

CHARLOTTE COUNTY, FLORIDA  
TAX COLLECTOR

September 30, 2016

FINANCIAL STATEMENTS,  
TOGETHER WITH REPORTS OF INDEPENDENT  
AUDITORS

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## **Independent Auditor's Report**

Honorable Vickie L. Potts  
Charlotte County Tax Collector  
Port Charlotte, 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, 2016, 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

### ***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 fund and the aggregate remaining fund information of the Tax Collector as of September 30, 2016 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, 2016, 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 on page 14 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.

### *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. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

In accordance with Government Auditing Standards, we have also issued our report dated February 7, 2017, 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.

Punta Gorda, Florida  
February 7, 2017

*Ashley Brown & Co.*

CHARLOTTE COUNTY, FLORIDA  
 TAX COLLECTOR  
 BALANCE SHEET  
 GOVERNMENTAL FUND  
 SEPTEMBER 30, 2016

Assets	<u>General</u>
Cash and cash equivalents	\$ 2,820,192
Other assets	2,061
Total assets	<u>\$ 2,822,253</u>
<div style="text-align: center;">Liabilities</div>	
Liabilities	
Accounts and vouchers payable	\$ 13,701
Accrued liabilities	155,648
Due to other constitutional officers	
Board of County Commissioners	2,476,145
Due to other governmental agencies	176,759
Total liabilities	<u>\$ 2,822,253</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, 2016

	General
Revenues:	
Charges for services	\$ 7,800,650
Miscellaneous	84,715
Total revenues	7,885,365
Expenditures:	
Current	
General government	5,793,182
Total expenditures	5,793,182
Excess of revenues over expenditures	2,092,183
Other financing sources (uses):	
Transfers out	(2,092,183)
Total other financing sources (uses)	(2,092,183)
Excess of revenues and other sources over/(under) expenditures and other uses	-
Fund balance, October 1, 2015	-
Fund balance, September 30, 2016	\$ -

See accompanying notes.

CHARLOTTE COUNTY, FLORIDA  
 TAX COLLECTOR  
 STATEMENT OF FIDUCIARY ASSETS AND LIABILITES - AGENCY FUNDS  
 FIDUCIARY FUNDS  
 SEPTEMBER 30, 2016

Assets	<u>Agency Funds</u>
Cash and cash equivalents	\$ 5,861,333
Due from other governments	3,434
Due from individuals	10,778
Total assets	<u>\$ 5,875,545</u>
Liabilities	
Due to other constitutional officers:	
Board of County Commissioners	\$ 237,799
Total due to other constitutional officers	<u>237,799</u>
Due to other governments	336,606
Due to individuals	552,532
Deposits	4,748,608
Total liabilities	<u>\$ 5,875,545</u>

See accompanying notes.



CHARLOTTE COUNTY, FLORIDA  
TAX COLLECTOR  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

**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, 2016

**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, 2016 the Tax Collector had \$387,442 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, 2016

**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, 2016, the Tax Collector maintained deposits in a cash pool and overnight repurchase agreements for all fund types.

At September 30, 2016, the bank balance of \$8,180,241 is the total balance for all Tax Collector funds as participants of the pool and cannot be segregated by fund. The book balance was \$8,681,525 at September 30, 2016.

The Tax Collector had \$25,700 of cash on hand at September 30, 2016.

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, 2016

**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, 2015 through June 30, 2016 and July 1, 2016 through September 30, 2016, respectively, were as follows: regular 7.26% and 7.52%; county elected officers 42.27% and 42.47%; senior management 21.43% and 21.77%; and DROP participants 12.88% and 12.99%. During the fiscal year ended September 30, 2016, 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 0.04 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 \$187,848, \$51,895, and \$106,846 respectively, for the fiscal year ended September 30, 2016. The Tax Collector's payments after June 30, 2016, the measurement date used to determine the net pension liability associated with the Pension Plan and HIS Plan, amounted to \$51,759 and \$13,790, 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, 2016

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

The following changes in general long-term debt occurred during the year ended September 30, 2016:

