

# OFFICE OF JOE G. TEDDER, CFC Tax Collector for Polk County, Florida

## ANNUAL REPORT Year Ended September 30, 2023



### OUR MISSION

We are working to earn the public's trust and confidence.

### OUR VISION

To treat our customers with such professionalism and concern that we change their perception of government.

**TAX COLLECTOR  
POLK COUNTY, FLORIDA  
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**Joe G. Tedder, cfc, Tax Collector**  
Imperial Polk County & The State of Florida

February 26, 2024

**To the Citizens and Taxpayers of Polk County:**

Florida's Constitution authorizes the position of Tax Collector as an independent unit of its political subdivisions, which are otherwise known as counties.

The Tax Collector's responsibilities involve the collection of revenue and public funding for a variety of state, regional, and local governmental agencies and taxing authorities; the enforcement against delinquency in payment of such revenues and funds; the distribution of such revenues and funds in a timely manner to various state and local agencies and taxing authorities involved; the investment of public funds pending distribution; the vigilant adherence to procedures designed to promote fairness to the taxpayer and governmental efficiency and accountability in the collection, enforcement, distribution, and investment of funds; and, serve as the most likely contact on a daily basis with and between citizens and taxpayers and the various state, regional, and local governmental agencies and taxing authorities.

As a position established by Florida's Constitution to complete a system of checks and balances, the Tax Collector for Polk County (TCPC) serves the people of Polk County. Therefore, the Tax Collector does not serve as an employee of the state, a state agency, a regional governmental agency, or local government.

The Tax Collector serves the people of Polk County and is elected by its voters to serve a four-year term.

The TCPC is responsible for providing a wide range of services to the citizens and taxpayers of Polk County on behalf of other governmental units. These services consist primarily of the collection and administration of Ad Valorem taxes, Non-Ad Valorem assessments, driver license fees and identification card issuance, motor vehicle taxes and registration/title/plate/decal issuance, county local business taxes and receipt issuance, tourist development taxes, hunting and fishing fees and license issuance, concealed weapon licenses and mail-in payment processing for various governmental agencies. These services are performed on behalf of numerous local governments and agencies of the State of Florida.

Services are provided at the TCPC Service Centers, which are located in Bartow, Lakeland, Davenport, Lake Wales, and our newest service center, Lake Alfred. Motor vehicle registration and title transactions are also authorized to be conducted in Winter Haven by the American Legion Post No. 8 and First Lakeland Tax Agency.

P.O. Box 1189 • 430 E. Main Street • Bartow, Florida 33831-1189 • Tel. 863-534-4700 • Fax: 863-534-4720  
Email: Mail@PolkTaxes.com • Web: www.PolkTaxes.com

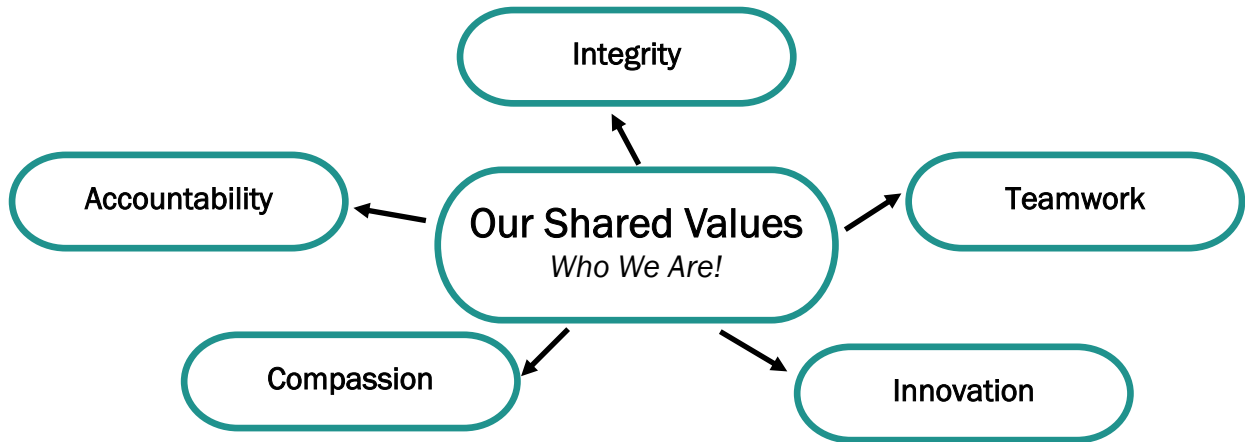
# Our Mission, Vision, Shared Values and Focus Points

**Our Mission**  
*What We Do!*

*We are working to earn the public's trust and confidence*

**Our Vision**  
*What We Want To Be!*

*To treat our customers with such professionalism and concern that we change their perception of government*



**Our Focus Points**  
*How We Do It!*

<p><b>Customer Service</b></p> <p>We strive to exceed customers' expectations.</p>	<p><b>Efficiency</b></p> <p>We provide timely services while conserving resources.</p>	<p><b>Accountability</b></p> <p>We hold ourselves to transparency in all we do as stewards of the public's trust.</p>
<p><b>Employee Well-Being</b></p> <p>We drive professional excellence by empowering our staff and meeting their needs.</p>	<p><b>Leadership</b></p> <p>We use the highest ethical standards in both actions and appearance enabling us to perform with the utmost honor and integrity.</p>	



