

2023

DeSoto County, Florida

Financial Statements and
Independent Auditor's Report

September 30, 2023

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

DESOTO COUNTY, FLORIDA

SEPTEMBER 30, 2023

TABLE OF CONTENTS

Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-14
Basic Financial Statements	
<i>Government-Wide Financial Statements</i>	
Statement of Net Position.....	15
Statement of Activities.....	16
<i>Fund Financial Statements</i>	
Balance Sheet - Governmental Funds.....	17-18
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	19
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	20-21
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	22
Statement of Net Position - Proprietary Funds.....	23
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	24
Statement of Cash Flows - Proprietary Funds.....	25-26
Statement of Fiduciary Net Position	27
Statement of Changes in Fiduciary Net Position.....	28
<i>Notes to Financial Statements</i>	29-66
Required Supplementary Information	
<i>Budgetary Comparison Schedules</i>	
General Fund - Board Only	67
County Transportation Fund	68
Fire and EMS Fund.....	69
Hurricane Fund.....	70
<i>Pension and Other Postemployment Benefits Plans</i>	
Schedule of Changes in the County's Total Other Postemployment Benefits Liability and Related Ratios.....	71
Note to Required Supplementary Information	72

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

DESOTO COUNTY, FLORIDA

SEPTEMBER 30, 2023

TABLE OF CONTENTS

Schedule of the County's Proportionate Share of the Net Pension Liability Florida Retirement System and Health Insurance Subsidy Pension Plans.....	73
Schedule of the County's Contributions Florida Retirement System and Health Insurance Subsidy Pension Plans.....	74
Notes to Required Supplementary Information	75

Supplementary Information

Combining Balance Sheet - General Fund by Category.....	76-77
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund.....	78-79
Combining Balance Sheet - All Non-Major Governmental Funds	80-85
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - All Non-Major Governmental Funds	86-91
Combining Statement of Fiduciary Net Position – Custodial Funds.....	92-93
Combining Statement of Changes in Fiduciary Net Position – Custodial Funds	94-95

Compliance Section

Schedule of Expenditures of Federal Awards and State Financial Assistance	96-97
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance	98
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	99-100
Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and on Internal Control Over Compliance Required by the Uniform Guidance and Chapter 10.550, <i>Rules of the Auditor General</i>	101-103
Schedule of Findings and Questioned Costs - Federal Award Programs and State Financial Assistance Projects.....	104-106
Independent Accountant's Report on Compliance with Florida Statutes, Section 218.415 - Investments of Public Funds.....	107
Independent Accountant's Report on Compliance with Section 365.172(10) and Section 365.173(2)(d), Florida Statutes.....	108
Management Letter	109-110
Management's Response Letter	111
Impact Fee Affidavit	112

INDEPENDENT AUDITOR'S REPORT

Honorable Members of the Board of County Commissioners
DeSoto County, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of DeSoto County, Florida (the County) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the County'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 governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof 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 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County 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.

Change in Accounting Principle

As further discussed in Note 1 to the financial statements, in 2023 the County adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*. 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.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's 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 auditor's 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 generally accepted auditing standards 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 generally accepted auditing standards 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 County'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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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.

INDEPENDENT AUDITOR'S REPORT

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, as listed in the table of contents (collectively, the required supplementary information), be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying combining general fund financial statements, combining non-major fund financial statements, and schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Chapter 10.550, *Rules of the Auditor General* of the State of Florida, are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining general fund financial statements, combining non-major fund financial statements, and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 3, 2024, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is 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 County'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 County's internal control over financial reporting and compliance.



October 3, 2024
Sarasota, Florida

DESOTO COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

DeSoto County's (the County) Management's Discussion and Analysis (the MD&A) presents an overview of the County's financial activities for the fiscal year ended September 30, 2023. Please read it in conjunction with the County's financial statements following the MD&A.

Financial Highlights

- The assets (plus deferred outflows) of the County exceeded its liabilities (plus deferred inflows) at the close of fiscal year 2023 by \$92.4 million (*net position*). This is net of a \$17.2 million deficit in unrestricted net position.
- At September 30, 2023, the County's governmental funds reported combined ending fund balances of \$29.7 million, an increase of \$2 million for the year.
- At September 30, 2023, unassigned fund balance for the General Fund was \$12.4 million, or 28.3% of total General Fund expenditures and other uses.
- Net investment in capital assets increased by \$4.5 million from the prior fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other required supplementary information and other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *government-wide financial statements*, which consist of the following two statements, are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all the County's assets (plus deferred outflows) and liabilities (plus deferred inflows), with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how the County's net position changed during 2023. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

DESOTO COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

Both of these financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public safety, physical environment, transportation, economic environment, human services, culture and recreation, and court-related activities. The business-type activities of the County include solid waste disposal and water and sewer utilities. The government-wide financial statements can be found immediately following the MD&A.

Fund Financial Statements

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

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's *near-term* financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's *near-term* financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide reconciliations to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains numerous individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General, County Transportation, Fire and EMS, and Hurricane, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the other supplementary information section of this report.

The County adopts an annual appropriated budget for all non-fiduciary funds. Budgetary comparison schedules have been provided for the General Fund and major special revenue funds to demonstrate budgetary compliance.

The basic governmental fund financial statements can be found immediately following the government-wide financial statements.

DESOTO COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

Proprietary Funds

The County maintains one proprietary fund type. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for the fiscal activities relating to solid waste disposal (landfill) and water and sewer utilities.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Landfill and Water/Sewer Utility funds, which are considered to be major enterprise funds of the County.

The basic proprietary fund financial statements follow the governmental fund financial statements.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the County's own programs. The accounting used for fiduciary funds is similar to proprietary funds.

The basic fiduciary fund financial statements can be found after the basic proprietary fund financial statements.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found after the fiduciary fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, required supplementary information is included, which presents budgetary comparison schedules for the County's General Fund and other budgeted major special revenue funds. In addition, schedules providing information on the County's net pension liabilities and other postemployment benefits plan are also in this section. Required supplementary information can be found following the notes to the financial statements.

The combining statements referred to earlier in connection with non-major governmental funds and fiduciary funds are presented in the other supplementary information section of this report. Combining and individual fund schedules can be found after the required supplementary information.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets (plus deferred outflows) exceeded liabilities (plus deferred inflows) by \$92.4 million at the close of the fiscal year ended September 30, 2023. The County is able to report positive balances in net investment in capital assets and restricted net position for both

DESOTO COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

governmental and business-type activities. The County reports a positive unrestricted net position for business-type activities, but a deficit in unrestricted net position for governmental activities. Following is a summarized version of the statement of net position found in the financial section of this report, with comparative information for 2023:

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and Other Assets	\$ 37,227,647	\$ 39,500,884	\$ 26,694,899	\$ 17,987,624	\$ 63,922,546	\$ 57,488,508
Capital Assets (Net)	65,938,725	63,784,924	31,613,466	31,767,797	97,552,191	95,552,721
Total Assets	103,166,372	103,285,808	58,308,365	49,755,421	161,474,737	153,041,229
Deferred Outflows	10,676,258	10,398,478	460,266	452,431	11,136,524	10,850,909
Current and Other Liabilities	6,557,704	9,741,385	658,829	1,235,984	7,216,533	10,977,369
Long-Term Liabilities	44,392,931	40,959,975	20,850,750	17,061,602	65,243,681	58,021,577
Total Liabilities	50,950,635	50,701,360	21,509,579	18,297,586	72,460,214	68,998,946
Deferred Inflows	7,391,631	7,718,031	335,773	337,243	7,727,404	8,055,274
Net Position:						
Net Investment in Capital Assets	65,189,441	61,572,810	23,542,207	22,657,597	88,731,648	84,230,407
Restricted	10,699,758	8,852,780	10,218,028	4,008,471	20,917,786	12,861,251
Unrestricted	(20,388,835)	(15,160,695)	3,163,044	4,906,955	(17,225,791)	(10,253,740)
Total Net Position	\$ 55,500,364	\$ 55,264,895	\$ 36,923,279	\$ 31,573,023	\$ 92,423,643	\$ 86,837,918

A substantial portion of the County's net position (96%) reflects its net investments in capital assets (e.g., land, buildings, and equipment). The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position (22.6%) represents restricted resources that are subject to external restrictions on how they may be used. The remaining balance is a deficit in unrestricted net position.

