

**POLK COUNTY, FLORIDA  
TAX COLLECTOR**

**FINANCIAL STATEMENTS  
AND SUPPLEMENTAL REPORTS**

**YEAR ENDED SEPTEMBER 30, 2022**



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**TAX COLLECTOR  
POLK COUNTY, FLORIDA  
TABLE OF CONTENTS  
YEAR ENDED SEPTEMBER 30, 2022**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>FINANCIAL STATEMENTS</b>	
<b>BALANCE SHEET – GENERAL FUND</b>	<b>4</b>
<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND     BALANCE – BUDGET AND ACTUAL – GENERAL FUND</b>	<b>5</b>
<b>STATEMENT OF FIDUCIARY NET POSITION – CUSTODIAL FUND</b>	<b>6</b>
<b>STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – CUSTODIAL     FUND</b>	<b>7</b>
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>8</b>
<b>SUPPLEMENTAL REPORTS</b>	
<b>INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER     FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS     BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN     ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i></b>	<b>25</b>
<b>MANAGEMENT LETTER</b>	<b>27</b>
<b>INDEPENDENT ACCOUNTANTS' REPORT</b>	<b>29</b>



## INDEPENDENT AUDITORS' REPORT

Honorable Joe G. Tedder, CFC  
Tax Collector  
Polk County, Florida

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the General Fund and the aggregate remaining fund information of the Polk County, Florida, Tax Collector (Tax Collector), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Tax Collector's basic financial statements as listed in the table of contents.

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, 2022, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Tax Collector and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As discussed in Note 1, the financial statements of the Tax Collector 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 financial statements are intended to present the financial position, the changes in financial position of the General Fund and the aggregate remaining fund information of Polk County, Florida that is attributable to the transactions of the Tax Collector. They do not purport to, and do not, present fairly the financial position of Polk County, Florida as of September 30, 2022, the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

***Responsibilities of Management for the Financial Statements***

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

***Auditors' Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Honorable Joe G. Tedder, CFC  
Polk County Tax Collector

***Required Supplementary Information***

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated April 21, 2023, on our consideration of the Tax Collector's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Tax Collector's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tax Collector's internal control over financial reporting and compliance.

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

**CliftonLarsonAllen LLP**

Lakeland, Florida  
April 21, 2023

**TAX COLLECTOR  
POLK COUNTY, FLORIDA  
BALANCE SHEET  
GENERAL FUND  
SEPTEMBER 30, 2022**

**ASSETS**

Cash and Cash Equivalents	\$ 6,980,753
Due from Board of County Commissioners	256,423
Due from Other Funds	603,679
Other Receivables	44,631
Prepaid Assets	<u>259,869</u>

Total Assets	<u><u>\$ 8,145,355</u></u>
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**LIABILITIES AND FUND BALANCE**

**LIABILITIES**

Vouchers Payable and Accrued Liabilities	\$ 902,422
Due to Board of County Commissioners	7,102,020
Due to Clerk of Courts	958
Due to Property Appraiser	53
Due to Other Governmental Agencies	<u>139,902</u>

Total Liabilities	8,145,355
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**FUND BALANCE**

Nonspendable	259,869
Unassigned	<u>(259,869)</u>
Total Fund Balance	<u>-</u>

Total Liabilities and Fund Balance	<u><u>\$ 8,145,355</u></u>
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*See accompanying Notes to Financial Statements.*

