal award and State financial assistance expenditures and nonfinancial information be accurately reflected on the Schedule of Expenditures of Federal Awards and State Financial Assistance.

Condition: We noted multiple instances on the Schedules of Expenditures of Federal Awards and State Financial Assistance where the ALN/CFDA/CSFA numbers did not match grant documentation. We noted multiple instances where material amounts of expenditures reported to us on the Schedules of Expenditures of Federal Awards and State Financial Assistance were unsupported and/or did not match the underlying financial information.

Cause: The County manages grants at the department level. There is no written or formal policy being followed to ensure that financial and nonfinancial information is being accurately and completely included on the Schedule of Expenditures of Federal Awards and State Financial Assistance.

Effect: Financial and nonfinancial information related to Federal awards and State projects could be incorrectly included or excluded from the schedule and this could affect the dollar threshold and/or grant information that would affect the determination of type A and type B programs.

Recommendation: We recommend the County establish and implement internal controls to ensure financial and nonfinancial information received from departments that is used to prepare the Schedules of Expenditures of Federal Awards and State Financial Assistance is complete and accurate.

We also recommend that County employees responsible for Federal and State grants have adequate training of the Schedules of Expenditures of Federal Awards and State Financial Assistance reporting requirements and ensure that they have a complete understanding of Federal and State grant requirements.

Management’s Response: Management’s response is provided within the corrective action plan on page I-103.

HENDRY COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COST - (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2023

Part II – Financial Statement Findings – Continued

Finding: 2023-002-HC – Intergovernmental Revenue. We consider this a new finding.

Finding Type: Material Weakness in Internal Control over Financial Reporting

Criteria: Internal Control policies and procedures should provide reasonable assurance regarding the reliability of the financial reporting and disclosure of intergovernmental revenue balances.

Condition: As part of our testing of intergovernmental revenues and expenditures, we noted that the County recognized approximately \$7 million of related advance funding from the U.S. Department of the Treasury for COVID-19 related expenditures. During major federal program testing we noted that the County did not properly record revenues and expenditures during fiscal years 2021, 2022, and 2023 for the drawdown of grant funds. As a result of our inquiries, a prior period adjustment has been made to properly account for the effects of beginning balances and an adjustment has been made to properly state FY23 balances.

Cause: Due to turnover in the County’s financial service department and lack of proper review over classification of year-end transactions.

Effect: Failure to properly review revenue transactions may result in the over or understatement of revenue.

Recommendation: We recommend that the County review its current process for analyzing and recording intergovernmental revenue. As part of the process, there should be a supervisory review performed to verify that all accounts have been adequately analyzed and reported in the correct period.

Management’s Response: Management’s response is provided within the corrective action plan on page I-103.

Finding: 2023-003-HC – Submission of Timely Audit Reports. We consider this a repeat finding from the previous year finding 2022-003-HC.

Finding Type: Significant Deficiency in Internal Control over Financial Reporting

Criteria: The audit and annual financial report is due to state and federal governmental agencies no later than nine months after year end. We consider this a repeat finding from the previous fiscal year finding 2022-003.

Condition: The financial audit and the AFR, were not submitted within the timeline prescribed by statute.

Cause: Hurricane Ian significantly impacted Hendry County and made landfall on September 28, 2022. This created delays in numerous departments which was compounded by staffing shortfalls. This caused delays in the County’s financial reporting process.

Effect: The County is not in compliance regarding timely submission of audited financial statements and the AFR.

Recommendation: We recommend the County follow their internal controls to ensure compliance and timely financial reporting.

Management’s Response: Management’s response is provided within the corrective action plan on page I-103.

HENDRY COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COST - (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2023

Part III –Federal Award Findings and Questioned Costs

Finding: 2023-004-HC – Material Weakness in Internal Control over Compliance and Other Matter

Federal agency: U.S. Department of Treasury

Federal program title: Coronavirus State and Local Fiscal Recovery Funds

Assistance Listing Number (ALN): 21.027

Pass-through agency: None

Federal award number: 1505-0271

Federal Award Year: FY2021, FY2022, FY2023

Control Category: Activities Allowed or Unallowed, and Allowable Costs/Cost Principles

Questioned Costs: FY2021 \$197,448; FY2022 \$487,891; FY2023 \$657,937.

Criteria or specific requirement: The Uniform Guidance in 2 CFR Section 200.303, *Internal Controls*, requires that non-federal entities receiving Federal awards (i.e. auditee management) establish and maintain internal control designed to reasonably ensure compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Additionally, pursuant to the compliance supplement for ALN 21.027, *Activities Unallowed*, include deposits into pension funds.

Condition: During our review of a sample of FY23 expenditures, we discovered that pension costs were included as allowable costs determined by the program manager. We expanded our scope to include the entire grant reporting period, which included FY2021, FY2022, and FY2023. We discovered that pension costs were included for all three fiscal years. All reported pension costs are included above under Questioned Costs.

Cause: Policies and procedures have not been designed and implemented to ensure compliance with Activities Allowed or Unallowed and Allowable Costs.

Effect: This condition narrowly resulted in noncompliance with federal requirements and could have resulted in misstated reports and undetected errors. This could have led to the loss of federal funds to the County.

Recommendation: We recommend that the County implement necessary internal controls to ensure its compliance with the requirements of the Uniform Guidance. The County has adequate costs under the standard allowance to substitute for the questioned costs, which should be substituted for other government services' costs.

Management's Response: Management's response is provided within the corrective action plan on page I-103.

HENDRY COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COST - (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2023

Part III – Federal Award Findings and Questioned Costs - Continued

Finding: 2023-005-HC – Significant Deficiency in Internal Control over Compliance and Other Matter

Federal agency: U.S. Department of Treasury

Federal program title: Coronavirus State and Local Fiscal Recovery Funds

Assistance Listing Number (ALN): 21.027

Pass-through agency: None

Federal award number: 1505-0271

Federal Award Year: FY2021, FY2022, FY2023

Control Category: Reporting

Questioned Costs: Undetermined

Criteria or specific requirement: The Uniform Guidance in 2 CFR Section 200.303, *Internal Controls*, requires that non-federal entities receiving Federal awards (i.e. auditee management) establish and maintain internal control designed to reasonably ensure compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Additionally, pursuant to the compliance supplement for ALN 21.027, *Performance Reports* are required to be submitted annually.

Condition: During our review of the FY2023 performance report submitted by the County, we discovered that the reported grant expenditures did not match the underlying financial information. We expanded our scope to include the entire grant reporting period, which included FY2021, FY2022, and FY2023. We discovered that none of the (3) annual reports accurately reflected the expenditures reported on the Schedule of Expenditures of Federal Awards.

Cause: Policies and procedures have not been designed and implemented to ensure accurate reporting of grant expenditures in accordance with Uniform Guidance.

Effect: This condition results in inaccurate reporting of grant expenditures to the grantor and could result the loss of federal funds to the County.

Recommendation: We recommend that the County implement necessary internal controls to ensure its compliance with the requirements of the Uniform Guidance.

Management’s Response: Management’s response is provided within the corrective action plan on page I-103.

Part IV – State Project Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs, as well as any material abuse findings, related to the audit of major state projects, as required to be reported by Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*.

There were no findings required to be reported by Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*

HENDRY COUNTY, FLORIDA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED SEPTEMBER 30, 2023

Prior Year Findings:

Finding: 2022-001-HC – Schedule of Expenditures of Federal Awards and State Financial Assistance

Finding Type: Material Weakness in Internal Control over Financial Reporting

Status: Not Corrected. This matter was repeated as finding 2023-001-HC

Reason for Findings Recurrence: Corrective action for this recommendation is in progress.

Corrective Action Taken to Date: This correction action is ongoing as of August 28, 2024 and as a result, this is the fourth consecutive year this specific recommendation is reported.

Remaining Corrective Actions: The County is in the process of establishing and implementing internal controls to ensure financial and nonfinancial information received from departments that is used to prepare the Schedules of Expenditures of Federal Awards, and State Financial Assistance is complete and accurate.

The County employees responsible for Federal and State grants are in the process of receiving training of the Schedules of Expenditures of Federal Awards and State Financial Assistance reporting requirements.

Finding: 2022-002-HC – Budgetary Control

Finding Type: Management Letter Comment

Status: Corrected

Finding: 2022-003-HC – Submission of Timely Audit Reports

Finding Type: Significant Deficiency in Internal Control over Financial Reporting

Status: Not Corrected. This matter was repeated as finding 2023-003-HC

Reason for Findings Recurrence: Corrective action for this recommendation is in progress.

Corrective Action Taken to Date: This correction action is ongoing as of August 28, 2024 and as a result, this is the second consecutive year this specific recommendation is reported.

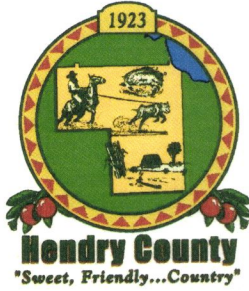
Remaining Corrective Actions: The County is in the process of establishing and implementing internal controls to ensure financial and nonfinancial information received from departments that is used to prepare the Schedules of Expenditures of Federal Awards, and State Financial Assistance is complete and accurate.

The County employees responsible for Federal and State grants are in the process of receiving training of the Schedules of Expenditures of Federal Awards and State Financial Assistance reporting requirements.

HENDRY COUNTY, FLORIDA
CORRECTIVE ACTION PLAN
YEAR ENDED SEPTEMBER 30, 2023

Corrective Action Plan:

They County is in the process of formalizing a procedure that would ensure that the County is able to properly report and monitor the preparation of the Schedule of Expenditures of Federal Awards and State Financial Assistance and provide for proper oversight over grants required to be reported. See the County's formal response at I-103.



HENDRY COUNTY
Board of County Commissioners
P.O. Box 2340
LaBelle, Florida 33975-2340

863-675-5220

Jennifer Davis
County Administrator

Kimberley Barrineau
Clerk of the Courts

Matt Raulerson
County Attorney

Corrective Action Plan

August 28, 2024

In response to the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards, the Hendry County Board of County Commissioners issues the following response:

Management Response to Finding 2022-001-HC - Schedules of Expenditures of Federal Awards and State Financial Assistance (Material Weakness)

The Board of County Commissioners has been informed that errors occurred in the preparation of certain reports provided by a County department to the auditor detailing expenditures included in the Schedules of Expenditures of Federal Awards and State Financial Assistance. The departmental personnel involved were not fully trained in reporting expenditures on the schedules and the auditor relied on the inaccurate and incomplete information provided by the department.

The Board of County Commissioners will undertake the following corrective actions to address this deficiency:

1. Ensure that relevant personnel in departments receiving Federal and/or State grant funding provide training to their personnel in the procedures for reporting expenditures on the Schedules of Expenditures of Federal Awards and State Financial Assistance.
2. Require departments receiving Federal and/or State grant funding to make documentation and information available to the County's Grant Director in order to ensure grants are reported complete and accurate.

The Board of County Commissioners anticipates that the correction actions will be completed by September 30, 2024. Steve Clark, Finance Director, is the contact person.

Stephen W Clark
SIGNED

Finance Director
TITLE

8/28/2024
DATE

Emma Byrd
District I

Emory Howard
District 2

Mitchell Wills
District 3

Ramon Iglesias
District 4

Karson Turner
District 5

Independent Auditor's Management Letter

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

Report on the Financial Statements

We have audited the financial statements of the Hendry County, Florida (the "County"), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated August 28, 2024.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 *U.S. Code Federal Regulations* (CFR) 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 Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Report of Independent Auditor on Compliance for Each Major Federal Awards Program and State Financial Assistance Project and on Internal Control Over Compliance Required by Uniform Guidance, and Chapter 10.550, Rules of the Auditor General; Schedule of Findings and Questioned Costs; and Report of Independent Accountant on 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 August 28, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions for 2020-001 - Schedule of Expenditures of Federal Awards and State Financial Assistance and 2022-003-HC - Submission of Timely Audit Reports are ongoing as of August 28, 2024. The current year findings are numbers 2023-001-HC and 2023-003-HC. Corrective actions for 2002-002-HC - Budgetary Control have been implemented and this prior finding has been corrected.

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. The County discloses this information in the notes to the financial statements.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, we applied 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 identification of the specific condition(s) met. In connection with our audit, we determined that the County did not meet any of the conditions described in Section 218.503(1), *Florida Statutes*.

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

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we had five recommendations to improve financial management as detailed in the accompanying schedule of current year findings and responses at finding 2023-001-HC, 2023-002-HC, 2023-003-HC, 2023-004-HC and 2023-005-HC.

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 provided 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*.

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.

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 Hendry County 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.

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida
August 28, 2024

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

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

We have examined Hendry County, Florida's (the "County's") compliance with the local government investment policy requirements of 218.415, Florida Statutes, and E911 requirements of Sections 365.172 and 365.173, Florida Statutes, for the year ended September 30, 2023. Management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

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

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

In our opinion, the County complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2023.

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

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida
August 28, 2024

HENDRY COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT

September 30, 2023

FINANCIAL STATEMENTS,
TOGETHER WITH REPORTS OF INDEPENDENT AUDITOR

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Report of Independent Auditor

To the Honorable Kimberley Barrineau,
Clerk of Courts & Comptroller
Hendry 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 Hendry County, Florida, Clerk of the Circuit Court (the "Clerk"), as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Clerk's financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Clerk as of September 30, 2023 and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Clerk, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Clerk's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Clerk's ability to continue as a going concern for a reasonable period of time.

