



# ANNUAL FINANCIAL REPORT



**ROGER D. EATON**

Clerk of the Circuit Court and County Comptroller

FOR FISCAL YEAR ENDED  
**SEPTEMBER 30, 2017**

CHARLOTTE COUNTY, FLORIDA

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FLORIDA**

**ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2017**

**PREPARED BY:**

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

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**KIM WILDER  
FINANCE DIRECTOR**

# TABLE OF CONTENTS

## SECTION I - COMBINED STATEMENTS

<b>REPORT OF INDEPENDENT AUDITOR</b>	1-3
<b>MANAGEMENT DISCUSSION AND ANALYSIS</b>	4-18
<b>BASIC FINANCIAL STATEMENTS:</b>	
<b>GOVERNMENT-WIDE FINANCIAL STATEMENTS:</b>	
Statement of Net Position	19-20
Statement of Activities	21-22
<b>FUND FINANCIAL STATEMENTS:</b>	
Balance Sheet - Governmental Funds	23-24
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	25
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	26-27
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	28
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund	29-30
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Charlotte Public Safety	31
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Street and Drainage Districts Maintenance	32
Statement of Net Position - Proprietary Funds	33-34
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	35
Statement of Cash Flows - Proprietary Funds	36-37
Statement of Fiduciary Net Position - Agency Funds	38
<b>NOTES TO FINANCIAL STATEMENTS</b>	39-94
<b>REQUIRED SUPPLEMENTARY INFORMATION - OPEB</b>	95
Schedule of County Contributions - FRS Pension Plan	96
Schedule of the County's Proportionate Share of the Net Pension Liability - FRS Pension Plan	97
Schedule of County Contributions - HIS Pension Plan	98
Schedule of the County's Proportionate Share of the Net Pension Liability - HIS Pension Plan	99
<b>COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES</b>	
<b>NONMAJOR GOVERNMENTAL FUNDS</b>	
Combining Balance Sheet - Nonmajor Governmental Funds	100-109
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	110-119
Community Redevelopment Agencies	
Balance Sheet – Charlotte Harbor Community Redevelopment Agency	120
Schedule of Revenues, Expenditures and Changes in Fund Balance - Charlotte Harbor Community Redevelopment Agency	121
Balance Sheet – Murdock Village Community Redevelopment Agency	122
Schedule of Revenues, Expenditures and Changes in Fund Balance - Murdock Village Community Redevelopment Agency	123
Balance Sheet – Parkside Community Redevelopment Agency	124
Schedule of Revenues, Expenditures and Changes in Fund Balance - Parkside Community Redevelopment Agency	125
<b>INTERNAL SERVICE FUNDS</b>	
Combining Statement of Net Position - Internal Service Funds	126
Combining Statement of Revenues, Expenses and Changes in Fund Net Position - Internal Service Funds	127
Combining Statement of Cash Flows - Internal Service Funds	128-129

# TABLE OF CONTENTS

## SECTION I - COMBINED STATEMENTS, CONTINUED

### FIDUCIARY FUNDS

Combining Statement of Fiduciary Assets and Liabilities - Agency Funds	130
Combining Statement of Changes in Assets and Liabilities - Agency Funds	131-132

<b>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</b>	133-134
--	---------

<b>INDEPENDENT AUDITOR'S MANAGEMENT LETTER</b>	135-137
--	---------

<b>REPORT OF INDEPENDENT ACCOUNTANT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES AND E911 REQUIREMENTS OF SECTIONS 365.172 AND 365.173, FLORIDA STATUTES</b>	138
---	-----

<b>SCHEDULE OF INSURANCE POLICIES IN FORCE</b>	139
--	-----

## SECTION II - CLERK OF THE CIRCUIT COURT

<b>INDEPENDENT AUDITOR'S REPORT</b>	1-3
-------------------------------------	-----

### FUND FINANCIAL STATEMENTS:

Balance Sheet - Governmental Funds	4-5
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	6-7

### FIDUCIARY FUNDS

Statement of Fiduciary Assets and Liabilities - Agency Funds	8-9
--	-----

<b>NOTES TO FINANCIAL STATEMENTS</b>	10-17
--------------------------------------	-------

### SUPPLEMENTAL INFORMATION

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund	18
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Modernization Trust Fund	19
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Civil Case Filing Fees	20
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Court Related	21
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - IV-D	22

### COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

#### INTERNAL SERVICE FUND

Combining Statement of Net Position - Internal Service Fund	23
Combining Statement of Revenues, Expenses and Changes in Fund Net Position - Internal Service Fund	24
Combining Statement of Cash Flows - Internal Service Fund	25-26
Combining Statement of Changes on Assets and Liabilities - All Agency Funds	27-29

# **TABLE OF CONTENTS**

## **SECTION II - CLERK OF THE CIRCUIT COURT, CONTINUED**

<b>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</b>	<b>30-31</b>
<b>INDEPENDENT AUDITOR'S MANAGEMENT LETTER</b>	<b>32-33</b>
<b>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</b>	<b>34</b>
<b>RESPONSE TO MANAGEMENT LETTER</b>	<b>35</b>

## **SECTION III - PROPERTY APPRAISER**

<b>INDEPENDENT AUDITOR'S REPORT</b>	<b>1-3</b>
<b>FUND FINANCIAL STATEMENTS</b>	
Balance Sheet - Governmental Funds	4
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	5
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>6-11</b>
<b>SUPPLEMENTAL INFORMATION</b>	
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	12
<b>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</b>	<b>13-14</b>
<b>MANAGEMENT LETTER</b>	<b>15-16</b>
<b>RESPONSE TO MANAGEMENT LETTER</b>	<b>17</b>
<b>INDEPENDENT ACCOUNTANT'S EXAMINATION REPORT</b>	<b>18</b>

## **SECTION IV - SHERIFF**

<b>INDEPENDENT AUDITOR'S REPORT</b>	<b>1-3</b>
<b>FUND FINANCIAL STATEMENTS</b>	
Balance Sheet - Governmental Funds	4-5
Statement of Revenues, Expenditures and Changes in Fund BalanceS - Governmental Funds	6-7
Statement of Fiduciary Assets and Liabilities - Agency Funds	8-9
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>10-19</b>
<b>SUPPLEMENTAL INFORMATION</b>	
Statement of Revenues, Expenditures and Changes in Fund BalanceS - Budget and Actual - (Non-GAAP) - General Fund	20

# **TABLE OF CONTENTS**

## **SECTION IV – SHERIFF, CONTINUED**

<b>NONMAJOR GOVERNMENTAL FUNDS</b>	
Combining Balance Sheet - Nonmajor Governmental Funds	21-22
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds	23-24
Combining Statement of Changes in Assets and Liabilities - All Agency Funds	25-26
<b>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</b>	27-28
<b>MANAGEMENT LETTER</b>	29-30
<b>INDEPENDENT ACCOUNTANT’S EXAMINATION REPORT</b>	31
<b>RESPONSE TO MANAGEMENT LETTER</b>	32

## **SECTION V - SUPERVISOR OF ELECTIONS**

<b>INDEPENDENT AUDITOR’S REPORT</b>	1-3
<b>FUND FINANCIAL STATEMENTS</b>	
Balance Sheet - Governmental Fund	4
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	5
<b>NOTES TO FINANCIAL STATEMENTS</b>	6-11
<b>SUPPLEMENTAL INFORMATION</b>	
Schedule of Revenues, Expenditures and Changes in Fund BalanceS - Budget and Actual - General Fund	12
<b>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</b>	13-14
<b>MANAGEMENT LETTER</b>	15-16
<b>INDEPENDENT ACCOUNTANT’S EXAMINATION REPORT</b>	17
<b>RESPONSE TO MANAGEMENT LETTER</b>	18

## **SECTION VI - TAX COLLECTOR**

<b>INDEPENDENT AUDITOR’S REPORT</b>	1-3
<b>FUND FINANCIAL STATEMENTS</b>	
Balance Sheet - Governmental Fund	4
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund	5
Statement of Fiduciary Assets and Liabilities - Agency Funds - Fiduciary Funds	6

# **TABLE OF CONTENTS**

## **SECTION VI - TAX COLLECTOR, CONTINUED**

<b>NOTES TO FINANCIAL STATEMENTS</b>	7-13
<b>SUPPLEMENTAL INFORMATION</b>	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund	14
Combining Statement of Fiduciary Assets and Liabilities - Agency Funds - Agency Funds	15-16
Combining Statement of Changes in Assets and Liabilities - All Agency Funds	17-19
<b>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</b>	20-21
<b>MANAGEMENT LETTER</b>	22-23
<b>INDEPENDENT ACCOUNTANT'S EXAMINATION REPORT</b>	24
<b>RESPONSE TO MANAGEMENT LETTER</b>	25

## **SECTION VII - SINGLE AUDIT**

<b>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</b>	1-2
Schedule of Findings and Questioned Costs - Federal Awards Programs and State Financial Assistance Projects	3-5
Summary Schedule of Prior Audit Findings and Corrective Action Plan - Federal Awards Programs and State Financial Assistance Projects	6
Schedule of Expenditures of Federal Awards	7-10
Schedule of State Financial Assistance	11-13
<b>NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE</b>	14-15
<b>OTHER INFORMATION</b>	
Schedule of Receipts	16

***SECTION I***

***COMBINED FINANCIAL STATEMENTS***

***Including***

***Board of County Commissioners,***

***Constitutional Officers,***

***and Component Units***

***COMMUNITY REDEVELOPMENT AGENCIES***

## **Report of Independent Auditor**

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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the discretely presented component unit and the aggregate remaining fund information of Charlotte County, Florida (the "County"), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents. We also have audited the financial statements of the Charlotte Harbor Community Redevelopment Agency, the Murdock Village Community Redevelopment Agency, and the Parkside Community Redevelopment Agency, which are presented as supplementary information in the accompanying combining and individual fund financial statements, as of and for the year ended September 30, 2017, as listed in the table of contents.

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

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

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

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Charlotte County Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections and Tax Collector (collectively, the "Officers"), whose statements reflect 2% of the assets, 1% of the net position, and 7% of the revenues of the County's governmental activities, 15% of the assets, 0% of the fund balance, and 22% of the revenues of the General Fund, and 7% of the assets, 2% of the fund balance, and 3% of the revenues of the remaining fund information. Those statements were audited by another auditor whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Officers, is based solely on the reports of the other auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

## ***Opinions***

In our opinion, based on our audit and the reports of the other auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the discretely presented component unit and the aggregate remaining fund information of the County as of September 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, the Charlotte Public Safety Fund, and the Street and Drainage Districts Maintenance Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Charlotte Harbor Community Redevelopment Agency, the Murdock Village Community Redevelopment Agency, and the Parkside Community Redevelopment Agency as of September 30, 2017, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***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. We and other auditors 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 and the financial statements of the Community Redevelopment Areas. The introductory section, combining and individual fund statements and schedules (with the exception of the Community Redevelopment Areas), statistical section, and the schedule of receipts and expenditures of funds related to the Deepwater Horizon oil spill, 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 schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and are also not a required part of the basic financial statements.

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2018 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.



Orlando, Florida  
February 21, 2018

## Charlotte County, Florida

### MANAGEMENT DISCUSSION AND ANALYSIS

This discussion and analysis of the Charlotte County (the County) financial statements is designed to present the basic financial statements and provide an analytical summary of the financial activities of the County for the fiscal year ended September 30, 2017. The basic financial statements are comprised of the government-wide financial statements, fund financial statements and footnotes. In this Management Discussion and Analysis (MD&A), all amounts in financial charts, unless otherwise indicated, are expressed in thousands of dollars.

#### FINANCIAL HIGHLIGHTS

At the close of business September 30, 2017, net position of the County was \$1,217.2 million. Governmental and business-type net positions were \$958.4 million and \$258.8 million, respectively.

Total net position of the County increased \$31.9 million or 2.7%, as compared with the prior year.

Governmental activities revenues increased by \$24.2 million to \$337.5 million, which was an increase of 7.7%. Governmental activities expenses increased by \$60.2 million to \$330.4 million, an increase of 22.3%. The impact on net position of the excess of revenues over expenses was an increase of \$7.6 million.

Business-type activity revenues increased by \$13.9 million to \$104.5 million which was an increase of 15.3%. Business-type activity expenses increased by \$4.8 million to \$79.7 million which was an increase of 6.4%. The excess of revenues over expenses resulted in an increase in net position of \$24.3 million.

#### USING THE ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (pages I-19 - I-22) provide information about the activities of the County as a whole. The fund financial statements provide information on the various types of services provided by different revenue sources, as well as the dollars remaining in those funds at the end of the year. These fund statements, which provide information about significant funds of the County, report operations in greater detail than government-wide statements.

#### GOVERNMENT WIDE FINANCIAL STATEMENTS

Designed to be more like the financial statements of a private entity, the government-wide financial statements present the bottom line of the County as a whole. The Statement of Net Position (pages I-19 - I-20) combines and consolidates the assets of both governmental and business-type activities into a single, governmental unit, and also takes into account both current and long-term liabilities to present the overall financial health of the government as total net position. The full accrual method is used in compiling the Government-Wide financial statements. The Statement of Activities (pages I-21 - I-22) provides a picture of revenues versus expenses for governmental activities and business-type activities, showing the increases or decreases in net position as a result. Over time, increases or decreases in the County's net positions are one indicator of whether its financial health is improving or deteriorating.

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

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

## **FUND FINANCIAL STATEMENTS**

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

### **Governmental Fund Financial Statements**

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

The analysis of the major funds of the County begins on page I-23. The fund financial statements are designed to provide the reader with useful information on the major funds, rather than the government as a whole. There are 54 governmental funds. However, only three are classified as major funds in 2017. The County is unique in that it has many Municipal Services Benefit Units/Taxing Units (MSBU/TU's) that provide street and drainage maintenance and certain capital improvements to its property owners payable by assessments. Although accounted for separately, these are grouped together as a major fund in 2017 as Street and Drainage Districts on the fund financial statements presented on pages I-23 - I-24 and I-26 - I-27. Also grouped together in the County's financial statements although accounted for separately are Grant funds, Waterway Maintenance MSBU's, Clerk special revenue funds and Sheriff special revenue funds. These are presented on the fund financial statements presented on pages I-100 through I-119.

### **Proprietary Fund Financial Statements**

Proprietary funds differ from governmental funds primarily in that the revenues are derived from the operations of the proprietary fund. There are two types of proprietary funds: enterprise and internal service. The County maintains enterprise funds for one sanitation district, the landfill operation, and the utility system which provides water and sewer services. These funds are presented on pages I-33 - I-37.

There are four internal service type funds: health insurance trust, self-insurance, accrued compensated absences and vehicle maintenance. Internal service funds differ from enterprise funds, in that the revenues supporting these funds are derived from a fee for the services performed or being provided to departments within the governmental entity. Over time these funds will perform at a break-even level, although in some years a slight profit or loss may be realized. These funds are presented on pages I-125 - I-128.

### **Fiduciary Fund Financial Statements**

Fiduciary funds are used to account for resources held for the benefit of parties outside of county government. Although these funds are presented in the fund set of statements, they do not appear in the government-wide financial statements because the resources of these funds are not available to support County programs. The accounting used is much like that of proprietary funds. Fiduciary funds use the accrual basis of accounting; however, like agency funds they do not use a measurement focus. These funds are presented on pages I-129 - I-131 of this report.

**GOVERNMENT – WIDE FINANCIAL ANALYSIS**

The following is a condensed summary of net position for the primary government for fiscal years 2017 and 2016:

Charlotte County, Florida  
Summary of Net Position  
September 30, 2017 and 2016  
(\$000's)

	Governmental		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and Other Assets	\$ 473,004	\$ 474,061	\$ 118,690	\$ 105,812	\$ 591,694	\$ 579,873
Capital Assets	805,609	772,456	324,751	304,012	1,130,360	1,076,468
Total Assets	<u>1,278,613</u>	<u>1,246,517</u>	<u>443,441</u>	<u>409,824</u>	<u>1,722,054</u>	<u>1,656,341</u>
Deferred Outflows						
Deferred Charge on Refunding	1,064	1,120	8,145	9,646	9,209	10,766
Pension Related	70,179	59,446	4,533	3,604	74,712	63,050
Total Deferred Outflows	<u>71,243</u>	<u>60,566</u>	<u>12,678</u>	<u>13,250</u>	<u>83,921</u>	<u>73,816</u>
Current Liabilities	65,882	48,520	29,387	26,460	95,269	74,980
Non-Current Liabilities	315,645	303,456	167,274	161,946	482,919	465,402
Total Liabilities	<u>381,527</u>	<u>351,976</u>	<u>196,661</u>	<u>188,406</u>	<u>578,188</u>	<u>540,382</u>
Deferred Inflows - Pension Related	9,877	4,209	664	182	10,541	4,391
Net Position						
Net Investment in Capital Assets						
Assets	740,738	708,115	197,286	182,039	938,024	890,154
Restricted for Debt Service	-	-	3,315	3,355	3,315	3,355
Restricted for Contractual Obligations	-	-	25,447	22,764	25,447	22,764
Restricted for Special Purpose	179,781	183,963	-	-	179,781	183,963
Unrestricted	37,934	58,820	32,747	26,328	70,681	85,148
Total Net Position	<u>\$ 958,453</u>	<u>\$ 950,898</u>	<u>\$ 258,795</u>	<u>\$ 234,486</u>	<u>\$ 1,217,248</u>	<u>\$ 1,185,384</u>

Total assets for Governmental Activities increased \$32.1 million, or 2.6%. Capital assets, net of depreciation, represented 63.0% of total assets at September 30, 2017, and 62.0% of total assets at September 30, 2016. Capital assets represent land, buildings, improvements, equipment, furniture, vehicles, heavy equipment and infrastructure, net of depreciation. The majority of the \$33.2 million increase in capital assets is additions of \$35.3 million spent on road infrastructure CIP to include the Gasparilla Road (CR 771) widening project of \$18.9 million and the Tom Adams Bridge rehabilitation project of \$9 million and various storm water control structures of \$3.4 million. The majority of Current and Other Assets represent Cash and Investments at fair value, the value of which increased by \$8.1 million and Murdock Village land held for resale, the value of which decreased by \$13.7 million in FY 2017 due to the pending contract for sale of a portion of the property acreage at a reduced value from the previous appraisal.

Total assets for Business-type Activities increased \$33.6 million, or 8.2% compared to September 30, 2016. Capital Assets in Business Activities increased \$20.7 million. Of the \$20.7 million in capital additions, \$13.7 million was added construction on the utility portion of major road construction projects. \$5.6 million was spent on the East West Spring Lake sewer project, \$5.4 million on a fixed based meter system and \$3.4 million on equipment. In addition, \$6 million was spent on various renewal and replacement projects. Offsetting these capital asset increases is a \$14.2 million increase in accumulated depreciation. The increase in Current and Other Assets of \$12.9 million is mainly due to an increase in cash and investments attributable to a conservative spending approach to replenish a portion of the reserves spent down in the prior year.

Deferred Outflows and Inflows - Pension related of \$64.2 million is an increase of \$5.5 million resulting from differences between expected and actual experience, assumptions and proportional share. More information on changes to deferred outflows can be found in Note 17 of the financial statements. These outflows will be recognized over time through amortization, and reflected in pension expense for each of the governmental and enterprise entities. The largest increase in deferred outflows related to changes in assumptions related to pension plan performance.

Total liabilities for Governmental Activities increased \$29.6 million. Current Liabilities increased by \$17.4 million and non-current liabilities increased by \$12.2 million. The majority of the increase in current liabilities is due to balloon payments due within the next fiscal year for the pooled commercial paper loan program related to borrowing on various special assessment road paving projects. These loans were rolled over for an additional five years in 2018. Long-term liabilities for Governmental activities increased due to pension liability of \$157.7 million, an increase of \$16.5 million.

Total liabilities for Business-type Activities increased \$8.3 million, of which bonds payable decreased by \$12.4 million, loans and assessments payable increased by \$16.4 million, accounts and vouchers payable increased 2 million, and pension liability also increased \$1.3 million.

Unrestricted Net Position for Governmental Activities decreased \$20.9 million. This is due in part to the write down in the valuation of Murdock Village in the amount of \$13.7 million, as discussed previously, and the increase in the pension liability in the amount of \$16.5 million. Unrestricted net position for Business-type activities increased \$6.2 million, due to conservative spending in an effort to replenish a portion of the reserves spent down in the prior year. The effect of changes in pension related liabilities and deferrals on unrestricted net position was negative \$11.4 million for Governmental Activities, and \$900 thousand on Business-type Activities.

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

The unrestricted balance represents assets that are available for spending at the discretion of the Board of County Commissioners. The unrestricted net position balance of \$70.7 million represents 5.8% of total net position.

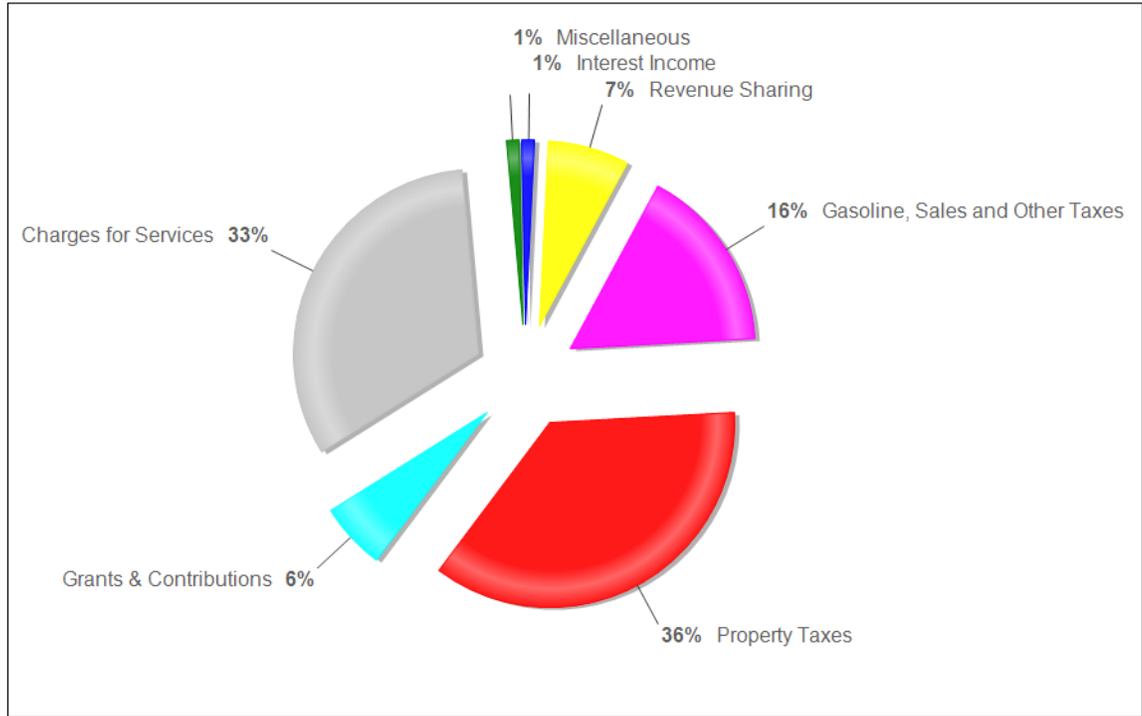
The schedule on the next page compares the revenues and expenses for the primary government for the current and previous fiscal years.

Charlotte County, Florida  
Summary of Revenues and Expenses  
Fiscal Years ended September 30, 2017 and 2016  
(\$000's)

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b>REVENUES:</b>						
<b>Program Revenues:</b>						
Charges for Services	\$ 109,533	\$ 104,943	\$ 88,062	\$ 82,385	\$ 197,595	\$ 187,328
Operating Grants and Contributions	14,671	5,889	555	242	15,226	6,131
Capital Grants and Contributions	5,271	6,030	9,105	4,241	14,376	10,271
<b>Total Program Revenues</b>	<b>129,475</b>	<b>116,862</b>	<b>97,722</b>	<b>86,868</b>	<b>227,197</b>	<b>203,730</b>
<b>General Revenues:</b>						
<b>Taxes:</b>						
Property	121,724	113,744	-	-	121,724	113,744
Gasoline	10,025	9,933	-	-	10,025	9,933
Tourist Dev	3,899	3,794	-	-	3,899	3,794
Communication services	5,404	5,008	-	-	5,404	5,008
Sales Tax	25,646	24,208	-	-	25,646	24,208
Franchise taxes	9,212	8,948	-	-	9,212	8,948
Other	466	435	-	-	466	435
Revenue Sharing	24,258	22,660	-	-	24,258	22,660
Interest income	3,458	2,805	957	897	4,415	3,702
Miscellaneous	3,896	4,822	5,866	2,850	9,762	7,672
<b>Total General Revenues</b>	<b>207,988</b>	<b>196,357</b>	<b>6,823</b>	<b>3,747</b>	<b>214,811</b>	<b>200,104</b>
<b>Total Revenues</b>	<b>337,463</b>	<b>313,219</b>	<b>104,545</b>	<b>90,615</b>	<b>442,008</b>	<b>403,834</b>
<b>EXPENSES:</b>						
<b>Program Activities:</b>						
General Government	63,989	42,490	-	-	63,989	42,490
Public safety	134,940	125,002	-	-	134,940	125,002
Physical environment	14,589	9,031	-	-	14,589	9,031
Transportation	66,956	47,298	-	-	66,956	47,298
Economic environment	3,370	3,440	-	-	3,370	3,440
Human services	16,836	15,448	-	-	16,836	15,448
Culture and recreation	26,623	24,476	-	-	26,623	24,476
Interest on long-term debt	3,114	3,006	-	-	3,114	3,006
<b>Business-type Activities:</b>						
Water and Sewer	-	-	59,683	57,078	59,683	57,078
Solid Waste Collection and Disposal	-	-	20,045	17,834	20,045	17,834
<b>Total Expenses</b>	<b>330,417</b>	<b>270,191</b>	<b>79,728</b>	<b>74,912</b>	<b>410,145</b>	<b>345,103</b>
<b>Change in Net Position Before</b>						
Transfers	7,046	43,028	24,817	15,703	31,863	58,731
Transfers	508	592	(508)	(592)	-	-
<b>Changes in Net Position</b>	<b>7,554</b>	<b>43,620</b>	<b>24,309</b>	<b>15,111</b>	<b>31,863</b>	<b>58,731</b>
Net Position October 1	950,898	907,278	234,486	219,375	1,185,384	1,126,653
<b>Net Position September 30</b>	<b>\$ 958,452</b>	<b>\$ 950,898</b>	<b>\$ 258,795</b>	<b>\$ 234,486</b>	<b>\$ 1,217,247</b>	<b>\$ 1,185,384</b>

## Governmental Activities

### Revenue by Source



	<u>Revenues</u>	<u>Percent of Total Revenue</u>
Charges for Services	\$ 109,533	33 %
Grants and Contributions	19,942	6 %
Property taxes	121,724	36 %
Gasoline, Sales, and Other Taxes	54,652	16 %
Revenue Sharing	24,258	7 %
Interest income	3,458	1 %
Miscellaneous	3,896	1 %
Totals	<u>\$ 337,463</u>	<u>100 %</u>

### Revenues

Total revenues amounted to \$337.5 million. Ad valorem property taxes of \$121.7 million make up 36% of the total revenues. Ad valorem property taxes increased by \$8.0 million, which represents an increase of 7.0% when compared to 2016. Charlotte County experienced a \$865 million increase in property values, a 6.6% increase from 2016. This increase results in an increase in valorem revenues of \$8 million. Millage rates remained flat with prior year.

Charges for Services were \$109.5, million, which represented 33.0% of total revenues and were \$4.6 million higher than 2016. Included in Charges for Services category are fees related to recreational programs, building permit fees, animal control, ambulance fees, court related fines fees and court costs and charges for street and drainage maintenance work to the various municipal service benefit units (MSBU's) within the County. The majority of the increase is in the area of Transportation, where increased assessment and charges for services were higher than prior year. These are fees related to paving programs in MSBU's.

Grants and Contributions (6%) increased by \$8.0 million. Operating grants increased by \$8.8 million due to an increase in the recognition of approved Transit grants of \$2.5 million, FEMA grants related to Hurricane Irma for both the County and the Sheriff totaling \$2.5 million and Stump Pass grants in the amount of \$3.5 million. Capital grants decreased by \$800 thousand.

Gasoline, sales, and other taxes (16%) is \$2.3 million higher than FY 2016 due to improving economic conditions throughout the State. Included in this category are local option fuel taxes, tourist development tax, communication services tax, Florida Power and Light (FPL) franchise fees, and a one cent local option sales tax on Infrastructure, which represents the majority of the positive variance. The County's one cent infrastructure surcharge generated \$25.6 million in FY 2017 vs \$24.2 million in FY 2016. The current infrastructure sales was renewed by voter referendum in November, 2014 and expires on December 31, 2020.

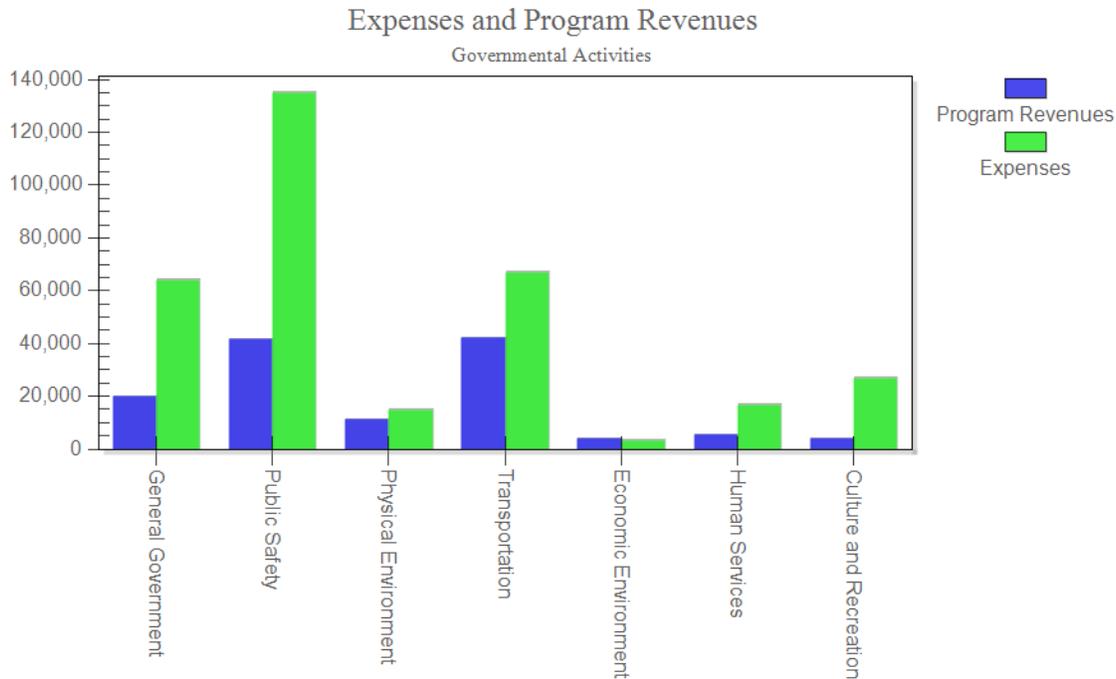
Revenue Sharing is 7% of total revenues and is \$1.6 million higher than FY 2016. Revenue sharing includes the money sent to local governments from the State sales tax, State gas tax, and the State Housing Initiatives Partnership Program (SHIP) fund and funding for court related operations by the Clerk of Courts. The majority of the increase is related to the local government half cent sales tax distribution from the state, which increased by \$900 thousand.

Interest Income, which represents 1% of total revenues, increased \$0.7 million, or 23.3% from FY 2016. This increase is primarily the result of favorable interest rates offset by a decrease in fair market value of investments at year-end. There was a negative FMV adjustment of \$800 thousand in FY 2016 vs. a positive FMV adjustment of \$27.5 thousand in FY 2016.

Miscellaneous revenue totaling \$3.9 million is \$0.9 million or 18.7% lower than FY 2016. The Murdock Village valuation at September 30, 2016 resulted in a \$1.4 million increase in miscellaneous revenue at the entity wide level. In FY 2017, there was a write down of Murdock Village of \$13.7 million, which was expensed at the government wide level as discussed previously.

Expenses:

Total expenses of \$330.4 million are \$60.2 million or 22.3% higher than the prior year. The following table shows program revenues relative to expenses, excluding \$3.1 million in interest on long term debt.



	<u>Program Revenues</u>	<u>Expenses</u>
General Government	\$ 20,189	\$ 63,989
Public Safety	41,982	134,940
Physical Environment	11,547	14,589
Transportation	42,175	66,956
Economic Environment	3,956	3,370
Human Services	5,550	16,836
Culture and Recreation	4,076	26,623
Totals	<u>\$ 129,475</u>	<u>\$ 327,303</u>

General government expenses of \$64.0 million have increased by \$21.5 million, 50.6% more than the prior year. General government expenses include the costs of all the administrative and executive departments, the cost of providing legal counsel, and the cost of the comprehensive planning departments, which include planning, zoning and development. In FY 2017, a pending contract with PEG for the purchase of 452 acres within the Murdock Village area resulted in a writedown of \$13.7 million from the previous year at the entity-wide level. In addition, in FY 2016 there was a favorable one time adjustment of \$3.9 million due to an over accrual of anticipated legal costs related to an inverse condemnation lawsuit. Board of County Commissioners expenditures increased \$2.0 million, \$910 thousand of which was related to computer maintenance expenses and \$870 thousand was related to salaries and benefits. Sheriff expenditures in this category increased \$266 thousand, and Tax Collector expenditures increased \$324 thousand. The impact of Pension Related adjustments for General Government expenses was \$716 thousand.

Public safety expenses increased \$9.9 million or 7.9%. Public safety expenses include fire protection, law enforcement, emergency medical services, emergency management and the medical examiner. The year to year increase in pension expense is \$1.6 million. Salaries and benefits for Sheriff employees increased by \$2.4 million. Fire & EMS and other BCC related public safety departments personal services increased by \$1.8 million. In addition, the Sheriff's OPEB expense increased \$1.3 million over the prior year.

Culture and Recreation expenses increased \$2.1 million or 8.6% compared to the prior year. These expenditures include Parks and Recreation, Libraries, Tourism department and the Historical center. Salaries and benefits increased \$400 thousand, depreciation expense increased \$300 thousand and purchased services in general increased \$1 million. The impact of pension expense increases for Culture and Recreation activities was \$130 thousand.

Economic Environment expenses decreased \$0.1 million or 2.9%. This decrease occurred in the Economic Development Office of the BOCC in the areas of purchased services and materials and supplies .

Physical Environment expenses increased \$5.6 million or 62.0% as compared to the prior year. This increase is primarily due to the Stump Pass Dredging project. This project is partially funded by FDEP and FEMA grants.

Human Services expenses increased \$1.4 million or 9.1% above prior year. Contract and Purchased services related to transit programs increased \$600 thousand. The impact of pension expense adjustments was \$48 thousand. At the entity wide level, there was a writeoff of \$427 thousand due to the demolition of the Peace Lutheran Church for Human Services function land use.

Transportation expenses are \$19.7 million higher than FY 2016. Transportation programs involve bridge, paving and drainage projects and are viewed as significant on-going programs over multiple years. Offsetting this variance is an increase of \$10.5 million in contract services which mainly consists of paving expenses among the various MSBU's, a \$900 thousand increase in general purchased services, a \$1 million increase in salaries and wages and an increase in depreciation expense of \$1.4 million. The impact of pension expense adjustments is \$143 thousand.

Interest on long-term debt increased \$108 thousand or 3.6%. This is the result of paydown of debt according to scheduled amortization.

## **Business-type Activities**

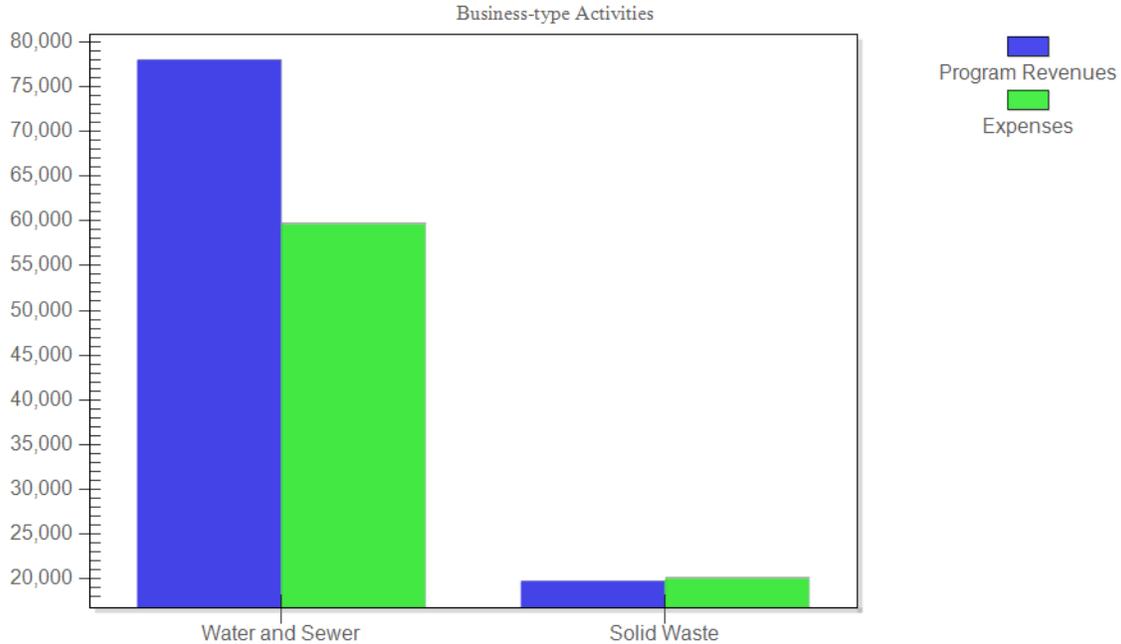
### **Revenues**

Revenues from business-type activities increased \$13.9 million or 15.3% compared to the prior year. Program Revenues representing 93.5% of revenues, were \$10.9 million higher than FY 2016.

In the area of solid waste, Charlotte Sanitation District charges for services of \$19.7 million increased by \$2.3 million or 13.4% over the prior year due to growth as rates remained consistent.

Water and sewer charges for services of \$68.4 million increased \$3.3 million or 5% from prior year. The number of gallons sold for Water and Sewer combined increased by 3.6%; the number of water connections increased by 920 and the number of sewer customers increased by 584. There was a rate increase for both water and sewer during FY 2017, most notably in sewer where both the base facility charge and the charge per 1,000 gallons increased by 6.0%. Capital Grants and contributions of \$9.1 million were \$4.9 million higher than 2016 from connection fees, as well as \$1.5 million in SWFWMD grants related to the reclaimed water expansion project. In addition, a \$3.4 million infrastructure asset related to the Burnt Store Road Phase 3 project was recorded as a contribution at the entity wide level from the sales tax fund to the utility fund.

## Expenses and Program Revenue



	<u>Program Revenue</u>	<u>Expenses</u>
Water and Sewer	\$ 78,024	\$ 59,683
Solid Waste	19,698	20,045
Totals	<u>\$ 97,722</u>	<u>\$ 79,728</u>

Expenses in business-type activities increased by \$4.8 million or 6.4%. Water and Sewer Operating expenses were \$2.6 million or 4.6% higher than 2016 while Solid Waste expenses were \$2.2 million or 12.4% higher than FY 2016.

Water and Sewer expenses of \$59.7 million are \$2.6 million higher than FY 2016. Depreciation expense increased \$300 thousand. The impact of pension expense adjustments is a \$335 thousand increase and salaries and fringe benefits for the utility increased by \$1.5 million.

Solid waste collection and disposal expenses of \$20.0 million increased by \$2.2 million or 12.4%. Landfill expenses were \$400 thousand higher than FY 2016. The accrual required for closure & post closure costs was \$501 thousand, resulting from the estimated total current cost increasing by 1.3% and the % of total capacity used at year end increasing from 49% to 50.67%. These closure charges were \$265 thousand higher than FY 2016. Salaries were \$100 thousand higher than FY 2016. The impact of pension expense adjustments was an increase of \$52 thousand. Charlotte Sanitation District expenses increased by \$1.8 million due to an increase in Waste Management contract services of \$1.6 million.

## Financial Analysis of Governmental Funds

As of September 30, 2017, County governmental funds reported combined ending fund balances of \$376.2 million, an increase of \$3.8 million, or 1.0% compared to the previous year. Of the total fund balance, \$169.1 million represents special revenue funds for which balances must be used for the purpose the revenues were collected. \$137.7 million of the fund balance represents capital project fund balances.

The fund balance of the General Fund decreased \$2.1 million, to \$69.1 million, during the year ending September 30, 2017. General fund revenues increased by \$5.2 million. Ad Valorem taxes increased by \$1.9 million, primarily due to increased valuations as discussed earlier. Miscellaneous revenues increased \$1.7 million, \$350 thousand of which was increased interest earnings and \$280 thousand was proceeds from the sale of land. Total General Fund Expenditures increased by \$7.6 million. Of that, general government expenditures increased \$3.5 million, or 11%, \$900 thousand of which was for computer maintenance systems and \$500 thousand for the new Punta Gorda Airport Training facility. Public Safety expenditures in the General fund increased by \$5.1 million of which \$2.3 million was related to Sheriff salaries and wages and \$1.9 million for the new jail infirmary. Net Transfers In to the General Fund increased by \$3.4 million. In addition the beginning fund balance was \$3.1 million lower than the prior year beginning fund balance.

The fund balance of the Public Safety Fund decreased by \$3.7 million to \$1.4 million. Expenditures in the Public Safety fund only include those pertaining to the Sheriff's operations, including the corrections facility, court related security and law enforcement. Approximately 65% of the Sheriff's operating budget funds law enforcement operations, 32% funds the correctional facility, and 3% funds the Sheriff's court operations. Ad Valorem taxes increased by \$4.4 million in the Public Safety fund due to valuation increases. The County's direct costs for the Sheriff & County Correctional facility increased by \$1.7 million. Net Transfers Out to the Sheriff to fund all of his operations increased by \$4.1 million. Year to year beginning fund balances decreased by \$1.1 million. Sheriff excess fees, by approval of the Board of County Commissioners, are now being transferred to a capital projects fund dedicated to Law Enforcement related infrastructure and no longer left to accumulate in the Public Safety Fund. In FY 2017 1.6 million was transferred for that purpose.

Street and Drainage Maintenance combined fund balances increased \$5.8 million to \$68.2 million. There are 36 individual street and drainage units that comprise this fund balance. Assessment Revenue increased by \$1.6 million. Timing of expenditures of paving programs cause year to year fluctuations in fund balance. Expenditures increased by \$10.3 million mainly due to extensive paving programs in the Rotonda area, NW Port Charlotte and the Harbour Heights MSBUs. New commercial paper borrowings for paving programs increased fund balance by \$1.5 million. Year to year beginning fund balances increased by \$11.5 million.

### General Fund Budgetary Highlights

The budgetary comparison schedule is found on pages I-29 - I-30. During the year the original budget for General Fund revenues and beginning fund balances was amended as follows:

The Revenue amendments in the General Fund totaled a positive \$327.6 thousand. The amendments consist of intergovernmental grant revenue for mosquito control grants and emergency management grants. The Industrial Development Authority also contributed \$118.0 towards the building of the West Michigan University (WMU) training facility at the Charlotte County airport, resulting in a budget amendment. Adjustments to the General Fund expenditures budget was \$4.2 million, mainly in the area of Public Safety where a \$2.0 million budget adjustment was made for the construction of a railing around the roof of the correction facility.

The General Fund balance for FY 2017 was \$16.9 million higher than the final amended budget. Revenues were \$12.0 million higher than budgeted, mostly in the area of Charges for Services. Total expenditures were \$7.6 million lower than budgeted; \$2.8 million due to timing of capital expenditures in Culture and Recreation, \$2.3 million in General Government.

Capital Asset and Debt Administration

At September 30, 2017, the County had \$1.1 billion invested in capital assets, including fire equipment, buildings, park facilities, roads, bridges and water and sewer lines.

Charlotte County, Florida  
Capital Assets  
September 30, 2017  
(\$000's)

	Governmental Activities	Business-type Activities	Total
Land	\$ 179,836	\$ 25,529	\$ 205,365
Buildings	239,492	17,428	256,920
Improvement other than buildings	104,600	395,439	500,039
Equipment	114,317	23,563	137,880
Infrastructure	455,937	-	455,937
Construction in progress	82,840	76,650	159,490
Intangible assets	4,345	39,630	43,975
<b>Less: Accumulated Depreciation and Amortization</b>			
Buildings and Improvements	(122,226)	(212,030)	(334,256)
Equipment	(80,679)	(13,796)	(94,475)
Infrastructure	(171,504)	-	(171,504)
Intangible Assets	(1,349)	(27,662)	(29,011)
<b>Totals</b>	<b>\$ 805,609</b>	<b>\$ 324,751</b>	<b>\$ 1,130,360</b>

Additional information on the County's capital asset activity can be found in notes to the financial statements (Note 8, Capital Assets) found on pages I-60 - I-61 of this report.

Major projects completed during Fiscal 2017 include the following:

- Gasparilla Road (CR 771) widening project, the road to be widened to four lanes divided from SR 776 to Rotonda Boulevard East to include sidewalks and bike facilities. This project was funded mainly through sales tax and grant revenue. The total cost of this project is \$18.7 million.
- Tom Adams Bridge project phase two, which consists of the design and rehabilitation of the tender house. Total cost of this phase is \$9 million, which was funded by gas taxes.
- Sheriff's Office District One Headquarters (West County) consists of the newly constructed space for suspect interview rooms, evidence rooms and conference and training rooms. Total cost of this project is \$4.1 million, which was funded mainly through sales tax and a small portion of infrastructure funding.
- Various other capital projects completed in FY 2017 include stormwater control structures (\$3.4 million), West County Boat Ramp (\$2.1 million), Harbor Heights sidewalks (\$1.1 million), various small pipe installations (\$.9 million), E-911 system upgrade (\$.7 million), Veterans Memorial Park (\$.7 million), and a variety of other smaller projects countywide.

## Debt

At September 30, 2017, the County had total bonded debt outstanding of \$154.7 million. This is a decrease of \$15.1 million compared to September 30, 2016. Total County debt has increased \$4.5 million. In 2016, the County issued utility refunding bonds in the amount of \$23,955,000, through Banc of America Preferred Funding Corporation. These bonds refunded a portion of the County's outstanding Utility System Refunding Revenue Bonds, Series 2006 and an advance refunding of a portion of the outstanding Utility System Refunding Revenue Bonds, Series 2011. A more detailed discussion of outstanding debt can be found in Note 9 of the financial statements, Long-Term Obligations, on page I-62 of this report and in Note 12, Defeased Debt, on page I-74.

	2017	2016	Total
General Obligation Bonds	\$ 28,955,000	\$ 31,525,000	\$ (2,570,000)
Revenue & Special Assmt. Bonds	125,700,000	138,205,000	(12,505,000)
Notes and Loans Payable	34,377,328	37,498,078	(3,120,750)
Florida Local Government			
Finance Commission	41,591,000	31,710,000	9,881,000
State Revolving Fund	22,588,354	9,814,085	12,774,269
Total	<u>\$ 253,211,682</u>	<u>\$ 248,752,163</u>	<u>\$ 4,459,519</u>

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

The County's debt from general obligation bonds relates to the referendum passed in 2008, which allowed the County to issue debt for the purchase of environmentally sensitive lands. To date, the .2 mills levied for debt service annually has not produced enough revenue to pay the debt service. In FY 2012, this bond was refinanced and the interest rate was reduced from 4.18% to 2.11%. The net present value of savings from this significant interest rate reduction is \$5.9 million. The decision was made during FY 2012 to use the balance remaining of \$3.3 million from original bond proceeds to finance the debt and make up the shortfall in ad valorem revenues from inception. From inception, through 2017, the ad valorem shortfall totals \$7.2 million. Interest earnings of \$944.2 thousand, excess tax collector fees of \$320.4 thousand and related grant reimbursement revenues of \$1.1 million also helped to fund the shortfall through 2017. In addition, interfund transfers from the Capital Projects fund totaling \$1.7 million have been made.

Revenue Bonds consist mostly of Charlotte County Utility debt which is financed through connection fees and utility operations revenues. As discussed above, there was a 2016 refunding of the series 2006 and a portion of 2011 Utility Revenue refunding bonds. Also included in revenue bonds is the series 2015 refinancing of the 2007 Capital Improvement Bonds, which were issued to finance the reconstruction of the Charlotte County Sports Park. The pledged revenue for these bonds is the communication sales tax; however, the County uses a 4th and 5th cent tourist tax, state grant dollars and annual capital contributions from the Rays to actually service the debt. Through September 30, 2017, the amount available for debt service from the 4th and 5th cent tourist tax exceeded the amount actually needed to service the debt and there remains at year end a balance in that fund of \$1.8 million. Other revenue sources used to service the debt in lieu of tourist tax include interest income of \$104.7 thousand and impact fees of \$701 thousand, which were used to service the debt when tourism taxes were not sufficient in prior years. In addition, there is a net present value savings realized from the 2015 refunding to date of \$234.7 thousand. The total estimated present value savings from the 2015 refinancing over the life of the debt is \$1.5 million.