Long-term debt payable at October 1, 2015	\$ 340,451
Increase in accrued compensated absences	408,558
Decrease in accrued compensated absences	<u>(361,567)</u>
Long-term debt payable at September 30, 2016	<u>\$ 387,442</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>\$ 197,859</u>

**Note 5. Risk Management**

The Tax Collector participates in the County-wide 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 \$275,000 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, 2016, the Tax Collector was charged \$36,028 for the self-insurance program and \$966,957 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, 2016

**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 \$18,835 during the year, including implicit rate subsidy.

**Membership**

As of September 30, 2016, membership consisted of:

Active Employees	62
Inactive Participants	5

**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 1 employee receiving these benefits at year-end September 30, 2016.

**Annual OPEB Costs and Net OPEB Obligation**

Charlotte County had an actuarial valuation performed for the plan as of October 1, 2014 to include the funded status of the plan as of September 30, 2016, as well as the employer's annual required contribution (ARC) for the fiscal year ended September 30, 2016. The Tax Collector's annual OPEB cost for the fiscal year was \$38,156. The Tax Collector's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 is as follows:

CHARLOTTE COUNTY, FLORIDA  
TAX COLLECTOR  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

**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, 2016	\$ 38,156	\$ 17,145	44.94%	\$ 200,450
September 30, 2015	37,487	18,835	50.24%	179,440
September 30, 2014	27,684	14,538	52.51%	160,788

The funded status of the plan as of September 30, 2016 was as follows:

Actuarial Accrued Liability (AAL)	\$ 424,090
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	<u>424,090</u>
Covered Payroll	<u>\$ 2,750,503</u>
Ratio of UAAL to Covered Payroll	15.42%

**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, EXPENSES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
For the Fiscal Year Ended September 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for services	\$ 8,064,561	\$ 8,064,561	\$ 7,800,650	\$ (263,911)
Miscellaneous	-	-	84,715	84,715
Total revenues	<u>8,064,561</u>	<u>8,064,561</u>	<u>7,885,365</u>	<u>(179,196)</u>
<b>Expenditures:</b>				
Current				
General government				
Non-court related				
Personal services	4,870,367	4,870,367	4,812,962	57,405
Operating expenditures	1,054,066	1,049,945	970,588	79,357
Capital expenditures	7,900	12,021	9,632	2,389
Total general government	<u>5,932,333</u>	<u>5,932,333</u>	<u>5,793,182</u>	<u>139,151</u>
Total expenditures	<u>5,932,333</u>	<u>5,932,333</u>	<u>5,793,182</u>	<u>139,151</u>
Excess of revenues over/(under) expenditures	<u>2,132,228</u>	<u>2,132,228</u>	<u>2,092,183</u>	<u>(40,045)</u>
Other financing sources (uses):				
Transfers out	<u>(2,132,228)</u>	<u>(2,132,228)</u>	<u>(2,092,183)</u>	<u>40,045</u>
Total other financing sources (uses)	<u>(2,132,228)</u>	<u>(2,132,228)</u>	<u>(2,092,183)</u>	<u>40,045</u>
Excess of revenues and other sources over/(under) expenditures and other uses	-	-	-	-
Fund balance, October 1, 2015	-	-	-	-
Fund balance, September 30, 2016	<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, 2016

Assets	Real Estate Fund	Delinquent Fund	License and Tag Fund
Cash and cash equivalents	\$ 4,976,402	\$ 390,378	\$ 354,190
Due from other governments	-	-	3,434
Due from individuals	7,145	-	3,633
<b>Total assets</b>	<b><u>\$ 4,983,547</u></b>	<b><u>\$ 390,378</u></b>	<b><u>\$ 361,257</u></b>
<b>Liabilities</b>			
Due to other constitutional officers:			
Board of County Commissioners	\$ 60,950	\$ -	\$ 40,149
Total due to other constitutional officers	<u>60,950</u>	<u>-</u>	<u>40,149</u>
Due to other governments	20,160	-	316,446
Due to individuals	154,889	390,378	3,602
Deposits	4,747,548	-	1,060
<b>Total liabilities</b>	<b><u>\$ 4,983,547</u></b>	<b><u>\$ 390,378</u></b>	<b><u>\$ 361,257</u></b>