### Ad Valorem Taxes and Non-Ad Valorem Assessments

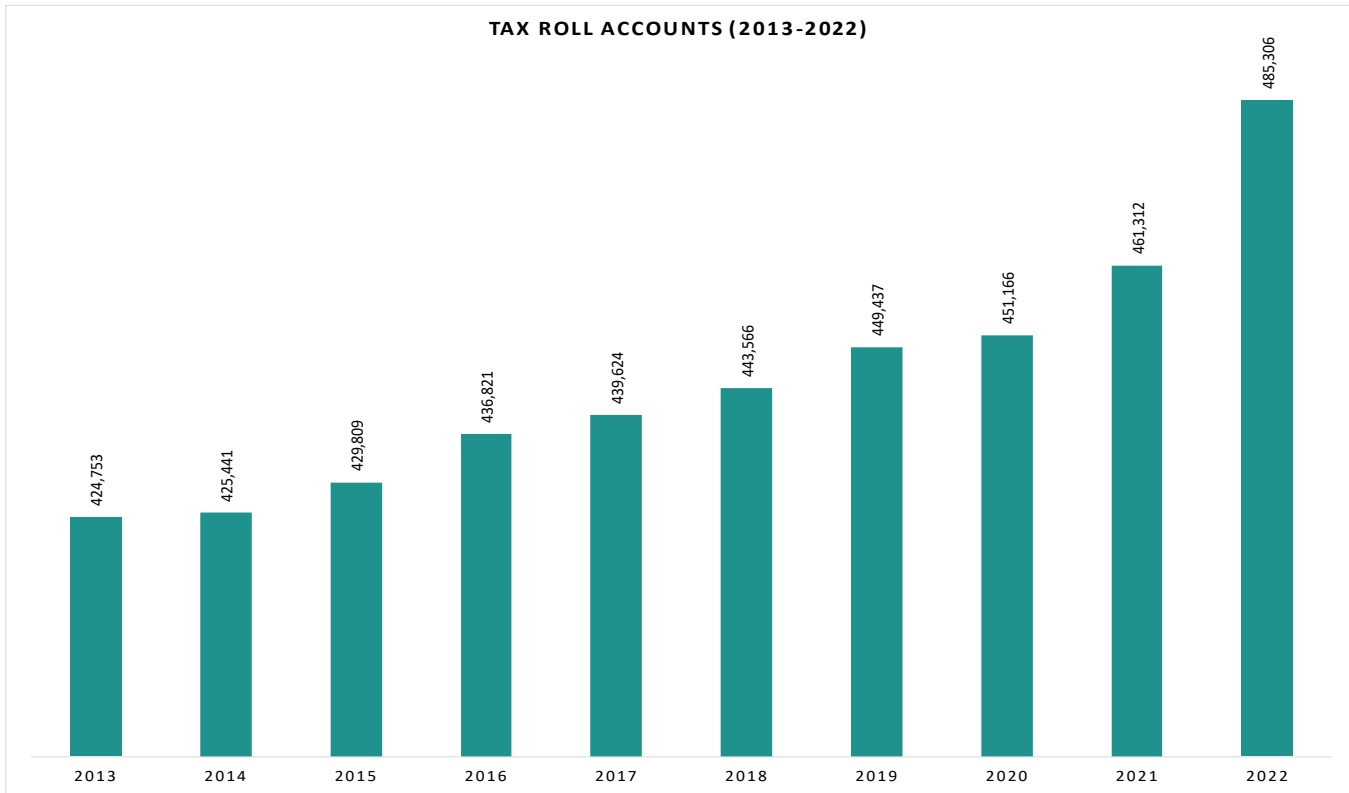
The TCPC is responsible for collecting and remitting the taxes and assessments provided on the annual tax roll provided by the Property Appraiser’s Office and independent taxing authorities.

The TCPC is not responsible for determining assessed values, exemptions, taxable values or the tax rates. The tax roll includes real estate taxes, tangible taxes and Non-Ad Valorem assessments. Non-Ad Valorem assessments consist primarily of assessments for fire services, solid waste, and lighting districts.

The collections of these taxes and assessments are administered in accordance with Florida Statutes and the rules and regulations of the Florida Department of Revenue. These services are provided on behalf of taxpayers, the Polk County Board of County Commissioners, the Polk County School Board, as well as, municipalities and special taxing and assessment districts located within Polk County.

The 2022 tax roll was provided to the TCPC in October of 2022 and the tax bills were mailed in time to start collections on November 1, 2022. Unpaid taxes became delinquent on April 1, 2023. Tax certificates were offered for sale in June 2023 on delinquent real estate taxes and warrants were ratified by the court in July 2023 for delinquent tangible taxes. The TCPC is required by the state to report to the Board of County Commissioners the status of the current tax roll within sixty days of the tax certificate sale.

