

# OFFICE OF JOE G. TEDDER, CFC

## Tax Collector for Polk County, Florida



## ANNUAL REPORT

Year Ended September 30, 2017

### OUR MISSION

“We are working to earn the public's trust and confidence by providing the best in customer service through assured quality and the efficient use of public funds.”

### OUR VISION

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

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

## Cover Image



Pictured above is the Honorable Joe G. Tedder with Rubi Pena, fifth grade student at Pinewood Elementary, installing her design on the front bumper of the Tax Collector's vehicle. Rubi's design was selected as the Tax Collector Choice Award for 2016-2017.

## TAX COLLECTOR WINS STATE AWARD

In 2002, Joe Tedder, Tax Collector for Polk County, encouraged his staff to get involved in the Great American Teach-In, presenting a classroom program that included specialty plates. This served as an inspiration for students to create their own specialty license plate artwork. In 2006, the Kids Tag Art Project was born. In 2011, Charlotte and Highlands counties got involved and Marion County joined the next year. By 2015, 8 counties were actively hosting the program and Florida Tax Collectors adopted the Kids Tag Art Program as their statewide philanthropy.

Today, Kids Tag Art is a partnership with the Florida Tax Collectors and local school districts, combining art education with fundraising. With innovation as the #1 skill sought by Fortune 500 companies, Kids Tag Art elevates the conversation about the importance of arts education, creative self-expression and a S.T.E.A.M. (Science, Technology, Engineering, Arts, Math) curriculum that is understood as a critical component in education. Arts education drives up graduation rates and SAT scores. It is the crucible for creative self-expression in developing innovative problem-solving young leaders for tomorrow.

Each year, throughout public, private and charter schools in participating counties, KTA inspires teachers and their students to create their own unique license plate design, learning the practical applications of license plate art to support worthy causes. Students vie for awards, with each participating school recognizing the best student artists at an annual awards ceremony. Each county tax collector serves as the host for their county's program, setting up their own governance and tailoring the program to meet their county's goals. Products for sale vary from county to county, giving parents the opportunity to purchase personalized vanity tags and other items with their child's tag art design.

Monies are raised from the sale of these products as well as from generous and community-minded business sponsorships. 100% of the proceeds go back into the classroom for supplemental art supplies and enrichment. This year, statewide, the program is slated to pass the \$1,000,000 mark for monies raised for supplemental classroom art supplies.

The Florida Tax Collectors' Kids Tag Art Program was awarded the 2018 Diversity and Inclusion Award by the Division of Cultural Affairs, Florida Department of State.

A proclamation is scheduled to be awarded to the Kids Tag Art Program by the Florida Cabinet in May of 2018.

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**Joe G. Tedder, cfc, Tax Collector**  
**Imperial Polk County & The State of Florida**

March 9, 2018

**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, with no limit on the number of terms served.

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 (North Ridge), and Lake Wales. Motor vehicle registration and title transactions are also authorized to be conducted in Winter Haven by the American Legion Post No. 8.

**Our Mission (*What We Do!*)** - We are working to earn the public's trust and confidence by providing the best in customer service, assured quality and the efficient use of public funds.

**Our Vision (*What We Want To Be!*)** - To treat our customers with such professionalism and concern that we change their perception of government.

**Our Shared Values (*Who We Are!*)**

- **Integrity** is striving to be honest, reliable, respectful, ethical and fair. The TCPC believes integrity is critical in gaining the trust and confidence needed to be successful in serving each other and our customers.
- **Innovation** is the introduction of something new that converts knowledge and ideas into benefits. The TCPC believes in using innovation to bring about creative and progressive techniques to streamline the services we provide.
- **Accountability** is the commitment to be responsible for one's actions. The TCPC believes we must be accountable to each other, our organization, and to the people we serve. We commit to be transparent in our actions and results.
- **Compassion** is an awareness and understanding of an individual's situation with a desire to help. The TCPC believes that, as public servants, our job is to be sensitive to the needs of people in our community and approach our work with the compassion to help others.
- **Teamwork** is using the unique talents of individuals in a collaborative manner and working toward a common goal. The TCPC believes we should treat one another with respect, openness and encourage teamwork. We believe a group of committed, thoughtful people working together will achieve extraordinary results.

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

- **Customer Service** – We strive to exceed customers' expectations.
- **Employee Well-Being** - We drive professional excellence by empowering our staff and meeting their needs.
- **Efficiency** - We provide timely services while conserving resources.
- **Accountability** - We hold ourselves to transparency in all we do as stewards of the public's trust.
- **Leadership** - We use the highest ethical standards in both actions and appearance enabling us to perform with the utmost honor and integrity.
- **Our Role As A Facilitator** - We team up with the customer to meet our common needs.

**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, seventeen municipalities and eighteen special taxing and assessment districts.