**TAX COLLECTOR  
POLK COUNTY, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED SEPTEMBER 30, 2022**

	Budget			Variance with Budget Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Property Taxes - Board of County Commissioners	\$ 13,227,200	\$ 13,227,200	\$ 13,437,148	\$ 209,948
Property Taxes - Special Taxing Districts	1,016,030	1,016,030	1,187,114	171,084
Vehicle/Vessels	3,469,000	3,469,000	3,544,504	75,504
Drivers Licenses	1,500,000	1,500,000	1,592,689	92,689
Business Taxes	347,000	347,000	363,313	16,313
Tax Certificate Sales	905,000	905,000	909,787	4,787
Tax Certificate Redemptions	275,000	275,000	359,427	84,427
Payment Processing	125,000	125,000	125,404	404
Concealed Weapon Licenses	160,000	160,000	165,018	5,018
Hunting and Fishing Licenses	10,000	10,000	8,324	(1,676)
Tourist Development Taxes	433,970	433,970	697,250	263,280
Interest	20,000	20,000	12,502	(7,498)
Collection Costs and Miscellaneous	49,000	49,000	91,726	42,726
Total Revenues	21,537,200	21,537,200	22,494,206	957,006
<b>EXPENDITURES</b>				
General Government:				
Salaries and Benefits	17,427,745	17,389,497	16,577,998	811,499
Operating Expenditures	3,598,565	3,489,978	3,237,807	252,171
Capital Outlay	-	393,000	362,319	30,681
Capital Outlay - Leases	-	-	1,963,348	(1,963,348)
Debt Service:				
Principal	-	58,315	58,315	-
Interest	-	50,272	50,272	-
Total Expenditures	21,026,310	21,381,062	22,250,059	(868,997)
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	510,890	156,138	244,147	88,009
<b>OTHER FINANCING SOURCES (USES)</b>				
Distribution of Excess Fees to Polk County, Florida Board of County Commissioners	510,890	156,138	(2,324,016)	(2,167,878)
Distribution of Excess Fees to Other Governmental Agencies and Special Taxing Districts	-	-	(139,902)	(139,902)
Transfers from Board of County Commissioners	-	-	256,423	256,423
Lease Proceeds	-	-	1,963,348	1,963,348
Total Other Financing Sources (Uses)	510,890	156,138	(244,147)	(88,009)
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**TAX COLLECTOR  
POLK COUNTY, FLORIDA  
STATEMENT OF FIDUCIARY NET POSITION  
CUSTODIAL FUND  
SEPTEMBER 30, 2022**

	Custodial Funds
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 6,123,743
Due from Other Governmental Agencies	164,698
Due from Individuals and Businesses	52,017
Other Miscellaneous Receivables	119,034
Total Assets	<u>\$ 6,459,492</u>
<b>LIABILITIES</b>	
Due to Other Governmental Agencies	\$ 4,814,051
Tax Certificates Payable	529,698
Refunds and Other Payables	512,064
Due to Other Funds	603,679
Total Liabilities	<u>6,459,492</u>
<b>FIDUCIARY NET POSITION</b>	<u>\$ -</u>

*See accompanying Notes to Financial Statements.*



**TAX COLLECTOR  
POLK COUNTY, FLORIDA  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION,  
CUSTODIAL FUND  
YEAR ENDED SEPTEMBER 30, 2022**

	<u>Custodial Funds</u>
<b>ADDITIONS</b>	
Tax, License, and Fee Collections	<u>\$ 578,831,826</u>
<b>DEDUCTIONS</b>	
Payments to Other Governments	541,525,231
Payments to Tax Certificate Holders	22,813,712
Payments to Others	<u>14,492,883</u>
Total Deductions	<u>578,831,826</u>
<b>NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION</b>	-
Fiduciary Net Position - Beginning of Year	<u>-</u>
<b>FIDUCIARY NET POSITION - END OF YEAR</b>	<u><u>\$ -</u></u>

*See accompanying Notes to Financial Statements.*

**TAX COLLECTOR  
POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

The Tax Collector is a political subdivision of the state of Florida governed by the state constitution and general laws of the state of Florida.

The Tax Collector is a county agency and a local governmental entity pursuant to Article 8, Section 1(d), of the Constitution of the State of Florida. For financial statement and reporting purposes, the Tax Collector does not meet the definition of a legally separate organization and is not considered to be a component unit. The Tax Collector is considered to be a part of the primary government of Polk County, Florida. The financial statements contained herein represent the financial transactions of the Tax Collector only.

The accompanying financial statements have been prepared for the purpose of complying with Section 218.39(2), *Florida Statutes*, and Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*, which allows the Tax Collector to only present fund financial statements. These financial statements present only the portion of the funds of Polk County, Florida that are attributable to the Tax Collector. They are not intended to present fairly the financial position and results of operations of Polk County, Florida in conformity with accounting principles generally accepted in the United States of America. There are no separate legal entities (component units) for which the Tax Collector is financially accountable.