DESOTO COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

The following table is a summary of the information presented in the statement of activities found in the financial section of this report, with comparative information for 2023:

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
REVENUES						
Program Revenues:						
Charges for Services	\$ 22,392,778	\$ 17,095,816	\$ 8,045,853	\$ 7,407,334	\$ 30,438,631	\$ 24,503,150
Operating Grants and Contributions	11,613,748	5,654,893	267,175	168,509	11,880,923	5,823,402
Capital Grants and Contributions	5,939,866	4,752,433	6,308,861	-	12,248,727	4,752,433
General Revenues:						
Property Taxes	19,790,641	18,078,243	-	-	19,790,641	18,078,243
Other Taxes	12,810,569	11,724,395	-	-	12,810,569	11,724,395
Shared Revenues	8,580,989	8,320,578	-	-	8,580,989	8,320,578
Other	1,825,121	45,775	343,655	797,625	2,168,776	843,400
Total Revenues	82,953,712	65,672,133	14,965,544	8,373,468	97,919,256	74,045,601
EXPENSES						
General Government	14,125,822	5,839,022	-	-	14,125,822	5,839,022
Public Safety	47,100,701	24,278,463	-	-	47,100,701	24,278,463
Physical Environment	2,688,155	4,018,453	-	-	2,688,155	4,018,453
Transportation	5,761,026	8,714,446	-	-	5,761,026	8,714,446
Economic Environment	726,737	1,220,500	-	-	726,737	1,220,500
Human Services	4,629,047	4,407,484	-	-	4,629,047	4,407,484
Culture/Recreation	2,755,378	2,317,122	-	-	2,755,378	2,317,122
Court-Related	2,590,789	2,382,375	-	-	2,590,789	2,382,375
Interest on Long-Term Debt	338,939	58,744	-	-	338,939	58,744
Landfill	-	-	6,309,456	1,951,314	6,309,456	1,951,314
Water and Sewer Utility	-	-	5,307,481	4,780,872	5,307,481	4,780,872
Total Expenses	80,716,594	53,236,609	11,616,937	6,732,186	92,333,531	59,968,795
Excess Before Transfers	2,237,118	12,435,524	3,348,607	1,641,282	5,585,725	14,076,806
Transfers	(2,001,649)	(4,791)	2,001,649	4,791	-	-
Change in Net Position	235,469	12,430,733	5,350,256	1,646,073	5,585,725	14,076,806
Net Position, Beginning of Year	55,264,895	42,834,162	31,573,023	29,926,950	86,837,918	72,761,112
Net Position, End of Year	\$ 55,500,364	\$ 55,264,895	\$ 36,923,279	\$ 31,573,023	\$ 92,423,643	\$ 86,837,918

DESOTO COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

Governmental Activities

Governmental activities increased the County's net position by \$235 thousand during 2023. Following is further detail of the revenues and expenses for governmental activities in 2023, compared to 2022:

Governmental Activities - Expenses and Net Revenue (Cost) by Function

Functions/Programs	Expenses				Net Revenue (Cost) of Services	
	% of		2022	% Change	2023	2022
	2023	Total				
General Government	\$ 14,125,822	17.5%	\$ 5,839,022	141.9%	\$ (1,401,420)	\$ (1,026,497)
Public Safety	47,100,701	58.4%	24,278,463	94.0%	(34,794,392)	(17,639,631)
Physical Environment	2,688,155	3.3%	4,018,453	-33.1%	(1,456,614)	(701,045)
Transportation	5,761,026	7.1%	8,714,446	-33.9%	334,624	(3,804,093)
Economic Environment	726,737	0.9%	1,220,500	-40.5%	1,063,744	(54,514)
Human Services	4,629,047	5.7%	4,407,484	5.0%	(4,159,545)	(3,739,685)
Culture/Recreation	2,755,378	3.4%	2,317,122	18.9%	(2,497,144)	(2,076,944)
Court-Related	2,590,789	3.2%	2,382,375	8.7%	2,479,484	3,367,686
Interest on Long-Term Debt	338,939	0.5%	58,744	477.0%	(338,939)	(58,744)
	<u>\$ 80,716,594</u>	<u>100.00%</u>	<u>\$ 53,236,609</u>		<u>\$ (40,770,202)</u>	<u>\$ (25,733,467)</u>

Governmental Activities - Revenues by Source

Description	2023	% of Total	2022	% Change
Program Revenues:				
Charges for Services	\$ 22,392,778	27.0%	\$ 17,095,816	31.0%
Operating Grants and Contributions	11,613,748	14.0%	5,654,893	105.4%
Capital Grants and Contributions	5,939,866	7.2%	4,752,433	25.0%
General Revenues:				
Property Tax	19,790,641	23.9%	18,078,243	9.5%
Small County Surcharge	3,991,079	4.8%	3,668,502	8.8%
Law Enforcement	4,714,909	5.7%	4,291,665	9.9%
Communications Service	145,783	0.2%	143,008	1.9%
Tourist Development Surtax	164,532	0.2%	121,021	36.0%
Gas and Fuel Taxes	2,504,885	3.0%	2,292,709	9.3%
Franchise Fees	1,289,381	1.6%	1,207,490	6.8%
Pari-Mutual Tax	1,776,873	2.1%	1,588,431	11.9%
State Shared Revenue	314,333	0.4%	314,333	0.0%
Local Shared Revenue	1,200,626	1.4%	1,236,006	-2.9%
State Sales Tax	858,293	1.0%	858,293	0.0%
Miscellaneous	4,430,864	5.3%	4,323,515	2.5%
	<u>1,825,121</u>	<u>2.2%</u>	<u>45,775</u>	<u>3887.2%</u>
	<u>\$ 82,953,712</u>	<u>100%</u>	<u>\$ 65,672,133</u>	

Revenues for governmental activities increased \$17.3 million from the prior year. The increase in revenues was mainly due to increases in operating grants and contributions related to the American Rescue Plan Act. Expenses for governmental activities increased by \$27.5 million primarily due to response to Hurricane Ian.

DESOTO COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

Business-Type Activities

Business-type activities increased the County's net position by \$5.4 million in 2023 compared to an increase of \$1.6 million in 2022. Net position increased significantly this year due to an increase in water and sewer revenues partially offset by an increase in landfill closure and post-closure care costs. Following is further detail of the business-type activities financial results for 2023, compared to 2022:

Business-Type Activities - Expenses and Net Revenue (Cost) by Function

	2023			2022		
	Revenues	Expenses	Net	Revenues	Expenses	Net
Functions/Programs:						
Landfill	\$ 3,533,084	\$ 6,309,456	\$ (2,776,372)	\$ 2,374,558	\$ 1,951,314	\$ 423,244
Water and Sewer	11,088,805	5,307,481	5,781,324	5,201,285	4,780,872	420,413
	14,621,889	11,616,937	3,004,952	7,575,843	6,732,186	843,657
General Revenues (Expenses)	343,655	-	343,655	797,625	-	797,625
Transfers	2,001,649	-	2,001,649	4,791	-	4,791
Net	\$ 16,967,193	\$ 11,616,937	\$ 5,350,256	\$ 8,378,259	\$ 6,732,186	\$ 1,646,073

Business-Type Activities - Revenues by Source

	2023	% of Total	2022	% of Total
Charges for Services	\$ 8,045,853	53.8%	\$ 7,407,334	88.5%
Operating Grants and Contributions	267,175	1.8%	168,509	2.0%
Capital Grants and Contributions	6,308,861	42.2%	-	0.0%
Miscellaneous	343,655	2.3%	797,625	9.5%
	<u>\$ 14,965,544</u>	<u>100.0%</u>	<u>\$ 8,373,468</u>	<u>100.0%</u>

Financial Analysis of the County's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the County's *governmental funds* is to provide information on *near-term* inflows, outflows, and balances of *spendable resources*. Such information is useful in assessing the County's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of 2023, the County's governmental funds reported combined ending fund balances of \$29.7 million, an increase of \$2 million for the year. At the end of 2023, the County's governmental funds reported combined *restricted fund balances* of \$10.6 million. This represents amounts that can only be spent for specific purposes as stipulated by external resource providers or by enabling legislation. The

DESOTO COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

County's governmental funds reported combined *assigned fund balances* of \$6.1 million. *Unassigned fund balances* totaled \$3.9 million and are available for spending. The remainder of the fund balances are *non-spendable* to indicate that they are not available for spending: 1) for prepaids and inventories (\$226 thousand); and 2) for advances to other funds (\$8.9 million).

The General Fund is the chief operating fund of the County. At the end of 2023, unassigned fund balance of the General Fund was \$12.4 million, while total fund balance reached \$26.2 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 28.3% of the total General Fund expenditures and other uses, while total fund balance represents 60.0% of the same amount. During 2023, the fund balance of the General Fund increased by \$6.2 million primarily due to increases in ad valorem revenues and reimbursements from the federal government related to Hurricane Ian.

The County Transportation Fund reported an increase in fund balance of \$611 thousand during 2023, resulting in an ending fund balance of \$2 million.

The Fire and EMS Fund reported an increase in fund balance of \$9 thousand during 2023, compared to an increase of \$130 thousand in 2022. The fund balance is in a positive position of \$1.8 million at September 30, 2023. Revenues and expenditures were consistent from 2022 to 2023. The reduction in change in net position from 2022 is primarily due to an increase in overtime paid in response to Hurricane Ian.

The Hurricane Fund reported a decrease in fund balance of \$8.9 million during 2023, resulting in an ending fund balance deficit of (\$8.5) million. This is a result of timing of grant reimbursements for expenditures incurred during the response to Hurricane Ian.

Proprietary Funds

The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The only two enterprise funds, Landfill and Water/Sewer Utility, are reported as major funds.

The Landfill Fund reported a decrease in net position of \$2.6 million, as compared to an increase net position of \$521 thousand in 2022. This decrease compared to prior year is attributable to an increase in annual landfill closure and post-closure care costs in 2023.

The Water and Sewer Fund reported an increase in net position of \$8 million, as compared to an increase net position of \$1.1 million in 2022. Net position increase significantly more in the current year due to large amounts of capital fees related to on-going development within the County. Additionally, there was an engineering study performed that resulted in an increase in rates charged to customers.

DESOTO COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

Unrestricted net position for proprietary funds are as follows:

Fund	Unrestricted Net Position (Deficit)	
	2023	2022
Landfill	\$ (2,209,815)	\$ 1,081,676
Water and Sewer	5,372,859	3,825,279
Total	\$ 3,163,044	\$ 4,906,955

General Fund Budgetary Highlights

A budget versus actual comparison of the operating results of the County's General Fund (excluding the County Officers) can be found in the Required Supplementary Information section of the report. Final budgeted revenues increased from the original budget by \$6.1 million, mostly related to intergovernmental revenues. As shown below, final budgeted expenditures and transfers out increased by \$1.2 million from the original budget due primarily to an increase in transfers out to other funds.