The 2016 tax roll was provided to the TCPC in October of 2016 and the tax bills were mailed in time to start collections on November 1, 2016. Unpaid taxes became delinquent on April 1, 2017. Tax certificates were offered for sale in June 2017 on delinquent real estate taxes and warrants were ratified by the court in July 2017 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.

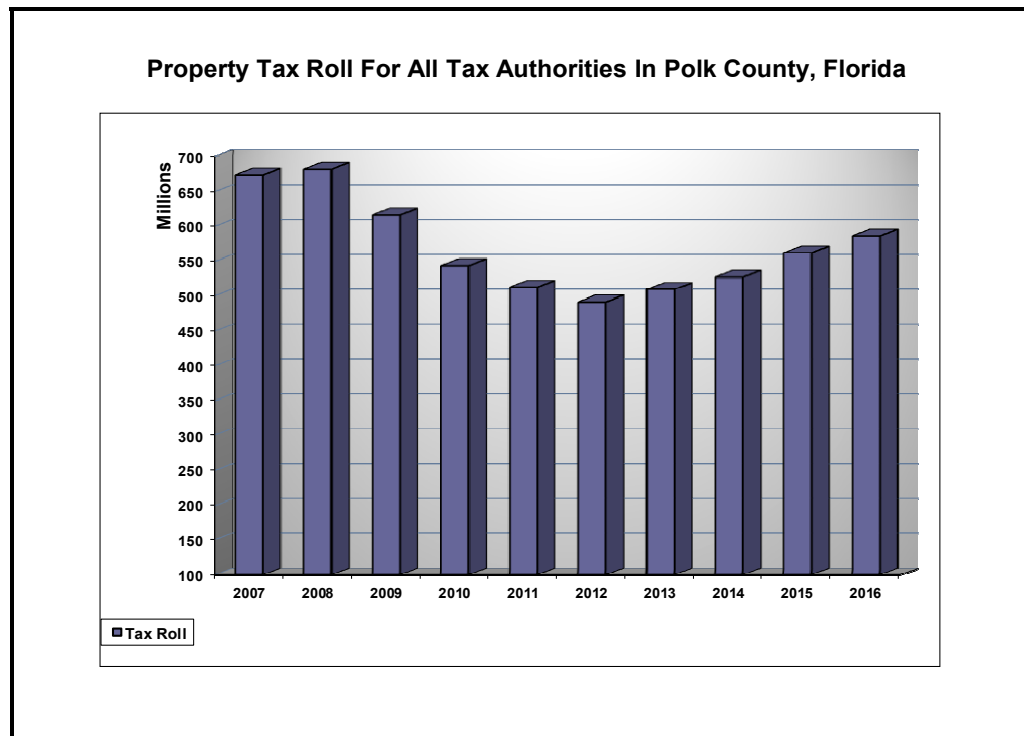
A summary of the Status of the Current Tax Roll Report, which was provided in July 2017:

<b>SUMMARY OF 2016 TAX ROLL REPORT</b>		
	<b>Amount</b>	<b>Percent</b>
Taxes collected including discounts taken	\$ 584,378,899	99.75%
Tax certificates not purchased at sale	244,082	0.04%
Delinquent tangible taxes	805,350	0.14%
Taxes in bankruptcy or litigation	342,486	0.06%
Miscellaneous	99,626	0.01%
<b>Total 2016 Tax Roll</b>	<b>\$ 585,870,443</b>	<b>100.00%</b>

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

<b>TAX ROLLS</b>	<b>Amount</b>	<b>Accounts</b>
2016	\$ 585,870,443	439,624
2015	\$ 562,706,280	436,821
2014	\$ 527,360,758	429,809
2013	\$ 509,700,423	425,441
2012	\$ 491,329,439	424,753
2011	\$ 512,982,607	424,777
2010	\$ 543,728,462	425,447
2009	\$ 616,522,889	420,652
2008	\$ 682,343,686	421,137
2007	\$ 673,916,269	416,082

A graphic representation of property tax roll all tax authorities in Polk, County (2007 – 2016):



**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 23,841 certificates offered for sale representing taxes of \$16,828,875. As a result of the sale and subsequent sales 18,408 certificates were sold accounting for \$16,690,206 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 2016/17, 16,688 certificates were redeemed by property owners and \$20,183,868 was remitted to certificate holders.

When County held certificates are redeemed by the property owner the funds are remitted to the various taxing authorities. During the fiscal year 2016/17, 8,880 County held certificates were redeemed and \$1,301,701 was remitted to the taxing authorities.

**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 2016/17 fiscal year 162,721 title transactions and 710,060 registration transactions were processed. Registration, sales taxes and title and other fees totaling more than \$54 million were collected in our Service Centers.