The legislative and governing body of the county is the five-member Board of County Commissioners. Each county commissioner is elected on a county-wide basis for a four-year term of office and each county commissioner is a resident of their commission district. Polk County became a Home Rule Charter County on January 1, 1999, with an appointed county manager, and with separate legislative and executive functions. The county manager is the head of the administrative branch of county government and is responsible to the Board of County Commissioners for the proper administration of all affairs of the County, except for those powers, duties and functions residing, as specified by law, with the elected constitutional officers.

The Tax Collector is an elected public official responsible for the collection and distribution of the following taxes and fees: ad valorem taxes on real and tangible property and non-ad valorem assessments on property within Polk County, tourist development taxes, hunting and fishing licenses, motor vehicle and mobile home titles and registrations, driver license fees, business tax receipts, vessel titles and registrations and sales tax on motor vehicle and vessel sales with nondealers. These services are provided on behalf of the Polk County Board of County Commissioners (Board), Polk County School Board, the State of Florida, as well as, municipalities and special taxing districts within Polk County, Florida.

The accompanying summary of significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies, as presented, should be viewed as an integral part of the financial statements. The following is a summary of the more significant policies:

**TAX COLLECTOR  
POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Measurement Focus, Basis of Accounting, and Basis of Presentation**

The accounts of the governmental funds are maintained on the modified accrual basis. Under the modified accrual basis, expenditures are recorded at the time liabilities are incurred, and revenues are recorded when received in cash or when they are considered both measurable and available and as such, are susceptible to accrual. For this purpose, the Tax Collector considers revenues to be available if they are collected within 31 days after year-end with the exception of grants, which have a period of availability of one year. Grants are recognized as revenue as soon as all eligibility requirements have been met. Expenditures are recorded when the related fund liability is incurred, except for compensated absences, which are recognized as expenditures to the extent they have matured.

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in the fund balance.

In governmental funds, material revenues in the following categories are considered susceptible to accrual when they are both measurable and available:

Property Taxes	Intergovernmental Revenues	Interest Earned
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Miscellaneous and other revenues are generally recorded as revenues when received in cash because they are usually not measurable until actually received.

The custodial funds use the economic resources measurement focus and the accrual basis of accounting.

**Fund Accounting**

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

**Governmental Fund**

**General Fund** – The General Fund is the general operating fund of the Tax Collector and accounts for all financial resources not required to be accounted for in another fund.

**TAX COLLECTOR  
POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Accounting (Continued)**

**Fiduciary Funds**

**Custodial Fund** – Custodial Funds are used to account for all assets held by the Tax Collector in his capacity as a custodian or agent for individuals and other governmental units.

**Budgets and Budgetary Data**

The following are the procedures followed in establishing the budget for the Tax Collector's office:

- 1) On or before August 1 of each year, the Tax Collector submits an annual budget for the operations of their office to the Florida Department of Revenue, Property Tax Oversight Division (Department). A copy of the budget is also furnished to the Board of County Commissioners. After the budget has been reviewed and approved by the Department, it becomes the operating budget for the ensuing fiscal year.
- 2) The Tax Collector's operating budget can only be amended after written approval has been received from the Department.
- 3) Section 129.07, *Florida Statutes*, provides that it is unlawful to make expenditures that exceed the total amount budgeted for each fund. The Department of Revenue approves all transfers between appropriation categories, and this becomes the level of control for budgetary considerations.
- 4) Formal budgetary integration is employed as a management control device during the year for all Governmental Funds.
- 5) The budget for the General Fund is adopted on a basis consistent with GAAP.

**Capital Assets**

Capital assets are assets with a useful life of more than one year and a cost of \$5,000 or greater. Capital assets purchased by the Tax Collector are recorded as expenditures. Ownership of all capital assets, except for real property, is vested in the Polk County, Florida Board of County Commissioners as provided by Chapter 274, *Florida Statutes*. Section 197.332, *Florida Statutes*, provides for county tax collectors to own real property. Buildings are being depreciated over a 40-year useful life using the straight-line method. Donated capital assets are recorded at acquisition value at the date of donation.