	Original Budget	Final Budget	Difference
General Government	\$ 10,554,202	\$ 10,620,062	\$ 65,860
Public Safety	629,519	633,288	3,769
Physical Environment	520,113	520,113	-
Economic Environment	243,690	245,990	2,300
Human Services	1,905,405	1,900,734	(4,671)
Culture/Recreation	2,173,115	2,076,805	(96,310)
Debt Service	-	25,764	25,764
Transfers Out	23,300,175	24,498,872	1,198,697
	\$ 39,326,219	\$ 40,521,628	\$ 1,195,409

The General Fund final actual revenues were \$4.2 million more than the final budget. As shown below, the General Fund actual expenditures and transfers out were \$818 thousand less than the final amended budget. The most significant factor was budgeted general government expenditures of \$2.8 million that were not expended.

General Fund budgeted and actual expenditures and transfers out for 2023 were as follows:

	Actual Expenditures	Final Budget	Difference
General Government	\$ 7,848,238	\$ 10,620,062	\$ 2,771,824
Public Safety	625,091	633,288	8,197
Physical Environment	447,563	520,113	72,550
Economic Environment	24,283	245,990	221,707
Human Services	1,660,748	1,900,734	239,986
Culture/Recreation	1,947,520	2,076,805	129,285
Debt Service	25,764	25,764	-
Transfers Out	27,124,277	24,498,872	(2,625,405)
	\$ 39,703,484	\$ 40,521,628	\$ 818,144

DESOTO COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

Capital Assets and Debt Administration

Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of September 30, 2023, amounted to \$97.6 million (net of accumulated depreciation and amortization). The total increase in the County's investment in capital assets for the current fiscal year was \$2 million or 2.1%. Major capital asset events during 2023 included the following:

- Depreciation expense for governmental activities was \$4.8 million. Capital asset additions were \$7.2 million, including \$3.7 million for various transportation projects, \$1 million in various additions at the Sheriff's Office, and \$2 million for various furniture and equipment additions among other additions.
- Depreciation expense for business-type activities was \$2.1 million. Capital asset additions were \$2.2 million, including \$824,000 for a compactor in the landfill fund and \$1 million in wastewater treatment rehabilitation and expansions projects among other additions.

Following is a summary of the County's capital assets at the end of 2023 and 2022:

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land and Easements	\$ 3,886,219	\$ 3,937,220	\$ 2,464,957	\$ 2,452,456	\$ 6,351,176	\$ 6,389,676
Construction in Progress	5,064,537	1,499,197	4,784,386	3,769,740	9,848,923	5,268,937
Buildings and Improvements	32,088,826	31,999,041	892,303	892,303	32,981,129	32,891,344
Intangibles	551,756	551,756	117,338	64,603	669,094	616,359
Machinery and Equipment - Board	16,452,966	15,294,241	3,179,102	2,688,083	19,632,068	17,982,324
Machinery and Equipment - Sheriff	8,447,216	7,954,201	-	-	8,447,216	7,954,201
Right-to-Use Leased Equipment	196,248	196,248	-	-	196,248	196,248
Subscription Assets - Sheriff	68,520	-	-	-	68,520	-
Infrastructure	56,609,483	56,272,004	13,349,275	13,349,275	69,958,758	69,621,279
Water Distribution System	-	-	39,748,944	39,748,944	39,748,944	39,748,944
	<u>123,365,771</u>	<u>117,703,908</u>	<u>64,536,305</u>	<u>62,965,404</u>	<u>187,902,076</u>	<u>180,669,312</u>
Less: Accumulated Depreciation/ Amortization	<u>(57,427,046)</u>	<u>(53,918,984)</u>	<u>(32,922,839)</u>	<u>(31,197,607)</u>	<u>(90,349,885)</u>	<u>(85,116,591)</u>
Capital Assets, Net	<u>\$ 65,938,725</u>	<u>\$ 63,784,924</u>	<u>\$ 31,613,466</u>	<u>\$ 31,767,797</u>	<u>\$ 97,552,191</u>	<u>\$ 95,552,721</u>

More detailed information on the County's capital assets can be found in Note 5 to the financial statements.

Long-Term Debt

The County's outstanding long-term debt consists of revenue bonds/notes, other notes payable, installment obligations, leases payable, and subscription-based information technology arrangements. At the end of 2023, the County's governmental activities had a decrease of \$1.9 million in outstanding long-term debt, including the reduction of installment purchases totaling \$148 thousand, scheduled principal payments of \$1.7 million, reduction of leases payable of \$23 thousand, and reduction in subscription-based information technology arrangements of \$35 thousand, which was offset by additions of installment purchases of \$252 thousand and additions of subscription assets of \$69 thousand. Business-type activities had a decrease of \$902 thousand in outstanding long-term debt. This activity was the result of debt installment payments of \$902 thousand.

DESOTO COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

Following is a summary of the County's long-term debt at the end of 2023 and 2022:

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenue Bonds	\$ -	\$ -	\$ 5,734,917	\$ 6,066,285	\$ 5,734,917	\$ 6,066,285
Revenue Notes	-	1,731,000	1,368,647	1,588,747	1,368,647	3,319,747
Installment Purchases	513,306	409,360	967,695	1,317,988	1,481,001	1,727,348
Subscription-Based Information						
Technology Arrangements	33,720	-	-	-	33,720	-
Leases Payable	48,724	71,754	-	-	48,724	71,754
	<u>\$ 595,750</u>	<u>\$ 2,212,114</u>	<u>\$ 8,071,259</u>	<u>\$ 8,973,020</u>	<u>\$ 8,667,009</u>	<u>\$ 11,185,134</u>

More detailed information on the County's long-term debt can be found in Note 6 to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The County's millage rate for general operations was unchanged from 2023 in 2024 at 7.9048 mills. The Law Enforcement M.S.T.U. remained the same in 2024 as in 2023, at 2.4399 mills. Budgets remained conservative with little activity in upcoming capital improvements. The 2024 general fund budget utilizes a surplus of \$4,848,170 to balance.

Requests for Information

This financial report is designed to present users with a general overview of the County's finances and to demonstrate the County's accountability. If you have questions concerning any of the information provided in this report or need additional financial information, contact the County's Finance Department, 201 E. Oak Street, Suite 205, Arcadia, Florida 34266.

BASIC FINANCIAL STATEMENTS

DESOTO COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	\$ 29,171,826	\$ 12,916,472	\$ 42,088,298
Restricted Cash and Cash Equivalents	539,772	13,006,760	13,546,532
Accounts Receivable, Net	1,365,144	626,935	1,992,079
Special Assessments Receivable	1,934	62	1,996
Notes Receivable	1,375,000	-	1,375,000
Lease Receivable	376,691	-	376,691
Internal Balances	(8,149)	8,149	-
Due from Other Governments	4,080,094	38,925	4,119,019
Due from Individuals	19,170	-	19,170
Inventories	90,864	96,258	187,122
Prepays	135,301	1,338	136,639
Deposits	80,000	-	80,000
Capital Assets - Non-Depreciated/Amortized	8,950,756	7,249,343	16,200,099
Capital Assets - Depreciated/Amortized, Net	56,987,969	24,364,123	81,352,092
Total Assets	103,166,372	58,308,365	161,474,737
Deferred Outflows of Resources			
Contractual Rights	-	80,000	80,000
Deferred Outflows Related to Pensions	9,161,001	262,398	9,423,399
Deferred Outflows Related to OPEB	1,515,257	117,868	1,633,125
Total Deferred Outflows of Resources	10,676,258	460,266	11,136,524
Total Assets and Deferred Outflows	113,842,630	58,768,631	172,611,261
Liabilities			
Vouchers Payable	3,697,460	372,747	4,070,207
Accrued Liabilities	740,481	71,270	811,751
Due to Other Governments	152,446	-	152,446
Deposits	36,086	214,812	250,898
Unearned Revenue	1,931,231	-	1,931,231
Long-Term Liabilities:			
Due Within One Year	890,353	684,034	1,574,387
Due in More Than One Year	43,502,578	20,166,716	63,669,294
Total Liabilities	50,950,635	21,509,579	72,460,214
Deferred Inflows of Resources			
Deferred Inflows Related to Pensions	2,169,218	52,637	2,221,855
Deferred Inflows Related to OPEB	4,860,108	283,136	5,143,244
Lease Related	362,305	-	362,305
Total Deferred Inflows of Resources	7,391,631	335,773	7,727,404
Total Liabilities and Deferred Inflows	58,342,266	21,845,352	80,187,618
Net Position			
Net Investment in Capital Assets	65,189,441	23,542,207	88,731,648
Restricted for:			
Capital Expansion Program	-	10,218,028	10,218,028
Transportation	1,979,616	-	1,979,616
Public Safety	2,622,453	-	2,622,453
Economic Development	4,199,444	-	4,199,444
Other Purposes	1,898,245	-	1,898,245
Unrestricted (Deficit)	(20,388,835)	3,163,044	(17,225,791)
Total Net Position	\$ 55,500,364	\$ 36,923,279	\$ 92,423,643

See accompanying notes.