**Driver Licenses** – During the 2016/17 fiscal year, the TCPC issued 116,883 driver licenses and permits, as well as 17,860 identification cards, while collecting \$5,918,767 for the State of Florida. The TCPC provides full driver license services in Lakeland, Lake Wales and North Ridge (Davenport) service centers and in the Bartow service center 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 2016/17 taxes were collected on 33,728 receipts for a total of \$1,556,181 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 2016/17 this office administered 6,200 accounts from which \$11,506,303 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 at our Bartow Service Center, Lakeland Service Center, Lake Wales Service Center and North Ridge Service Center. During 2016/17, 1,949 licenses were issued totaling \$82,176, including the fees retained by this office.

**Concealed Weapon Licenses** – The TCPC began issuing concealed weapon licenses in FY 2016/17. During the fiscal year 1,399 licenses were issued while collecting \$115,672 for the State of Florida. Section 790.06, Florida Statutes provides the requirements for obtaining a concealed weapon license.

**Payment Processing Services** – The TCPC services include payment processing for local government entities. The Cities of Bartow and Lakeland as well as the Polk County Board of County Commissioners have contracted with the TCPC for processing of their mail-in utility payments. During 2016/17, approximately 631,129 payments totaling approximately \$215 million were processed in our Technical Processing Department for these entities generating \$146,659 in revenues for the TCPC.

**Call Center Operations** – The TCPC also provides information services via telephone calls and emails. Phone calls answered during 2016/17 totaled 282,117.

Total cash receipts collected by Tax Collector on behalf of other governmental agencies and tax certificate holders, during year ended September 30, 2017, were:

CASH RECEIPTS BY SOURCE	
Ad Valorem Taxes and Non-Ad Valorem Assessments	\$ 568,129,927
Vehicle and Vessel Taxes	51,382,576
Tax Certificate Redemptions	19,883,471
Tourist Development Taxes	11,162,436
Driver Licenses	5,918,767
Local Business Taxes	1,322,753
Concealed Weapon Licenses	115,672
Hunting and Fishing License Taxes	80,621
Interest	218,893
Miscellaneous	14,971
<b>Total</b>	<b>\$ 658,230,087</b>



Total cash receipts distributed by Tax Collector to other governmental agencies and tax certificate holders, during year ended September 30, 2017, were:

<b>CASH RECEIPTS FOR TAXING AUTHORITIES</b>		
Polk County Board of County Commissioners		\$ 275,314,335
Polk County School Board		207,854,197
Municipalities in Polk County		72,205,384
State of Florida		56,929,502
Special Taxing Districts		25,742,801
Tax Certificate Holders		20,183,868
<b>Total</b>		<b>\$ 658,230,087</b>

Transactions per Employee – The TCPC uses transactions per employee as a measure of efficiency.

<b>Transaction Type</b>	<b>FY 2017</b>	<b>FY 2016</b>	<b>FY 2015</b>
Tax roll parcels	439,624	436,821	429,809
Tax certificates sold	18,408	13,871	14,219
Tax certificates redeemed	16,688	20,620	18,349
Registrations	710,060	656,918	643,596
Titles	162,721	166,180	158,673
Driver license and ID cards	134,743	110,870	103,644
Business tax receipts	33,728	35,008	34,737
TDT account receipts	80,046	80,596	80,661
Hunting and fishing licenses	1,949	1,514	1,576
Phone calls answered	282,117	270,537	249,421
Utility payments processed	631,129	656,006	761,005
<b>Total Transactions</b>	<b>2,511,213</b>	<b>2,448,941</b>	<b>2,495,690</b>
<b>Total Employees</b>	<b>184</b>	<b>179</b>	<b>172</b>
<b>Transactions per Employee</b>	<b>13,648</b>	<b>13,681</b>	<b>14,510</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.