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

Emphasis of Matter

Basis of Presentation

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with 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 fund of Hendry County, Florida that is attributable to the Clerk. They do not purport to, and do not, present fairly the financial position of Hendry County, Florida as of September 30, 2023, 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 opinions are not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 16 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other 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 financial statements listed in the Other Financial Information section of the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining financial 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 financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

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

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida
August 28, 2024

FINANCIAL STATEMENTS

HENDRY COUNTY, FLORIDA
 CLERK OF THE CIRCUIT COURT
 Balance Sheet - Governmental Funds
 September 30, 2023

	General Fund	Documentary Stamps & Intangible Tax	Modernization Trust Fund	Total
ASSETS				
Cash	\$ 925,079	\$ -	\$ 294,125	\$ 1,219,204
Accounts Receivable, net	3,322	-	-	3,322
Due from Other Governments	149,093	-	-	149,093
Prepaid Expenses	14,984	-	-	14,984
Total Assets	<u>\$ 1,092,478</u>	<u>\$ -</u>	<u>\$ 294,125</u>	<u>\$ 1,386,603</u>
 LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ 10,167	\$ -	\$ -	\$ 10,167
Accrued Liabilities	93,396	-	-	93,396
Due to BOCC	830,086	-	-	830,086
Due to Other Governments	158,829	-	-	158,829
Total Liabilities	1,092,478	-	-	1,092,478
 Fund Balance				
Restricted	-	-	294,125	294,125
Total Liabilities and Fund Balance	<u>\$ 1,092,478</u>	<u>\$ -</u>	<u>\$ 294,125</u>	<u>\$ 1,386,603</u>

See accompanying notes.

HENDRY COUNTY, FLORIDA
 CLERK OF THE CIRCUIT COURT
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Governmental Funds
 For the Fiscal Year Ended September 30, 2023

	General Fund	Documentary Stamps & Intangible Tax	Modernization Trust Fund	Total
Revenues				
Intergovernmental	\$ 132,595	\$ -	\$ -	\$ 132,595
Charges for Services	1,694,460	5,483,508	108,608	7,286,576
Interest	86,025	-	-	86,025
Miscellaneous	35,905	-	-	35,905
Total Revenues	<u>1,948,985</u>	<u>5,483,508</u>	<u>108,608</u>	<u>7,541,101</u>
Expenditures				
General Government	1,458,179	5,483,508	59,318	7,001,005
Court Related	1,320,539	-	-	1,320,539
Total Expenditures	<u>2,778,718</u>	<u>5,483,508</u>	<u>59,318</u>	<u>8,321,544</u>
Excess of Revenues Over (Under) Expenditures	<u>(829,733)</u>	<u>-</u>	<u>49,290</u>	<u>(780,443)</u>
Other Financing Sources (Uses)				
Operating Transfers In	1,659,819	-	-	1,659,819
Operating Transfers Out	(830,086)	-	-	(830,086)
Total Other Financing Sources (Uses)	<u>829,733</u>	<u>-</u>	<u>-</u>	<u>829,733</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and other sources	-	-	49,290	49,290
Fund Balance - October 1, 2022	<u>-</u>	<u>-</u>	<u>244,835</u>	<u>244,835</u>
Fund Balance - September 30, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 294,125</u>	<u>\$ 294,125</u>

See accompanying notes.

HENDRY COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
Statement of Fiduciary Net Position - Custodial Funds
September 30, 2023

	<u>Total Custodial Funds</u>
ASSETS	
Cash and Cash Equivalents	\$ 3,796,473
Total Assets	<u>3,796,473</u>
LIABILITIES AND NET POSITION	
Due to Other Governments	<u>417,673</u>
Total Liabilities	<u>417,673</u>
NET POSITION	
Restricted for: Individuals, Organizations, and Other Governments	<u>3,378,800</u>
Total Net Position	<u>\$ 3,378,800</u>

See accompanying notes.

HENDRY COUNTY, FLORIDA
 CLERK OF THE CIRCUIT COURT
 Statement of Changes in Fiduciary Net Position
 For the fiscal year ended September 30, 2023

	<u>Total Custodial Funds</u>
Additions	
Fees/fines Collected for Other Governments	\$ 19,309,166
Deposits and Other Trust Activities	<u>4,522,051</u>
Total Additions	23,831,217
Deductions	
Fees/fines Disbursed for Other Governments	19,106,989
Deposits and Other Trust Activities Disbursed	<u>4,468,680</u>
Total Deductions	<u>23,575,669</u>
Change in Net Position	255,548
Beginning Net Position	<u>3,123,252</u>
Ending Net Position	<u><u>\$ 3,378,800</u></u>

See accompanying notes.

HENDRY COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
Notes to Financial Statements
September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

(a) Fund Accounting

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

Governmental Funds

General Fund

The General Fund is used to account for all revenues and expenditures applicable to the general operations of the Clerk, which are not properly accounted for in another fund. All operating revenues, which are not specifically restricted or designated as to use, are recorded in the General Fund. Excess revenues at the end of the year, due back to the Board of County Commissioners and the State of Florida, are shown as operating transfers out.

Special Revenue Funds

The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The Public Records Modernization Trust fund is used to account revenues generated from the additional service charge on most recorded instruments as defined in Sections 28.24 (12)(d) and 28.24 (12)(e)1, F.S. The funds shall be used exclusively to fund court-related technology needs of the Clerk as defined in Section 29.008(1)(f)2 and (h), F.S. The excess of such revenues over expenditures for the fiscal year are retained by the Clerk in the fund.

The Documentary Stamp and Intangible Tax Fund—is a special revenue fund used to account for the functions of the Clerk to perform and charge for the service of collecting and remitting taxes to the State of Florida. The documentary stamp tax is an excise tax imposed on obligations to pay money pursuant to Florida Statutes 201.08. The intangible tax is a tax on intangible personal property levied on obligations for payment of money which are secured by a mortgage or other liens upon real property located in the State of Florida pursuant to Florida Statutes 199.133.

HENDRY COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
Notes to Financial Statements
September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

As a result of the implementation of Governmental Accounting Standards Board (GASB) Statement No. 84 (described further below), activity previously reported in the Clerk's Operating Trust Agency Fund is now reported in both Special Revenue Funds, as well as Fiduciary Funds. The Modernization Trust Fund and the Documentary Stamp and Intangible Tax Fund include Special Trust activity that the Clerk considers to be the government's own source revenue.

Fiduciary Funds

Custodial Funds

Funds are used to account for assets received and held by the Clerk on behalf of outside parties, including other governments. Custodial funds are used to report resources held by the reporting governments in a purely custodial capacity. Custodial funds typically involve only the receipt, temporary investment and remittance of custodial resources to individuals, private organizations, or other governments. The Clerk reports activity for four Custodial funds: Registry, Operating Trust, Fine and Forfeiture and Christmas Club.

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

Governmental Funds

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

Fiduciary Funds

Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Basis of Accounting

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

The modified accrual basis of accounting is followed by all funds. The modification in such method from the accrual basis is that revenues are recorded when they become measurable and available to finance operations of the current year.

HENDRY COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
Notes to Financial Statements
September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include:

1. Principal and interest on general long-term debt, which is recognized when due; and
2. Expenditures are not divided between years by the recording of prepaid expenses.

Budgetary Process

Chapter 218, Florida Statutes, governs the preparation, adoption and administration process of the Clerk's annual budget. The Clerk's budget, however, is prepared in two parts. One portion relates to the State court system, including Recording, and is required to be filed with the State Court Administrator. The remaining portion relates to the requirements of the Clerk as ex officio to the Board, Clerk of the Board of County Commissioners, County Auditor and custodian, or treasurer, of all County funds. The budget for this portion is submitted to and approved by the Board of County Commissioners. However, the budget in total is required to be filed with the State Court Administrator.

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

Encumbrances

Encumbrance accounting, under which purchase orders and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Clerk.

(c) Assets, Liabilities and Equity

Capital Assets

Acquisitions of tangible personal property are recorded as expenditures in the General Fund at the time of purchase. These assets are reported to the Hendry County, Florida, Board of County Commissioners and are recorded in the government wide financial statements.

Compensated Absences

The Clerk's employees accumulate sick and annual leave based on the number of years of continuous service and other criteria. Upon termination of employment, employees generally receive payment for accumulated annual and sick leave.

As of September 30, 2023, the Clerk had \$143,957 in long-term compensated absences payable. This amount is reported in the government-wide financial statements of Hendry County, Florida.

HENDRY COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
Notes to Financial Statements
September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Statement of Governmental Accounting Standards Board No. 16, "Accounting for Compensated Absences", requires the compensated absences liability to be measured using the salary rate in effect at the balance sheet date and requires additional amounts to be accrued for certain salary related payments associated with the payment of compensated absences. The liability shown in the financial statements of Hendry County has been accrued in accordance with this criteria.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management of the Clerk to make estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

Fund Balances

Spendable fund balances are classified based on a hierarchy of the Clerk's ability to control the spending of these fund balances.

Restricted fund balances are fund balance amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations or imposed by law through constitutional provisions or enabling legislation. As of September 30, 2023, the Clerk had \$294,125 in restricted fund balance in the Modernization Trust Fund.

The excess of such revenues over expenditures for the fiscal year are retained by the Clerk in the fund to fund court-related technology needs of the Clerk, as defined in Section 29.008(1)(f)2 and (h), F.S.

Committed fund balances are fund balances constrained for specific purposes imposed by the Clerk's formal action of highest level of decision making authority. As of September 30, 2023, the Clerk had no committed fund balances.

Assigned fund balances are fund balances are constrained by the Clerk's intent to be used for specific purposes, but which are neither restricted nor committed. As of September 30, 2023, the Clerk had no assigned fund balances.

Unassigned fund balances represent the residual positive fund balance within the General Fund, which has not been assigned to other funds and has not been restricted, committed or assigned. In funds other than the General Fund, unassigned fund balances are limited to negative residual balances. As of September 30, 2023, the Clerk had no unassigned fund balances because all excess revenues within the general fund are required to be remitted to the Board.

HENDRY COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
Notes to Financial Statements
September 30, 2023

NOTE 2 - CASH AND CASH INVESTMENTS

During the fiscal year, the Clerk maintained deposits in interest-bearing savings and checking accounts. At September 30, 2023, the bank balance of all accounts was \$5,095,407 and the book balance of deposits was \$5,015,677.

The Clerk had \$535 of cash on hand at September 30, 2023.

The deposits whose values exceeded the limits of federal depository insurance are entirely insured or collateralized pursuant to the Public Depository Security Act of the State of Florida, Chapter 280 of the Florida Statutes.

The Clerk held no investments during the fiscal year.

NOTE 3 - RETIREMENT PLAN

Plan Description

The Clerk of the Circuit Court's employees participate in the Florida Retirement System (FRS). As provided by Chapters 12I and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan ("Pension Plan") and the Retiree Health Insurance Subsidy ("HIS Plan"). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan ("Investment Plan") alternative to the FRS Pension Plan, which is administered by the State Board of Administration.

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

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

HENDRY COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
Notes to Financial Statements
September 30, 2023

NOTE 3 - RETIREMENT PLAN - (Continued)

Funding Policy

All enrolled members of the FRS Pension Plan are required to contribute 3.0% of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on statewide contribution rates. The employer contribution rates by job class for the periods from October 1, 2022 through June 30, 2023 and July 1, 2023 through September 30, 2023, respectively, were as follows: regular 11.91% and 13.57%; county elected officers 57.00% and 58.68%; senior management 31.57% and 34.52%; and DROP participants 18.60% and 21.13%. During the fiscal year ended September 30, 2023, the Clerk of the Circuit Court contributed to the plan an amount equal to 17.40% of covered payroll.

The HIS Plan provides a monthly benefit to assist retirees in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement. Eligible retirees and beneficiaries receive a monthly health insurance subsidy payment of \$5 for each year of creditable service, with a minimum payment of \$45 and a maximum payment of \$225 per month.

The HIS Plan is funded by required contributions from FRS participating employees as set forth by Florida Legislature, based on a percentage of gross compensation for all active FRS members.

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

The Clerk of the Circuit Court recognizes pension expenditures in an amount equal to amounts paid to the Pension Plan, the HIS Plan and the defined contribution plan, amounting to \$196,612, \$26,588, and \$42,917 respectively, for the fiscal year ended September 30, 2023. The Clerk of the Circuit Court's payments after June 30, 2023, the measurement date used to determine the net pension liability associated with the Pension Plan and HIS Plan, amounted to \$47,627, and \$7,098, respectively. The Clerk of the Circuit Court is not legally required to and does not accumulate expendable available resources to liquidate the retirement obligation related to its employees. Accordingly, the net pension liability and associated deferred outflows and deferred inflows are presented on the government-wide financial statements of the County, following requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68, effective October 1, 2014*.

HENDRY COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
Notes to Financial Statements
September 30, 2023

NOTE 3 - RETIREMENT PLAN - (Continued)

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

NOTE 4 - GENERAL LONG-TERM DEBT

The following changes in general long-term debt occurred during the year ended September 30, 2023:

Long-term debt payable at October 1, 2022	\$ 230,577
Increase (decrease) in accrued compensated	<u>(86,620)</u>
Long-term debt payable at September 30, 2023	<u><u>\$ 143,957</u></u>

General long-term debt is comprised of the noncurrent portion of compensated absences. Employees of the Clerk are entitled to paid annual leave, based on length of service and job classification.

NOTE 5 - INSURANCE

The Clerk participates in the County-wide insurance program. The Hendry County, Florida, Board of County Commissioners is a member of Public Risk Management (PRM), a local government liability risk pool.

PRM administers insurance activities relating to property, general, automobile, public official's liability, worker's compensation, health, and auto physical damage. The pool assesses each member its pro-rata share of the estimated amount required to meet current year losses, operating expenses and reinsurance costs (premiums).

To reduce its exposure to large losses on all types of insured events PRM uses reinsurance policies purchased from third-party carriers. The fund is fully funded annually. The premiums for this coverage are paid by the various Constitutional Officers and Board of County Commissioners on a per employee coverage basis.

Charges to operating departments are based upon amounts believed by management to meet the required annual payout during the fiscal year and to pay for the estimated operating costs of the program and for premiums for third party carrier insurance plans. For the fiscal year ended September 30, 2023, the Clerk was charged \$492,740.

HENDRY COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
Notes to Financial Statements
September 30, 2023

NOTE 6 - CONTINGENCIES

The Clerk is involved from time to time in certain routine litigation, the substance of which as other liabilities for recoveries, would not materially affect the financial position of the Clerk.

NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS

The Clerk provides postemployment health care benefits in accordance with Section 112.0801, *Florida Statutes*, to all employees who retire from the Clerk. The Clerk is required to provide health care coverage at cost to all retirees but does not pay any portion of the premium of the retiree to participate in the Clerk's group health care plan. The liability and expense for other postemployment benefits, calculated in accordance with Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, are reported in the financial statements of the County.

REQUIRED
SUPPLEMENTARY
INFORMATION

HENDRY COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
GENERAL FUND

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 10,935	\$ 10,935	\$ 132,595	\$ 121,660
Charges for Services	1,351,547	1,351,547	1,694,460	342,913
Interest	-	-	86,025	86,025
Miscellaneous	-	-	35,905	35,905
Total Revenues	<u>1,362,482</u>	<u>1,362,482</u>	<u>1,948,985</u>	<u>586,503</u>
Expenditures				
General Government				
Personal Services	1,358,820	1,358,820	1,224,921	133,899
Operating Expenses	301,000	301,000	233,258	67,742
Court Related				
Personal Services	1,272,132	1,272,132	1,257,191	14,941
Operating Expenses	90,349	90,349	63,348	27,001
Total Expenditures	<u>3,022,301</u>	<u>3,022,301</u>	<u>2,778,718</u>	<u>243,583</u>
Excess of Expenditures over Revenues	<u>(1,659,819)</u>	<u>(1,659,819)</u>	<u>(829,733)</u>	<u>830,086</u>
Other Financing Sources (Uses)				
Operating Transfers In	1,659,819	1,659,819	1,659,819	-
Operating Transfers Out	-	-	(830,086)	(830,086)
Total Other Financing Sources (Uses)	<u>1,659,819</u>	<u>1,659,819</u>	<u>829,733</u>	<u>(830,086)</u>
Excess of Revenues and Other Sources Sources Over (Under) Expenditures and Other Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - October 1, 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - September 30, 2023	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

HENDRY COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2023

NOTE 1 - BUDGETARY INFORMATION

Budgets are legally adopted for the general fund and are on a basis consistent with accounting principles generally accepted in the United States of America. Budgetary control is exercised at the fund level; net expenditures cannot exceed the budgeted appropriation from the Board of County Commissioners (the Board) or the State of Florida, as amended. Budgetary changes within each fund can be made at the discretion of the Clerk of the Circuit and County Courts. Amendments to increase appropriations must be submitted to the Board or to the State of Florida.

The general fund revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. The Modernization Trust Fund and Documentary Stamp Intangible Tax Fund expenditures are restricted by statute; therefore, these budgets are not approved by the Board or by the State of Florida and are not included as required supplementary information.

OTHER
FINANCIAL
INFORMATION

HENDRY COUNTY, FLORIDA
 CLERK OF THE CIRCUIT COURT
 Combining Statement of Fiduciary Net Position
 September 30, 2023

	Registry of Court	Special Trust	Fine & Forfeiture	Christmas Club	Total Custodial Funds
ASSETS					
Cash and Cash Equivalents	\$ 405,512	\$2,143,794	\$1,236,038	\$ 11,129	\$3,796,473
Total Assets	405,512	2,143,794	1,236,038	11,129	3,796,473
LIABILITIES AND NET POSITION					
Due to Other Governments	62,668	246,475	108,530	-	417,673
Total Liabilities	62,668	246,475	108,530	-	417,673
NET POSITION					
Restricted for: Individuals, Organizations, and Other Governments	342,844	1,897,319	1,127,508	11,129	3,378,800
Total Net Position	\$ 342,844	\$1,897,319	\$1,127,508	\$ 11,129	\$3,378,800

move some of special trust and f&f to liabilities from net position.

HENDRY COUNTY, FLORIDA
 CLERK OF THE CIRCUIT COURT
 Combining Statement of Changes in Fiduciary Net Position
 For the fiscal year ended September 30, 2023

	<u>Registry of Court</u>	<u>Special Trust</u>	<u>Fine & Forfeiture</u>	<u>Christmas Club</u>	<u>Total Custodial Funds</u>
Additions					
Fees/fines collected for other governments	\$ -	\$14,668,020	\$4,641,146	\$ -	\$19,309,166
Deposits and other trust activities	<u>4,510,946</u>	<u>-</u>	<u>-</u>	<u>11,105</u>	<u>4,522,051</u>
Total Additions	4,510,946	14,668,020	4,641,146	11,105	23,831,217
Deductions					
Fees/fines disbursed for other governments	-	14,936,832	4,170,157	-	19,106,989
Deposits and other trust activities disbursed	<u>4,457,784</u>	<u>-</u>	<u>-</u>	<u>10,896</u>	<u>4,468,680</u>
Total Deductions	<u>4,457,784</u>	<u>14,936,832</u>	<u>4,170,157</u>	<u>10,896</u>	<u>23,575,669</u>
Change in net position	53,162	(268,812)	470,989	209	255,548
Beginning net position	<u>289,682</u>	<u>2,166,131</u>	<u>656,519</u>	<u>10,920</u>	<u>3,123,252</u>
Ending net position	<u>\$ 342,844</u>	<u>\$ 1,897,319</u>	<u>\$1,127,508</u>	<u>\$ 11,129</u>	<u>\$ 3,378,800</u>

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

To the Honorable Kimberley Barrineau,
Clerk of Courts & Comptroller
Hendry 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 Hendry County, Florida, Clerk of the Circuit Court, (the "Clerk") as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, and have issued our report thereon dated August 28, 2024, for the purpose of compliance with Section 218.39(2), Florida Statutes, and Chapter 10.550, Rules of the Auditor General-Local Governmental Entity Audits.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

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

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida
August 28, 2024

Independent Auditor's Management Letter

To the Honorable Kimberley Barrineau,
Clerk of Courts & Comptroller
Hendry County, Florida

Report on the Financial Statements

We have audited the financial statements of the Hendry County, Florida, Clerk of the Circuit Court (the "Clerk"), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated August 28, 2024.

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 Report of Independent Auditor on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Report of Independent Accountant on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated August 28, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Management

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we 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 have any such findings.

Purpose of the Letter

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

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida
August 28, 2024

**Report of Independent Accountant on Compliance With
Local Government Investment Policies, Article V Requirements and Depository
Requirements of Sections 218.415, 28.35, 28.36 and 61.181, *Florida Statutes***

To the Honorable Kimberley Barrineau,
Clerk of Courts & Comptroller
Hendry County, Florida

We have examined the Hendry County, Florida Clerk of the Circuit and County Courts' (the "Clerk's") compliance with the local government investment policy requirements of 218.415, Florida Statutes, Article V requirements of Sections 28.35 and 28.36, Florida Statutes, and requirements of Section 61.181, Florida Statutes, during the year ended September 30, 2023. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination with the specified requirements based on our examination.

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

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

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

In our opinion, the Clerk complied, in all material respects, with the specified requirements, during the year ended September 30, 2023.

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

Ashley, Brown & Smith, CPAs
Punta Gorda, Florida
August 28, 2024

HENDRY COUNTY, FLORIDA
PROPERTY APPRAISER

SEPTEMBER 30, 2023

FINANCIAL STATEMENTS
TOGETHER WITH REPORTS OF INDEPENDENT AUDITORS

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Independent Auditor's Report

To the Honorable Dena R. Pittman
Property Appraiser
Hendry County, Florida

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Hendry County, Florida, Property Appraiser (the "Property Appraiser"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Property Appraiser's special purpose financial statements as listed in the table of contents.

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 Property Appraiser as of September 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Property Appraiser, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Property Appraiser's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Property Appraiser's ability to continue as a going concern for a reasonable period of time.

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

Emphasis of Matter

Basis of Presentation

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with 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 fund of Hendry County, Florida that is attributable to the Property Appraiser. They do not purport to, and do not, present fairly the financial position of Hendry County, Florida as of September 30, 2023, 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 opinions are not modified with respect to this matter.

Required Supplementary Information, continued

Accounting principles generally accepted in the United States of America require that the budgetary comparison information to be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the special purpose financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the special purpose 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 special purpose financial statements, and other knowledge we obtained during our audit of the special purpose financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 28, 2024, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Property Appraiser's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in consideration the Property Appraiser' internal control over financial reporting and compliance.

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida
August 28, 2024

FINANCIAL STATEMENTS

HENDRY COUNTY, FLORIDA
PROPERTY APPRAISER
Balance Sheet - Governmental Funds
September 30, 2023

	General Fund	Special Revenue Fund	Total Governmental Funds
ASSETS			
Cash	\$ 267,534	\$ 210,511	\$ 478,045
Total Assets	\$ 267,534	\$ 210,511	\$ 478,045
 LIABILITIES AND FUND EQUITY			
Liabilities			
Due to board of county commissioners	\$ 235,904	\$ -	\$ 235,904
Accounts payable	275	-	275
Accrued liabilities	31,355	-	31,355
Total liabilities	267,534	-	267,534
Fund equity			
Fund balance Assigned	-	210,511	210,511
Total fund equity	-	210,511	210,511
Total liabilities and fund equity	\$ 267,534	\$ 210,511	\$ 478,045

See accompanying notes

HENDRY COUNTY, FLORIDA
PROPERTY APPRAISER

Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds
For the fiscal year ended September 30, 2023

	General Fund	Special Revenue Fund	Total Governmental Funds
REVENUES			
Charges for services	\$ 1,723,906	\$ 133,473	\$ 1,857,379
Miscellaneous	14,319	1,042	15,361
Total revenues	<u>1,738,225</u>	<u>134,515</u>	<u>1,872,740</u>
EXPENDITURES			
Governmental expenditures			
Personal services	1,366,609	71,000	1,437,609
Operating expenditures	135,712	54,000	189,712
Total expenditures	<u>1,502,321</u>	<u>125,000</u>	<u>1,627,321</u>
Excess of revenues under expenditures	<u>235,904</u>	<u>9,515</u>	<u>245,419</u>
Other financing sources (uses)			
Operating transfers out	(235,904)	-	(235,904)
Total other financing sources (uses)	<u>(235,904)</u>	<u>-</u>	<u>(235,904)</u>
Excess of revenues and other sources over expenditures and other uses	-	9,515	9,515
Fund balance, October 1, 2022	<u>-</u>	<u>200,996</u>	<u>200,996</u>
Fund balance, September 30, 2023	<u>\$ -</u>	<u>\$ 210,511</u>	<u>\$ 210,511</u>

See accompanying notes

HENDRY COUNTY, FLORIDA
PROPERTY APPRAISER
Notes to Financial Statements
September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The Property Appraiser is an elected Constitutional Officer of Hendry County (County), a political subdivision of the State of Florida. The position of Property Appraiser was established by Article VIII, Section 1 (d) of the State of Florida Constitution.

Under Chapter 192, Florida Statutes, the Property Appraiser is charged with determining the just value of real and tangible personal property located within the County. The Property Appraiser functions as a Constitutional County Officer subject to the general oversight of the Florida Department of Revenue. The office receives compensation from several taxing authorities in the County, based on the budget approved by the Department of Revenue, as provided in Section 192.091, Florida Statutes.

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the Property Appraiser and its component units. Component units are entities for which the government is considered to be financially accountable. Financial accountability is determined on the basis of the Property Appraiser's ability to significantly influence operations, select the governing authority, and participate in fiscal management. Based on application of the criteria set forth by the Governmental Accounting Standards Board, management has determined that no component units exist which would require inclusion in these financial statements.

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 using a separate set of self-balancing accounts which comprise its assets, liabilities, fund equities, revenues, and expenditures. The various funds are grouped by type in the financial statements. The Property Appraiser utilizes the following governmental funds:

General Fund - This fund is used to account for all revenues and expenditures applicable to the general operations of the Property Appraiser, which are not properly accounted for in another fund. All operating revenues, which are not specifically restricted or designated as to use, are recorded in the General Fund. Excess revenues at the end of the year, due back to the Board of County Commissioners, are shown as operating transfers out.

Special Revenue Fund - This fund is used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Basis of Accounting

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

The modified accrual basis of accounting is followed by the General Fund and the Special Revenue Fund. Revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized when the related fund liability is incurred, if measurable, except expenditures for debt service and other long-term obligations which are recognized when paid.

HENDRY COUNTY, FLORIDA
PROPERTY APPRAISER
Notes to Financial Statements
September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Requirements

Expenditures of the General Fund are controlled by appropriations in accordance with the budgetary requirements set forth in the Florida Statutes. The budgeted revenues and expenditures in the accompanying financial statements reflect all amendments approved by the State of Florida Department of Revenue.

The General Fund budget is prepared on the modified accrual basis of accounting.

The Property Appraiser follows these procedures in establishing the budgetary data reflected in the financial statements:

1. On or before June 1 of each year the Property Appraiser shall, concurrently submit an annual budget to the Florida Department of Revenue and to the Board of County Commissioners. Budgetary control is established at the functional level.
2. On or before August 15 the Department shall make its final budget amendments or changes to the budget and shall provide notice thereof to the Property Appraiser and the Board of County Commissioners.
3. The budget for the General Fund is adopted on a basis consistent with generally accepted governmental accounting principles.

A budget was not adopted for the Special Revenue Fund, as it is not required.

Encumbrances

Encumbrance accounting, under which purchase orders and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Property Appraiser.

Compensated Absences

The Property Appraiser's employees accumulate sick and annual leave based on the number of years of continuous service and other criteria. Upon termination of employment, employees generally receive payment for accumulated leave.

The liability shown in the County's financial statement has been accrued in accordance with this criteria. At September 30, 2023, the Property Appraiser had \$34,287 in long-term compensated absences payable.

Statement of Government Accounting Standards Board Number 16, Accounting for Compensated Absences, requires the compensated absences liability to be measured using the salary rate in effect at the balance sheet date and requires additional amounts to be accrued for certain salary related payments associated with the payment of compensated absences. The liability shown in the County's basic financial statements has been accrued in accordance with this criteria.