Tourist Development Tax Fund	Charity Fund	Total
\$ 136,700	\$ 3,663	\$ 5,861,333
-	-	3,434
-	-	10,778
<u>\$ 136,700</u>	<u>\$ 3,663</u>	<u>\$ 5,875,545</u>

<u>\$ 136,700</u>	<u>\$ -</u>	<u>\$ 237,799</u>
136,700	-	237,799
-	-	336,606
-	3,663	552,532
-	-	4,748,608
<u>\$ 136,700</u>	<u>\$ 3,663</u>	<u>\$ 5,875,545</u>

CHARLOTTE COUNTY, FLORIDA  
TAX COLLECTOR  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -  
ALL AGENCY FUNDS  
For the Fiscal Year Ended September 30, 2016

	Balance October 1, 2015	Additions	Deletions	Balance September 30, 2016
<b>REAL ESTATE FUND</b>				
<b>ASSETS</b>				
Cash	\$ 4,639,221	\$ 358,492,733	\$ 358,155,552	\$ 4,976,402
Due from other govern- mental agencies	-	939,438	939,438	-
Due from individuals	426	263,473	256,754	7,145
	<u>\$ 4,639,647</u>	<u>\$ 359,695,644</u>	<u>\$ 359,351,744</u>	<u>\$ 4,983,547</u>
<b>LIABILITIES</b>				
Due to other funds	\$ -	\$ 7,068,720	\$ 7,068,720	\$ -
Due to other constitu- tional officers	39,879	62,063	40,992	60,950
Due to other govern- mental agencies	15,663	20,160	15,663	20,160
Due to individuals	5,514	2,164,162	2,014,787	154,889
Deposits	4,578,591	424,792,366	424,623,409	4,747,548
	<u>\$ 4,639,647</u>	<u>\$ 434,107,471</u>	<u>\$ 433,763,571</u>	<u>\$ 4,983,547</u>
<b>DELINQUENT FUND</b>				
<b>ASSETS</b>				
Cash	\$ 315,043	\$ 13,388,819	\$ 13,313,484	\$ 390,378
Due from individuals	-	13	13	-
	<u>\$ 315,043</u>	<u>\$ 13,388,832</u>	<u>\$ 13,313,497</u>	<u>\$ 390,378</u>
<b>LIABILITIES</b>				
Due to other funds	\$ -	\$ 92	\$ 92	\$ -
Due to individuals	315,043	13,358,784	13,283,449	390,378
	<u>\$ 315,043</u>	<u>\$ 13,358,876</u>	<u>\$ 13,283,541</u>	<u>\$ 390,378</u>

CHARLOTTE COUNTY, FLORIDA  
TAX COLLECTOR  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -  
ALL AGENCY FUNDS  
For the Fiscal Year Ended September 30, 2016

	Balance October 1, 2015	Additions	Deletions	Balance September 30, 2016
<b>LICENSE AND TAG FUND</b>				
<b>ASSETS</b>				
Cash	\$ 319,337	\$ 25,948,579	\$ 25,913,726	\$ 354,190
Due from other funds	-	2,114,420	2,114,420	-
Due from other govern- mental agencies	3,851	100,364	100,781	3,434
Due from individuals	5,340	338,812	340,519	3,633
	<u>\$ 328,528</u>	<u>\$ 28,502,175</u>	<u>\$ 28,469,446</u>	<u>\$ 361,257</u>
<b>LIABILITIES</b>				
Due to other funds	\$ -	\$ 1,889,139	\$ 1,889,139	\$ -
Due to other constitu- tional officers	42,226	564,944	567,021	40,149
Due to other govern- mental agencies	282,459	24,347,113	24,313,126	316,446
Due to individuals	1,524	201,001	198,923	3,602
Deposits	2,319	2,513,982	2,515,241	1,060
	<u>\$ 328,528</u>	<u>\$ 29,516,179</u>	<u>\$ 29,483,450</u>	<u>\$ 361,257</u>
<b>TOURIST DEVELOPMENT TAX FUND</b>				
<b>ASSETS</b>				
Cash	\$ 142,512	\$ 3,824,648	\$ 3,830,460	\$ 136,700
Due from other funds	-	56,482	56,482	-
	<u>\$ 142,512</u>	<u>\$ 3,881,130</u>	<u>\$ 3,886,942</u>	<u>\$ 136,700</u>
<b>LIABILITIES</b>				
Due to other constitu- tional officers	\$ 142,512	\$ 3,773,593	\$ 3,779,405	\$ 136,700
Due to other funds	-	56,533	56,533	-
Due to individuals	-	2,468	2,468	-
	<u>\$ 142,512</u>	<u>\$ 3,832,594</u>	<u>\$ 3,838,406</u>	<u>\$ 136,700</u>