Notes and Loans payable consists of the Murdock Village note payable to Bank of America, N.A.. In FY 2012 the County renewed the loan with Bank of America, N.A. for Murdock Village, with an interest rate reduction to 2.95% from 3.48%. The balance at Fiscal Year end 2017 is \$34.4 million. The debt reduction is accomplished through a series of interfund transfers from the County's capital projects fund budgeted and appropriated each year during the budget cycle.

The Florida Local Government Finance Commission issues pooled commercial paper to member Counties to fund a variety of infrastructure projects at very affordable interest rates. Most of the borrowings in this category relate to paving projects within the various Municipal Services Benefit Units (MSBU's), and the repayment of the debt is made via special assessments within those benefiting units. In 2017, the County increased its commercial paper borrowings by \$10.1 million to fund several road paving projects and \$3 million to fund a portion of the Utility Midway Blvd project.

The State Revolving Fund debt consists mainly of loans relating to water and sewer projects throughout the County, also at very low interest rates, as to make these projects affordable. The repayment of the debt is made via special assessments within those benefiting units. In 2017 the County was approved for an amendment to an existing State Revolving Fund loan, which increased the total approved loan amount to \$19.7 million to fund the Spring Lake sewer project. As of September 30, 2017, additional draws totaling \$5.2 million have been recorded as debt on the County's financial statements bringing the total outstanding loan amount to \$10.2 million and thereby causing an increase in revolving fund debt. Also in 2017, the County was approved for several new State Revolving Fund loans totaling approximately \$50 million to fund various Utility System projects of which the repayment of these loans will be made via Utility System operating revenues. These loans are cost reimbursement based and repayments on these new loans will begin in 2018 and later. More information can be found on these timelines in Note 9 of the financial statements, Long Term Obligations on page 62 of this report. As of September 30, 2017 the County recorded an increase of \$7.9 million in revolving fund loan proceeds borrowed relating to these new loans thereby also contributing to the increase in revolving fund debt.

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

The Constitution of the State of Florida, Section 200.181 of the Florida Statutes, and Charlotte County set no legal debt limit. There is no legal debt limit for General Obligation debt in Charlotte County. Additional information on the long-term debt can be found in notes to the financial statements (Note 9) found on pages I-62 - I-72 of this report.

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

County valuations have increased in the upcoming fiscal year by 8.7%, which is the fourth year of increase since the recession, the economy and building industry has turned around. That increase in valuation equates to a \$7.8 million increase in ad valorem revenues county wide. Net new value has doubled from the previous year. The number of new construction permits issued increased from 1,034 in FY 2016 to 1,140 in FY 2016 and permit fees increased by \$175 thousand. Tourism revenues for Charlotte County are at an all time high, having increased 2.8% over the prior year; another signal of economic growth in Charlotte County.

The Board of County Commissioners, at their final budget public hearing held on September 26, 2017, adopted the budget and associated millage rates. The decision was made to hold millage rates flat with FY 2016 for all areas.

The Board of County Commissioners' strategic goals are being addressed and reflected throughout the budget. At their workshop in January 2017 the Charlotte County Board of County Commissioners set the following priority outcomes:

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

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

#### **CONTACT INFORMATION**

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

CHARLOTTE COUNTY, FLORIDA  
STATEMENT OF NET POSITION  
September 30, 2017

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Industrial Development Authority
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 94,519,369	\$ 5,768,199	\$ 100,287,568	\$ 171,011
Restricted cash and cash equivalents	-	2,666,526	2,666,526	-
Investments	307,977,096	23,128,622	331,105,718	-
Restricted investments	-	12,046,897	12,046,897	-
Restricted investments with trustee	-	3,642,109	3,642,109	-
Accounts and assessments receivable - net	3,946,642	9,135,459	13,082,101	-
Interfund balances	1,632,582	(1,632,582)	-	-
Due from other governments	19,028,628	2,930,736	21,959,364	-
Inventory of supplies, at cost	951,173	631,433	1,582,606	-
Land held for resale	41,826,929	-	41,826,929	-
Other assets	2,669,045	714,565	3,383,610	-
Total current assets	<u>472,551,464</u>	<u>59,031,964</u>	<u>531,583,428</u>	<u>171,011</u>
Noncurrent assets:				
Restricted cash	-	6,012,699	6,012,699	-
Restricted investments	-	34,329,764	34,329,764	-
Special assessment receivable - net	-	18,883,464	18,883,464	-
Other assets-long term	452,500	432,101	884,601	-
Capital assets:				
Land	179,835,957	25,528,797	205,364,754	14,796
Buildings	239,492,153	17,428,618	256,920,771	-
Improvement other than buildings	104,600,005	395,438,511	500,038,516	-
Equipment	114,316,699	23,563,799	137,880,498	-
Infrastructure	455,936,552	-	455,936,552	-
Construction in progress	82,840,167	76,650,207	159,490,374	-
Intangible assets	4,345,080	39,629,870	43,974,950	-
Less accumulated depreciation and amortization	(375,757,868)	(253,488,407)	(629,246,275)	-
Total noncurrent assets	<u>806,061,245</u>	<u>384,409,423</u>	<u>1,190,470,668</u>	<u>14,796</u>
Total assets	<u>1,278,612,709</u>	<u>443,441,387</u>	<u>1,722,054,096</u>	<u>185,807</u>
Deferred outflows of resources:				
Deferred charge on refunding	1,064,384	8,145,307	9,209,691	-
Deferred outflow - Pension related	70,179,209	4,533,416	74,712,625	-
Total deferred outflows of resources	<u>\$ 71,243,593</u>	<u>\$ 12,678,723</u>	<u>\$ 83,922,316</u>	<u>\$ -</u>

	Primary Government			Component
	Governmental Activities	Business-type Activities	Total	Unit Industrial Development Authority
<b>LIABILITIES</b>				
Current liabilities:				
Accounts and vouchers payable	\$ 14,475,066	\$ 4,977,687	\$ 19,452,753	\$ -
Contracts payable	4,772,684	2,093,259	6,865,943	-
Accrued liabilities	3,247,276	510,310	3,757,586	-
Due to other governmental agencies	2,760,550	1,076,066	3,836,616	-
Self-insurance claims payable	4,995,556	-	4,995,556	-
Unearned revenue	2,300,008	213,624	2,513,632	-
Deposits	1,661,746	4,982,396	6,644,142	-
Special assessments loans payable	7,961,600	648,464	8,610,064	-
Loans payable	9,208,235	600,000	9,808,235	-
Bonds payable	3,680,000	12,190,000	15,870,000	-
Capital lease payable	108,543	-	108,543	-
Accrued compensated absences	4,180,408	108,431	4,288,839	-
Net pension liability	784,965	183,530	968,495	-
Matured interest payable	702,999	1,785,786	2,488,785	-
Matured bonds payable	1,025,000	-	1,025,000	-
Other liabilities	4,017,171	17,799	4,034,970	-
Total current liabilities	65,881,807	29,387,352	95,269,159	-
Noncurrent liabilities:				
Special assessments loans payable	15,954,000	14,043,588	29,997,588	-
Loans payable	39,844,493	10,296,302	50,140,795	-
Bonds payable	45,280,523	97,832,234	143,112,757	-
Capital lease payable	108,544	-	108,544	-
Accrued compensated absences	10,131,666	950,524	11,082,190	-
Other postemployment benefits	42,516,976	1,115,128	43,632,104	-
Net pension liability	157,718,751	11,348,871	169,067,622	-
Unearned revenue	-	20,649,920	20,649,920	-
Landfill closure costs	-	11,037,932	11,037,932	-
Self-insurance claims payable	4,090,000	-	4,090,000	-
Total noncurrent liabilities	315,644,953	167,274,499	482,919,452	-
Total liabilities	381,526,760	196,661,851	578,188,611	-
Deferred inflows of resources:				
Deferred inflow - Pension related	9,876,752	663,746	10,540,498	-
<b>NET POSITION</b>				
Net Investment in Capital Assets	740,738,039	197,286,114	938,024,153	14,796
Restricted for:				
Debt service	-	3,314,639	3,314,639	-
Contractual obligations	-	25,446,746	25,446,746	-
General government	4,178,297	-	4,178,297	-
General government-court related	1,657,677	-	1,657,677	-
Public safety	20,115,934	-	20,115,934	-
Physical environment	28,371,093	-	28,371,093	-
Transportation	110,540,278	-	110,540,278	-
Human services	3,195,862	-	3,195,862	-
Culture and recreation	11,721,441	-	11,721,441	-
Unrestricted	37,934,169	32,747,014	70,681,183	171,011
Total net position	\$ 958,452,790	\$ 258,794,513	\$1,217,247,303	\$ 185,807

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

CHARLOTTE COUNTY, FLORIDA  
STATEMENT OF ACTIVITIES  
For the Fiscal Year Ended September 30, 2017

	Program Revenues			
Function/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government	\$ 56,655,362	\$ 14,804,769	\$ 641,920	\$ 390,791
Court related	7,333,260	4,351,121	-	-
Public safety	134,939,703	40,169,831	1,358,345	454,281
Physical environment	14,589,155	8,482,349	2,996,669	67,782
Transportation	66,956,185	38,439,171	111,096	3,624,973
Economic environment	3,370,072	498,225	3,458,111	-
Human services	16,836,102	536,598	5,003,896	9,264
Culture and recreation	26,623,151	2,250,599	1,101,185	723,971
Interest on long-term debt	3,114,158	-	-	-
Total governmental activities	330,417,148	109,532,663	14,671,222	5,271,062
Business-type Activities:				
Water and sewer	59,683,633	68,378,145	540,447	9,105,152
Solid waste	20,045,215	19,684,286	14,386	-
Total business-type activities	79,728,848	88,062,431	554,833	9,105,152
Total primary government	\$ 410,145,996	\$ 197,595,094	\$ 15,226,055	\$ 14,376,214
Component Unit				
Charlotte County Industrial Development Authority	\$ 196,692	\$ -	\$ -	\$ -
Total component unit	\$ 196,692	\$ -	\$ -	\$ -
General revenues:				
Taxes				
Property				
Gasoline				
Communication services				
Tourist Development				
Other				
Sales Tax				
Franchise taxes				
Revenue sharing				
Restricted revenue sharing				
Unrestricted state shared revenues				
Unrestricted revenue sharing				
Interest income				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Changes in net position				
Net position - beginning				
Net position - ending				

Net (Expenses) Revenue and Changes in Net Positions

<u>Primary Government</u>			<u>Component Unit</u>
<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Totals</u>	<u>Industrial Development Authority</u>
\$ (40,817,882)	\$ -	\$ (40,817,882)	\$ -
(2,982,139)	-	(2,982,139)	-
(92,957,246)	-	(92,957,246)	-
(3,042,355)	-	(3,042,355)	-
(24,780,945)	-	(24,780,945)	-
586,264	-	586,264	-
(11,286,344)	-	(11,286,344)	-
(22,547,396)	-	(22,547,396)	-
(3,114,158)	-	(3,114,158)	-
<u>(200,942,201)</u>	<u>-</u>	<u>(200,942,201)</u>	<u>-</u>
-	18,340,111	18,340,111	-
-	(346,543)	(346,543)	-
-	17,993,568	17,993,568	-
<u>(200,942,201)</u>	<u>17,993,568</u>	<u>(182,948,633)</u>	<u>-</u>
			(196,692)
			<u>(196,692)</u>
121,724,171	-	121,724,171	-
10,024,588	-	10,024,588	-
5,403,606	-	5,403,606	-
3,899,353	-	3,899,353	-
465,763	-	465,763	-
25,645,935	-	25,645,935	-
9,211,615	-	9,211,615	-
4,901,004	-	4,901,004	-
19,357,197	-	19,357,197	-
3,458,422	957,337	4,415,759	207
3,896,373	5,865,849	9,762,222	50,000
508,724	(508,724)	-	-
<u>208,496,751</u>	<u>6,314,462</u>	<u>214,811,213</u>	<u>50,207</u>
<u>7,554,550</u>	<u>24,308,030</u>	<u>31,862,580</u>	<u>(146,485)</u>
<u>950,898,240</u>	<u>234,486,483</u>	<u>1,185,384,723</u>	<u>332,292</u>
<u>\$ 958,452,790</u>	<u>\$ 258,794,513</u>	<u>\$ 1,217,247,303</u>	<u>\$ 185,807</u>

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

CHARLOTTE COUNTY, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
September 30, 2017

	General Fund	Charlotte Public Safety
<b>ASSETS</b>		
Cash and cash equivalents	\$ 38,102,656	\$ 437,912
Investments	39,796,406	2,447,533
Accounts and assessments receivable, net	3,553,396	-
Due from other funds	3,035,374	307,279
Advances to other funds	1,205,405	-
Due from other governmental agencies	3,897,730	-
Inventory of supplies, at cost	-	-
Other assets	875,537	9,902
Total assets	\$ 90,466,504	\$ 3,202,626
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities		
Accounts and vouchers payable	\$ 3,427,723	\$ 1,750,117
Contracts payable	129,212	-
Accrued liabilities	3,656,345	12,096
Due to other funds	3,759,180	-
Due to other governmental agencies	2,568,541	-
Advances from other funds	2,500,000	-
Deposits	593,400	-
Unearned revenue	339,494	-
Matured interest payable	-	-
Matured bonds payable	-	-
Other liabilities	3,266,201	-
Total liabilities	20,240,096	1,762,213
Deferred Inflows of Resources		
Unavailable revenue	1,087,835	-
Fund Balance		
Nonspendable	608,693	2,824
Restricted	455,150	-
Committed	-	-
Assigned	2,021,230	1,437,589
Unassigned	66,053,500	-
Total fund balances	69,138,573	1,440,413
Total liabilities, deferred inflows of resources, and fund balances	\$ 90,466,504	\$ 3,202,626

Street and Drainage Districts Maintenance	Other Governmental Funds	Total Governmental Funds
\$ 10,738,537	\$ 41,659,597	\$ 90,938,702
59,804,164	191,751,306	293,799,409
-	379,884	3,933,280
372,136	4,537,915	8,252,704
-	12,081,122	13,286,527
-	14,247,312	18,145,042
-	792,721	792,721
139,530	1,470,091	2,495,060
<u>\$ 71,054,367</u>	<u>\$ 266,919,948</u>	<u>\$ 431,643,445</u>
\$ 1,666,547	\$ 7,170,154	\$ 14,014,541
1,179,702	3,463,770	4,772,684
-	992,334	4,660,775
-	4,131,633	7,890,813
-	192,009	2,760,550
-	9,348,817	11,848,817
4,952	1,063,394	1,661,746
-	-	339,494
-	398,553	398,553
-	1,025,000	1,025,000
-	780	3,266,981
<u>2,851,201</u>	<u>27,786,444</u>	<u>52,639,954</u>
<u>-</u>	<u>1,709,980</u>	<u>2,797,815</u>
-	1,346,836	1,958,353
54,484,705	124,840,727	179,780,582
-	19,762,208	19,762,208
13,718,461	93,998,572	111,175,852
-	(2,524,819)	63,528,681
<u>68,203,166</u>	<u>237,423,524</u>	<u>376,205,676</u>
<u>\$ 71,054,367</u>	<u>\$ 266,919,948</u>	<u>\$ 431,643,445</u>

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

CHARLOTTE COUNTY, FLORIDA  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
September 30, 2017

Fund balances - total governmental funds.	\$ 376,205,676
Capital assets, net of accumulated depreciation, and amortization used in governmental activities are not financial resources and are, therefore, not reported in the governmental funds.	804,329,754
Land held for resale in governmental activities is derived from capital assets, which are not financial resources, and is, therefore, not reported in the governmental funds.	41,826,929
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	3,580,614
Certain liabilities are not due and payable in the current period and, therefore, are not reported in the funds. (See Note 2).	(274,966,088)
The assets and liabilities of Internal Service Funds, in addition to those otherwise allocated, are included in the governmental activities in the Statement of Net Position.	<u>7,475,905</u>
Total net position of governmental activities	<u>\$ 958,452,790</u>

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

CHARLOTTE COUNTY, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Fiscal Year Ended September 30, 2017

	<u>General Fund</u>	<u>Charlotte Public Safety</u>
Revenues:		
Taxes	\$ 28,651,091	\$ 67,313,621
Assessments levied	-	-
Licenses and permits	9,782,636	-
Intergovernmental	19,799,411	-
Charges for services	18,449,422	-
Fines and forfeitures	726,870	2,131
Impact fees	-	-
Miscellaneous	7,754,239	364,967
Total revenues	<u>85,163,669</u>	<u>67,680,719</u>
Expenditures:		
Current		
General government	34,932,142	650,349
Court related	1,596,979	-
Public safety	80,719,040	6,523,000
Physical environment	3,599,628	-
Transportation	1,049,291	-
Economic environment	2,378,623	-
Human services	8,586,518	-
Culture and recreation	13,686,650	-
Capital outlay	-	-
Debt service	-	-
Total expenditures	<u>146,548,871</u>	<u>7,173,349</u>
Excess of revenues over/(under) expenditures	<u>(61,385,202)</u>	<u>60,507,370</u>
Other financing sources (uses)		
Issuance of debt	-	-
Installment purchase proceeds	217,087	-
Transfers in	70,043,266	294,167
Transfers out	<u>(10,987,596)</u>	<u>(64,521,341)</u>
Total other financing sources (uses):	<u>59,272,757</u>	<u>(64,227,174)</u>
Net change in fund balances	(2,112,445)	(3,719,804)
Fund balances, October 1, 2016	<u>71,251,018</u>	<u>5,160,217</u>
Fund balances, September 30, 2017	<u>\$ 69,138,573</u>	<u>\$ 1,440,413</u>

Street and Drainage Districts Maintenance	Other Governmental Funds	Total Governmental Funds
\$ 1,011,148	\$ 70,187,556	\$ 167,163,416
27,502,391	29,338,349	56,840,740
-	4,738,408	14,521,044
-	16,931,364	36,730,775
-	18,554,859	37,004,281
-	1,640,888	2,369,889
-	3,654,306	3,654,306
618,761	5,161,628	13,899,595
<u>29,132,300</u>	<u>150,207,358</u>	<u>332,184,046</u>
-	2,015,164	37,597,655
-	5,617,440	7,214,419
-	30,782,044	118,024,084
-	12,149,686	15,749,314
31,263,003	23,258,177	55,570,471
-	895,953	3,274,576
-	6,557,909	15,144,427
-	5,868,876	19,555,526
-	53,988,183	53,988,183
2,486,544	10,674,896	13,161,440
<u>33,749,547</u>	<u>151,808,328</u>	<u>339,280,095</u>
<u>(4,617,247)</u>	<u>(1,600,970)</u>	<u>(7,096,049)</u>
10,125,000	-	10,125,000
-	-	217,087
330,550	24,563,961	95,231,944
-	(19,194,629)	(94,703,566)
<u>10,455,550</u>	<u>5,369,332</u>	<u>10,870,465</u>
5,838,303	3,768,362	3,774,416
62,364,863	233,655,162	372,431,260
<u>\$ 68,203,166</u>	<u>\$ 237,423,524</u>	<u>\$ 376,205,676</u>

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

CHARLOTTE COUNTY, FLORIDA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
For the Fiscal Year Ended September 30, 2017

Net change in fund balances - total governmental funds.	\$ 3,774,416
Capital outlay, reported as expenditures in governmental funds, is shown as capital assets in the Statement of Net Position.	66,291,629
Revaluation of land held for resale presented on the Statement of Activities.	(13,747,881)
Depreciation and amortization expense on governmental capital assets included in the Statement of Activities.	(33,095,699)
Issuance of debt provides current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the Statement of Net Position.	(10,342,087)
Bond, loan and note principal payments are presented as expenditures in governmental funds but not in governmental activities.	9,959,750
The net revenues (expenses) of internal service funds (funds to charge self-insurance, health insurance and vehicle maintenance) are reported with governmental activities.	(313,099)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. In the statement of activities, however, revenues are reported regardless of when available.	2,284,633
In governmental funds expenditures for interest are recognized when paid; however, in the Statement of Activities, interest payable is reported when the liability is incurred.	27,533
The increase in accrued compensated absences reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds.	(65,521)
In governmental funds, bond premiums and bond refunding expenditures are recognized when paid; however, in the Statement of Activities these items are amortized.	59,999
The increase in other postemployment benefits reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds.	(6,048,953)
The increase in pension liability, deferred outflows, and deferred inflows related to pensions are reported in the Statement of Activities, but do not require the use of current financial resources and, therefore, are not reported as an expenditure in the governmental funds.	<u>(11,230,170)</u>
Change in net position of governmental activities	<u>\$ 7,554,550</u>

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

CHARLOTTE COUNTY, FLORIDA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
For the Fiscal Year Ended September 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 29,471,194	\$ 29,471,194	\$ 28,651,091	\$ (820,103)
Licenses and permits	9,313,250	9,313,250	9,782,636	469,386
Intergovernmental	17,668,910	17,882,085	19,799,411	1,917,326
Charges for services	11,240,862	11,372,816	18,449,422	7,076,606
Fines and forfeitures	625,500	625,500	726,870	101,370
Miscellaneous	7,708,876	7,691,394	7,754,239	62,845
Less: Reserves	(3,217,434)	(3,217,434)	-	3,217,434
Total revenues	<u>72,811,158</u>	<u>73,138,805</u>	<u>85,163,669</u>	<u>12,024,864</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General Government</b>				
<b>Non-court related</b>				
Personal services	26,229,454	26,155,030	25,144,786	1,010,244
Contract/Professional services	4,071,241	4,723,141	3,470,050	1,253,091
Purchased services	3,386,874	3,432,638	4,064,482	(631,844)
Materials/Supplies	1,119,223	1,306,395	1,214,027	92,368
Capital expenditures	742,619	1,542,449	1,038,797	503,652
<b>Court related</b>				
Personal services	1,226,521	1,186,773	1,162,399	24,374
Contract/Professional services	209,761	115,493	122,360	(6,867)
Purchased services	194,651	143,651	144,591	(940)
Materials/Supplies	36,033	98,533	78,097	20,436
Capital expenditures	99,567	89,567	89,532	35
Total general government	<u>37,315,944</u>	<u>38,793,670</u>	<u>36,529,121</u>	<u>2,264,549</u>
<b>Public safety</b>				
Personal services	63,966,132	64,096,689	63,646,115	450,574
Contract/Professional services	2,693,340	2,780,972	2,528,246	252,726
Purchased services	10,497,569	10,105,485	9,631,660	473,825
Materials/Supplies	553,730	604,843	861,418	(256,575)
Capital expenditures	1,147,000	4,106,220	4,051,601	54,619
Total public safety	<u>78,857,771</u>	<u>81,694,209</u>	<u>80,719,040</u>	<u>975,169</u>
<b>Physical environment</b>				
Personal Services	2,077,149	1,789,163	1,812,526	(23,363)
Contract/Professional services	832,239	1,101,323	779,355	321,968
Purchased services	384,396	384,396	469,144	(84,748)
Materials/Supplies	175,919	175,919	167,047	8,872
Capital expenditures	75,000	75,000	249,784	(174,784)
Grants & Aids	118,523	118,523	121,772	(3,249)
Total physical environment	<u>3,663,226</u>	<u>3,644,324</u>	<u>3,599,628</u>	<u>44,696</u>
<b>Transportation</b>				
Personal services	865,888	865,888	844,543	21,345
Contract/Professional services	14,168	14,168	14,168	-
Purchased services	26,643	26,643	23,959	2,684
Materials/Supplies	29,279	29,279	14,120	15,159
Capital expenditures	-	10,530	152,501	(141,971)
Total Transportation	<u>935,978</u>	<u>946,508</u>	<u>1,049,291</u>	<u>(102,783)</u>

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

CHARLOTTE COUNTY, FLORIDA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
For the Fiscal Year Ended September 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Economic Environment				
Personal services	915,219	915,219	820,070	95,149
Contract/Professional services	276,141	397,141	328,596	68,545
Purchased services	398,006	337,006	206,872	130,134
Materials/Supplies	34,379	34,379	34,727	(348)
Grants & Aids	988,200	988,200	988,358	(158)
Total economic environment	<u>2,611,945</u>	<u>2,671,945</u>	<u>2,378,623</u>	<u>293,322</u>
Human service				
Personal services	2,065,563	2,094,339	1,804,047	290,292
Contract/Professional services	981,116	1,011,716	901,613	110,103
Purchased services	2,681,658	2,771,603	2,592,681	178,922
Materials/Supplies	761,949	708,719	646,026	62,693
Capital expenditures	81,500	128,851	247,662	(118,811)
Grants & Aids	2,279,681	2,354,681	2,394,489	(39,808)
Total human services	<u>8,851,467</u>	<u>9,069,909</u>	<u>8,586,518</u>	<u>483,391</u>
Culture and recreation				
Personal services	6,636,816	6,661,999	5,865,564	796,435
Contract/Professional services	4,011,427	3,507,665	3,389,086	118,579
Purchased services	2,415,357	2,415,596	2,639,495	(223,899)
Materials/Supplies	1,004,423	1,005,173	881,053	124,120
Capital expenditures	3,633,305	3,664,555	886,452	2,778,103
Grants & Aids	25,000	75,000	25,000	50,000
Total culture and recreation	<u>17,726,328</u>	<u>17,329,988</u>	<u>13,686,650</u>	<u>3,643,338</u>
Total expenditures	<u>149,962,659</u>	<u>154,150,553</u>	<u>146,548,871</u>	<u>7,601,682</u>
Excess of revenues over/(under) expenditures	<u>(77,151,501)</u>	<u>(81,011,748)</u>	<u>(61,385,202)</u>	<u>19,626,546</u>
Other financing sources (uses):				
Proceeds from installment purchase	-	217,087	217,087	-
Transfers from other funds	72,115,633	72,633,381	70,043,266	(2,590,115)
Transfers to other funds	(5,446,831)	(9,529,445)	(10,987,596)	(1,458,151)
Total other financing sources (uses)	<u>66,668,802</u>	<u>63,321,023</u>	<u>59,272,757</u>	<u>(4,048,266)</u>
Net change in fund balance	(10,482,699)	(17,690,725)	(2,112,445)	15,578,280
Fund balances, October 1, 2016	<u>69,872,882</u>	<u>69,928,243</u>	<u>71,251,018</u>	<u>1,322,775</u>
Fund balances, September 30, 2017	<u>\$ 59,390,183</u>	<u>\$ 52,237,518</u>	<u>\$ 69,138,573</u>	<u>\$ 16,901,055</u>

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

CHARLOTTE COUNTY, FLORIDA  
 CHARLOTTE PUBLIC SAFETY  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL  
 For the Fiscal Year Ended September 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 69,559,819	\$ 69,559,819	\$ 67,313,621	\$ (2,246,198)
Fines and forfeitures	-	-	2,131	2,131
Miscellaneous	-	-	364,967	364,967
Less: Reserves	<u>(3,384,492)</u>	<u>(3,384,492)</u>	<u>-</u>	<u>3,384,492</u>
Total revenues	<u>66,175,327</u>	<u>66,175,327</u>	<u>67,680,719</u>	<u>1,505,392</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government				
Purchased services	<u>650,767</u>	<u>650,767</u>	<u>650,349</u>	<u>418</u>
Total general government	<u>650,767</u>	<u>650,767</u>	<u>650,349</u>	<u>418</u>
Public safety				
Personal services	361,798	361,798	346,665	15,133
Contract/Professional services	1,052,236	2,508,236	2,886,999	(378,763)
Purchased services	3,187,050	3,187,050	3,159,559	27,491
Materials/Supplies	106,297	106,297	95,955	10,342
Capital expenditures	<u>161,991</u>	<u>161,991</u>	<u>33,822</u>	<u>128,169</u>
Total public safety	<u>4,869,372</u>	<u>6,325,372</u>	<u>6,523,000</u>	<u>(197,628)</u>
Total expenditures	<u>5,520,139</u>	<u>6,976,139</u>	<u>7,173,349</u>	<u>(197,210)</u>
Excess of revenues over/(under) expenditures	<u>60,655,188</u>	<u>59,199,188</u>	<u>60,507,370</u>	<u>1,308,182</u>
<b>Other financing sources (uses):</b>				
Transfers from other funds	-	-	294,167	294,167
Transfers to other funds	<u>(62,054,949)</u>	<u>(64,521,341)</u>	<u>(64,521,341)</u>	<u>-</u>
Total other financing sources (uses)	<u>(62,054,949)</u>	<u>(64,521,341)</u>	<u>(64,227,174)</u>	<u>294,167</u>
Net change in fund balance	(1,399,761)	(5,322,153)	(3,719,804)	1,602,349
Fund balances, October 1, 2016	<u>6,033,206</u>	<u>6,033,206</u>	<u>5,160,217</u>	<u>(872,989)</u>
Fund balances, September 30, 2017	<u>\$ 4,633,445</u>	<u>\$ 711,053</u>	<u>\$ 1,440,413</u>	<u>\$ 729,360</u>

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

CHARLOTTE COUNTY, FLORIDA  
STREET AND DRAINAGE DISTRICTS MAINTENANCE  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
For the Fiscal Year Ended September 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 1,046,424	\$ 1,046,424	\$ 1,011,148	\$ (35,276)
Assessments levied	27,889,859	27,889,859	27,502,391	(387,468)
Miscellaneous	201,968	201,968	618,761	416,793
Less: Reserves	(1,456,845)	(1,456,845)	-	1,456,845
Total revenues	<u>27,681,406</u>	<u>27,681,406</u>	<u>29,132,300</u>	<u>1,450,894</u>
<b>Expenditures:</b>				
Current				
Transportation				
Contract/Professional services	63,215,367	63,597,712	20,987,384	42,610,328
Purchased services	11,982,439	12,016,439	7,958,492	4,057,947
Materials/Supplies	918,399	918,399	429,721	488,678
Capital expenditures	11,756,978	12,711,961	1,887,406	10,824,555
Sub-total transportation	<u>87,873,183</u>	<u>89,244,511</u>	<u>31,263,003</u>	<u>57,981,508</u>
Debt service	<u>4,858,788</u>	<u>4,858,788</u>	<u>2,486,544</u>	<u>2,372,244</u>
Total expenditures	<u>92,731,971</u>	<u>94,103,299</u>	<u>33,749,547</u>	<u>60,353,752</u>
Excess of revenues over/(under) expenditures	<u>(65,050,565)</u>	<u>(66,421,893)</u>	<u>(4,617,247)</u>	<u>61,804,646</u>
<b>Other financing sources (uses)</b>				
Proceeds from debt	36,290,000	36,290,000	10,125,000	(26,165,000)
Transfers from other funds	109,412	109,412	330,550	221,138
Total other financing sources (uses)	<u>36,399,412</u>	<u>36,399,412</u>	<u>10,455,550</u>	<u>(25,943,862)</u>
Net change in fund balance	(28,651,153)	(30,022,481)	5,838,303	35,860,784
Fund balances, October 1, 2016	<u>62,702,836</u>	<u>62,702,836</u>	<u>62,364,863</u>	<u>(337,973)</u>
Fund balances, September 30, 2017	<u>\$ 34,051,683</u>	<u>\$ 32,680,355</u>	<u>\$ 68,203,166</u>	<u>\$ 35,522,811</u>

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

CHARLOTTE COUNTY, FLORIDA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
September 30, 2017

	Business-type Activities Enterprise Funds			Governmental Activities	
	Charlotte County Landfill	Charlotte County Utility System	Nonmajor Sanitation Dist.	Total	Internal Service Funds
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 2,589,509	\$ 2,874,569	\$ 304,121	\$ 5,768,199	\$ 3,580,667
Restricted cash and cash equivalents	4,401	2,662,125	-	2,666,526	-
Investments	14,045,625	7,406,397	1,676,601	23,128,623	14,177,687
Restricted investments	17,806	12,029,091	-	12,046,897	-
Restricted investments, with trustee	-	3,642,109	-	3,642,109	-
Accounts and assessments receivable - net	316,933	8,818,526	-	9,135,459	13,362
Due from other governmental agencies	123,876	2,806,860	-	2,930,736	100,857
Due from other funds	-	115,918	559,713	675,631	3,647
Inventory of supplies, at cost	-	631,433	-	631,433	158,452
Other assets	85,221	529,254	100,090	714,565	626,485
Total current assets:	<u>17,183,371</u>	<u>41,516,282</u>	<u>2,640,525</u>	<u>61,340,178</u>	<u>18,661,157</u>
Noncurrent Assets:					
Restricted cash	1,355,554	4,657,145	-	6,012,699	-
Restricted investments	7,565,450	26,764,313	-	34,329,763	-
Special assessments receivable - net	-	18,883,464	-	18,883,464	-
Other assets, net	-	432,101	-	432,101	-
Capital assets:					
Land	3,457,348	22,071,449	-	25,528,797	-
Buildings	2,309,365	15,119,253	-	17,428,618	1,542,388
Improvements other than buildings	19,847,480	375,591,031	-	395,438,511	40,321
Machinery and equipment	6,266,553	17,297,246	-	23,563,799	236,723
Construction in progress	-	76,650,207	-	76,650,207	66,410
Intangible assets	-	39,629,870	-	39,629,870	-
Less accumulated depreciation and amortization	(18,437,147)	(235,051,260)	-	(253,488,407)	(606,851)
Total noncurrent assets -net	<u>22,364,603</u>	<u>362,044,819</u>	<u>-</u>	<u>384,409,422</u>	<u>1,278,991</u>
Total assets	<u>39,547,974</u>	<u>403,561,101</u>	<u>2,640,525</u>	<u>445,749,600</u>	<u>19,940,148</u>
Deferred outflows of resources:					
Deferred charge on refunding	-	8,145,307	-	8,145,307	-
Deferred outflow - Pension related	480,276	4,053,140	-	4,533,416	230,317
Total deferred outflows of resources	<u>\$ 480,276</u>	<u>\$ 12,198,447</u>	<u>\$ -</u>	<u>\$ 12,678,723</u>	<u>\$ 230,317</u>

	Business-type Activities Enterprise Funds				Governmental Activities
	Charlotte County Landfill	Charlotte	Nonmajor Sanitation Dist	Total	Internal Service Funds
		County Utility System			
<b>LIABILITIES</b>					
Current liabilities:					
Accounts and vouchers payable	\$ 246,030	\$ 3,682,131	\$ 1,049,526	\$ 4,977,687	\$ 460,525
Contracts payable	-	2,093,259	-	2,093,259	-
Accrued liabilities	54,805	455,505	-	510,310	25,200
Due to other governmental agencies	-	1,076,066	-	1,076,066	-
Due to other funds	457,933	462,570	-	920,503	120,666
Self-insurance claims payable	-	-	-	-	3,556,927
Unearned revenue	-	89,000	124,624	213,624	1,960,514
Deposits	22,207	4,960,189	-	4,982,396	-
Loans payable	-	600,000	-	600,000	-
Special assessment loans payable	-	648,464	-	648,464	-
Bonds payable	-	12,190,000	-	12,190,000	-
Matured interest payable	-	1,785,786	-	1,785,786	-
Accrued compensated absences	14,189	94,242	-	108,431	185,817
Net pension liability	19,467	164,063	-	183,530	-
Other liabilities	-	17,799	-	17,799	750,190
Total current liabilities	<u>814,631</u>	<u>28,319,074</u>	<u>1,174,150</u>	<u>30,307,855</u>	<u>7,059,839</u>
Noncurrent liabilities:					
Notes, loans, capital leases	-	10,296,302	-	10,296,302	-
Special assessment loans payable	-	14,043,588	-	14,043,588	-
Bonds Payable	-	97,832,234	-	97,832,234	-
Advances from other funds	-	1,387,710	-	1,387,710	50,000
Accrued compensated absences	121,830	828,694	-	950,524	810,043
Other postemployment benefits	125,117	990,011	-	1,115,128	66,800
Net pension liability	1,216,484	10,132,387	-	11,348,871	584,294
Unearned revenue	-	20,649,920	-	20,649,920	-
Landfill closure costs	11,037,932	-	-	11,037,932	-
Self-insurance claims payable	-	-	-	-	4,090,000
Total noncurrent liabilities	<u>12,501,363</u>	<u>156,160,846</u>	<u>-</u>	<u>168,662,209</u>	<u>5,601,137</u>
Total liabilities	<u>13,315,994</u>	<u>184,479,920</u>	<u>1,174,150</u>	<u>198,970,064</u>	<u>12,660,976</u>
Deferred inflows of resources:					
Deferred inflow - Pension related	<u>70,850</u>	<u>592,896</u>	<u>-</u>	<u>663,746</u>	<u>33,584</u>
<b>NET POSITION</b>					
Net Investment in Capital Assets	13,443,599	183,842,515	-	197,286,114	1,278,991
Restricted for debt service	-	3,314,639	-	3,314,639	-
Restricted for contractual obligations	271,860	25,174,886	-	25,446,746	-
Unrestricted	<u>12,925,947</u>	<u>18,354,692</u>	<u>1,466,375</u>	<u>32,747,014</u>	<u>6,196,914</u>
Total net position	<u>\$ 26,641,406</u>	<u>\$ 230,686,732</u>	<u>\$ 1,466,375</u>	<u>\$ 258,794,513</u>	<u>\$ 7,475,905</u>

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

CHARLOTTE COUNTY, FLORIDA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
For the Fiscal Year Ended September 30, 2017

	Business-type Activities Enterprise Funds			Total	Governmental Activities
	Charlotte County Landfill	Charlotte County Utility System	Nonmajor Sanitation Dist		Internal Service Funds
Operating revenues:					
Charges for services	\$ 5,189,264	\$ 68,378,146	\$ 14,495,022	\$ 88,062,432	\$ 34,563,774
Miscellaneous	55,566	5,577,864	-	5,633,430	209,283
Total operating revenues	<u>5,244,830</u>	<u>73,956,010</u>	<u>14,495,022</u>	<u>93,695,862</u>	<u>34,773,057</u>
Operating expenses:					
Personal services	2,036,995	16,485,096	-	18,522,091	1,474,115
Contractual services	1,273,034	5,337,932	11,500,693	18,111,659	3,396,087
Cost of sales and service	-	11,782,738	-	11,782,738	2,719,941
Closing and monitoring costs	501,078	-	-	501,078	-
Depreciation expense and amortization	1,080,939	13,162,844	-	14,243,783	70,455
Insurance claims	22,322	212,428	-	234,750	21,370,331
Insurance premiums	-	-	-	-	5,805,567
Purchased services	515,200	4,755,958	2,678,968	7,950,126	306,616
Materials & supplies	226,689	4,811,874	-	5,038,563	82,010
Total operating expenses	<u>5,656,257</u>	<u>56,548,870</u>	<u>14,179,661</u>	<u>76,384,788</u>	<u>35,225,122</u>
Operating income (loss)	<u>(411,427)</u>	<u>17,407,140</u>	<u>315,361</u>	<u>17,311,074</u>	<u>(452,065)</u>
Nonoperating revenues (expenses)					
Interest revenue	211,512	700,065	45,759	957,336	140,120
Interest and fiscal charges	-	(3,134,763)	-	(3,134,763)	-
Grants and entitlements	14,386	540,447	-	554,833	18,500
Gain (loss) on abandonment/sale of assets	(151,462)	174,584	-	23,122	-
Total nonoperating revenues (expenses)	<u>74,436</u>	<u>(1,719,667)</u>	<u>45,759</u>	<u>(1,599,472)</u>	<u>158,620</u>
Income (loss) before contributions and transfers	(336,991)	15,687,473	361,120	15,711,602	(293,445)
Capital Contributions	-	9,105,152	-	9,105,152	-
Transfers in	-	91,540	109,326	200,866	9,266
Transfers out	(48,794)	(660,796)	-	(709,590)	(28,920)
Change in net position	(385,785)	24,223,369	470,446	24,308,030	(313,099)
Total net position - beginning	27,027,191	206,463,363	995,929	234,486,483	7,789,004
Total net position - ending	<u>\$ 26,641,406</u>	<u>\$ 230,686,732</u>	<u>\$ 1,466,375</u>	<u>\$ 258,794,513</u>	<u>\$ 7,475,905</u>

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

CHARLOTTE COUNTY, FLORIDA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Fiscal Year Ended September 30, 2017

	Business-type Activities			Total	Governmental
	Enterprise Funds				Activities
	Charlotte County Landfill	Charlotte County Utility System	Nonmajor Charlotte Sanitation Dist		Internal Service Funds
Cash flows from operating activities:					
Cash received from customers	\$ 5,066,054	\$ 67,513,082	\$ 14,519,146	\$ 87,098,282	\$ 34,872,615
Cash payments to suppliers for goods and services	(1,816,793)	(25,688,485)	(15,083,178)	(42,588,456)	(12,542,172)
Cash payments to employees for services	(1,961,868)	(15,954,301)	-	(17,916,169)	(1,400,854)
Insurance claims	-	-	-	-	(20,673,490)
Other operating revenues	69,952	5,876,847	-	5,946,799	622,179
Deposits	(5,372)	(3,471)	-	(8,843)	-
Net cash provided (used) by operating activities	<u>1,351,973</u>	<u>31,743,672</u>	<u>(564,032)</u>	<u>32,531,613</u>	<u>878,278</u>
Cash flows from non-capital financing activities:					
Operating grants	-	349,912	-	349,912	(18,500)
Loans to other funds	-	(460,509)	-	(460,509)	-
Transfer in from other funds/govts	-	21,086	89,590	110,676	-
Transfers in from other funds	-	5,825	-	5,825	(9,266)
Transfers to other funds	(48,794)	(660,796)	-	(709,590)	-
Net cash provided (used) by noncapital financing activities	<u>(48,794)</u>	<u>(744,482)</u>	<u>89,590</u>	<u>(703,686)</u>	<u>(27,766)</u>
Cash flows from capital/related financing activities:					
Acquisition of capital assets	(1,364,948)	(29,041,611)	-	(30,406,559)	(15,953)
Advances from other funds	-	-	-	-	(120,000)
Proceeds sale capital assets	57,835	188,906	-	246,741	-
Principal paid on bonds and notes	-	(12,142,178)	-	(12,142,178)	-
Interest/finance costs on bonds/notes	-	(1,923,404)	-	(1,923,404)	-
Capital contributions	-	3,489,548	-	3,489,548	-
Capital contributed reduction in assessment receivable	-	2,314,087	-	2,314,087	-
Capital advances to other funds	-	-	-	-	(28,920)
Proceeds from bonds/notes	-	16,436,445	-	16,436,445	-
Net cash used by capital financing activities	<u>(1,307,113)</u>	<u>(20,678,207)</u>	<u>-</u>	<u>(21,985,320)</u>	<u>(164,873)</u>
Cash flows from investing activities:					
Purchase of investment securities	(15,096,788)	(152,715,055)	(15,557,705)	(183,369,548)	(37,407,362)
Proceeds from sale and maturities of investment securities	9,201,362	133,684,590	15,731,207	158,617,159	32,899,128
Interest and dividends on investments	194,038	681,775	42,763	918,576	127,386
Net cash provided (used) by investing activities	<u>(5,701,388)</u>	<u>(18,348,690)</u>	<u>216,265</u>	<u>(23,833,813)</u>	<u>(4,380,848)</u>
Net decrease in cash and cash equivalents	(5,705,322)	(8,027,707)	(258,177)	(13,991,206)	(3,695,209)
Cash and cash equivalents, October 1, 2016	<u>9,654,786</u>	<u>18,221,546</u>	<u>562,298</u>	<u>28,438,630</u>	<u>7,275,876</u>
Cash and cash equivalents, September 30, 2017	<u>\$ 3,949,464</u>	<u>\$ 10,193,839</u>	<u>\$ 304,121</u>	<u>\$ 14,447,424</u>	<u>\$ 3,580,667</u>

CHARLOTTE COUNTY, FLORIDA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Fiscal Year Ended September 30, 2017

	Business-type Activities Enterprise Funds			Governmental Activities	
	Charlotte County Landfill	Charlotte County Utility System	Nonmajor Charlotte Sanitation Dist	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided from operating activities:					
Operating income (loss)	\$ (411,427)	\$ 17,407,140	\$ 315,361	\$ 17,311,074	\$ (452,065)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization	1,080,939	13,162,844	-	14,243,783	70,455
Deferred outflows - pension related (increase)	(60,968)	(868,242)	-	(929,210)	(54,526)
Deferred inflows - pension related (decrease)	49,697	432,080	-	481,777	24,701
Changes in assets and liabilities:					
(Increase) decrease in:					
Accounts receivable	(173,141)	(457,194)	-	(630,335)	579,388
Due from constitutional officers	-	-	-	-	4,000
Due from other governmental agencies	(51,275)	(97,488)	(8,521)	(157,284)	(86,760)
Due from other funds - internal	-	13,400	(101,208)	(87,808)	-
Inventory	-	(79,292)	-	(79,292)	(15,148)
Other assets	179,389	(32,527)	-	146,862	(3,850)
Increase (decrease) in:					
Accounts and vouchers payable	52,289	626,507	(792,936)	(114,140)	(157,075)
Accrued liabilities	11,955	113,356	-	125,311	9,130
Due to constitutional officers	-	-	-	-	600
Due to other governmental agencies	-	37,041	-	37,041	-
Due to other funds - internal	98,729	9,600	-	108,329	66
Other liabilities	-	6,186	-	6,186	(15,280)
Deposits	(5,372)	(3,471)	-	(8,843)	-
Accrued compensated absences	3,788	22,797	-	26,585	5,365
Other postemployment benefits	9,386	86,237	-	95,623	1,739
Closing and monitoring costs	501,078	-	-	501,078	-
Self-insurance claims payable	-	-	-	-	711,161
Unearned revenue	-	89,000	23,272	112,272	165,061
Net pension liability	66,906	1,275,698	-	1,342,604	91,316
Total adjustments	<u>1,763,400</u>	<u>14,336,532</u>	<u>(879,393)</u>	<u>15,220,539</u>	<u>1,330,343</u>
Net cash provided (used) by operating activities	<u>\$ 1,351,973</u>	<u>\$ 31,743,672</u>	<u>\$ (564,032)</u>	<u>\$ 32,531,613</u>	<u>\$ 878,278</u>
Noncash investing, capital and financing activities:					
Gain (loss) on disposition of assets	\$ (151,462)	\$ 174,584	\$ -	\$ 23,122	\$ -
Acquisition of contributed assets	-	3,552,249	-	3,552,249	-
Change in fair value of investments	-	(114,372)	-	(114,372)	(33,745)

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

CHARLOTTE COUNTY, FLORIDA  
STATEMENT OF FIDUCIARY NET POSITION  
AGENCY FUNDS  
September 30, 2017

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 11,508,132
Investments	6,730
Accounts and assessments receivable, net	3,622,518
Due from other governmental agencies	1,437
Due from individuals	8,181
Other assets	15
Total assets	<u>\$ 15,147,013</u>
<b>LIABILITIES</b>	
Due to other governmental agencies	\$ 4,883,271
Due to individuals	463,782
Deposits	5,167,431
Other liabilities	4,632,529
Total liabilities	<u>\$ 15,147,013</u>

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

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2017

**Note 1. Organization and Summary of Significant Accounting Policies**

**Organization**

**Defining the Governmental Reporting Entity**

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

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

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

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

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

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

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

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2017

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

**Organization (continued)**

**Defining the Governmental Reporting Entity (continued)**

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

In addition to the above blended component units and in accordance with GASB Statement No. 14, as amended by Statement No. 39, and GASB Statement No. 61, the County includes, as discretely presented component unit, the Charlotte County Industrial Development Authority.

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

The Charlotte County Housing Finance Authority, previously reported as a component unit, was terminated on October 11, 2016 with Ordinance 2016-034.

Charlotte 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 Babcock Ranch Community District; the Bermont Drainage District; the Central Charlotte Drainage District; the Charlotte County Airport Authority; the Charlotte Soil and Water Conservation District; the East Charlotte Drainage District and five Community Development Districts (CDD's) established pursuant to 190.005 F.S.

**Basic Financial Statements**

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

Government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements report on the government as a whole, both the primary government and its component units, and provide a consolidated financial picture of the government. As part of the consolidation process, inter-fund activities are eliminated to avoid distorted financial results with the exception of interfund services provided and used. Fiduciary funds of the government are also eliminated from this presentation since these resources are not available for general government funding purposes. The Statement of Net Position reports all financial and capital resources of Charlotte County's governmental and business-type activities.