HENDRY COUNTY, FLORIDA
PROPERTY APPRAISER
Notes to Financial Statements
September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management of the Property Appraiser to make estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenue and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

Fund Balances

- Assigned - Assigned fund balances are constrained by the Property Appraiser's intent to be used for specific purposes, but are neither restricted nor committed.
- Unassigned - Fund balance that has not been reported in any other classification.

When both assigned and unassigned resources are available for use, it is the Property Appraiser's policy to use assigned resources first, then unassigned resources as needed.

NOTE 2 - CASH AND INVESTMENTS

During the fiscal year, cash consisted of an interest-bearing bank account. The funds in the bank account were entirely covered by federal depository insurance or by a collateral pool pledged to the State Treasurer by financial institutions which comply with the requirements of Florida statutes and have been designated as qualified public depositories by the State Treasurer.

At September 30, 2023, the book balance of deposits was \$478,045 for the Property Appraiser and the bank balance was \$500,797.

The Property Appraiser held no investments during the fiscal year.

NOTE 3 - GENERAL FIXED ASSETS

Tangible personal property used by the Property Appraiser is shown in the statement of net position of the Board of County Commissioners. In addition, office space used in the Property Appraiser's operations is provided at no cost by the Board of County Commissioners.

HENDRY COUNTY, FLORIDA
PROPERTY APPRAISER
Notes to Financial Statements
September 30, 2023

NOTE 4 - GENERAL LONG-TERM DEBT

Changes in General Long-Term Debt

Changes in the general long-term debt of the Property Appraiser for the year ended September 30, 2023, are summarized below:

	Compensated Absences
General long-term debt at October 1, 2022	\$ 76,209
Increase in accrued compensated absences	77,775
Decrease in accrued compensated absences	(119,697)
General long-term debt at September 30, 2023	\$ 34,287
Noncurrent portion of compensated absences	\$ 22,075

NOTE 5 - RETIREMENT PLAN

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

As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments (where applicable), and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida Legislature. Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service, or 30 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested regular class members with less than 30 years of service may retire before age 62 and are entitled to a retirement benefit payable monthly also equal to 1.6% of their final average compensation for each year of credited service based on the five highest years of salary, with a 5% reduction for each year under age 62.

Substantial changes were made to the Pension Plan during fiscal year 2011, affecting new members enrolled on or after July 1, 2011, by extending the vesting requirement to eight years of credited service and increasing normal retirement to age 65 or 33 years of service regardless of age. Also, the final average compensation for these members is based on the eight highest years of salary.

HENDRY COUNTY, FLORIDA
PROPERTY APPRAISER
Notes to Financial Statements
September 30, 2023

NOTE 5 - RETIREMENT PLAN (CONTINUED)

Funding Policy

All enrolled members of the FRS Pension Plan are required to contribute 3.0% of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on statewide contribution rates. The employer contribution rates by job class for the periods from October 1, 2022 through June 30, 2023 and July 1, 2023 through September 30, 2023, respectively, were as follows: regular 11.91% and 13.57%; county elected officers 57.00% and 58.68%; senior management 31.57% and 34.52%; and DROP participants 18.60% and 21.13%. During the fiscal year ended September 30, 2023, the Property Appraiser contributed to the plan an amount equal to 20.75% of covered payroll.

The HIS Plan provides a monthly benefit to assist retirees in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement. Eligible retirees and beneficiaries receive a monthly health insurance subsidy payment of \$5 for each year of creditable service, with a minimum payment of \$50 and a maximum payment of \$225 per month. The HIS Plan is funded by required contributions from FRS participating employees as set forth by Florida Legislature, based on a percentage of gross compensation for all active FRS members.

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

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

The Property Appraiser recognizes pension expenditures in an amount equal to amounts paid to the Pension Plan, the HIS Plan and the defined contribution plan, amounting to \$69,941, \$15,321, and \$97,661, respectively, for the fiscal year ended September 30, 2023. The Property Appraiser's payments after June 30, 2023, the measurement date used to determine the net pension liability associated with the Pension Plan and HIS Plan, amounted to \$16,950, and \$4,034, respectively. The Property Appraiser is not legally required to and does not accumulate expendable available resources to liquidate the retirement obligation related to its employees. Accordingly, the net pension liability and associated deferred outflows and deferred inflows are presented on the government-wide financial statements of the County, following requirements of GASB Statement No. 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27, and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68, effective October 1, 2014.

HENDRY COUNTY, FLORIDA
PROPERTY APPRAISER
Notes to Financial Statements
September 30, 2023

NOTE 5 - RETIREMENT PLAN (CONTINUED)

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

NOTE 6 - RISK MANAGEMENT

Board of County Commissioners is a member of Public Risk Management (PRM), a local government liability risk pool.

PRM administers insurance activities relating to property, general, automobile, public official's liability, worker's compensation, health, and auto physical damage. The pool assesses each member its pro-rata share of the estimated amount required to meet current year losses, operating expenses and reinsurance costs (premiums).

To reduce its exposure to large losses on all types of insured events PRM uses reinsurance policies purchased from third-party carriers. The fund is fully funded annually. The premiums for this coverage are paid by the various Constitutional Officers and Board of County Commissioners on a per employee coverage basis.

Charges to operating departments are based upon amounts believed by management to meet the required annual payout during the fiscal year and to pay for the estimated operating costs of the program and for premiums for third party carrier insurance plans. For fiscal year ended September 30, 2023, the Property Appraiser was charged \$272,958.

NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS

The Property Appraiser provides postemployment health care benefits in accordance with Section 112.0801, Florida Statutes, to all employees who retire from the Property Appraiser. The Property Appraiser is required to provide health care coverage at cost to all retirees but does not pay any portion of the premium of the retiree to participate in the Property Appraiser's group health care plan. The liability and expense for other postemployment benefits, calculated in accordance with Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, are reported in the financial statements of the County.

**REQUIRED SUPPLEMENTARY
INFORMATION**

HENDRY COUNTY, FLORIDA
PROPERTY APPRAISER
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
For the fiscal year ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES				
Charges for services	\$ 1,670,416	\$ 1,723,906	\$ 1,723,906	\$ -
Miscellaneous	-	-	14,319	14,319
Total revenues	<u>1,670,416</u>	<u>1,723,906</u>	<u>1,738,225</u>	<u>14,319</u>
EXPENDITURES				
Governmental expenditures				
Personal services	1,374,110	1,457,154	1,366,609	90,545
Operating expenditures	238,752	241,252	135,712	105,540
Non-operating	57,554	25,500	-	25,500
Total expenditures	<u>1,670,416</u>	<u>1,723,906</u>	<u>1,502,321</u>	<u>221,585</u>
Excess of revenues over (under) expenditures	-	-	235,904	235,904
Other financing sources (uses)				
Operating transfers out	-	-	(235,904)	(235,904)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(235,904)</u>	<u>(235,904)</u>
Excess of revenues and other sources over/(under) expenditures and other uses	-	-	-	-
Fund balance, October 1, 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, September 30, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SUPPLEMENTARY
REPORTS**

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

To the Honorable Dena R. Pittman,
Property Appraiser
Hendry 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 Hendry County, Florida, Property Appraiser, (the "Property Appraiser") as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Property Appraiser' financial statements, and have issued our report thereon dated August 28, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Property Appraiser' 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*.

Purpose of this Report

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

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

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida

August 28, 2024

Management Letter

Honorable Dena R. Pittman,
Property Appraiser
Hendry County, Florida

Report on the Financial Statements

We have audited the financial statements of the Hendry County, Florida, Property Appraiser (the “Property Appraiser”), Florida, as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated August 28, 2024.

Auditor’s Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant’s Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated August 28, 2024, 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 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. The Property Appraiser had no component units as of September 30, 2023.

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 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 Hendry County, Florida, Property Appraiser, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida

August 28, 2024

Report of Independent Accountant on Compliance with Local Government Investment Policies

To the Honorable Dena R. Pittman,
Property Appraiser
Hendry County, Florida

We have examined the Hendry County, Florida, Property Appraiser's (the "Property Appraiser") compliance with Section 228.415, Florida Statutes, Local Government Investment Policies, for the year ended September 30, 2023. Management is responsible for the Property Appraiser's compliance with those requirements. Our responsibility is to express an opinion on the Property Appraiser's compliance based on our examination.

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 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' compliance with specified requirements.

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

In our opinion, the Property Appraiser complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2023.

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

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida
August 28, 2024

HENDRY COUNTY, FLORIDA
SHERIFF

September 30, 2023

FINANCIAL STATEMENTS,
TOGETHER WITH REPORTS OF INDEPENDENT AUDITOR

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Report of Independent Auditor

To the Honorable Steve Whidden,
Sheriff
Hendry 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 Hendry County, Florida, Sheriff, (the "Sheriff") as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Sheriff's financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Sheriff as of September 30, 2023 and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Sheriff, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions

Responsibilities of Management 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sheriff's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Sheriff's ability to continue as a going concern for a reasonable period of time.

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

Emphasis of Matter

Basis of Presentation

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with 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 fund of Hendry County, Florida that is attributable to the Sheriff. They do not purport to, and do not, present fairly the financial position of Hendry County, Florida as of September 30, 2023, 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 opinions are not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 12 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 28, 2024 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida
August 28, 2024

FINANCIAL STATEMENTS

HENDRY COUNTY, FLORIDA
SHERIFF
Balance Sheet - Governmental Funds
September 30, 2023

	<u>General</u>	<u>Commissary</u>	<u>Non-Major Governmental</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash	\$ 1,517,092	\$ 1,012,993	\$ 42,476	\$ 2,572,561
Accounts Receivable	50,957	58,833	-	109,790
Due from other Funds	87,435	-	-	87,435
Due from other Governments	328,006	95,457	-	423,463
Total Assets	<u>\$ 1,983,490</u>	<u>\$ 1,167,283</u>	<u>\$ 42,476</u>	<u>\$ 3,193,249</u>
 LIABILITIES AND FUND EQUITY				
Liabilities				
Accounts Payable	\$ 1,142,461	\$ 5,569	\$ -	\$ 1,148,030
Accrued Liabilities	688,197	-	-	688,197
Unearned Revenue	97,725	-	-	97,725
Due to other Funds	-	87,435	-	87,435
Due to Board of County Commissioners	55,107	-	-	55,107
Total Liabilities	<u>1,983,490</u>	<u>93,004</u>	<u>-</u>	<u>2,076,494</u>
 Fund Equity				
Fund Balance				
Restricted	-	1,074,279	-	1,074,279
Assigned	-	-	42,476	42,476
Unassigned	-	-	-	-
Total Fund Equity	<u>-</u>	<u>1,074,279</u>	<u>42,476</u>	<u>1,116,755</u>
Total Liabilities and Fund Equity	<u>\$ 1,983,490</u>	<u>\$ 1,167,283</u>	<u>\$ 42,476</u>	<u>\$ 3,193,249</u>

See accompanying notes.

HENDRY COUNTY, FLORIDA
SHERIFF
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Governmental Funds
For the Fiscal Year Ended September 30, 2023

	General Fund	Commissary	Non-Major Governmental	Total Governmental Funds
Revenues				
Intergovernmental	\$ 1,762,722	\$ -	\$ -	\$ 1,762,722
Charges for Services	570,423	442,173	25,410	1,038,006
Fines and Forfeitures	6,291	-	-	6,291
Miscellaneous	155,434	14,242	525	170,201
Total Revenues	<u>2,494,870</u>	<u>456,415</u>	<u>25,935</u>	<u>2,977,220</u>
Expenditures				
Law Enforcement				
Personnel Services	10,582,522	-	-	10,582,522
Operating Expenditures	2,587,628	-	24,664	2,612,292
Capital Outlay	1,075,400	-	-	1,075,400
Debt Service				
Principal	235,019	-	-	235,019
Interest	42,768	-	-	42,768
Corrections				
Personnel Services	3,386,150	129,213	-	3,515,363
Operating Expenditures	809,927	89,935	-	899,862
Capital Outlay	106,290	53,922	-	160,212
Judicial				
Personnel Services	547,747	-	-	547,747
Operating Expenditures	2,545	-	-	2,545
Total Expenditures	<u>19,375,996</u>	<u>273,070</u>	<u>24,664</u>	<u>19,673,730</u>
Excess of Revenues Over (Under)				
Expenditures	<u>(16,881,126)</u>	<u>183,345</u>	<u>1,271</u>	<u>(16,696,510)</u>
Other Financing Sources and (Uses)				
Proceeds from sale of capital assets	13,937	-	-	13,937
Operating Transfers in from BOCC	16,931,979	-	-	16,931,979
Subsequent Transfers in from BOCC	50,000	-	-	50,000
Operating Transfers out to BOCC	<u>(114,790)</u>	<u>-</u>	<u>-</u>	<u>(114,790)</u>
Total other Financing Sources (Uses)	<u>16,881,126</u>	<u>-</u>	<u>-</u>	<u>16,881,126</u>
Excess of Revenues and Other Sources				
Over (Under) Expenditures and Other Uses	-	183,345	1,271	184,616
Fund Balance - October 1, 2022	<u>-</u>	<u>890,934</u>	<u>41,205</u>	<u>932,139</u>
Fund Balance - September 30, 2023	<u>\$ -</u>	<u>\$ 1,074,279</u>	<u>\$ 42,476</u>	<u>\$ 1,116,755</u>

See accompanying notes.