**Excess Fees**

Chapter 218.36(2), *Florida Statutes*, provides that the excess of the Tax Collector's fee revenue over expenditures is to be distributed to each governmental agency in the same proportion as the fees paid by the governmental agency bear to total fee income received by the Tax Collector. The amount of undistributed excess fees at the end of the fiscal year is reported as amounts due to the Board of County Commissioners and due to other governmental agencies and special taxing districts.

**TAX COLLECTOR  
POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Ad Valorem Taxes**

The property tax calendar for 2022 is as follows:

Lien Date	January 1, 2022
Levy Date	January 1, 2022
Due Dates	November 1, 2022 - March 31, 2023
Delinquent Date	April 1, 2023
Tax Certificate Sale	No later than June 1, 2023

No accruals for the property tax levy becoming due in November of 2022 are included in the accompanying financial statements since such taxes are collected to finance expenditures of the subsequent period.

**Cash and Investments**

The Tax Collector has elected to adopt an Internal Investment Policy in accordance with Chapter 218, *Florida Statutes*. This policy authorizes the Tax Collector to invest surplus public funds in the following:

- 1) The Local Government Surplus Funds Trust Funds, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in Chapter 163, *Florida Statutes*.
- 2) Securities and Exchange Commission registered money market funds with the highest quality rating from a nationally recognized rating agency.
- 3) Accounts in state qualified public depositories as defined in Chapter 280, *Florida Statutes*.
- 4) Certificates of Deposit in state qualified public depositories, as defined in Chapter 280, *Florida Statutes*.
- 5) Direct obligations of the U.S. Treasury.
- 6) Federal agency and instrumentalities.
- 7) Repurchase Agreements collateralized by securities otherwise authorized above.

**Due to/from Other Funds**

Amounts receivable from or payable to other funds are reflected in the accounts of the fund until liquidated by payment or authorized interfund transactions.

**Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items using the consumption method. Under the consumption method, services paid for in advance are reported as an asset until the period in which the services are actually consumed.

**TAX COLLECTOR  
POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Balance**

In accordance with GASB Statement No. 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*, governments are required to classify fund balance in governmental funds as nonspendable, restricted, committed, assigned, and unassigned. The following are the definitions of the fund balance classifications:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the Tax Collector. As the Tax Collector is an elected official responsible for the activities of the Tax Collector's office, he is the highest level of decision making authority and any official order from the Tax Collector would be required to authorize commitment of fund balance.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes.

Unassigned – all other spendable amounts.

The Tax Collector as implemented fund balance and spending policies to clearly define the process for tracking the various classifications of fund balance. The policy states that when an expenditure is incurred and where restricted, committed, assigned, or unassigned amounts are available to be used, the Tax Collector will first use restricted amounts, then committed amounts, then assigned amounts, and finally unassigned amounts.

**Accumulated Unpaid Leave**

Effective January 1, 1992, employees began earning annual leave at varying rates depending upon length of service as follows:

<u>Length of Service</u>	<u>Annual Leave Earned</u>
1 - 5 Years	20 days
6 - 10 Years	25 days
11 - 15 Years	28 days
16 - 20 Years	30 days
21 - 25 Years	32 days
26 and Over	35 days

Employees are paid at fiscal year-end for accumulated paid leave in excess of 240 hours for full time employees and 120 hours for part time employees.

**TAX COLLECTOR  
POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accumulated Unpaid Leave (Continued)**

The Tax Collector uses the last-in, first-out (LIFO) method of recognizing the use of compensated absences. Under this method, compensated absences are recorded as an expenditure when the liability is normally liquidated with expendable available financial resources. Thus, unless it is anticipated that compensated absences will be used in excess of a normal year's accumulation, no additional expenditures are accrued.

Since the Tax Collector remits the excess of revenues over expenditures to the Board and other governmental agencies on an annual basis, the entire unpaid liability for sick and annual leave is the responsibility of the Board and other governmental agencies and is therefore recorded in the General Long Term Debt Account Group of the Board and the respective governmental agencies.