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2017

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

**Basic Financial Statements (continued)**

It is presented in a net position format (assets and deferred outflows of resources less liabilities and deferred inflows of resources equal net position) and shown with three components: net investment in capital assets; restricted net position; and unrestricted net position. The Statement of Activities reports functional categories of programs provided by the County and demonstrates how, and to what degree, those programs are supported by program revenue.

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

**The County reports the following Major Governmental Funds:**

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

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

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

All other governmental funds are considered nonmajor.

**The County reports the following Major Proprietary Funds:**

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

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

**The County reports the following Nonmajor Proprietary Funds:**

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

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2017

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

**Basic Financial Statements (continued)**

**Additionally, the County reports the following fund types:**

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

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

**(a) Fund Accounting**

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

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

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

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

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2017

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

**Basic Financial Statements (continued)**

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

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

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

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

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

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2017

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

**Basic Financial Statements (continued)**

**(c) Budgets and Budgetary Accounting**

The Board adopts budgets for all Board funds except Local Law Enforcement Grant. The Property Appraiser and the Tax Collector adopt budgets for their General Funds independently of the Board, which are approved by the Florida Department of Revenue. The Sheriff, Supervisor of Elections and Clerk of the Circuit Court (to the extent of his function as ex officio Clerk to the Board and amounts above his fee structure as Clerk of the Circuit Court) prepare budgets for their General Fund, which are submitted to, and approved by the Board, and are included in the General Fund and the General Fund Budget to Actual Statement. The Special Revenue and Debt Service funds of the Clerk of the Circuit Court, Sheriff and Property Appraiser are not submitted or adopted by the Board, therefore, no Budget to Actual Statements are presented.

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

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

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

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

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2017

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

**Basic Financial Statements (continued)**

**(c) Budgets and Budgetary Accounting (continued)**

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

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

In addition, administrative authority to transfer budgeted amounts within a fund of the Board is delegated to the County Administrator for amounts not exceeding \$10,000. Thus, the legal level of budgetary control, or that level at which the Board must approve any over expenditures of appropriation or transfers of appropriated amounts is at the department level.

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

**(d) Bond Issuance Costs and Bond Discount**

Bond discount or premium in the government-wide financial statements and the Proprietary Funds are amortized over the life of the bonds using the straight line method, which approximates the interest method. Revenue Bonds payable in the government-wide financial statements and the Proprietary Funds financial statements are shown net of unamortized bond discount or premium. In accordance with GASB Statement No. 65, debt issuance costs, excluding any portion related to prepaid insurance, are expensed in the period incurred.

**(e) Encumbrances**

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

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2017

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

**Basic Financial Statements (continued)**

**(f) Cash and Investments**

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

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

**(g) Accounts Receivable**

The accounts receivable of the County are recorded net of allowance for doubtful accounts of \$31,383,245.

**(h) Inventory**

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

**(i) Land Held for Resale**

Land held for resale consists of Murdock Village land for which the County is currently seeking developers. The land was purchased over a period of years at an aggregate price of \$105,216,060 and is presented on the government wide financial statements at a net realizable value of \$41,826,929, based upon an independent appraisal provided in September 30, 2017, and a subsequent contracted sale of certain parcels, less estimated selling costs. The contracted sale amounts to \$11,600,000 with closing costs of \$518,000. The appraisal is a level 3 fair value measurement under the fair value hierarchy described on page 53.

**(j) Capital Assets**

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

CHARLOTTE COUNTY, FLORIDA  
 NOTES TO THE FINANCIAL STATEMENTS  
 September 30, 2017

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

**Basic Financial Statements (continued)**

**(j) Capital Assets (continued)**

The ranges of the useful lives are as follows:

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

**(k) Capitalized Interest**

Interest costs related to construction projects are capitalized in the Proprietary Funds. For the fiscal year ended September 30, 2017, interest expense for the Proprietary Funds was \$3,692,347, of which \$1,828,555 was capitalized.

**(l) Deferred Outflows/Inflows of Resources**

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

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

**(m) Compensated Absences**

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

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

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

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2017

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

**Basic Financial Statements (continued)**

**(n) Net Position/Fund Balance Classification**

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

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

Spendable Fund Balances:

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

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

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

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

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

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

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

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2017

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

**Basic Financial Statements (continued)**

**(n) Net Position/Fund Balance Classification (continued)**

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

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

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

**(o) Capital Contribution**

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

**(p) Interfund Transactions**

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

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

**(q) Unamortized Gains or Losses from Debt Refundings**

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

CHARLOTTE COUNTY, FLORIDA  
 NOTES TO THE FINANCIAL STATEMENTS  
 September 30, 2017

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

**Basic Financial Statements (continued)**

**(r) Use of Estimate**

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

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

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

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

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

Compensated Absences	\$ 13,316,214
Loans Payable	119,940,415
Other Postemployment Benefits	42,450,176
Net Pension Liability	157,919,422
Accrued Interest Payable	304,446
Unamortized Premium	2,205,523
Unamortized Deferred Outflow - Loss on Refunding	(1,064,384)
Unamortized Deferred Outflow - Pension Related	(69,948,892)
Unamortized Deferred Inflow - Pension Related	<u>9,843,168</u>
Net adjustment to reduce Fund Balance-Total Governmental Funds to arrive at Net Position-Governmental Activities	<u><u>\$274,966,088</u></u>

**Note 3. Property Taxes**

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

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2017

**Note 3. Property Taxes (continued)**

Procedures for collecting delinquent taxes, including applicable tax certificate sales, tax deed sales, and tangible personal property seizure sales, are provided by the laws of Florida. The enforceable lien date is approximately two years after taxes become delinquent and occurs only upon request of a holder of a delinquent tax certificate. Property taxes receivable at September 30, 2017, were immaterial and collections were doubtful. Therefore, none are recorded. Key dates in the property tax cycle (latest date, where appropriate) are as follows:

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

**Note 4. Cash and Investments**

**Deposits**

**General**

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

Financial institutions qualifying as public depositories shall deposit with the Treasurer eligible collateral having a fair value equal to or in excess of the average daily balance times the depository collateral – pledging the level required pursuant to Chapter 280 as computed and reported monthly or 25 percent of the average monthly balance, whichever is greater. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. Chapter 280 defines deposits as time deposit accounts, demand deposit accounts, and certificates of deposit. The bank balance of deposits insured by Federal Depository Insurance or pursuant to Chapter 280 of the Florida Statutes was \$112,139,066 as of September 30, 2017.

**Investments**

The County is authorized to invest in the following:

- (1) The Local Government Surplus Funds Trust Fund, the State Investment Pool administered by the State Board of Administration.
- (2) The Florida Local Government Investment Trust, administered by the Florida Association of Court Clerks and Comptrollers and the Florida Association of Counties.
- (3) Negotiable direct obligations of, or obligations of which the principal and interest are unconditionally guaranteed by, the United States Government.

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2017

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

**Investments (continued)**

- (4) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by United States Government agencies, provided such obligations are backed by the full faith and credit of the United States Government.
- (5) Bonds, debentures, notes or other evidence of indebtedness, including collateralized mortgage obligations and structured notes, issued or guaranteed by United States Government agencies (Federal Instrumentalities) which are not full-faith and credit agencies.
- (6) Non-negotiable interest-bearing time certificates of deposit, money market accounts or savings accounts in banks/savings and loan associations organized under the laws of the United States, doing business and situated in the State, provided that any such deposits are secured by the Florida Security for Public Deposits Act, Chapter 280, Florida Statutes.
- (7) Repurchase agreements (for purchase and subsequent sale) for any of the investments authorized in numbers 3 and 5 above.
- (8) State and/or local government taxable and tax-exempt debt, General Obligation and/or Revenue Bonds rated at least "Aa" by Moody's and "AA" by Standard & Poor's for long-term debt, or rated at least MIG-2 by Moody's and SP2 by Standard & Poor's for short-term debt.
- (9) Mutual funds comprised of only those investment instruments as authorized in numbers 3, 5, and 8 above.

The County's investments at September 30, 2017 consisted of the following:

The County invests funds throughout the year with the Local Government Surplus Funds Trust Fund (SBA), under the regulatory oversight of the State of Florida. Investments in the SBA consisted of the Florida PRIME at September 30, 2017.

The Florida PRIME has met the criteria as a qualifying pool and was assigned a rating of "AAA<sub>m</sub>" by the Standard and Poor's Rating Service. As of September 30, 2017, the County had a balance of \$78,720,879 in the Florida PRIME. The County's position in the pool is valued the same as the pool shares based on amortized cost, which approximates fair value, and is treated as cash in financial statement presentation. The Florida PRIME has no limitations or restrictions on withdrawals; however, the Executive Director, in the event of a material event, may limit withdrawals from the fund for 48 hours with the option for the trustees of the fund to extend up to an additional 15 days.

The County's investment pools also include investments in the Florida Local Government Investment Trust (FLGIT), a public entity investment trust organized under the laws of the State of Florida. At September 30, 2017, the FLGIT portfolio included certain corporate securities. These securities amounted to 30.05% of the FLGIT portfolio. The corporate securities are rated by Standards and Poor's as "A" or higher and the mortgage-backed securities are rated "A" or higher. FLGIT reports all share information at Net Asset Value (NAV), which reflects fair value accounting. The fair value of the cash position of the County in this external investment pool is the same as the value of the pool shares held by the County. There are no restrictions or terms and conditions on the County in redeeming the investment. Shares are marked to market on a daily basis. There is no regulatory oversight of the external investment pool. The County has no unfunded commitments that are related to this investment. The pool has a current Standard & Poor's rating of "AAA<sub>f</sub>" and a volatility rating of "S1". Standard & Poor's monitors the fund on a monthly basis.

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2017

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

**Investments (continued)**

The County's investment pool includes investment in the Florida Fixed Income Trust (FIT), formed through indenture of trust pursuant to Florida Statutes, Sections 163.01 and 218.415. At September 30, 2017, the Florida FIT portfolio included certain corporate securities. These securities amount to 19.4% of the portfolio. The Florida FIT reports all share information at Net Asset Value (NAV), which reflects fair value accounting. The fair value of the position the County has in this external investment pool is the same value of pool shares held by the County. There are no restrictions or terms and conditions on the County redeeming the investments. There is no regulatory oversight of the external investment pool. The County has no unfunded commitments that are related to this investment. The pool has a current Standard & Poor's rating of "AAF" and a volatility rating of "S1". Standard & Poor's monitors the fund on a monthly basis.

The County's investment policy limits the credit risk of its investments by limiting authorized investments, thus reducing the risk of potential default of investments that are not sound. The County's investments at September 30, 2017 have a Standards and Poor's rating of "AAA" for the direct obligations of the United States Government and each of its agencies and instrumentalities.

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

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

- Level 1: Unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2: Observable other than quoted market prices
- Level 3: Unobservable and significant

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2017

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

**Investments (continued)**

	<u>Fair</u> <u>Value Method</u>	<u>Interest Rate</u>	<u>Maturity</u> <u>Range</u>	<u>Balance at</u> <u>9/30/17</u>
<u>Investments by Fair Value Level</u>				
Federal National Mortgage Assoc.	Level 2	0.625% - 2.07%	4/18 - 2/22	\$68,722,256
Federal Home Loan Mortgage Corp.	Level 2	0.5% - 5.35%	10/17 - 6/22	99,511,717
Federal Home Loan Bank	Level 2	0.875% - 4.75%	6/18 - 9/22	54,579,433
Federal Farm Credit Bank	Level 2	0.64% - 2.28%	12/17 - 3/22	44,057,750
Small Business Admin. Pools	Level 2	5.57% - 5.82%	11/18 - 04/19	958,538
Total Investments Measured at Fair Value				<u>267,829,694</u>
<u>Investments Measured at Net Asset Value</u>				
Florida Local Government Investment Trust				47,617,316
Florida Fixed Income Trust				62,042,099
Total Investments Measured at Net Asset Value				<u>377,489,109</u>
<u>Investments Measured at Amortized Cost</u>				
Florida PRIME				78,720,879
Federated Money Market				3,642,109
Total Measured at Amortized Cost				<u>82,362,988</u>
Total Investments and Cash Equivalents				459,852,097
Florida PRIME Classified as Cash Equivalents				<u>(78,720,879)</u>
Total Investments, Net of Cash Equivalents				<u>\$ 381,131,218</u>

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2017

**Note 5. Accounts and Assessments Receivable**

At September 30, 2017, the current portion of accounts and assessments receivable, consisted of the following:

	Gross Receivable	Less Allowance for Uncollectible	Net Receivable
<b><u>Governmental Funds</u></b>			
Major Governmental Funds			
General Fund			
Board of County Commissioners	\$ 27,097,045	\$ 23,544,170	\$ 3,552,875
Property Appraiser	180	-	180
Clerk of the Circuit Court	341	-	341
<b>Total General Fund</b>	<b>27,097,566</b>	<b>23,544,170</b>	<b>3,553,396</b>
<b>Total Major Governmental Funds</b>	<b>27,097,566</b>	<b>23,544,170</b>	<b>3,553,396</b>
<b><u>Nonmajor Governmental Funds</u></b>			
Board of County Commissioners	7,564,865	7,197,861	367,004
Sheriff	12,880	-	12,880
<b>Total Non-Major Governmental Funds</b>	<b>7,577,745</b>	<b>7,197,861</b>	<b>379,884</b>
Internal Service Funds	13,362	-	13,362
<b>Total Governmental Activities Statement of Net Position</b>	<b>34,688,673</b>	<b>30,742,031</b>	<b>3,946,642</b>
<b><u>Proprietary Funds</u></b>			
Charlotte County Landfill	316,933	-	316,933
Utility System (Customers)	9,459,740	641,214	8,818,526
<b>Total Proprietary Funds</b>	<b>9,776,673</b>	<b>641,214</b>	<b>9,135,459</b>
<b><u>Fiduciary Funds</u></b>			
Clerk of the Circuit Court	3,622,518	-	3,622,518
<b>Total Fiduciary Funds</b>	<b>3,622,518</b>	<b>-</b>	<b>3,622,518</b>
<b>Total All Funds</b>	<b>\$ 48,087,864</b>	<b>\$ 31,383,245</b>	<b>\$ 16,704,619</b>

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2017

**Note 5. Accounts and Assessments Receivable (continued)**

The Utility System (customers) line item includes \$2,845,643 of special assessment receivables, of which \$397,873 is delinquent.

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

**Note 6. Interfund Balances**

A. Due to/from other funds at September 30, 2017:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor Governmental Funds	\$ 3,035,374
	<b>Total Due to General Fund</b>	<u>\$ 3,035,374</u>
Charlotte Public Safety	General Fund	\$ 307,279
	<b>Total Due to County Public Safety Fund</b>	<u>\$ 307,279</u>
Street & Drainage Maintenance	General Fund	\$ 372,136
	<b>Total Due to Street &amp; Drainage Maintenance</b>	<u>\$ 372,136</u>
Utility System	General Fund	\$ 33,509
	Charlotte County Landfill	82,409
	<b>Total Due to Utility System</b>	<u>\$ 115,918</u>
Charlotte Sanitation	General Fund	\$ 184,189
	Charlotte County Landfill	375,524
	<b>Total Due to Charlotte Sanitation</b>	<u>\$ 559,713</u>
Internal Service Funds	General Fund	\$ 3,647
	<b>Total Due to Internal Service Funds</b>	<u>\$ 3,647</u>
Nonmajor Governmental Funds	General Fund	\$ 2,858,420
	Utility System	462,570
	Internal Service Funds	120,666
	Nonmajor Governmental Funds	1,096,259
	<b>Total Due to Nonmajor Governmental Funds</b>	<u>\$ 4,537,915</u>
	<b>Total</b>	<u><u>\$ 8,931,982</u></u>

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2017

**Note 6. Interfund Balances (continued)**

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

B. Interfund Transfers at September 30, 2017:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General	Charlotte Public Safety	\$ 62,097,703
	Charlotte County Landfill	48,794
	Utility System	632,610
	Internal Service Funds	28,920
	Nonmajor Governmental Funds	<u>7,235,239</u>
	<b>Total Transfer to General Fund</b>	<b><u>\$ 70,043,266</u></b>
Charlotte Public Safety	General Fund	<u>\$ 294,167</u>
	<b>Total Transfer to Charlotte Public Safety Fund</b>	<b><u>\$ 294,167</u></b>
Street & Drainage Maintenance	General Fund	\$ 221,138
	Nonmajor Governmental Funds	<u>109,412</u>
	<b>Total Transfer to Street &amp; Drainage Maintenance</b>	<b><u>\$ 330,550</u></b>
Utility System	General Fund	\$ 25,732
	Nonmajor Governmental Funds	<u>65,808</u>
	<b>Total Transfer to Utility System</b>	<b><u>\$ 91,540</u></b>
Charlotte Sanitation	General Fund	<u>\$ 109,326</u>
	<b>Total Transfer to Charlotte Sanitation</b>	<b><u>\$ 109,326</u></b>
Internal Service Funds	Nonmajor Governmental Funds	<u>\$ 9,266</u>
	<b>Total Transfer to Internal Service Funds</b>	<b><u>\$ 9,266</u></b>
Nonmajor Governmental Funds	General Fund	\$ 10,337,233
	Charlotte Public Safety	2,423,638
	Utility System	28,186
	Nonmajor Governmental Funds	<u>11,774,904</u>
	<b>Total Transfer to Nonmajor Governmental Funds</b>	<b><u>\$ 24,563,961</u></b>
	<b>Total</b>	<b><u><u>\$ 95,442,076</u></u></b>

CHARLOTTE COUNTY, FLORIDA  
 NOTES TO THE FINANCIAL STATEMENTS  
 September 30, 2017

**Note 6. Interfund Balances (continued)**

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

C. Interfund Loans/Advances at September 30, 2017:

<u>Payable Fund</u>	<u>Receivable Fund</u>	<u>Amount</u>
Charlotte County Utilities	Capital Projects	\$ 1,387,710
Parkside Community Redevelopment	Capital Projects	8,143,412
Vehicle Maintenance	Capital Projects	50,000
General Fund	Capital Projects	2,500,000
Charlotte Harbor Redevelopment	General Fund	1,205,405
		<u>\$ 13,286,527</u>

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

The amount advanced to Parkside Community Redevelopment relates to a loan to fund improvements in this redevelopment area.

The amount advanced to Vehicle Maintenance relates to a loan to fund the purchase of a new facility.

The amount advanced to the General Fund relates to a loan for vehicle replacement.

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

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2017

**Note 7. Restricted Assets**

Restricted assets include those provided for by resolutions adopted by the County Commission for the issuance of bonds, or otherwise restricted by the County or required under certain debt agreements. Those restricted assets as of September 30, 2017 are as follows:

	Cash and Cash Equivalents	Investments	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<u>Charlotte County Landfill</u>			
Closure and Long Term Monitoring	\$ 1,314,295	\$ 7,334,849	\$ 8,649,144
Deposits	4,401	17,806	22,207
Deep Injection Well	41,259	230,601	271,860
	<u>1,359,955</u>	<u>7,583,256</u>	<u>8,943,211</u>
<u>Utility System</u>			
Debt Service	2,662,125	14,833,848	17,495,973
Construction Trust	2,052,747	9,394,518	11,447,265
Renewal & Replacement	1,631,441	9,118,281	10,749,722
Customer Deposits	200,566	4,759,623	4,960,189
Other	772,391	4,329,243	5,101,634
	<u>7,319,270</u>	<u>42,435,513</u>	<u>49,754,783</u>
<b>Total</b>	<u>\$ 8,679,225</u>	<u>\$ 50,018,769</u>	<u>\$ 58,697,994</u>

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2017

**Note 8. Capital Assets**

Capital assets activity for the year ended September 30, 2017, follows:

	Governmental Activities Capital Assets 10/1/2016	Additions	Deletions	Governmental Activities Capital Assets 9/30/2017
Governmental Activities				
Capital Assets not Depreciated:				
Land & Other	\$178,211,383	\$ 1,651,091	\$ 26,517	\$179,835,957
Easements	2,521,002	151,590	-	2,672,592
Construction in Progress	<u>76,250,805</u>	<u>59,255,718</u>	<u>52,666,356</u>	<u>82,840,167</u>
<b>Total Assets not Depreciated</b>	<u>256,983,190</u>	<u>61,058,399</u>	<u>52,692,873</u>	<u>265,348,716</u>
Capital Assets Depreciated:				
Buildings	233,113,057	6,806,959	427,863	239,492,153
Infrastructure	420,598,501	35,338,051	-	455,936,552
Improvements Other than Buildings	97,560,062	7,039,943	-	104,600,005
Equipment	110,342,208	9,185,035	5,210,544	114,316,699
Intangible Assets	<u>1,672,488</u>	<u>-</u>	<u>-</u>	<u>1,672,488</u>
<b>Total Assets Depreciated</b>	<u>863,286,316</u>	<u>58,369,988</u>	<u>5,638,407</u>	<u>916,017,897</u>
Less Accumulated Depreciation and Amortization:				
Buildings	80,436,152	6,375,913	-	86,812,065
Infrastructure	159,949,455	11,554,053	-	171,503,508
Improvements Other than Buildings	31,209,663	4,204,725	-	35,414,388
Equipment	75,033,120	10,797,942	5,151,837	80,679,225
Intangible Assets	<u>1,185,616</u>	<u>163,066</u>	<u>-</u>	<u>1,348,682</u>
<b>Total Accumulated Depreciation and Amortization</b>	<u>347,814,006</u>	<u>33,095,699</u>	<u>5,151,837</u>	<u>375,757,868</u>
<b>Total Depreciable Capital Assets, Net</b>	<u>515,472,310</u>	<u>25,274,289</u>	<u>486,570</u>	<u>540,260,029</u>
<b>Total Governmental Activities Capital Assets, Net of Depreciation and Amortization</b>	<u>\$772,455,500</u>	<u>\$ 86,332,688</u>	<u>\$ 53,179,443</u>	<u>\$805,608,745</u>

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2017

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

	Business-type Capital Assets 10/1/2016	Additions	Deletions	Business-type Capital Assets 9/30/2017
<b>Business-type Activities</b>				
Capital Assets not Depreciated:				
Land & Other	\$ 25,523,147	\$ 17,210	\$ 11,560	\$ 25,528,797
Easements	756,878	40,892	-	797,770
Construction in Progress	<u>70,547,257</u>	<u>29,616,997</u>	<u>23,514,047</u>	<u>76,650,207</u>
<b>Total Assets not Depreciated</b>	<u>96,827,282</u>	<u>29,675,099</u>	<u>23,525,607</u>	<u>102,976,774</u>
Capital Assets Depreciated:				
Buildings	17,428,618	-	-	17,428,618
Improvements Other than Buildings	369,840,879	25,597,632	-	395,438,511
Equipment	21,343,235	3,447,884	1,227,320	23,563,799
Intangible Assets	<u>38,832,100</u>	<u>-</u>	<u>-</u>	<u>38,832,100</u>
<b>Total Assets Depreciated</b>	<u>447,444,832</u>	<u>29,045,516</u>	<u>1,227,320</u>	<u>475,263,028</u>
Less Accumulated Depreciation and Amortization:				
Buildings	9,032,177	299,056	-	9,331,233
Improvements Other than Buildings	191,735,788	10,962,986	-	202,698,774
Equipment	13,245,175	1,566,255	1,015,264	13,796,166
Intangible Assets	<u>26,246,748</u>	<u>1,415,486</u>	<u>-</u>	<u>27,662,234</u>
<b>Total Accumulated Depreciation and Amortization</b>	<u>240,259,888</u>	<u>14,243,783</u>	<u>1,015,264</u>	<u>253,488,407</u>
<b>Total Depreciable Capital Assets, Net</b>	<u>207,184,944</u>	<u>14,801,733</u>	<u>212,056</u>	<u>221,774,621</u>
<b>Total Business Type Activities Capital Assets, Net of Depreciation and Amortization</b>	<u>\$304,012,226</u>	<u>\$ 44,476,832</u>	<u>\$ 23,737,663</u>	<u>\$324,751,395</u>

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

Governmental Activities:

General Government	\$ 3,597,668
Public Safety	7,900,035
Physical Environment	2,639,297
Transportation	12,238,895
Human Services	912,372
Culture and Recreation	5,629,465
Court Services	<u>177,967</u>
<b>Total</b>	<u>\$ 33,095,699</u>

Business-type Activities:

Utilities	\$ 13,162,844
Landfill	<u>1,080,939</u>
<b>Total</b>	<u>\$ 14,243,783</u>

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2017

**Note 9. Long-Term Obligations**

The following is a summary of changes in long-term obligations for the year ended September 30, 2017:

	<u>Balance as of</u> 10/1/2016	<u>Additions</u>	<u>Deletions</u>	<u>Balance as of</u> 9/30/2017	<u>Due Within</u> <u>One Year</u>
<b>Governmental Activities</b>					
Loans/Promissory Note Payable	\$ 53,167,378	\$ -	\$ 4,114,650	\$ 49,052,728	\$ 9,208,235
Special Assessment Loans Payable	16,040,700	10,125,000	2,250,100	23,915,600	7,961,600
Revenue Bonds Payable	18,825,000	-	1,025,000	17,800,000	1,055,000
General Obligation Debt	31,525,000	-	2,570,000	28,955,000	2,625,000
Self-Insurance Claims Payable	8,360,284	725,272	-	9,085,556	4,995,556
Other Postemployment Benefits	36,462,695	6,054,280	-	42,516,975	-
Accrued Compensated Absences	14,387,795	8,818,271	8,893,992	14,312,074	4,180,408
Unamortized Premium/(Discount)	2,321,486	-	115,963	2,205,523	-
Net Pension Liability	142,157,330	16,346,386	-	158,503,716	784,965
Capital Lease	-	217,087	-	217,087	108,543
<b>Total</b>	<u>323,247,668</u>	<u>42,286,296</u>	<u>18,969,705</u>	<u>346,564,259</u>	<u>30,919,307</u>
<b>Business-type Activities</b>					
Revenue Bonds	119,380,000	-	11,480,000	107,900,000	12,190,000
Utility Loans Payable	33,093	10,896,302	33,093	10,896,302	600,000
Special Assessment Loans	9,780,994	5,540,143	629,085	14,692,052	648,464
Other Postemployment Benefits	1,019,505	95,623	-	1,115,128	-
Accrued Compensated Absences	1,032,370	953,279	926,694	1,058,955	108,431
Net Pension Liability	10,189,797	1,342,604	-	11,532,401	183,530
Landfill Closure	10,536,854	501,078	-	11,037,932	-
Unamortized Premium/(Discount)	2,425,410	-	303,176	2,122,234	-
<b>Total</b>	<u>154,398,023</u>	<u>19,329,029</u>	<u>13,372,048</u>	<u>160,355,004</u>	<u>13,730,425</u>
<b>Long-Term Debt</b>	<u>\$477,645,691</u>	<u>\$ 61,615,325</u>	<u>\$ 32,341,753</u>	<u>\$506,919,263</u>	<u>\$ 44,649,732</u>

Long-term debt liabilities for internal service funds are included as part of the total for government activities, because they predominantly serve the government funds. At year-end, \$995,860 of internal service fund compensated absences are included in the above amount. For governmental activities, compensated absences, claims and judgments and postemployment benefit obligations are generally liquidated by the General Fund.

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

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2017

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

Long-term debt payable at September 30, 2017 is comprised of the following issues:

*Revenue Bonds Payable, Business-type Activities*

\$23,455,000 Series 2008 Utility Refunding Revenue Bonds, issued to refund the Series 1996B (South Gulf Cove Water Expansion Phase 1) and 1998 Utility Bonds, (the 1998 bonds refunded the 1996A bonds that were issued for reserve account insurance), maturing serially through 2023, interest at 3.94%, secured by a pledge of 100% of the net revenues of the system operations and connection fees. The total pledged revenue at 9/30/17, which equals remaining principal and interest, is \$26,834,356. \$ 21,565,000

\$64,900,000 Series 2011 Utility Refunding Revenue Bonds, issued to (1) refund the Series 2001 (issued to purchase the Rotonda Utility System), (2) refund the Series 2003B (issued to refund the Series 1991 bonds, which were issued to purchase the utility system from GDU), (3) refund the Series 2009 (issued for the expansion of the reclaimed water system and the expansion of the Burnt Store reverse osmosis water plant), (4) payoff the \$18,000,000 Series A Tax Exempt Commercial Paper Loan Program through the Florida Local Government Finance Commission (issued to finance the expansion of the Burnt Store Utility Reverse Osmosis Water Treatment Plant and to refinance a loan previously made to the County by the Commissions, the proceeds of which were used to finance the acquisition of a utility system from Florida Water Services), (5) to fund the reserve account, (6) to pay the costs of terminating that portion of a Qualified Hedge Agreement relating to the 2003B Bonds and (7) to pay certain expenses relating to issuance and sale of the 2011 Bonds, including the premiums for a Bond Insurance Policy and a Reserve Account Insurance Policy. The bonds mature serially through 2024 at interest rates of 3% - 5.25% and are secured by a pledge of the net revenues derived from the operation of the system and water and sewer connection fees. The total pledged revenue at 9/30/17, which equals remaining principal and interest, is \$47,540,550. 38,270,000

\$41,385,000 Series 2013 Utility System Refunding Revenue Bonds, issued by Banc of America Preferred Funding Corporation to refund the Series 2003A utility bonds. The 2003A utility bonds refunded the 1993 utility bonds which refunded the 1991 utility bonds that were issued to purchase the utility system from General Development Utility. The 2013 bonds mature in 2021, with interest at 1.44%, secured by a pledge of 100% of the net revenues of the system operations and connections fees. The total pledged revenue at 9/30/17, which equals remaining principal and interest, is \$25,220,592. 24,165,000

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2017

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

*Revenue Bonds Payable, Business-type Activities, Continued*

\$23,955,000 Series 2016 Utility System Refunding Bonds, issued by Banc of America Preferred Funding Corporation to refund the Series 2006 utility bonds, and to advance refund a portion of the Series 2011 utility refunding revenue bonds, as described above. The 2016 bond matures in 2024, with interest at 1.71% secured by a pledge of 100% of the net revenues of the system operations and connection fees. The total pledged revenue at 9/30/17, which equals remaining principal and interest, is \$25,783,993.

23,900,000

Total Revenue Bonds Payable

\$ 107,900,000

Plus Unamortized Premium

2,122,234

**Total Revenue Bonds Payable for Business-type Activities**

\$ 110,022,234

*Loans Payable, Business-type Activities*

\$10,732,071 State of Florida Department of Environment Protection Revolving Loan issued to fund the East Port Reclamation Facility Stage 5 Improvements, Deep Creek Force Main Replacement, Parkside CRA Utility Improvements, and Parkside CRA - Gertrude Avenue to Aaron Street, secured by a pledge of 100% of the net revenues of the system operations. The interest rate of the loan is .03%. The loan is repayable in forty (40) semiannual payments beginning March 15, 2020. The total pledged revenue at 9/30/17, which equals remaining principal and interest, is \$10,974,720. The County receives funding from this loan on a cost reimbursement basis. As of 9/30/17, the County has an outstanding loan balance for reimbursements received of \$1,616,703, and an additional \$813,741 in eligible expenditures not yet received.

\$ 1,616,703

\$454,100 State of Florida Department of Environment Protection Revolving Loan issued to fund Utility Clean Water Planning Activities, secured by a pledge of 100% of the net revenues of the system operations. The interest rate of the loan is 1.03%. The loan is repayable in forty (40) semiannual payments beginning December 15, 2018. The total pledged revenue at 9/30/17, which equals remaining principal and interest, is \$513,360. The County receives funding from this loan on a cost reimbursement basis. As of 9/30/17, the County has an outstanding loan balance for reimbursements received of \$344,850, and an additional \$105,150 in eligible expenditures not yet received.

344,850

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2017

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

*Loans Payable, Business-type Activities, Continued*

\$5,265,800 State of Florida Department of Environment Protection Revolving Loan issued to fund Wastewater Pollution Control Facilities, secured by a pledge of 100% of the net revenues of the system operations. The interest rate of the loan is 1.40%. The loan is repayable in forty (40) semiannual payments beginning June 15, 2019. The total pledged revenue at 9/30/17, which equals remaining principal and interest, is \$6,172,240. The County receives funding from this loan on a cost reimbursement basis. As of 9/30/17, the County has an outstanding loan balance for reimbursements received of \$855,534, and an additional \$67,810 in eligible expenditures not yet received. 855,534

\$10,376,983 State of Florida Department of Environment Protection Revolving Loan issued to fund Utility Improvements for Parkside CRA Ambrose Lane to West Tarpon Boulevard and Fixed Based Automatic Meter Reading System, secured by a pledge of 100% of the net revenues of the system operations. The interest rate of the loan is .86%. The loan is repayable in forty (40) semiannual payments beginning December 15, 2018. The total pledged revenue at 9/30/17, which equals remaining principal and interest, is \$11,545,240. The County receives funding from this loan on a cost reimbursement basis. As of 9/30/17, the County has an outstanding loan balance for reimbursements received of \$5,079,215, and an additional \$3,102,506 in eligible expenditures not yet received. 5,079,215

\$17,736,700 State of Florida Department of Environment Protection Revolving Loan issued to fund Loveland Grand Master Lift Station, secured by a pledge of 100% of the net revenues of the system operations. The interest rate of the loan is .40%. The loan is repayable in forty (40) semiannual payments beginning April 15, 2019. The total pledged revenue at 9/30/17, which equals remaining principal and interest, is \$18,832,120. The County receives funding from this loan on a cost reimbursement basis. As of 9/30/17, the County has an outstanding loan balance for reimbursements received of \$0, and there were no eligible expenditures. -

\$2,616,024 State of Florida Department of Environment Protection Revolving Loan issued to fund East/West Springlake Wastewater Expansion, Vacuum Collection, and Gravity Sanitary Sewer System, secured by a pledge of 100% of the net revenues of the system operations. The interest rate of the loan is .62%. The loan is repayable in forty (40) semi-annual loan payments beginning December 15, 2018. The total pledged revenue at 9/30/17, which equals remaining principal and interest, is \$2,841,600. The County receives funding from this loan on a cost reimbursement basis. As of 9/30/17, the County has an outstanding loan balance for reimbursements received of \$0, and \$1,451,753 in eligible expenditures not yet received. -

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2017

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

*Loans Payable, Business-type Activities, Continued*

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

3,000,000

**Total Loans Payable for Business-type Activities**

\$ 10,896,302

*Special Assessment Loans Payable, Business-type Activities*

\$994,724 State of Florida Department of Environment Protection Revolving Loan, issued to fund the South Gulf Cove Phase 2 MSBU sewer expansion, secured by the collection of assessments of the SGC Ph 2 sewer MSBU. The interest rate of the loan is 3.34%. The loan is repayable in forty (40) semi-annual loan payments, beginning October 15, 2001. The total pledged revenue at 9/30/17, which equals remaining principal and interest, is \$251,334.

\$ 233,451

\$1,738,244 State of Florida Department of Environment Protection Revolving Loan, issued to fund the South Gulf Cove Phase 2 MSBU water expansion, secured by the collection of assessments of the SGC Ph 2 water MSBU. The interest rate of the loan is 3.52% to 3.57%. The loan is repayable in forty (40) semi-annual loan payments, beginning October 15, 2001. The total pledged revenue at 9/30/17, which equals remaining principal and interest, is \$460,513.

425,620

\$1,104,928 State of Florida Department of Environment Protection Revolving Loan, issued to fund the South Gulf Cove Phase 3 MSBU sewer expansion, secured by the collection of assessments of the SGC Ph 3 sewer MSBU. The interest rate of the loan is 3.16%. The loan is repayable in forty (40) semi-annual loan payments beginning February 15, 2003. The total pledged revenue at 9/30/17, which equals remaining principal and interest, is \$311,143.

285,730

\$1,793,615 State of Florida Department of Environment Protection Revolving Loan, issued to fund the South Gulf Cove Phase 3 MSBU water expansion, secured by the collection of assessments of the SGC Ph 3 water MSBU. The interest rate of the loan is 3.05%. The loan is repayable in forty (40) semi-annual loan payments beginning August 15, 2002. The total pledged revenue at 9/30/17, which equals remaining principal and interest, is \$569,696.

524,689

\$1,761,769 State of Florida Department of Environment Protection Revolving Loan issued to fund the South Gulf Cove Phase 4 MSBU sewer expansion, secured by the collection of assessments of the SGC Ph 4 sewer MSBU. The interest rate of the loan is 2.93%. The loan is repayable in forty (40) semi-annual loan payments beginning April 15, 2004. The total pledged revenue at 9/30/17, which equals remaining principal and interest, is \$747,595.

676,231

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2017

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

*Special Assessment Loans Payable, Business-type Activities, Continued*

<p>\$2,047,527 State of Florida Department of Environment Protection Revolving Loan issued to fund the South Gulf Cove Phase 4 MSBU water expansion, secured by the collection of assessments of the SGC Ph 4 water MSBU. The interest rate of the loan is 2.67%. The loan is repayable in forty (40) semi-annual loan payments beginning December 15, 2004. The total pledged revenue at 9/30/17, which equals remaining principal and interest, is \$940,022.</p>	852,242
<p>\$556,822 State of Florida Department of Environment Protection Revolving Loan issued to fund the South Gulf Cove Phase 5 MSBU sewer expansion, secured by the collection of assessments of the SGC Ph 5 sewer MSBU. The interest rate of the loan is 3.16%. The loan is repayable in forty (40) semi-annual payments beginning November 15, 2005. The total pledged revenue at 9/30/17, which equals remaining principal and interest, is \$289,743.</p>	256,936
<p>\$863,558 State of Florida Department of Environment Protection Revolving Loan issued to fund the South Gulf Cove Phase 5 MSBU water expansion, secured by the collection of assessments of the SGC Ph 5 water MSBU. The interest rate of the loan is 2.81%. The loan is repayable in forty (40) semi-annual payments, beginning February 15, 2006. The total pledged revenue at 9/30/17, which equals remaining principal and interest, is \$440,495.</p>	392,044
<p>\$170,781 State of Florida Department of Environment Protection Revolving Loan issued to fund the Pirate Harbor MSBU pre-construction sewer expansion, expenses secured by the collections of assessments of the Pirate Harbor MSBU. The interest rate of the loan is 2.63%. The loan is repayable in forty (40) payments beginning March 15, 2010. The total pledged revenue at 9/30/17, which equals remaining principal and interest, is \$132,426.</p>	112,934
<p>\$1,070,649 State of Florida Department of Environment Protection Revolving Loan issued to fund the Pirate harbor MSBU construction sewer expansion, expenses secured by the collections of assessments of the Pirate Harbor MSBU. The interest rate of the loan is 3.12%. The loan is repayable in forty (40) payments beginning October 15, 2009. The total pledged revenue at 9/30/17, which equals remaining principal and interest, is \$866,920.</p>	718,514
<p>\$19,351,890 State of Florida Department of Environment Protection Revolving Loan issued to fund the East/West Springlake MSBU construction sewer expansion expenses secured by the collections of assessments of the East/West Springlake MSBU. The interest rate of the loan is .72% for \$16,195,119 and .62% for \$2,929,971. The loan is repayable in forty (40) semiannual payments beginning December 15, 2018. The total pledged revenue at 9/30/17, which equals remaining principal and interest, is \$21,182,280. The County receives funding from this loan on a cost reimbursement basis. As of 9/30/17, the County has an outstanding loan balance for reimbursements received of \$10,213,661, and an additional \$3,488,777 in eligible expenditures not yet received.</p>	10,213,661

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2017

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

*Special Assessment Loans Payable, Business-type Activities, Continued*

\$3,750,529 State of Florida Department of Environment Protection Revolving Loan issued to fund East/West Springlake Wastewater Expansion, secured by a pledge of 100% of net revenues of the system operations and Assessment Revenues of the MSBU. The interest rate of the loan is .13%. The loan is repayable in forty (40) semiannual payments beginning December 15, 2018. The total pledged revenue at 9/30/17, which equals remaining principal and interest, is \$3,876,680. The County receives funding from this loan on a cost reimbursement basis. As of 9/30/17, the County has an outstanding loan balance for reimbursements received of \$0, and \$874,020 in eligible expenditures not yet received.

<b>Total Special Assessment Loans Payable for Business-type Activities</b>	<b>\$ 14,692,052</b>
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<b>Total Loans and Bonds Payable for Business-type Activities</b>	<b>\$ 135,610,588</b>
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Total principal and interest for utility bonds and loans for 2017 was \$15,673,652. The total pledged revenue less expenses was \$31,073,275 resulting in a debt coverage for 2017 of 1.98%.

The total principal and interest for special assessment loans for 2017 was \$790,938. The total pledged revenue less expenses for 2017 was \$1,494,976, resulting in a debt coverage for 2017 of 1.89%.

*Special Assessment Loans Payable, Governmental Activities*

\$451,700 Series A Tax Exempt Commercial Paper Loan Program through the Florida Local Government Finance Commission, for various paving and dredging improvements, financed over a five year period (2016-2021), with a balloon payment of \$240,660 in June 2021. Interest due monthly, calculated in the manner provided in Treasury Regulation Section 1.148-4.	\$ 225,600
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\$4,700,000 Series A Tax Exempt Commercial Paper Loan Program through the Florida Local Government Finance Commission, for various capital improvements financed over a five year period (2012 - 2017), with a balloon payment of \$2,820,000 in December 2017. Interest due monthly calculated in the manner provided in Treasury Regulation Section 1.148-4.	2,145,000
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\$8,004,000 Series A Tax Exempt Commercial Paper Loan Program through the Florida Local Government Finance Commission, for various paving and dredging improvements, financed over a four year period (2013-2017), with a balloon payment of \$4,804,000 in December 2017. Interest due monthly calculated in the manner provided in Treasury Regulation Section 1.148-4.	3,974,000
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CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2017

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

*Special Assessment Loans Payable, Governmental Activities, Continued*

\$8,200,000 Series A Tax Exempt Commercial Paper Loan Program through the Florida Local Government Finance Commission, for various paving improvements, financed over a five year period (2016-2021), with a balloon payment of \$5,184,000 in June of 2021. Interest due monthly calculated in the manner provided in Treasury Regulation Section 1.148-4. 7,446,000

\$10,125,000 Series A Tax Exempt Commercial Paper Loan Program through the Florida Local Government Finance Commission, for various paving improvements, financed over a five year period (2017-2022), with a balloon payment of \$6,673,000 in December 2021. Interest due monthly calculated in the manner provided in Treasury Regulation Section 1.148-4. 10,125,000

**Total Special Assessment Loans Payable for Governmental Activities** **\$ 23,915,600**

*Loans/Promissory Note Payable, Governmental Activities*

\$7,459,300 Series A Tax Exempt Commercial Paper Loan Program through the Florida Local Government Finance Commission, for various paving and dredging improvements, financed over a five year period (2016-2021), with a balloon payment of \$3,770,340 in June 2021. Interest due monthly, calculated in the manner provided in Treasury Regulations Section 1.148-4. \$ 6,710,400

\$5,000,000 Series A Tax Exempt Commercial Paper Loan Program through the Florida Local Government Finance Commission for Murdock Village, financed over a five year period (2012-2017), with a final balloon payment of \$5,000,000. Interest due monthly, calculated in the manner provided in Treasury Regulations Section 1.148.4. 5,000,000

\$3,700,000 Series A Tax Exempt Commercial Paper Loan Program through the Florida Local Government Finance Commission for Energy Efficiency Capital Improvements, financed over a five year period (2014-2018), with a final balloon payment of \$2,720,000. Interest is due monthly, calculated in the manner provided in Treasury Regulations Section 1.148.4. 2,965,000

The Series A Tax Exempt Commercial Paper Loan Program loans are secured 100% by non-ad valorem pledged revenues. The total principal and interest remaining to be paid on the programs are \$39,377,751 and the total available revenue for the paving and dredging projects was \$72,376,828.

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2017

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

*Loans/Promissory Note Payable, Governmental Activities, Continued*

\$49,095,000 Promissory Note, Series 2012, issued to finance acquisition of land for the Murdock Village project, through Bank of America. The Promissory Note, Series 2012, is a refinancing of the Series 2009A over a ten year period (2012-2022), with a balloon payment of \$18,234,187. Funding to extinguish the debt is being appropriated through the annual budget process, using a fifteen (15) year amortization schedule until such time a developer is selected and a combination of proceeds from sale and tax increment financing extinguishes the remaining debt. The debt is secured by 100% non-ad valorem pledged revenues, the total principal and interest remaining to be paid on the program is \$38,283,663 and the total available revenue was \$59,289,021 in fiscal year 2016. Interest is due quarterly at the rate of 2.95%.

34,377,328

**Total Loans/Promissory Note Payable for Governmental Activities**

49,052,728

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

\$ 72,968,328

*Bonds Payable, Governmental Activities*

\$20,250,000 Capital Improvements Revenue Bonds Series 2015, issued to fund the Stadium Improvement, maturing serially through 2036, interest at 2% - 5%. The Capital Improvements Revenue Bonds Series is refinancing the Series 2007 over a twenty two year period (2015-2036). The debt is secured and pledged by 100% Communication Service Tax. The total principal and interest remaining to be paid on the program is \$24,709,230 and the total available revenue is \$5,403,605, in fiscal year 2016.

\$ 17,800,000

\$41,290,000 Limited General Obligation Bond Series 2012, issued to fund Conservation Charlotte, maturing serially through 2026, interest is at 2.11%. This debt is secured and pledged 100% by .2 mills of the ad-valorem tax. The total principal and interest remaining to be paid on the program is \$32,242,280 and the total available revenue was \$2,728,513 in fiscal year 2016.

28,955,000

Total Bonds Payable

\$ 46,755,000

Plus Unamortized Premium

2,205,523

**Total Bonds Payable for Governmental Activities**

48,960,523

**Total Loans and Bonds Payable for Governmental Activities**

\$ 121,928,851

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2017

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

Fiscal Year	Principal	Interest	Total	Interest Rate
2018	\$ 13,438,464	\$ 3,674,513	\$ 17,112,977	1.44% - 5.00%
2019	15,032,767	3,474,799	18,507,566	0.62% - 5.00%
2020	15,208,131	3,071,659	18,279,790	0.03% - 5.00%
2021	15,355,648	2,668,623	18,024,271	0.03% - 5.00%
2022	15,569,174	2,263,456	17,832,630	0.03% - 5.00%
2023 - 2027	48,910,118	3,984,056	52,894,174	0.03% - 5.25%
2028 - 2032	4,622,423	293,768	4,916,191	0.03% - 3.12%
2033 - 2037	4,629,732	119,906	4,749,638	0.03% - 3.12%
2038 - 2039	721,897	3,406	725,302	0.03% - 3.12%
<b>Subtotal Business-type Debt</b>	<b>\$ 133,488,354</b>	<b>\$ 19,554,186</b>	<b>\$ 153,042,539</b>	
Premium on Bonds	<u>2,122,234</u>	<u>-</u>	<u>2,122,234</u>	
<b>Total all Business-type Debt</b>	<b><u>\$ 135,610,588</u></b>	<b><u>\$ 19,554,186</u></b>	<b><u>\$ 155,164,773</u></b>	
Fiscal Year	Principal	Interest	Total	Interest Rate
2018 *	\$ 19,903,378	\$ 2,644,030	\$ 22,547,408	0.51% - 5.00%
2019	12,470,242	2,391,686	14,861,928	0.51% - 5.00%
2020	9,830,419	2,173,779	12,004,198	0.51% - 5.00%
2021	17,498,085	1,928,590	19,426,675	0.51% - 5.00%
2022	31,643,291	1,606,447	33,249,738	0.51% - 5.00%
2023 - 2027	22,225,000	3,265,995	25,490,995	0.51% - 5.00%
2028 - 2032	4,555,000	694,088	5,249,088	0.51% - 5.00%
2033 - 2037	1,815,000	184,981	1,999,981	0.51% - 5.00%
<b>Subtotal Governmental Debt</b>	<b>119,940,415</b>	<b>14,889,596</b>	<b>134,830,011</b>	
Premium on Bond	<u>2,205,523</u>	<u>-</u>	<u>2,205,523</u>	
<b>Total All Governmental Debt</b>	<b><u>\$ 122,145,938</u></b>	<b><u>\$ 14,889,596</u></b>	<b><u>\$ 137,035,534</u></b>	

\*Requirements shown for year-ending September 30, 2017, relate to payments due on October 1, 2017.

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2017

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

**Restrictive Covenants**

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

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

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

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

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

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

In the opinion of management, the County is compliant with all debt covenants as of September 30, 2017.

**Note 10. Conduit Debt Obligations**

In accordance with GASB Interpretation No. 2, Disclosure of Conduit Debt Obligations, an interpretation of NCGA Statement 1, the County discloses certain conduit debt obligations. Conduit debt obligations occur when the governmental entity issues debt bearing its name to lower the cost of borrowing for specific governmental or nongovernmental third parties. The County has conduit debt obligations related to bonds issued in the name of the Charlotte County Industrial Development Authority, a discretely presented component units. Neither the issuing government nor the Component Unit assumes any responsibility for repayment of this debt or interest thereon. The County has conduit debt as follows:

Charlotte County Industrial Development Authority - \$1,587,961 Charlotte County Industrial Development Authority Refunding Revenue Bond (Charlotte County Family YMCA Project), Series 2010. The principal purpose of this bond is for refunding the Prior Indebtedness (the Series 2000 Bonds) which was used to pay a portion of the costs of the acquisition, construction and equipping of the facilities. The outstanding principal balance at September 30, 2017 is \$1,212,816.