HENDRY COUNTY, FLORIDA
SHERIFF
Statement of Custodial Fund Net Position
September 30, 2023

	<u>Total Custodial Funds</u>
ASSETS	
Cash	<u>\$ 445,518</u>
Total assets	<u>445,518</u>
LIABILITIES	
Accounts Payable	9,045
Due to Other Governments	275,902
Due to Individuals	<u>67,896</u>
Total Liabilities	<u>352,843</u>
NET POSITION	
Restricted for:	
Individuals, organizations, and other governments	92,675
Total Net Position	<u><u>\$ 92,675</u></u>

HENDRY COUNTY, FLORIDA
SHERIFF
Statement of Changes in Custodial Fund Net Position
For the Fiscal Year Ended September 30, 2023

	<u>Total Custodial Funds</u>
ADDITIONS:	
Deposits and other trust activities	\$ 459,066
Fees/fines collected for other governments	<u>202,952</u>
Total Additions	<u>662,018</u>
DEDUCTIONS:	
Deposits and other trust activities disbursed	614,505
Fees/fines disbursed for other governments	<u>33,281</u>
Total Deductions	<u>647,786</u>
Change in Fiduciary Net Position	14,232
Fiduciary Net Position - Beginning	<u>78,443</u>
Fiduciary Net Position - Ending	<u><u>\$ 92,675</u></u>

HENDRY COUNTY, FLORIDA
SHERIFF
Notes to Financial Statements
September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Sheriff is an elected constitutional officer of Hendry County, a political subdivision of the State of Florida. The position of Sheriff was established by Article VIII, Section 1(d) of the Constitution of the State of Florida.

The duties and responsibilities of the Sheriff are concerned with law enforcement, judicial process and corrections. The operations are financed by appropriations made by the Board of County Commissioners pursuant to the approved budget.

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the Sheriff and its component units. Component units are entities for which the government is considered to be financially accountable. Financial accountability is determined on the basis of the Sheriff's ability to significantly influence operations, select the governing authority and participate in fiscal management.

Based on the application of the criteria set forth by the Governmental Accounting Standards Board, management has determined that no component units exist which would require inclusion in these financial statements.

(a) Fund Accounting

The accounts of the Sheriff are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, as appropriate. The various funds are grouped by type in the financial statements. The Sheriff utilizes the following funds:

Governmental Funds

General Fund

The General Fund is used to account for all revenues and expenditures applicable to the general operations of the Sheriff which are not properly accounted for in another fund. All operating revenues, which are not specifically restricted or designated as to use, are recorded in the General Fund. Excess revenues at the end of the year, due back to the Board of County Commissioners, are shown as operating transfers out.

Special Revenue Funds

Special Revenue Funds are operating funds used to account for revenues (other than expendable trusts or capital projects), the use of which is restricted or designated. The Commissary Fund is used to account for the receipts and disbursements relating to the inmates of the Hendry County Jail. This fund is restricted to purchases of items for the benefit of the inmates.

Fiduciary Funds

Custodial Fund

The Custodial Fund is a fiduciary fund used to account for the assets held by the Sheriff as an agent for individuals, private organizations, other governments, or other funds as required by legal or regulatory policies.

HENDRY COUNTY, FLORIDA
SHERIFF
Notes to Financial Statements
September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

Governmental Funds

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

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All governmental funds are accounted for using the modified accrual basis of accounting. All custodial funds are accounted for using the accrual basis of accounting. All revenues are recognized when they become measurable and available as net current position.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include:

1. Principal and interest on general long-term debt, which is recognized when due; and
2. Expenditures are not divided between years by the recording of prepaid expenses.

Budgetary Process

Chapter 30, of the Florida Statutes, governs the preparation, adoption and administration process of the District's annual budget. A budget is only required to be prepared for the General Fund. The budget and amendments, if any, for the General Fund are required to be submitted to and approved by the Board of County Commissioners. The budget is prepared on the modified accrual basis. The level of control for appropriations is exercised at the functional level.

As the Sheriff's Office does not have a legally adopted budget for the Commissary Special Revenue fund, a budgetary comparison for this fund is not presented.

Encumbrances

Encumbrance accounting, under which purchase orders and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Sheriff.

(c) Assets, Liabilities, and Equity

Capital Assets

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

HENDRY COUNTY, FLORIDA
SHERIFF
Notes to Financial Statements
September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Compensated Absences

It is the Sheriff's policy to permit employees to accumulate a limited amount of earned, but unused, sick and annual leave, which will be paid upon separation of service. Vacation is accrued as a liability when benefits are earned by the employee. The Sheriff uses the vesting method to accrue sick leave liability. The vesting method accrues sick leave liability for employees who are currently eligible to receive termination payments upon separation as well as those expected to become eligible in the future.

As of September 30, 2023, the Sheriff had long-term compensated absences payable of \$1,144,108, which is a \$69,167 decrease from the prior year. This amount is reported in the government-wide financial statements of Hendry County, Florida.

Statement of Governmental Accounting Standards Board No. 16, "Accounting for Compensated Absences", requires the compensated absences liability to be measured using the salary rate in effect at the balance sheet date and requires additional amounts to be accrued for certain salary related payments associated with the payment of compensated absences. The liability shown in the financial statements of Hendry County has been accrued in accordance with this criteria.

Fund Balances

Spendable fund balances are classified based on a hierarchy of the Sheriff's ability to control the spending of these fund balances.

Restricted fund balances are fund balance amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations or imposed by law through constitutional provisions or enabling legislation. As of September 30, 2023, the Sheriff had \$978,822 in restricted fund balance in the Commissary Special Revenue. This amount is restricted to purchases of items for the benefit of the inmates at Hendry County Jail.

Committed fund balances are fund balances constrained for specific purposes imposed by the Sheriff's formal action of highest level of decision making authority. As of September 30, 2023, the Sheriff had no committed fund balances.

Assigned fund balances are fund balances intended to be used for specific purposes, but which are neither restricted nor committed.

Unassigned fund balances represent the residual positive fund balance within the General Fund, which has not been assigned to other funds and has not been restricted, committed or assigned. In funds other than the General Fund, unassigned fund balances are limited to negative residual balances. As of September 30, 2023, the Sheriff had no unassigned fund balance because all excess revenues within the general fund are required to be remitted to the Board and there were no negative residual balances in the special revenue funds.

When both assigned and unassigned resources are available for use, it is the Sheriff's policy to use assigned resources first, then unassigned resources as needed.

HENDRY COUNTY, FLORIDA
SHERIFF
Notes to Financial Statements
September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management of the Sheriff to make estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenue and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - CASH AND INVESTMENTS

Cash

At September 30, 2023, the carrying amount of the Sheriff's deposits was \$3,018,079 and the bank balance was \$3,207,700. These deposits were entirely covered during the year and at year-end by federal depository insurance or by collateral pursuant to the Public Depository Act of the State of Florida (Florida Statute Chapter 280). All Sheriff depositories are banks designated as qualified depositories by the State Treasurer.

Investments

Florida Statutes authorize the Sheriff to invest in the Local Government Surplus Funds Trust Fund administered by the State Treasurer; negotiable direct obligations of or obligations unconditionally guaranteed by the U.S. Government; interest-bearing time deposits or savings accounts in financial institutions located in Florida and organized under Federal or Florida laws; securities of any open-end or closed-end management type investment company or investment trust registered under the Investment Act of 1940 provided the portfolio is limited to United States Government obligations. The Sheriff did not have any investments during the year or at year end.

NOTE 3 - GENERAL FIXED ASSETS

Changes in general fixed assets are as follows:

	Beginning Balance 10/1/2022	Increases	Decreases	Ending Balance 9/30/2023
Capital assets not depreciated:				
Construction in progress	\$ 49,446	\$ 797,232	\$ -	\$ 846,678
Total capital assets not depreciated:	49,446	797,232	-	846,678
Capital assets depreciated and amortized:				
Equipment	6,105,635	438,380	(45,821)	6,498,194
Right-to-use assets	884,221	799,403	(41,427)	1,642,197
Total capital assets depreciated and amortized	6,989,856	1,237,783	(87,248)	8,140,391
Less: Accumulated depreciation and amortization	(4,369,810)	(909,168)	45,821	(5,233,157)
Capital assets, net	\$ 2,669,492	\$ 1,125,847	\$ (41,427)	\$ 3,753,912

HENDRY COUNTY, FLORIDA
SHERIFF
Notes to Financial Statements
September 30, 2023

NOTE 4 - COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the State of Florida. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Sheriff expects such amounts, if any, to be immaterial.

The Sheriff, in accordance with the normal conduct of its affairs, is involved in various judgments, claims and litigations. It is expected that the final settlement of these matters will not materially affect the financial statements of the Sheriff.

NOTE 5- LEASES

The Sheriff's Office has entered into various leases for the use of vehicles which are classified as long-term leases for accounting purposes. The lease terms range from 13 to 60 months and are not mutually cancellable.

As of fiscal year ended September 30, 2023, the Sheriff's right-of-use lease asset and related accumulated amortization was \$1,642,197 and \$560,288, respectively. The related lease liability at fiscal year ended September 30, 2023 was \$1,073,846. Refer to Note 3 Capital Assets for a summary of changes in the right-of-use lease assets by major underlying asset class.

The annual principal and interest payment requirements for the Sheriff's Office lease liability are indicated below.

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 363,524	\$ 27,042	\$ 390,566
2025	228,273	17,929	246,202
2026	204,796	11,584	216,380
2027	167,368	6,004	173,372
2028	109,885	8,150	118,035
Totals	<u>\$ 1,073,846</u>	<u>\$ 70,709</u>	<u>\$ 1,144,555</u>

NOTE 6 - RETIREMENT PLAN

Plan Description

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

HENDRY COUNTY, FLORIDA
SHERIFF
Notes to Financial Statements
September 30, 2023

NOTE 6 - RETIREMENT PLAN, CONTINUED

Plan Description, Continued

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

Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service, or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service.

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

Funding Policy

All enrolled members of the FRS Pension Plan are required to contribute 3.0% of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on statewide contribution rates. The employer contribution rates by job class for the periods from October 1, 2022 through June 30, 2023 and July 1, 2023 through September 30, 2023, respectively, were as follows: regular 11.91% and 13.57%; county elected officers 57.00% and 58.68%; senior management 31.57% and 34.52%; special risk regular 27.83% and 32.67%; special risk administration 38.65% and 39.82%; and DROP participants 18.60% and 21.13%. During the fiscal year ended September 30, 2023, the Sheriff contributed to the plan an amount equal to 26.14% of covered payroll.

The HIS Plan provides a monthly benefit to assist retirees in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement. Eligible retirees and beneficiaries receive a monthly health insurance subsidy payment of \$5 for each year of creditable service, with a minimum payment of \$45 and a maximum payment of \$225 per month. The HIS Plan is funded by required contributions from FRS participating employees as set forth by Florida Legislature, based on a percentage of gross compensation for all active FRS members.

For those members who elect participation in the Investment plan, rather than the Pension Plan, vesting occurs at one year of service. These participants receive a contribution for self-direction in an investment product with a third party administrator selected the State Board of Administration.

HENDRY COUNTY, FLORIDA
SHERIFF
Notes to Financial Statements
September 30, 2023

NOTE 6 - RETIREMENT PLAN - (Continued)

Funding Policy, Continued

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 instrument choices. Costs of administering the plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll by forfeited benefits of plan members.

The Sheriff recognizes pension expenditures in an amount equal to amounts paid to the Pension Plan, the HIS Plan, and the defined contribution plan, amounting to \$1,610,380, \$152,269, and \$508,208, respectively, for the fiscal year ended September 30, 2023. The Sheriff's payments after June 30, 2023, the measurement date used to determine net pension liability associated with the Pension Plan and the HIS Plan, amounted to \$492,067 and \$47,622, respectively.

The Sheriff is not legally required to and does not accumulate expendable available resources to liquidate the retirement obligation related to its employees. Accordingly, the net pension liability and associated deferred outflows and deferred inflows are presented on the government-wide financial statements of the County, following requirements of GASB No. 68, Accounting and Financial Reporting for Pensions- an amendment of GASB No. 27, and GASB No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date- an amendment of GASB No. 68, effective October 1, 2014.

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

NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS

The Sheriff provides postemployment health care benefits in accordance with Section 112.0801, *Florida Statutes*, to all employees who retire from the Sheriff. The Sheriff is required to provide health care coverage at cost to all retirees but does not pay any portion of the premium of the retiree to participate in the Sheriff's group health care plan. The liability and expense for other postemployment benefits, calculated in accordance with Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, are reported in the financial statements of the County.

HENDRY COUNTY, FLORIDA
SHERIFF
Notes to Financial Statements
September 30, 2023

NOTE 8 - RELATED PARTY TRANSACTIONS

The Sheriff is a constitutional county officer whose appropriations are approved by the Board of County Commissioners. The Board has agreed to provide certain operating expenditures for the Sheriff. The Board paid all property and casualty insurance and workers' compensation premiums for the Sheriff.

NOTE 9 - RISK MANAGEMENT

The Sheriff is exposed to various risk of loss related to torts; theft of, or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Sheriff is a member of a public entity risk pool which is a cooperative group of governmental entities joining together to finance an exposure, liability, or risk.

The pool provides coverage for, liability, public officials liability automobile physical damage, general liability, and automobile liability. The costs of the property and casualty insurance and workers' compensation are accounted for in the General Fund of the Board of County Commissioners.