CHARLOTTE COUNTY, FLORIDA  
TAX COLLECTOR  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -  
ALL AGENCY FUNDS  
For the Fiscal Year Ended September 30, 2016

	Balance October 1, 2015	Additions	Deletions	Balance September 30, 2016
<b>CHARITIES FUND</b>				
<b>ASSETS</b>				
Cash	\$ 3,242	\$ 10,117	\$ 9,696	\$ 3,663
	<u>\$ 3,242</u>	<u>\$ 10,117</u>	<u>\$ 9,696</u>	<u>\$ 3,663</u>
<b>LIABILITIES</b>				
Due to individuals	\$ 3,242	\$ 10,117	\$ 9,696	\$ 3,663
	<u>\$ 3,242</u>	<u>\$ 10,117</u>	<u>\$ 9,696</u>	<u>\$ 3,663</u>
<b>TOTALS - ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash	\$ 5,419,355	\$ 401,664,896	\$ 401,222,918	\$ 5,861,333
Due from other funds	-	2,170,902	2,170,902	-
Due from other govern- mental agencies	3,851	1,039,802	1,040,219	3,434
Due from individuals	5,766	602,285	597,273	10,778
	<u>\$ 5,428,972</u>	<u>\$ 405,477,885</u>	<u>\$ 405,031,312</u>	<u>\$ 5,875,545</u>
<b>LIABILITIES</b>				
Due to other funds	\$ -	\$ 9,014,484	\$ 9,014,484	\$ -
Due to other consti- tutional officers	224,617	4,400,600	4,387,418	237,799
Due to other govern- mental agencies	298,122	24,367,273	24,328,789	336,606
Due to individuals	325,323	15,736,532	15,509,323	552,532
Deposits	4,580,910	427,306,348	427,138,650	4,748,608
	<u>\$ 5,428,972</u>	<u>\$ 480,825,237</u>	<u>\$ 480,378,664</u>	<u>\$ 5,875,545</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  
Charlotte County Tax Collector  
Port Charlotte, 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, 2016, 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, 2017.

***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.

Punta Gorda, Florida  
February 7, 2017

*Ashley Browne & Co.*





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

## **Management Letter**

Honorable Vickie L. Potts  
Charlotte County Tax Collector  
Port Charlotte, Florida

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

We have audited the financial statements of the Charlotte County, Florida, Tax Collector (the “Tax Collector”), Florida, as of and for the fiscal year ended September 30, 2016, and have issued our report thereon dated February 7, 2017.

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

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

### ***Other Reports and Schedule***

We have issued our 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*, Section 601, 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, 2017, 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.

### ***Other Matters***

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.

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.

Punta Gorda, Florida  
February 7, 2017

*Ashley Brown & Co.*

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  
Charlotte County Tax Collector  
Port Charlotte, Florida

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, 2016. Management is responsible for the Tax Collector's compliance with those requirements. Our responsibility is to express an opinion on the Tax Collector's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants 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.

In our opinion, the Charlotte County, Florida, Tax Collector complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2016.

Punta Gorda, Florida  
February 7, 2017



# Charlotte County Tax Collector

Vickie L. Potts

<http://taxcollector.charlottecountyfl.gov>



February 7, 2017

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, 2016.

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 cursive script 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: <http://taxcollector.charlottecountyfl.gov>  
Phone: 941.743.1350 | Fax: 941.743.1364