Charlotte County Industrial Development Authority - \$10,000,000 Charlotte County Industrial Development Authority Town and Country Utilities Project, Series 2015 Bonds. The principal purpose of this bond is to provide funding for infrastructure of utilities servicing the Babcock Ranch development, an approximately 17,787 acre mixed-use master planned project located in Charlotte and Lee Counties. The outstanding principal balance at September 30, 2017 is \$10,000,000.

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2017

**Note 11. Lease Obligations**

Operating Leases:

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

Total rental expenditures for all operating leases within governmental activities for the year ended September 30, 2017 were \$553,997. There were no rental expenditures for operating leases within business-type activities. The following is a schedule of minimum future rentals on non-cancelable operating leases:

Fiscal Year Ending September 30	Amount
2018	\$ 541,419
2019	388,851
2020	198,685
2021	58,071
2022	58,071
Thereafter	19,357
<b>TOTAL</b>	<b>\$ 1,264,454</b>

The County also acts as a lessor in several operating leases, primarily rental of space on communication towers related to cell phone companies and rental of office space. For the year ended September 30, 2017, total rental revenues related to those operating leases were \$216,975.

Capital Leases:

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

Fiscal Year Ending September 30	Governmental Funds
2018	\$ 108,543
2019	108,544
Total minimum lease payments	<b>\$ 217,087</b>

The following schedule shows the leased assets capitalized as of September 30, 2017 by major asset class:

	Governmental Funds Capital Assets
Equipment	\$ 304,605
Less: Accumulated depreciation for entity wide	(6,373)
Carrying value	<b>\$ 298,232</b>

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2017

**Note 12. Defeased Debt**

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

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

The amount defeased was as follows:

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

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

**Note 13. Tax Abatements**

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

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

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

Cheney opened in Charlotte County during fiscal year 2016 and employs approximately 380 workers with long term plans for up to 900 workers.

For fiscal year ended September 30, 2017, Charlotte County's ad valorem taxes were reduced by \$218,000 under this agreement.

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2017

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

The following non-major governmental funds had a negative fund balance at September 30, 2017:

Parkside Community Redevelopment - The current deficit fund balance of \$2,165,294 in this special revenue is the result of expenditures incurred prior to receipt of revenues anticipated.

Hurricane Fund - During September 2017, the County sustained damages due to Hurricane Irma. This created unbudgeted expenses and a deficit fund balance of \$359,525. The County has filed a claim with the Federal Emergency Management Agency to recoup losses from this hurricane.

The following Internal Services fund at September 30, 2017 had a negative fund balance:

Health Insurance Trust Fund - The health self insurance fund has a negative net position of \$3,031,416, which will be addressed through increasing department contributions by 5% in FY 2018. In addition, new standards implemented in the wellness program will require more effort to receive incentives. Risk Management will further evaluate policies in an effort to mitigate losses to this fund.

**Note 15. Other Assets Non-Current**

Other assets non-current on the Statement of Net Position Governmental Activities in the amount of \$452,500 is comprised of the long-term portion of Accounts Receivable mortgages funded with State Housing Initiative Program (S.H.I.P.) grant funds.

Other assets non-current on the Statement of Net Position Business-type Activities are related to the Charlotte County Utility System Enterprise Fund, totaling \$432,101, which consists of the long term portion of Unamortized Bond Insurance costs.

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

Special assessments receivable, net in the amount of \$18,883,464 represent the long term portion of assessments receivable for various water and sewer construction projects. Initial assessments are based upon engineering cost estimates and charged to the various benefiting units after a public hearing to set the assessment rates. Currently there are 15 separate water and/or sewer assessments. Typically the construction cost is funded by state revolving fund loans and the usual repayment period is 15-20 years. During construction and up until completion of the project, these costs and assessments may be changed, some requiring further public hearings if over a set maximum amount.

**Note 17. Restricted Net Position**

The government-wide statement of net position reports \$179,780,582 of restricted net position, which is restricted by debt service, contractual obligations and enabling legislation related as to the use of funds established by Florida Statutes.

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2017

**Note 18. Retirement Plans**

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

**General Information about the FRS**

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

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

**FRS Pension Plan**

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

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

Employees enrolled in the Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the Plan may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

CHARLOTTE COUNTY, FLORIDA  
 NOTES TO THE FINANCIAL STATEMENTS  
 September 30, 2017

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

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

**FRS Pension Plan (continued)**

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

*Benefits Provided.* Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five (5) highest fiscal years' earnings. For members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight (8) highest fiscal year's earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned.

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

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

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2017

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

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

**FRS Pension Plan (continued)**

*Contributions.* The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2015-16 fiscal year were as follows:

<u>Class</u>	<u>10/1/2016 - 6/30/2017</u>		<u>7/1/2017 - 9/30/17</u>	
	<u>Percent of Gross Salary</u>		<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer(1)</u>	<u>Employee</u>	<u>Employer(1)</u>
FRS, Regular	3.00	7.52	3.00	7.92
FRS, Elected County Officers	3.00	42.47	3.00	45.50
FRS, Senior Management Service	3.00	21.77	3.00	22.71
FRS, Special Risk Regular	3.00	22.57	3.00	23.27
FRS, Special Risk Administrative	3.00	28.06	3.00	34.63
DROP - Applicable to Members from all of the Above Classes	0.00	12.99	0.00	13.26
FRS, Reemployed Retiree	(2)	(2)	(2)	(2)

Notes:

- (1) Employer rates include 1.66 percent for the postemployment health insurance subsidy for the period 10/1/16 - 6/30/17 and 1.66 percent for the period 7/1/17 - 9/30/17. Also, employer rates, other than for DROP participants, include 0.04 percent for administrative costs of the Investment Plan.
- (2) Contribution rates are dependent upon retirement class in which reemployed.

The County's contribution to the Plan totaled \$11,684,212 for the fiscal year ended September 30, 2017, excluding HIS plan contributions.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* At September 30, 2017, the County reported a liability of \$134,038,267 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The County's proportionate share of the net pension liability was based on the County's 2016-17 fiscal year contributions relative to the 2014-15 fiscal year contributions of all participating members. At June 30, 2017, the County's proportionate share was .45 percent, which was no increase from its proportionate share measured as of June 30, 2016.

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2017

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

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

**FRS Pension Plan (continued)**

For the fiscal year ended September 30, 2017, the County recognized pension expense of \$22,993,510. In addition, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 12,301,487	\$ (742,504)
Change of assumptions	45,046,321	-
Net difference between projected and actual earnings on FRS pension plan investments	-	(3,321,802)
Changes in proportion and differences between County FRS contributions and proportionate share of contributions	6,594,343	(2,706,965)
County FRS contributions subsequent to the measurement date	3,421,053	-
<b>Total</b>	<u><u>\$ 67,363,204</u></u>	<u><u>\$ (6,771,271)</u></u>

The deferred outflows of resources related to pensions totaling \$3,421,053, 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending September 30</u>	<u>Amount</u>
2018	\$ 6,954,885
2019	18,485,588
2020	12,925,142
2021	2,640,912
2022	8,932,118
Thereafter	3,345,042

*Actuarial Assumptions.* The total pension liability in the July 1, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Investment rate of return	7.10 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the July 1, 2017, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2017

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

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

**FRS Pension Plan (continued)**

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00 %	3.00 %	3.00 %	1.80 %
Fixed income	18.00 %	4.50 %	4.40 %	4.20 %
Global equity	53.00 %	7.80 %	6.60 %	17.00 %
Real estate (property)	10.00 %	6.60 %	5.90 %	12.80 %
Private equity	6.00 %	11.50 %	7.80 %	30.00 %
Strategic investments	12.00 %	6.10 %	5.60 %	9.70 %
<b>Total</b>	<b>100.00 %</b>			
Assumed Inflation - Mean		2.60 %		1.90 %

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

Discount Rate. The discount rate used to measure the total pension liability was 7.10 percent and 7.60 percent for the July 1, 2017 and 2016 actuarial valuation, respectively. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

*Sensitivity of the County's Proportionate Share of the Net Position Liability to Changes in the Discount Rate.* The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.10 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.10 percent) of 1 percentage-point higher (8.10 percent) than the current rate:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
County's proportionate share of the net pension liability	\$242,601,167	\$134,038,267	\$43,906,186

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2017

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

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

**FRS Pension Plan (continued)**

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

Payables to the Pension Plan. At September 30, 2017, the County reported a payable of \$1,070,719 for the outstanding amount of contributions to the Plan required for the fiscal year ended September 30, 2017.

**HIS Pension Plan**

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

Benefits Provided. For the fiscal year ended September 30, 2017, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. From October 1, 2016 to June 30, 2017, the contribution rate was 1.66 percent of payroll. From July 1, 2017 to September 30, 2017 the contribution rate was 1.66 percent, pursuant to section 112.363, Florida Statutes. The County contributed 100 percent of its statutorily required contributions for the current and preceding 3 years. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The County's contributions to the HIS Plan totaled \$2,035,831 for the fiscal year ended September 30, 2017.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2017, the County reported a net pension liability of \$35,997,850 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The County's proportionate share of the net pension liability was based on the County's 2016-17 fiscal year contributions relative to the total 2016-17 fiscal year contributions of all participating members. At June 30, 2015, the County's proportionate share was .34 percent, which was an increase of .1 percent from its proportionate share measured as of June 30, 2016.

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2017

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

**HIS Pension Plan (continued)**

For the fiscal year ended September 30, 2017, the County recognized HIS pension expense of \$2,894,728. In addition, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (74,953)
Change of assumptions	5,060,060	(3,112,772)
Net difference between projected and actual earnings on HIS pension plan investments	19,963	-
Changes in proportion and differences between County HIS contributions and proportionate share of HIS contributions	1,555,403	(581,502)
County contributions subsequent to the measurement date	713,995	-
<b>Total</b>	<u>\$ 7,349,421</u>	<u>\$ (3,769,227)</u>

The deferred outflows of resources, totaling \$713,995, was related to pensions resulting from County contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending September 30</u>	<u>Amount</u>
2018	\$ 589,906
2019	586,128
2020	584,315
2021	438,069
2022	172,755
Thereafter	(478,875)

*Actuarial Assumptions.* The total pension liability in the July 1, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Municipal Bond Rate	3.58 percent

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

The actuarial assumptions used in the July 1, 2017, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

CHARLOTTE COUNTY, FLORIDA  
 NOTES TO THE FINANCIAL STATEMENTS  
 September 30, 2017

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

**HIS Pension Plan (continued)**

Discount Rate. The discount rate used to measure the total pension liability was 3.58 percent and 2.85 percent for the July 1, 2017 and 2016 actuarial valuation, respectively. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the FRS Actuarial Assumption Conference. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 3.58 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.58 percent) or 1 percentage-point higher (4.58 percent) than the current rate:

	<b>1% Decrease (2.58%)</b>	<b>Current Discount Rate (3.58%)</b>	<b>1% Increase (4.58%)</b>
County's proportionate share of the net pension liability	\$ 41,078,314	\$ 35,997,850	\$ 31,766,104

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

Payables to the Pension Plan. At September 30, 2017, the County reported a payable of \$144,214 for the outstanding amount of contributions to the HIS Plan required for the fiscal year ended September 30, 2017.

**FRS - Defined Contribution Pension Plan**

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

CHARLOTTE COUNTY, FLORIDA  
 NOTES TO THE FINANCIAL STATEMENTS  
 September 30, 2017

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

**FRS - Defined Contribution Pension Plan (continued)**

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. County employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members. Allocations to the investment members' accounts during the 2016-17 fiscal year were as follows:

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

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over his or her account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2017, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the County.

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

The County's Investment Plan pension expense totaled \$3,473,246 for the fiscal year ended June 30, 2017.

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2017

**Note 19. Risk Management**

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

In April of 2009 the County opened an employee health center for use by employees participating in the County's Health Insurance Program. The main purpose was to help contain health insurance costs. In August of 2011 the County became self-insured for its health insurance. Under this program, the Health Insurance Trust Fund provides coverage for up to a maximum of \$325,000 per person per year. The County has excess medical insurance to pay for claim costs that exceed this amount. Fees in the amount of \$1,991,091 were paid to Cigna Healthcare to administer health insurance claims. Health insurance claims incurred, but not reported of \$1,409,927, were accrued in the health insurance trust fund as of September 30, 2017. The amount accrued was obtained from the health insurance actuary report. This report is available upon request from the County's Risk Management Department.

All funds and Constitutional Officers of the County participate in the programs and make payments to the Self Insurance and Health Insurance Funds based on actuarial estimates of the amounts needed to pay prior and future year claims, which is attributable to expected claim payments exceeding funds available. The claims liability of \$6,237,000 in the Self Insurance Fund and \$1,409,927 in the Health Insurance Trust Fund reported at September 30, 2017 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the self-insurance claims liability amounts in fiscal year 2016 and 2017, are based on an actuarial review at a confidence level of 70% and discounted to present value at an assumed investment yield rate of 4.0% per annum. Changes in the health insurance claims liability amounts for the same periods are the actuarially determined undiscounted amounts.

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2017

**Note 19. Risk Management (continued)**

Reconciliation of claims liabilities:

	<u>Self Insurance</u>	<u>Board Health Insurance</u>	<u>Sheriff Health Insurance</u>
Balance at October 1, 2015	\$ 5,685,000	\$ 1,364,722	\$ 1,618,343
Current Year Claims and Changes in Estimates	13,172,011	18,756,424	7,927,621
Claim Payments	<u>(13,257,011)</u>	<u>(18,785,380)</u>	<u>(8,121,446)</u>
Balance at September 30, 2016	5,600,000	1,335,766	1,424,518
Current Year Claims and Changes in Estimates	1,900,534	19,469,797	9,011,141
Claim Payments	<u>(1,263,534)</u>	<u>(19,395,636)</u>	<u>(8,997,030)</u>
Balance at September 30, 2017	<u>\$ 6,237,000</u>	<u>\$ 1,409,927</u>	<u>\$ 1,438,629</u>

The Sheriff participates in the Statewide Florida Sheriff's Self-Insurance Fund. The fund is managed by representatives of the participating Florida Sheriff's offices and provides professional and automobile liability insurance to participating offices. The Florida Sheriff's Self-Insurance Fund provides liability insurance coverage subject to the following limitations: \$5,000,000 per occurrence and an aggregate of \$10,000,000 ultimate net loss per sheriff during any policy period. Premiums charged to participating sheriffs are based upon amounts believed by management of the fund to meet the required annual payout during the fiscal year and to pay for the estimated operating costs of the program.

The Sheriff participates in the Florida Sheriff's Workers' Compensation Self-Insurance Fund. The fund is managed by representatives of participating Florida Sheriff's offices. Total cost for fiscal year ended September 30, 2017 was \$973,413.

The Sheriff participates in the Countywide self-insurance program for property liability. For fiscal year ended September 30, 2017 the Sheriff's portion for the self-insurance program, paid by the Board of County Commissioners, was \$501,086.

The Sheriff is self insured for health insurance. The plan is administered by an independent third party that processes the claims. The Sheriff pays the administrator for actual claims and their administrative fee. During the fiscal year, the Sheriff incurred expenses totaling \$8,997,030. In addition to the Self-Insured Plan, the Sheriff and the Charlotte County Board of County Commissioners share expenses in an Employee Health Center Program. This program was developed in hopes to lower healthcare claims for medical services and reduce prescription costs in order to mitigate future high cost claims risk. Effectively redirecting claims cost from our medical plan to the clinic will result in a two year net savings after operating cost. The Sheriff and Board of County Commissioners have contracted with CareHere to operate this facility.

The Sheriff purchases commercial stop loss insurance for claims in excess of \$125,000 per person. Total premiums paid during the fiscal year for stop loss coverage totaled \$739,740.

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2017

**Note 19. Risk Management (continued)**

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

**Note 20. Commitments and Contingencies**

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

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

	<u>Committed</u>	<u>Payments</u>
Bridges	\$15,971,086	\$13,779,640
Buildings	24,232,078	13,004,872
Dredging	3,009,946	2,613,762
Parks	11,817,754	2,623,741
Paving	46,620,187	23,371,000
Sidewalks	19,180,938	10,369,137
Stormwater	2,929,326	2,591,318
Water/Sewer Improvements	35,158,258	19,592,837
Widening	80,223,730	65,067,831

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

<u>Major Funds</u>	<u>Encumbrance</u>
General Fund	\$ 1,734,383
Charlotte Public Safety	84,783
Sales Tax Extension 2009	419,689
Road Improvements	1,037,640
Street & Drainage Districts Maintenance	851,696

**Note 21. Miscellaneous Revenues**

Miscellaneous revenues in Governmental Activities are composed primarily of monies received from private sources, reimbursements of prior year expenses of \$569,040, and sale of surplus equipment of \$1,065,242. For the year ending September 30, 2017, the County recognized \$3,896,373 in miscellaneous revenue.

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2017

**Note 22. Recognition of Closure and Post Closure Cost**

Federal and State laws require final cover and closure as well as post closure care of the Charlotte County Zemel Road Landfill. Closure cost estimates, including final cover, anticipated costs of equipment and facilities constructed near or after closure and thirty years of monitoring and maintenance costs, subsequent to closing, amount to \$21,784,395. The estimated life of the landfill, and other factors, may change due to population growth, disposal rates, types of material disposed and other changes in landfill technology. A portion of these costs are reported each period as operating expense based on landfill capacity used as of each balance sheet date.

Landfill capacity of approximately 50.68% has been used to date. The closure cost of \$11,037,932 for this capacity is reflected as a liability at September 30, 2017. Closure and post closure costs of \$10,746,463 remain to be recognized in the estimated 22 years of the remaining useful life.

The Landfill is required by Rule 62-701.630(5)(c) of the Florida Administrative Code to make annual contributions to an interest bearing cash reserve fund. Management believes the Landfill is in compliance with these requirements as of September 30, 2017, with restricted cash and investments of \$8,649,144 held for the purpose of closing the landfill in 2040. In the event closure escrows and interest earnings prove inadequate due to inflation, changes in technology or additional closure/post closure requirements, these costs may need to be covered by charges to future landfill users. The activity in the escrow account for the year ended September 30, 2017 is as follows:

9/30/2016	Beginning Balance	\$ 8,467,158
<b>Deposits:</b>		
	10/16	35,208
	11/16	37,448
	12/16	37,448
	01/17	8,486
	02/17	8,486
	03/17	8,487
	04/17	6,265
	05/17	3,627
	06/17	3,627
	09/17	18,430
		8,634,670
	Interest Earned FYE 16/17	78,735
	Return Excess Deposits to Operations	(53,387)
	Interest Transferred to Operations	(10,874)
	<b>Balance 9/30/17</b>	<b>\$ 8,649,144</b>

CHARLOTTE COUNTY, FLORIDA  
 NOTES TO THE FINANCIAL STATEMENTS  
 September 30, 2017

**Note 23. Other Postemployment Benefits Plan**

**Plan Description**

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

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

The Charlotte County Sheriff's Office contributes 100% of the active health premiums up to age 65 for retirees participating in the group health plan who completed at least 25 years of service with the Sheriff's office. Retirees are then required to reimburse the Sheriff a \$125 monthly subsidy provided by the Florida Retirement System.

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

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

**Membership**

As of September 30, 2017, membership consisted of:

	<u>Agencies</u>	<u>Sheriff</u>
Active Employees	1,191	591
Retired Participants	82	50
Retiree Covered Spouses	4	6

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2017

**Note 23. Other Postemployment Benefits Plan (continued)**

**Funding Policy**

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

**Annual OPEB Costs and Net OPEB Obligation**

The County had a full actuarial valuation performed for the Agencies as of October 1, 2016 and the Sheriff had an actuarial valuation performed for the plan as of October 1, 2016, to determine the other postemployment benefits (OPEB) annual required contribution (ARC) and Plans' obligations for the fiscal year ended September 30, 2017.

The County's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the County's annual OPEB cost for the year, the County's contributions to the plan (implicit and explicit), and changes in the County's net OPEB obligation:

	<u>Agencies</u>	<u>Sheriff</u>	<u>Total</u>
ARC	\$ 810,344	\$ 6,923,888	\$ 7,734,232
Interest on OPEB Obligations	204,905	1,294,382	1,499,287
Adjustment to ARC	<u>(196,848)</u>	<u>(1,458,494)</u>	<u>(1,655,342)</u>
Annual OPEB Cost	818,401	6,759,776	7,578,177
Contributions Made	<u>(557,583)</u>	<u>(870,690)</u>	<u>(1,428,273)</u>
Increase in OPEB	260,818	5,889,086	6,149,904
Net OPEB Obligations -			
Beginning of Year	<u>5,122,634</u>	<u>32,359,566</u>	<u>37,482,200</u>
End of Year	<u>\$ 5,383,452</u>	<u>\$ 38,248,652</u>	<u>\$ 43,632,104</u>

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2017

**Note 23. Other Postemployment Benefits Plan (continued)**

**Three Year Trend Information**

	<u>Year Ended September 30</u>	<u>Annual OPEB Cost</u>	<u>Employer Contributions</u>	<u>Percentage of OPEB Costs Contributed</u>	<u>Net OPEB Obligation</u>
Agencies	2017	\$ 818,401	\$ 557,583	68.13%	\$ 5,383,452
	2016	874,641	643,381	73.56%	5,122,634
	2015	859,212	590,256	68.70%	4,891,374
Sheriff	2017	\$ 6,759,776	\$ 870,690	12.88%	\$ 38,248,652
	2016	5,352,781	789,662	14.75%	32,359,566
	2015	5,063,473	738,496	14.58%	27,796,447

The funded status of the Plan as of September 30, 2017 was as follows:

	<u>Agencies</u>	<u>Sheriff</u>	<u>Total</u>
Actuarial Accrued Liability (AAL)	\$ 9,410,047	\$ 49,149,848	\$ 58,559,895
Actuarial Value of Plan Assets	-	-	-
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 9,410,047</u>	<u>\$ 49,149,848</u>	<u>\$ 58,559,895</u>
Covered Payroll	\$ 63,617,964	\$ 33,296,817	\$ 96,914,781
Ratio of UAAL to Covered Payroll	14.79%	147.61%	60.85%

**Valuation Methods and Assumptions**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that indicates whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Separate publicly available postemployment benefit plan reports are not prepared for the defined benefit plans.

CHARLOTTE COUNTY, FLORIDA  
 NOTES TO THE FINANCIAL STATEMENTS  
 September 30, 2017

**Note 23. Other Postemployment Benefits Plan (continued)**

**Valuation Methods and Assumptions (continued)**

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

The Actuarial Methods are:

	Agencies	Sheriff
Actuarial Cost Method	Entry Age	Entry Age
Amortization Method	Level Percent, Open	Level Percent, Closed
Amortization Period	30 Years	30 Years
Asset Valuation Method	Unfunded	Unfunded
Actuarial Assumptions:		
Investment Rate of Return	4.00% (1)	4.00%
Projected Salary Increases	3.70% - 7.80% (1)	6.00%
Payroll Growth Assumptions	3.25%	3.00%
Healthcare Cost Trend Rates	7.00% (2)	8.75% (3)

(1) Includes inflation at 2.6%

(2) 7.0% for 2017, with a gradual annual declining to 4.4% in 2040 and beyond

(3) 8.75% for 2017, 8.5% for 2018, grading down to 4.0% in 2073

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

The following funds have expenditures in excess of appropriations at September 30, 2017:

Charlotte Public Safety Fund - The \$197,210 in excess of expenditures over appropriations in Public Safety is due to an unanticipated increase in inmate medical claims.

Drug Abuse Trust - The \$74,000 in excess of expenditures over appropriations is because funds that were originally budgeted as an Interfund transfer to the Sheriff were expended for Drug Abuse programs administered by an outside agency. Hence, the over expenditure is offset by lower transfers out.

Stadium Maintenance and Operations - The \$103,622 in excess of expenditures over appropriations can be attributed to the Sixth Amendment to the Stadium Lease, which specifies a credit to be given to the Lessee of \$110,000 per year.

CHARLOTTE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2017

**Note 25. Fund Balance Classification**

A detailed schedule of governmental fund balances at September 30, 2017 is as follows:

	General Fund	Charlotte Public Safety	Street and Drainage Districts Maintenance	Other Governmental Funds	Total Governmental Funds
<b>Nonspendable:</b>					
Inventory	\$ -	\$ -	\$ -	\$ 792,721	\$ 792,721
Prepays	608,693	2,824	-	554,115	1,165,632
Total Nonspendable Fund Balance	<u>608,693</u>	<u>2,824</u>	<u>-</u>	<u>1,346,836</u>	<u>1,958,353</u>
<b>Restricted:</b>					
Beach Renourishment	-	-	-	4,519,798	4,519,798
Building Department Activities	-	-	-	2,105,682	2,105,682
Capital Improvements	-	-	-	4,017,668	4,017,668
Court Programs	-	-	-	1,657,677	1,657,677
Culture & Recreation	-	-	-	1,894,121	1,894,121
Drug Abuse	-	-	-	42,644	42,644
Environment	-	-	-	741,884	741,884
Fire/EMS Services	-	-	-	1,725,813	1,725,813
Grants	3,165	-	-	2,720,558	2,723,723
IT Equipment Replacement	451,985	-	-	-	451,985
Law Enforcement	-	-	-	254,787	254,787
Lighting	-	-	-	1,108,801	1,108,801
Public Safety	-	-	-	3,858,541	3,858,541
Road Improvements	-	-	-	9,443,434	9,443,434
Sales Tax Projects	-	-	-	53,214,005	53,214,005
Stormwater	-	-	-	15,786,417	15,786,417
Street/Drainage - Maintenance	-	-	54,484,705	-	54,484,705
Stadium	-	-	-	21,803	21,803
Tourism	-	-	-	3,054,611	3,054,611
Transportation	-	-	-	13,243,610	13,243,610
Waterway Maintenance	-	-	-	5,428,873	5,428,873
Total Restricted Fund Balance	<u>455,150</u>	<u>-</u>	<u>54,484,705</u>	<u>124,840,727</u>	<u>179,780,582</u>
<b>Committed:</b>					
Beach Renourishment	-	-	-	1,500,000	1,500,000
Capital Improvements	-	-	-	15,249,508	15,249,508
Environment	-	-	-	1,440,813	1,440,813
Fire/EMS Services	-	-	-	133,558	133,558
Human Services	-	-	-	336,399	336,399
Public Safety	-	-	-	3,616	3,616

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

	General Fund	Charlotte Public Safety	Street and Drainage Districts Maintenance	Other Governmental Funds	Total Governmental Funds
Redevelopment	-	-	-	35,327	35,327
Road Improvement	-	-	-	709,616	709,616
Stadium	-	-	-	77,458	77,458
Waterway Maintenance	-	-	-	275,913	275,913
Total Committed Fund Balance	-	-	-	19,762,208	19,762,208
<b>Assigned:</b>					
Beach Renourishment	-	-	-	2,329,225	2,329,225
Building Department	-	-	-	2,019,502	2,019,502
Capital Improvements	-	-	-	28,525,217	28,525,217
Court Programs	-	-	-	924,790	924,790
Culture and Recreation	-	-	-	273,117	273,117
Debt Service	-	-	-	205,096	205,096
Donations	176,782	-	-	-	176,782
Drivers Education	-	-	-	23,301	23,301
Drug Abuse	-	-	-	8,575	8,575
Economic Incentive	1,598,325	-	-	-	1,598,325
Environment	-	-	-	377,216	377,216
Equipment Replacement	96,136	-	-	-	96,136
Fire/EMS Services	-	-	-	7,343,868	7,343,868
Grants	-	-	-	14,062	14,062
Human Services	-	-	-	252,344	252,344
IT Equipment Replacement	149,987	-	-	-	149,987
Law Enforcement	-	-	-	42,107	42,107
Public Safety	-	1,437,589	-	5,680,885	7,118,474
Radio Communications	-	-	-	2,236,321	2,236,321
Redevelopment	-	-	-	2,487,580	2,487,580
Road Improvements	-	-	-	22,485,568	22,485,568
Sales Tax Projects	-	-	-	2,775,763	2,775,763
Stadium	-	-	-	39,430	39,430
Stormwater	-	-	-	2,926,495	2,926,495
Street/Drainage - Maintenance	-	-	13,718,461	-	13,718,461
Street Lighting	-	-	-	509,361	509,361
Tourism	-	-	-	150,092	150,092
Transportation	-	-	-	10,396,307	10,396,307
Waterway Maintenance	-	-	-	1,972,350	1,972,350
Total Assigned Fund Balance	2,021,230	1,437,589	13,718,461	93,998,572	111,175,852
Unassigned Fund Balance	66,053,500	-	-	(2,524,819)	63,528,681
Total Fund Balance	\$ 69,138,573	\$ 1,440,413	\$ 68,203,166	\$ 237,423,524	\$ 376,205,676

CHARLOTTE COUNTY, FLORIDA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 OTHER POSTEMPLOYMENT BENEFITS PLAN

Schedule of Funding Progress

	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Accrued Liability (AAL)</u>	<u>Unfunded AAL</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as Percentage Covered Payroll</u>
Agencies:	10/1/2017	\$ -	\$ 9,410,047	\$ 9,410,047	0%	63,617,964	14.79%
	10/1/2016	\$ -	\$ 9,721,401	\$ 9,721,401	0%	62,160,213	15.64%
	10/1/2015	\$ -	\$ 9,524,443	\$ 9,524,443	0%	57,902,398	16.45%
Sheriff:	10/1/2017	\$ -	\$ 49,149,848	\$ 49,149,848	0%	32,625,951	150.65%
	10/1/2016	\$ -	\$ 40,414,425	\$ 40,414,425	0%	31,166,975	129.67%
	10/1/2015	\$ -	\$ 36,240,903	\$ 36,240,903	0%	29,646,586	122.24%

Schedule of Employer Contributions

	<u>Year Ended September 30</u>	<u>Employer Contributions Annual Required Contribution (ARC)</u>	<u>Percentage of ARC Contributed</u>
Agencies:	2017	\$ 810,344	68%
	2016	\$ 866,947	74%
	2015	\$ 851,941	69%
Sheriff:	2017	\$ 6,923,888	13%
	2016	\$ 5,476,117	15%
	2015	\$ 5,153,486	14%

CHARLOTTE COUNTY, FLORIDA  
 SCHEDULE OF COUNTY CONTRIBUTIONS  
 FRS PENSION PLAN  
 Last Four Fiscal Years  
 For the Fiscal Year Ended September 30, 2017

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 11,684,212	\$ 12,005,898	\$ 8,383,621	\$ 7,305,112
Contributions in relation to the contractually required contribution	<u>(11,684,212)</u>	<u>(12,005,898)</u>	<u>(8,383,621)</u>	<u>(7,305,112)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 78,361,733	\$ 77,262,180	\$ 71,077,363	\$ 66,168,496
Contributions as a percentage of covered- employee payroll	14.91 %	15.54 %	11.00 %	11.04 %

NOTE: Data was unavailable prior to 2014.

CHARLOTTE COUNTY, FLORIDA  
 SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 FRS PENSION PLAN  
 Last Four Fiscal Years  
 For the Fiscal Year Ended September 30, 2017

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability	0.45 %	0.45 %	0.41 %	0.40 %
County's proportionate share of the net pension liability	\$ 134,038,267	\$ 113,555,999	\$ 52,939,591	\$ 24,391,167
County's covered-employee payroll	\$ 76,983,696	\$ 73,551,453	\$ 71,150,877	\$ 66,168,496
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	174.11 %	154.39 %	74.40 %	36.86 %
Plan fiduciary net position as a percentage of the total pension liability	83.89 %	84.88 %	92.00 %	96.09 %

NOTE: Data was unavailable prior to 2014.

CHARLOTTE COUNTY, FLORIDA  
 SCHEDULE OF COUNTY CONTRIBUTIONS  
 HIS PENSION PLAN  
 Last Four Fiscal Years  
 For the Fiscal Year Ended September 30, 2017

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 2,035,831	\$ 1,783,512	\$ 1,326,125	\$ 1,138,289
Contributions in relation to the contractually required contribution	<u>(2,035,831)</u>	<u>(1,783,512)</u>	<u>(1,326,125)</u>	<u>(1,138,289)</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 County's covered-employee payroll	 \$ 108,249,212	 \$ 102,116,215	 \$ 99,102,351	 \$ 91,937,809
Contributions as a percentage of covered- employee payroll	1.88 %	1.75 %	1.34 %	1.24 %

NOTE: Data was unavailable prior to 2014.

CHARLOTTE COUNTY, FLORIDA  
 SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 HIS PENSION PLAN  
 Last Four Fiscal Years  
 For the Fiscal Year Ended September 30, 2017

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability	0.34 %	0.33 %	0.32 %	0.32 %
County's proportionate share of the net pension liability	\$ 35,997,850	\$ 38,791,128	\$ 32,914,801	\$ 29,787,399
County's covered-employee payroll	\$ 106,339,590	\$ 102,012,629	\$ 99,250,162	\$ 91,937,809
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	33.85 %	38.03 %	33.16 %	32.40 %
Plan fiduciary net position as a percentage of the total pension liability	1.64 %	0.97 %	0.50 %	0.99 %

NOTE: Data was unavailable prior to 2014.

**COMBINING & INDIVIDUAL FUND  
STATEMENTS & SCHEDULES**

CHARLOTTE COUNTY, FLORIDA  
 COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 September 30, 2017

		Special Revenue Funds			
		Transportation Trust	Fine and Forfeiture	Law Enforcement Trust	Drug Abuse Trust
<b>ASSETS</b>					
Cash and cash equivalents		\$ 3,529,943	\$ 22,953	\$ 2,970	\$ 7,035
Investments		19,680,729	78,046	16,602	39,321
Accounts and assessments receivable, net		-	-	-	-
Due from other funds		2,415	31,676	-	4,663
Advances to other funds		-	-	-	-
Due from other governmental agencies		1,595,180	-	-	-
Inventory of supplies, at cost		620,043	-	-	-
Other assets		226,784	25,960	141	200
Total assets		\$ 25,655,094	\$ 158,635	\$ 19,713	\$ 51,219
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts and vouchers payable		\$ 566,970	\$ 37,328	\$ -	\$ -
Contracts payable		98,269	-	-	-
Accrued liabilities		268,185	35,391	-	-
Due to other funds		-	1,294	-	-
Due to other governmental agencies		-	-	-	-
Advances from other funds		-	-	-	-
Matured interest payable		-	-	-	-
Matured bonds payable		-	-	-	-
Other liabilities		-	-	-	-
Deposits		32,959	-	-	-
Total liabilities		966,383	74,013	-	-
<b>Deferred inflows of resources</b>					
Unavailable revenue		351,898	-	-	-
<b>Fund Balances</b>					
Nonspendable		803,632	25,528	-	-
Restricted		13,243,610	-	-	42,644
Committed		-	-	-	-
Assigned		10,289,571	59,094	19,713	8,575
Unassigned		-	-	-	-
Total fund balances (deficits)		24,336,813	84,622	19,713	51,219
Total liabilities and fund balances (deficits)		\$ 25,655,094	\$ 158,635	\$ 19,713	\$ 51,219

Special Revenue Funds

Law Library	Legal Aid	Radio Communications	Criminal Justice Education	Student Driver Education	Crimes Prevention	Tourist Development Tax Trust	Building Construction Services
\$ -	\$ 302	\$ 340,376	\$ 2,364	\$ 3,097	\$ 36,965	\$ 392,782	\$ 790,280
-	1,687	1,899,978	13,215	17,308	206,602	2,187,246	3,451,258
-	-	-	-	-	-	-	-
1,755	1,755	5,627	1,560	2,863	15,907	695,478	-
-	-	-	-	-	-	-	-
-	-	1,310	-	-	-	789	14,582
-	-	-	-	-	-	-	-
36	11	6,092	108	33	460	14,864	55,153
<u>\$ 1,791</u>	<u>\$ 3,755</u>	<u>\$ 2,253,383</u>	<u>\$ 17,247</u>	<u>\$ 23,301</u>	<u>\$ 259,934</u>	<u>\$ 3,291,159</u>	<u>\$ 4,311,273</u>
\$ 1,125	\$ -	\$ 10,374	\$ -	\$ -	\$ -	\$ 60,331	\$ 37,217
-	-	-	-	-	-	-	-
-	-	3,571	-	-	-	15,670	75,429
666	-	-	-	-	-	-	-
-	-	-	-	-	-	-	11,702
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>1,791</u>	<u>-</u>	<u>13,945</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>76,001</u>	<u>124,348</u>
-	-	1,310	-	-	-	789	14,396
-	-	1,807	-	-	-	9,666	47,345
-	-	-	4,038	-	250,749	3,054,611	2,105,682
-	-	-	-	-	-	-	-
-	3,755	2,236,321	13,209	23,301	9,185	150,092	2,019,502
-	-	-	-	-	-	-	-
<u>-</u>	<u>3,755</u>	<u>2,238,128</u>	<u>17,247</u>	<u>23,301</u>	<u>259,934</u>	<u>3,214,369</u>	<u>4,172,529</u>
<u>\$ 1,791</u>	<u>\$ 3,755</u>	<u>\$ 2,253,383</u>	<u>\$ 17,247</u>	<u>\$ 23,301</u>	<u>\$ 259,934</u>	<u>\$ 3,291,159</u>	<u>\$ 4,311,273</u>

CHARLOTTE COUNTY, FLORIDA  
 COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 September 30, 2017

		Special Revenue Funds			
		Greater Charlotte Street Light	Open Space/Habitat	Native Tree Replacement	Boater Revolving
<b>ASSETS</b>					
Cash and cash equivalents		\$ 290,942	\$ 92	\$ 199,433	\$ 325,894
Investments		1,626,098	512	1,031,714	1,821,454
Accounts and assessments receivable, net		3,823	-	-	-
Due from other funds		32,855	-	-	30,883
Advances to other funds		-	-	-	-
Due from other governmental agencies		-	-	-	5,341
Inventory of supplies, at cost		172,678	-	-	-
Other assets		13,716	1	2,316	4,058
Total assets		<u>\$ 2,140,112</u>	<u>\$ 605</u>	<u>\$ 1,233,463</u>	<u>\$ 2,187,630</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts and vouchers payable		\$ 310,734	\$ -	\$ 880	\$ 20,392
Contracts payable		-	-	15,807	-
Accrued liabilities		14,286	-	-	-
Due to other funds		-	-	-	-
Due to other governmental agencies		-	-	-	-
Advances from other funds		-	-	-	-
Matured interest payable		-	-	-	-
Matured bonds payable		-	-	-	-
Other liabilities		-	-	-	-
Deposits		14,441	-	-	-
Total liabilities		<u>339,461</u>	<u>-</u>	<u>16,687</u>	<u>20,392</u>
Deferred inflows of resources					
Unavailable revenue		-	-	-	-
Fund Balances					
Nonspendable		182,489	-	-	-
Restricted		1,108,801	-	-	1,894,121
Committed		-	-	929,850	-
Assigned		509,361	605	286,926	273,117
Unassigned		-	-	-	-
Total fund balances (deficits)		<u>1,800,651</u>	<u>605</u>	<u>1,216,776</u>	<u>2,167,238</u>
Total liabilities and fund balances (deficits)		<u>\$ 2,140,112</u>	<u>\$ 605</u>	<u>\$ 1,233,463</u>	<u>\$ 2,187,630</u>

Special Revenue Funds

911 and Enhanced 911	S.H.I.P.	Chester Cole Trust Fund	Mitigation Drainage	Charlotte Harbor Community Redevelopment	Murdock Village Redevelopment	Parkside Community Redevelopment
\$ 104,234	\$ 341,771	\$ 773	\$ 18,596	\$ 218,454	\$ 1,449,188	\$ 956,390
582,571	1,738,636	4,320	103,937	1,220,958	2,028,565	5,345,352
-	15,000	-	-	-	-	-
-	2,922	-	-	-	-	-
-	-	-	-	-	-	-
193,500	-	-	-	-	-	-
-	-	-	-	-	-	-
1,302	459,620	10	234	2,755	4,583	-
<u>\$ 881,607</u>	<u>\$ 2,557,949</u>	<u>\$ 5,103</u>	<u>\$ 122,767</u>	<u>\$ 1,442,167</u>	<u>\$ 3,482,336</u>	<u>\$ 6,301,742</u>
\$ 3,728	\$ 7,727	\$ 1,082	\$ -	\$ 60,656	\$ 4,900	\$ 4,120
-	-	-	-	-	-	35,391
-	7,028	-	-	-	-	-
-	-	-	-	129,616	-	284,113
-	-	-	-	-	-	-
-	-	-	-	1,205,405	-	8,143,412
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	3,625	-	-	-	1,001,019	-
<u>3,728</u>	<u>18,380</u>	<u>1,082</u>	<u>-</u>	<u>1,395,677</u>	<u>1,005,919</u>	<u>8,467,036</u>
64,480	-	-	-	-	-	-
-	3,193	-	-	-	-	-
813,399	2,291,915	-	-	-	-	-
-	3,000	1,743	45,949	35,327	-	-
-	241,461	2,278	76,818	11,163	2,476,417	-
-	-	-	-	-	-	(2,165,294)
<u>813,399</u>	<u>2,539,569</u>	<u>4,021</u>	<u>122,767</u>	<u>46,490</u>	<u>2,476,417</u>	<u>(2,165,294)</u>
<u>\$ 881,607</u>	<u>\$ 2,557,949</u>	<u>\$ 5,103</u>	<u>\$ 122,767</u>	<u>\$ 1,442,167</u>	<u>\$ 3,482,336</u>	<u>\$ 6,301,742</u>

CHARLOTTE COUNTY, FLORIDA  
 COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 September 30, 2017

		Special Revenue Funds			
		Integrated Shoreline Management	Impact Fees Trust	Grants	Animal Care Trust Fund
ASSETS					
Cash and cash equivalents	\$	789,314	\$ 684,552	\$ 139,853	\$ 631
Investments		4,411,554	3,324,954	55,853	2,945
Accounts and assessments receivable, net		-	-	-	-
Due from other funds		12,090	-	-	122
Advances to other funds		-	-	-	-
Due from other governmental agencies		3,458,111	-	330,136	-
Inventory of supplies, at cost		-	-	-	-
Other assets		9,968	8,162	11,596	7
Total assets		<u>\$ 8,681,037</u>	<u>\$ 4,017,668</u>	<u>\$ 537,438</u>	<u>\$ 3,705</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts and vouchers payable	\$	75,228	\$ -	\$ 103,108	\$ -
Contracts payable		256,786	-	-	-
Accrued liabilities		-	-	15,040	-
Due to other funds		-	-	350,098	-
Due to other governmental agencies		-	-	-	-
Advances from other funds		-	-	-	-
Matured interest payable		-	-	-	-
Matured bonds payable		-	-	-	-
Other liabilities		-	-	-	-
Deposits		-	-	1,350	-
Total liabilities		<u>332,014</u>	<u>-</u>	<u>469,596</u>	<u>-</u>
Deferred inflows of resources					
Unavailable revenue		-	-	-	-
Fund Balances					
Nonspendable		-	-	11,608	-
Restricted		4,519,798	4,017,668	42,172	-
Committed		1,500,000	-	-	3,616
Assigned		2,329,225	-	14,062	89
Unassigned		-	-	-	-
Total fund balances (deficits)		<u>8,349,023</u>	<u>4,017,668</u>	<u>67,842</u>	<u>3,705</u>
Total liabilities and fund balances (deficits)		<u>\$ 8,681,037</u>	<u>\$ 4,017,668</u>	<u>\$ 537,438</u>	<u>\$ 3,705</u>

Special Revenue Funds

Metropolitan Planning Organization	Habitat Conservation Management	Habitat Conservation Endowment	Waterway Maintenance Districts	Road Revolving	Transit	Stormwater Utility Districts	Barrier Islands Fire Service
\$ 26	\$ 175,294	\$ 35,772	\$ 1,173,197	\$ 69,889	\$ 95,854	\$ 2,866,494	\$ 8,024
146	844,772	162,749	6,557,116	390,616	5,482	16,021,114	44,847
-	-	-	-	-	14,222	-	-
-	-	-	135,907	-	-	69,369	6,474
-	-	-	-	-	-	-	-
125,414	-	-	-	-	1,745,361	310,205	-
-	-	-	-	-	-	-	-
5,558	1,920	358	14,819	881	10,635	36,636	7,103
<u>\$ 131,144</u>	<u>\$ 1,021,986</u>	<u>\$ 198,879</u>	<u>\$ 7,881,039</u>	<u>\$ 461,386</u>	<u>\$ 1,871,554</u>	<u>\$ 19,303,818</u>	<u>\$ 66,448</u>
\$ 577	\$ 862	\$ 238	\$ 26,551	\$ -	\$ 56,826	\$ 147,047	\$ 955
-	-	-	55,352	-	-	133,654	-
11,704	-	-	-	-	19,562	-	14,140
6,500	-	-	122,000	-	1,395,000	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>18,781</u>	<u>862</u>	<u>238</u>	<u>203,903</u>	<u>-</u>	<u>1,471,388</u>	<u>280,701</u>	<u>15,095</u>
-	-	-	-	-	-	310,205	-
5,627	-	-	-	-	13,695	-	6,975
-	545,177	196,707	5,428,873	-	386,471	15,786,417	-
-	465,014	-	275,913	370,133	-	-	-
106,736	10,933	1,934	1,972,350	91,253	-	2,926,495	44,378
-	-	-	-	-	-	-	-
<u>112,363</u>	<u>1,021,124</u>	<u>198,641</u>	<u>7,677,136</u>	<u>461,386</u>	<u>400,166</u>	<u>18,712,912</u>	<u>51,353</u>
<u>\$ 131,144</u>	<u>\$ 1,021,986</u>	<u>\$ 198,879</u>	<u>\$ 7,881,039</u>	<u>\$ 461,386</u>	<u>\$ 1,871,554</u>	<u>\$ 19,303,818</u>	<u>\$ 66,448</u>

CHARLOTTE COUNTY, FLORIDA  
 COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 September 30, 2017

	Special Revenue Funds			
	Charlotte County Fire Rescue Service	Little Gasparilla Fire	Charlotte County Health Facility	Event Center
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,418,451	\$ 27	\$ 52,311	\$ 135
Investments	7,914,062	152	292,370	756
Accounts and assessments receivable, net	50,185	-	-	201,435
Due from other funds	287,477	2,758	222	-
Advances to other funds	-	-	-	-
Due from other governmental agencies	571,000	-	-	-
Inventory of supplies, at cost	-	-	-	-
Other assets	250,843	-	674	-
Total assets	<u>\$ 10,492,018</u>	<u>\$ 2,937</u>	<u>\$ 345,577</u>	<u>\$ 202,326</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts and vouchers payable	\$ 109,776	\$ -	\$ 5,316	\$ 81,226
Contracts payable	-	-	-	-
Accrued liabilities	440,473	-	-	-
Due to other funds	-	-	-	121,100
Due to other governmental agencies	-	-	-	-
Advances from other funds	-	-	-	-
Matured interest payable	-	-	-	-
Matured bonds payable	-	-	-	-
Other liabilities	-	-	-	-
Deposits	-	-	-	-
Total liabilities	<u>550,249</u>	<u>-</u>	<u>5,316</u>	<u>202,326</u>
Deferred inflows of resources				
Unavailable revenue	555,087	-	-	-
Fund Balances				
Nonspendable	230,758	-	-	-
Restricted	1,725,813	-	-	-
Committed	133,558	-	331,656	-
Assigned	7,296,553	2,937	8,605	-
Unassigned	-	-	-	-
Total fund balances (deficits)	<u>9,386,682</u>	<u>2,937</u>	<u>340,261</u>	<u>-</u>
Total liabilities and fund balances (deficits)	<u>\$ 10,492,018</u>	<u>\$ 2,937</u>	<u>\$ 345,577</u>	<u>\$ 202,326</u>