### Tax roll parcels for the last ten years:



**A summary of the Status of the Current Tax Roll Report, which was finalized in July 2023.**

<b>SUMMARY OF 2022 TAX ROLL REPORT</b>	<b>AMOUNT</b>	<b>PERCENT</b>
Taxes collected including discounts taken	\$990,805,499	99.388%
Tax certificates not purchased at sale	3,896,932	0.391%
Delinquent tangible taxes	2,137,702	0.214%
Taxes in bankruptcy or litigation	46,798	.005%
Miscellaneous	21,964	.002%
<b>Total 2022 Tax Roll</b>	<b>996,908,895</b>	<b>100.00%</b>

**The last ten tax rolls have consisted of the following amounts and parcels:**

<b>TAX ROLLS</b>	<b>AMOUNT</b>	<b>PARCELS</b>
2022	\$ 996,908,895	485,306
2021	\$ 867,036,875	472,870
2020	\$ 795,145,268	461,312
2019	\$ 739,856,518	451,166
2018	\$ 692,573,379	449,437
2017	\$ 634,627,621	443,566
2016	\$ 585,870,443	439,624
2015	\$ 562,706,280	436,821
2014	\$ 527,360,758	429,809
2013	\$ 509,700,423	425,441

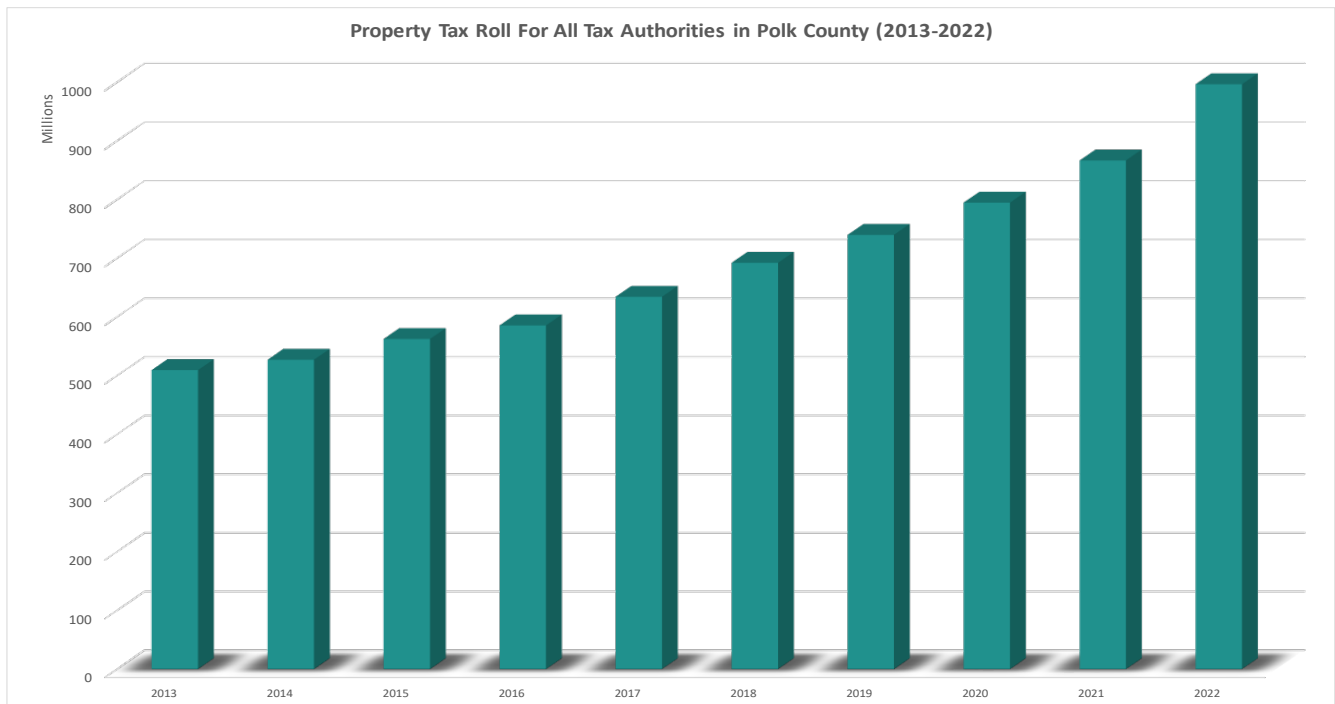
## Tax Certificate Redemptions

On or before June 1 of each year, the TCPC offers for sale tax certificates on properties with unpaid real estate taxes. A tax certificate represents a lien on the property. The purpose of the sale is to collect unpaid real estate taxes on behalf of the numerous taxing authorities.

There were 14,491 certificates offered for sale representing taxes of \$20,618,698. As a result of the sale and subsequent sales 10,671 certificates were sold accounting for \$16,154,210 in taxes. Unsold certificates are referred to as “County held” certificates and earn interest at 18% per year.

After the sale of tax certificates this office is responsible for handling the subsequent collections from the property owner and remitting the funds to the certificate holder. During the fiscal year 2022/23, 24,185 certificates were redeemed by property owners totaling \$23,286,091.

## Property Tax Roll All Tax Authorities in Polk County (2013-2022)



**Motor Vehicle Transactions** - The TCPC processes motor vehicle and vessel transactions, involving titles and registration, as well as various other transactions on behalf of the Florida Department of Highway Safety and Motor Vehicles. The TCPC also collect sales taxes on sales of motor vehicles and vessels not involving licensed dealers on behalf of the Florida Department of Revenue.