DESOTO COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General Government	\$ 14,125,822	\$ 5,182,332	\$ 7,542,070	\$ -	\$ (1,401,420)	\$ -	\$ (1,401,420)
Public Safety	47,100,701	10,913,485	1,392,824	-	(34,794,392)	-	(34,794,392)
Physical Environment	2,688,155	1,231,541	-	-	(1,456,614)	-	(1,456,614)
Transportation	5,761,026	155,784	-	5,939,866	334,624	-	334,624
Economic Environment	726,737	2,320	1,788,161	-	1,063,744	-	1,063,744
Human Services	4,629,047	30,210	439,292	-	(4,159,545)	-	(4,159,545)
Culture and Recreation	2,755,378	196,051	62,183	-	(2,497,144)	-	(2,497,144)
Court-Related	2,590,789	4,681,055	389,218	-	2,479,484	-	2,479,484
Interest on Long-Term Debt	338,939	-	-	-	(338,939)	-	(338,939)
Total Governmental Activities	80,716,594	22,392,778	11,613,748	5,939,866	(40,770,202)	-	(40,770,202)
Business-Type Activities							
Landfill	6,309,456	3,432,410	99,952	722	-	(2,776,372)	(2,776,372)
Water and Sewer	5,307,481	4,613,443	167,223	6,308,139	-	5,781,324	5,781,324
Total Business-Type Activities	11,616,937	8,045,853	267,175	6,308,861	-	3,004,952	3,004,952
Total	\$ 92,333,531	\$ 30,438,631	\$ 11,880,923	\$ 12,248,727	(40,770,202)	3,004,952	(37,765,250)
General Revenues							
Taxes:							
Property Tax					19,790,641	-	19,790,641
Small County Surcharge					3,991,079	-	3,991,079
Law Enforcement					4,714,909	-	4,714,909
Communications					145,783	-	145,783
Tourist Development					164,532	-	164,532
Surtax					2,504,885	-	2,504,885
Gas and Fuel Taxes					1,289,381	-	1,289,381
Franchise Fees					1,776,873	-	1,776,873
Inter-Governmental Revenue:							
Pari-Mutuel Tax					314,333	-	314,333
State Shared Revenue					1,200,626	-	1,200,626
Local Shared Revenue					858,293	-	858,293
State Sales Tax					4,430,864	-	4,430,864
Miscellaneous					1,825,121	343,655	2,168,776
Transfers In (Out)					(2,001,649)	2,001,649	-
Total General Revenues and Transfers					41,005,671	2,345,304	43,350,975
Change in Net Position					235,469	5,350,256	5,585,725
Net Position, Beginning of Year					55,264,895	31,573,023	86,837,918
Net Position, End of Year					\$ 55,500,364	\$ 36,923,279	\$ 92,423,643
See accompanying notes.							

DESOTO COUNTY, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	<u>General</u>	<u>County Transportation</u>	<u>Fire and EMS</u>
Assets			
Cash and Cash Equivalents	\$ 17,213,330	\$ 2,840,683	\$ 1,697,490
Restricted Cash and Cash Equivalents	-	-	-
Accounts Receivable, Net	689,255	727	674,902
Special Assessments Receivable	-	-	1,885
Notes Receivable, Net	-	-	-
Lease Receivable	376,691	-	-
Due from Other Funds	908,651	-	36,868
Due from Other Governments	1,724,775	1,809,046	38
Due from Individuals	2,319	-	-
Inventories	-	90,864	-
Prepays	60,536	9,531	2,097
Deposits	80,000	-	-
Advances to Other Funds	8,945,782	-	-
Total Assets	<u>30,001,339</u>	<u>4,750,851</u>	<u>2,413,280</u>
Liabilities			
Vouchers Payable	1,167,578	1,568,800	248,562
Construction Retainage Payable	-	110,949	-
Accrued Liabilities	425,511	36,288	109,145
Due to Other Funds	71,150	779,497	-
Due to Other Governments	148,232	-	-
Deposits	27,860	-	-
Unearned Revenues	1,521,685	-	-
Advances from Other Funds	-	-	-
Total Liabilities	<u>3,362,016</u>	<u>2,495,534</u>	<u>357,707</u>
Deferred Inflows			
Unavailable Revenues	37,208	286,255	281,406
Lease Related	362,305	-	-
Total Deferred Inflows of Resources	<u>399,513</u>	<u>286,255</u>	<u>281,406</u>
Fund Balances (Deficits)			
Non-Spendable:			
Prepays and Inventories	60,536	100,395	2,097
Advances to Other Funds	8,945,782	-	-
Restricted for:			
Transportation	-	1,868,667	-
Economic Development	-	-	-
Public Assistance Programs	-	-	-
Streetlighting	-	-	-
Public Safety	-	-	1,772,070
Court-Related Services	-	-	-
Solid Waste Control Services	-	-	-
Debt Service	-	-	-
Building Code Enforcement	-	-	-
Assigned for:			
Subsequent Year Budget	4,848,170	-	-
Construction Projects	-	-	-
Unassigned (Deficit)	12,385,322	-	-
Total Fund Balances (Deficits)	<u>26,239,810</u>	<u>1,969,062</u>	<u>1,774,167</u>
Total Liabilities, Deferred Inflows, and Fund Balances (Deficits)	<u>\$ 30,001,339</u>	<u>\$ 4,750,851</u>	<u>\$ 2,413,280</u>

See accompanying notes.

Hurricane Fund	Non-Major Governmental Funds	Total Governmental Funds
\$ 547,527	\$ 6,872,796	\$ 29,171,826
-	539,772	539,772
260	-	1,365,144
-	49	1,934
-	1,375,000	1,375,000
-	-	376,691
-	26,134	971,653
-	546,235	4,080,094
-	16,851	19,170
-	-	90,864
-	63,137	135,301
-	-	80,000
-	-	8,945,782
<u>547,787</u>	<u>9,439,974</u>	<u>47,153,231</u>
80,756	631,764	3,697,460
-	-	110,949
-	46,166	617,110
-	129,155	979,802
-	4,214	152,446
-	8,226	36,086
-	409,546	1,931,231
<u>8,939,993</u>	<u>5,789</u>	<u>8,945,782</u>
<u>9,020,749</u>	<u>1,234,860</u>	<u>16,470,866</u>
-	613	605,482
-	-	362,305
<u>-</u>	<u>613</u>	<u>967,787</u>
-	63,137	226,165
-	-	8,945,782
-	-	1,868,667
-	4,199,444	4,199,444
-	372	372
-	11,658	11,658
-	850,383	2,622,453
-	658,133	658,133
-	1,896	1,896
-	4	4
-	1,226,182	1,226,182
-	-	4,848,170
-	1,250,484	1,250,484
<u>(8,472,962)</u>	<u>(57,192)</u>	<u>3,855,168</u>
<u>(8,472,962)</u>	<u>8,204,501</u>	<u>29,714,578</u>
<u>\$ 547,787</u>	<u>\$ 9,439,974</u>	<u>\$ 47,153,231</u>

See accompanying notes.

DESOTO COUNTY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2023

Total Fund Balances of Governmental Funds	\$	29,714,578
--	----	------------

**Amounts Reported for Governmental Activities in the Statement
of Net Position are Different Because:**

Revenues are deferred in governmental funds when both the measurable and available criteria are not met under the modified accrual basis of accounting. Under the full accrual basis of accounting, these revenues would be recognized when earned regardless of when they are received.		605,482
--	--	---------

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$123,365,771, and the accumulated depreciation is \$57,427,046.		65,938,725
--	--	------------

Net pension liabilities and related deferred outflows and inflows of resources are not due or available in the current period and, therefore, are not recognized in the governmental funds:

Deferred Outflows	\$ 9,161,001	
Deferred Inflows	(2,169,218)	
Net Pension Liability	(35,111,166)	(28,119,383)

Long-term liabilities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position. Long-term liabilities at year-end consist of:

Installment Purchase Obligations	(513,306)	
Subscription-Based Information		
Technology Arrangements Payable	(33,720)	
Leases Payable	(48,724)	
Interest Payable	(12,422)	
Compensated Absences	(1,345,464)	(1,953,636)

The other postemployment benefits liability is not recorded in the fund financial statements because it does not utilize current resources:

Other Postemployment Benefits Liability	(7,340,551)	
Deferred Outflows	1,515,257	
Deferred Inflows	(4,860,108)	(10,685,402)

Total Net Position of Governmental Activities	\$	55,500,364
--	----	------------

See accompanying notes.

DESOTO COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>General</u>	<u>County Transportation</u>	<u>Fire and EMS</u>
Revenues			
Taxes	\$ 28,642,413	\$ 1,289,381	\$ -
Special Assessments	-	-	2,992,648
Permits and Fees	1,896,495	50,229	18,875
Intergovernmental Revenues	13,343,959	4,565,422	152,545
Charges for Services	4,096,006	55,523	1,578,417
Fines and Forfeitures	134,654	-	-
Miscellaneous Revenues	1,216,491	50,032	32,706
Total Revenues	<u>49,330,018</u>	<u>6,010,587</u>	<u>4,775,191</u>
Expenditures			
Current:			
General Government	10,851,212	-	89,385
Public Safety	15,004,637	-	7,110,466
Physical Environment	447,563	-	-
Transportation	-	8,459,529	-
Economic Environment	24,283	-	-
Human Services	1,660,748	-	-
Culture and Recreation	1,947,520	-	-
Court-Related	1,334,412	-	-
Debt Service:			
Principal Retirement	46,230	61,950	86,004
Interest and Fiscal Charges	2,734	6,951	2,658
(Total Expenditures)	<u>(31,319,339)</u>	<u>(8,528,430)</u>	<u>(7,288,513)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>18,010,679</u>	<u>(2,517,843)</u>	<u>(2,513,322)</u>
Other Financing Sources (Uses)			
Transfers In	529,810	4,455,927	2,554,365
Transfers (Out)	(12,318,521)	(1,632,850)	(66,236)
Distributions of Excess Commissions	(127,000)	-	-
Lease Financing	-	251,900	-
Insurance Proceeds	83,671	54,050	33,964
Subscription-Based Information Technology Arrangements Financing	45,680	-	-
Total Other Financing Sources (Uses)	<u>(11,786,360)</u>	<u>3,129,027</u>	<u>2,522,093</u>
Net Change in Fund Balances	6,224,319	611,184	8,771
Fund Balances, Beginning of Year, As Restated	<u>20,015,491</u>	<u>1,357,878</u>	<u>1,765,396</u>
Fund Balances (Deficits), End of Year	<u><u>\$ 26,239,810</u></u>	<u><u>\$ 1,969,062</u></u>	<u><u>\$ 1,774,167</u></u>

See accompanying notes.