**Other Postemployment Benefit Obligations**

The County provides certain health care benefits for retired employees. In accordance with Section 112.0801, *Florida Statutes*, and as authorized by the County Ordinance 2011-023, effective October 3, 2011, and County Ordinance 2017-037 effective July 25, 2017, the County offers retiring employees enrolled in the County's plans at the time of retirement and their covered dependents the opportunity to continue to participate in health and/or life insurance plans through the County's Retiree Benefits Program. The Tax Collector participates with Polk County in offering retiring employees the opportunity to continue to participate in the County's health insurance plan. Other postemployment benefits, calculated in accordance with Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, are reported in the financial statements of the County.

**Use of Estimates**

The preparation of financial statements in conformity with accounting practices prescribed by GASB and the Auditor General, State of Florida, and requires management to make use of estimates that affect the reported amounts in the financial statements. Actual results could differ from estimates.

**Adoption of New Accounting Standards**

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

**TAX COLLECTOR  
POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Adoption of New Accounting Standards (Continued)**

The Tax Collector adopted the requirements of the guidance effective October 1, 2021 and has elected to apply the provisions of this standard to the beginning of the period of adoption.

**NOTE 2 CASH AND CASH EQUIVALENTS**

**Deposits**

At September 30, 2022, the Tax Collector's book balance of cash was \$13,104,496, which includes \$41,961 of cash on hand, and the bank balance was \$13,028,951. The Tax Collector's interest bearing bank balance is collateralized pursuant to Chapter 280, *Florida Statutes*. The remaining balances in such accounts are collateralized with the State Treasurer pursuant to Chapter 280, *Florida Statutes*.

**Investments**

The Tax Collector invests funds throughout the year with the Local Government Surplus Funds Trust Fund, "Florida PRIME" pool, an investment pool administered by the Florida State Board of Administration (SBA), under the regulatory oversight of the state of Florida. Investments in Florida PRIME are made pursuant to Chapter 125.31, *Florida Statutes*. Florida PRIME is considered a qualifying external investment pool that meets all of the necessary criteria to elect to measure all of the investments at amortized cost. Therefore, the fair value of the Tax Collector's position in the pool is the same as the value of the pool shares. At September 30, 2022, the balance in Florida PRIME totaled \$5,869,323.

The Tax Collector's investment in the State Pool exposes it to custodial credit risk. Custodial credit risk is the risk that in the event of a failure of the counterparty to a transaction, the Tax Collector will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

The Florida PRIME has adopted operating procedures consistent with the requirements for a SEC 2a7-like fund (as defined in GASB 31); therefore, the account balance should be considered the fair value of the investment. The Florida PRIME is rated by Standard and Poor's. The current rating is AAAM. The weighted average days to maturity (WAM) of the Florida PRIME at September 30, 2022 was 21 days. The weighted average life (WAL) of the Florida PRIME at September 30, 2022 was 72 days.



**TAX COLLECTOR  
POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)**

**Investments (Continued)**

The Tax Collector also invests funds throughout the year with the Florida Local Government Investment Trust "FL Trust" pool, an independent local government investment pool developed through the Florida Court Clerks and Comptrollers and the Florida Association of Counties. Investments are authorized under Chapter 218.415(16) *Florida Statutes*. Investments in FL Trust are accounted for as a stable NAV investment pool and operates like a money market fund with each share valued at \$1. Therefore, the fair value of the Tax Collector's position in the pool is the same as the value of the pool shares. At September 30, 2022, the balance in FL Trust totaled \$206,115.

The investment strategy of FL Trust is to offer a safe, convenient, and liquid investment option to Florida governmental entities and therefore is not subject to custodial credit risk.

The FL Trust has adopted operating procedures consistent with the requirements for a SEC 2a7-like fund (as defined in GASB 31); therefore, the account balance should be considered the fair value of the investment. The FL Trust is rated by Fitch Ratings. The current rating is AAmmf. The weighted average days to maturity (WAM) of the FL Trust at September 30, 2022 was 29 days.

A portfolio's WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the local government investment pool to interest rate changes.

In accordance with GASB 79, as a participant in a qualifying external investment pool, the Tax Collector should disclose the presence of any limitations or restrictions on withdrawals (such as redemption notice periods, maximum transaction amounts, and the qualifying external investment pool's authority) to impose liquidity fees or redemption gates in the notes to the financial statements. There were no such limitations or restrictions noted.