During the 2022/23 fiscal year 124,691 title transactions and 663,846 registration transactions were processed. Registration, sales taxes and title and other fees totaling more than \$61 million were collected in our Service Centers.

**Driver Licenses** – During the 2022/23 fiscal year, the TCPC issued 100,957 driver licenses and permits, as well as 16,398 identification cards, while collecting \$6,867,396. The TCPC provides full driver license services at all 5 locations by appointment only.

**Local Business Taxes** - The TCPC collects the local business tax imposed by the Board of County Commissioners. This tax is required of various individuals and enterprises doing business in Polk County. During 2022/23, taxes were collected on 38,376 receipts for a total of \$1,876,220. including a 15% commission retained by this office. Collections are remitted monthly to the BOCC and municipalities in the county, which share these taxes.

**Tourist Development Taxes** - The TCPC collects the tourist development tax imposed by the Board of County Commissioners. This is a 5% tax on transient or short-term rentals of accommodations. During 2022/23 this office administered 6,465 accounts from which \$25,390,316 was remitted, including a 3% commission retained by this office.

**Hunting and Fishing Licenses** - The TCPC issues hunting and fishing licenses on behalf of the Florida Fish and Wildlife Conservation Commission (FWC). These licenses are issued all 5 locations by appointment only. During 2022/23, 1,245 licenses were issued totaling \$78,041 including the fees retained by this office.

**Concealed Weapon Licenses** – The TCPC issues concealed weapon licenses on behalf of the Florida Department of Agriculture and Human Services. During the 2022/23 fiscal year 7,755 licenses were issued totaling \$571,801, including the fees retained by this office.

**Payment Processing Services** – The TCPC services include payment processing for local government entities. The Cities of Bartow, Lakeland, and Winter Haven as well as the Polk County Board of County Commissioners have contracted with the TCPC for processing of their mail-in utility payments. During 2022/23, approximately 448,686 payments totaling \$192,455,330 were processed in our Technical Processing Department for these entities generating \$124,601 in revenues for the TCPC.

**Call Center Operations** – The TCPC also provides information services via telephone calls, email, and chat. Phone calls answered during 2022/23 totaled 365,885 and chats answered totaled 24,386.





## Total Cash Receipts

**Total cash receipts collected by Tax Collector on behalf of other governmental agencies and tax certificate holders, during year ended September 30, 2023, were:**

<b>TOTAL RECEIPTS BY SOURCE</b>	<b>AMOUNT</b>
Vehicle and Vessel Taxes	61,294,709
Tourist Development Taxes	25,390,316
Tax Certificate Redemptions	23,286,091
Installments	7,283,852
Driver Licenses	6,867,396
Local Business Taxes	1,876,220
Concealed Weapon Licenses	571,801
Hunting and Fishing License Taxes	78,041
Interest	1,734,471
Other Payables	1,545,837
<b>Total</b>	<b>1,126,837,629</b>

*\*Payment processing payments are transactions completed by the TCPC, but directly deposited into the respective local government entities accounts. The total receipts for payment processing were \$192,455,330*

**Total cash receipts distributed by Tax Collector to other governmental agencies and tax certificate holders:**

<b>CASH RECEIPTS FOR TAXING AUTHORITIES</b>	<b>AMOUNT</b>
Polk County Board of County Commissioners (BoCC)	490,734,758
Polk County Public Schools (PCPS)	334,134,064
Municipalities in Polk County	152,391,142
State of Florida	68,009,843
Special Taxing Districts	56,760,123
Tax Certificate Holders	23,286,091
Other	1,521,608
<b>Total</b>	<b>1,126,837,629</b>



**Operating Revenues and Expenditures** - The TCPC operates as a “fee office.” This means the TCPC earns fees and commissions for the services rendered. The fees and commissions are established primarily by the Florida Legislature and are contained in the Florida Statutes.

The annual budget of the TCPC is approved by the Department of Revenue. Any subsequent increases in the budget must also be approved by the Department of Revenue.

The excess of revenues over expenditures are remitted to each governmental unit that paid fees to our office in the same proportion as the fees paid bear to the total revenues of the office.