Hurricane Fund	Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ 2,669,417	\$ 32,601,211
-	53,558	3,046,206
-	947,705	2,913,304
7,528,575	3,874,310	29,464,811
-	6,895,406	12,625,352
-	103,199	237,853
-	370,378	1,669,607
<u>7,528,575</u>	<u>14,913,973</u>	<u>82,558,344</u>
-	3,370,094	14,310,691
17,592,052	2,867,039	42,574,194
-	2,221,974	2,669,537
-	-	8,459,529
-	702,755	727,038
-	2,915,773	4,576,521
-	103,070	2,050,590
-	1,291,196	2,625,608
-	1,810,511	2,004,695
-	23,549	35,892
<u>(17,592,052)</u>	<u>(15,305,961)</u>	<u>(80,034,295)</u>
<u>(10,063,477)</u>	<u>(391,988)</u>	<u>2,524,049</u>
32,913	4,971,048	12,544,063
-	(528,105)	(14,545,712)
-	-	(127,000)
-	-	251,900
1,086,668	2,968	1,261,321
-	22,840	68,520
<u>1,119,581</u>	<u>4,468,751</u>	<u>(546,908)</u>
(8,943,896)	4,076,763	1,977,141
<u>470,934</u>	<u>4,127,738</u>	<u>27,737,437</u>
<u>\$ (8,472,962)</u>	<u>\$ 8,204,501</u>	<u>\$ 29,714,578</u>

See accompanying notes.

DESOTO COUNTY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Net Change in Fund Balances - Total Governmental Funds \$ 1,977,141

**Amounts Reported for Governmental Activities in the Statement of
Activities are Different Because:**

Governmental funds report capital purchases as expenditures.

Donated and transferred capital assets are not recorded in the fund statements. In the statement of activities, the cost of capital assets acquired is depreciated over their estimated useful lives and reported as depreciation expense.

Capital Asset Purchases	\$ 7,206,588	
Capital Asset Disposals	(281,870)	
Transfers of Capital Assets	4,235	
Depreciation Expense	<u>(4,775,152)</u>	2,153,801

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds. In addition, principal payments are recorded as expenditures in the fund statements, and proceeds from debt issuances are recorded as other financing sources.

New Debt	(320,420)	
Principal Paid	<u>2,004,695</u>	1,684,275

Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. Adjustments are as follows:

Accrued Interest	17,375	
Other Postemployment Benefits	474,531	
Pension Adjustments	(4,710,774)	
Compensated Absences	<u>(303,151)</u>	(4,522,019)

Under the modified accrual basis of accounting used in governmental funds, revenues are recognized when they are earned, measurable, and available. In the statement of activities, however, which is presented on the accrual basis, revenues are recognized when they are earned and measurable.

(1,057,729)

Change in Net Position of Governmental Activities

\$ 235,469

See accompanying notes.

DESOTO COUNTY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2023

	Business-Type Activities - Enterprise Funds		
	Landfill	Water/Sewer Utility	Total
Assets			
Current Assets:			
Cash and Cash Equivalents	\$ 6,937,072	\$ 5,979,400	\$ 12,916,472
Accounts Receivable, Net	105,993	520,942	626,935
Assessments Receivable	62	-	62
Due from Other Funds	8,149	-	8,149
Due from Other Governments	-	38,925	38,925
Inventories	-	96,258	96,258
Prepays	1,338	-	1,338
Restricted Assets:			
Cash and Cash Equivalents	17,450	238,097	255,547
Total Current Assets	7,070,064	6,873,622	13,943,686
Non-Current Assets:			
Restricted Assets:			
Cash and Cash Equivalents	2,533,185	10,218,028	12,751,213
Capital Assets - Non-Depreciated	768,683	6,480,660	7,249,343
Capital Assets - Depreciated, Net	3,769,248	20,594,875	24,364,123
Total Non-Current Assets	7,071,116	37,293,563	44,364,679
Total Assets	14,141,180	44,167,185	58,308,365
Deferred Outflows of Resources			
Contractual Rights	-	80,000	80,000
Deferred Outflows Related to Pensions	99,569	162,829	262,398
Deferred Outflows Related to OPEB	62,855	55,013	117,868
Total Deferred Outflows of Resources	162,424	297,842	460,266
Liabilities			
Current Liabilities:			
Vouchers and Contracts Payable	33,744	339,003	372,747
Accrued Liabilities	15,257	15,278	30,535
Accrued Interest	-	40,735	40,735
Deposits	17,450	197,362	214,812
Accrued Compensated Absences	1,628	2,929	4,557
Notes Payable	210,405	105,304	315,709
Bonds Payable	-	337,226	337,226
Other Postemployment Benefits	13,271	13,271	26,542
Total Current Liabilities	291,755	1,051,108	1,342,863
Non-Current Liabilities:			
Accrued Compensated Absences	14,650	26,363	41,013
Notes Payable	757,290	1,263,343	2,020,633
Bonds Payable	-	5,397,691	5,397,691
Net Pension Liability	361,054	590,443	951,497
Other Postemployment Benefits	329,379	385,811	715,190
Accrued Landfill Closure/Post-Closure Costs	11,040,692	-	11,040,692
Total Non-Current Liabilities	12,503,065	7,663,651	20,166,716
Total Liabilities	12,794,820	8,714,759	21,509,579
Deferred Inflows of Resources			
Deferred Inflows Related to Pensions	19,973	32,664	52,637
Deferred Inflows Related to OPEB	128,390	154,746	283,136
Total Deferred Inflows of Resources	148,363	187,410	335,773
Net Position			
Net Investment in Capital Assets	3,570,236	19,971,971	23,542,207
Restricted for:			
Capital Expansion Program	-	10,218,028	10,218,028
Unrestricted (Deficit)	(2,209,815)	5,372,859	3,163,044
Total Net Position	\$ 1,360,421	\$ 35,562,858	\$ 36,923,279

See accompanying notes.

DESOTO COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Business-Type Activities - Enterprise Funds		
	Landfill	Water/Sewer Utility	Total
Operating Revenues			
Charges for Services	\$ 2,715,260	\$ 4,556,693	\$ 7,271,953
Special Assessments	659,579	-	659,579
Licenses and Permits	-	3,625	3,625
Miscellaneous Operating Revenues	57,571	53,125	110,696
Total Operating Revenues	3,432,410	4,613,443	8,045,853
Operating Expenses			
Purchased Water	-	910,003	910,003
Personnel Services	490,028	839,243	1,329,271
Contracted Services	426,301	202,253	628,554
Supplies and Materials	50,379	178,233	228,612
Repairs and Maintenance	196,229	968,201	1,164,430
Other Services and Charges	97,241	157,175	254,416
Utilities	10,373	209,913	220,286
Depreciation	449,408	1,664,849	2,114,257
Amortization	-	40,000	40,000
Provision for Closure and Long-Term Care	4,535,342	-	4,535,342
(Total Operating Expenses)	(6,255,301)	(5,169,870)	(11,425,171)
Operating Income (Loss)	(2,822,891)	(556,427)	(3,379,318)
Non-Operating Revenues (Expenses)			
Operating Grants	99,952	167,223	267,175
Interest Income	131,481	160,730	292,211
Interest Expense	(54,155)	(136,383)	(190,538)
Gain (Loss) on Disposal of Capital Assets	15,945	(1,228)	14,717
Other Non-Operating Revenues	6,629	28,870	35,499
Total Non-Operating Revenues (Expenses)	199,852	219,212	419,064
Income (Loss) Before Transfers and Contributions	(2,623,039)	(337,215)	(2,960,254)
Operating Transfers			
Operating Transfers In	8,149	2,000,000	2,008,149
Operating Transfers (Out)	(1,590)	(4,910)	(6,500)
Total Operating Transfers	6,559	1,995,090	2,001,649
Capital Contributions			
Capital Contributions	722	-	722
Capital Fees	-	6,308,139	6,308,139
Total Capital Contributions	722	6,308,139	6,308,861
Changes in Net Position	(2,615,758)	7,966,014	5,350,256
Net Position, Beginning of Year	3,976,179	27,596,844	31,573,023
Total Net Position, End of Year	\$ 1,360,421	\$ 35,562,858	\$ 36,923,279

See accompanying notes.

DESOTO COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Business-Type Activities - Enterprise Funds		
		Water/Sewer	
	Landfill	Utility	Total
Cash Flows from Operating Activities			
Receipts from Customers and Users	\$ 3,440,637	\$ 10,872,134	\$ 14,312,771
Payments to Suppliers	(775,325)	(3,306,086)	(4,081,411)
Payments to Employees	(501,265)	(707,780)	(1,209,045)
Net Cash Provided by Operating Activities	2,164,047	6,858,268	9,022,315
Cash Flows from Non-Capital Financing Activities			
Transfers from Other Funds	8,149	2,000,000	2,008,149
Transfers to Other Funds	(1,590)	(4,910)	(6,500)
Interfund Loans (Repayments)	(23,877)	-	(23,877)
Operating Grants	99,952	167,223	267,175
Non-Operating Revenue	6,629	28,870	35,499
Net Cash Provided by Non-Capital Financing Activities	89,263	2,191,183	2,280,446
Cash Flows from Capital and Related Financing Activities			
Acquisition/Construction of Capital Assets	(1,024,725)	(1,188,517)	(2,213,242)
Principal Paid	(350,293)	(551,468)	(901,761)
Interest Paid	(54,155)	(138,851)	(193,006)
Proceeds from Sale of Capital Assets	266,548	2,203	268,751
Net Cash (Used in) Capital and Related Financing Activities	(1,162,625)	(1,876,633)	(3,039,258)
Cash Flows from Investing Activities			
Interest Received	131,481	160,730	292,211
Net Cash Provided by Investing Activities	131,481	160,730	292,211
Net Increase in Cash and Cash Equivalents	1,222,166	7,333,548	8,555,714
Cash and Cash Equivalents, Beginning of Year	8,265,541	9,101,977	17,367,518
Cash and Cash Equivalents, End of Year	\$ 9,487,707	\$ 16,435,525	\$ 25,923,232

See accompanying notes.