**Custodial Credit Risk**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. At year-end, the Tax Collector's deposits were entirely covered by federal depository insurance or guaranteed by qualified public depositories in Florida pursuant to Chapter 280.07, *Florida Statutes*. Under the Chapter, in the event of default by a participating financial institution (a qualified public depository), all participating institutions are obligated to reimburse the government entity for the loss.

**TAX COLLECTOR  
POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 3 LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities which are reported in the basic financial statements of Polk County, Florida:

	October 1, 2021	Additions	Deletions	September 30, 2022	Due Within One Year
Compensated Absences	\$ 585,450	\$ 1,102,364	\$ (1,054,902)	\$ 632,912	\$ 219,115
Lease Liability*	407,657	1,963,348	(58,315)	2,312,690	82,447
Total	<u>\$ 993,107</u>	<u>\$ 3,065,712</u>	<u>\$ (1,113,217)</u>	<u>\$ 2,945,602</u>	<u>\$ 301,562</u>

\* - Restated due to GASB 87 Implementation

The Tax Collector leases equipment as well as certain operating and office facilities for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2042 and provide renewal options ranging from 12 months to 20 years.

**NOTE 4 PENSION PLANS**

**Background**

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

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

**TAX COLLECTOR  
POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 4 PENSION PLANS (CONTINUED)**

**Plan Description**

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

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers Class* – Members who hold specified elective offices in local government.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.

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

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

**TAX COLLECTOR  
POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 4 PENSION PLANS (CONTINUED)**

**Benefits Provided**

Benefits under the FRS Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned.

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

Detailed information about the County's proportionate share of FRS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

***Retiree Health Insurance Subsidy Program***

**Plan Description**

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

**Benefits Provided**

For the fiscal year ended June 30, 2022, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, *Florida Statutes*. To be eligible to receive a HIS Plan benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Detailed information about the County's proportionate share of HIS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

**TAX COLLECTOR  
POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 4 PENSION PLANS (CONTINUED)**

**FRS Investment Plan**

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

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

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2022, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Tax Collector.

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

**Contributions**

Participating employer contributions are based upon statewide rates established by the state of Florida. The Tax Collector's contributions made to the plans during the years ended September 30, 2022, 2021, and 2020 were \$1,606,297, \$1,378,811, and \$1,178,727 respectively, equal to the actuarially determined contribution requirements for each year.

**TAX COLLECTOR  
POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 4 PENSION PLANS (CONTINUED)**

**Contributions (Continued)**

Additional information about pension plans can be found in Polk County's Annual Comprehensive Financial Report.

**NOTE 5 LEASES**

The Tax Collector leases assets for various terms under certain agreements that meet the definition of a lease under GASB Statement No. 87 – *Leases*. Detailed information about the Tax Collector's leases can be found in the Polk County, Florida Annual Comprehensive Financial Report.

Leases entered into by the Tax Collector are included as other financing sources and capital outlay expenditures in the Statement of Revenues, Expenditures, and Changes in Fund Balance in the year of inception. Payments made in accordance with the lease terms are reported as debt service expenditures in the Statement of Revenues, Expenditures, and Changes in Fund Balance as they are incurred.

During the year ended September 30, 2022, the Tax Collector entered into leases in the amount of \$1,963,348. During the year ended September 30, 2022, the Tax Collector's principal and interest payments on leases totaled \$108,587.

Total future minimum lease payments under lease agreements are as follows:

	Principal	Interest	Total
2023	\$ 82,447	\$ 82,030	\$ 164,477
2024	87,428	78,554	165,982
2025	94,845	74,814	169,659
2026	103,596	70,745	174,341
2027	99,789	66,686	166,475
2028-2032	609,701	266,943	876,644
2033-2037	578,916	164,510	743,426
2038 and Thereafter	655,968	53,614	709,582
Total Minimum Lease Payments	<u>\$ 2,312,690</u>	<u>\$ 857,896</u>	<u>\$ 3,170,586</u>

**TAX COLLECTOR  
POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 6 CAPITAL ASSETS**

Tangible personal property used by the Tax Collector in operations is reported in the basic financial statements of Polk County, Florida.