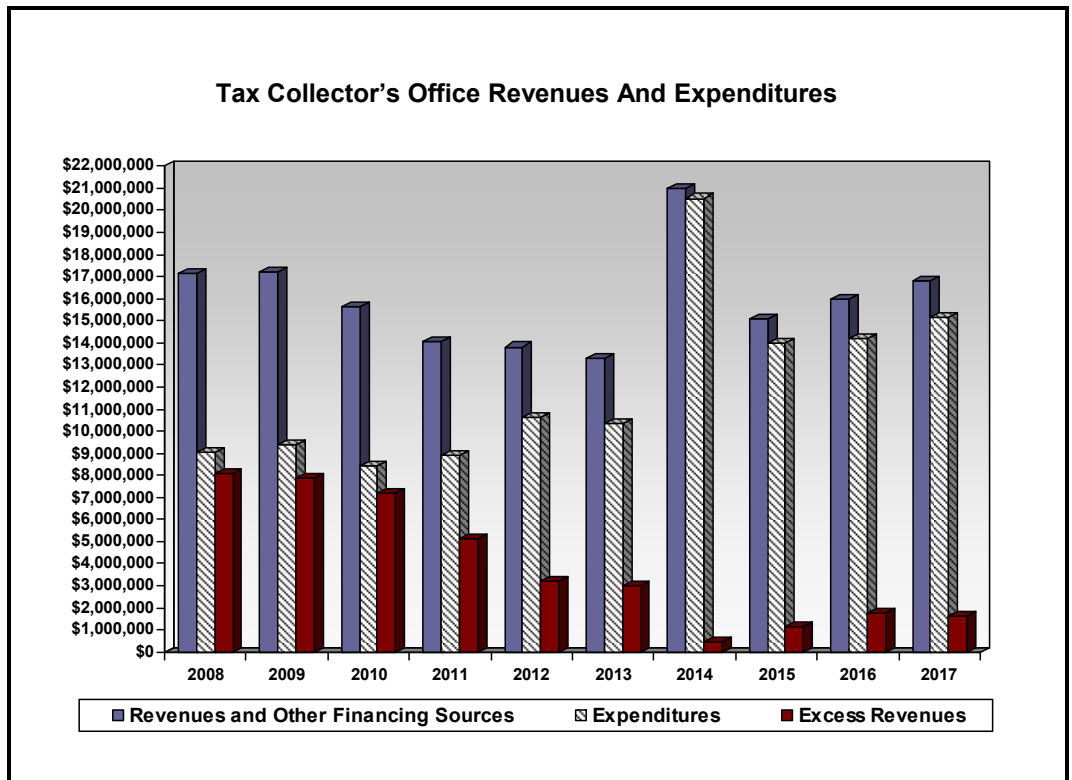
The excess of revenues over expenditures are remitted to each governmental unit that paid fees to our office in the same proportion as the fees paid bear to the total revenues of the office.

The increase in expenditures during the past six years is primarily due the TCPC taking over driver license services from the State.

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

REVENUES AND EXPENDITURES			
Fiscal Year	Revenues	Expenditures	Excess Revenues
2016/17	\$16,785,537	\$15,138,161	\$ 1,647,376
2015/16	\$15,973,701	\$14,207,904	\$ 1,765,797
2014/15	\$15,088,931	\$13,959,072	\$ 1,129,859
2013/14	\$21,019,117	\$20,543,313	\$ 475,804
2012/13	\$13,309,212	\$10,338,272	\$ 2,970,940
2011/12	\$13,814,779	\$10,605,868	\$ 3,208,911
2010/11	\$14,072,461	\$ 8,929,500	\$ 5,142,961
2009/10	\$15,615,892	\$ 8,453,665	\$ 7,162,227
2008/09	\$17,243,905	\$ 9,370,309	\$ 7,873,596
2007/08	\$17,115,576	\$ 9,012,434	\$ 8,103,142

A graphic representation of revenues (including other financing sources) and expenditures (2008 – 2017):




**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.

<b>TAX COLLECTOR</b>				
<b>EXPECTATION MEASUREMENT</b>	<b>EXPECTATION</b>	<b>FY 2017</b>	<b>FY 2016</b>	<b>FY 2015</b>
Collect \$1.6 million in local business tax receipts annually	100%	100%	100%	100%
Service Center Transaction Accuracy	99%	99.6%	99.6%	99.6%
Remit tax dollars to appropriate taxing authority by deadlines	100%	95.8%	100%	100%
Mail-in payment transactions processed in 2 days	98%	96.7%	99.9%	100%
Customers perceive staff to be courteous and knowledgeable	95%	98.0%	95.8%	95.5%
Real estate property tax roll amount collected	99%	99.6%	99.3%	99.5%
Customer service telephone calls answered within two minutes	85%	68.0%	80.8%	80.0%
Overall Customer Experience ( <i>Satisfaction</i> )	97%	96.4%	97.6%	97.6%
Customer service wait time is 20 minutes or less	85%	65.2%	79.7%	79.6%
Customer Trust ( <i>annual customer survey</i> )	80%	84.6%	81.1%	80.9%
Employee Trust ( <i>annual employee survey</i> )	90%	93.2%	97.9%	94.3%
Transactions per FTE	>15,750	13,648	13,681	14,510
Personnel Budget per Capita	≤\$18	\$18.88	\$18.48	\$17.08
Audit Findings	No	No	No	No

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**

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

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

We have audited the accompanying financial statements of the general fund and agency fund of the Tax Collector for Polk County, Florida, as of and for the year ended September 30, 2017, and the related notes to the financial statements, as listed in the table of contents.

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

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

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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



## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund and agency fund of the Tax Collector for Polk County, Florida, as of September 30, 2017, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note A, the financial statements were prepared for the purpose of complying with the financial reporting provisions of Section 218.39, *Florida Statutes*, and Chapter 10.550, *Rules of the Auditor General*. The financial statements present only the general fund and the agency fund information and do not purport to, and do not, present fairly the financial position of the Tax Collector for Polk County, Florida as of September 30, 2017, or 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 opinion is not modified with respect to this matter.