DESOTO COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Business-Type Activities - Enterprise Funds		
	Landfill	Water/Sewer Utility	Total
Cash and Cash Equivalents Classified as:			
Current Assets	\$ 6,937,072	\$ 5,979,400	\$ 12,916,472
Current Assets - Restricted	17,450	238,097	255,547
Non-Current Assets - Restricted	2,533,185	10,218,028	12,751,213
Total Cash and Cash Equivalents	\$ 9,487,707	\$ 16,435,525	\$ 25,923,232
<u>Reconciliation of Operating Income to Net</u>			
<u>Cash Provided by Operating Activities:</u>			
Operating Income (Loss)	\$ (2,822,891)	\$ (556,427)	\$ (3,379,318)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	449,408	1,664,849	2,114,257
Amortization	-	40,000	40,000
Pension Adjustments	(14,228)	123,852	109,624
OPEB Adjustments	3,228	3,228	6,456
Provision for Closure and Post-Closure	4,535,343	-	4,535,343
Change in Assets and Liabilities:			
Decrease (Increase) in Accounts Receivable	5,626	(112,845)	(107,219)
Decrease (Increase) in Due from Other Governments	34,697	(579)	34,118
Decrease (Increase) in Inventories	-	(55,251)	(55,251)
Decrease (Increase) in Prepaids	669	-	669
Increase (Decrease) in Accounts Payable	(30,168)	(624,482)	(654,650)
Increase (Decrease) in Accrued Liabilities	8,035	5,931	13,966
Increase (Decrease) in Deposits	2,600	63,400	66,000
Increase (Decrease) in Compensated Absences	(8,272)	(1,547)	(9,819)
Total Adjustments	4,986,938	1,106,556	6,093,494
Net Cash Provided by Operating Activities	\$ 2,164,047	\$ 550,129	\$ 2,714,176

See accompanying notes.

DESOTO COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2023

	Custodial Funds
Assets	
Cash and Cash Equivalents	\$ 2,080,011
Accounts Receivable	33,842
Due from Other Governments	6,616
Total Assets	<u>2,120,469</u>
Liabilities	
Due to Other Governments	621,615
Due to Individuals and Businesses	40,894
Deposits	5,732
Total Liabilities	<u>668,241</u>
Net Position	
Restricted for:	
Individuals, Businesses, and Other Governments	1,452,228
Total Net Position	<u><u>\$ 1,452,228</u></u>

See accompanying notes.

DESOTO COUNTY, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Custodial Funds
Additions	
Fees/Fines Collected for Other Governments	\$ 1,831,589
Deposits and Other Trust Activities	2,008,723
Property Taxes and Fees Collected for Local Governments	17,811,283
Tax Certificate Redemptions and Fees Collected for Business and Individuals	7,701,015
Cash Bonds Collected	122,201
Fines, Forfeitures, and Fees Collected	51,260
Evidence Monies Collected	47,064
Collections from Inmates	570,064
Interest Income	430
Total Additions	30,143,629
Deductions	
Fees/Fines Disbursed to Other Governments	1,845,011
Deposits and Other Trust Activities Disbursed	1,878,235
Property Taxes and Fees Disbursed to Local Governments	17,811,283
Tax Certificate Redemptions and Fees Disbursed to Business and Individuals	7,701,015
Cash Bonds Disbursed	122,201
Fines, Forfeitures, and Fees Disbursed	46,454
Evidence Monies Disbursed	49,790
Inmate Funds Disbursed	565,770
(Total Deductions)	(30,019,759)
Change in Fiduciary Net Position	123,870
Beginning Net Position	1,328,358
Ending Net Position	\$ 1,452,228

See accompanying notes.

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

Note 1 - Summary of Significant Accounting Policies

The financial statements of DeSoto County, Florida (the County) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Significant accounting policies used in these financial statements are described below:

A. Reporting Entity

The County is a political subdivision of the State of Florida, established by the Constitution of the State of Florida, Article VIII, Section 1(e). It is governed by an elected Board of County Commissioners (the Board) which must comply with specific state statutes and regulations. In addition to the Board, there are five elected Constitutional Officers: Clerk of the Circuit and County Courts, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector. The Constitutional Officers maintain separate accounting records and budgets. The Board funds a portion or, in certain instances, all of the operating budgets, of the County's Constitutional Officers. The operations of each Constitutional Officer are reported as part of the consolidated general fund and non-major special revenue funds within the County's financial statements.

As required by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus—an Amendment of GASB Statements No. 14 and No. 34*, the financial reporting entity consists of: (1) the primary government of the County; (2) organizations for which the County is financially accountable; and (3) other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The County is financially accountable if it appoints a voting majority of the organization's governing body and: (1) it is able to impose its will on that organization; or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County. The County may be financially accountable if an organization is fiscally dependent on the County regardless of whether the organization has: (1) a separately elected governing board; (2) a governing board appointed by a higher level of government; or (3) a jointly appointed board. Based on these criteria, County management examined all organizations which were legally separate in order to determine which organizations, if any, should be included in the County's financial statements. Management determined that the County has no component units. However, the Board has created several taxing districts by ordinance or resolution, and these are included in the financial statements as special revenue funds.

The County is responsible for appointing members of the Board of the DeSoto Memorial Hospital but is not accountable for this organization. Other governmental entities who serve all or part of the County's population include the City of Arcadia and the DeSoto County School Board. These entities are autonomous organizations with their own governmental powers and constituencies.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and inter-governmental revenues, are reported separately from

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

business-type activities, which rely to a significant extent on fees and charges for support. The statement of activities demonstrates the degree to which the direct expenses and indirect costs of a given function, or segment, are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses are those costs that are allocated to functions and activities in accordance with the County's adopted indirect cost allocation plan. The expenses column includes both direct and indirect expenses. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Fiduciary funds are excluded from the government-wide financial statements. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements. Reconciliations are provided that convert the results of governmental fund accounting to the government-wide financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available.

Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, other postemployment benefits (OPEB), and claims and judgments, are recorded only when payment is due.

Property taxes, franchise fees, emergency services fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Reimbursement-type grants are considered susceptible to accrual when all restrictions have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

The financial transactions of the County are recorded in individual funds. Each fund is accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, 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.

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets plus deferred outflows, liabilities plus deferred inflows, revenues, expenditures/expenses of either fund category, or the governmental and enterprise funds combined) for the determination of major funds. In addition, funds may be considered major for qualitative reasons.

The County reports the following major governmental funds:

- The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the primary government, except those required to be accounted for in another fund.
- The *County Transportation Fund*, a special revenue fund, was created pursuant to the provisions of Section 129.02, Florida Statutes, to account for restricted transportation-related grants and gas taxes, and expenditures not more properly accounted for elsewhere.
- The *Fire and Emergency Medical Services (EMS) Fund* is a special revenue fund used to account for the revenue and costs of providing fire-fighting and EMS throughout the County. Its significant restricted revenues come from special assessments.
- The *Hurricane Fund* is a special revenue fund used to account for the revenue and costs to aid in response to natural disasters affecting the County.

The County reports the following major enterprise funds:

- The *Landfill Fund* accounts for the fiscal activity of all solid waste disposal within the County.
- The *Water/Sewer Utility Fund* accounts for the fiscal activity of providing water and wastewater services to residential and commercial customers in the County's service area.

Additionally, the County reports the following fund types:

- *Special Revenue Funds* account for the proceeds of specific revenue sources that are legally restricted or committed for specified purposes.
- A *Debt Service Fund* accounts for the accumulation of resources for, and the payment of, governmental long-term debt principal and interest.
- *Capital Projects Funds* account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

- *Custodial Funds* are fiduciary funds that are custodial in nature and include those activities that are not derived from the government's own source revenue. They are excluded from the government-wide financial statements.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the ongoing costs of providing these sales and services, administrative expenses, depreciation of capital assets, and amortization of landfill closure and post-closure costs. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

D. Budgetary Requirements

The following procedures are utilized by the County in establishing and/or amending the budgetary information contained in the financial statements:

- On or before July 15 of each year, or within 15 days after the receipt of certified taxable property values from the Property Appraiser, whichever occurs last, management presents to the Board a proposed budget for the fiscal year commencing the following October 1. Pursuant to the provisions of Section 129.01, Florida Statutes, the proposed budget as submitted contains balanced statements of estimated revenues (including unexpended fund balances to be carried forward) and proposed appropriations for all funds of the County, except fiduciary funds.
- Following a preliminary review of the proposed budgets by the Board, whose members make such changes as are deemed necessary (provided that the proposed budget for each fund remains balanced), the Board causes a notice of proposed property taxes to be mailed to each County property taxpayer. Included in the notice is a statement of the Board's intent to hold a public hearing to consider adoption of the tentative millage rates and budgets, as well as a comparison of the taxpayer's proposed property tax bill with the actual tax bill of the preceding year.
- Following successful completion of the above-referenced public hearings, the Board advertises and subsequently conducts a second public hearing to finally adopt a millage rate and budget for each of the taxing entities under their jurisdiction. These public hearings are ordinarily held prior to October 1 each year. If, however, for some reason the Board is unable to finally adopt a budget prior to October 1, state law permits the re-adoption by resolution of the budget of the preceding year as an interim measure.
- Adoption and execution of the budgets are governed in accordance with applicable provisions of Florida Statutes. The budget is legally enacted by resolution.
- Formal budgetary integration at the object level is used as a management control device for all governmental funds of the County for which annual budgets are adopted. The level at which expenditures may not legally exceed appropriations is the functional level for the County's general fund (e.g., general government, public safety), the fund level for other Board funds, and for the Constitutional Officers.