REQUIRED
SUPPLEMENTARY
INFORMATION

HENDRY COUNTY, FLORIDA
SHERIFF
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General Fund
For the Fiscal Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ 1,762,722	\$ 1,762,722	\$ -
Charges for Services	-	570,423	570,423	-
Fines and Forfeitures	-	6,291	6,291	-
Miscellaneous	-	155,434	155,434	-
Total Revenues	<u>-</u>	<u>2,494,870</u>	<u>2,494,870</u>	<u>-</u>
Expenditures				
Law Enforcement				
Personnel Services	9,636,413	11,838,993	10,582,522	1,256,471
Operating Expenditures	2,140,708	2,366,271	2,587,628	(221,357)
Capital Outlay	47,676	128,340	1,075,400	(947,060)
Debt Service	171,400	171,400	277,787	(106,387)
Contingency	30,000	30,000	-	30,000
Total Law Enforcement	<u>12,026,197</u>	<u>14,535,004</u>	<u>14,523,337</u>	<u>11,667</u>
Corrections				
Personnel Services	3,768,672	3,768,672	3,386,150	382,522
Operating Expenditures	693,022	693,022	809,927	(116,905)
Capital Outlay	28,500	28,500	106,290	(77,790)
Contingency	20,000	20,000	-	20,000
Total Corrections	<u>4,510,194</u>	<u>4,510,194</u>	<u>4,302,367</u>	<u>207,827</u>
Judicial				
Personal Services	440,216	440,216	547,747	(107,531)
Operating Expenditures	5,372	5,372	2,545	2,827
Total Judicial	<u>445,588</u>	<u>445,588</u>	<u>550,292</u>	<u>(104,704)</u>
Total Expenditures	<u>16,981,979</u>	<u>19,490,786</u>	<u>19,375,996</u>	<u>114,790</u>
Excess of Revenues Over (Under)				
Expenditures	<u>(16,981,979)</u>	<u>(16,995,916)</u>	<u>(16,881,126)</u>	<u>114,790</u>
Other Financing Sources (Uses)				
Proceeds From Sale of Capital Assets	-	13,937	13,937	-
Operating Transfers In	16,931,979	16,931,979	16,931,979	-
Subsequent Transfers in from BOCC	50,000	50,000	50,000	-
Operating Transfers Out	-	-	(114,790)	(114,790)
Total Other Financing Sources (Uses)	<u>16,981,979</u>	<u>16,995,916</u>	<u>16,881,126</u>	<u>(114,790)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	-	-	-	-
Fund Balance - October 1, 2022	-	-	-	-
Fund Balance - September 30, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

OTHER
FINANCIAL
INFORMATION

HENDRY COUNTY, FLORIDA
SHERIFF
Combining Balance Sheet
Non-Major Governmental Funds
September 30, 2023

	<u>Training</u>	<u>Equitable Sharing Program</u>	<u>Gun Range</u>	<u>Total Non-Major Governmental Funds</u>
ASSETS				
Cash	\$ 23,728	\$ 2,764	\$ 15,984	\$ 42,476
Total assets	<u>\$ 23,728</u>	<u>\$ 2,764</u>	<u>\$ 15,984</u>	<u>\$ 42,476</u>
FUND EQUITY				
Fund Balances Assigned	<u>\$ 23,728</u>	<u>\$ 2,764</u>	<u>\$ 15,984</u>	<u>\$ 42,476</u>
Total Fund Equity	<u>\$ 23,728</u>	<u>\$ 2,764</u>	<u>\$ 15,984</u>	<u>\$ 42,476</u>

HENDRY COUNTY, FLORIDA
SHERIFF

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Non-Major Governmental Funds
For the Year Ended September 30, 2023

	Training	Equitable Sharing Program	Gun Range	Total Non-Major Governmental Funds
Revenues				
Charges for Services	\$ 3,351	\$ -	\$ 22,059	\$ 25,410
Miscellaneous	276	34	215	525
Total Revenues	<u>3,627</u>	<u>34</u>	<u>22,274</u>	<u>25,935</u>
Expenditures				
Operating Expenses	-	-	24,664	24,664.00
Total Expenditures	<u>-</u>	<u>-</u>	<u>24,664</u>	<u>24,664</u>
Excess of Revenues Over (Under) Expenditures	3,627	34	(2,390)	1,271
Fund Balances - October 1, 2022	<u>20,101</u>	<u>2,730</u>	<u>18,374</u>	<u>41,205</u>
Fund Balances - September 30, 2023	<u>\$ 23,728</u>	<u>\$ 2,764</u>	<u>\$ 15,984</u>	<u>\$ 42,476</u>

SUPPLEMENTARY
REPORTS

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

To the Honorable Steve Whidden,
Sheriff
Hendry 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 Hendry County, Florida, Sheriff, (the "Sheriff") as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Sheriff's special purpose financial statements, and have issued our report thereon dated August 28, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

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

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida
August 28, 2024

Independent Auditor's Management Letter

To the Honorable Steve Whidden,
Sheriff
Hendry County, Florida

Report on the Financial Statements

We have audited the financial statements of the Hendry County, Florida, Sheriff, as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated August 28, 2024.

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 Reports and Schedule

We have issued our Report of Independent Auditor on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Examination 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 August 28, 2024, should be considered in conjunction with this management

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 such recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

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

Financial Management

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we 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 have any such findings.

Purpose of the Letter

Our management letter is 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 Hendry County, Florida, Sheriff, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida
August 28, 2024

**Report of Independent Accountant on Compliance With
Local Government Investment Policies**

To the Honorable Steve Whidden,
Sheriff
Hendry County, Florida

We have examined the Hendry County, Florida, Sheriff's (the "Sheriff") compliance with Section 218.415, Florida Statutes, Local Government Investment Policies, for the year ended September 30, 2023. Management is responsible for the Sheriff's compliance with the specified requirements. Our responsibility is to express an opinion on the Sheriff's compliance 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 judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

In our opinion, the Sheriff complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2023.

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

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida
August 28, 2024

HENDRY COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS

SEPTEMBER 30, 2023

FINANCIAL STATEMENTS
TOGETHER WITH REPORTS OF INDEPENDENT AUDITORS

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Independent Auditor's Report

To the Honorable Sherry Taylor,
Supervisor of Elections
Hendry County, Florida

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Hendry County, Florida, Supervisor of Elections (the "Supervisor of Elections"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Supervisor of Elections as of September 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Supervisor of Elections, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Supervisor of Elections' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Supervisor of Elections' ability to continue as a going concern for a reasonable period of time.

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

Emphasis of Matter

Basis of Presentation

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with 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 fund of Hendry County, Florida that is attributable to the Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of Hendry County, Florida as of September 30, 2023, 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 opinions are not modified with respect to this matter.

Required Supplementary Information, continued

Accounting principles generally accepted in the United States of America require that the budgetary comparison information to be presented to supplement the special purpose financial statements. Such information is the responsibility of management and, although not a part of the special purpose financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the special purpose 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 special purpose financial statements, and other knowledge we obtained during our audit of the special purpose financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 21, 2024, on our consideration of the Supervisor of Elections'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 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 consideration the Supervisor of Elections' internal control over financial reporting and compliance.

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida

August 21, 2024

FINANCIAL STATEMENTS

HENDRY COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
Balance Sheet - Governmental Funds
September 30, 2023

	General Fund
ASSETS	
Cash	\$ 64,748
Accounts receivable	5,000
	\$ 69,748
Total assets	\$ 69,748
 LIABILITIES AND FUND EQUITY	
Liabilities	
Due to Board of County Commissioners	\$ 69,748
Total liabilities	69,748
Fund equity	
Fund balance	-
Total liabilities and fund equity	\$ 69,748

See accompanying notes

HENDRY COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS

Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds
For the fiscal year ended September 30, 2023

	General Fund
REVENUES	
Intergovernmental revenues	\$ 72,004
Miscellaneous	6,070
	78,074
EXPENDITURES	
Governmental expenditures	660,089
Excess of revenues under expenditures	(582,015)
Other financing sources (uses)	
Operating transfers in	651,763
Operating transfers out	(69,748)
	582,015
Excess of revenues and other sources over/(under) expenditures and other uses	-
Fund balance, October 1, 2022	-
Fund balance, September 30, 2023	\$ -

See accompanying notes

HENDRY COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
Notes to Financial Statements
September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The Supervisor of Elections is an elected Constitutional Officer of Hendry County ("County"), a political subdivision of the State of Florida. The position of Supervisor of Elections was established by Article VIII, Section 1 (d) of the State of Florida Constitution. The general powers and responsibilities of the Supervisor of Elections are specified in Chapters 97 through Florida Statutes. The Supervisor of Elections is charged with the conduct of elections within the County, except certain independent special district elections separately provided for by special acts. The operations are financed by appropriations made by the Board of County Commissioners pursuant to the approved budget.

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the Supervisor of Elections and its component units. Component units are entities for which the government is considered to be financially accountable. Financial accountability is determined on the basis of the Supervisor of Elections' ability to significantly influence operations, select the governing authority, and participate in fiscal management. Based on application of the criteria set forth by the Governmental Accounting Standards Board, management has determined that no component units exist which would require inclusion in these financial statements.

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 using a separate set of self-balancing accounts which comprise its assets, liabilities, fund equities, revenues, and expenditures. Government resources are allocated to, and accounted for, in individual funds, based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The following fund is used by the Supervisor of Elections:

General Fund - This fund is used to account for all revenues and expenditures applicable to the general operations of the Supervisor of Elections. All general operating revenues which are not restricted or designated as to use by outside sources are recorded in the General Fund.

Basis of Accounting

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

The modified accrual basis of accounting is followed by the General Fund. The modification in such method from the accrual basis is that revenues are recorded when they become measurable and available to finance operations of the current year. Expenditures are generally recognized when the related fund liability is incurred, if measurable, except expenditures for debt service, and other long-term obligations which are recognized when paid.

HENDRY COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
Notes to Financial Statements
September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Requirements

Expenditures of the General Fund are controlled by appropriations in accordance with the budgetary requirements set forth in the Florida Statutes. The budgeted revenues and expenditures in the accompanying financial statements reflect all amendments approved by the Board of County Commissioners.

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. Budgetary control is established at the fund level.
2. Public hearings are held by the Board to obtain taxpayer comments and possible adjustments by the Board.
3. The Board of County Commissioners may amend, modify, increase, or reduce any or all items of expenditures in the proposed budget submitted by the Supervisor of Elections by giving written notices of its actions, after approval of the budget.
4. Prior to October 1, the budget is legally enacted by the Board.

Encumbrances

Encumbrance accounting, under which purchase orders and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Supervisor of Elections.

Compensated Absences

It is the Supervisor of Election's policy to permit employees to accumulate a limited amount of earned, but unused, vacation and sick leave, which will be paid upon separation of service. Vacation is accrued as a liability when benefits are earned by the employee. The Supervisor of Elections uses the vesting method in accruing sick leave liability. The vesting method accrues sick leave liability for employees who are currently eligible to receive termination payments upon separation, as well as those expected to become eligible in the future. For the fiscal year ended September 30, 2023, the amount of accrued compensated absences was \$9,892.

Statement of Government Accounting Standards Board Number 16, Accounting for Compensated Absences, requires the compensated absences liability to be measured using the salary rate in effect at the balance sheet date and requires additional amounts to be accrued for certain salary related payments associated with the payment of compensated absences. The liability shown in the Board's financial statement has been accrued in accordance with this criteria.

HENDRY COUNTY, FLORIDA
 SUPERVISOR OF ELECTIONS
 Notes to Financial Statements
 September 30, 2023

NOTE 2 - CASH AND INVESTMENTS

During the fiscal year, cash consisted of interest-bearing bank accounts. The funds in the bank accounts were entirely covered by Federal Depository Insurance Corporation or by a collateral pool pledged to the State Treasurer by financial institutions which comply with the requirements of Florida statutes and have been designated as qualified public depositories by the State Treasurer.

At September, 30 2023, the carrying amount of the Supervisor of Elections' deposits was \$64,748 and the bank balance was \$111,524.

The Supervisor of Elections held no investments during the fiscal year.

NOTE 3 - AMOUNT TO BE REMITTED TO BOARD OF COUNTY COMMISSIONERS

Funding for the operations of the Supervisor of Elections, accounted for in the General Fund, is provided by the Hendry County Board of County Commissioners. The amount of such funding is estimated in the budgeting process and by Statute, any excess of revenues and transfers over expenditures in the General Fund are returned to the Board of County Commissioners. Such excess, if any, is reflected as an operating transfer out in the accompanying financial statements.

NOTE 4 - GENERAL FIXED ASSETS

Tangible personal property used by the Supervisor of Elections is shown in the statement of net position of the Board of County Commissioners. In addition, office space used in the Supervisor of Elections' operations is provided at no cost by the Board of County Commissioners.

NOTE 5 - GENERAL LONG-TERM DEBT

Changes in General Long-Term Debt

Changes in the general long-term debt of the Supervisor of Elections for the year ended September 30, 2023, are summarized below:

	Compensated Absences
General long-term debt at October 1, 2022	\$ 11,100
Increase in accrued compensated absences	14,723
Decrease in accrued compensated absences	(15,931)
	\$ 9,892
General long-term debt at September 30, 2023	
Noncurrent portion of compensated absences	\$ 9,637

HENDRY COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
Notes to Financial Statements
September 30, 2023

NOTE 6 - RETIREMENT PLAN

The Supervisor of Elections' employees participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Service, Division of Retirement, including the FRS Pension Plan ("Pension Plan") and the Retiree Health Insurance Subsidy ("HIS Plan"). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan ("Investment Plan") alternative to the FRS Pension Plan, which is administered by the State Board of Administration. As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries.

Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida Legislature. Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service, or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested regular class members with less than 30 years of service may retire before age 62 and are entitled to a retirement benefit payable monthly also equal to 2.0% of their final average compensation for each year of credited service based on the five highest years of salary, with a 5% reduction for each year under age 62. Substantial changes were made to the Pension Plan during fiscal year 2011, affecting new members enrolled on or after July 1, 2011 by extending the vesting requirement to eight years of credited service and increasing normal retirement to age 65 or 33 years of service regardless of age. Also, the final average compensation for these members is based on the eight highest years of salary.

Funding Policy

All enrolled members of the FRS Pension Plan are required to contribute 3.0% of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on statewide contribution rates. The employer contribution rates by job class for the periods from October 1, 2022 through June 30, 2023 and July 1, 2023 through September 30, 2023, respectively, were as follows: regular 11.91% and 13.57%; county elected officers 57.00% and 58.68%; senior management 31.57% and 34.52%; and DROP participants 18.60% and 21.13%. During the fiscal year ended September 30, 2023, the Supervisor of Elections contributed to the plan an amount equal to 15.41% of covered payroll.

The HIS Plan provides a monthly benefit to assist retirees in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement. Eligible retirees and beneficiaries receive a monthly health insurance subsidy payment of \$5 for each year of creditable service, with a minimum payment of \$45 and a maximum payment of \$225 per month. The HIS Plan is funded by required contributions from FRS participating employees as set forth by Florida Legislature, based on a percentage of gross compensation for all active FRS members.