## **Other Matters**

### *Supplementary Information*

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



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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2018 on our consideration of the Tax Collector for Polk County, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, and contracts and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tax Collector for Polk County, Florida's internal control over financial reporting and compliance.

### **Other Reporting Required by Chapter 10.550, Rules of the Auditor General**

We have also issued our report dated March 9, 2018 on our examination of compliance with requirements of Chapter 10.550, Rules of the Auditor General. The purpose of that report is to describe the scope of our examination of compliance over compliance with Chapter 10.550, Rules of the Auditor General and issue an opinion on compliance with Chapter 10.550, Rules of the Auditor General.

*Baylis & Company PA*

**Baylis & Company PA**

Lakeland, Florida  
March 9, 2018



**TAX COLLECTOR**  
**POLK COUNTY, FLORIDA**  
**BALANCE SHEET**  
**GENERAL FUND**  
September 30, 2017

**ASSETS**

Cash and cash equivalents	\$	2,337,396
Due from Board of County Commissioners		4,617
Due from other governmental agencies		148
Prepaid assets		<u>84,771</u>
<b>Total assets</b>	<b>\$</b>	<b><u><u>2,426,932</u></u></b>

**LIABILITIES AND FUND BALANCE**

**Liabilities:**

Vouchers payable and accrued liabilities	\$	715,877
Due to Board of County Commissioners		1,634,014
Due to other governmental agencies		<u>77,041</u>
Total liabilities		2,426,932

**Fund balance**

		<u>-</u>
<b>Total liabilities and fund balance</b>	<b>\$</b>	<b><u><u>2,426,932</u></u></b>

**TAX COLLECTOR**  
**POLK COUNTY, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND**  
Year Ended September 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
<b>Commissions and Fees:</b>				
Board of County Commissioners	\$ 9,322,000	\$ 9,322,000	\$ 9,371,282	\$ 49,282
Special taxing districts	605,140	605,140	669,237	64,097
Vehicle/Vessels	2,998,240	2,998,240	2,943,780	(54,460)
Driver licenses	1,510,000	1,510,000	1,608,366	98,366
Business taxes	245,000	245,000	234,392	(10,608)
Tax certificate sales	800,000	800,000	932,385	132,385
Tax redemptions	250,000	250,000	260,237	10,237
Payment processing	135,000	135,000	146,659	11,659
Concealed weapon licenses	120,000	120,000	26,606	(93,394)
Hunting and fishing licenses	18,000	18,000	16,434	(1,566)
Tourist development	368,000	368,000	345,189	(22,811)
Interest	22,000	22,000	53,468	31,468
Collection costs and miscellaneous	184,000	184,000	177,502	(6,498)
<b>Total revenues</b>	<b>16,577,380</b>	<b>16,577,380</b>	<b>16,785,537</b>	<b>208,157</b>
<b>EXPENDITURES</b>				
<b>General Government:</b>				
Salaries and benefits	12,433,135	12,433,135	12,348,344	84,791
General expenditures	3,012,117	2,622,117	2,471,211	150,906
Capital outlay	123,000	513,000	318,606	194,394
<b>Total expenditures</b>	<b>15,568,252</b>	<b>15,568,252</b>	<b>15,138,161</b>	<b>430,091</b>
<b>Excess of revenues over expenditures</b>	<b>1,009,128</b>	<b>1,009,128</b>	<b>1,647,376</b>	<b>638,248</b>
<b>OTHER FINANCING USES</b>				
Transfer of excess fees	1,009,128	1,009,128	1,647,376	(638,248)
<b>Total other financing uses</b>	<b>1,009,128</b>	<b>1,009,128</b>	<b>1,647,376</b>	<b>(638,248)</b>
<b>Net change in fund balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance, beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

See accompanying notes to financial statements



**TAX COLLECTOR**  
**POLK COUNTY, FLORIDA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**AGENCY FUND**  
September 30, 2017

**ASSETS**

Cash and cash equivalents	\$ 8,373,150
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<b>Total assets</b>	<u>\$ 8,373,150</u>
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**LIABILITIES**

Due to Board of County Commissioners	\$ 3,742,158
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Due to other governmental agencies	3,622,830
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Tax Certificates Payable	910,493
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Refunds and other payables	<u>97,669</u>
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<b>Total liabilities</b>	<u>\$ 8,373,150</u>
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See accompanying notes to financial statements

**TAX COLLECTOR  
FOR POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2017**

**A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

Polk County is a political subdivision of the State of Florida governed by the State Constitution and general laws of the State of Florida. Polk County government consists of the following six offices elected countywide: Board of County Commissioners, Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector. The Tax Collector, Polk County, Florida (Tax Collector) is a local government entity pursuant to Article 8, Section 1(d), of the constitution of the State of Florida.