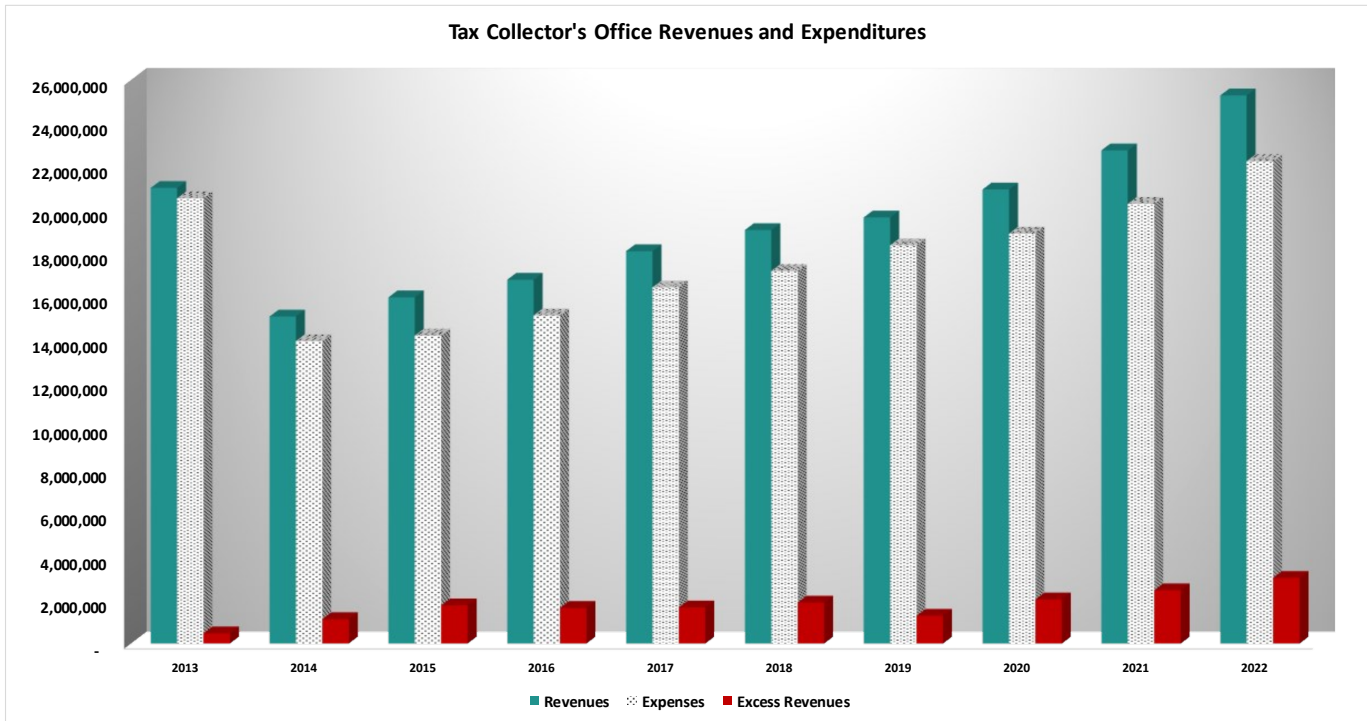
## REVENUES AND EXPENDITURES

**Revenues (including other financing sources) and expenditures (including other financing uses) for the past ten years were:**

FISCAL YEAR	REVENUES	EXPENDITURES	EXCESS REVENUES
2022/2023	\$25,286,259	\$22,252,999	\$3,033,260
2021/2022	\$22,750,629	\$20,286,711	\$2,463,918
2020/2021	\$20,947,824	\$18,907,308	\$2,040,516
2019/2020	\$19,657,884	\$18,371,993	\$1,285,891
2018/2019	\$19,078,565	\$17,184,787	\$1,893,778
2017/2018	\$18,100,923	\$16,429,417	\$1,671,506
2016/2017	\$16,785,536	\$15,138,161	\$1,647,375
2015/2016	\$15,973,701	\$14,207,904	\$1,765,797
2014/2015	\$15,088,931	\$13,959,072	\$1,129,859
2013/2014*	\$21,019,117	\$20,543,313	\$ 475,804

*\*The increase in revenue and expenditures in 2013/2014 was due to construction of the Lakeland and Davenport Service Centers. These offices were built in order for the TCPC to perform driver license services as these duties were transitioning from the State of Florida DHSMV to the TCPC. The TCPC received additional funding from the Polk County BOCC and the Lakeland Community Redevelopment Agency to assist with these projects.*

Revenues (including other financing sources) and expenditures (including other financing uses) for the past ten years were:



*\*The increase in revenue and expenditures in 2013/2014 was due to construction of the Lakeland and Davenport Service Centers.*

**Accountability** - The Tax Collector and his office are first and foremost accountable to the citizens and taxpayers of Polk County. To ensure the Tax Collector remains primarily accountable to the people, the TCPC has undertaken a mission, whereby it is “working to earn the public’s trust and confidence by providing the best in customer services through assured quality and the efficient use of public funds.”

To succeed in its mission, the TCPC has adopted an “Outline For Success” (OFS), that seeks to measure operational performance, including meaningful public evaluations, so that administrative measures can be taken to improve and maintain efficiencies and/or address opportunities for improvement.

**TGPC Outline for Success Performance Scorecard**

FOCUS POINT	TAX COLLECTOR		EXPECTATION	FY 2023	FY 2022	FY 2021
	EXPECTATION MEASUREMENT					
Customer Service	Overall Customer Experience <i>(Comment Card Satisfaction: % 4s &amp; 5s)</i>		97%	97.5%	96.9%	96.7%
	Overall Customer Experience <i>(Comment Card Engagement: % 4s &amp; 5s)</i>		90%	91.9%	90.1%	89.2%
	Driver License Appointments met Customer Needs		90%	92.3%	89.2%	87.0%
	Customer service wait time met expectation*		85%	69.1%	73.5%	73.6%
	Customer service telephone calls answered within 2 minutes		70%	59.7%	54.8%	41.3%
Employee Well-Being	Employee Satisfaction with Professional Development		82%	79.6%	85.3%	82.2%
	Employee Satisfaction		90%	83.3%	89.4%	87.7%
	Employee Turnover Rate		≤15%	26.2%	20.2%	22.4%
Efficiency	Personnel Budget per Capita		≤\$26	\$25.97	\$24.65	\$23.29
Accountability	Remit tax dollars to appropriate taxing authority by deadlines		100%	100%	100%	100%
	Service Center Transaction Accuracy		99%	99.61%	99.61%	99.59%
	Payment Processing Business Unit Transaction Accuracy		99.97%	100%	100%	100%
Leadership	Customer Trust <i>(annual customer survey)</i>		80%	83.6%	83.1%	87.0%
	Employee Trust <i>(annual employee survey)</i>		90%	83.6%	88.0%	87.6%