Special Revenue Funds				Debt Service	Capital Projects
Stadium Maintenance & Operations	Hurricane Fund	Clerk of Court	Sheriff	Debt Service	Capital Projects
\$ 1,535	\$ 458	\$ 2,609,943	\$ 3,037,530	\$ 283,853	\$ 4,633,385
8,520	2,564	-	-	1,586,483	25,866,264
37,087	45,252	-	12,880	-	-
100,000	-	230,477	7,974	208,522	869,775
-	-	-	-	-	12,081,122
5,568	359,528	13,585	-	837,993	-
-	-	-	-	-	-
4,525	-	44,413	-	3,411	59,084
<u>\$ 157,235</u>	<u>\$ 407,802</u>	<u>\$ 2,898,418</u>	<u>\$ 3,058,384</u>	<u>\$ 2,920,262</u>	<u>\$ 43,509,630</u>
\$ 47,657	\$ 170,198	\$ 3,642	\$ 11,962	\$ -	\$ 721,590
-	-	-	-	-	71,341
6,121	-	65,734	-	-	-
66,000	192,349	294,703	1,280	1,125,247	-
-	-	13,941	-	166,366	-
-	-	-	-	-	-
-	-	-	-	398,553	-
-	-	-	-	1,025,000	-
-	-	780	-	-	-
10,000	-	-	-	-	-
<u>129,778</u>	<u>362,547</u>	<u>378,800</u>	<u>13,242</u>	<u>2,715,166</u>	<u>792,931</u>
7,035	404,780	-	-	-	-
4,513	-	-	-	-	-
-	-	1,657,677	3,045,142	-	-
15,909	-	-	-	-	14,200,094
-	-	861,941	-	205,096	28,516,605
-	(359,525)	-	-	-	-
<u>20,422</u>	<u>(359,525)</u>	<u>2,519,618</u>	<u>3,045,142</u>	<u>205,096</u>	<u>42,716,699</u>
<u>\$ 157,235</u>	<u>\$ 407,802</u>	<u>\$ 2,898,418</u>	<u>\$ 3,058,384</u>	<u>\$ 2,920,262</u>	<u>\$ 43,509,630</u>

CHARLOTTE COUNTY, FLORIDA  
 COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 September 30, 2017

		Capital Projects		
		Stadium Improvement	Sales Tax Extension 2009	Sales Tax Extension 2014
<b>ASSETS</b>				
Cash and cash equivalents		\$ 24,910	\$ 3,016,118	\$ 5,683,395
Investments		139,228	16,857,371	31,765,045
Accounts and assessments receivable, net		-	-	-
Due from other funds		-	-	-
Advances to other funds		-	-	-
Due from other governmental agencies		-	-	3,931,410
Inventory of supplies, at cost		-	-	-
Other assets		311	38,709	69,873
Total assets		\$ 164,449	\$ 19,912,198	\$ 41,449,723
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts and vouchers payable		\$ -	\$ 1,709,833	\$ 1,660,831
Contracts payable		-	1,563,333	438,156
Accrued liabilities		-	-	-
Due to other funds		41,667	-	-
Due to other governmental agencies		-	-	-
Advances from other funds		-	-	-
Matured interest payable		-	-	-
Matured bonds payable		-	-	-
Other liabilities		-	-	-
Deposits		-	-	-
Total liabilities		41,667	3,273,166	2,098,987
<b>Deferred inflows of resources</b>				
Unavailable revenue		-	-	-
<b>Fund Balances</b>				
Nonspendable		-	-	-
Restricted		21,803	14,349,730	38,864,275
Committed		61,549	-	-
Assigned		39,430	2,289,302	486,461
Unassigned		-	-	-
Total fund balances (deficits)		122,782	16,639,032	39,350,736
Total liabilities and fund balances (deficits)		\$ 164,449	\$ 19,912,198	\$ 41,449,723

Capital Projects

Road Improvements	Infrastructure Fund	Growth Increment Fund	Total Nonmajor Governmental Funds
\$ 5,065,479	\$ 598,067	\$ 160,266	\$ 41,659,597
28,161,838	3,342,656	895,740	191,751,306
-	-	-	379,884
-	1,776,389	-	4,537,915
-	-	-	12,081,122
748,299	-	-	14,247,312
-	-	-	792,721
62,612	7,536	2,020	1,470,091
<u>\$ 34,038,228</u>	<u>\$ 5,724,648</u>	<u>\$ 1,058,026</u>	<u>\$ 266,919,948</u>

\$ 1,066,054	\$ 43,113	\$ -	\$ 7,170,154
794,942	739	-	3,463,770
-	-	-	992,334
-	-	-	4,131,633
-	-	-	192,009
-	-	-	9,348,817
-	-	-	398,553
-	-	-	1,025,000
-	-	-	780
-	-	-	1,063,394
<u>1,860,996</u>	<u>43,852</u>	<u>-</u>	<u>27,786,444</u>

-	-	-	1,709,980
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-	-	-	1,346,836
9,443,434	-	-	124,840,727
339,483	-	1,049,414	19,762,208
22,394,315	5,680,796	8,612	93,998,572
-	-	-	(2,524,819)
<u>32,177,232</u>	<u>5,680,796</u>	<u>1,058,026</u>	<u>237,423,524</u>

<u>\$ 34,038,228</u>	<u>\$ 5,724,648</u>	<u>\$ 1,058,026</u>	<u>\$ 266,919,948</u>
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CHARLOTTE COUNTY, FLORIDA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NON-MAJOR GOVERNMENTAL FUNDS  
 For the Fiscal Year Ended September 30, 2017

	Special Revenue Funds			
	Transportation Trust	Fine and Forfeiture	Law Enforcement Trust	Drug Abuse Trust
Revenues:				
Taxes	\$ 5,355,189	\$ -	\$ -	\$ -
Assessments levied	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	3,347,690	-	-	-
Charges for services	10,637,496	555,703	-	68,144
Fines and forfeitures	-	-	28,442	-
Impact fees	-	-	-	-
Miscellaneous	427,181	43,399	298	764
Total revenues	<u>19,767,556</u>	<u>599,102</u>	<u>28,740</u>	<u>68,908</u>
Expenditures:				
Current				
General government	-	-	-	-
Court related	-	1,826,753	-	-
Public safety	-	458,624	-	-
Physical environment	296,417	-	-	-
Transportation	19,884,943	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	74,000
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	<u>20,181,360</u>	<u>2,285,377</u>	<u>-</u>	<u>74,000</u>
Excess of revenues over/(under) expenditures	<u>(413,804)</u>	<u>(1,686,275)</u>	<u>28,740</u>	<u>(5,092)</u>
Other financing sources (uses):				
Transfers in	-	1,742,050	27,072	-
Transfers out	(346,725)	-	(65,000)	-
Total other financing sources (uses)	<u>(346,725)</u>	<u>1,742,050</u>	<u>(37,928)</u>	<u>-</u>
Net change in fund balances (deficits)	<u>(760,529)</u>	<u>55,775</u>	<u>(9,188)</u>	<u>(5,092)</u>
Fund balances (deficits), October 1, 2016	<u>25,097,342</u>	<u>28,847</u>	<u>28,901</u>	<u>56,311</u>
Fund balances, (deficits) September 30, 2017	<u>\$ 24,336,813</u>	<u>\$ 84,622</u>	<u>\$ 19,713</u>	<u>\$ 51,219</u>

Special Revenue Funds

Law Library	Legal Aid	Radio Communications	Criminal Justice Education	Student Driver Education	Crimes Prevention	Tourist Development Tax Trust	Building Construction Services
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,899,353	\$ 120
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	4,212,844
32,699	32,699	-	26,061	-	52,639	14,315	73,170
-	-	95,561	2,000	35,462	-	-	75,646
-	-	-	-	-	-	-	-
61	257	574,914	377	188	1,900	21,814	95,759
<u>32,760</u>	<u>32,956</u>	<u>670,475</u>	<u>28,438</u>	<u>35,650</u>	<u>54,539</u>	<u>3,935,482</u>	<u>4,457,539</u>
-	-	401,586	-	-	-	-	-
12,384	-	-	-	-	-	-	-
-	-	-	-	44,760	-	-	3,773,739
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	75,300	-	-	-	-	-	-
-	-	-	-	-	-	2,153,955	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>12,384</u>	<u>75,300</u>	<u>401,586</u>	<u>-</u>	<u>44,760</u>	<u>-</u>	<u>2,153,955</u>	<u>3,773,739</u>
<u>20,376</u>	<u>(42,344)</u>	<u>268,889</u>	<u>28,438</u>	<u>(9,110)</u>	<u>54,539</u>	<u>1,781,527</u>	<u>683,800</u>
-	6,800	-	-	-	13,074	893,645	-
(20,376)	-	(4,439)	(51,000)	-	(80,000)	(2,278,169)	(128,268)
<u>(20,376)</u>	<u>6,800</u>	<u>(4,439)</u>	<u>(51,000)</u>	<u>-</u>	<u>(66,926)</u>	<u>(1,384,524)</u>	<u>(128,268)</u>
-	(35,544)	264,450	(22,562)	(9,110)	(12,387)	397,003	555,532
-	39,299	1,973,678	39,809	32,411	272,321	2,817,366	3,616,997
<u>\$ -</u>	<u>\$ 3,755</u>	<u>\$ 2,238,128</u>	<u>\$ 17,247</u>	<u>\$ 23,301</u>	<u>\$ 259,934</u>	<u>\$ 3,214,369</u>	<u>\$ 4,172,529</u>

CHARLOTTE COUNTY, FLORIDA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NON-MAJOR GOVERNMENTAL FUNDS  
 For the Fiscal Year Ended September 30, 2017

	Special Revenue Funds			
	Greater Charlotte Street Light	Open Space/Habitat	Native Tree Replacement	Boater Revolving
Revenues:				
Taxes	\$ 3,174,030	\$ -	\$ -	\$ -
Assessments levied	-	-	-	-
Licenses and permits	-	-	-	525,564
Intergovernmental	-	-	-	282,061
Charges for services	528,962	-	-	-
Fines and forfeitures	-	-	-	-
Impact fees	-	-	-	-
Miscellaneous	61,985	605	346,426	17,512
Total revenues	<u>3,764,977</u>	<u>605</u>	<u>346,426</u>	<u>825,137</u>
Expenditures:				
Current				
General government	-	-	-	-
Court related	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	422,275
Transportation	3,056,535	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	34,094	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	<u>3,056,535</u>	<u>-</u>	<u>34,094</u>	<u>422,275</u>
Excess of revenues over/(under) expenditures	<u>708,442</u>	<u>605</u>	<u>312,332</u>	<u>402,862</u>
Other financing sources (uses):				
Transfers in	32,768	-	-	-
Transfers out	(22,055)	-	-	(430,127)
Total other financing sources (uses)	<u>10,713</u>	<u>-</u>	<u>-</u>	<u>(430,127)</u>
Net change in fund balances (deficits)	719,155	605	312,332	(27,265)
Fund balances (deficits), October 1, 2016	<u>1,081,496</u>	<u>-</u>	<u>904,444</u>	<u>2,194,503</u>
Fund balances, (deficits) September 30, 2017	<u>\$ 1,800,651</u>	<u>\$ 605</u>	<u>\$ 1,216,776</u>	<u>\$ 2,167,238</u>

Special Revenue Funds

911 and Enhanced 911	S.H.I.P.	Chester Cole Trust Fund	Mitigation Drainage	Charlotte Harbor Community Redevelopment	Murdock Village Redevelopment	Parkside Community Redevelopment
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
846,076	1,100,800	-	-	72,372	40,000	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
18,589	525,330	239	1,030	11,164	128,856	-
<u>864,665</u>	<u>1,626,130</u>	<u>239</u>	<u>1,030</u>	<u>83,536</u>	<u>168,856</u>	<u>-</u>
-	-	-	-	-	71,721	880,234
-	-	-	-	-	-	-
783,724	-	-	-	-	-	-
-	-	-	-	-	-	-
-	891,249	-	-	137,668	-	-
-	-	2,055	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	4,294,700	-
<u>783,724</u>	<u>891,249</u>	<u>2,055</u>	<u>-</u>	<u>137,668</u>	<u>4,366,421</u>	<u>880,234</u>
<u>80,941</u>	<u>734,881</u>	<u>(1,816)</u>	<u>1,030</u>	<u>(54,132)</u>	<u>(4,197,565)</u>	<u>(880,234)</u>
-	-	-	-	151,743	4,938,131	269,109
-	-	-	-	-	-	-
-	-	-	-	151,743	4,938,131	269,109
80,941	734,881	(1,816)	1,030	97,611	740,566	(611,125)
732,458	1,804,688	5,837	121,737	(51,121)	1,735,851	(1,554,169)
<u>\$ 813,399</u>	<u>\$ 2,539,569</u>	<u>\$ 4,021</u>	<u>\$ 122,767</u>	<u>\$ 46,490</u>	<u>\$ 2,476,417</u>	<u>\$ (2,165,294)</u>

CHARLOTTE COUNTY, FLORIDA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NON-MAJOR GOVERNMENTAL FUNDS  
 For the Fiscal Year Ended September 30, 2017

	Special Revenue Funds			
	Integrated Shoreline Management	Impact Fees Trust	Grants	Animal Care Trust Fund
Revenues:				
Taxes	\$ 932,434	\$ -	\$ -	\$ -
Assessments levied	191,043	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	3,458,111	-	1,626,659	-
Charges for services	-	-	-	2,578
Fines and forfeitures	-	-	-	-
Impact fees	-	3,654,306	-	-
Miscellaneous	66,781	29,005	41,137	1,692
Total revenues	<u>4,648,369</u>	<u>3,683,311</u>	<u>1,667,796</u>	<u>4,270</u>
Expenditures:				
Current				
General government	-	10,220	-	-
Court related	-	-	-	-
Public safety	-	13,628	-	-
Physical environment	5,824,746	-	30,028	-
Transportation	-	78,088	-	-
Economic environment	-	-	4,704	-
Human services	-	-	1,921,777	3,812
Culture and recreation	-	10,005	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	<u>5,824,746</u>	<u>111,941</u>	<u>1,956,509</u>	<u>3,812</u>
Excess of revenues over/(under) expenditures	<u>(1,176,377)</u>	<u>3,571,370</u>	<u>(288,713)</u>	<u>458</u>
Other financing sources (uses):				
Transfers in	511,097	-	364,989	-
Transfers out	-	(2,019,737)	(92,880)	-
Total other financing sources (uses)	<u>511,097</u>	<u>(2,019,737)</u>	<u>272,109</u>	<u>-</u>
Net change in fund balances (deficits)	(665,280)	1,551,633	(16,604)	458
Fund balances (deficits), October 1, 2016	9,014,303	2,466,035	84,446	3,247
Fund balances, (deficits) September 30, 2017	<u>\$ 8,349,023</u>	<u>\$ 4,017,668</u>	<u>\$ 67,842</u>	<u>\$ 3,705</u>

Special Revenue Funds

Metropolitan Planning Organization	Habitat Conservation Management	Habitat Conservation Endowment	Waterway Maintenance Districts	Road Revolving	Transit	Stormwater Utility Districts	Barrier Islands Fire Service
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	1,081,944	-	-	5,344,372	503,699
-	-	-	-	-	-	-	-
510,842	-	-	-	-	3,372,415	320,000	-
-	368,778	98,572	-	-	183,214	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(1,136)	7,611	1,251	86,618	3,870	(8,761)	160,817	1,853
<u>509,706</u>	<u>376,389</u>	<u>99,823</u>	<u>1,168,562</u>	<u>3,870</u>	<u>3,546,868</u>	<u>5,825,189</u>	<u>505,552</u>
534,165	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	653,784
-	74,046	-	1,085,373	-	-	4,333,929	-
-	-	-	-	-	-	-	-
-	-	-	-	-	3,476,510	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	132,156	-	-	-	-
<u>534,165</u>	<u>74,046</u>	<u>-</u>	<u>1,217,529</u>	<u>-</u>	<u>3,476,510</u>	<u>4,333,929</u>	<u>653,784</u>
<u>(24,459)</u>	<u>302,343</u>	<u>99,823</u>	<u>(48,967)</u>	<u>3,870</u>	<u>70,358</u>	<u>1,491,260</u>	<u>(148,232)</u>
135,107	-	-	121,553	-	983,082	40,815	25,060
-	-	-	-	-	(9,266)	-	-
<u>135,107</u>	<u>-</u>	<u>-</u>	<u>121,553</u>	<u>-</u>	<u>973,816</u>	<u>40,815</u>	<u>25,060</u>
110,648	302,343	99,823	72,586	3,870	1,044,174	1,532,075	(123,172)
1,715	718,781	98,818	7,604,550	457,516	(644,008)	17,180,837	174,525
<u>\$ 112,363</u>	<u>\$ 1,021,124</u>	<u>\$ 198,641</u>	<u>\$ 7,677,136</u>	<u>\$ 461,386</u>	<u>\$ 400,166</u>	<u>\$ 18,712,912</u>	<u>\$ 51,353</u>

CHARLOTTE COUNTY, FLORIDA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NON-MAJOR GOVERNMENTAL FUNDS  
 For the Fiscal Year Ended September 30, 2017

	Special Revenue Funds			
	Charlotte County Fire Rescue Service	Little Gasparilla Fire	Charlotte County Health Facility	Event Center
Revenues:				
Taxes	\$ -	\$ -	\$ 1,229,221	\$ -
Assessments levied	22,002,691	214,600	-	-
Licenses and permits	-	-	-	-
Intergovernmental	68,307	-	-	-
Charges for services	38,647	-	-	1,355,997
Fines and forfeitures	-	-	-	-
Impact fees	-	-	-	-
Miscellaneous	633,193	176	4,386	-
Total revenues	<u>22,742,838</u>	<u>214,776</u>	<u>1,233,607</u>	<u>1,355,997</u>
Expenditures:				
Current				
General government	-	-	-	-
Court related	-	-	-	-
Public safety	23,956,832	216,307	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	987,390	-
Culture and recreation	-	-	-	1,927,089
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	<u>23,956,832</u>	<u>216,307</u>	<u>987,390</u>	<u>1,927,089</u>
Excess of revenues over/(under) expenditures	<u>(1,213,994)</u>	<u>(1,531)</u>	<u>246,217</u>	<u>(571,092)</u>
Other financing sources (uses):				
Transfers in	168,037	1,639	-	571,092
Transfers out	(132,596)	-	-	-
Total other financing sources (uses)	<u>35,441</u>	<u>1,639</u>	<u>-</u>	<u>571,092</u>
Net change in fund balances (deficits)	(1,178,553)	108	246,217	-
Fund balances (deficits), October 1, 2016	10,565,235	2,829	94,044	-
Fund balances, (deficits) September 30, 2017	<u>\$ 9,386,682</u>	<u>\$ 2,937</u>	<u>\$ 340,261</u>	<u>\$ -</u>

Special Revenue Funds				Debt Service	Capital Projects
Stadium Maintenance & Operations	Hurricane Fund	Clerk of Court	Sheriff	Debt Service	Capital Projects
\$ -	\$ -	\$ -	\$ -	\$ 8,132,119	\$ 17,149,756
-	-	-	-	-	-
-	-	-	-	-	-
-	-	363,754	187,760	-	455,257
94,869	-	3,081,674	359,395	-	115,010
-	-	1,071,177	408,246	-	-
-	-	-	-	-	-
145,287	-	138,528	2,475	360,970	333,470
<u>240,156</u>	<u>-</u>	<u>4,655,133</u>	<u>957,876</u>	<u>8,493,089</u>	<u>18,053,493</u>
-	30,246	86,992	-	-	-
-	-	3,778,303	-	-	-
-	119,377	-	761,269	-	-
-	82,872	-	-	-	-
-	100,943	-	-	-	-
-	-	-	-	-	-
-	17,065	-	-	-	-
1,734,711	9,022	-	-	-	-
-	-	-	-	-	10,591,040
-	-	-	-	5,043,727	306,412
<u>1,734,711</u>	<u>359,525</u>	<u>3,865,295</u>	<u>761,269</u>	<u>5,043,727</u>	<u>10,897,452</u>
<u>(1,494,555)</u>	<u>(359,525)</u>	<u>789,838</u>	<u>196,607</u>	<u>3,449,362</u>	<u>7,156,041</u>
1,586,415	-	534,139	51,000	2,041,372	1,161,946
(39,726)	-	(882,346)	-	(5,403,606)	(6,563,309)
<u>1,546,689</u>	<u>-</u>	<u>(348,207)</u>	<u>51,000</u>	<u>(3,362,234)</u>	<u>(5,401,363)</u>
52,134	(359,525)	441,631	247,607	87,128	1,754,678
(31,712)	-	2,077,987	2,797,535	117,968	40,962,021
<u>\$ 20,422</u>	<u>\$ (359,525)</u>	<u>\$ 2,519,618</u>	<u>\$ 3,045,142</u>	<u>\$ 205,096</u>	<u>\$ 42,716,699</u>

CHARLOTTE COUNTY, FLORIDA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NON-MAJOR GOVERNMENTAL FUNDS  
 For the Fiscal Year Ended September 30, 2017

	Capital Projects		
	Stadium Improvement	Sales Tax Extension 2009	Sales Tax Extension 2014
Revenues:			
Taxes	\$ -	\$ -	\$ 25,645,935
Assessments levied	-	-	-
Licenses and permits	-	-	-
Intergovernmental	500,004	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Impact fees	-	-	-
Miscellaneous	51,464	219,807	276,435
Total revenues	551,468	219,807	25,922,370
Expenditures:			
Current			
General government	-	-	-
Court related	-	-	-
Public safety	-	-	-
Physical environment	-	-	-
Transportation	-	-	-
Economic environment	-	-	-
Human services	-	-	-
Culture and recreation	-	-	-
Capital outlay	85,411	17,264,650	14,686,723
Debt service	-	-	-
Total expenditures	85,411	17,264,650	14,686,723
Excess of revenues over/(under) expenditures	466,057	(17,044,843)	11,235,647
Other financing sources (uses):			
Transfers in	50,000	-	-
Transfers out	(500,004)	-	(125,000)
Total other financing sources (uses)	(450,004)	-	(125,000)
Net change in fund balances (deficits)	16,053	(17,044,843)	11,110,647
Fund balances (deficits), October 1, 2016	106,729	33,683,875	28,240,089
Fund balances, (deficits) September 30, 2017	\$ 122,782	\$ 16,639,032	\$ 39,350,736

<u>Capital Projects</u>			
<u>Road Improvements</u>	<u>Infrastructure Fund</u>	<u>Growth Increment Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 4,669,399	\$ -	\$ -	\$ 70,187,556
-	-	-	29,338,349
-	-	-	4,738,408
1,137,847	-	-	16,931,364
-	-	-	18,554,859
-	-	-	1,640,888
-	-	-	3,654,306
288,902	28,537	8,612	5,161,628
<u>6,096,148</u>	<u>28,537</u>	<u>8,612</u>	<u>150,207,358</u>
-	-	-	2,015,164
-	-	-	5,617,440
-	-	-	30,782,044
-	-	-	12,149,686
-	-	-	23,258,177
-	-	-	895,953
-	-	-	6,557,909
-	-	-	5,868,876
11,044,724	315,635	-	53,988,183
897,901	-	-	10,674,896
<u>11,942,625</u>	<u>315,635</u>	<u>-</u>	<u>151,808,328</u>
<u>(5,846,477)</u>	<u>(287,098)</u>	<u>8,612</u>	<u>(1,600,970)</u>
1,124,918	5,967,894	1,049,414	24,563,961
-	-	-	(19,194,629)
<u>1,124,918</u>	<u>5,967,894</u>	<u>1,049,414</u>	<u>5,369,332</u>
(4,721,559)	5,680,796	1,058,026	3,768,362
36,898,791	-	-	233,655,162
<u>\$ 32,177,232</u>	<u>\$ 5,680,796</u>	<u>\$ 1,058,026</u>	<u>\$ 237,423,524</u>

# **COMMUNITY REDEVELOPMENT AGENCIES**

CHARLOTTE COUNTY, FLORIDA  
 CHARLOTTE HARBOR COMMUNITY REDEVELOPMENT AGENCY  
 BALANCE SHEET  
 September 30, 2017

ASSETS

Cash and cash equivalents	\$ 218,454
Investments	1,220,958
Interest receivable on investments	<u>2,755</u>
Total assets	<u><u>\$ 1,442,167</u></u>

LIABILITIES AND FUND BALANCES

Liabilities	
Accounts and vouchers payable	\$ 60,656
Due to other funds - General	129,616
Advances from other funds - General	<u>1,205,405</u>
Total liabilities	<u><u>1,395,677</u></u>

Fund	
Committed	35,327
Assigned	<u>11,163</u>
Total fund balance	<u><u>46,490</u></u>

Total liabilities and fund balance	<u><u>\$ 1,442,167</u></u>
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CHARLOTTE COUNTY, FLORIDA  
 CHARLOTTE HARBOR COMMUNITY REDEVELOPMENT AGENCY  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 For the Fiscal Year Ended September 30, 2017

Revenue:	
Intergovernmental	\$ 72,372
Interest	<u>11,164</u>
Total revenue	<u>83,536</u>
Expenditures:	
Current	
Transportation	
Contract/Professional services	71,251
Purchased services	36,185
Capital outlay	<u>30,232</u>
Total expenditures	<u>137,668</u>
Excess of expenditures over revenues	<u>(54,132)</u>
Other financing sources:	
Transfers from other funds	<u>151,743</u>
Total other financing sources	<u>151,743</u>
Net change in fund balance	97,611
Fund balance, (deficit) October 1, 2016	<u>(51,121)</u>
Fund balance, September 30, 2017	<u><u>\$ 46,490</u></u>

CHARLOTTE COUNTY, FLORIDA  
MURDOCK VILLAGE COMMUNITY REDEVELOPMENT AGENCY  
BALANCE SHEET  
September 30, 2017

ASSETS

Cash and cash equivalents	\$ 1,449,188
Investments	2,028,565
Interest receivable on investments	<u>4,583</u>
Total assets	<u><u>\$ 3,482,336</u></u>

LIABILITIES AND FUND BALANCES

Accounts and vouchers payable	\$ 4,900
Deposit	<u>1,001,019</u>
Total liabilities	<u><u>\$ 1,005,919</u></u>
Fund Balance	
Assigned	<u>2,476,417</u>
Total fund balance	<u><u>2,476,417</u></u>
Total liabilities and fund balance	<u><u>\$ 3,482,336</u></u>

CHARLOTTE COUNTY, FLORIDA  
 MURDOCK VILLAGE COMMUNITY REDEVELOPMENT AGENCY  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 For the Fiscal Year Ended September 30, 2017

Revenue:		
Intergovernmental	\$	40,000
Interest		<u>128,856</u>
Total revenue		<u>168,856</u>
Expenditures:		
Current		
General Government		
Contract/Professional services		44,458
Purchased services		26,919
Materials and supplies		61
Capital outlay		283
Debt service		<u>4,294,700</u>
Total expenditures		<u>4,366,421</u>
		<u>(4,197,565)</u>
Other financing sources:		
Transfers from other funds		<u>4,938,131</u>
Total other financing sources		<u>4,938,131</u>
		740,566
Fund balance, October 1, 2016		<u>1,735,851</u>
Fund balance, September 30, 2017	\$	<u><u>2,476,417</u></u>

CHARLOTTE COUNTY, FLORIDA  
PARKSIDE COMMUNITY REDEVELOPMENT AGENCY  
BALANCE SHEET  
September 30, 2017

ASSETS

Cash and cash equivalents	\$ 956,390
Investments	<u>5,345,352</u>
Total assets	<u>\$ 6,301,742</u>

LIABILITIES AND FUND BALANCES

Liabilities	
Accounts and vouchers payable	4,120
Contracts payable	35,391
Due to other funds - Capital Projects	284,113
Advances from other funds - Capital Projects	<u>8,143,412</u>
Total liabilities	<u>8,467,036</u>
Fund Balance (deficit)	
Unassigned	<u>(2,165,294)</u>
Total fund balance (deficit)	<u>(2,165,294)</u>
Total liabilities and fund balance (deficit)	<u>\$ 6,301,742</u>

CHARLOTTE COUNTY, FLORIDA  
 PARKSIDE COMMUNITY REDEVELOPMENT AGENCY  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 For the Fiscal Year Ended September 30, 2017

Expenditures:	
Current	
General Government	
Contract/Professional services	\$ 83,217
Purchased services	70,444
Capital outlay	<u>726,573</u>
Total expenditures	<u>880,234</u>
Excess of revenues (under) expenditures	<u>(880,234)</u>
Other financing sources:	
Transfers from other funds	<u>269,109</u>
Total other financing sources	<u>269,109</u>
Net change in fund balance	(611,125)
Fund balance, (deficit) October 1, 2016	<u>(1,554,169)</u>
Fund balance, (deficit) September 30, 2017	<u><u>\$(2,165,294)</u></u>

CHARLOTTE COUNTY, FLORIDA  
 COMBINING STATEMENT OF NET POSITION  
 INTERNAL SERVICE FUNDS  
 September 30, 2017

	Self- Insurance Fund	Health Ins Trust Fund	Vehicle Maintenance	Accrued Compensated Absences	Clerk of Court	Total
<b>ASSETS</b>						
Current assets:						
Cash and cash equivalents	\$ 2,155,063	\$ 190,781	\$ 207,850	\$ 91,174	\$ 935,799	\$ 3,580,667
Investments	11,928,904	590,486	1,148,717	509,580	-	14,177,687
Accounts and assessments receivable, net	6,005	7,357	-	-	-	13,362
Due from other funds	-	-	3,647	-	-	3,647
Due from other governmental agencies	5,931	77,546	17,380	-	-	100,857
Inventory of supplies, at cost	-	-	158,452	-	-	158,452
Other assets	30,472	578,585	17,428	-	-	626,485
Total current assets	<u>14,126,375</u>	<u>1,444,755</u>	<u>1,553,474</u>	<u>600,754</u>	<u>935,799</u>	<u>18,661,157</u>
Noncurrent assets:						
Capital assets:						
Buildings	-	-	1,542,388	-	-	1,542,388
Improvements other than buildings	-	-	40,321	-	-	40,321
Machinery and equipment	9,696	-	227,027	-	-	236,723
Construction in progress	-	-	66,410	-	-	66,410
Less accumulated depreciation	(9,696)	-	(597,155)	-	-	(606,851)
Total capital assets (net)	<u>-</u>	<u>-</u>	<u>1,278,991</u>	<u>-</u>	<u>-</u>	<u>1,278,991</u>
Total assets	<u>14,126,375</u>	<u>1,444,755</u>	<u>2,832,465</u>	<u>600,754</u>	<u>935,799</u>	<u>19,940,148</u>
Deferred outflows of resources:						
Deferred outflow - Pension related	\$ 53,827	\$ 30,259	\$ 146,231	\$ -	\$ -	\$ 230,317
<b>LIABILITIES</b>						
Current liabilities:						
Accounts and vouchers payable	12,129	278,506	169,890	-	-	460,525
Accrued liabilities	4,439	2,474	18,287	-	-	25,200
Due to other funds	-	600	120,066	-	-	120,666
Self-insurance claims payable	2,147,000	1,409,927	-	-	-	3,556,927
Other liabilities	-	750,190	-	-	-	750,190
Unearned revenue	-	1,960,514	-	-	-	1,960,514
Accrued compensated absences	2,892	-	6,369	-	176,556	185,817
Total current liabilities	<u>2,166,460</u>	<u>4,402,211</u>	<u>314,612</u>	<u>-</u>	<u>176,556</u>	<u>7,059,839</u>
Noncurrent liabilities:						
Accrued compensated absences	10,852	10,783	29,165	-	759,243	810,043
Advances from other funds	-	-	50,000	-	-	50,000
Self-insurance claims payable	4,090,000	-	-	-	-	4,090,000
Other postemployment benefits	18,382	14,307	34,111	-	-	66,800
Net pension liability	133,343	74,958	375,993	-	-	584,294
Total noncurrent liabilities	<u>4,252,577</u>	<u>100,048</u>	<u>489,269</u>	<u>-</u>	<u>759,243</u>	<u>5,601,137</u>
Total liabilities	<u>6,419,037</u>	<u>4,502,259</u>	<u>803,881</u>	<u>-</u>	<u>935,799</u>	<u>12,660,976</u>
Deferred inflows of resources:						
Deferred inflow - Pension related	7,421	4,171	21,992	-	-	33,584
<b>NET POSITION</b>						
Net Investment in Capital Assets	-	-	1,278,991	-	-	1,278,991
Unrestricted	7,753,744	(3,031,416)	873,832	600,754	-	6,196,914
Total net position (deficit)	<u>\$ 7,753,744</u>	<u>\$ (3,031,416)</u>	<u>\$ 2,152,823</u>	<u>\$ 600,754</u>	<u>\$ -</u>	<u>\$ 7,475,905</u>

CHARLOTTE COUNTY, FLORIDA  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
 INTERNAL SERVICES FUNDS  
 For the Fiscal Year Ended September 30, 2017

	Self-Insurance Fund	Health Ins Trust Fund	Vehicle Maintenance	Accrued Compensated Absences	Clerk of Court	Total
Operating revenues:						
Charges for services	\$ 4,163,748	\$ 26,069,959	\$ 3,591,841	\$ 738,226	\$ -	\$ 34,563,774
Miscellaneous	53,548	3	4,928	-	150,804	209,283
Total operating revenues	<u>4,217,296</u>	<u>26,069,962</u>	<u>3,596,769</u>	<u>738,226</u>	<u>150,804</u>	<u>34,773,057</u>
Operating expenses:						
Personal services	200,674	109,608	691,798	472,035	-	1,474,115
Contractual services	453,402	2,909,936	23,426	9,323	-	3,396,087
Depreciation expense and amortization	1,454	-	69,001	-	-	70,455
Insurance claims	1,900,534	19,469,797	-	-	-	21,370,331
Insurance premiums	2,255,694	3,549,873	-	-	-	5,805,567
Purchased services	5,619	21,524	116,962	-	162,511	306,616
Materials & Supplies	3,356	106,148	(27,494)	-	-	82,010
Cost of sales and service	-	-	2,719,941	-	-	2,719,941
Total operating expenses	<u>4,820,733</u>	<u>26,166,886</u>	<u>3,593,634</u>	<u>481,358</u>	<u>162,511</u>	<u>35,225,122</u>
Operating income (loss)	<u>(603,437)</u>	<u>(96,924)</u>	<u>3,135</u>	<u>256,868</u>	<u>(11,707)</u>	<u>(452,065)</u>
Nonoperating revenues						
Interest revenue	121,783	(2,753)	9,383	-	11,707	140,120
Grants and entitlements	5,931	-	12,569	-	-	18,500
Total nonoperating revenues	<u>127,714</u>	<u>(2,753)</u>	<u>21,952</u>	<u>-</u>	<u>11,707</u>	<u>158,620</u>
Income (loss) before contributions and transfers	(475,723)	(99,677)	25,087	256,868	-	(293,445)
Transfers in	-	-	9,266	-	-	9,266
Transfers out	(3,049)	-	(25,871)	-	-	(28,920)
Change in net position	<u>(478,772)</u>	<u>(99,677)</u>	<u>8,482</u>	<u>256,868</u>	<u>-</u>	<u>(313,099)</u>
Total net position - beginning as previously stated	<u>8,232,516</u>	<u>(2,931,739)</u>	<u>2,144,341</u>	<u>343,886</u>	<u>-</u>	<u>7,789,004</u>
Total net position (deficit) - ending	<u>\$ 7,753,744</u>	<u>\$ (3,031,416)</u>	<u>\$ 2,152,823</u>	<u>\$ 600,754</u>	<u>\$ -</u>	<u>\$ 7,475,905</u>

CHARLOTTE COUNTY, FLORIDA  
 COMBINING STATEMENT OF CASH FLOWS  
 INTERNAL SERVICE FUNDS  
 For the Fiscal Year Ended September 30, 2017

	Self- Insurance Fund	Health Ins Trust Fund	Vehicle Maintenance	Accrued Compensated Absences	Clerk of Court	Total
Cash flows from operating activities:						
Cash received from customers	\$ 4,169,679	\$ 26,232,752	\$ 3,581,154	\$ 738,226	\$ 150,804	\$ 34,872,615
Cash payments to suppliers for goods and services	(2,730,059)	(6,735,453)	(2,904,826)	(9,323)	(162,511)	(12,542,172)
Cash payments to employees for services	(177,718)	(104,940)	(646,161)	(472,035)	-	(1,400,854)
Insurance claims	(1,263,534)	(19,409,956)	-	-	-	(20,673,490)
Other operating revenues	637,327	-	(15,148)	-	-	622,179
Net cash provided (used by) operating activities	<u>635,695</u>	<u>(17,597)</u>	<u>15,019</u>	<u>256,868</u>	<u>(11,707)</u>	<u>878,278</u>
Cash flows from noncapital financing activities:						
Operating transfers from other funds	-	-	(9,266)	-	-	(9,266)
Operating grants	(5,931)	-	(12,569)	-	-	(18,500)
Net cash provided by non capital financing activities	<u>(5,931)</u>	<u>-</u>	<u>(21,835)</u>	<u>-</u>	<u>-</u>	<u>(27,766)</u>
Cash flows from capital and related financing activities:						
Acquisition of capital assets	-	-	(15,953)	-	-	(15,953)
Advances from other funds	-	-	(120,000)	-	-	(120,000)
Capital transfers (to) from other funds	(3,049)	-	(25,871)	-	-	(28,920)
Net cash used by capital financing activities	<u>(3,049)</u>	<u>-</u>	<u>(161,824)</u>	<u>-</u>	<u>-</u>	<u>(164,873)</u>
Cash flows from investing activities:						
Purchase of investment securities	(9,474,824)	(20,807,119)	(4,211,229)	(891,788)	(2,022,402)	(37,407,362)
Proceeds from sale and maturities of investment securities	5,810,674	20,610,769	4,010,521	595,566	1,871,598	32,899,128
Interest and dividends on investments	110,456	(3,472)	8,695	-	11,707	127,386
Net cash provided (used) by investing activities	<u>(3,553,694)</u>	<u>(199,822)</u>	<u>(192,013)</u>	<u>(296,222)</u>	<u>(139,097)</u>	<u>(4,380,848)</u>
Cash and cash equivalents:						
Net change in cash and cash equivalents	(2,926,979)	(217,419)	(360,653)	(39,354)	(150,804)	(3,695,209)
Cash and cash equivalents, October 1, 2015	<u>5,082,042</u>	<u>408,200</u>	<u>568,503</u>	<u>130,528</u>	<u>1,086,603</u>	<u>7,275,876</u>
Cash and cash equivalents, September 30, 2017	<u>\$ 2,155,063</u>	<u>\$ 190,781</u>	<u>\$ 207,850</u>	<u>\$ 91,174</u>	<u>\$ 935,799</u>	<u>\$ 3,580,667</u>

CHARLOTTE COUNTY, FLORIDA  
 COMBINING STATEMENT OF CASH FLOWS  
 INTERNAL SERVICE FUNDS  
 For the Fiscal Year Ended September 30, 2017

	Self- Insurance Fund	Health Ins Trust Fund	Vehicle Maintenance	Accrued Compensated Absences	Clerk of Court	Total
Reconciliation of operating income (loss) to net cash provided (used) from operating activities:						
Operating income (loss)	\$ (603,437)	\$ (96,924)	\$ 3,135	\$ 256,868	\$ (11,707)	\$ (452,065)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense and amortization	1,454	-	69,001	-	-	70,455
Deferred outflows - pension related (increase)	(19,298)	(4,903)	(30,325)	-	-	(54,526)
Deferred inflows - pension related (decrease)	5,676	2,892	16,133	-	-	24,701
Changes in assets and liabilities:						
(Increase) decrease in:						
Accounts receivable	581,656	(2,268)	-	-	-	579,388
Due from constitutional officers	5,931	-	(1,931)	-	-	4,000
Due from other governments	-	(77,546)	(9,214)	-	-	(86,760)
Inventory	-	-	(15,148)	-	-	(15,148)
Other assets	(149)	(79)	(3,622)	-	-	(3,850)
Increase (decrease) in:						
Accounts and vouchers payable	(11,988)	(71,026)	(74,061)	-	-	(157,075)
Accrued liabilities	125	136	8,869	-	-	9,130
Accrued compensated absences	1,382	3,983	-	-	-	5,365
Other postemployment benefits	1,114	625	-	-	-	1,739
Unearned revenue	-	165,061	-	-	-	165,061
Other liabilities	-	(18,869)	3,589	-	-	(15,280)
Due to constitutional officers	-	600	-	-	-	600
Due to other funds	-	-	66	-	-	66
Self-insurance claims payable	637,000	74,161	-	-	-	711,161
Net pension liability increase	36,229	6,560	48,527	-	-	91,316
Total adjustments	<u>1,239,132</u>	<u>79,327</u>	<u>11,884</u>	<u>-</u>	<u>-</u>	<u>1,330,343</u>
Net cash provided (used) by operating activities:	<u>\$ 635,695</u>	<u>\$ (17,597)</u>	<u>\$ 15,019</u>	<u>\$ 256,868</u>	<u>\$ (11,707)</u>	<u>\$ 878,278</u>
Noncash investing, capital and financing activities:						
Change in fair value of investments	\$ (32,355)	\$ 1,160	\$ (2,550)	\$ -	\$ -	\$ (33,745)

CHARLOTTE COUNTY, FLORIDA  
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 September 30, 2017

	<u>Board of County Commissioners</u>	<u>Clerk of the Circuit Court</u>	<u>Sheriff</u>	<u>Tax Collector</u>	<u>Total Agency Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,204	\$ 5,559,080	\$ 203,510	\$ 5,744,338	\$ 11,508,132
Investments	6,730	-	-	-	6,730
Accounts and assessments receivable, net	-	3,622,518	-	-	3,622,518
Due from other governmental agencies	-	-	-	1,437	1,437
Due from individuals	-	-	-	8,181	8,181
Other assets	15	-	-	-	15
Total assets	<u>\$ 7,949</u>	<u>\$ 9,181,598</u>	<u>\$ 203,510</u>	<u>\$ 5,753,956</u>	<u>\$ 15,147,013</u>
<b>LIABILITIES</b>					
Due to other governmental agencies	\$ -	\$ 4,246,821	\$ 42,719	\$ 593,731	\$ 4,883,271
Due to individuals	-	-	160,791	302,991	463,782
Deposits	-	310,197	-	4,857,234	5,167,431
Other liabilities	7,949	4,624,580	-	-	4,632,529
Total liabilities	<u>\$ 7,949</u>	<u>\$ 9,181,598</u>	<u>\$ 203,510</u>	<u>\$ 5,753,956</u>	<u>\$ 15,147,013</u>

CHARLOTTE COUNTY, FLORIDA  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -  
 AGENCY FUNDS  
 For the Fiscal Year Ended September 30, 2017

	Balance October 1, 2016	Additions	Deductions	Balance September 30, 2017
<b>BOARD OF COUNTY COMMISSIONERS</b>				
<b>ASSETS</b>				
Cash	\$ 2,988	\$ 1,204	\$ 2,988	\$ 1,204
Investments	4,885	3,067	1,222	6,730
Other assets	10	15	10	15
	<u>\$ 7,883</u>	<u>\$ 4,286</u>	<u>\$ 4,220</u>	<u>\$ 7,949</u>
<b>LIABILITIES</b>				
Other liabilities	\$ 7,883	\$ 94	\$ 28	\$ 7,949
	<u>\$ 7,883</u>	<u>\$ 94</u>	<u>\$ 28</u>	<u>\$ 7,949</u>
<b>CLERK OF THE CIRCUIT COURT</b>				
<b>ASSETS</b>				
Cash	\$ 5,832,219	\$ 81,938,602	\$ 82,211,741	\$ 5,559,080
Accounts receivable	3,167,649	637,918	183,049	3,622,518
Due from other governments	1	4	5	-
	<u>\$ 8,999,869</u>	<u>\$ 82,576,524</u>	<u>\$ 82,394,795</u>	<u>\$ 9,181,598</u>
<b>LIABILITIES</b>				
Vouchers payable	\$ -	\$ 18,567,514	\$ 18,567,514	\$ -
Due to other governments	3,844,440	26,625,663	26,223,282	4,246,821
Deposits	375,989	726,246	792,038	310,197
Other liabilities	4,779,440	17,220,783	17,375,643	4,624,580
	<u>\$ 8,999,869</u>	<u>\$ 63,140,206</u>	<u>\$ 62,958,477</u>	<u>\$ 9,181,598</u>
<b>SHERIFF</b>				
<b>ASSETS</b>				
Cash	\$ 200,121	\$ 1,760,905	\$ 1,757,516	\$ 203,510
	<u>\$ 200,121</u>	<u>\$ 1,760,905</u>	<u>\$ 1,757,516</u>	<u>\$ 203,510</u>
<b>LIABILITIES</b>				
Due to other governments	\$ 49,970	\$ 712,517	\$ 719,768	\$ 42,719
Due to individuals	150,151	1,048,645	1,038,005	160,791
	<u>\$ 200,121</u>	<u>\$ 1,761,162</u>	<u>\$ 1,757,773</u>	<u>\$ 203,510</u>

CHARLOTTE COUNTY, FLORIDA  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -  
 AGENCY FUNDS  
 For the Fiscal Year Ended September 30, 2017

	Balance October 1, 2016	Additions	Deductions	Balance September 30, 2017
TAX COLLECTOR				
ASSETS				
Cash	\$ 5,861,333	\$ 377,242,585	\$ 377,359,580	\$ 5,744,338
Due from other governments	3,434	2,956,171	2,958,168	1,437
Due from individuals	10,778	662,094	664,691	8,181
	<u>\$ 5,875,545</u>	<u>\$ 380,860,850</u>	<u>\$ 380,982,439</u>	<u>\$ 5,753,956</u>
LIABILITIES				
Due to other governments	\$ 574,405	\$ 42,868,923	\$ 42,849,597	\$ 593,731
Due to individuals	552,532	14,894,002	15,143,543	302,991
Deposits	4,748,608	405,948,788	405,840,162	4,857,234
	<u>\$ 5,875,545</u>	<u>\$ 463,711,713</u>	<u>\$ 463,833,302</u>	<u>\$ 5,753,956</u>
TOTAL - AGENCY FUNDS				
ASSETS				
Cash	\$ 11,896,661	\$ 460,943,296	\$ 461,331,825	\$ 11,508,132
Investments	4,885	3,067	1,222	6,730
Accounts receivable	3,167,649	637,918	183,049	3,622,518
Due from other governmental agencies	3,435	2,956,175	2,958,173	1,437
Due from individuals	10,778	662,094	664,691	8,181
Other assets	10	15	10	15
	<u>\$ 15,083,418</u>	<u>\$ 465,202,565</u>	<u>\$ 465,138,970</u>	<u>\$ 15,147,013</u>
LIABILITIES				
Vouchers payable	\$ -	\$ 18,567,514	\$ 18,567,514	\$ -
Due to other governments	4,468,815	70,207,103	69,792,647	4,883,271
Due to individuals	702,683	15,942,647	16,181,548	463,782
Deposits	5,124,597	406,675,034	406,632,200	5,167,431
Other liabilities	4,787,323	17,220,877	17,375,671	4,632,529
	<u>\$ 15,083,418</u>	<u>\$ 528,613,175</u>	<u>\$ 528,549,580</u>	<u>\$ 15,147,013</u>

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the discretely presented component unit and the aggregate remaining fund information of Charlotte County, Florida, (the "County") as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated February 21, 2018. We also have audited the financial statements of the Charlotte Harbor Community Redevelopment Agency, the Murdock Village Community Redevelopment Agency, and the Parkside Community Redevelopment Agency, which are presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended September 30, 2017, as listed in the table of contents. Our report includes a reference to another auditor who audited the financial statements of the Charlotte County Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections and Tax Collector, as described in our report on the County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by the other auditor.

### **Internal Control over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

### **Purpose of this Report**

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

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

Orlando, Florida  
February 21, 2018

## Independent Auditor's Management Letter

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

### Report on the Financial Statements

We have audited the financial statements and the related notes to the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate discretely presented component unit and remaining fund information of Charlotte County, Florida ("the County"), as of and for the fiscal year ended September 30, 2017, and have issued our report thereon dated February 21, 2018. We also have audited the financial statements of the Charlotte Harbor Community Redevelopment Agency, the Murdock Village Community Redevelopment Agency, and the Parkside Community Redevelopment Agency, which are presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended September 30, 2017. We did not audit the financial statements of the Charlotte County Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections and Tax Collector (collectively, the "Officers"), whose statements reflect 2% of the assets, 1% of the net position, and 7% of the revenues of the County's governmental activities, 15% of the assets, 0% of the fund balance, and 22% of the revenues of the General Fund, and 7% of the assets, 2% of the fund balance, and 3% of the revenues of the remaining fund information. The financial statements of the Officers were audited by another auditor whose reports have been furnished to us, and our opinions, insofar as they relate to data included for the Officers, are based solely on the reports of the other auditor.

### Auditor's Responsibility

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

This letter excludes consideration of the Officers, which were audited by another auditor and for which separate management letters have been issued. This letter includes the following information, which is not included in the auditor's reports and schedule, for the Board of County Commissioners (the "Board") or, where applicable, the County.

### 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 Financial Statements Performed in Accordance with *Government Auditing Standards*; Report of Independent Auditor on Compliance for Each Major Federal Awards Program and State Financial Assistance Project and on Internal Control over Compliance Required by Uniform Guidance and Chapter 10.550, Rules of the Auditor General; Schedule of Findings and Questioned Costs; and Report of Independent Accountant on Compliance with Local Government Investment Policies and E911 Requirements of Sections 365.172 and 365.173, Florida Statutes. Disclosures in those reports and schedule, which are dated February 21, 2018, 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. No findings or recommendations were made in the preceding annual financial audit report.