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

- Budgets for the general fund and major special revenue funds are adopted on a basis consistent with GAAP. However, beginning in 2011, certain budgetary funds have been combined for financial reporting purposes. For financial reporting, the general fund includes the following funds of the County or its Officers that are budgeted separately:
 - Board of County Commissioners (BOCC) General Fund
 - Clerk of the Courts General Fund
 - Property Appraiser General Fund
 - Sheriff General Fund
 - Supervisor of Elections General Fund
 - Tax Collector General Fund

The required supplementary information (RSI) section presents budget vs. actual information for the general fund and major special revenue funds. Where needed, combining schedules of revenues, expenditures, and changes in fund balance are presented as other supplementary information, which will reconcile the actual column of the budgetary schedules to the amounts reported in the basic financial statements.

All appropriations lapse at the end of each fiscal year, although the County expects to honor purchase orders and contracts in process, subject to authority provided in the subsequent years' budget.

E. Property Taxes

Under Florida law, the assessment of all properties and the collection of all county, municipal, school board, and other property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of Florida regulating tax assessment are also designed to assure a consistent property valuation method statewide. Florida Statutes permit counties to levy property taxes at a rate of up to 10 mills. The tax millage rate for general operations of the County was 7.90480 mills for the fiscal year ended September 30, 2023. The tax millage rate for the law enforcement municipal service taxing unit was 2.4399 mills for the fiscal year ended September 30, 2023.

The tax levy of the County is established by the Board prior to October 1 of each year and the Property Appraiser incorporates the millages into the total tax levy, which includes the municipalities, independent districts, and the County School Board tax requirements.

All property is reassessed according to its fair market value on January 1 of each year. Each assessment roll is submitted to the Executive Director of the State of Florida Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of Florida Statutes.

All taxes are due and payable on November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January, and 1% in the month of February. Taxes paid in March are without discount.

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on real property. Delinquent taxes on real property bear interest at 18% per year or as bid in a public sale of tax certificates. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years.

Unsold certificates are held by the County. Delinquent taxes on personal property bear interest at 18% per year until the tax is satisfied either by seizure and sale of the property or by the five-year statute of limitations.

The County does not accrue its portion of the County-held tax sale certificates or personal property tax warrants because such amounts are not considered to be material.

Key dates in the property tax cycle for the fiscal year ended September 30, 2023, were as follows:

Assessment Roll Certified	July 2022
Beginning of Fiscal Year for Which Taxes Were Being Levied	October 2022
Property Taxes Levied	October 2022
Tax Bills Issued	November 1, 2022
Property Taxes Due by: For Maximum Discount	November 30, 2022
Delinquent After	March 31, 2023
Tax Certificates (Liens) Sold on Unpaid Property Taxes	May 15, 2023

F. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund, and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

G. Interfund Payables and Receivables

Unpaid amounts of current interfund transactions at year-end are reflected as due from other funds or due to other funds in the related fund financial statements. Non-current portions of interfund payables and receivables are reported as advances. In governmental funds, advances receivable are offset equally by a non-spendable fund balance, which indicates that they do not constitute expendable financial resources available for appropriation. In the entity-wide financial statements, interfund transactions within governmental and business-type activities are eliminated and the net amount is reported as internal balances on the statement of net position.

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

H. Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents include cash on hand, demand deposit accounts, repurchase agreements with financial institutions, certificates of deposit, money market accounts, deposits in the State of Florida Local Government Surplus Funds Trust (Florida PRIME) administered by the State Board of Administration (SBA), and highly liquid investments (including restricted assets) with a maturity of three months or less when purchased.

I. Investments

Investments, if any, are carried at fair market value unless the investment qualifies as an external investment pool under the guidance of GASB Statement No. 79, which allows under certain criteria, these investments to be recorded at amortized cost. Florida PRIME is considered a stable value investment pool. The Office of the Auditor General of the State of Florida performs the operational audit of the activities and investments of the SBA.

J. Inventories and Prepaids

Inventories are valued at cost, which approximates market value, using the first-in/first-out (FIFO) method. Prepaids represent payments made to vendors for services that will benefit beyond September 30, 2023. These payments are generally recorded as expenditures or expenses when consumed rather than when purchased.

K. Restricted Assets

The use of certain assets is restricted by specific provisions of debt resolutions, developer agreements, or landfill regulations. Assets so designated are identified as restricted assets on the statement of net position, as their use is limited.

L. Utility Receivables

Water and wastewater operating revenues are generally recognized on the basis of cycle billings rendered monthly. Revenues for services rendered during the current fiscal year are billed at the close of the fiscal year.

M. Special Assessment Receivables

The Board imposes special assessments against property located within specified areas, as set forth in the related assessment resolution, for the construction of improvements. The assessment of each parcel is generally based upon the lineal feet of frontage along the areas to be improved. The assessments are collected on the ad valorem tax bill, as authorized by Section 197.3632, Florida Statutes.

N. Capital Assets

Capital assets, which include property, plant, equipment, intangibles, and infrastructure assets (e.g., roads, bridges, sidewalks, water mains and wastewater force mains, landfill facilities, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. All land and land improvements are capitalized. Buildings and intangibles with initial costs of \$50,000 or more, and furniture and equipment with initial costs of \$1,000 or more and estimated useful lives of over one year, are recorded as capital assets.

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

Roads, bridges, and other infrastructure assets are capitalized when their initial costs equal or exceed \$50,000 and possess estimated useful lives of more than one year. Governmental infrastructure constructed prior to June 30, 1980, is not reported, as permitted by GASB Statement No. 34.

Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value on the date contributed. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Intangibles assets are amortized over their useful lives, when the length of their lives is limited by contractual or legal limitations. Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives in the period they are placed in service:

Buildings and Improvements	10-50 Years
Landfill and Water/Sewer Structures	10-50 Years
Machinery, Equipment, and Vehicles	2-20 Years
Infrastructure	10-50 Years
Right-to-Use Assets	Lease Term
Subscription Assets	Subscription Term

O. Deferred Outflows/Deferred Inflows

In addition to assets, the statement of net position, or balance sheet, will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets (or fund balance) that applies to a future period(s) and so it will not be recognized as an outflow of resources (expense) until then. In addition to liabilities, the statement of net position, or balance sheet, will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets (or fund balance) that applies to a future period(s) and so it will not be recognized as an inflow of resources (revenue) until that time.

P. Compensated Absences

It is the County's general policy to grant all permanent full-time and part-time employees annual leave based upon the number of years of employment. Employees are encouraged to use their annual leave in the year that it is earned. The County records compensated absences in governmental funds as expenditures for the amount accrued during the year that would normally be liquidated with expendable, available financial resources. The County accrues compensated absences in the period they are earned in the government-wide and enterprise fund financial statements.

Q. Landfill Closure Costs

The Board recognizes municipal solid waste landfill closure and post-closure care costs under the State of Florida's *Solid Waste Management Act of 1988*, regulations of the Federal Environmental Protection Agency, and GASB Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Post-Closure Care Costs*. The Board is required to place a final cover on closed landfills and to provide long-term care for up to 30 years after closure. These obligations for closure and post-closure are recognized in the enterprise fund for the County's landfill operations over the active life of the landfill, based on landfill capacity.

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

R. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Principal payments reduce these obligations. Refunding losses are reported as deferred outflows and amortized over the remaining term. Issuance costs are expensed as incurred.

In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Principal, interest, and issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

S. Leases

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term leases where the County is the lessee are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Principal payments reduce these obligations. Additionally, long-term leases where the County is the lessor are reported as receivables and deferred inflows of resources in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Payments received and recognized as lease revenue reduce these receivables, while the related deferred inflows of resources are reduced by an even amount over the lease term.

In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Principal, interest, and issuance costs, whether or not withheld from the actual lease proceeds received, are reported as lease service expenditures in leases where the County is the lessee. While the lease term is stated in the contract, the interest rates can be either stated or implicit and based on the internal rate of return. In long-term leases where the County is the lessor, the amount expected to be received over the lease term is reported as a lease receivable, which is reduced by lease revenue recognized while the deferred inflows of resources are reduced evenly over the lease term in governmental fund financial statements.

T. Subscription-Based Information Technology Arrangements (SBITAs)

In the government-wide financial statements and proprietary fund types in the fund financial statements, SBITAs where the County is the subscriber are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Principal payments reduce these obligations. The subscription asset is initially recognized at the present value of the subscription payments, plus any initial direct costs. Amortization of the subscription asset is recorded systematically over the term of the arrangement.

In the governmental fund financial statements, the face amount of subscription payments is reported as other financing sources, while principal payments are recognized as expenditures for principal retirement. Additionally, interest or other financing costs related to the SBITAs are recognized as expenditures as incurred, based on the terms of the subscription arrangement.

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

U. OPEB

It is the County's policy to provide retirement health benefits based on three classes of employees as discussed further in Note 9. The County records OPEB liabilities based on actuarially-determined annual costs in the government-wide and enterprise fund financial statements.

V. Florida Retirement System

It is the County's policy to provide defined benefits through a pension plan based on several classes of employees as discussed further in Note 8. The County records defined benefit pension liabilities based on actuarially-determined annual costs in the government-wide and enterprise fund financial statements.

W. Unearned Revenues/Unavailable Revenues

Unearned revenues reported on the balance sheet or statement of net position represent revenues that have been received but not earned. Deferred inflows – unavailable revenues on the governmental fund balance sheet represent revenues that are earned and receivable but have not been recognized because they have not met the "availability" criteria for governmental fund revenues.