\*Wait time expectation is less than 10 minutes for appointments, 20 minutes for other transactions, and 60 minutes for Guest Service Tickets and Drive License Walk-Ins





**Closing Statement for Tax Collector for Polk County**

I trust that these actions, including the performance of the Tax Collector's Office, as well as the accompanying document meet with your approval. However, if you have any questions or concerns regarding this correspondence or the accompanying information, please do not hesitate to contact us. Your inquiries and comments are welcomed.

Sincerely,

**Joe G. Tedder, CFC**  
Tax Collector



## 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, 2023, 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 General Fund and the aggregate remaining fund information of the Tax Collector as of September 30, 2023, 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 and the changes in financial position of only that portion 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, 2023, and 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.

Honorable Joe G. Tedder, CFC  
Polk County Tax Collector

As discussed in Note 1 to the financial statements, effective October 1, 2022, the Tax Collector adopted new accounting guidance for Subscription-Based Information Technology Arrangements (SBITAs). The guidance requires the subscriber to recognize a right-to-use asset and corresponding subscription liability for all SBITAs with terms greater than twelve months. Our opinion is 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 February 26, 2024, on our consideration of the Tax Collector’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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.



**CliftonLarsonAllen LLP**

Lakeland, Florida  
February 26, 2024



**TAX COLLECTOR  
POLK COUNTY, FLORIDA  
BALANCE SHEET  
GENERAL FUND  
SEPTEMBER 30, 2023**

**ASSETS**

Cash and Cash Equivalents	\$ 8,341,351
Due from Board of County Commissioners	4,865
Other Receivables	50,578
Prepaid Assets	<u>303,189</u>
Total Assets	<u><u>\$ 8,699,983</u></u>

**LIABILITIES AND FUND BALANCE**

**LIABILITIES**

Vouchers Payable and Accrued Liabilities	\$ 1,239,026
Due to Board of County Commissioners	7,287,022
Due to Clerk of Courts	796
Due to Property Appraiser	17
Due to Other Governmental Agencies	<u>173,122</u>
Total Liabilities	<u>8,699,983</u>

**FUND BALANCE**

Nonspendable	303,189
Unassigned	<u>(303,189)</u>
Total Fund Balance	<u>-</u>
Total Liabilities and Fund Balance	<u><u>\$ 8,699,983</u></u>

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, 2023**

	Budget		Actual	Variance with Budget Positive (Negative)
	Original	Final		(Negative)
<b>REVENUES</b>				
Property Taxes - Board of County Commissioners	\$ 14,863,072	\$ 14,863,072	\$ 15,235,168	\$ 372,096
Property Taxes - Special Taxing Districts	1,181,135	1,181,135	1,443,231	262,096
Vehicle/Vessels	3,625,000	3,625,000	3,574,486	(50,514)
Drivers Licenses	1,550,000	1,550,000	1,757,161	207,161
Business Taxes	348,500	348,500	417,306	68,806
Tax Certificate Sales	895,000	895,000	796,283	(98,717)
Tax Certificate Redemptions	325,000	325,000	495,233	170,233
Payment Processing	122,000	122,000	124,601	2,601
Concealed Weapon Licenses	150,000	150,000	135,910	(14,090)
Hunting and Fishing Licenses	10,000	10,000	7,602	(2,398)
Tourist Development Taxes	640,000	640,000	753,625	113,625
Interest	5,000	5,000	212,332	207,332
Collection Costs and Miscellaneous	50,000	50,000	333,321	283,321
Total Revenues	23,764,707	23,764,707	25,286,259	1,521,552
<b>EXPENDITURES</b>				
General Government:				
Salaries and Benefits	18,978,903	19,364,300	18,229,757	1,134,543
Operating Expenditures	4,177,116	3,871,856	3,519,764	352,092
Capital Outlay	180,000	198,218	198,218	-
Capital Outlay - Leases/SBITAs	-	62,782	836,706	(773,924)
Debt Service:				
Principal	-	190,396	190,396	-
Interest	-	114,864	114,864	-
Total Expenditures	23,336,019	23,802,416	23,089,705	712,711
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	428,688	(37,709)	2,196,554	2,234,263
<b>OTHER FINANCING SOURCES (USES)</b>				
Distribution of Excess Fees to Polk County, Florida Board of County Commissioners	(428,688)	37,709	(2,860,138)	(2,897,847)
Distribution of Excess Fees to Other Governmental Agencies and Special Taxing Districts	-	-	(173,122)	(173,122)
Lease Proceeds	-	-	59,628	59,628
SBITA Proceeds	-	-	777,078	777,078
Total Other Financing Sources (Uses)	(428,688)	37,709	(2,196,554)	(2,234,263)
<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, 2023**