These financial statements are fund financial statements that have been prepared in conformity with the reporting guidelines established by the Governmental Accounting Standards Board (GASB) and accounting practices prescribed by the Auditor General, State of Florida. The basic financial statements for Polk County as a whole, which includes the funds of the Tax Collector, were prepared in conformity with accounting principles generally accepted in the United States of America (GAAP).

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 non-dealers. These services are provided on behalf of the Polk County Board of County Commissioners (Board), Polk County School Board, seventeen municipalities, eighteen special taxing districts and three agencies of the State of Florida.

The accounting policies of the Tax Collector conform to GAAP as applicable to governmental entities. 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.

**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 in separate 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 various funds of the Tax Collector are grouped into two generic fund types and two broad fund categories as follows:

**Governmental Fund Type**

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  
FOR POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2017**

**A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Fund Accounting (continued)**

**Fiduciary Fund Type**

Agency Fund - The agency fund accounts for all assets held by the Tax Collector in his capacity as custodian or agent for individuals and other governmental units. The agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

**Basis of Accounting**

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

Governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available. For this purpose, the Tax Collector considers revenues to be available if they are collected within 31 days of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, if measurable, except for the long term portion of unpaid sick and vacation pay.

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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Licenses and permits, charges for services, fines and forfeitures and miscellaneous revenues are generally recorded as revenues when received in cash because they are usually not measurable until actually received.

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency funds are accounted for using the modified accrual basis of accounting.

**Capital Assets**

Capital assets purchased by the Tax Collector are recorded as expenditures. Capital assets, except for real property, are not included in the financial statements because ownership is vested in the 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. Tax Collector owned real property is

**TAX COLLECTOR  
FOR POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2017**

**A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

reported in Footnote C. Capital assets are recorded at cost or fair value at the date of donation for donated assets. Capital assets are assets with a useful life of more than one year and a cost of \$1,000 or greater. Buildings are being depreciated over a 40 year useful life using the straight line method.

**Excess Fees**

Chapter 218, Florida Statutes, requires that any excess of revenues over expenditures (excess fees) held by a tax collector at the end of each fiscal year shall be distributed to each governmental unit utilizing the Tax Collector's services in the same proportion as the fees paid by the governmental unit bear to the total fee income of the Tax Collector's office. Therefore, the excess of revenues over expenditures at the end of each fiscal year is reflected as a transfer of excess fees on the statement of revenues and expenditures and the related liability is recorded as due to the Board or other governmental agencies, as applicable, leaving a net fund balance of zero dollars.

**Budgets and Budgetary Accounting**

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 his office to the Florida Department of Revenue, Ad Valorem Tax Division, (Department). A copy of the budget is also furnished to the Board. 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. The Department approves all transfers between appropriation categories requested by the Tax Collector, and this becomes the level of budgetary control for the office.
4. Formal budgetary integration is employed as a management control device during the year for all governmental fund types.
5. The General Fund budget is adopted on a modified accrual basis of accounting.

**Ad Valorem Taxes**

The property tax calendar for 2017 is as follows:

Lien date	January 1, 2017
Levy date	January 1, 2017
Due dates	November 1, 2017 - March 31, 2018
Delinquent date	April 1, 2018
Tax certificate sale	No later than June 1, 2018

No accrual for the property tax levy becoming due in November of 2017 is included in the

**TAX COLLECTOR  
FOR POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2017**

**A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

accompanying financial statements since such taxes are collected to finance expenditures of the subsequent period.

**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:

- (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.

**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>
01-05 years	20 days
06-10 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 year end for accumulated paid leave in excess of 240 hours.

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

**TAX COLLECTOR  
FOR POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2017**

**A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

compensated absences will be used in excess of a normal year's accumulation, no additional expenditures are accrued.

**Accumulated Unpaid Leave**

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 significant accounting policies are set forth in the financial statements and the notes thereto.

**Use of Estimates**

The preparation of the fund financial statements is 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.

**Other Postemployment Benefit Obligations**

Based on GASB Statement 45 – *Accounting and Financial Reporting by Employers for Postretirement Benefits Other Than Pensions*, which was implemented by Polk County for the year ended September 30, 2008, certain governmental entities are required to record actuarial accrued liabilities related to Other Postemployment Benefit Plans. The Tax Collector's employees are included as part of the Postemployment Health Benefits Plan (OPEB Plan) administered by the Board. The OPEB Plan currently covers certain eligible retirees of the Board and the Constitutional Officers of Polk County. The OPEB Plan currently pays certain portions of healthcare insurance premiums of retirees based on years of service and other factors. The liabilities and expenses associated with the OPEB Plan are not included in the financial statements of the Tax Collector. Such liabilities and expenses are included in the Comprehensive Annual Financial Report of Polk County.