State law requires the Tax Collector to account for all tangible property used by the Tax Collector. A summary of changes in capital assets for the year ended September 30, 2022:

	October 1, 2021	Additions	Disposals	September 30, 2022
Capital Assets Not Depreciated:				
Land	\$ 2,279,723	\$ -	\$ -	\$ 2,279,723
Total Assets Not Depreciated	<u>2,279,723</u>	<u>-</u>	<u>-</u>	<u>2,279,723</u>
Capital Assets Depreciated:				
Building and Improvements	6,880,641	-	-	6,880,641
Right to Use - Leased Buildings*	435,871	1,963,348	-	2,399,219
Right to Use - Leased Equipment*	22,015	-	-	22,015
Total Assets Depreciated	<u>7,338,527</u>	<u>1,963,348</u>	<u>-</u>	<u>9,301,875</u>
Less Accumulated Depreciation:				
Building and Improvements	1,255,905	173,366	-	1,429,271
Right to Use - Leased Buildings*	-	151,098	-	151,098
Right to Use - Leased Equipment*	-	17,389	-	17,389
Total Accumulated Depreciation	<u>1,255,905</u>	<u>341,853</u>	<u>-</u>	<u>1,597,758</u>
Total Assets Depreciated, Net	<u>6,082,622</u>	<u>1,621,495</u>	<u>-</u>	<u>7,704,117</u>
Total Capital Assets, Net	<u><u>\$ 8,362,345</u></u>	<u><u>\$ 1,621,495</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 9,983,840</u></u>

\* - Restated due to GASB 87 Implementation

**TAX COLLECTOR  
POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 7 RELATED-PARTY TRANSACTIONS**

Transactions with the Polk County Board of Commissioners and the Constitutional Officers of Polk County, Florida for the year ended September 30, 2022 were as follows:

**Receipts**

The General Fund of the Tax Collector received revenue from the Board of County Commissioners in the amount of \$13,437,148 for the year ended September 30, 2022. Additionally, receivables due from the Board as of September 30, 2022 were \$256,423.

**Disbursements**

The Board of County Commissioners provides health insurance, facilities maintenance, utilities, and other services to the Tax Collector. The charges for these services for the fiscal year ended September 30, 2022 amounted to \$2,434,368. The distribution payable at year-end was \$316,030. Excess fees payable to the Board as of September 30, 2022 was \$2,324,016.

The Tax Collector also remitted \$465,763,906 to the Board of County Commissioners for custodial distributions. The distribution payable at year-end was \$4,461,974.

The Clerk of Courts provides various services to the Tax Collector. The charges for these services for the fiscal year ended September 30, 2022 amounted to \$27,498. The distribution payable at year-end was \$40. The Tax Collector also remitted \$48,735 to the Clerk of Courts for custodial distributions. The distribution payable at year-end was \$918.

The Tax Collector remitted \$584 to the Property Appraiser for custodial distributions. The distribution payable at year-end was \$53.

**NOTE 8 COMMITMENTS AND CONTINGENCIES**

Effective November 5, 2013, the Tax Collector has a contingent liability to the Lakeland Community Redevelopment Agency (LCRA) in the amount of \$600,000. The LCRA provided \$600,000 to the Tax Collector to assist with the relocation of the Lakeland Service Center. The agreement provides for the Tax Collector to repay the \$600,000 to the LCRA if the Tax Collector ceases to use the building within the next twenty-five years. If the Tax Collector ceases to use the building between years twenty-six and fifty, the Tax Collector must repay \$300,000 of this amount. There is no amount due if the Tax Collector is using the building at the end of fifty years.



**TAX COLLECTOR  
POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE 9 RISK MANAGEMENT**

The Tax Collector participates in the risk management program through the Polk County, Florida Board of County Commissioners under a local government risk management pool. The County is exposed to various risk of loss related to theft of, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. A self-insurance program is effectively maintained by the County to administer insurance activities related to workers' compensation insurance, general and employment practices liability, auto liability and health. The County's self-insurance program covers operations of the Board of County Commissioners and the constitutional officers. Under the program, the County has retention limits for each type of claim, which is covered by commercial insurance purchased by the County.