	<u>Custodial Funds</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 5,428,396
Due from Other Governmental Agencies	39,023
Other Miscellaneous Receivables	67,652
Total Assets	<u>\$ 5,535,071</u>
<b>LIABILITIES</b>	
Due to Other Governmental Agencies	\$ 4,625,100
Tax Certificates Payable	313,622
Refunds and Other Payables	596,349
Total Liabilities	<u>5,535,071</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, 2023**

	Custodial Funds
<b>ADDITIONS</b>	
Tax, License, and Fee Collections	\$ 688,533,829
<b>DEDUCTIONS</b>	
Payments to Other Governments	643,894,312
Payments to Tax Certificate Holders	23,286,091
Payments to Others	21,353,426
Total Deductions	688,533,829
<b>NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION</b>	-
Fiduciary Net Position - Beginning of Year	-
<b>FIDUCIARY NET POSITION - END OF YEAR</b>	\$ -

See accompanying Notes to Financial Statements.

**TAX COLLECTOR  
POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**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 nonad 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, 2023**

**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, 2023**

**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, 2023**

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

**Ad Valorem Taxes**

The property tax calendar for 2023 is as follows:

Lien Date	January 1, 2023
Levy Date	January 1, 2023
Due Dates	November 1, 2023 - March 31, 2024
Delinquent Date	April 1, 2024
Tax Certificate Sale	No later than June 1, 2024

No accruals for the property tax levy becoming due in November of 2023 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.

**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, 2023**

**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, 2023**

**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 May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This standard defines a subscription-based information technology arrangement (SBITA); establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA.

The Tax Collector adopted the requirements of the guidance effective October 1, 2022 and has applied the provisions of this standard to the beginning of the period of adoption.

**TAX COLLECTOR  
POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 2 CASH AND CASH EQUIVALENTS**

**Deposits**

At September 30, 2023, the Tax Collector's book balance of cash was \$13,769,747, which includes \$49,636 of cash on hand, and the bank balance was \$6,674,703. 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, 2023, the balance in Florida PRIME totaled \$5,700,392.

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, 2023 was 35 days. The weighted average life (WAL) of the Florida PRIME at September 30, 2023 was 75 days.

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, 2023, the balance in FL Trust totaled \$215,710.

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.

**TAX COLLECTOR  
POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

**Investments (Continued)**

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 AAAM. The weighted average days to maturity (WAM) of the FL Trust at September 30, 2023 was 38 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.

**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, 2022	Additions	Deletions	September 30, 2023	Due Within One Year
Compensated Absences	\$ 632,912	\$ 1,439,453	\$ (1,377,080)	\$ 695,285	\$ 239,661
Lease Liability	2,312,690	59,628	(83,557)	2,288,761	89,750
Subscription Based Information					
Technology Arrangements*	17,236	777,078	(106,839)	687,475	262,088
Total	<u>\$ 2,945,602</u>	<u>\$ 1,499,081</u>	<u>\$ (1,460,637)</u>	<u>\$ 2,984,046</u>	<u>\$ 329,411</u>

\* Restated for GASB 96 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. See additional information in Note 5 – Leases.

**TAX COLLECTOR  
POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**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)).

**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.

**TAX COLLECTOR  
POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 4 PENSION PLANS (CONTINUED)**

**Plan Description (Continued)**

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 55, if vested, or at any age after 25 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 8 years after electing to participate, except that certain instructional personnel may participate for up to 10 years. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

**Benefits Provided**

Benefits under the FRS Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 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.

**TAX COLLECTOR  
POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 4 PENSION PLANS (CONTINUED)**

**Benefits Provided (Continued)**

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

***Retiree Health Insurance Subsidy Program***

**Plan Description**

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

**Benefits Provided**

Eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$45 and a maximum HIS payment of \$225 per month, pursuant to Section 112.363, *Florida Statutes*. To be eligible to receive a HIS Plan benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

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

**FRS Investment Plan**

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



**TAX COLLECTOR  
POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 4 PENSION PLANS (CONTINUED)**

**FRS Investment Plan (Continued)**

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2023, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the 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, 2023, 2022, and 2021 were \$1,820,562, \$1,606,297, and \$1,378,811 respectively, equal to the actuarially determined contribution requirements for each year.

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.

**TAX COLLECTOR  
POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 5 LEASES (CONTINUED)**

During the year ended September 30, 2023, the Tax Collector entered into leases in the amount of \$59,628. During the year ended September 30, 2023, the Tax Collector's principal and interest payments on leases totaled \$165,870.

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

	Principal	Interest	Total
2024	\$ 89,750	\$ 79,589	\$ 169,339
2025	97,361	75,652	173,013
2026	106,322	71,437	177,759
2027	101,835	67,106	168,941
2028	110,075	62,951	173,026
2029-2033	600,740	244,361	845,101
2034-2038	620,816	145,078	765,894
2039 and Thereafter	561,862	32,915	594,777
Total Minimum Lease Payments	<u>\$ 2,288,761</u>	<u>\$ 779,089</u>	<u>\$ 3,067,850</u>

**NOTE 6 SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS**

The Tax Collector has entered subscription-based information technology arrangements (SBITAs) that meet the definition of a SBITA under GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements*. Detailed information about the Tax Collector's SBITAs can be found in the Polk County, Florida Annual Comprehensive Financial Report.