**B - CASH AND CASH EQUIVALENTS**

The carrying amount of the Tax Collector's deposits were \$10,710,546 and the bank balances were \$9,749,742 at September 30, 2017. Cash and cash equivalents, which include assets easily and quickly convertible to cash.

Cash and cash equivalents at September 30, 2017, were as follows

Amount insured by federal depository insurance or guaranteed by the banks as qualified public depositories in Florida pursuant to Section 280.07, Florida Statutes	\$ 4,928,314
Amount on deposit with State of Florida, State Board of Administration in the Tax Collector's name	<u>4,821,428</u>
	<u>\$ 9,749,742</u>

**TAX COLLECTOR  
FOR POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2017**

**B - CASH AND CASH EQUIVALENTS (continued)**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The State of Florida requires that deposits by governmental units in a financial institution be collateralized. The State of Florida maintains collateral requirements and authorizes certain financial institutions to act as depositories for governmental unit funds. The Tax Collector maintains all of his accounts in financial institutions approved by the State of Florida.

**C - CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2017 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets Not Being Depreciated:				
Land	\$ 2,279,723	\$ -	\$ -	\$ 2,279,723
Capital Assets Being Depreciated:				
Building and Improvements	6,824,196	-	-	6,824,196
Less Accumulated Depreciation	(396,774)	(170,606)	-	(567,380)
Capital Assets Being Depreciated, Net	<u>6,427,422</u>	<u>(170,606)</u>	<u>-</u>	<u>6,256,816</u>
Capital Assets, Net	<u>\$ 8,707,145</u>	<u>\$ (170,606)</u>	<u>\$ -</u>	<u>\$ 8,536,539</u>

**D - COMPENSATED ABSENCES**

At September 30, 2017 the commitment for accrued leave was valued at \$490,246. This liability is recorded in the combined Polk County Comprehensive Annual Financial Report.

**E - POST-EMPLOYMENT HEALTH CARE BENEFITS**

As described in Note A, Polk County provides certain health care benefits for retired employees. For the year ended September 30, 2017, the total retiree health care premiums paid by Polk County, including the Tax Collector's operations were approximately \$3,664,734. This liability is recorded in the combined Polk County Comprehensive Annual Financial Report.

**TAX COLLECTOR  
FOR POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2017**

**F - OPERATING LEASES**

The following is a schedule by years of future minimum payments required under operating leases used in governmental operations that have initial or remaining non-cancelable lease terms in excess of one year as of September 30, 2017:

Year Ended September 30, 2018	\$ 139,363
2019	123,085
2020	125,438
2021	127,846
2022	53,687
Thereafter	-
	\$ 569,419

Total rent expense on all operating leases, both cancelable and non-cancelable, for the year ended September 30, 2017 was \$147,317.

**G - RISK MANAGEMENT**

The Tax Collector purchases commercial insurance coverage and surety bonds related to various risks of loss related to theft of and errors and omissions related to cash. For all other risk such as property, automobile, and worker's compensation the Tax Collector is under Polk County's plan. In an effort to combat the rising cost of insurance premiums and the unavailability of coverage, Polk County has initiated self-insured worker's compensation, general liability, employment practices and automobile liability programs. There have been no decreases in coverage nor have there been any settlements in excess of coverage in any of the prior three years.

**H - RETIREMENT PLANS**

All employees are participants in the Florida Retirement System (System), a multiple employer, cost-sharing public retirement system. The System, which is controlled by the State Legislature and administered by the State of Florida, Division of Retirement, is available to governmental units within the State of Florida. Participants can choose from two options: the System Pension Plan or the System Investment Plan. For employees hired on or before June 30, 2011, the System Pension Plan provides for vesting of benefits after six years of creditable service. Normal retirement benefits are available to employees who retire at or after age 62 with six or more years of service or at completion of 30 years of service. Early retirement is available after six years of service with a 5% reduction of benefits for each year prior to the normal retirement age. Retirement benefits are based upon age, average compensation, and years of service credit where average compensation is computed as the average of an individual's five highest years of earnings. For employees hired on or after July 1, 2011, the System Pension Plan provides for vesting of benefits after eight years of creditable service. Normal retirement



**TAX COLLECTOR  
FOR POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2017**

**H - RETIREMENT PLANS (Continued)**

benefits are available to employees who retire at or after age 65 with eight or more years of service or at completion of 33 years of service. Early retirement is available after eight years of service with a 5% reduction of benefits for each year prior to the normal retirement age. Retirement benefits are based upon age, average compensation, and years of service credit where average compensation is computed as the average of an individual's eight highest years of earnings.

The System Investment Plan provides for vesting after one year of creditable service. Normal retirement benefits are available to employees after termination from all FRS-covered employment for 3 calendar months. Retirement benefits are based on the employee's account balance.

Effective July 1, 2011, all employees are now required to contribute 3% of their salary to the Plan they have elected. As a result, retirement expenses were reduced compared to prior years.