HENDRY COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
Notes to Financial Statements
September 30, 2023

NOTE 6 - RETIREMENT PLAN (CONTINUED)

Funding Policy

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

Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll by forfeited benefits of plan members. The Supervisor of Elections does not participate in the Investment Plan.

The Supervisor of Elections recognizes pension expenditures in an amount equal to amounts paid to the Pension Plan, the HIS Plan and the defined contribution plan amounting to \$31,544, \$4,839, and \$6,538, respectively, for the fiscal year ended September 30, 2023. The Supervisor of Elections' payments after June 30, 2023, the measurement date used to determine the net pension liability associated with the Pension Plan and HIS Plan, amounted to \$7,867 and \$1,247 respectively. The Supervisor of Elections is not legally required to and does not accumulate expendable available resources to liquidate the retirement obligation related to its employees. Accordingly, the net pension liability and associated deferred outflows and deferred inflows are presented on the government-wide financial statements of the County, following requirements of GASB Statement No. 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27, and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68, effective October 1, 2014.

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

HENDRY COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
Notes to Financial Statements
September 30, 2023

NOTE 7 - RISK MANAGEMENT

The Supervisor participates in the County-wide insurance program. The Hendry County, Florida, Board of County Commissioners is a member of Public Risk Management (PRM), a local government liability risk pool.

PRM administers insurance activities relating to property, general, automobile, public official's liability, worker's compensation, health, and auto physical damage. The pool assesses each member its pro-rata share of the estimated amount required to meet current year losses, operating expenses and reinsurance costs (premiums).

To reduce its exposure to large losses on all types of insured events PRM uses reinsurance policies purchased from third-party carriers. The fund is fully funded annually. The premiums for this coverage are paid by the various Constitutional Officers and Board of County Commissioners on a per employee coverage basis.

Charges to operating departments are based upon amounts believed by management to meet the required annual payout during the fiscal year and to pay for the estimated operating costs of the program and for premiums for third party carrier insurance plans. For fiscal year ended September 30, 2023, the Supervisor was charged \$63,977.

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS

The Supervisor provides postemployment health care benefits in accordance with Section 112.0801, Florida Statutes, to all employees who retire from the Supervisor. The Supervisor is required to provide health care coverage at cost to all retirees but does not pay any portion of the premium of the retiree to participate in the Supervisor's group health care plan. The liability and expense for other postemployment benefits, calculated in accordance with Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, are reported in the financial statements of the County.

**REQUIRED SUPPLEMENTARY
INFORMATION**

HENDRY COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
For the fiscal year ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES				
Intergovernmental revenues	\$ -	\$ -	\$ 72,004	\$ 72,004
Miscellaneous	-	-	6,070	6,070
Total revenues	-	-	78,074	78,074
EXPENDITURES				
Governmental expenditures	651,763	651,763	660,089	(8,326)
Excess of revenues over (under) expenditures	(651,763)	(651,763)	(582,015)	69,748
Other financing sources (uses)				
Operating transfers in	651,763	651,763	651,763	-
Operating transfers out	-	-	(69,748)	(69,748)
Total other financing sources (uses)	651,763	651,763	582,015	(69,748)
Excess of revenues and other sources over/(under) expenditures and other uses	-	-	-	-
Fund balance, October 1, 2022	-	-	-	-
Fund balance, September 30, 2023	\$ -	\$ -	\$ -	\$ -

**SUPPLEMENTARY
REPORTS**

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

To the Honorable Sherry Taylor,
Supervisor of Elections
Hendry 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 Hendry County, Florida, Supervisor of Elections, (the "Supervisor of Elections") as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' financial statements, and have issued our report thereon dated August 21, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Supervisor of Elections' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Supervisor of Elections' internal control. Accordingly, we do not express an opinion on the effectiveness of the Supervisor of Elections' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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 may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-002 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

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

Supervisor of Elections' Response to Findings

The Supervisor of Elections' response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Supervisor of Elections' response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

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

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida
August 21, 2024

Management Letter

Honorable Sherry Taylor,
Supervisor of Elections
Hendry County, Florida

Report on the Financial Statements

We have audited the financial statements of the Hendry County, Florida, Supervisor of Elections (the “Supervisor of Elections”), Florida, as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated August 21, 2024.

Auditor’s Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant’s Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated August 21, 2024, 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. Corrective actions for 2022-001 Budgetary Control is ongoing as of August 21, 2024. The current year finding number is 2023-001.

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. The Supervisor of Elections had no component units as of September 30, 2023.

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 had one recommendation to improve financial management as detailed in the accompanying schedule of current year findings and responses at finding 2023-001 and 2023-002.

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.

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 Hendry County, Florida, Supervisor of Elections, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida
August 21, 2024

HENDRY COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
Schedule of Current Year Findings
For the Year Ended September 30, 2023

Management Letter Comment

Finding – 2023-001 – Budgetary Control. We consider this a repeat finding from the previous fiscal year finding 2022-001.

Criteria – Pursuant to Chapter 30.49, Florida Statutes, it is unlawful for expenditures to exceed more than the amount budgeted.

Condition – Our comparison of the total expenditures to total appropriations show the Hendry County Supervisor of Elections' expenditures exceed its approved budget.

Cause – Management did not obtain amendments to the budget.

Effect – Expenditures exceeded the legally adopted budget.

Recommendation – We recommend the Supervisor monitor expenditures and obtain budget amendments as necessary to comply with the budget provisions of Florida Statutes 30.49.

Management's Response – Management's Response is provided within the corrective action plan on page V-18.

Significant Deficiency

Finding – 2023-002 – Correction of Errors

Criteria – To ensure that financial statements properly present the financial position and results of operations of the Supervisor of Elections in accordance with generally accepted accounting principles (GAAP), in addition to providing meaningful financial reports to Supervisor of Elections' management, the Supervisor of Elections should ensure that all material assets, liabilities, revenues and expenditures are properly reflected at year-end.

Condition – During testing of the Supervisor of Elections expenditures, we noted the need to increase revenue \$101,418, increase assets \$4,925, decrease liabilities \$8,500, decreased equity \$32,296 and increase expenditures \$55,697 as of September 30, 2023. We recommend that the Supervisor of Elections implement a review process on entries made at months end to better identify potential errors that may exist prior to distribution to the Board.

Cause – Based on our inquiries and procedures, we noted that entries entered in QuickBooks were not properly classified.

Effect – Audit adjustments were required to be posted for the fair presentation of the financial statements.

Recommendation – We recommend that the Supervisor of Elections evaluate its period closing process to ensure ledger reconciliations are being performed timely and properly.

Management's Response – Management's Response is provided within the corrective action plan on page V-18.



SHERRY TAYLOR

SUPERVISOR OF ELECTIONS

Hendry County
Post Office Box 174
LaBelle, FL 33975

LaBelle Office
(863) 675-5230
Clewiston Office
(863) 983-1592

Corrective Action Plan

August 21, 2024

In response to the Management Letter, the Supervisor of Elections' issues the following response:

Management Response to **Finding 2023-001 – Budgetary Control**

The Supervisor of Elections' auditor, in their letter to management, included a recommendation to improve financial management to more closely monitor budgeted and actual expenditures and obtain necessary amendments to prevent expenditures from exceeding the approved budgeted amounts.

The Supervisor of Elections will closely monitor both budgeted and actual expenditures. We will ensure that necessary budget amendments are obtained to prevent expenditures from surpassing the approved budgeted amounts, in accordance with Florida Statutes, Chapter 30.49. This includes budgeting for expenditures when additional financing sources are acquired.

In response to the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards, the Supervisor of Elections' issues the following response:

Management Response to **Finding 2023-002 – Correction of Errors**

With respect to the Correction of Errors finding, we agree with the finding and we are in the process of reviewing our period closing process. We plan to implement the auditor's recommendations in order to improve this process.

The budget year 2022-2023 was before my tenure as Supervisor of Elections.

Honorable Sherry Taylor,

Supervisor of Elections
Hendry County, Florida

[Website: hendryelections.gov](http://hendryelections.gov)
[Email: supervisor@hendryelections.gov](mailto:supervisor@hendryelections.gov)



SHERRY TAYLOR
SUPERVISOR OF ELECTIONS

Hendry County
Post Office Box 174
LaBelle, FL 33975

LaBelle Office
(863) 675-5230
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(863) 983-1592

January 10, 2024

Hendry County BOCC
PO Box 2340
LaBelle, FL 33935

IN RE: Audit-Budget Year 22-23

Dear Commissioners:

I am providing an explanation for the overages in accounts of the Budget referenced above. The auditors requested the relocation of certain budgeted items from Other Services/Contracts to the Capital Outlay account. The two key adjustments mentioned are:

1. A grant of \$60,655.00 was received for additional tabulating equipment, and the funds were subsequently used to purchase equipment from ES&S. This transaction was moved to Capital Outlay account.
2. An approved and amended budget item for \$79,000.00 in Other Services/Contracts had \$30,000.00 reallocated to the Capital Outlay account for the purchase of new servers.

If there are inquiries or additional information is needed, please feel free to contact me.

Sincerely,

Sherry Taylor
Supervisor of Elections
Hendry County

[Website: hendryelections.gov](http://hendryelections.gov)
[Email: supervisor@hendryelections.gov](mailto:supervisor@hendryelections.gov)

Report of Independent Accountant on Compliance with Local Government Investment Policies

To the Honorable Sherry Taylor,
Supervisor of Elections
Hendry County, Florida

We have examined the Hendry County, Florida, Supervisor of Election's (the "Supervisor of Elections") compliance with Section 228.415, Florida Statutes, Local Government Investment Policies, for the year ended September 30, 2023. Management is responsible for the Supervisor of Election's compliance with those requirements. Our responsibility is to express an opinion on the Supervisor of Election's compliance 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 judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Supervisor of Elections' compliance with specified requirements.

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

In our opinion, the Supervisor of Elections complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2023.

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

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida
August 21, 2024

HENDRY COUNTY, FLORIDA
TAX COLLECTOR

SEPTEMBER 30, 2023

FINANCIAL STATEMENTS
TOGETHER WITH REPORTS OF INDEPENDENT AUDITORS

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Independent Auditor's Report

To the Honorable Patrick B. Langford
Tax Collector
Hendry County, Florida

We have audited the accompanying financial statements of each major fund, the aggregate remaining fund information, and the fiduciary fund information of the Hendry County, Florida, Tax Collector (the "Tax Collector"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Tax Collector's special purpose financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund, the aggregate remaining fund information, and the fiduciary fund information of the Tax Collector as of September 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Tax Collector, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Tax Collector's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Tax Collector's ability to continue as a going concern for a reasonable period of time.

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

Emphasis of Matter

Basis of Presentation

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with 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 fund of Hendry County, Florida that is attributable to the Tax Collector. They do not purport to, and do not, present fairly the financial position of Hendry County, Florida as of September 30, 2023, 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 opinions are not modified with respect to this matter.

Required Supplementary Information, continued

Accounting principles generally accepted in the United States of America require that the budgetary comparison information to be presented to supplement the special purpose financial statements. Such information is the responsibility of management and, although not a part of the special purpose financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the special purpose 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 special purpose financial statements, and other knowledge we obtained during our audit of the special purpose financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 28, 2024, 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 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 consideration the Tax Collector' internal control over financial reporting and compliance.

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida
August 28, 2024

FINANCIAL STATEMENTS

HENDRY COUNTY, FLORIDA
Tax Collector
Balance Sheet - Governmental Funds
September 30, 2023

	<u>General Fund</u>
ASSETS	
Cash	\$ 446,990
Due from other governments	<u>42,892</u>
Total Assets	<u><u>\$ 489,882</u></u>
 LIABILITIES	
Accounts payable	\$ 34,856
Accrued liabilities	22,189
Due to other governments	<u>432,837</u>
Total liabilities	<u><u>\$ 489,882</u></u>

See accompanying note

HENDRY COUNTY, FLORIDA

Tax Collector

Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds

For the fiscal year ended September 30, 2023

	Total Governmental General Fund
	<u> </u>
REVENUES	
Charges for services	\$ 2,316,194
Miscellaneous	17,340
	<u> </u>
Total revenues	<u>2,333,534</u>
 EXPENDITURES	
Governmental expenditures	
Personal services	1,606,148
Operating expenditures	696,288
	<u> </u>
Total expenditures	<u>2,302,436</u>
 Excess of revenues under expenditures	 <u>31,098</u>
 Other financing sources (uses)	
Operating transfers out	(432,837)
Proceeds from SBITA agreement	401,739
	<u> </u>
Total other financing sources (uses)	<u>(31,098)</u>
 Excess of revenues and other sources over expenditures and other uses	 - -
 Fund balance, October 1, 2022	 <u>-</u>
 Fund balance, September 30, 2023	 <u><u>\$ -</u></u>

See accompanying note

HENDRY COUNTY, FLORIDA
Tax Collector
Statement of Fiduciary Net Position - Custodial Funds
September 30, 2023

	<u>Total Custodial Funds</u>
ASSETS	
Cash	\$ 1,118,524
Total Assets	<u>\$ 1,118,524</u>
LIABILITIES	
Due to other governments	15,042
Due to individuals	<u>1,103,482</u>
Total liabilities	<u>1,118,524</u>
NET POSITION	
Restricted for:	
Individuals, organizations, and other governments	<u>-</u>
Total net position	<u><u>\$ -</u></u>

See accompanying note

HENDRY COUNTY, FLORIDA
Tax Collector
Statement of Changes in Fiduciary Net Position - Custodial Funds
For the fiscal year ended September 30, 2023

	<u>Total Custodial Funds</u>
ADDITIONS	
Property taxes, fees, fines collected for other governments	\$ 108,741,999
Licenses and tax fees collected for other governments	9,059,616
Deposits and other trust activities	<u>27,090</u>
Total additions	<u>117,828,705</u>
DEDUCTIONS	
Property taxes, fees, fines disbursed for other governments	108,741,999
Licenses and tax fees disbursed for other governments	9,059,616
Deposits and other trust activities disbursed	<u>27,090</u>
Total deductions	<u>117,828,705</u>
Change in net position	-
Net position, beginning	<u>-</u>
Net position, ending	<u><u>\$ -</u></u>

See accompanying note

HENDRY COUNTY, FLORIDA

Tax Collector

Notes to Financial Statements

September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The Tax Collector is an elected Constitutional Officer of Hendry County (County), a political subdivision of the State of Florida. The position of Tax Collector was established by Article VIII, Section 1 (d) of the State of Florida Constitution.