Claim Type	County Coverage (Deductible/Self-insured Amount)	Excess Carrier's Coverage
Property	Deductible \$1,000,000 except for as below:	\$ 60,000,000 Named Windstorm
		\$ 100,000,000 All Other Perils (AOP)
		\$ 50,000,000 Builder's Risk
	Named Windstorm 3% of TIV with \$5,000,000 Maximum	\$ 25,000,000 Earthquake Aggregate
	\$1,000,000 Builders Risk	\$ 20,000,000 Flood Aggregate
		\$ 10,000,000 Flood Aggregate (zones A & V)
General and Employment Practices Liability	\$1,500,000 Self-insurance Retention	\$ 5,000,000 Per Occurrence
	Sovereign immunity limits:	\$ 10,000,000 Aggregate
	\$200,000 Any One Person	
	\$300,000 Any One Claim	
General and Auto Liability	\$1,500,000 Self-insured Retention	\$ 5,000,000 Per Occurrence
	Sovereign immunity limits:	
	\$200,000 Any One Person	
	\$300,000 Any One Claim	
Employee Health	\$1,000,000 Self-insurance Retention	Unlimited Stop Loss
Workers	\$1,500,000 Self-insured Retention	Workers Compensation Statutory
Compensation	\$1,000,000 Employers Liability	Employers Liability - No Excess Coverage

**NOTE 10 SUBSEQUENT EVENTS**

Management has evaluated subsequent events through April 21, 2023, the date which the financial statements were available for issue, and has determined there are no additional adjustments and/or disclosures required.

## **SUPPLEMENTAL REPORTS**



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Joe G. Tedder, CFC  
Tax Collector  
Polk County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the major fund and the aggregate remaining fund information of the Polk County, Florida, Tax Collector (Tax Collector), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Tax Collector's basic financial statements, and have issued our report thereon dated April 21, 2023.

***Report on Internal Control Over Financial Reporting***

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

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

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

Honorable Joe G. Tedder, CFC  
Tax Collector  
Polk County, Florida

***Report on Compliance and Other Matters***

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

***Purpose of This Report***

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

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

**CliftonLarsonAllen LLP**

Lakeland, Florida  
April 21, 2023



## MANAGEMENT LETTER

Honorable Joe G. Tedder, CFC  
Tax Collector  
Polk County, Florida

### Report on Financial Statements

We have audited the financial statements of each major fund and the aggregate remaining fund information of the Polk County, Florida, Tax Collector (Tax Collector), as of and for the year ended September 30, 2022 and have issued our report thereon dated April 21, 2023.

### Auditor's Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated April 21, 2023, should be considered in conjunction with this management letter.

### Prior Audit Findings

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

### Official Title and Legal Authority

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

Honorable Joe G. Tedder, CFC  
Tax Collector  
Polk County, Florida

### **Financial Management**

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we had one financial management recommendation.

#### **Timely Preparation of Bank Statements**

Bank statements in some instances were accumulated for several months before they were reconciled to the appropriate general ledger controls. Not reconciling bank accounts on a monthly basis means that errors or other problems might not be recognized and resolved on a timely basis. Also, it is generally easier and less time-consuming to reconcile accounts while transactions are fresh in mind. We recommend the accounting department develop processes and procedures that allow for timely reconciliation of bank statements.

### **Additional Matters**

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

### **Purpose of this Letter**

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

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

**CliftonLarsonAllen LLP**

Lakeland, Florida  
April 21, 2023



## INDEPENDENT ACCOUNTANTS' REPORT

Honorable Joe G. Tedder, CFC  
Tax Collector  
Polk County, Florida

We have examined the Polk County, Florida Tax Collector's (Tax Collector) compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds, during the year ended September 30, 2022. Management of the Tax Collector is responsible for the Tax Collector's compliance with the specified requirements. Our responsibility is to express an opinion on the Tax Collector's compliance with the specified requirements based on our examination.

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

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

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

In our opinion, the Tax Collector complied, in all material respects, with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2022.

This report is intended solely for the information and use of the Tax Collector and the Auditor General, State of Florida and is not intended to be, and should not be, used by anyone other than these specified parties.

**CliftonLarsonAllen LLP**

Lakeland, Florida  
April 21, 2023