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

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

### **Financial Condition and Management**

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

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

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

### **Annual Financial Report**

Section 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether the annual financial report for the County for the fiscal year ended September 30, 2017, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2017. Our comparison of these two reports resulted in no material differences.

### **Deepwater Horizon Oil Spill**

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

### **Other Matters**

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

**Purpose of this Letter**

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

*Cheryl Bohart LLP*

Orlando, Florida  
February 21, 2018



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

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

We have examined the Charlotte County, Florida's (the "County's") compliance with the local government investment policy requirements of Section 218.415, Florida Statutes, and E911 requirements of Sections 365.172 and 365.173, Florida Statutes, during the year ended September 30, 2017. Management of the County is responsible for the County's compliance with the specified requirements. Our responsibility is to express an opinion on the County's compliance with the specified requirements based on our examination.

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

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

In our opinion, the County complied, in all material respects, with the local investment policy requirements of Section 218.415, Florida Statutes, and E911 requirements of Sections 365.172 and 365.173, Florida Statutes, during the year ended September 30, 2017.

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

*Cherry Bekaert LLP*

Orlando, Florida  
February 21, 2018

CHARLOTTE COUNTY, FLORIDA  
 SCHEDULE OF INSURANCE POLICIES IN FORCE  
 FOR FISCAL YEAR 2016-17

**Broker: Gehring Group Professional Services**

<u>INSURER</u>	<u>RISK</u>	<u>COVERAGE</u>	<u>PREMIUM</u>	<u>IMPACTED DEPT.</u>
Florida Municipal Insurance Trust	Property <i>Eff: 10/01/16</i>	\$150,000,000	\$1,645,123	BCC Depts, Elected Officials
Florida Municipal Insurance Trust	Liability Package <i>Eff: 10/01/16</i>	\$ 1,500,000	\$ 94,505	BCC Depts, Elected Officials
Florida Municipal Insurance Trust	Auto Liab w/Phys <i>Eff: 10/01/16</i>	\$ 1,500,000	\$ 114,252	BCC Depts, Elected Officials
Florida Municipal Insurance Trust	Public Officials <i>Eff: 10/01/16</i>	\$ 1,500,000	\$ 121,902	BCC Depts, Elected Officials
Florida Municipal Insurance Trust	XS WC <i>Eff: 10/01/16</i>	\$ 1,000,000	\$ 266,977	BCC Depts, Elected Officials
Florida Municipal Insurance Trust	Boiler & Machinery <i>Eff: 10/01/16</i>	\$ 50,000,000	Included in FMIT Program	BCC Depts, Elected Officials
Florida Municipal Insurance Trust	Inland Marine <i>Eff: 10/01/16</i>	\$ 8,698,747 (Schedule on File)	Included in FMIT Program	BCC Depts, Elected Officials
Travelers'	Commercial Crime <i>Eff: 10/01/14 (3 Yr)</i>	\$ 1,000,000	\$ 4,933	BCC Depts. & Elected Officials
Commerce & Industry	Storage Tank <i>Eff: 12/11/16</i>	\$ 1,000,000/ \$ 2,000,000	\$ 22,638	BCC Depts.
Allied World Assurance Company	Pollution Liability <i>Eff: 10/01/16</i>	\$ 1,000,000/ \$ 20,000,000	\$ 34,153	Utilities Department
Wright Flood	Flood Insurance	Various	\$ 180,180	Various
Hartford	Statutory AD&D <i>Eff: 10/01/16</i>	\$ 71,407 71,407 201,980	\$ 33,004	Sheriff & Fire Dept.

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

366 East Olympia Avenue  
Punta Gorda, Florida 33950  
Phone: 941.639.6600  
Fax: 941.639.6115

## **Independent Auditor's Report**

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

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

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Charlotte County, Florida, Clerk of the Circuit Court (the "Clerk"), as of and for the fiscal year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Clerk's special purpose financial statements, as listed in the table of contents.

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

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's

### ***Auditor's Responsibility, continued***

preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information for the Clerk as of September 30, 2017, and the respective changes in financial position, where applicable, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

We draw attention to Note 1 to the financial statements, which describes that the accompanying financial statements were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are special purpose financial statements that do not constitute a complete presentation, but otherwise constitute financial statements prepared in accordance with generally accepted accounting principles. Our opinions are not modified with respect to this matter.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 18 - 22 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 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 Matters, continued***

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk's special purpose financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the special purpose financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the special purpose financial statements. The information has been subjected to the auditing procedures applied in the audit of the special purpose financial statements and certain additional procedures, including comparing and reconciling such directly to the underlying accounting and other records used to prepare the special purpose financial statements or to the special purpose financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the special purpose financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 12, 2018, on our consideration of the Clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters under the heading INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk's internal control over financial reporting and compliance.

*Ashley Brown & Co.*

Punta Gorda, Florida  
February 12, 2018

CHARLOTTE COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2017

Assets	General	Modernization Trust	Civil Cases Filing Fees Trust
Cash and cash equivalents	\$ 3,828,611	\$ 1,770,873	\$ 107,013
Accounts and assessments receivable, net	341	-	-
Due from other funds	-	229,005	-
Due from other constitutional officers			
Board of County Commissioners	4,435	-	-
Sheriff	24	-	-
Tax Collector	24	-	-
Due from other governmental agencies	1,261	-	-
Other assets	68,066	-	-
Total assets	\$ 3,902,762	\$ 1,999,878	\$ 107,013
Liabilities and Fund Balances			
Liabilities			
Accounts and vouchers payable	\$ 108,864	\$ -	\$ -
Accrued liabilities	216,607	-	-
Due to other funds	229,005	-	-
Due to other constitutional officers			
Board of County Commissioners	69,693	-	-
Tax Collector	563	-	-
Due to other governmental agencies	3,814	1,281	-
Deposits	37,894	-	-
Other liabilities	3,236,322	-	-
Total liabilities	3,902,762	1,281	-
Fund Balance			
Restricted			
Court related technology - Clerk	-	1,109,638	-
Court related technology - Board	-	548,039	-
Assigned			
Court functions	-	340,920	107,013
Total fund balances	-	1,998,597	107,013
Total liabilities and fund balances	\$ 3,902,762	\$ 1,999,878	\$ 107,013

See accompanying notes.

IV-D Reimbursement	Court Related	Total Governmental Funds
\$ 174,082	\$ 557,975	\$ 6,438,554
-	-	341
16	666	229,687
-	790	5,225
-	-	24
-	-	24
13,388	197	14,846
-	44,413	112,479
<u>\$ 187,486</u>	<u>\$ 604,041</u>	<u>\$ 6,801,180</u>
\$ -	\$ 3,642	\$ 112,506
-	65,734	282,341
-	-	229,005
-	294,000	363,693
-	703	1,266
-	12,660	17,755
-	-	37,894
-	780	3,237,102
<u>-</u>	<u>377,519</u>	<u>4,281,562</u>
-	-	1,109,638
-	-	548,039
187,486	226,522	861,941
<u>187,486</u>	<u>226,522</u>	<u>2,519,618</u>
<u>\$ 187,486</u>	<u>\$ 604,041</u>	<u>\$ 6,801,180</u>

CHARLOTTE COUNTY, FLORIDA  
 CLERK OF THE CIRCUIT COURT  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 GOVERNMENTAL FUNDS  
 For the Fiscal Year Ended September 30, 2017

	General	Modernization Trust	Civil Cases Filing Fees Trust
Revenues:			
Intergovernmental	\$ -	\$ -	\$ -
Charges for services	1,440,378	999,353	-
Fines and forfeitures	-	123,474	-
Miscellaneous	1,013,695	15,559	1,141
Total revenues	2,454,073	1,138,386	1,141
Expenditures:			
Current			
General government	4,102,845	86,992	-
Court related	1,596,979	114,204	-
Total expenditures	5,699,824	201,196	-
Excess of revenues over/(under) expenditures	(3,245,751)	937,190	1,141
Other financing sources (uses):			
Transfers in	3,315,167	-	-
Transfers out	(69,416)	(517,163)	-
Surplus to state	-	-	-
Total other financing sources (uses)	3,245,751	(517,163)	-
Excess of revenues and other sources over/(under) expenditures and other uses	-	420,027	1,141
Fund balances, October 1, 2016	-	1,578,570	105,872
Fund balances, September 30, 2017	\$ -	\$ 1,998,597	\$ 107,013

See accompanying notes.

IV-D Reimbursement	Court Related	Total Governmental Funds
\$ 73,015	\$ 290,739	\$ 363,754
260	2,082,061	4,522,052
-	947,703	1,071,177
2,227	119,601	1,152,223
<u>75,502</u>	<u>3,440,104</u>	<u>7,109,206</u>
-	-	4,189,837
-	3,553,895	5,265,078
-	<u>3,553,895</u>	<u>9,454,915</u>
<u>75,502</u>	<u>(113,791)</u>	<u>(2,345,709)</u>
	534,139	3,849,306
(71,183)	(294,000)	(951,762)
-	(110,204)	(110,204)
<u>(71,183)</u>	<u>129,935</u>	<u>2,787,340</u>
4,319	16,144	441,631
183,167	210,378	2,077,987
<u>\$ 187,486</u>	<u>\$ 226,522</u>	<u>\$ 2,519,618</u>

CHARLOTTE COUNTY, FLORIDA  
 CLERK OF THE CIRCUIT COURT  
 STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 SEPTEMBER 30, 2017

Assets	<u>Fines and Forfeitures</u>	<u>Tax Deed</u>	<u>Support Trust</u>
Cash and cash equivalents	\$ 539,035	\$ 2,225,027	\$ 1,169
Accounts and assessments receivable, net	3,622,518	-	-
Total assets	<u>\$ 4,161,553</u>	<u>\$ 2,225,027</u>	<u>\$ 1,169</u>
Liabilities and Fund Balances			
Liabilities			
Due to other funds	\$ -	\$ -	\$ 682
Due to other constitutional officers			
Board of County Commissioners	67,730	-	-
Sheriff	2,687	-	-
Due to other governmental agencies	3,756,519	-	487
Deposits	310,197	-	-
Other liabilities	24,420	2,225,027	-
Total liabilities	<u>\$ 4,161,553</u>	<u>\$ 2,225,027</u>	<u>\$ 1,169</u>

See accompanying notes.

Registry of Court	Intangible Tax Fund	Documentary Stamp	Charities Fund	Total Fiduciary Funds
\$ 2,367,692	\$ 53,867	\$ 364,849	\$ 7,441	\$ 5,559,080
-	-	-	-	3,622,518
<u>\$ 2,367,692</u>	<u>\$ 53,867</u>	<u>\$ 364,849</u>	<u>\$ 7,441</u>	<u>\$ 9,181,598</u>
\$ -	\$ -	\$ -	\$ -	\$ 682
-	-	-	-	67,730
-	-	-	-	2,687
-	53,867	364,849	-	4,175,722
-	-	-	-	310,197
2,367,692	-	-	7,441	4,624,580
<u>\$ 2,367,692</u>	<u>\$ 53,867</u>	<u>\$ 364,849</u>	<u>\$ 7,441</u>	<u>\$ 9,181,598</u>

CHARLOTTE COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017

**Note 1. Summary of Significant Accounting Policies**

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

(a) Defining the Governmental Reporting Entity

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

(b) Fund Accounting

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

The following funds are used by the Clerk:

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

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

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

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

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

(c) Measurement Focus

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

CHARLOTTE COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017

**Note 1. Summary of Significant Accounting Policies, Continued**

(c) Measurement Focus, Continued

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

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

(d) Basis of Accounting

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

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

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

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

(e) Budgetary Process

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

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

(f) Fixed Assets

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

CHARLOTTE COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017

**Note 1. Summary of Significant Accounting Policies, Continued**

(g) Compensated Absences

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

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

(h) Fund Balances

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

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

(i) Deferred Outflows/Inflows of Resources

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

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

**Note 2. Cash and Cash Equivalents**

The Clerk's deposit policy allows for deposits to be held in demand deposits, savings accounts, certificates of deposit, money market accounts and overnight repurchase agreements. At September 30, 2017, the Clerk maintained deposits in a cash pool and Florida PRIME.

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

CHARLOTTE COUNTY, FLORIDA  
 CLERK OF THE CIRCUIT COURT  
 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2017

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

At September 30, 2017, the book balance of deposits of \$12,933,433 was the total balance for all Clerk funds as participants of the cash pool and Florida PRIME and cannot be segregated by fund. The bank balance of deposits at September 30, 2017 was \$14,218,290 and cash on hand totaled \$9,540.

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

The Clerk invests in Florida PRIME funds throughout the year with the Local Government Surplus Funds Trust Fund (SBA), under the regulatory oversight of the State of Florida. Florida PRIME is not registered with the SEC as an investment company, but nevertheless has a policy that it will, and does, operate as a qualifying external investment pool. Thus, this pool operates essentially as a money market fund. Florida PRIME has a Standard & Poor's rating of "AAAm" at September 30, 2017, and is measured at amortized cost. There are currently no limitations as to the frequency of redemptions; however, Florida PRIME has the ability to impose restrictions on withdrawals should a material event occur. Detailed information on the withdrawal restrictions that may be imposed and Florida PRIME's responsibilities should such an event occur is described in Section 218.409(8)(a), Florida Statutes.

**Note 3. Interfund Receivable and Payables**

Interfund receivable and payable balances at September 30, 2017 were:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ -	\$ 229,005
Special Revenue		
Modernization Trust	229,005	-
I-V D Reimbursement	16	-
Court Related	666	-
<b>Total Special Revenue</b>	<u>229,687</u>	<u>-</u>
Agency		
Support Trust	-	682
<b>Total Agency</b>	<u>-</u>	<u>682</u>
<b>Total All Funds</b>	<u>\$ 229,687</u>	<u>\$ 229,687</u>

CHARLOTTE COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017

**Note 4. Retirement System**

**Plan Description**

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

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

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

**Funding Policy**

All enrolled members of the FRS Pension Plan are required to contribute 3.0% of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on statewide contribution rates. The employer contribution rates by job class for the periods from October 1, 2016 through June 30, 2017 and July 1, 2017 through September 30, 2017, respectively, were as follows: regular 7.52% and 7.92%; county elected officers 42.47% and 45.50%; senior management 21.77% and 22.71%; and DROP participants 12.99% and 13.26%. During the fiscal year ended September 30, 2017, the Clerk of the Circuit Court contributed to the plan an amount equal to 12% of covered payroll.

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

CHARLOTTE COUNTY, FLORIDA  
 CLERK OF THE CIRCUIT COURT  
 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2017

**Note 4. Retirement System, continued**

**Funding Policy, continued**

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

The Clerk of the Circuit Court recognizes pension expenditures in an amount equal to amounts paid to the Pension Plan, the HIS Plan and the defined contribution plan, amounting to \$289,346, \$70,036, and \$83,989, respectively, for the fiscal year ended September 30, 2017. The Clerk of the Circuit Court's payments after June 30, 2017, the measurement date used to determine the net pension liability associated with the Pension Plan and HIS Plan, amounted to \$72,102, and \$17,255, respectively. The Clerk of the Circuit Court is not legally required to and does not accumulate expendable available resources to liquidate the retirement obligation related to its employees. Accordingly, the net pension liability and associated deferred outflows and deferred inflows are presented on the government-wide financial statements of the County, following requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - and amendment of GASB Statement No. 27, and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - and amendment of GASB Statement No. 68, effective October 1, 2016.*

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

**Note 5. Long-Term Debt – Internal Service Funds**

The following changes in long-term debt occurred during the year ended September 30, 2017, which are reported as Internal Service Funds in the financial statements as follows:

Balance as of September 30, 2016	Additions	Deductions	Balance as of September 30, 2017
\$ 1,086,603	\$ 11,707	\$ (162,511)	\$ 935,799

Long-term debt is comprised of the following at September 30, 2017:

Noncurrent portion of compensated absences Employees of the Clerk are entitled to paid sick leave and annual leave, based on length of service and job classifications.	<u>\$759,243</u>
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CHARLOTTE COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017

**Note 6. Risk Management**

The Clerk participates in the Countywide self-insurance and health insurance programs. Under these programs, the Self Insurance Fund provides coverage for up to a maximum of \$300,000 for each worker's compensation claim, \$350,000 for each general liability claim, \$100,000 for all other perils other than windstorm per location per loss and a 5% windstorm deductible per location per loss. The County purchases commercial insurance for claims in excess of coverage provided by the funds and for all other risks of loss. The excess coverage for general liability is \$1,500,000, workers' compensation is \$1,000,000, and the excess for property is \$150,000,000. In April of 2009, the County opened an employee health center for use by employees participating in the County's Health Insurance Program. The main purpose was to help contain health insurance costs. In August of 2011, the County became self-insured for its health insurance. Under this program, the Health Insurance Trust Fund provides coverage for up to a maximum of \$325,000 per person per year. The County has excess medical insurance to pay for claim costs that exceed this amount.

Charges to operating departments are based upon amounts believed by management to meet the required annual payout during the fiscal year and to pay for the estimated operating costs of the program. For fiscal year ended September 30, 2017, the Clerk was charged \$1,304,491 for life and health insurance.

**Note 7. Commitments and Contingencies**

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

**Note 8. Other Post Employment Benefits**

**Plan Description**

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

Retired employees (retired on or after 1/1/2004) of the County and all constitutional officers who retire after 30 years of service, or after the age of 55 with eight years, or six years prior to October 1, 2012, of credited service with the County, and who had continuous medical coverage verified annually, are entitled to participation in the Plan. Currently, for employees who have completed 20 years of service with the County who are collecting FRS monthly benefit plans, the health benefit under the Plan provides for the County to contribute a per month supplement. The monthly supplement is \$10.00 per year of service up to \$300.00 per month. For County employees whose date of retirement was prior to 10/1/2008 the monthly supplement is \$5.00 per year of service up to \$150.00 per month. The Clerk has contributed \$34,219 during the year, including implicit rate subsidy.

CHARLOTTE COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017

**Note 8. Other Post Employment Benefits, Continued**

**Membership**

As of September 30, 2017, membership consisted of:

Active Employees	81
Inactive Participants	6
Retiree Covered Spouses	0

**Funding Policy**

Funding for this plan is on a pay as you go basis. The Program is currently unfunded. There is no separate trust through which benefits for retirees are funded. No assets are currently accumulated or earmarked for this purpose. All approved benefits are paid from the County's general assets when due. The Clerk currently has 6 employees receiving these benefits at year-end September 30, 2017.

**Annual OPEB Costs and Net OPEB Obligation**

Charlotte County had an actuarial valuation performed for the plan as of October 1, 2016 to include the funded status of the plan as of September 30, 2017, as well as the employer's annual required contribution (ARC) for the fiscal year ended September 30, 2017. The Clerk's annual OPEB cost for the fiscal year was \$38,700. The Clerk's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	% of Annual OPEB Cost Contributed	Net OPEB Obligation
September 30, 2017	\$ 38,700	\$ 34,219	88.42%	\$ 332,223
September 30, 2016	43,456	39,094	89.96%	327,742
September 30, 2015	42,593	38,714	90.89%	323,380

The funded status of the plan as of September 30, 2017 was as follows:

Actuarial Accrued Liability (AAL)	\$ 444,976
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 444,976</u>
Covered Payroll	<u>\$ 3,254,375</u>
Ratio of UAAL to Covered Payroll	13.67%

**Valuation Methods and Assumptions**

Normal cost and the allocation of benefit values between service rendered before and after the valuation date was determined using and Individual Entry-Age Actuarial Cost method. The rate of return on investment under the Pay-As-You-Go approach is 4.0%, compounded annually. Salaries are assumed to increase between 3.7% and 7.8% depending on the member's age and service. Salary increase assumptions are the salary increase assumptions used in the most recent Actuarial Valuation of the Florida Retirement System (FRS).

**SUPPLEMENTAL  
INFORMATION**

CHARLOTTE COUNTY, FLORIDA  
 CLERK OF THE CIRCUIT COURT  
 GENERAL FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL  
 For the Fiscal Year Ended September 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for services	1,224,927	1,270,475	1,440,378	169,903
Miscellaneous	741,119	919,884	1,013,695	93,811
Total revenues	<u>1,966,046</u>	<u>2,190,359</u>	<u>2,454,073</u>	<u>263,714</u>
<b>Expenditures:</b>				
Current				
General government				
Personal services	3,518,041	3,400,141	3,291,192	108,949
Contract/Professional services	63,520	139,420	131,663	7,757
Purchased services	552,006	480,675	456,685	23,990
Materials/Supplies	99,206	158,403	127,014	31,389
Capital expenditures	159,964	126,893	96,291	30,602
Total general government	<u>4,392,737</u>	<u>4,305,532</u>	<u>4,102,845</u>	<u>202,687</u>
Court related				
Personal services	1,226,521	1,186,773	1,162,398	24,375
Contract/Professional services	209,761	115,493	122,360	(6,867)
Purchased services	194,651	143,651	144,592	(941)
Materials/Supplies	36,033	98,533	78,097	20,436
Capital expenditures	99,567	89,567	89,532	35
Total court related	<u>1,766,533</u>	<u>1,634,017</u>	<u>1,596,979</u>	<u>37,038</u>
Total expenditures	<u>6,159,270</u>	<u>5,939,549</u>	<u>5,699,824</u>	<u>239,725</u>
Excess of revenues over/(under) expenditures	<u>(4,193,224)</u>	<u>(3,749,190)</u>	<u>(3,245,751)</u>	<u>503,439</u>
Other financing sources (uses):				
Transfers in	4,196,771	3,818,190	3,315,167	(503,023)
Transfers out	-	(69,000)	(69,416)	(416)
Total other financing sources (uses)	<u>4,196,771</u>	<u>3,749,190</u>	<u>3,245,751</u>	<u>(503,439)</u>
Excess of revenues and other sources over/(under) expenditures and other uses	<u>\$ 3,547</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, October 1, 2016			-	
Fund balance, September 30, 2017			<u>\$ -</u>	

CHARLOTTE COUNTY, FLORIDA  
 CLERK OF THE CIRCUIT COURT  
 MODERNIZATION TRUST FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL  
 For the Fiscal Year Ended September 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for services	\$ 815,000	\$ 915,000	\$ 999,353	\$ 84,353
Fines and forfeitures	170,000	170,000	123,474	(46,526)
Miscellaneous	-	13,576	15,559	1,983
Total revenues	<u>985,000</u>	<u>1,098,576</u>	<u>1,138,386</u>	<u>39,810</u>
<b>Expenditures:</b>				
Current				
General government				
Contract/Professional services	-	17,483	16,992	491
Purchased services	40,062	71,465	70,000	1,465
Total general government	<u>40,062</u>	<u>88,948</u>	<u>86,992</u>	<u>1,956</u>
Court related				
Contract/Professional services	-	67,268	66,511	757
Purchased services	105,120	105,120	47,693	57,427
Total court related	<u>105,120</u>	<u>172,388</u>	<u>114,204</u>	<u>58,184</u>
Excess of revenues over/(under) expenditures	<u>839,818</u>	<u>837,240</u>	<u>937,190</u>	<u>(20,330)</u>
<b>Other financing sources (uses):</b>				
Transfers out	(1,373,589)	(1,020,187)	(517,163)	503,024
Total other financing sources (uses)	<u>(1,373,589)</u>	<u>(1,020,187)</u>	<u>(517,163)</u>	<u>503,024</u>
Excess of revenues and other sources over/(under) expenditures and other uses	<u>\$ (533,771)</u>	<u>\$ (182,947)</u>	420,027	<u>\$ 482,694</u>
Fund balance, October 1, 2016			<u>1,578,570</u>	
Fund balance, September 30, 2017			<u>\$ 1,998,597</u>	

CHARLOTTE COUNTY, FLORIDA  
 CLERK OF THE CIRCUIT COURT  
 CIVIL CASE FILING FEES  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL  
 For the Fiscal Year Ended September 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Miscellaneous	\$ -	\$ -	\$ 1,141	\$ 1,141
Total revenues	<u>-</u>	<u>-</u>	<u>1,141</u>	<u>1,141</u>
Excess of revenues over/(under) expenditures	<u>-</u>	<u>-</u>	<u>1,141</u>	<u>1,141</u>
Other financing sources (uses):				
Transfers out	(74,065)	-	-	-
Total other financing sources (uses)	<u>(74,065)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over/(under) expenditures and other uses	<u>\$ (74,065)</u>	<u>\$ -</u>	<u>1,141</u>	<u>\$ 1,141</u>
Fund balance, October 1, 2016			105,872	
Fund balance, September 30, 2017			<u>\$ 107,013</u>	

CHARLOTTE COUNTY, FLORIDA  
 CLERK OF THE CIRCUIT COURT  
 COURT RELATED  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL  
 For the Fiscal Year Ended September 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ 175,057	\$ 175,057	\$ 290,739	\$ 115,682
Charges for services	2,155,300	2,155,300	2,082,061	(73,239)
Fines and forfeitures	876,600	909,486	947,703	38,217
Miscellaneous	3,000	113,000	119,601	6,601
Total revenues	<u>3,209,957</u>	<u>3,352,843</u>	<u>3,440,104</u>	<u>87,261</u>
<b>Expenditures:</b>				
Current				
Court related				
Personal services	2,520,999	2,341,984	2,308,793	33,191
Contract/Professional services	126,500	196,350	192,092	4,258
Purchased services	767,392	969,107	977,256	(8,149)
Materials/Supplies	60,080	77,530	75,754	1,776
Total court related	<u>3,474,971</u>	<u>3,584,971</u>	<u>3,553,895</u>	<u>31,076</u>
Excess of revenues over/(under) expenditures	<u>(265,014)</u>	<u>(232,128)</u>	<u>(113,791)</u>	<u>118,337</u>
<b>Other financing sources (uses):</b>				
Transfers in	265,014	526,128	534,139	8,011
Transfers out	-	(294,000)	(294,000)	-
Surplus to state	-	-	(110,204)	(110,204)
Total other financing sources (uses)	<u>265,014</u>	<u>232,128</u>	<u>129,935</u>	<u>(102,193)</u>
Excess of revenues and other sources over/(under) expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	16,144	<u>\$ 16,144</u>
Fund balance, October 1, 2016			<u>210,378</u>	
Fund balance, September 30, 2017			<u>\$ 226,522</u>	

CHARLOTTE COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
IV-D

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 47,171	\$ 63,171	\$ 73,015	\$ 9,844
Charges for services	-	-	260	260
Miscellaneous	-	-	2,227	2,227
Total revenues	47,171	63,171	75,502	12,331
Excess of revenues over/(under) expenditures	47,171	63,171	75,502	12,331
Other financing sources (uses):				
Transfers out	(47,171)	(63,171)	(71,183)	(8,012)
Total other financing sources (uses)	(47,171)	(63,171)	(71,183)	(8,012)
Excess of revenues and other sources over/(under) expenditures and other uses	\$ -	\$ -	4,319	\$ 4,319
Fund balance, October 1, 2016			183,167	
Fund balance, September 30, 2017			\$ 187,486	

CHARLOTTE COUNTY, FLORIDA  
 CLERK OF THE CIRCUIT COURT  
 COMBINING STATEMENT OF NET POSITION  
 INTERNAL SERVICE FUND  
 SEPTEMBER 30, 2017

	<u>Accrued Compensated Absences</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 935,799
Total current assets	<u>935,799</u>
Total assets	<u>935,799</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accrued compensated absences	<u>176,556</u>
Total current liabilities	<u>176,556</u>
Noncurrent liabilities:	
Accrued compensated absences	<u>759,243</u>
Total noncurrent liabilities	<u>759,243</u>
Total liabilities	<u>935,799</u>
<b>NET POSITION</b>	
Unrestricted	-
Total net position	<u>\$ -</u>

CHARLOTTE COUNTY, FLORIDA  
 CLERK OF THE CIRCUIT COURT  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
 INTERNAL SERVICE FUND  
 For the Fiscal Year Ended September 30, 2017

	Accrued Compensated Absences
Operating revenues:	
Miscellaneous	\$ 150,804
Total operating revenues	150,804
Operating expenses:	
Other expense	162,511
Total operating expenses	162,511
Operating income (loss)	(11,707)
Nonoperating revenues (expenses)	
Interest revenue (expense)	11,707
Total nonoperating revenues (expenses)	11,707
Income (loss) before contributions and transfers	-
Change in net position	-
Total net position - beginning	-
Total net position - ending	\$ -

CHARLOTTE COUNTY, FLORIDA  
 CLERK OF THE CIRCUIT COURT  
 COMBINING STATEMENT OF CASH FLOWS  
 INTERNAL SERVICE FUND  
 For the Fiscal Year Ended September 30, 2017

	<u>Accrued Compensated Absences</u>
Cash flows from operating activities:	
Cash received from customers	\$ 150,804
Cash payments to suppliers for goods and services	<u>(162,511)</u>
Net cash provided (used) by operating activities	<u>(11,707)</u>
 Cash flows from investing activities:	
Purchase of investment securities	(2,022,402)
Proceeds from sale and maturities of investment securities	1,871,598
Interest and dividends on investments	<u>11,707</u>
Net cash provided by investing activities	<u>(139,097)</u>
 Net increase (decrease) in cash and cash equivalents	(150,804)
 Cash and cash equivalents, October 1, 2016	<u>1,086,603</u>
 Cash and cash equivalents, September 30, 2017	<u>\$ 935,799</u>

CHARLOTTE COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUND  
For the Fiscal Year Ended September 30, 2017

	<u>Accrued Compensated Absences</u>
Reconciliation of operating income (loss) to net cash provided (used) from operating activities:	
Operating income (loss)	<u>\$ (11,707)</u>
Net cash provided (used) by operating activities	<u><u>\$ (11,707)</u></u>

CHARLOTTE COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -  
ALL AGENCY FUNDS  
For the Fiscal Year Ended September 30, 2017

	Balances October 1, 2016	Additions	Deletions	Balances September 30, 2017
<b>FINES AND FORFEITURE FUND</b>				
<b>ASSETS</b>				
Cash	\$ 689,371	\$ 9,048,105	\$ 9,198,441	\$ 539,035
Investments, at fair value	-			-
Accounts receivable	3,167,649	637,918	183,049	3,622,518
	<u>\$ 3,857,020</u>	<u>\$ 9,686,023</u>	<u>\$ 9,381,490</u>	<u>\$ 4,161,553</u>
<b>LIABILITIES</b>				
Vouchers payable	\$ -	\$ 2,176,808	\$ 2,176,808	\$ -
Due to other constitutional officers	93,697	1,217,428	1,240,708	70,417
Due to other governmental agencies	3,358,400	3,113,334	2,715,215	3,756,519
Deposits	375,989	716,486	782,278	310,197
Other liabilities	28,934	400,097	404,611	24,420
	<u>\$ 3,857,020</u>	<u>\$ 7,624,153</u>	<u>\$ 7,319,620</u>	<u>\$ 4,161,553</u>
<b>TAX DEED FUND</b>				
<b>ASSETS</b>				
Cash	\$ 1,962,849	\$ 7,517,013	\$ 7,254,835	\$ 2,225,027
	<u>\$ 1,962,849</u>	<u>\$ 7,517,013</u>	<u>\$ 7,254,835</u>	<u>\$ 2,225,027</u>
<b>LIABILITIES</b>				
Vouchers payable	\$ -	\$ 2,548,595	\$ 2,548,595	\$ -
Other liabilities	1,962,849	3,335,178	3,073,000	2,225,027
	<u>\$ 1,962,849</u>	<u>\$ 5,883,773</u>	<u>\$ 5,621,595</u>	<u>\$ 2,225,027</u>

CHARLOTTE COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -  
ALL AGENCY FUNDS  
For the Fiscal Year Ended September 30, 2017

	Balances October 1, 2016	Additions	Deletions	Balances September 30, 2017
<b>SUPPORT TRUST FUND</b>				
<b>ASSETS</b>				
Cash	\$ 1,344	\$ 74,263	\$ 74,438	\$ 1,169
	<u>\$ 1,344</u>	<u>\$ 74,263</u>	<u>\$ 74,438</u>	<u>\$ 1,169</u>
<b>LIABILITIES</b>				
Vouchers payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	657	12,063	12,038	682
Due to other governmental agencies	687	43,956	44,156	487
Other Liabilities	-	1,300	1,300	-
	<u>\$ 1,344</u>	<u>\$ 57,319</u>	<u>\$ 57,494</u>	<u>\$ 1,169</u>
<b>REGISTRY OF THE COURT FUND</b>				
<b>ASSETS</b>				
Cash	\$ 2,779,169	\$ 27,065,350	\$ 27,476,827	\$ 2,367,692
	<u>\$ 2,779,169</u>	<u>\$ 27,065,350</u>	<u>\$ 27,476,827</u>	<u>\$ 2,367,692</u>
<b>LIABILITIES</b>				
Vouchers payable	\$ -	\$ 13,841,963	\$ 13,841,963	\$ -
Other liabilities	2,779,169	13,477,410	13,888,887	2,367,692
	<u>\$ 2,779,169</u>	<u>\$ 27,319,373</u>	<u>\$ 27,730,850</u>	<u>\$ 2,367,692</u>
<b>INTANGIBLE TAX FUND</b>				
<b>ASSETS</b>				
Cash	\$ 38,533	\$ 4,950,049	\$ 4,934,715	\$ 53,867
	<u>\$ 38,533</u>	<u>\$ 4,950,049</u>	<u>\$ 4,934,715</u>	<u>\$ 53,867</u>
<b>LIABILITIES</b>				
Deposits	\$ -	\$ 5,821	\$ 5,821	\$ -
Due to other governmental agencies	38,533	2,876,200	2,860,866	53,867
	<u>\$ 38,533</u>	<u>\$ 2,882,021</u>	<u>\$ 2,866,687</u>	<u>\$ 53,867</u>

CHARLOTTE COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -  
ALL AGENCY FUNDS  
For the Fiscal Year Ended September 30, 2017

	Balances October 1, 2016	Additions	Deletions	Balances September 30, 2017
<b>DOCUMENTARY STAMP FUND</b>				
<b>ASSETS</b>				
Cash	\$ 352,465	\$ 33,277,024	\$ 33,264,640	\$ 364,849
Due from other constitutional officers	1	4	5	-
	<u>\$ 352,466</u>	<u>\$ 33,277,028</u>	<u>\$ 33,264,645</u>	<u>\$ 364,849</u>
<b>LIABILITIES</b>				
Vouchers payable	\$ -	\$ 148	\$ 148	\$ -
Due to other governmental agencies	352,466	19,362,682	19,350,299	364,849
Deposits	-	3,939	3,939	-
	<u>\$ 352,466</u>	<u>\$ 19,366,769</u>	<u>\$ 19,354,386</u>	<u>\$ 364,849</u>
<b>CHARITIES FUND</b>				
<b>ASSETS</b>				
Cash	\$ 8,488	\$ 6,798	\$ 7,845	\$ 7,441
	<u>\$ 8,488</u>	<u>\$ 6,798</u>	<u>\$ 7,845</u>	<u>\$ 7,441</u>
<b>LIABILITIES</b>				
Other Liabilities	\$ 8,488	\$ 6,798	\$ 7,845	\$ 7,441
	<u>\$ 8,488</u>	<u>\$ 6,798</u>	<u>\$ 7,845</u>	<u>\$ 7,441</u>
<b>TOTALS - ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash	\$ 5,832,219	\$ 81,938,602	\$ 82,211,741	\$ 5,559,080
Accounts receivable	3,167,649	637,918	183,049	3,622,518
Due from other constitutional officers	1	4	5	-
	<u>\$ 8,999,869</u>	<u>\$ 82,576,524</u>	<u>\$ 82,394,795</u>	<u>\$ 9,181,598</u>
<b>LIABILITIES</b>				
Vouchers payable	\$ -	\$ 18,567,514	\$ 18,567,514	\$ -
Due to other funds	657	12,063	12,038	682
Due to other constitutional officers	93,697	1,217,428	1,240,708	70,417
Due to other governmental agencies	3,750,086	25,396,172	24,970,536	4,175,722
Deposits	375,989	726,246	792,038	310,197
Other liabilities	4,779,440	17,220,783	17,375,643	4,624,580
	<u>\$ 8,999,869</u>	<u>\$ 63,140,206</u>	<u>\$ 62,958,477</u>	<u>\$ 9,181,598</u>

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the Charlotte County, Florida, Clerk of the Circuit Court (the "Clerk"), as of and for the fiscal year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Clerk's special purpose financial statements, and have issued our report thereon dated January 12, 2018.

***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

### ***Internal Control Over Financial Reporting, continued***

severe than a material weakness, yet important enough to merit attention by those charged with governance. Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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

### ***Purpose of this Report***

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

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

*Ashley Brown & Co.*

Punta Gorda, Florida  
February 12, 2018



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366 East Olympia Avenue  
Punta Gorda, Florida 33950  
Phone: 941.639.6600  
Fax: 941.639.6115

## **Independent Auditor's Management Letter**

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

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

We have audited the financial statements of the Charlotte County, Florida, Clerk of the Circuit Court (the "Clerk"), as of and for the fiscal year ended September 30, 2017, and have issued our report thereon dated January 12, 2018.

### **Auditor's Responsibility**

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

### **Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated January 12, 2018, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

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

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

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

### **Financial Management**

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

### **Additional Matters**

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

### **Purpose of the Letter**

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

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

Punta Gorda, Florida  
February 12, 2018

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

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

**Report on Compliance**

We have examined the Charlotte County, Florida, Clerk of the Circuit Court (the “Clerk’s”) compliance with the local government investment policy requirements of 218.415, Florida Statutes, Article V requirements of Sections 28.35 and 28.36, Florida Statutes, and depository requirements for alimony transactions, support, maintenance and support payments of Section 61.181, Florida Statutes, for the year ended September 30, 2017. Management is responsible for the Clerk’s compliance with those requirements. Our responsibility is to express an opinion on the Clerk’s compliance based on our examination.

**Scope**

Our examination was conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, promulgated by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Clerk’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Clerk’s compliance with specified requirements.

**Opinion**

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2017.

*Ashley, Brown & Co.*

Punta Gorda, Florida  
February 12, 2018



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

350 E. Marion Ave. Punta Gorda, FL 33950 • 941.505.4716

February 16, 2018

Ashley, Brown & Company  
Certified Public Accountants  
366 East Olympia Avenue  
Punta Gorda, FL 33950

Dear Mr. Brown:

Pursuant to Chapter 10.550A Rules of the Auditor General – Local Government Entity Audits and Section 11.45 Florida Statutes, I provide this written statement of explanation to your Report to Management, dated February 12, 2018.

My office will continue to strive to maintain our current level of performance. We appreciate the efforts of your staff and look forward to working with you in the future.

Sincerely,

---

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

***SECTION III***

***PROPERTY APPRAISER***

***Paul L. Polk***

## **Independent Auditor's Report**

Honorable Paul L. Polk, CFA  
Property Appraiser  
Charlotte County, Florida

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

We have audited the accompanying financial statements of the major fund and the aggregate remaining fund information of the Charlotte County, Florida, Property Appraiser (the "Property Appraiser"), as of and for the fiscal year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Property Appraiser's financial statements as listed in the table of contents.

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

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

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

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

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

### ***Auditor's Responsibility, continued***

purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and the aggregate remaining fund information of the Property Appraiser as of September 30, 2017, 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.

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

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the major fund, and the aggregate remaining fund information, only for that portion of the major fund and the aggregate remaining fund information, of Charlotte County that is attributable to the Property Appraiser. They do not purport to, and do not, present fairly the financial position of Charlotte County as of September 30, 2017, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, as listed in the table of contents, 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 February 13, 2018, on our consideration of the Property Appraiser's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters under the heading INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Property Appraiser's internal control over financial reporting and compliance.

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

Punta Gorda, Florida  
February 13, 2018

CHARLOTTE COUNTY, FLORIDA  
PROPERTY APPRAISER  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2017

Assets		<u>General</u>
Cash and cash equivalents	\$	790,335
Accounts and assessments receivable, net		180
Other assets		41,613
Total assets	\$	<u>832,128</u>
Liabilities and Fund Balances		
Liabilities		
Accounts and vouchers payable	\$	1,791
Accrued liabilities		129,264
Due to other constitutional officers		
Board of County Commissioners		640,862
Tax Collector		731
Total due to other constitutional officers		<u>641,593</u>
Due to other governmental agencies		59,480
Total liabilities and fund equity	\$	<u>832,128</u>

See accompanying notes.

CHARLOTTE COUNTY, FLORIDA  
 PROPERTY APPRAISER  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 GOVERNMENTAL FUNDS  
 For the Fiscal Year Ended September 30, 2017

	General
Revenues:	
Charges for services	\$ 5,607,026
Miscellaneous	626
Total revenues	5,607,652
Expenditures:	
Current	
General government	
Personal services	4,459,068
Operating expenditures	429,130
Capital outlay	63,200
Total expenditures	4,951,398
Excess of revenues over/(under) expenditures	656,254
Other financing sources (uses):	
Transfers out	(656,254)
Total other financing sources (uses)	(656,254)
Net change in fund balance	-
Fund balance, October 1, 2016	-
Fund balance, September 30, 2017	\$ -

See accompanying notes.

CHARLOTTE COUNTY, FLORIDA  
PROPERTY APPRAISER  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017

**Note 1. Summary of Significant Accounting Policies**

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

(a) Defining the Governmental Reporting Entity

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

(b) Fund Accounting

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

The following funds are used by the Property Appraiser:

General Fund – The General Fund is used to account for all revenues and expenditures applicable to the general operations of the Property Appraiser. All operating revenues, which are not specifically restricted or designated as to use, are recorded in the General Fund. General property taxes levied by the Board of County Commissioners for the Property Appraiser are reported as charges for services. Excess revenues at the end of the year, due back to the Board of County Commissioners, are shown as operating transfers out.

(c) Measurement Focus

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

(d) Basis of Accounting

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

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

CHARLOTTE COUNTY, FLORIDA  
PROPERTY APPRAISER  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017

**Note 1. Summary of Significant Accounting Policies, Continued**

(d) Basis of Accounting, Continued

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include: (1) principal and interest on general long-term debt, if any, which is recognized when due; and (2) expenditures are not divided between years by the recording of prepaid expenses.

(e) Budgetary Process

Chapter 195, Florida Statutes, governs the preparation, adoption and amendment process of the Property Appraiser's annual budget. The Property Appraiser's budget and amendments are prepared independently of the Board of County Commissioners and are approved by the State of Florida Department of Revenue. A copy of the approved budget is provided to the Board of County Commissioners.

The budget for the General Fund is prepared on the modified accrual basis. The annual budget serves as the legal authorization for expenditures. The level of control for appropriations is exercised at the functional level.

(f) Fixed Assets

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

(g) Compensated Absences

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

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

At September 30, 2017, the Property Appraiser had \$104,194 in long-term compensated absences payable.

**Note 2. Deposits**

The Property Appraiser's deposits policy allows for deposits to be held in demand deposit and/or money market accounts. At September 30, 2017, the Property Appraiser maintained cash in a demand deposit account. All Property Appraiser depositories are banks or savings institutions designated as qualified depositories by the State Treasurer.

At September 30, 2017, the book balance was \$790,335 for the Property Appraiser and the bank balance was \$863,779.

At September 30, 2017, the Property Appraiser held \$75 cash on hand for use as petty cash.

CHARLOTTE COUNTY, FLORIDA  
PROPERTY APPRAISER  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017

**Note 3. Retirement System**

**Plan Description**

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

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

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

**Funding Policy**

All enrolled members of the FRS Pension Plan are required to contribute 3.0% of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on statewide contribution rates. The employer contribution rates by job class for the periods from October 1, 2016 through June 30, 2017 and July 1, 2017 through September 30, 2017, respectively, were as follows: regular 7.52% and 7.92%; county elected officers 42.47% and 45.50%; senior management 21.77% and 22.71%; rehired regular service 4.49% and 4.96%; and DROP participants 12.99% and 13.26%. The employer contribution rate for the period July 1, 2017 through September 30, 2017 for renewed membership was 7.92%. During the fiscal year ended September 30, 2017, the Property Appraiser contributed to the plan an amount equal to 11.04% of covered payroll.

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

CHARLOTTE COUNTY, FLORIDA  
PROPERTY APPRAISER  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017

**Note 3. Retirement System, continued**

**Funding Policy, continued**

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

The Property Appraiser recognizes pension expenditures in an amount equal to amounts paid to the Pension Plan, the HIS Plan and the defined contribution plan, amounting to \$179,286, \$49,007, and \$97,708, respectively, for the fiscal year ended September 30, 2017. The Property Appraiser's payments after June 30, 2017, the measurement date used to determine the net pension liability associated with the Pension Plan and HIS Plan, amounted to \$48,785, and \$12,758, respectively. The Property Appraiser is not legally required to and does not accumulate expendable available resources to liquidate the retirement obligation related to its employees. Accordingly, the net pension liability and associated deferred outflows and deferred inflows are presented on the government-wide financial statements of the County, following requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and *GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68, effective October 1, 2014*.

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

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

The following changes in general long-term debt occurred during the year ended September 30, 2017:

Compensated absences payable at October 1, 2016	\$ 112,414
Decrease in accrued compensated absences	<u>(8,220)</u>
Compensated absences payable at September 30, 2017	<u>\$ 104,194</u>
Long-term debt is comprised of the following at September 30, 2017	
Noncurrent portion of compensated absences	<u>\$ 95,323</u>

CHARLOTTE COUNTY, FLORIDA  
PROPERTY APPRAISER  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017

**Note 5. Risk Management**

The Property Appraiser participates in the Countywide self-insurance and health insurance programs. Under these programs, the Self Insurance Fund provides coverage for up to a maximum of \$300,000 for each worker's compensation claim, \$350,000 for each general liability claim, \$100,000 for all other perils other than windstorm per location per loss and a 5% windstorm deductible per location per loss. The County purchases commercial insurance for claims in excess of coverage provided by the funds and for all other risks of loss. The excess coverage for general liability and workers' compensation is \$1,200,000 and the excess for property is \$150,000,000. In April of 2009, the County opened an employee health center for use by employees participating in the County's Health Insurance Program. The main purpose was to help contain health insurance costs. In August of 2011, the County became self-insured for its health insurance. Under this program, the Health Insurance Trust Fund provides coverage for up to a maximum of \$325,000 per person per year. The County has excess medical insurance to pay for claim costs that exceed this amount.

Charges to operating departments are based upon amounts believed by management to meet the required annual payout during the fiscal year and to pay for the premiums and estimated operating costs of the program. For fiscal year ended September 30, 2017, the Property Appraiser was charged \$70,281 for the self-insurance program and \$1,022,865 for life and health insurance, which includes the retiree subsidy.

The Property Appraiser, independently of the aforementioned self-insurance programs, through third party insurance carriers, purchases automobile liability insurance.

**Note 6. Contingencies**

The Property Appraiser is involved from time to time in certain routine litigation, the substance of which as either liabilities or recoveries, would not materially affect the financial position of the Property Appraiser. The majority of litigation involves appraised value issues, which, depending on the final resolution, affect fees earned by the Property Appraiser and/or the loss or recovery of legal fees. Presently there is zero outstanding litigation disputes against the Property Appraiser.

**Note 7. Other Post Employment Benefits**

**Plan Description**

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

Retired employees (retired on or after 1/1/2004) of the County and all constitutional officers who retire after 30 years of service, or after the age of 55 with eight years, or six years prior to October 1, 2012, of credited service with the County, and who had continuous medical coverage verified annually, are entitled to participation in the Plan. Currently, for employees who have completed 20 years of service with the County who are collecting FRS monthly benefits, the health benefit under the Plan provides for the County to contribute a per month supplement. The monthly supplement is \$10.00 per year of service up to \$300.00 per month. For County employees whose date of retirement was prior to 10/1/2008, the monthly supplement is \$5.00 per year of service up to \$150.00 per month. The Property Appraiser has contributed \$15,857 during the year, including implicit rate subsidy.

CHARLOTTE COUNTY, FLORIDA  
PROPERTY APPRAISER  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017

**Note 7. Other Post-Employment Benefits, Continued**

**Membership**

As of September 30, 2017, membership consisted of:

Active Employees	52
Inactive Participants	4
Retiree Covered Spouses	1

Funding for this plan is on a pay as you go basis. The Program is currently unfunded. There is no separate trust through which benefits for retirees are funded. No assets are currently accumulated or earmarked for this purpose. All approved benefits are paid from the County's general assets when due. The Property Appraiser currently has four (4) employees receiving these benefits, at year-end September 30, 2017.