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the Tax Collector and its component units. Component units are entities for which the government is considered to be financially accountable. Financial accountability is determined on the basis of the Tax Collector's ability to significantly influence operations, select the governing authority, and participate in fiscal management. Based on application of the criteria set forth by the Governmental Accounting Standards Board, management has determined that no component units exist which would require inclusion in these financial statements.

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 using a separate set of self-balancing accounts which comprise its assets, liabilities, fund equities, revenues, and expenditures. 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 Tax Collector utilizes the following governmental funds:

General Fund - This fund is used to account for all revenues and expenditures applicable to the general operations of the Tax Collector, which are not properly accounted for in another fund. All operating revenues, which are not specifically restricted or designated as to use, are recorded in the General Fund. Excess revenues at the end of the year, due back to the Board of County Commissioners, are shown as operating transfers out.

Fiduciary Funds - This fund is used to account for assets held by public officials in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

Measurement Focus

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

Fiduciary Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations

HENDRY COUNTY, FLORIDA
Tax Collector
Notes to Financial Statements
September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

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

The modified accrual basis of accounting is followed by the General Fund. Revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized when the related fund liability is incurred, if measurable, except expenditures for debt service and other long-term obligations which are recognized when paid.

Budgetary Requirements

Chapter 195, Florida Statutes, governs the preparation, adoption and amendment process of the Tax Collector's annual budget. A budget is only required to be prepared for the General Fund. The Tax Collector's budget and amendments are prepared independently of the Board of County Commissioners and are approved by the State of Florida Department of Revenue. A copy of the approved budget is provided to the Board of County Commissioners.

The budget for the General Fund is prepared on the modified accrual basis of accounting. The annual budget serves as the legal authorization for expenditures. The level of control for appropriations is exercised at the functional level.

Encumbrances

Encumbrance accounting, under which purchase orders and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Tax Collector.

Compensated Absences

The Tax Collector's employees accumulate sick and annual leave based on the number of years of continuous service and other criteria. Upon termination of employment, employees generally receive payment for accumulated leave.

The liability shown in the County's financial statement has been accrued in accordance with this criteria. At September 30, 2023, the Tax Collector had \$58,568 in long-term compensated absences payable.

Statement of Government Accounting Standards Board Number 16, Accounting for Compensated Absences, requires the compensated absences liability to be measured using the salary rate in effect at the balance sheet date and requires additional amounts to be accrued for certain salary related payments associated with the payment of compensated absences. The liability shown in the County's basic financial statements has been accrued in accordance with this criteria.

HENDRY COUNTY, FLORIDA
Tax Collector
Notes to Financial Statements
September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management of the Tax Collector to make estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenue and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - CASH AND INVESTMENTS

During the fiscal year, cash consisted of an interest-bearing checking bank accounts. The funds in the bank account were entirely covered by federal depository insurance or by a collateral pool pledged to the State Treasurer by financial institutions which comply with the requirements of Florida statutes and have been designated as qualified public depositories by the State Treasurer.

At September 30, 2023, the book balance of deposits was \$1,565,514 for the Tax Collector and the bank balance was \$1,986,943.

The Tax Collector held no investments during the fiscal year.

NOTE 3 - GENERAL FIXED ASSETS

Acquisitions of tangible personal property are recorded as expenditures in the General Fund at the time of purchase. These assets are reported to the Hendry County, Florida, Board of County Commissioners and are recorded in the government-wide financial statements of the Board. In addition, office space used in the Tax Collector's operations is provided at no cost by the Board of County Commissioners.

NOTE 4 - GENERAL LONG-TERM DEBT

Changes in General Long-Term Debt

Changes in the general long-term debt of the Tax Collector for the year ended September 30, 2023, are summarized below:

	<u>Compensated Absences</u>
General long-term debt at October 1, 2022	\$ 41,309
Increase in accrued compensated absences	63,720
Decrease in accrued compensated absences	<u>(46,461)</u>
General long-term debt at September 30, 2023	<u>\$ 58,568</u>
Noncurrent portion of compensated absences	<u>\$ 53,853</u>

HENDRY COUNTY, FLORIDA
Tax Collector
Notes to Financial Statements
September 30, 2023

NOTE 5 - SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

On November 1, 2022, the Tax Collector entered into a five year Subscription-Based Information Technology Arrangements (SBITA) valued at \$419,631 at implementation. The initial liability was determined using a discount rate of 3.00%, which reflects the Tax Collector's incremental borrowing rate. The Tax Collector is required to make annual payments of \$72,000, including principle and interest. As of September 30, 2023, the right-to-use SBITA asset and related accumulated amortization is \$419,631 and \$83,926, respectively. The related SBITA liability at fiscal year end is \$267,631.

NOTE 6 - RETIREMENT PLAN

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

As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments (where applicable), and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida Legislature. Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service, or 30 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested regular class members with less than 30 years of service may retire before age 62 and are entitled to a retirement benefit payable monthly also equal to 1.6% of their final average compensation for each year of credited service based on the five highest years of salary, with a 5% reduction for each year under age 62. Substantial changes were made to the Pension Plan during fiscal year 2011, affecting new members enrolled on or after July 1, 2011, by extending the vesting requirement to eight years of credited service and increasing normal retirement to age 65 or 33 years of service regardless of age. Also, the final average compensation for these members is based on the eight highest years of salary.

Funding Policy

All enrolled members of the FRS Pension Plan are required to contribute 3.0% of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on statewide contribution rates. The employer contribution rates by job class for the periods from October 1, 2022 through June 30, 2023 and July 1, 2023 through September 30, 2023, respectively, were as follows: regular 11.91% and 13.57%; county elected officers 57.00% and 58.68%; senior management

HENDRY COUNTY, FLORIDA
Tax Collector
Notes to Financial Statements
September 30, 2023

NOTE 6 - RETIREMENT PLAN (CONTINUED)

Funding Policy, Continued

During the fiscal year ended September 30, 2023, the Tax Collector contributed to the plan an amount equal to 15.02% of covered payroll.

The HIS Plan provides a monthly benefit to assist retirees in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement. Eligible retirees and beneficiaries receive a monthly health insurance subsidy payment of \$5 for each year of creditable service, with a minimum payment of \$50 and a maximum payment of \$225 per month. The HIS Plan is funded by required contributions from FRS participating employees as set forth by Florida Legislature, based on a percentage of gross compensation for all active FRS members.

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

The Tax Collector recognizes pension expenditures in an amount equal to amounts paid to the Pension Plan, the HIS Plan and the defined contribution plan, amounting to \$85,013, \$18,146, and \$34,949, respectively, for the fiscal year ended September 30, 2023. The Tax Collector's payments after June 30, 2023, the measurement date used to determine the net pension liability associated with the Pension Plan and HIS Plan, amounted to \$22,688, and \$5,192, respectively. The Tax Collector is not legally required to and does not accumulate expendable available resources to liquidate the retirement obligation related to its employees. Accordingly, the net pension liability and associated deferred outflows and deferred inflows are presented on the government-wide financial statements of the County, following requirements of GASB Statement No. 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27, and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68, effective October 1, 2014.

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

HENDRY COUNTY, FLORIDA
Tax Collector
Notes to Financial Statements
September 30, 2023

NOTE 7 - RISK MANAGEMENT

The Tax Collector participates in the County-wide insurance program. The Hendry County, Florida, Board of County Commissioners is a member of Public Risk Management (PRM), a local government liability risk pool.

PRM administers insurance activities relating to property, general, automobile, public official's liability, worker's compensation, health, and auto physical damage. The pool assesses each member its pro-rata share of the estimated amount required to meet current year losses, operating expenses and reinsurance costs (premiums).

To reduce its exposure to large losses on all types of insured events PRM uses reinsurance policies purchased from third-party carriers. The fund is fully funded annually. The premiums for this coverage are paid by the various Constitutional Officers and Board of County Commissioners on a per employee coverage basis.

Charges to operating departments are based upon amounts believed by management to meet the required annual payout during the fiscal year and to pay for the estimated operating costs of the program and for premiums for third party carrier insurance plans. For fiscal year ended September 30, 2023, the Tax Collector was charged \$371,197.

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS

The Tax Collector provides postemployment health care benefits in accordance with Section 112.0801, Florida Statutes, to all employees who retire from the Tax Collector. The Tax Collector is required to provide health care coverage at cost to all retirees but does not pay any portion of the premium of the retiree to participate in the Tax Collector's group health care plan. The liability and expense for other postemployment benefits, calculated in accordance with Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, are reported in the financial statements of the County.

**REQUIRED SUPPLEMENTARY
INFORMATION**

HENDRY COUNTY, FLORIDA

Tax Collector

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the fiscal year ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES				
Charges for services	\$ 1,903,187	\$ 2,050,261	\$ 2,316,194	\$ 265,933
Miscellaneous	-	-	17,340	17,340
Total revenues	<u>1,903,187</u>	<u>2,050,261</u>	<u>2,333,534</u>	<u>283,273</u>
EXPENDITURES				
Governmental expenditures				
Personal services	1,680,893	1,739,892	1,606,148	133,744
Operating expenditures	222,294	310,369	294,549	15,820
Total expenditures	<u>1,903,187</u>	<u>2,050,261</u>	<u>1,900,697</u>	<u>149,564</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>432,837</u>	<u>432,837</u>
Other financing sources (uses)				
Operating transfers out	<u>-</u>	<u>-</u>	<u>(432,837)</u>	<u>(432,837)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(432,837)</u>	<u>(432,837)</u>
Excess of revenues and other sources over/ (under) expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
GAAP RECONCILIATION				
Expenditures				
Governmental expenditures				
Operating expenditures			401,739	
Other financing sources (uses)				
Proceeds from SBITA agreement			<u>401,739</u>	
Excess of revenues and other sources over/ (under) expenditures and other uses			-	
Fund balance, October 1, 2022			<u>-</u>	
Fund balance, September 30, 2023			<u>\$ -</u>	

**SUPPLEMENTARY
REPORTS**

HENDRY COUNTY, FLORIDA
Tax Collector
Combining Statement of Fiduciary Net Position - Custodial Funds
September 30, 2023

	Tax Collection and Redemption	Tag and License	Waste Collection	Employee Concession	Total Custodial Funds
ASSETS					
Cash	\$ 1,102,888	\$ -	\$ 15,042	\$ 594	\$ 1,118,524
Total assets	<u>\$ 1,102,888</u>	<u>\$ -</u>	<u>\$ 15,042</u>	<u>\$ 594</u>	<u>\$ 1,118,524</u>
LIABILITIES					
Due to other governments	\$ -	\$ -	\$ 15,042	\$ -	\$ 15,042
Due to individuals	1,102,888	-	-	594	1,103,482
Total liabilities	<u>1,102,888</u>	<u>-</u>	<u>15,042</u>	<u>594</u>	<u>1,118,524</u>
NET POSITION					
Restricted for:					
Individual, organizations, and other governments	-	-	-	-	-
Total net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HENDRY COUNTY, FLORIDA
Tax Collector
Combining Statement of Fiduciary Net Position - Custodial Funds
For the Fiscal year Ended September 30, 2023

	Tax Collection and Redemption	Tag and License	Waste Collection	Employee Concession	Total Custodial Funds
ADDITIONS					
Property taxes, fees, fines collected for other governments	\$ 108,736,402	\$ -	\$ 5,597	\$ -	\$ 108,741,999
Licenses and tag fees collected for other governments	-	9,059,616	-	-	9,059,616
Deposits and other trust activities	-	-	-	27,090	27,090
Total additions	108,736,402	9,059,616	5,597	27,090	117,828,705
DEDUCTIONS					
Property taxes, fees, fines disbursed for other governments	108,736,402	-	5,597	-	108,741,999
Licenses and tag fees disbursed for other governments	-	9,059,616	-	-	9,059,616
Deposits and other trust activities disbursed	-	-	-	27,090	27,090
Total deductions	108,736,402	9,059,616	5,597	27,090	117,828,705
Change in net position	-	-	-	-	-
Net position, beginning	-	-	-	-	-
Net position, ending	\$ -	\$ -	\$ -	\$ -	\$ -

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

To the Honorable Patrick B. Langford
Tax Collector
Hendry 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 Hendry County, Florida, Tax Collector, (the "Tax Collector") as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Tax Collector' financial statements, and have issued our report thereon dated August 28, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

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

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida

August 28, 2024

Management Letter

Honorable Patrick B. Langford
Tax Collector
Hendry County, Florida

Report on the Financial Statements

We have audited the financial statements of the Hendry County, Florida, Tax Collector (the “Tax Collector”), Florida, as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated August 28, 2024.

Auditor’s Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant’s Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated August 28, 2024, 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 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. The Tax Collector had no component units as of September 30, 2023.

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 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 Hendry County, Florida, Tax Collector, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida

August 28, 2024

Report of Independent Accountant on Compliance with Local Government Investment Policies

To the Honorable Patrick B. Langford
Tax Collector
Hendry County, Florida

We have examined the Hendry County, Florida, Tax Collector's (the "Tax Collector") compliance with Section 228.415, Florida Statutes, Local Government Investment Policies, for the year ended September 30, 2023. Management is responsible for the Tax Collector's compliance with those requirements. Our responsibility is to express an opinion on the Tax Collector's compliance based on our examination.

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 judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

In our opinion, the Tax Collector complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2023.

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

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida
August 28, 2024