SBITAs 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 SBITA 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, 2023, the Tax Collector entered into SBITAs in the amount of \$777,078. During the year ended September 30, 2023, the Tax Collector's principal and interest payments on leases totaled \$139,390.

Total minimum future subscription payments under SBITA agreements are as follows:

	Principal	Interest	Total
2024	\$ 262,088	\$ 43,489	\$ 305,577
2025	283,842	21,736	305,578
2026	141,545	2,208	143,753
Total Minimum SBITA Payments	<u>\$ 687,475</u>	<u>\$ 67,433</u>	<u>\$ 754,908</u>

**TAX COLLECTOR  
POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 7 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, 2023:

	October 1, 2022	Additions	Disposals	September 30, 2023
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
Total Assets Not Depreciated	<u>6,880,641</u>	<u>-</u>	<u>-</u>	<u>6,880,641</u>
Less Accumulated Depreciation:				
Building and Improvements	1,429,271	173,366	-	1,602,637
Total Accumulated Depreciation	<u>1,429,271</u>	<u>173,366</u>	<u>-</u>	<u>1,602,637</u>
Total Assets Depreciated, Net	5,451,370	(173,366)	-	5,278,004
Right-to-Use Lease Assets:				
Right to Use - Leased Buildings	2,399,219	-	-	2,399,219
Right to Use - Leased Equipment	22,015	59,628	(18,374)	63,269
Total Right-to-Use Lease Assets	<u>2,421,234</u>	<u>59,628</u>	<u>(18,374)</u>	<u>2,462,488</u>
Less Accumulated Amortization:				
Right to Use - Leased Buildings	151,098	134,490	-	285,588
Right to Use - Leased Equipment	17,389	16,120	(18,374)	15,135
Total Accumulated Amortization:	<u>168,487</u>	<u>150,610</u>	<u>(18,374)</u>	<u>300,723</u>
Total Right-to-Use Lease Assets, Net	2,252,747	(90,982)	-	2,161,765
Subscription Based Information Technology Arrangement Assets:				
Subscription Based Information Technology Arrangements*	17,236	777,078	-	794,314
Less Accumulated Amortization:				
Subscription Based Information Technology Arrangements	-	148,894	-	148,894
Total Subscription Based Information Technology Arrangement Assets, Net	<u>17,236</u>	<u>628,184</u>	<u>-</u>	<u>645,420</u>
Total Capital Assets, Net	<u>\$ 10,001,076</u>	<u>\$ 363,836</u>	<u>\$ -</u>	<u>\$ 10,364,912</u>

\* Restated for GASB 96 Implementation

**TAX COLLECTOR  
POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 8 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, 2023 were as follows:

**Receipts**

The General Fund of the Tax Collector received revenue from the Board of County Commissioners in the amount of \$15,235,168 for the year ended September 30, 2023. Additionally, receivables due from the Board as of September 30, 2023 were \$4,865.

**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, 2023 amounted to \$2,635,599. The distribution payable at year-end was \$360,193. Excess fees payable to the Board as of September 30, 2023 was \$2,860,138.

The Tax Collector also remitted \$493,852,206 to the Board of County Commissioners for custodial distributions. The distribution payable at year-end was \$4,426,222.

The Clerk of Courts provides various services to the Tax Collector. The charges for these services for the fiscal year ended September 30, 2023 amounted to \$26,160. The distribution payable at year-end was \$310. The Tax Collector also remitted \$60,343 to the Clerk of Courts for custodial distributions. The distribution payable at year-end was \$486.

The Tax Collector remitted \$248 to the Property Appraiser for custodial distributions. The distribution payable at year-end was \$17.

**NOTE 9 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 25 years. If the Tax Collector ceases to use the building between years 26 and 50, 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 50 years.

**TAX COLLECTOR  
POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

**NOTE 11 SUBSEQUENT EVENTS**

Management has evaluated subsequent events through February 26, 2024, 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 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, 2023, and the related notes to the financial statements, which collectively comprise the Tax Collector's basic financial statements, and have issued our report thereon dated February 26, 2024.

**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 or significant deficiencies may exist that were not identified.

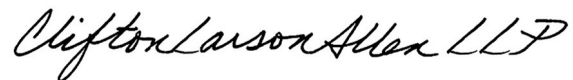
Honorable Joe G. Tedder, CFC  
Tax Collector  
Polk County, Florida

### **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.



### **CliftonLarsonAllen LLP**

Lakeland, Florida  
February 26, 2024





## MANAGEMENT LETTER

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

### Report on the Financial Statements

We have audited the financial statements of the Polk County, Florida, Tax Collector (Tax Collector), as of and for the year ended September 30, 2023, and have issued our report thereon dated February 26, 2024.

### Auditor's Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated February 26, 2024, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

### Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. See Note 1 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 did not have any such recommendations.

**Additional Matters**

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

**Purpose of this Letter**

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



**CliftonLarsonAllen LLP**

Lakeland, Florida  
February 26, 2024



## 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, 2023. 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, 2023.

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*

**CliftonLarsonAllen LLP**

Lakeland, Florida  
February 26, 2024