**Annual OPEB Costs and Net OPEB Obligation**

Charlotte County had an actuarial valuation performed for the plan as of October 1, 2016 to include the funded status of the plan as of September 30, 2017, as well as the employer's annual required contribution (ARC) for the fiscal year ended September 30, 2017. The Property Appraiser's annual OPEB cost for the fiscal year was set at \$25,086. The Property Appraiser's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	% of Annual OPEB Cost Contributed	Net OPEB Obligation
September 30, 2017	\$ 25,086	\$ 15,857	63.21%	\$ 160,133
September 30, 2016	30,818	24,760	80.34%	150,904
September 30, 2015	30,278	30,842	101.90%	144,846

The funded status of the plan as of September 30, 2017 was as follows:

Actuarial Accrued Liability (AAL)	\$ 288,441
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 288,441</u>
 Covered Payroll	 <u>\$ 2,535,396</u>
Ratio of UAAL to Covered Payroll	11.38%

**Valuation Methods and Assumptions**

Normal cost and the allocation of benefit values between service rendered before and after the valuation date was determined using an Individual Entry-Age Actuarial Cost method. The rate of return on investment under the pay-as-you-go approach is 4.0%, compounded annually. Salaries are assumed to increase between 3.7% and 7.8% depending on the member's age and service. Salary increase assumptions are the salary increase assumptions used in the most recent Actuarial Valuation of the Florida Retirement System (FRS).

**SUPPLEMENTAL  
INFORMATION**

CHARLOTTE COUNTY, FLORIDA  
PROPERTY APPRAISER  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
For the Fiscal Year Ended September 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 5,606,328	\$ 5,607,026	\$ 5,607,026	\$ -
Miscellaneous	-	-	626	626
Total revenues	<u>5,606,328</u>	<u>5,607,026</u>	<u>5,607,652</u>	<u>626</u>
Expenditures:				
Current				
General government				
Personal services	4,966,313	4,889,431	4,459,068	430,363
Operating expenditures	495,795	495,795	429,130	66,665
Capital outlay	-	77,580	63,200	14,380
Total general government	<u>5,462,108</u>	<u>5,462,806</u>	<u>4,951,398</u>	<u>511,408</u>
Total expenditures	<u>5,462,108</u>	<u>5,462,806</u>	<u>4,951,398</u>	<u>511,408</u>
Excess of revenues over expenditure	<u>144,220</u>	<u>144,220</u>	<u>656,254</u>	<u>512,034</u>
Other financing sources (uses):				
Transfers out	-	-	(656,254)	(656,254)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(656,254)</u>	<u>(656,254)</u>
Excess of revenues and other sources over expenditures and other (uses)	144,220	144,220	-	(144,220)
Fund balance, October 1, 2016	-	-	-	-
Fund balance, September 30, 2017	<u>\$ 144,220</u>	<u>\$ 144,220</u>	<u>\$ -</u>	<u>\$ (144,220)</u>

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

Honorable Paul L. Polk, CFA  
Property Appraiser  
Charlotte County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the major fund and the aggregate remaining fund information of the Charlotte County, Florida, Property Appraiser (the "Property Appraiser"), as of and for the fiscal year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Property Appraiser's financial statements, and have issued our report thereon dated February 13, 2018.

***Internal Control Over Financial Reporting***

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

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

***Internal Control Over Financial Reporting, continued***

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

***Compliance and Other Matters***

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

***Purpose of this Report***

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

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

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

Punta Gorda, Florida  
February 13, 2018

## Management Letter

Honorable Paul L. Polk, CFA  
Property Appraiser  
Charlotte County, Florida

### Report on the Financial Statements

We have audited the financial statements of the Charlotte County, Florida, Property Appraiser (the “Property Appraiser”), as of and for the fiscal year ended September 30, 2017, and have issued our report thereon dated February 13, 2018.

### Auditor's Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditor’s Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant’s 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 February 13, 2018, should be considered in conjunction with this management letter.

### Prior Audit Findings

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

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

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

### **Financial Management**

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

### **Additional Matters**

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

### **Purpose of the Letter**

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

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

Punta Gorda, Florida  
February 13, 2018



## CHARLOTTE COUNTY PROPERTY APPRAISER

### PAUL L. POLK, CFA

South County Annex  
410 Taylor Street  
Punta Gorda

18500 Murdock Circle  
Port Charlotte, FL 33948-1076  
Fax: (941) 743-1499

West Charlotte Annex  
6868 San Casa Boulevard  
Englewood

Exemptions: (941) 743-1593  
records@ccappraiser.com

Real Property: (941) 743-1498  
rp@ccappraiser.com

Personal Property: (941) 743-1476  
tpp@ccappraiser.com

March 6, 2018

Ashley, Brown & Company  
Certified Public Accountants  
366 East Olympia Avenue  
Punta Gorda, FL 33950

Dear Mr. Brown:

We are in receipt of the management letter stating that your firm audited the financial statements of the Charlotte County Property Appraiser for the fiscal year ending September 30, 2017, with no prior year comments.

Sincerely,

Paul L. Polk, CFA  
Cert. Gen. RZ2940  
Property Appraiser

PLP/pw

## Independent Accountant's Examination Report

Honorable Paul L. Polk, CFA  
Property Appraiser  
Charlotte County, Florida

### Report on Compliance

We have examined the Charlotte County, Florida, Property Appraiser's (the "Property Appraiser") compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2017. Management is responsible for the Property Appraiser's compliance with those requirements. Our responsibility is to express an opinion on the Property Appraiser's compliance based on our examination.

### Scope

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Property Appraiser's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Property Appraiser's compliance with specified requirements.

### Opinion

In our opinion, the Charlotte County, Florida, Property Appraiser complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2017.



Punta Gorda, Florida  
February 13, 2018

***SECTION IV***

***SHERIFF***

***William Prummell, Jr.***

## **Independent Auditor's Report**

Honorable William Prummell, Jr.  
Sheriff  
Charlotte County, Florida

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

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Charlotte County, Florida, Sheriff (the "Sheriff"), as of and for the fiscal year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Sheriff's financial statements, as listed in the table of contents.

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

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's

### ***Auditor's Responsibility, continued***

preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major funds and the aggregate remaining fund information of the Sheriff as of September 30, 2017 and the respective changes in financial position thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

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

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, and the aggregate remaining fund information, only for that portion of the major funds and the aggregate remaining fund information, of Charlotte County that is attributable to the Sheriff. They do not purport to, and do not, present fairly the financial position of Charlotte County as of September 30, 2017, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, as listed in the table of contents, 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

***Other Matters, continued***

*Required Supplementary Information, continued*

information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Supplementary Information*

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

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

In accordance with Government Auditing Standards, we have also issued our report dated February 8, 2018, on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters under the heading INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Sheriff's internal control over financial reporting and compliance.

*Ashley Brown & Co.*

Punta Gorda, Florida  
February 8, 2018

CHARLOTTE COUNTY, FLORIDA  
SHERIFF  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2017

Assets	<u>General</u>	<u>Commissary</u>
Cash and cash equivalents	\$ 3,651,089	\$ 1,763,611
Investments at fair value	1,727,570	133,316
Accounts receivable	-	12,880
Due from other funds	20,986	7,974
Due from other constitutional officers		
Board of County Commissioners	208,468	-
Due from other governmental agencies	175,843	-
Other assets	14,968	-
Total assets	<u>\$ 5,798,924</u>	<u>\$ 1,917,781</u>
Liabilities and Fund Balances		
Liabilities		
Accounts and vouchers payable	\$ 822,155	\$ 9,372
Accrued liabilities	2,027,232	-
Due to other funds	-	-
Due to other constitutional officers		
Board of County Commissioners	1,789,463	-
Due to other governmental agencies	1,130,804	-
Deposits	29,270	-
Total liabilities	<u>5,798,924</u>	<u>9,372</u>
Fund Balance		
Reserved for:		
Restricted	-	1,908,409
Total fund balances	<u>-</u>	<u>1,908,409</u>
Total liabilities and fund balances	<u>\$ 5,798,924</u>	<u>\$ 1,917,781</u>

See accompanying notes.

<u>Forfeitures</u>	<u>Non-Major Governmental</u>	<u>Total Governmental Funds</u>
\$ 860,375	\$ 280,228	\$ 6,555,303
-	-	1,860,886
-	-	12,880
-	-	28,960
-	-	208,468
-	-	175,843
-	-	14,968
<u>\$ 860,375</u>	<u>\$ 280,228</u>	<u>\$ 8,857,308</u>
\$ 2,590	\$ -	\$ 834,117
-	-	2,027,232
1,280	-	1,280
-	-	1,789,463
-	-	1,130,804
-	-	29,270
<u>3,870</u>	<u>-</u>	<u>5,812,166</u>
856,505	280,228	3,045,142
<u>856,505</u>	<u>280,228</u>	<u>3,045,142</u>
<u>\$ 860,375</u>	<u>\$ 280,228</u>	<u>\$ 8,857,308</u>

CHARLOTTE COUNTY, FLORIDA  
SHERIFF  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Fiscal Year Ended September 30, 2017

	<u>General</u>	<u>Commissary</u>
Revenues:		
Intergovernmental	\$ 80,000	\$ -
Charges for services	2,216,794	359,395
Fines and forfeitures	7,245	6,241
Miscellaneous	222,554	2,475
Total revenues	<u>2,526,593</u>	<u>368,111</u>
Expenditures:		
Current		
General government		
Personal services	2,535,180	-
Operating expenses	149,600	-
Capital outlay	9,547	-
	<u>2,694,327</u>	<u>-</u>
Public safety		
Personal services	49,248,768	-
Operating expenses	8,927,702	234,338
Capital outlay	1,967,998	1,234
	<u>60,144,468</u>	<u>235,572</u>
Total expenditures	<u>62,838,795</u>	<u>235,572</u>
Excess of revenues over/ (under) expenditures	<u>(60,312,202)</u>	<u>132,539</u>
Other financing sources (uses):		
Transfers in	62,101,665	-
Transfers out	(1,789,463)	-
Total other financing sources (uses)	<u>60,312,202</u>	<u>-</u>
Net changes in fund balances	-	132,539
Fund balances, October 1, 2016 - as reported	-	1,775,870
Fund balances, September 30, 2017	<u>\$ -</u>	<u>\$ 1,908,409</u>

See accompanying notes.

<u>Forfeitures</u>	<u>Non-Major Governmental</u>	<u>Total Governmental Funds</u>
\$ -	\$ 187,760	\$ 267,760
-	-	2,576,189
377,046	24,959	415,491
-	-	225,029
<u>377,046</u>	<u>212,719</u>	<u>3,484,469</u>
-	-	2,535,180
-	-	149,600
-	-	9,547
<u>-</u>	<u>-</u>	<u>2,694,327</u>
-	107,677	49,356,445
206,335	137,465	9,505,840
2,040	72,180	2,043,452
<u>208,375</u>	<u>317,322</u>	<u>60,905,737</u>
<u>208,375</u>	<u>317,322</u>	<u>63,600,064</u>
<u>168,671</u>	<u>(104,603)</u>	<u>(60,115,595)</u>
-	51,000	62,152,665
-	-	(1,789,463)
<u>-</u>	<u>51,000</u>	<u>60,363,202</u>
168,671	(53,603)	247,607
687,834	333,831	2,797,535
<u>\$ 856,505</u>	<u>\$ 280,228</u>	<u>\$ 3,045,142</u>

CHARLOTTE COUNTY, FLORIDA  
SHERIFF  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS  
AGENCY FUNDS  
SEPTEMBER 30, 2017

Assets	<u>Prisoners</u>	<u>Individual Depositors</u>	<u>Cash Bond</u>
Cash and cash equivalents	\$ 31,928	\$ 6,651	\$ 8,657
Total assets	<u>\$ 31,928</u>	<u>\$ 6,651</u>	<u>\$ 8,657</u>
 Liabilities and Fund Balances			
Liabilities			
Due to other constitutional officers			
Clerk of the Circuit Court	\$ -	\$ -	\$ 8,399
Board of County Commissioners	-	6,640	
Due to other funds	16,948	-	-
Due to individuals	14,980	11	258
Total liabilities	<u>\$ 31,928</u>	<u>\$ 6,651</u>	<u>\$ 8,657</u>

See accompanying notes.

Evidence	Concession	Explorers	Total Fiduciary Funds
\$ 32,273	\$ 61,010	\$ 62,991	\$ 203,510
<u>\$ 32,273</u>	<u>\$ 61,010</u>	<u>\$ 62,991</u>	<u>\$ 203,510</u>
\$ -	\$ -	\$ -	\$ 8,399
-	-	-	6,640
10,732	-	-	27,680
21,541	61,010	62,991	160,791
<u>\$ 32,273</u>	<u>\$ 61,010</u>	<u>\$ 62,991</u>	<u>\$ 203,510</u>

CHARLOTTE COUNTY, FLORIDA  
SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017

**Note 1. Summary of Significant Accounting Policies**

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

(a) Defining the Governmental Reporting Entity

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

(b) Fund Accounting

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

The following funds are used by the Sheriff:

**Governmental Funds**

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

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

**Fiduciary Funds**

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

(c) Measurement Focus

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

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

CHARLOTTE COUNTY, FLORIDA  
SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017

**Note 1. Summary of Significant Accounting Policies, Continued**

**Governmental Funds, Continued**

(d) Basis of Accounting

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

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

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include: (1) principal and interest on general long-term debt, if any, which is recognized when due; (2) expenditures are not divided between years by the recording of prepaid expenses; and (3) accrued compensated absences are not recorded until paid.

(e) Budgetary Process

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

The level of control for appropriations is exercised at the functional level.

Budgets for the Special Revenue Funds are not required to be adopted.

(f) Fixed Assets

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

(g) Compensated Absences

The Sheriff's employees accumulate annual leave based on the number of years of continuous service. Upon termination of employment, employees generally receive payment for accumulated leave. Estimated long-term accrued compensated absences are recorded in the basic financial statements of the Charlotte County Board of County Commissioners.

Statement of Governmental Accounting Standards Board Number 16, "Accounting for Compensated Absences", requires the compensated absences liability to be measured using the salary rate in effect at the balance sheet date and requires additional amounts to be accrued for certain salary related payments associated with the payment of compensated absences.

CHARLOTTE COUNTY, FLORIDA  
SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017

**Note 2. Cash and Cash Equivalents**

The Sheriff's deposits policy allows for deposits to be held in demand deposit accounts. At September 30, 2017, the Sheriff maintained deposits in checking accounts and Florida PRIME.

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

At September 30, 2017, cash and cash equivalents had a book balance of deposits of \$6,758,813 and the bank balance was \$8,483,132. The Sheriff held petty cash on hand as of September 30, 2017, in the amount of \$2,925. The Sheriff had a book and bank balance in the Florida PRIME in the amount of \$1,860,886.

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

The Sheriff invests in Florida PRIME funds throughout the year with the Local Government Surplus Funds Trust Fund (SBA), under the regulatory oversight of the State of Florida. Florida PRIME is not registered with the SEC as an investment company, but nevertheless has a policy that it will, and does, operate as a qualifying external investment pool. Thus, this pool operates essentially as a money market fund. Florida PRIME has a Standard & Poor's rating of "AAAm" at September 30, 2017, and is measured at amortized cost. There are currently no limitations as to the frequency of redemptions; however, Florida PRIME has the ability to impose restrictions on withdrawals should a material event occur. Detailed information on the withdrawal restrictions that may be imposed and Florida PRIME's responsibilities should such an event occur is described in Section 218.409(8)(a), Florida Statutes.

**Note 3. Interfund Receivables and Payables**

Interfund receivable and payable balances at September 30, 2017 were:

Fund	Due From Other Funds	Due to Other Funds
General Fund	\$ 20,986	\$ -
Commissary	7,974	-
Fines and Forfeitures		1,280
Agency		
Prisoners	-	16,948
Evidence	-	10,732
	\$ 28,960	\$ 28,960

CHARLOTTE COUNTY, FLORIDA  
SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017

**Note 4. Retirement Plan**

**Plan Description and Provisions**

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

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

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

**Funding Policy**

All enrolled members of the FRS Pension Plan are required to contribute 3.0% of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on statewide contribution rates. The employer contribution rates by job class for the periods from October 1, 2016 through June 30, 2017 and July 1, 2017 through September 30, 2017, respectively, were as follows: regular 7.52% and 7.92%; county elected officers 42.47% and 45.50%; senior management 21.77% and 22.71%; DROP participants 12.99% and 13.26%; and special risk regular 22.57% and 23.27%. During the fiscal year ended September 30, 2017, the Sheriff contributed to the plan an amount equal to 19.16% of covered payroll.

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

CHARLOTTE COUNTY, FLORIDA  
SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017

**Note 4. Retirement System, continued**

**Funding Policy, continued**

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

The Sheriff recognizes pension expenditures in an amount equal to amounts paid to the Pension Plan, the HIS Plan and the defined contribution plan, amounting to \$4,493,120, \$573,727, and \$1,553,963, respectively, for the fiscal year ended September 30, 2017. The Sheriff's payments after June 30, 2017, the measurement date used to determine the net pension liability associated with the Pension Plan and HIS Plan, amounted to \$1,355,001, and \$169,895, respectively. The Sheriff is not legally required to and does not accumulate expendable available resources to liquidate the retirement obligation related to its employees. Accordingly, the net pension liability and associated deferred outflows and deferred inflows are presented on the government-wide financial statements of the County, following requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - and amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - and amendment of GASB Statement No. 68*, effective October 1, 2015.

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

**Note 5. General Fixed Assets**

The following changes in general fixed assets occurred during the year ended September 30, 2017:

	Balance October 1, 2016	Additions	Deletions	Balance September 30, 2017
Machinery & Equipment	\$ 23,745,132	\$ 2,301,836	\$ (1,272,748)	\$ 24,774,220
Accumulated Depreciation	(16,187,222)	(2,694,130)	1,229,776	(17,651,576)
Net Book Value	<u>\$ 7,557,910</u>	<u>\$ (392,294)</u>	<u>\$ (42,972)</u>	<u>\$ 7,122,644</u>

CHARLOTTE COUNTY, FLORIDA  
SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017

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

The following changes in compensated absences occurred during the year ended September 30, 2017:

Long-term debt payable at October 1, 2016	\$ 7,773,998
Increase in accrued compensated absences	4,023,663
Decrease in accrued compensated absences	<u>(3,749,165)</u>
Long-term debt payable at September 30, 2017	<u>\$ 8,048,496</u>
Short-term portion	\$ 3,168,279
Long-term portion	<u>4,880,217</u>
Total compensated absences	<u>\$ 8,048,496</u>

**Note 7. Self-Insurance Program**

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

Premiums charged to participating sheriffs are based upon amounts believed by management of the fund to meet the required annual payout during the fiscal year and to pay for the estimated operating costs of the program. For fiscal year ended September 30, 2017, the Sheriff was charged \$409,125 for the self-insurance program.

The Sheriff participates in the countywide self-insurance program for property liability. For fiscal year ended September 30, 2017, the Sheriff's portion for the self-insurance program, paid by the Board of County Commissioners, was \$442,694.

The Sheriff participates in the Florida Sheriff's Workers' Compensation Self-Insurance Fund. The fund is managed by representatives of participating Florida Sheriff's offices. The total cost for fiscal year ended September 30, 2017 was \$973,413.

The Sheriff is self insured for health insurance. The plan is administered by an independent third party that processes the claims. The Sheriff pays the administrator for actual claims and their administrative fee. During the fiscal year, the Sheriff incurred expenses totaling \$8,997,030. In addition to the Self-Insured Plan, the Sheriff and the Charlotte County Board of County Commissioners, share expenses in an Employee Health Center Program. This program was developed in hopes to lower healthcare claims for medical services, reduce prescription cost and identify in hopes to mitigate future high cost claims risk. Effectively redirecting claims cost from our medical plan to the clinic will result in a two year net savings after operating cost.

CHARLOTTE COUNTY, FLORIDA  
SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017

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

	Sheriff Health Insurance
Balance at October 1, 2015	\$ 1,618,343
Current Year Claims and Changes in Estimates	7,927,621 (*)
Claim Payments	(8,121,446)
Balance at September 30, 2016	1,424,518 (*)
Current Year Claims and Changes in Estimates	9,011,141
Claim Payments	(8,997,030)
Balance at September 30, 2017	\$ 1,438,629

(\*) 9/30/15 balance adjusted to reflect \$146,104 excess fees returned to Board of County Commissioners after year-end.

The Sheriff purchases commercial stop loss insurance for claims in excess of \$125,000 per person. Total premiums paid during the fiscal year for stop loss coverage totaled \$739,740.

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

CHARLOTTE COUNTY, FLORIDA  
SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017

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

**Plan Description**

In addition to providing the pension benefits described, the Sheriff's office provides post-employment health, dental and vision benefits (OPEB) for retired employees through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the Sheriff's office and can be amended through the Sheriff's personnel manual. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan.

**Benefits Provided**

The Charlotte County Sheriff's Office contributes 100% of the active health premiums up to age 65 for retirees participating in the group health plan who completed at least 25 years of service with the Sheriff's office. Retirees are then required to reimburse the Sheriff a \$125 monthly subsidy provided by the Florida Retirement System.

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

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

**Membership**

At September 30, 2017, membership consisted of:

Active Employees	591
Inactive Participants	50
Retiree Covered Spouses	6
<b>TOTAL</b>	<u><u>647</u></u>

**Funding Policy**

The Sheriff negotiates the contribution percentages between the Sheriff and the employees through the union contracts and personnel policy. Active employees do not contribute to the plan until retirement.

**Annual OPEB Costs and Net OPEB Obligation**

The Sheriff had an actuarial valuation performed for the plan as of October 1, 2016 to determine the funded status of the plan as of that date, as well as the employer's annual required contribution (ARC) for the fiscal year ended September 30, 2017. The Sheriff's annual OPEB cost (expense) for the fiscal year was \$6,759,776. The Sheriff's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 is as follows:

CHARLOTTE COUNTY, FLORIDA  
SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017

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

**Annual OPEB Costs and Net OPEB Obligation, Continued**

The funded status of the plan as of September 30, 2017, was as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	% of Annual OPEB Cost Contributed	Net OPEB Obligation
September 30, 2017	\$ 6,759,776	\$ 870,690	12.88%	\$ 38,248,652
September 30, 2016	5,352,781	789,662	14.75%	32,359,566
September 30, 2015	5,063,473	738,496	14.58%	27,796,447

The funded status of the plan as of September 30, 2017, was as follows:

Actuarial Accrued Liability (AAL)	\$ 49,149,848
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 49,149,848</u>
Covered Payroll	<u>\$ 33,296,817</u>
Ratio of UAAL to Covered Payroll	147.61%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about the future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that indicates whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Actuarial Cost Method	Entry Age
Amortization Method	Level Percent
Actuarial Value of Assets	Market Value
Interest Rate	4.0%
Healthcare Cost Trend Rates	8.75%

CHARLOTTE COUNTY, FLORIDA  
SHERIFF  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017

**Note 9. Commitments and Contingencies**

The Sheriff was a defendant in several lawsuits as of September 30, 2017. In the opinion of the Sheriff's legal counsel, the resolution of pending cases is not expected to result in losses, which would materially affect the financial position of the Sheriff.

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

**SUPPLEMENTAL  
INFORMATION**

CHARLOTTE COUNTY, FLORIDA  
SHERIFF  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL (NON-GAAP)  
For the Fiscal Year Ended September 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 80,000	\$ 88,964	\$ 80,000	\$ (8,964)
Charges for services	1,350,000	1,350,000	2,216,794	866,794
Fines and forfeitures	-	-	7,245	7,245
Miscellaneous	-	-	222,554	222,554
Total revenues	<u>1,430,000</u>	<u>1,438,964</u>	<u>2,526,593</u>	<u>1,087,629</u>
Expenditures:				
Current				
General government				
Non-court related				
Personal services	2,527,281	2,576,431	2,535,180	41,251
Operating expenses	144,957	149,657	149,600	57
Capital outlay	32,700	35,740	9,547	26,193
Total general government	<u>2,704,938</u>	<u>2,761,828</u>	<u>2,694,327</u>	<u>67,501</u>
Public safety				
Personal services	49,254,580	49,385,137	49,248,768	136,369
Operating expenses	9,638,386	9,241,482	8,927,702	313,780
Capital expenditures	1,147,000	2,148,220	1,967,998	180,222
Total public safety	<u>60,039,966</u>	<u>60,774,839</u>	<u>60,144,468</u>	<u>630,371</u>
Total expenditures	<u>62,744,904</u>	<u>63,536,667</u>	<u>62,838,795</u>	<u>697,872</u>
Excess of revenues over (under) expenditures	<u>(61,314,904)</u>	<u>(62,097,703)</u>	<u>(60,312,202)</u>	<u>1,785,501</u>
Other financing sources (uses):				
Transfers in	61,314,904	62,097,703	62,101,665	3,962
Transfers out	-	-	(1,789,463)	(1,789,463)
Total other financing sources (uses)	<u>61,314,904</u>	<u>62,097,703</u>	<u>60,312,202</u>	<u>(1,785,501)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, October 1, 2016			-	
Fund balance, September 30, 2017			<u>\$ -</u>	

CHARLOTTE COUNTY, FLORIDA  
SHERIFF  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
September 30, 2017

	<u>Second Dollar</u>	<u>DOJ-US Border Patrol Stonegarden</u>	<u>Local- MAC Grant</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 280,228	\$ -	\$ -
Total assets	<u>\$ 280,228</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Liabilities and Fund Balances</b>			
<b>Fund Equity</b>			
Fund Balance			
Reserved for special purpose	280,228	-	-
Total fund equity	<u>280,228</u>	<u>-</u>	<u>-</u>
Total liabilities and fund equity	<u>\$ 280,228</u>	<u>\$ -</u>	<u>\$ -</u>

Special Revenue Funds

DOJ-JAGC Traffic-Radar Grant	FDLE-JAGC Veriplate Grant	Federal SCAAP	Total Non-Major Governmental Funds
\$ -	\$ -	\$ -	\$ 280,228
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 280,228</u>
-	-	-	280,228
-	-	-	280,228
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 280,228</u>

CHARLOTTE COUNTY, FLORIDA  
SHERIFF  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS  
For the Fiscal Year Ended September 30, 2017

	Second Dollar	DOJ-US Border Patrol Stonegarden	Local- MAC Grant
<b>Revenues:</b>			
Intergovernmental	\$ -	\$ 76,627	\$ 34,555
Fines and forfeitures	24,959	-	-
Total revenues	<u>24,959</u>	<u>76,627</u>	<u>34,555</u>
<b>Expenditures:</b>			
Current			
Public safety			
Personal services	-	76,161	29,083
Operating expenses	129,562	466	5,472
Capital outlay	-	-	-
Total expenditures	<u>129,562</u>	<u>76,627</u>	<u>34,555</u>
Excess of revenues over expenditures	<u>(104,603)</u>	<u>-</u>	<u>-</u>
<b>Other financing sources (uses):</b>			
Transfers in	51,000	-	-
Total other financing sources (uses)	<u>51,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(53,603)	-	-
Fund balances, October 1, 2016	333,831	-	-
Fund balances, September 30, 2017	<u>\$ 280,228</u>	<u>\$ -</u>	<u>\$ -</u>

Special Revenue Funds

DOJ-JAGC Traffic-Radar Grant	FDLE-JAGC Veriplate Grant	Federal SCAAP	Total Non-Major Governmental Funds
\$ 19,775	\$ 54,370	\$ 2,433	\$ 187,760
<u>-</u>	<u>-</u>	<u>-</u>	<u>24,959</u>
<u>19,775</u>	<u>54,370</u>	<u>2,433</u>	<u>212,719</u>
-	-	2,433	107,677
1,965	-	-	137,465
<u>17,810</u>	<u>54,370</u>	<u>-</u>	<u>72,180</u>
<u>19,775</u>	<u>54,370</u>	<u>2,433</u>	<u>317,322</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(104,603)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>51,000</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>51,000</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(53,603)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>333,831</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 280,228</u>

CHARLOTTE COUNTY, FLORIDA  
SHERIFF  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -  
ALL AGENCY FUNDS  
For the Fiscal Year Ended September 30, 2017

	Balance October 1, 2016	Additions	Deletions	Balance September 30, 2017
<b>PRISONERS' FUND</b>				
<b>ASSETS</b>				
Cash	\$ 40,915	\$ 1,054,375	\$ 1,063,362	\$ 31,928
<b>LIABILITIES</b>				
Due to other funds	\$ 11,205	\$ 131,091	\$ 125,348	\$ 16,948
Due to individuals	29,710	923,284	938,014	14,980
	<u>\$ 40,915</u>	<u>\$ 1,054,375</u>	<u>\$ 1,063,362</u>	<u>\$ 31,928</u>
<b>INDIVIDUAL DEPOSITORS' FUND</b>				
<b>ASSETS</b>				
Cash	\$ 20,753	\$ 146,798	\$ 160,900	\$ 6,651
	<u>\$ 20,753</u>	<u>\$ 146,798</u>	<u>\$ 160,900</u>	<u>\$ 6,651</u>
<b>LIABILITIES</b>				
Due to other constitutional officers	\$ 18,221	\$ 100,124	\$ 111,705	\$ 6,640
Due to individuals	2,532	46,673	49,194	11
	<u>\$ 20,753</u>	<u>\$ 146,797</u>	<u>\$ 160,899</u>	<u>\$ 6,651</u>
<b>CASH BOND FUND</b>				
<b>ASSETS</b>				
Cash	\$ 1,955	\$ 444,301	\$ 437,599	\$ 8,657
<b>LIABILITIES</b>				
Due to other constitutional officers	\$ 1,955	\$ 444,301	\$ 437,857	\$ 8,399
Due to individuals	-	258	-	258
	<u>\$ 1,955</u>	<u>\$ 444,559</u>	<u>\$ 437,857</u>	<u>\$ 8,657</u>

CHARLOTTE COUNTY, FLORIDA  
SHERIFF  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -  
ALL AGENCY FUNDS  
For the Fiscal Year Ended September 30, 2017

	Balance October 1, 2016	Additions	Deletions	Balance September 30, 2017
<b>EVIDENCE FUND</b>				
<b>ASSETS</b>				
Cash	\$ 40,130	\$ 41,666	\$ 49,523	\$ 32,273
<b>LIABILITIES</b>				
Due to other funds	\$ 18,589	\$ 37,001	\$ 44,858	\$ 10,732
Due to individuals	21,541	4,665	4,665	21,541
	<u>\$ 40,130</u>	<u>\$ 41,666</u>	<u>\$ 49,523</u>	<u>\$ 32,273</u>
<b>CONCESSION</b>				
<b>ASSETS</b>				
Cash	\$ 51,208	\$ 50,768	\$ 40,966	\$ 61,010
<b>LIABILITIES</b>				
Due to individuals	\$ 51,208	\$ 50,768	\$ 40,966	\$ 61,010
<b>EXPLORERS</b>				
<b>ASSETS</b>				
Cash	\$ 45,160	\$ 22,997	\$ 5,166	\$ 62,991
<b>LIABILITIES</b>				
Due to individuals	\$ 45,160	\$ 22,997	\$ 5,166	\$ 62,991
<b>TOTALS - ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash	\$ 200,121	\$ 1,760,905	\$ 1,757,516	\$ 203,510
	<u>\$ 200,121</u>	<u>\$ 1,760,905</u>	<u>\$ 1,757,516</u>	<u>\$ 203,510</u>
<b>LIABILITIES</b>				
Due to other funds	\$ 29,794	\$ 168,092	\$ 170,206	\$ 27,680
Due to other constitutional officers	20,176	544,425	549,562	15,039
Due to individuals	150,151	1,048,645	1,038,005	160,791
	<u>\$ 200,121</u>	<u>\$ 1,761,162</u>	<u>\$ 1,757,773</u>	<u>\$ 203,510</u>

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

Honorable William Prummell, Jr.  
Sheriff  
Charlotte County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the Charlotte County, Florida, Sheriff (the "Sheriff"), as of and for the fiscal year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Sheriff's financial statements, and have issued our report thereon dated February 8, 2018.

***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

### ***Internal Control Over Financial Reporting, continued***

severe than a material weakness, yet important enough to merit attention by those charged with governance. Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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

### ***Purpose of this Report***

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

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

*Ashley Brown & Co.*

Punta Gorda, Florida  
February 8, 2018

## **Management Letter**

Honorable William Prummell, Jr.  
Sheriff  
Charlotte County, Florida

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

We have audited the financial statements of the Charlotte County, Florida, Sheriff (the “Sheriff”), as of and for the fiscal year ended September 30, 2017, and have issued our report thereon dated February 8, 2018.

### **Auditor's Responsibility**

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

### **Other Reporting Requirements**

We have issued our Independent Auditor’s Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant’s Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated February 8, 2018, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

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

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

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

### **Financial Management**

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

### **Additional Matters**

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

### **Purpose of the Letter**

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

*Ashley Brown & Co.*

Punta Gorda, Florida  
February 8, 2018

## **Independent Accountant's Examination Report**

Honorable William Prummell, Jr.  
Sheriff  
Charlotte County, Florida

### **Report on Compliance**

We have examined the Charlotte County, Florida, Sheriff's (the "Sheriff") compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2017. Management is responsible for the Sheriff's compliance with those requirements. Our responsibility is to express an opinion on the Sheriff's compliance based on our examination.

### **Scope**

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Sheriff's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Sheriff's compliance with specified requirements.

### **Opinion**

In our opinion, the Charlotte County, Florida, Sheriff complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2017.



Punta Gorda, Florida  
February 8, 2018



**Sheriff Bill Prummell**

7474 Utilities Road

Punta Gorda, FL 33982

(941) 639-2101

# Charlotte County Sheriff's Office

**Integrity, Professionalism, Trust**

March 1, 2018

Jeff Brown, CPA  
Ashley & Brown, CPAs  
366 East Olympia Ave  
Punta Gorda, Florida 33950

Mr. Brown,

I am very pleased with the result of your audit of the Charlotte County Sheriff's Office for the fiscal year ending September 30, 2017.

I appreciate the efforts of your staff and look forward to working with you in the future. Appreciation also goes to the employees of the Sheriff's Office for their professionalism and dedication in serving the Sheriff's Office and the general public.

I would also like to thank the citizens of Charlotte County for giving me the privilege to serve them and help make this county a safer place for everyone to live and enjoy.

Sincerely,

A handwritten signature in black ink that reads "Bill Prummell".

Bill Prummell  
Sheriff

***SECTION V***

***SUPERVISOR OF ELECTIONS***

***Paul A. Stamoulis***

## **Independent Auditor's Report**

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

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

We have audited the accompanying financial statements of the major fund and the aggregate remaining fund information of the Charlotte County, Florida, Supervisor of Elections (the "Supervisor of Elections"), as of and for the fiscal year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections financial statements, as listed in the table of contents.

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

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

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

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

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

### ***Auditor's Responsibility, continued***

purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and the aggregate remaining fund information of the Supervisor of Elections as of September 30, 2017 and the respective changes in financial position thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

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

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the major fund, and the aggregate remaining fund information, only for that portion of the major fund and the aggregate remaining fund information, of Charlotte County that is attributable to the Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of Charlotte County as of September 30, 2017, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, as listed in the table of contents, 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 February 16, 2018, on our consideration of the Supervisor of Election's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters under the heading INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Supervisor of Election's internal control over financial reporting and compliance.

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

Punta Gorda, Florida  
February 16, 2018

CHARLOTTE COUNTY, FLORIDA  
 SUPERVISOR OF ELECTIONS  
 BALANCE SHEET  
 GOVERNMENTAL FUND  
 SEPTEMBER 30, 2017

Assets		General
Cash and cash equivalents	\$	300,180
Other assets		15,108
Total assets	\$	315,288
Liabilities and Fund Balances		
Liabilities		
Accounts and vouchers payable	\$	2,954
Accrued liabilities		23,420
Due to other constitutional officers		
Board of County Commissioners		130,417
Unearned revenue		145,987
Other liabilities		12,510
Total liabilities		315,288
Fund Equity		
Fund Balance		
Reserved		-
Total fund equity		-
Total liabilities and fund equity	\$	315,288

See accompanying notes.

CHARLOTTE COUNTY, FLORIDA  
 SUPERVISOR OF ELECTIONS  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 GOVERNMENTAL FUNDS  
 For the Fiscal Year Ended September 30, 2017

	General
Revenues:	
Intergovernmental	\$ 60,646
Charges for services	1,021
Miscellaneous	3,520
Total revenues	65,187
Expenditures:	
Current	
General government	2,097,345
Total expenditures	2,097,345
Excess of revenues over/(under) expenditures	(2,032,158)
Other financing sources (uses):	
Issuance of capital lease debt	217,087
Transfers in	1,945,288
Transfers out	(130,217)
Total other financing sources (uses)	2,032,158
Excess of revenues and other sources over/(under) expenditures and other uses	-
Fund balance, October 1, 2016	-
Fund balance, September 30, 2017	\$ -

See accompanying notes.

CHARLOTTE COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017

**Note 1. Summary of Significant Accounting Policies**

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

(a) Defining the Governmental Reporting Entity

The Supervisor of Elections, as an elected constitutional officer, was established by the Constitution of the State of Florida, Article VIII, Section 1(d). As such, the Supervisor of Election's financial statements are included in the basic financial statements of Charlotte County, the primary government.

A component unit is a legally separate organization for which elected officials of the primary government are financially accountable. Based on the criteria established by Statement of Governmental Accounting Standards Board Number 14, "The Financial Reporting Entity", there are no component units included in the Supervisor of Elections financial statements.

(b) Fund Accounting

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

The following fund is used by the Supervisor of Elections:

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

(c) Measurement Focus

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

(d) Basis of Accounting

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

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

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest, if any, on general long-term debt, which are recognized when due.

CHARLOTTE COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017

**Note 1. Summary of Significant Accounting Policies, Continued**

(e) Budgetary Process

Chapter 129, Florida Statutes, governs the preparation, adoption and amendment process of the Supervisor or Elections' annual budget. The Supervisor of Elections' budget and amendments are approved by the Board of County Commissioners. The budget for the General Fund is prepared on the modified accrual basis. The level of control for appropriations is exercised at the functional level.

(f) Fixed Assets

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

(g) Compensated Absences

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

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

**Note 2. Cash and Cash Equivalents**

The Supervisor's deposits are maintained in a cash pool and Florida PRIME. At September 30, 2017 the cash and cash equivalents amounted to \$300,180.

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

The Supervisor invests in Florida PRIME funds throughout the year with the Local Government Surplus Funds Trust Fund (SBA), under the regulatory oversight of the State of Florida. Florida PRIME is not registered with the SEC as an investment company, but nevertheless has a policy that it will, and does, operate as a qualifying external investment pool. Thus, this pool operates essentially as a money market fund. Florida PRIME has a Standard & Poor's rating of "AAAm" at September 30, 2017, and is measured at amortized cost. There are currently no limitations as to the frequency of redemptions; however, Florida PRIME has the ability to impose restrictions on withdrawals should a material event occur. Detailed information on the withdrawal restrictions that may be imposed and Florida PRIME's responsibilities should such an event occur is described in Section 218.409(8)(a), Florida Statutes.

CHARLOTTE COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017

**Note 3. Retirement System**

**Plan Description**

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

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

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

**Funding Policy**

All enrolled members of the FRS Pension Plan are required to contribute 3.0% of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on statewide contribution rates. The employer contribution rates by job class for the periods from October 1, 2016 through June 30, 2017 and July 1, 2017 through September 30, 2017, respectively, were as follows: regular 7.52% and 7.92%; county elected officers 42.47% and 45.50%; senior management 21.77% and 22.71%; and DROP participants 12.99% and 13.26%. During the fiscal year ended September 30, 2017, the Supervisor of Elections contributed to the plan an amount equal to 19.9% of covered payroll.

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

CHARLOTTE COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017

**Note 3. Retirement System, continued**

**Funding Policy, continued**

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

The Supervisor of Elections recognizes pension expenditures in an amount equal to amounts paid to the Pension Plan, the HIS Plan and the defined contribution plan, amounting to \$37,384, \$12,403, and \$88,234, respectively, for the fiscal year ended September 30, 2017. The Supervisor of Elections' payments after June 30, 2017, the measurement date used to determine the net pension liability associated with the Pension Plan and HIS Plan, amounted to \$9,358, and \$3,129, respectively. The Supervisor of Elections is not legally required to and does not accumulate expendable available resources to liquidate the retirement obligation related to its employees. Accordingly, the net pension liability and associated deferred outflows and deferred inflows are presented on the government-wide financial statements of the County, following requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - and amendment of GASB Statement No. 27, and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - and amendment of GASB Statement No. 68, effective October 1, 2016.*

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

**Note 4. Risk Management**

The Supervisor of Elections participates in the Countywide self-insurance and health insurance programs. Under these programs, the Self Insurance Fund provides coverage for up to a maximum of \$300,000 for each worker's compensation claim, \$350,000 for each general liability claim, \$100,000 for all other perils other than windstorm per location per loss and a 5% windstorm deductible per location per loss. The County purchases commercial insurance for claims in excess of coverage provided by the funds and for all other risks of loss. The excess coverage for general liability is \$1,500,000, workers' compensation is \$1,000,000 and the excess for property is \$150,000,000. In April of 2009, the County opened an employee health center for use by employees participating in the County's Health Insurance Program. The main purpose was to help contain health insurance costs. In August of 2011, the County became self-insured for its health insurance. Under this program, the Health Insurance Trust Fund provides coverage for up to a maximum of \$325,000 per person per year. The County has excess medical insurance to pay for claim costs that exceed this amount.

Charges are based upon amounts believed by management to meet the required annual payout during the fiscal year and to pay for the estimated operating costs of the program. For fiscal year ended September 30, 2017, the Supervisor of Elections was charged \$9,042 for the self-insurance program for general liability, automobile liability and workers' compensation, and \$170,130 for life and health insurance.

CHARLOTTE COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017

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

The following changes in general long-term debt occurred during the year ended September 30, 2017:

Balance as of September 30, 2016	Additions	Deductions	Balance as of September 30, 2017
\$ 174,687	\$ 11,293	\$ (5,546)	\$ 180,434

Long-term debt is comprised of the following at September 30, 2017:

Noncurrent portion of compensated absences	\$ 171,538
--	------------

**Note 6. Lease Commitments**

The following is a schedule of future lease payments applicable to the Supervisor of Election activities capitalized under lease agreement dated June 5, 2017:

Fiscal Year Ended	Amount
September 30, 2018	\$ 108,543
September 30, 2019	108,544
Total lease payments	217,087
Less amount representing interest	-
Present value of future minimum lease payments	\$ 217,087

**Note 7. Other Post Employment Benefits**

**Plan Description**

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

Retired employees (retired on or after 1/1/2004) of the County and all constitutional officers who retire after 30 years of service, or after the age of 55 with eight years, or six years prior to October 1, 2012, of credited service with the County, and who had continuous medical coverage verified annually, are entitled to participation in the Plan. Currently, for employees who have completed 20 years of service with the County who are collecting FRS monthly benefit plans, the health benefit under the Plan provides for the County to contribute a per month supplement. The monthly supplement is \$10.00 per year of service up to \$300.00 per month. For County employees whose date of retirement was prior to 10/1/2008 the monthly supplement is \$5.00 per year of service up to \$150.00 per month. The Supervisor of Elections has contributed \$5,137 during the year, including implicit rate subsidy.

CHARLOTTE COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017

**Note 7. Other Post Employment Benefits, continued**

**Membership**

As of September 30, 2017, membership consisted of:

Active Employees	10
Inactive Participants	1

**Funding Policy**

Funding for this plan is on a pay as you go basis. The Program is currently unfunded. There is no separate trust through which benefits for retirees are funded. No assets are currently accumulated or earmarked for this purpose. All approved benefits are paid from the County's general assets when due. The Supervisor of Elections currently has one employee receiving these benefits at year-end September 30, 2017.

**Annual OPEB Costs and Net OPEB Obligation**

Charlotte County had an actuarial valuation performed for the plan as of October 1, 2016 to include the funded status of the plan as of that date, as well as the employer's annual required contribution (ARC) for the fiscal year ended September 30, 2017. The Supervisor of Elections' annual OPEB cost for the fiscal year was set at \$5,256. The Supervisor of Elections' annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	% of Annual OPEB Cost Contributed	Net OPEB Obligation
September 30, 2017	\$ 5,256	\$ 5,137	97.74%	\$ 26,215
September 30, 2016	1,974	4,352	220.50%	26,096
September 30, 2015	1,939	4,314	222.40%	28,474

The funded status of the plan as of September 30, 2017 was as follows:

Actuarial Accrued Liability (AAL)	\$ 60,431
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 60,431</u>
 Covered Payroll	 \$ 637,804
Ratio of UAAL to Covered Payroll	<u>9.47%</u>

**Valuation Methods and Assumptions**

Normal cost and the allocation of benefit values between service rendered before and after the valuation date was determined using and Individual Entry-Age Actuarial Cost method. The rate of return on investment under the pay-as-you-go approach is 4.0%, compounded annually. Salaries are assumed to increase between 3.7% and 7.8% depending on the member's age and service. Salary increase assumptions are the salary increase assumptions used in the most recent Actuarial Valuation of the Florida Retirement System (FRS).

**SUPPLEMENTAL  
INFORMATION**

CHARLOTTE COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
For the Fiscal Year Ended September 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ 60,646	\$ 60,646	\$ -
Charges for services	-	-	1,021	1,021
Miscellaneous	-	410	3,520	3,110
Total revenues	<u>-</u>	<u>61,056</u>	<u>65,187</u>	<u>4,131</u>
<b>Expenditures:</b>				
Current				
General government				
Non-court related				
Personal services	1,303,458	1,303,458	1,308,375	(4,917)
Contract/Professional services	36,500	36,500	9,038	27,462
Operating expenditures	537,330	547,864	416,054	131,810
Materials/Supplies	68,000	194,175	185,448	8,727
Capital expenditures	-	141,434	178,430	(36,996)
Total general government	<u>1,945,288</u>	<u>2,223,431</u>	<u>2,097,345</u>	<u>126,086</u>
Total expenditures	<u>1,945,288</u>	<u>2,223,431</u>	<u>2,097,345</u>	<u>126,086</u>
Excess of revenues over/(under) expenditures	<u>(1,945,288)</u>	<u>(2,162,375)</u>	<u>(2,032,158)</u>	<u>130,217</u>
<b>Other financing sources (uses):</b>				
Issuance of capital lease debt	-	217,087	217,087	-
Transfers in	1,945,288	1,945,288	1,945,288	-
Transfers out	-	-	(130,217)	(130,217)
Total other financing sources (uses)	<u>1,945,288</u>	<u>2,162,375</u>	<u>2,032,158</u>	<u>(130,217)</u>
Excess of revenues and other sources over/(under) expenditures and other uses	-	-	-	-
Fund balance, October 1, 2016	-	-	-	-
Fund balance, September 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the major fund and the aggregate remaining fund information of the Charlotte County, Florida, Supervisor of Elections (the "Supervisor of Elections"), as of and for the fiscal year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' financial statements, and have issued our report thereon dated February 16, 2018.

***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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Supervisor of Elections' internal control. Accordingly, we do not express an opinion on the effectiveness of the Supervisor of Election'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

***Internal Control Over Financial Reporting, continued***

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

***Compliance and Other Matters***

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

***Purpose of this Report***

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

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

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

Punta Gorda, Florida  
February 16, 2018

366 East Olympia Avenue  
Punta Gorda, Florida 33950  
Phone: 941.639.6600  
Fax: 941.639.6115

## Management Letter

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

### Report on the Financial Statements

We have audited the financial statements of the Charlotte County, Florida, Supervisor of Elections (the "Supervisor of Elections"), Florida, as of and for the fiscal year ended September 30, 2017, and have issued our report thereon dated February 16, 2018.

### Auditor's Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated February 16, 2018, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

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

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

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

### **Financial Management**

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

### **Additional Matters**

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

### **Purpose of the Letter**

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

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

Punta Gorda, Florida  
February 16, 2018

## Independent Accountant's Examination Report

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

### Report on Compliance

We have examined the Charlotte County, Florida, Supervisor of Election's (the "Supervisor of Elections") compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2017. Management is responsible for the Supervisor of Elections' compliance with those requirements. Our responsibility is to express an opinion on the Supervisor of Elections' compliance with the specified requirements based on our examination.

### Scope

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Supervisor of Elections' compliance with those requirements and performing such other procedures as we consider necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Supervisor of Elections' compliance with specified requirements.

### Opinion

In our opinion, the Charlotte County, Florida, Supervisor of Elections complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2017.



Punta Gorda, Florida  
February 16, 2018

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

366 East Olympia Avenue  
Punta Gorda, Florida 33950  
Phone: 941.639.6600  
Fax: 941.639.6115

## **Independent Auditor's Report**

Honorable Vickie L. Potts  
Tax Collector  
Charlotte County, Florida

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

We have audited the accompanying financial statements of the major fund and the aggregate remaining fund information of the Charlotte County, Florida, Tax Collector (the "Tax Collector"), as of and for the fiscal year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Tax Collector's financial statements, as listed in the table of contents.