The Tax Collector has no responsibility to the System other than to make the periodic payments required by the state statutes. The Florida Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to Florida Division of Retirement, 2639 Monroe Street, Building C, Tallahassee, Florida 32399-1560. Participating employer contributions are based upon state-wide rates established by the State of Florida. These rates, effective July 1, 2017, which include the health insurance subsidy contributions of 1.66%, and the 0.06% administration/education fee, are applied to employee salaries as follows: regular employees – 7.92%; senior management – 22.71%; elected officials – 45.50%; and DROP from FRS – 13.26%. The Tax Collector recognizes pension expenditures when the payments are made to the System. Payments made during the years ended September 30, 2017, 2016 and 2015 were \$833,137, \$760,149, and \$701,667, respectively. Payments made after June 30, 2017, the measurement date used to determine the net pension liability associated with the System Pension Plan, amounted to \$224,412. The Tax Collector is not legally required to and does not accumulate expendable available resources to liquidate the retirement obligation related to its employees. Accordingly, the net pension liability and associated deferred outflows and deferred inflows are presented on the government-wide financial statements of the County, following the requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, effective October 1, 2014.

**TAX COLLECTOR  
FOR POLK COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2017**

**I - RELATED PARTY**

Transactions with the Board of County Commissioners include commissions earned from the collection of property taxes and other financing uses from the transfer of excess fees. For the year ended September 30, 2017, commissions earned were \$9,371,282 and the transfer of excess fees was \$1,570,334.

At September 30, 2017, amounts payable to the Board were \$1,634,014 from the General Fund and \$3,742,158 from the Agency Fund.

**J - CONTINGENCY**

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.

**K - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through March 9, 2018, the date which the financial statements were available for issue, and has determined there are no additional adjustments and/or disclosures required.

**TAX COLLECTOR**  
**POLK COUNTY, FLORIDA**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUND**  
Year Ended September 30, 2017

	Balance September 30, 2016	Additions	Deletions	Balance September 30, 2017
<b>ASSETS</b>				
Cash and cash equivalents	\$ 8,341,970	\$ 660,378,275	\$ 660,347,095	\$ 8,373,150
<b>Total assets</b>	<u>\$ 8,341,970</u>	<u>\$ 660,378,375</u>	<u>\$ 660,347,095</u>	<u>\$ 8,373,150</u>
<b>LIABILITIES</b>				
Due to BoCC	\$ 3,580,140	\$ 275,314,335	\$ 275,152,317	\$ 3,742,158
Due to other governmental agencies	3,431,574	363,032,280	362,841,024	3,622,830
Tax Certificates Payable	1,210,890	19,883,471	20,183,868	910,493
Refunds and other payables	119,366	2,148,189	2,169,886	97,669
<b>Total liabilities</b>	<u>\$ 8,341,970</u>	<u>\$ 660,378,275</u>	<u>\$ 660,347,095</u>	<u>\$ 8,373,150</u>

See accompanying notes to financial statements

**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**

The 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 each major fund of the Tax Collector for Polk County, Florida, as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Tax Collector for Polk County, Florida's financial statements, and have issued our report thereon dated March 9, 2018.

### **Internal Control Over Financial Reporting**

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

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

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



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

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### **Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result 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.

*Baylis & Company PA*

### **Baylis & Company PA**

Lakeland, Florida  
March 9, 2018



**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**

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

We have examined the Tax Collector for Polk County, Florida's compliance with requirements of Chapter 10.550, Rules of the Auditor General, concerning the investment of public funds during the year ended September 30, 2017. Management is responsible for the Tax Collector for Polk County, Florida's compliance with those requirements. Our responsibility is to express an opinion on the Tax Collector for Polk County, Florida's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards required that we plan and perform the examination to obtain reasonable assurance about whether the Tax Collector for Polk County, Florida complied, in all material respects, with the specified requirements referenced above. An examination involved 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 our opinion.

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

In our opinion, the Tax Collector for Polk County, Florida, complied, in all material respects with the aforementioned requirements for the year ended September 30, 2017.

*Baylis & Company PA*

**Baylis & Company PA**

Lakeland, Florida  
March 9, 2018



## **MANAGEMENT LETTER**

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

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

We have audited the financial statements of the Tax Collector for Polk County, Florida as of and for the fiscal year ended September 30, 2017, and have issued our report thereon dated March 9, 2018.

### **Auditors' 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 the 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 March 9, 2018, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

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

### **Office 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. For the legal authority of the Tax Collector for Polk County, Florida, see footnote A in the notes to the financial statements.



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

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### **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 to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

### **Purpose of 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, Polk County, Florida, CliftonLarsonAllen LLP, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

*Baylis & Company PA*

### **Baylis & Company PA**

Lakeland, Florida  
March 9, 2018