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

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

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

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

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



## HON. PAUL A. STAMOULIS

### CHARLOTTE COUNTY SUPERVISOR of ELECTIONS

226 Taylor Street, Unit 120  
Punta Gorda, FL 33950  
(941) 833-5400

March 7, 2018

Ashley, Brown & Company, CPA's  
366 E Olympia Avenue  
Punta Gorda, FL 33950

RE: Supervisor of Elections Financial Statement

To Whom It May Concern:

I have received the Financial Statements FY 2016/2017 and I am satisfied with the findings.

I am pleased that we were able to return the sum of \$130,217.00 to the County at the end of the fiscal 2016/2017 year. I am especially proud of the fact that our offices' County expenditures have been reduced from the \$2.68M spent in 2007/2008 to the current \$2.03M, a reduction of over \$650,000.00 due to the efficiency and sacrifice of my dedicated staff.

Sincerely,

Hon. Paul A. Stamoulis  
Supervisor of Elections  
Charlotte County  
941-833-5400

[paulstamoulis@charlottevotes.com](mailto:paulstamoulis@charlottevotes.com)

[www.charlottevotes.com](http://www.charlottevotes.com)

HPA/dv

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“Education is a better safeguard of liberty than a standing army.”  
Edward Everett

### ***Auditor's Responsibility, continued***

purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and the aggregate remaining fund information of the Tax Collector as of September 30, 2017 and the respective changes in financial position thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

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

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the major fund, and the aggregate remaining fund information, only for that portion of the major fund and the aggregate remaining fund information, of Charlotte County that is attributable to the Tax Collector. They do not purport to, and do not, present fairly the financial position of Charlotte County as of September 30, 2017, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, as listed in the table of contents, 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 Matter, continued***

***Supplementary Information***

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

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

In accordance with Government Auditing Standards, we have also issued our report dated February 7, 2018, on our consideration of the Tax Collector's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters under the heading INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Tax Collector's internal control over financial reporting and compliance.

*Ashley, Brown & Co.*

Punta Gorda, Florida  
February 7, 2018

CHARLOTTE COUNTY, FLORIDA  
 TAX COLLECTOR  
 BALANCE SHEET  
 GOVERNMENTAL FUND  
 SEPTEMBER 30, 2017

	Assets	<u>General</u>
Cash and cash equivalents		\$ 3,081,619
Other assets		3,645
Total assets		<u>\$ 3,085,264</u>
	Liabilities	
Liabilities		
Accounts and vouchers payable		\$ 26,362
Accrued liabilities		166,492
Due to other constitutional officers		
Board of County Commissioners		2,704,286
Due to other governmental agencies		188,124
Total liabilities		<u>\$ 3,085,264</u>

See accompanying notes.

CHARLOTTE COUNTY, FLORIDA  
 TAX COLLECTOR  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 GOVERNMENTAL FUND  
 For the Fiscal Year Ended September 30, 2017

	General
Revenues:	
Charges for services	\$ 8,327,785
Miscellaneous	96,664
Total revenues	8,424,449
Expenditures:	
Current	
General government	6,117,678
Total expenditures	6,117,678
Excess of revenues over expenditures	2,306,771
Other financing sources (uses):	
Transfers out	(2,306,771)
Total other financing sources (uses)	(2,306,771)
Excess of revenues and other sources over/(under) expenditures and other uses	-
Fund balance, October 1, 2016	-
Fund balance, September 30, 2017	\$ -

See accompanying notes.

CHARLOTTE COUNTY, FLORIDA  
 TAX COLLECTOR  
 STATEMENT OF FIDUCIARY ASSETS AND LIABILITES - AGENCY FUNDS  
 FIDUCIARY FUNDS  
 SEPTEMBER 30, 2017

Assets	Agency Funds
Cash and cash equivalents	\$ 5,744,338
Due from other governments	1,437
Due from individuals	8,181
Total assets	\$ 5,753,956
Liabilities	
Due to other constitutional officers:	
Board of County Commissioners	\$ 203,295
Clerk of the Circuit Court	208
Total due to other constitutional officers	203,503
Due to other governments	390,228
Due to individuals	302,991
Deposits	4,857,234
Total liabilities	\$ 5,753,956

See accompanying notes.

CHARLOTTE COUNTY, FLORIDA  
TAX COLLECTOR  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017

**Note 1. Summary of Significant Accounting Policies**

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

(a) Defining the Governmental Reporting Entity

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

(b) Fund Accounting

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

The following funds are used by the Tax Collector:

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

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

(c) Measurement Focus

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

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

CHARLOTTE COUNTY, FLORIDA  
TAX COLLECTOR  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017

**Note 1. Summary of Significant Accounting Policies, Continued**

(d) Basis of Accounting

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

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

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

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

(e) Budgetary Process

Chapter 195, Florida Statutes, governs the preparation, adoption and amendment process of the Tax Collector's annual budget. A budget is only required to be prepared for the General Fund. The Tax Collector's budget and amendments are prepared independently of the Board of County Commissioners and are approved by the State of Florida Department of Revenue. A copy of the approved budget is provided to the Board of County Commissioners.

The budget for the General Fund is prepared on the modified accrual basis. The annual budget serves as the legal authorization for expenditures. The level of control for appropriations is exercised at the functional level.

(f) Capital Assets

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

(g) Compensated Absences

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

As of September 30, 2017 the Tax Collector had \$418,408 in long-term compensated absences payable. This amount is reported in the government-wide financial statements of Charlotte County, Florida.

CHARLOTTE COUNTY, FLORIDA  
TAX COLLECTOR  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017

**Note 2. Deposits and Investments**

**Deposits**

The Tax Collector's policy allows for deposits to be held in demand deposits, savings accounts, certificates of deposit, money market accounts and overnight repurchase agreements. At September 30, 2017, the Tax Collector maintained deposits in a cash pool and overnight repurchase agreements for all fund types.

At September 30, 2017, the bank balance of \$8,311,493 is the total balance for all Tax Collector funds as participants of the pool and cannot be segregated by fund. The book balance was \$8,825,957 at September 30, 2017.

The Tax Collector had \$25,250 of cash on hand at September 30, 2017.

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

**Note 3. Retirement System**

**Plan Description**

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

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

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

CHARLOTTE COUNTY, FLORIDA  
TAX COLLECTOR  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017

**Note 3. Retirement System, continued**

**Funding Policy**

All enrolled members of the FRS Pension Plan are required to contribute 3.0% of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on statewide contribution rates. The employer contribution rates by job class for the periods from October 1, 2016 through June 30, 2017 and July 1, 2017 through September 30, 2017, respectively, were as follows: regular 7.52% and 7.92%; county elected officers 42.47% and 45.50%; senior management 21.77% and 22.71%; and DROP participants 12.99% and 13.26%. During the fiscal year ended September 30, 2017, the Tax Collector contributed to the plan an amount equal to 11.1% of covered payroll.

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

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

The Tax Collector recognizes pension expenditures in an amount equal to amounts paid to the Pension Plan, the HIS Plan and the defined contribution plan, amounting to \$251,030, \$54,769, and \$124,821 respectively, for the fiscal year ended September 30, 2017. The Tax Collector's payments after June 30, 2017, the measurement date used to determine the net pension liability associated with the Pension Plan and HIS Plan, amounted to \$70,368 and \$14,719, respectively. The Tax Collector is not legally required to and does not accumulate expendable available resources to liquidate the retirement obligation related to its employees. Accordingly, the net pension liability and associated deferred outflows and deferred inflows are presented on the government-wide financial statements of the County, following requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - and amendment of GASB Statement No. 27, and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - and amendment of GASB Statement No. 68, effective October 1, 2014.*

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

CHARLOTTE COUNTY, FLORIDA  
TAX COLLECTOR  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017

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

The following changes in general long-term debt occurred during the year ended September 30, 2017:

Long-term debt payable at October 1, 2016	\$ 387,442
Increase in accrued compensated absences	438,119
Decrease in accrued compensated absences	<u>(407,153)</u>
 Long-term debt payable at September 30, 2016	 <u>\$ 418,408</u>

General long-term debt is comprised of the following:

Noncurrent portion of compensated absences	
Employees of the Tax Collector are entitled to paid sick and annual leave, based on length of service and job classifications	<u>\$ 181,481</u>

**Note 5. Risk Management**

The Tax Collector participates in the Countywide self-insurance and health insurance programs. Under these programs, the Self Insurance Fund provides coverage for up to a maximum of \$300,000 for each worker's compensation claim, \$350,000 for each general liability claim, \$100,000 for all other perils other than windstorm per location per loss and a 5% windstorm deductible per location per loss. The County purchases commercial insurance for claims in excess of coverage provided by the funds and for all other risks of loss. The excess coverage for general liability and workers' compensation is \$1,200,000 and the excess for property is \$150,000,000. In April of 2009, the County opened an employee health center for use by employees participating in the County's Health Insurance Program. The main purpose was to help contain health insurance costs. In August of 2011, the County became self-insured for its health insurance. Under this program, the Health Insurance Trust Fund provides coverage for up to a maximum of \$325,000 per person per year. The County has excess medical insurance to pay for claim costs that exceed this amount.

Charges to operating departments are based upon amounts believed by management to meet the required annual payout during the fiscal year and to pay for the estimated operating costs of the program. For fiscal year ended September 30, 2017, the Tax Collector was charged \$31,298 for the self-insurance program and \$1,066,769 for life and health insurance which includes the retiree subsidy.

**Note 6. Contingencies**

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

CHARLOTTE COUNTY, FLORIDA  
TAX COLLECTOR  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017

**Note 7. Other Post Employment Benefits**

**Plan Description**

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

Retired employees (retired on or after 1/1/2004) of the County and all constitutional officers who retire after 30 years of service, or after the age of 55 with eight years, or six years prior to October 1, 2012, of credited service with the County, and who had continuous medical coverage verified annually, are entitled to participation in the Plan. Currently, for employees who have completed 20 years of service with the County who are collecting FRS monthly benefit plans, the health benefit under the Plan provides for the County to contribute a per month supplement. The monthly supplement is \$10.00 per year of service up to \$300.00 per month. For County employees whose date of retirement was prior to 10/1/2008 the monthly supplement is \$5.00 per year of service up to \$150.00 per month. The Tax Collector has contributed \$12,109 during the year, including implicit rate subsidy.

**Membership**

As of September 30, 2017, membership consisted of:

Active Employees	60
Inactive Participants	1

**Funding Policy**

Funding for this plan is on a pay-as-you-go basis. The Program is currently unfunded. There is no separate trust through which benefits for retirees are funded. No assets are currently accumulated or earmarked for this purpose. All approved benefits are paid from the County's general assets when due. The Tax Collector has one (1) employee receiving these benefits at year-end September 30, 2017.

**Annual OPEB Costs and Net OPEB Obligation**

Charlotte County had an actuarial valuation performed for the plan as of October 1, 2016 to include the funded status of the plan as of September 30, 2017, as well as the employer's annual required contribution (ARC) for the fiscal year ended September 30, 2017. The Tax Collector's annual OPEB cost for the fiscal year was \$28,271. The Tax Collector's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 is as follows:

CHARLOTTE COUNTY, FLORIDA  
TAX COLLECTOR  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017

**Note 7. Other Post Employment Benefits, Continued**

**Annual OPEB Costs and Net OPEB Obligation, Continued**

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Employer Contributions</u>	<u>% of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
September 30, 2017	\$ 28,271	\$ 12,109	42.83%	\$ 216,613
September 30, 2016	38,156	17,145	44.94%	200,450
September 30, 2015	37,487	18,835	50.24%	179,440

The funded status of the plan as of September 30, 2017 was as follows:

Actuarial Accrued Liability (AAL)	\$ 325,066
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	<u>325,066</u>
Covered Payroll	<u>\$ 2,886,762</u>
Ratio of UAAL to Covered Payroll	11.26%

**Valuation Methods and Assumptions**

Normal cost and the allocation of benefit values between service rendered before and after the valuation date was determined using and Individual Entry-Age Actuarial Cost method. The rate of return on investment under the pay-as-you-go approach is 4.0%, compounded annually. Salaries are assumed to increase between 3.7% and 7.8% depending on the member's age and service. Salary increase assumptions are the salary increase assumptions used in the most recent Actuarial Valuation of the Florida Retirement System (FRS).

**SUPPLEMENTAL  
INFORMATION**

CHARLOTTE COUNTY, FLORIDA  
TAX COLLECTOR  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
For the Fiscal Year Ended September 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for services	\$ 6,108,987	\$ 6,194,695	\$ 8,327,785	\$ 2,133,090
Miscellaneous	-	-	96,664	96,664
Total revenues	<u>6,108,987</u>	<u>6,194,695</u>	<u>8,424,449</u>	<u>2,229,754</u>
<b>Expenditures:</b>				
Current				
General government				
Non-court related				
Personal services	5,041,881	5,041,881	4,992,705	49,176
Operating expenditures	1,064,586	1,145,447	1,118,093	27,354
Capital expenditures	2,520	7,367	6,880	487
Total general government	<u>6,108,987</u>	<u>6,194,695</u>	<u>6,117,678</u>	<u>77,017</u>
Total expenditures	<u>6,108,987</u>	<u>6,194,695</u>	<u>6,117,678</u>	<u>77,017</u>
Excess of revenues over/(under) expenditures	-	-	2,306,771	2,306,771
<b>Other financing sources (uses):</b>				
Transfers out	-	-	(2,306,771)	(2,306,771)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(2,306,771)</u>	<u>(2,306,771)</u>
Excess of revenues and other sources over/(under) expenditures and other uses	-	-	-	-
Fund balance, October 1, 2016	-	-	-	-
Fund balance, September 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CHARLOTTE COUNTY, FLORIDA  
TAX COLLECTOR  
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITES - AGENCY FUNDS  
AGENCY FUNDS  
SEPTEMBER 30, 2017

Assets	<u>Real Estate Fund</u>	<u>Delinquent Fund</u>	<u>License and Tag Fund</u>
Cash and cash equivalents	\$ 4,918,851	\$ 289,197	\$ 396,470
Due from other governments	-	-	1,437
Due from individuals	40	-	8,141
Total assets	<u>\$ 4,918,891</u>	<u>\$ 289,197</u>	<u>\$ 406,048</u>
Liabilities			
Due to other constitutional officers:			
Board of County Commissioners	\$ 35,706	\$ -	\$ 32,471
Clerk of the Circuit Court	208	-	-
Total due to other constitutional officers	<u>35,914</u>	<u>-</u>	<u>32,471</u>
Due to other governments	19,172	-	371,056
Due to individuals	6,571	289,197	2,521
Deposits	4,857,234	-	-
Total liabilities	<u>\$ 4,918,891</u>	<u>\$ 289,197</u>	<u>\$ 406,048</u>

Tourist Development Tax Fund	Charity Fund	Total
\$ 135,118	\$ 4,702	\$ 5,744,338
-	-	1,437
-	-	8,181
<u>\$ 135,118</u>	<u>\$ 4,702</u>	<u>\$ 5,753,956</u>

\$ 135,118	\$ -	\$ 203,295
-	-	208
<u>135,118</u>	<u>-</u>	<u>203,503</u>
-	-	390,228
-	4,702	302,991
-	-	4,857,234
<u>\$ 135,118</u>	<u>\$ 4,702</u>	<u>\$ 5,753,956</u>

CHARLOTTE COUNTY, FLORIDA  
TAX COLLECTOR  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -  
ALL AGENCY FUNDS  
For the Fiscal Year Ended September 30, 2017

	Balance October 1, 2016	Additions	Deletions	Balance September 30, 2017
<b>REAL ESTATE FUND</b>				
<b>ASSETS</b>				
Cash	\$ 4,976,402	\$ 333,327,673	\$ 333,385,224	\$ 4,918,851
Due from other govern- mental agencies	-	1,049,528	1,049,528	-
Due from individuals	7,145	300,080	307,185	40
	<u>\$ 4,983,547</u>	<u>\$ 334,677,281</u>	<u>\$ 334,741,937</u>	<u>\$ 4,918,891</u>
<b>LIABILITIES</b>				
Due to other funds	\$ -	\$ 7,453,822	\$ 7,453,822	\$ -
Due to other constitu- tional officers	60,950	49,675	74,711	35,914
Due to other govern- mental agencies	20,160	19,172	20,160	19,172
Due to individuals	154,889	825,896	974,214	6,571
Deposits	4,747,548	403,948,549	403,838,863	4,857,234
	<u>\$ 4,983,547</u>	<u>\$ 412,297,114</u>	<u>\$ 412,361,770</u>	<u>\$ 4,918,891</u>
<b>DELINQUENT FUND</b>				
<b>ASSETS</b>				
Cash	\$ 390,378	\$ 13,498,846	\$ 13,600,027	\$ 289,197
	<u>\$ 390,378</u>	<u>\$ 13,498,846</u>	<u>\$ 13,600,027</u>	<u>\$ 289,197</u>
<b>LIABILITIES</b>				
Due to other funds	\$ -	\$ 16	\$ 16	\$ -
Due to individuals	390,378	13,872,650	13,973,831	289,197
	<u>\$ 390,378</u>	<u>\$ 13,872,666</u>	<u>\$ 13,973,847</u>	<u>\$ 289,197</u>

CHARLOTTE COUNTY, FLORIDA  
TAX COLLECTOR  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -  
ALL AGENCY FUNDS  
For the Fiscal Year Ended September 30, 2017

	Balance October 1, 2016	Additions	Deletions	Balance September 30, 2017
<b>LICENSE AND TAG FUND</b>				
<b>ASSETS</b>				
Cash	\$ 354,190	\$ 26,439,282	\$ 26,397,002	\$ 396,470
Due from other funds	-	1,724,227	1,724,227	-
Due from other govern- mental agencies	3,434	85,199	87,196	1,437
Due from individuals	3,633	357,889	353,381	8,141
	<u>\$ 361,257</u>	<u>\$ 28,606,597</u>	<u>\$ 28,561,806</u>	<u>\$ 406,048</u>
<b>LIABILITIES</b>				
Due to other funds	\$ -	\$ 1,757,316	\$ 1,757,316	\$ -
Due to other constitu- tional officers	40,149	587,536	595,214	32,471
Due to other govern- mental agencies	316,446	25,130,728	25,076,118	371,056
Due to individuals	3,602	189,336	190,417	2,521
Deposits	1,060	2,000,239	2,001,299	-
	<u>\$ 361,257</u>	<u>\$ 29,665,155</u>	<u>\$ 29,620,364</u>	<u>\$ 406,048</u>
<b>TOURIST DEVELOPMENT TAX FUND</b>				
<b>ASSETS</b>				
Cash	\$ 136,700	\$ 3,971,252	\$ 3,972,834	\$ 135,118
Due from other funds	-	97,217	97,217	-
Due from individuals	-	4,125	4,125	-
	<u>\$ 136,700</u>	<u>\$ 4,072,594</u>	<u>\$ 4,074,176</u>	<u>\$ 135,118</u>
<b>LIABILITIES</b>				
Due to other constitu- tional officers	\$ 136,700	\$ 7,773,434	\$ 7,775,016	\$ 135,118
Due to other funds	-	97,224	97,224	-
	<u>\$ 136,700</u>	<u>\$ 7,870,658</u>	<u>\$ 7,872,240</u>	<u>\$ 135,118</u>

CHARLOTTE COUNTY, FLORIDA  
TAX COLLECTOR  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -  
ALL AGENCY FUNDS  
For the Fiscal Year Ended September 30, 2017

	Balance October 1, 2016	Additions	Deletions	Balance September 30, 2017
CHARITIES FUND				
ASSETS				
Cash	\$ 3,663	\$ 5,532	\$ 4,493	\$ 4,702
	<u>\$ 3,663</u>	<u>\$ 5,532</u>	<u>\$ 4,493</u>	<u>\$ 4,702</u>
LIABILITIES				
Due to individuals	\$ 3,663	\$ 6,120	\$ 5,081	\$ 4,702
	<u>\$ 3,663</u>	<u>\$ 6,120</u>	<u>\$ 5,081</u>	<u>\$ 4,702</u>
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Cash	\$ 5,861,333	\$ 377,242,585	\$ 377,359,580	\$ 5,744,338
Due from other funds	-	1,821,444	1,821,444	-
Due from other govern- mental agencies	3,434	1,134,727	1,136,724	1,437
Due from individuals	10,778	662,094	664,691	8,181
	<u>\$ 5,875,545</u>	<u>\$ 380,860,850</u>	<u>\$ 380,982,439</u>	<u>\$ 5,753,956</u>
LIABILITIES				
Due to other funds	\$ -	\$ 9,308,378	\$ 9,308,378	\$ -
Due to other consti- tutional officers	237,799	8,410,645	8,444,941	203,503
Due to other govern- mental agencies	336,606	25,149,900	25,096,278	390,228
Due to individuals	552,532	14,894,002	15,143,543	302,991
Deposits	4,748,608	405,948,788	405,840,162	4,857,234
	<u>\$ 5,875,545</u>	<u>\$ 463,711,713</u>	<u>\$ 463,833,302</u>	<u>\$ 5,753,956</u>

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

Honorable Vickie L. Potts  
Tax Collector  
Charlotte County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the major fund and the aggregate remaining fund information of the Charlotte County, Florida, Tax Collector (the "Tax Collector"), as of and for the fiscal year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Tax Collector's financial statements, and have issued our report thereon dated February 7, 2018.

***Internal Control Over Financial Reporting***

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

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

### ***Internal Control Over Financial Reporting, continued***

of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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

### ***Purpose of this Report***

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

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

*Ashley, Brown & Co.*

Punta Gorda, Florida  
February 7, 2018

366 East Olympia Avenue  
Punta Gorda, Florida 33950  
Phone: 941.639.6600  
Fax: 941.639.6115

## Management Letter

Honorable Vickie L. Potts  
Tax Collector  
Charlotte County, Florida

### Report on the Financial Statements

We have audited the financial statements of the Charlotte County, Florida, Tax Collector (the “Tax Collector”), as of and for the fiscal year ended September 30, 2017, and have issued our report thereon dated February 7, 2018.

### Auditor's Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditor’s Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant’s Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated February 7, 2018, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

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

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

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

### **Financial Management**

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

### **Additional Matters**

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

### **Purpose of the Letter**

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

*Ashley, Brown & Co.*

Punta Gorda, Florida  
February 7, 2018

# Charlotte County Tax Collector

Vickie L. Potts

[TaxCollector.CharlotteCountyFL.gov](http://TaxCollector.CharlotteCountyFL.gov)



March 5, 2018

Ashley & Brown CPA's  
Certified Public Accountants  
366 East Olympia Avenue  
Punta Gorda, Florida 33950

Dear Mr. Ashley and Mr. Brown:

Pursuant to Chapter 10.550 "Rules of the Auditor General – Local Government Entity Audits" and Section 11.45 (3) (a) 4, Florida Statutes, we are in receipt of and are responding to your management letter, for fiscal year ended September 30, 2017.

I am very pleased with the outcome of the audit. Please extend our thanks to your staff for their outstanding work.

Sincerely,

A handwritten signature in black ink that reads 'Vickie Potts'.

Vickie L. Potts,  
Charlotte County Tax Collector

VLP/df

**CHARLOTTE COUNTY TAX COLLECTOR**  
18500 Murdock Circle | Port Charlotte, FL 33948  
Website: [taxcollector.charlottecountyfl.gov](http://taxcollector.charlottecountyfl.gov)  
Phone: 941.743.1350 | Fax: 941.743.1364

366 East Olympia Avenue  
Punta Gorda, Florida 33950  
Phone: 941.639.6600  
Fax: 941.639.6115

## Independent Accountant's Examination Report

Honorable Vickie L. Potts  
Tax Collector  
Charlotte County, Florida

### Report on Compliance

We have examined the Charlotte County, Florida, Tax Collector's (the "Tax Collector") compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2017. Management is responsible for the Tax Collector's compliance with those requirements. Our responsibility is to express an opinion on the Tax Collector's compliance based on our examination.

### Scope

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Tax Collector's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Tax Collector's compliance with specified requirements.

### Opinion

In our opinion, the Charlotte County, Florida, Tax Collector complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2017.



Punta Gorda, Florida  
February 7, 2018

***SECTION VII***  
***SINGLE AUDIT***



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

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

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

We have audited Charlotte County, Florida's (the "County's") compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* and the requirements described in the State of Florida Department of Financial Services' State Projects Compliance Supplement that could have a direct and material effect on each of the County's major federal programs and state financial assistance projects for the year ended September 30, 2017. 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.

***Management's Responsibility***

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal programs and state financial assistance projects.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the County's major federal programs and state financial assistance projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the requirements of Title 2 U.S. Code of Federal Regulation Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* ("*Uniform Guidance*"); and Chapter 10.550, Rules of the Auditor General. Those standards, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state financial assistance project occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state financial assistance project. However, our audit does not provide a legal determination of the County's compliance.

***Opinion on Each Major Federal Program and State Financial Assistance Project***

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state financial assistance projects for the year ended September 30, 2017.

## Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state financial assistance project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state financial assistance project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.



Orlando, Florida  
February 21, 2018

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

*YEAR ENDED SEPTEMBER 30, 2017*

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

Financial Statement Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?            yes   x   no

Significant deficiency(ies) identified?            yes   x   none reported

Noncompliance material to financial statements noted?            yes   x   no

**Federal Awards and State Projects Section**

Internal control over major programs:

Material weakness(es) identified?            yes   x   no

Significant deficiency(ies) identified?            yes   x   none reported

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

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

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

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

*YEAR ENDED SEPTEMBER 30, 2017*

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**Part I - Summary of Auditor's Results (continued)**

**Federal Awards and State Projects Section (continued)**

Identification of major federal program and state projects:

Federal Program:

Name of Program or Cluster	CFDA Number
U.S. Department of Transportation:	
Federal Transit Formula Grant	20.507
Department of Homeland Security:	
Disaster Grants- Public Assistance	97.036

State Projects:

Name of Project	CSFA Numbers
State of Florida Department of Environmental Protection:	
Beach Management Funding Assistance Program	37.003
Statewide Surface Water Restoration and Wastewater Projects	37.039
Wastewater Treatment Facility Construction	37.077

Dollar threshold used to determine Type A programs:

Federal programs	\$ 750,000
State projects	\$ 555,903

Auditee qualified as low-risk auditee for federal purposes?

yes  no

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

*YEAR ENDED SEPTEMBER 30, 2017*

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**Part II - Schedule of Financial Statement Findings**

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

There were no financial statement findings required to be reported in accordance with *Government Auditing Standards*.

**Part III - Federal Award Findings and Questioned Costs**

This section identifies the significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs, as well as any material abuse findings, related to the audit of major federal programs, as required to be reported by 2 CFR 200.516(a).

There were no findings required to be reported by 2 CFR 200.516(a).

**Part IV - State Project Findings and Questioned Costs**

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

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

**CHARLOTTE COUNTY, FLORIDA**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN -  
FEDERAL AWARDS PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS**

*YEAR ENDED SEPTEMBER 30, 2017*

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**Prior Year Audit Findings:**

There were no prior year audit findings.

**Corrective Action Plan:**

There were no audit findings in the current year independent auditor's reports that required corrective action.

CHARLOTTE COUNTY, FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Fiscal Year Ended September 30, 2017

<u>Federal Agency/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Contract/Grant/Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>Transfers to Subrecipients</u>
<b><u>U.S. Department of Housing &amp; Urban Development</u></b>				
Community Development Block Grant - State's Program	14.228	B-11-UN-12-0025	\$ 4,546	\$ -
Passed through State of Florida Department of Economic Opportunity:				
Community Development Block Grant - State's Program	14.228	10DB-4X-09-18-01-F05	157	-
<b>Total Community Development Block Grants</b>			<u>\$ 4,703</u>	<u>\$ -</u>
Passed through Charlotte County Homeless Coalition, Inc.:				
Emergency Solutions Grant Program	14.231	HPZ7F	<u>\$ 15,320</u>	<u>\$ -</u>
<b>Total U.S. Department of Housing &amp; Urban Development</b>			<u>\$ 20,023</u>	<u>\$ -</u>
<b><u>U.S. Department of Justice</u></b>				
Passed through the State of Florida Department of Juvenile Justice:				
Juvenile Justice & Delinquency Prevention Allocation to States	16.540	10446	<u>\$ 18,318</u>	<u>\$ -</u>
Passed through the State of Florida Department of Law Enforcement:				
National Criminal History Improvement Program (NCHIP)	16.554	2016-NCHP-STATE-1-K7-001	<u>\$ 34,430</u>	<u>\$ -</u>
State Criminal Alien Assistance Program (SCAAP)	16.606	2016-AP-BX-0484	<u>\$ 2,433</u>	<u>\$ -</u>
Edward Byrne Memorial Justice Assistance Grant - Traffic Enforcement & Intersection Monitoring	16.738	2016-DJ-BX-0701	\$ 26,859	\$ 5,741
Passed through the State of Florida Department of Law Enforcement:				
Edward Byrne Memorial Justice Assistance Grant License Plate Recognition Initiative	16.738	2017-JAGC-CHAR-2-F9-067	54,370	-
Edward Byrne Memorial Justice Assistance Grant Family Resource Guide	16.738	2017-JAGC-CHAR-1-F9-054	4,820	-
			<u>\$ 86,049</u>	<u>\$ 5,741</u>
Equitable Sharing Program	16.922	FL0080000	<u>\$ 3,537</u>	<u>\$ -</u>
<b>Total U.S. Department of Justice</b>			<u>\$ 144,767</u>	<u>\$ 5,741</u>

CHARLOTTE COUNTY, FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Fiscal Year Ended September 30, 2017

<u>Federal Agency/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Contract/Grant/Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>Transfers to Subrecipients</u>
<b><u>U.S. Department of Transportation</u></b>				
<b><u>Highway Planning &amp; Construction Cluster</u></b>				
Passed through the Florida Department of Transportation:				
Highway Planning & Construction - ATMS Software Upgrade	20.205	G0D17	\$ 93,000	\$ -
Highway Planning & Construction - US 41 (SR 45) Gateway Project Boardwalk	20.205	G0866	54	-
Highway Planning & Construction - Metropolitan Planning 16/17	20.205	PL-0408(54) G0B45	292,411	-
Highway Planning & Construction - Metropolitan Planning 17/18	20.205	PL-0408(54) G0B45	100,471	-
<b>Total Highway Planning &amp; Construction Cluster</b>			<b>\$ 485,936</b>	<b>\$ -</b>
Passed through the Florida Department of Transportation:				
Metropolitan Transportation Planning & State & Non- Metropolitan Planning & Research (16/17)	20.505	G0601	\$ 37,158	\$ -
Metropolitan Transportation Planning & State & Non- Metropolitan Planning & Research (17/18)	20.505	G0601	61,209	-
			<b>\$ 98,367</b>	<b>\$ -</b>
<b><u>Federal Transit Cluster</u></b>				
Federal Transit Formula Grants (11/12)	20.507	FL-90-X800-00	\$ 117,411	\$ -
Federal Transit Formula Grants (12/13)	20.507	FL-90-X827-00	138,075	-
Federal Transit Formula Grants (13/14)	20.507	FL-90-X860-00	174,040	-
Federal Transit Formula Grants (14/15)	20.507	FL-2017-020-00	833,749	-
Federal Transit Formula Grants (15/16)	20.507	FL-2018-004-00	694,354	-
Federal Transit Formula Grants (16/17)	20.507	FL-2017-120-00	720,546	-
<b>Total Federal Transit Cluster</b>			<b>\$ 2,678,175</b>	<b>\$ -</b>
Passed through the Florida Department of Transportation:				
Formula Grants for Rural Areas	20.509	G0743	\$ 21,975	\$ -
			<b>\$ 21,975</b>	<b>\$ -</b>
<b><u>Transit Services Program Cluster</u></b>				
Enhanced Mobility of Seniors & Individuals with Disabilities	20.513	ARL99	\$ 14,248	\$ -
<b>Total Transit Services Program Cluster</b>			<b>\$ 14,248</b>	<b>\$ -</b>
<b>Total U.S. Department of Transportation</b>			<b>\$ 3,298,701</b>	<b>\$ -</b>

CHARLOTTE COUNTY, FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Fiscal Year Ended September 30, 2017

<u>Federal Agency/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Contract/Grant/Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>Transfers to Subrecipients</u>
<b><u>U.S. Department of the Treasury</u></b>				
Resources & Ecosystems Sustainability, Tourist Opportunities, & Revived Economies for the Gulf Coast States - Gulf RESTORE	21.015	1 RDCGR040014-01-00	\$ 67,782	\$ -
Resources & Ecosystems Sustainability, Tourist Opportunities, & Revived Economies for the Gulf Coast States - Gulf RESTORE	21.015	1 RDCGR040017-01-00	3,955	-
<b>Total U.S. Department of the Treasury</b>			<b>\$ 71,737</b>	<b>\$ -</b>
<b><u>U.S. Election Assistance Commission</u></b>				
Passed through the Florida Department of State:				
Help America Vote Act Requirements Payments	90.401	MOA #2010-2011-0001	\$ 10,534	\$ -
Help America Vote Act Requirements Payments	90.401	MOA #2011-2012-0001	21,177	-
Help America Vote Act Requirements Payments	90.401	MOA #2012-2013-0001	29,344	-
<b>Total U.S. Election Assistance Commission</b>			<b>\$ 61,055</b>	<b>\$ -</b>
<b><u>U.S. Department of Health and Human Services</u></b>				
Passed through the Area Agency on Aging for Southwest Florida, Inc.:				
<b><u>Aging Cluster</u></b>				
Special Programs for Aging Title III, Part B 15/16	93.044	OAA 202.16	\$ 62,051	\$ -
Special Programs for Aging Title III, Part B 16/17	93.044	OAA 202.17	179,148	-
<b>Total Aging Cluster</b>			<b>\$ 241,199</b>	<b>\$ -</b>
National Family Caregiver Support, Title III, Part E 15/16	93.052	OAA 202.16	\$ 31,074	\$ -
National Family Caregiver Support, Title III, Part E 16/17	93.052	OAA 202.17	44,270	-
			<b>\$ 75,344</b>	<b>\$ -</b>
Passed through Florida Department of Revenue:				
Child Support Enforcement - IV D	93.563	COC08	\$ 73,015	\$ -
Passed through the Florida Department of Economic Opportunity:				
Low Income Home Energy Assistance Program 2016	93.568	16EA-OF-09-18-01-007	\$ 161,549	\$ -
Low Income Home Energy Assistance Program 2017	93.568	17EA-OF-09-18-01-007	193,477	-
			<b>\$ 355,026</b>	<b>\$ -</b>
<b><u>477 Cluster</u></b>				
Community Services Block Grant 15/16	93.569	16SB-0D-09-18-01-006	\$ 19,002	\$ -
Community Services Block Grant 16/17	93.569	17SB-0D-09-18-01-106	76,322	-
<b>Total 477 Cluster</b>			<b>\$ 95,324</b>	<b>\$ -</b>
<b>Total U.S. Department of Health &amp; Human Services</b>			<b>\$ 839,908</b>	<b>\$ -</b>

CHARLOTTE COUNTY, FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Fiscal Year Ended September 30, 2017

<u>Federal Agency/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Contract/Grant/Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>Transfers to Subrecipients</u>
<b><u>U.S. Department of Homeland Security</u></b>				
Passed through Florida Division of Emergency Management:				
Public Assistance Grants - Tropical Storm Debby	97.036	13-DB-73-09-18-02-516	\$ 1,866,443	\$ -
Public Assistance Grants - Hurricane Matthew - Federal	97.036	FEMA-4283-DR-FL 05-001-16	7,105	-
Public Assistance Grants - Hurricane Matthew - State	97.036	FEMA-4283-DR-FL 05-001-16	3,165	-
			<u>\$ 1,876,713</u>	<u>\$ -</u>
Emergency Management Performance Grants	97.042	17-FG-P9-09-18-01-082	\$ 53,775	\$ -
Emergency Management Performance Grants	97.042	18-FG-7A-09-18-01-092	18,605	-
			<u>\$ 72,380</u>	<u>\$ -</u>
Passed through Florida Commission on Community Service doing business as Volunteer Florida:				
Emergency Management Performance Grants - CERT 16/17	97.042	DUNS 04-022-3463	\$ 7,580	\$ -
Emergency Management Performance Grants - CERT 17/18	97.042	DUNS 04-022-3463	568	-
			<u>\$ 8,148</u>	<u>\$ -</u>
Passed through Florida Division of Emergency Management:				
Homeland Security Grant Program - (OPSG) FY 2015	97.067	16-DS-U8-09-18-01-411	\$ 76,628	\$ -
Homeland Security Grant Program - (OPSG) FY 2016	97.067	17-DS-W1-09-18-23-236	7,536	-
Homeland Security Grant Program - (SHSP) FY 2016	97.067	17-DS-V4-09-18-01-282	84,491	-
			<u>\$ 168,655</u>	<u>\$ -</u>
 <b>Total U.S. Department of Homeland Security</b>			 <b><u>\$ 2,125,896</u></b>	 <b><u>\$ -</u></b>
 <b>Total Federal Awards</b>			 <b><u>\$ 6,562,087</u></b>	 <b><u>\$ 5,741</u></b>

CHARLOTTE COUNTY, FLORIDA  
SCHEDULE OF STATE FINANCIAL ASSISTANCE  
For the Fiscal Year Ended September 30, 2017

<u>State Agency/Pass Through Grantor/Program Title</u>	<u>State CSFA Number</u>	<u>Contract/Grant Number</u>	<u>State Expenditures</u>	<u>Transfers to Subrecipients</u>
<b><u>State of Florida Executive Office of the Governor</u></b>				
Passed through Florida Division of Emergency Management:				
Emergency Management Programs	31.063	17-BG-83-09-18-01-015	\$ 91,832	\$ -
Emergency Management Programs	31.063	18-BG-W9-09-18-01-093	30,498	-
			<u>\$ 122,330</u>	<u>\$ -</u>
Emergency Management Projects	31.067	17-CP-11-09-18-01-182	\$ 379	\$ -
<b>Total State of Florida Executive Office of the Governor</b>			<b><u>\$ 122,709</u></b>	<b><u>\$ -</u></b>
<b><u>State of Florida Department of Environmental Protection</u></b>				
Beach Management Funding Assistance Program	37.003	16CH1	\$ 1,591,668	\$ -
Statewide Surface Water Restoration & Wastewater Projects	37.039	LP0802A	\$ 22,676	\$ -
Statewide Surface Water Restoration & Wastewater Projects	37.039	S0715	230,686	-
Statewide Surface Water Restoration & Wastewater Projects	37.039	S0818	305,170	-
			<u>\$ 558,532</u>	<u>\$ -</u>
Small Community Wastewater Facility Grant	37.075	SG007	\$ 90,100	\$ -
Drinking Water Facility Construction	37.076	DW080260	\$ 1,451,753	\$ -
Drinking Water Facility Construction	37.076	DW080270	3,087,035	-
			<u>\$ 4,538,788</u>	<u>\$ -</u>
Wastewater Treatment Facility Construction	37.077	WW080200	\$ 5,209,389	\$ -
Wastewater Treatment Facility Construction	37.077	WW080220	874,020	-
Wastewater Treatment Facility Construction	37.077	WW080240	923,344	-
Wastewater Treatment Facility Construction	37.077	WW080250	534,394	-
Wastewater Treatment Facility Construction	37.077	WW080280	442,400	-
			<u>\$ 7,983,547</u>	<u>\$ -</u>
<b>Total State of Florida Department of Environmental Protection</b>			<b><u>\$ 14,762,635</u></b>	<b><u>\$ -</u></b>

CHARLOTTE COUNTY, FLORIDA  
 SCHEDULE OF STATE FINANCIAL ASSISTANCE  
 For the Fiscal Year Ended September 30, 2017

<u>State Agency/Pass Through Grantor/Program Title</u>	<u>State CSFA Number</u>	<u>Contract/Grant Number</u>	<u>State Expenditures</u>	<u>Transfers to Subrecipients</u>
<b><u>State of Florida Department of Economic Opportunity</u></b>				
Passed through Florida Sports Foundation:				
Local Economic Development Initiatives Englewood Beach Waterfest	40.012	N/A	\$ 4,460	\$ -
Local Economic Development Initiatives Snowbird Baseball Classic	40.012	N/A	5,000	-
Local Economic Development Initiatives Spring Fling Women's Collegiate Lacrosse Tournament	40.012	N/A	<u>4,855</u>	<u>-</u>
			<u>\$ 14,315</u>	<u>\$ -</u>
Division of Community Development - Murdock Village CRA	40.038	P0224	<u>\$ 40,000</u>	<u>\$ -</u>
<b>Total State of Florida Department of Economic Opportunity</b>			<b><u>\$ 54,315</u></b>	<b><u>\$ -</u></b>
<b><u>State of Florida Housing Finance Corporation</u></b>				
State Housing Initiatives Partnership Program (SHIP)	40.901	SHIP 2016-2017	<u>\$ 882,117</u>	<u>\$ -</u>
Total State of Florida Housing Finance Corporation			<b><u>\$ 882,117</u></b>	<b><u>\$ -</u></b>
<b><u>State of Florida Department of Agriculture &amp; Consumer Services</u></b>				
Mosquito Control	42.003	023778	<u>\$ 43,009</u>	<u>\$ -</u>
<b>Total State of Florida Department of Agriculture &amp; Consumer Services</b>			<b><u>\$ 43,009</u></b>	<b><u>\$ -</u></b>
<b><u>State of Florida Department of State &amp; Secretary of State</u></b>				
State Aid to Libraries - Charlotte - 16/17	45.030	17-ST-05	<u>\$ 129,446</u>	<u>\$ -</u>
<b>Total State of Florida Department of State &amp; Secretary of State</b>			<b><u>\$ 129,446</u></b>	<b><u>\$ -</u></b>
<b><u>State of Florida Department of Transportation</u></b>				
Passed through the State of Florida Commission for the Transportation Disadvantaged:				
Commission for the Transportation Disadvantaged Trip & Equipment Grant Program	55.001	G0B04	\$ 276,480	\$ -
Commission for the Transportation Disadvantaged Trip & Equipment Grant Program	55.001	G0M30	<u>84,512</u>	<u>-</u>
			<u>\$ 360,992</u>	<u>\$ -</u>

CHARLOTTE COUNTY, FLORIDA  
SCHEDULE OF STATE FINANCIAL ASSISTANCE  
For the Fiscal Year Ended September 30, 2017

<u>State Agency/Pass Through Grantor/Program Title</u>	<u>State CSFA Number</u>	<u>Contract/Grant Number</u>	<u>State Expenditures</u>	<u>Transfers to Subrecipients</u>
Commission for the Transportation Disadvantaged Planning Grant Program	55.002	G0C33	\$ 13,370	\$ -
Commission for the Transportation Disadvantaged Planning Grant Program	55.002	G0N20	6,223	-
			<u>\$ 19,593</u>	<u>\$ -</u>
Florida Highway Beautification Grant - Keep Florida Beautiful	55.003	G0980	\$ 46,150	\$ -
Florida Highway Beautification Grant - Keep Florida Beautiful	55.003	G0979	100,000	-
			<u>\$ 146,150</u>	<u>\$ -</u>
Public Transit Block Grant Program	55.010	AQQ15	\$ 297,023	\$ -
Transportation Regional Incentive Program	55.026	ARR06	\$ 420,782	\$ -
<b>Total State of Florida Department of Transportation</b>			<b><u>\$ 1,244,540</u></b>	<b><u>\$ -</u></b>
<b><u>State of Florida Department of Health</u></b>				
County Grant Awards	64.005	C4008	\$ 20,442	\$ -
County Grant Awards	64.005	C5008	21,304	-
			<u>\$ 41,746</u>	<u>\$ -</u>
<b>Total State of Florida Department of Health</b>			<b><u>\$ 41,746</u></b>	<b><u>\$ -</u></b>
<b><u>State of Florida Department of Elderly Affairs</u></b>				
Passed through the Area Agency on Aging for Southwest Florida, Inc:				
Home Care for the Elderly - 2016	65.001	HCE 202.16	\$ 4,163	\$ -
Home Care for the Elderly - 2017	65.001	HCE 202.17	803	-
			<u>\$ 4,966</u>	<u>\$ -</u>
Alzheimer's Respite Services - 2016	65.004	ADI 202.16	\$ 143,552	\$ -
Alzheimer's Respite Services - 2017	65.004	ADI 202.17	45,490	-
			<u>\$ 189,042</u>	<u>\$ -</u>
Community Care for the Elderly - 2016	65.010	CCE 202.16	\$ 411,487	\$ -
Community Care for the Elderly - 2017	65.010	CCE 202.17	144,080	-
			<u>\$ 555,567</u>	<u>\$ -</u>
<b>Total State of Florida Department of Elder Affairs</b>			<b><u>\$ 749,575</u></b>	<b><u>\$ -</u></b>
<b><u>State of Florida Department of Revenue</u></b>				
Facilities for New Professional Sports, Retained Professional Sports, or Retained Spring Training Franchise	73.016	N/A	\$ 500,004	\$ -
<b>Total State of Florida Department of Revenue</b>			<b><u>\$ 500,004</u></b>	<b><u>\$ -</u></b>
<b>Total State Financial Assistance</b>			<b><u>\$ 18,530,096</u></b>	<b><u>\$ -</u></b>

CHARLOTTE COUNTY, FLORIDA  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

**Note 1. General**

The accompanying Schedule of Expenditures of Federal Awards and the Schedule of State Financial Assistance (the "Schedule") includes the federal and state activity of Charlotte County, Florida (the "County"). The County reporting entity is defined in Note 1 to the County's Basic Financial Statements for the fiscal year ended September 30, 2017. All federal financial assistance programs received directly from federal agencies, as well as federal financial assistance programs passed through other government agencies, are included in the schedule.

The Schedule is presented in accordance with uniform guidance.

**Note 2. Basis of Accounting**

The accompanying Schedule of Expenditures of Federal Awards and the Schedule of State Financial Assistance is presented using the modified accrual basis of accounting, which is described in Note 1 to the County's Basic Financial Statements for the fiscal year ended September 30, 2017.

Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

The County has elected to use the 10 percent de minimis indirect cost rate as covered in 2 CFR 200.414 (f) Indirect Costs.

**Note 3. Contingencies**

Grant monies received by the County are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the County does not believe that such disallowances, if any, would have a material effect on the financial position of the County. As of September 30, 2017, there was no material questioned or disallowed costs as a result of grant audits in process or completed of which management was aware. Any adjustments to grant funding are recorded in the year the adjustment occurs.

**Note 4. Non-Cash Awards**

The amount of \$34,430 reported on the schedule under CFDA number 16.554 is the value of equipment known as Livescan Plus w/Crossmatch 500P and FBI Certified Ten-Print Card Printer. It was distributed during the current year by the U.S. Department of Justice under the National Criminal History Improvement Program.

CHARLOTTE COUNTY, FLORIDA  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

**Note 5. Disaster Grants - Public Assistance (Presidentially Declared Disasters)**

After a presidentially declared disaster, FEMA provides Disaster Grants - Public Assistance (Presidentially Declared Disasters) (CFDA 97.036) to reimburse eligible costs associated with repair, replacement or restoration of disaster-damaged facilities. The federal government makes reimbursements in the form of cost-shared grants that require state matching funds. In 2017, FEMA approved \$1,866,443 for eligible expenditures for Tropical Storm Debby that occurred in June 2012. The amount was previously disallowed but was appealed and approved in the current year. \$1,591,668 in state matching funds has been incurred and approved by the Florida Department of Environmental Protection. To date, \$3,458,111 in eligible expenditures were incurred. Prior years expenditures included in the SEFA are as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Fiscal Year 2011/2012	\$ 11,711	\$ 58,210	\$ 69,921
Fiscal Year 2012/2013	56,357	143,028	199,385
Fiscal Year 2013/2014	58,361	74,690	133,051
Fiscal Year 2014/2015	1,682	2,152	3,834
Fiscal Year 2015/2016	<u>16,084</u>	<u>22,050</u>	<u>38,134</u>
<b>Total</b>	<b><u>\$144,195</u></b>	<b><u>\$300,130</u></b>	<b><u>\$444,325</u></b>

## **OTHER INFORMATION**

CHARLOTTE COUNTY, FLORIDA  
SCHEDULE OF RECEIPTS AND EXPENDITURES OF  
FUNDS RELATED TO THE DEEPWATER HORIZON OIL SPILL  
For the Fiscal Year Ended September 30, 2017

Balance at September 30, 2016 - unrestricted	\$ 5,772,696
Revenues:	
Interest	45,433
Total revenues	<u>5,818,129</u>
Expenditures:	
Beach Renourishment	791,371
El Jobean Sewer	77,989
Total expenditures	<u>869,360</u>
Balance at September 30, 2017 - unrestricted	<u>\$ 4,948,769</u>

NOTE: The above funds and activities relate to Agreement No. MRID 534797.000



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