X. Grant Revenues

Program and capital grants received by governmental funds are recorded in the applicable governmental fund as receivables, and revenues at the time reimbursable costs are incurred and all significant grant restrictions are satisfied. Grant revenues received in advance of meeting all major grant restrictions are reported as unearned revenues. Grant revenues that have met all significant restrictions, but have not met the "availability" criteria, are reported as deferred inflows.

Y. Fund Balance and Net Position

Government-Wide Statements

In the government-wide financial statements, equity is classified as net position and displayed in three components:

- *Net Investment in Capital Assets*—Consists of capital assets net of accumulated depreciation and other assets financed by the related debt, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- *Restricted*—Consists of net position with constraints placed on their use either by: (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- *Unrestricted*—Consists of the net amount of assets (plus deferred outflows) and liabilities (plus deferred inflows) that are not included in the determination of net investment in capital assets or the restricted component of net position.

Proprietary Fund Statements

In the fund financial statements, proprietary fund equity is classified the same as in the government-wide statements.

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

Governmental Fund Financial Statements

In accordance with GASB Statement No. 54, the County classifies governmental fund balances as follows:

- *Non-Spendable Fund Balance*—Represents fund balance that is: (a) not in a spendable form such as prepaid items; or (b) legally or contractually required to be maintained intact such as an endowment.
- *Restricted Fund Balance*—Consists of amounts that can be spent only on the specific purposes stipulated by law or by the external providers of those resources such as voter approved gas taxes and grant revenues.
- *Committed Fund Balance*—Self-imposed limitations set in place prior to the end of the fiscal period. These amounts can be used only for specific purposes as determined by a formal action of the highest level of decision-making authority (i.e., the County Commission by ordinance, or where applicable, a Constitutional Officer by policy). In addition, to meet this classification, the expenditure constraint cannot be removed except by a similar formal action.
- *Assigned Fund Balance*—Amounts that are subject to a purpose constraint that represents an intended use established by the County Commission or by their designated body or official (to date, the Board has not designated any such body or official). The purpose of the assignment must be narrower than the purpose of the fund. Formal action is *not* necessary to impose, remove, or modify a constraint in this category. Additionally, this category is used to reflect the appropriation of a portion of existing fund balance to eliminate a projected deficit in the subsequent year's budget. It is also used for residual balances in special revenue funds, debt service, and capital projects funds.
- *Unassigned Fund Balance*—Represents the residual classification of fund balance and includes all spendable amounts not contained within the other classifications of the general fund. This classification also includes deficit fund balances of other governmental funds.

Minimum Fund Balance Policy

The County's fund balance policy states that "a minimum fund balance shall be established that may be provided for the purpose of paying expenses from October 1 of the ensuing fiscal year until the time when revenues for that year are expected to be available. This minimum fund balance shall accumulate to an amount which represents no less than two (2) months of operating and debt expenditures. Upon accumulation, this minimum fund balance shall be maintained; however, when possible, increase to a goal of three (3) months. Recognizing that the minimum of the two (2) months of operating and debt expenditures may not be accomplished immediately, the County Administrator will provide annually one-half of one percent of projected expenditures until the two (2) month target is reached. The minimum fund balance may not exceed 20 percent of the total revenues and balances of the budget." The policy requirements have been met as of September 30, 2023.

Use of Available Equity

When both restricted and unrestricted resources are available for use, it is the County's policy to use unrestricted resources (committed, assigned, and unassigned) first, and then restricted resources, as they are needed for their intended purposes. When unrestricted resources are available for use, it is the County's policy to use committed resources, then assigned, and then unassigned, as needed.

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

Z. New Accounting Pronouncement

For the year ended September 30, 2023, the Board implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96). GASB 96 improves financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition, which provides greater consistency in practice. Governments are required to report a subscription asset and subscription liability for SBITAs. These changes were incorporated in the County's financial statements and resulted in SBITA liabilities and subscription assets being recorded.

Note 2 - Deposits/Investments

A. Deposits

At September 30, 2023, the carrying amount of the County's deposits was \$57,714,841 (and \$13,815 in cash on hand). All of the County's public deposits are held in qualified public depositories pursuant to Florida Statutes, Chapter 280. Qualified public depositories are required to pledge collateral to the State Treasurer with a market value equal to 50% of the average daily balance of all public deposits in excess of any federal deposit insurance. In addition, to the extent that total public deposits exceed the total amount of the regulatory capital accounts of a bank or the regulatory net worth of a savings association, the required collateral shall have a market value equal to 125% of the deposits.

In the event of default by a qualified public depository, all claims for public deposits would be satisfied by the State Treasurer from the proceeds of federal deposit insurance, pledged collateral of the public depository in default and, if necessary, a pro rata assessment to the other qualified public depositories in the collateral pool. Therefore, all cash and time deposits held by banks are fully insured and collateralized.

B. Restricted Cash

Following is a summary of restricted cash and cash equivalents at September 30, 2023:

	<u>Governmental Funds</u>	<u>Proprietary Funds</u>
Major Funds:		
Landfill - Closure/Post-Closure	\$ -	\$ 2,533,185
Landfill - Deposits	-	17,450
Water/Sewer Utility - Wastewater Impact Fees	-	10,218,028
Water/Sewer Utility - Deposits	-	197,362
Water/Sewer Utility - Accrued Interest	-	40,735
Special Revenue Fund - Court Fees Fund	<u>539,772</u>	<u>-</u>
Total	<u>\$ 539,772</u>	<u>\$ 13,006,760</u>

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

Note 3 - Interfund Receivables, Payables, and Transfers

The composition of short-term interfund balances as of September 30, 2023, is as follows:

	Due to Other Funds	Due from Other Funds	Purpose
Governmental Funds			
General Fund (GF)	\$ 71,150	\$ 908,651	Receivables are primarily for grant expenditures. Payables were for excess fees and reimbursements.
County Transportation	779,497	-	Payables are for grant-related road projects.
Fire and EMS	-	36,868	Receivables are for excess tax collector fees.
Non-Major Special Revenue Funds	102,175	26,134	Payables are for on-going grant projects. Receivables are reimbursements for expenditures.
Non-Major Capital Project Funds	26,980	-	Payable is for roof replacement.
Enterprise Funds			
Landfill	-	8,149	Receivables are for excess tax collector fees.
	<u>\$ 979,802</u>	<u>\$ 979,802</u>	

The composition of interfund advances as of September 30, 2023, is as follows:

	Advances to Other Funds	Advances from Other Funds	Purpose
General Fund (GF)	\$ 8,945,782	\$ -	Loan for cash shortage to Hurricane and Golden Melody Lighting.
Hurricane	-	8,939,993	Loan to Hurricane for cash shortage.
Non-Major Golden Melody Lighting	-	5,789	Loan to Golden Melody Lighting for cash shortage.
	<u>\$ 8,945,782</u>	<u>\$ 8,945,782</u>	

Interfund transfers consist of the following:

	Transfers In	Transfers (Out)	Purpose
Governmental Funds			
General Fund	\$ 529,810	\$ 12,318,521	Transfers in were mainly from various grants and related programs. Transfers out were mainly to fund projects and operations of the County Transportation Fund, Fire and EMS, Non-Major Special Revenue Funds, and Non-Major Capital Project Funds. Transfers out were also to fund Water/Sewer infrastructure projects.
County Transportation	4,455,927	1,632,850	Transfers in are for funding transportation projects. Transfers out were primarily for debt service.
Fire and EMS	2,554,365	66,236	Transfers in were mainly to fund emergency services. Transfers out were for debt service.
Hurricane	32,913	-	Transfers in for response to natural disasters.
Non-Major Special Revenue	1,857,626	478,054	Transfers out were primarily for reimbursements. Transfers in were primarily for program costs.
Non-Major Debt Service	1,796,932	-	Transfers in are for debt service.
Non-Major Capital Projects	1,316,490	50,051	Transfers in were to fund on-going capital projects.
Enterprise Funds			
Landfill	8,149	1,590	Transfers in are from Constitutional Officers and transfers out are for program costs.
Water/Sewer Utility	2,000,000	4,910	Transfers in are for Water/Sewer infrastructure projects. Transfers out are for program costs.
	<u>\$ 14,552,212</u>	<u>\$ 14,552,212</u>	

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

Note 4 - Other Receivables

Following is a summary of other receivables balances at September 30, 2023:

	Accounts	Special Assessments	Notes	Lease	Total
Governmental Funds					
General Fund	\$ 689,255	\$ -	\$ -	\$ 376,691	\$ 1,065,946
County Transportation	727	-	-	-	727
Fire and EMS	1,355,679	1,885	-	-	1,357,564
Non-Major Special Revenue	260	49	9,411,138	-	9,411,447
(Less Allowance)	(680,777)	-	(8,036,138)	-	(8,716,915)
Total Governmental Funds	1,365,144	1,934	1,375,000	376,691	3,118,769
Enterprise Funds					
Landfill	105,993	62	-	-	106,055
Water/Sewer Utility	533,167	-	-	-	533,167
(Less Allowance)	(12,225)	-	-	-	(12,225)
Total Enterprise Funds	626,935	62	-	-	626,997
Fiduciary Funds	33,842	-	-	-	33,842
Totals	\$ 2,025,921	\$ 1,996	\$ 1,375,000	\$ 376,691	\$ 3,779,608

The entire balance of notes receivable at September 30, 2023, is non-current. All other net receivables above are considered to be current.

Notes Receivable

Loans in the State Housing Initiative Partnership Program (SHIP) have been provided for home rehabilitation, reconstruction, or down-payment assistance under terms of the various grant programs. Receivables are generally secured by zero-interest, primary, or subordinate mortgages on the affected property, some with principal due in full when the property is sold or otherwise transferred, or after thirty years, and some forgiven with the passage of time.

Water/Sewer Utility Accounts Receivable

Accounts receivable for the water/sewer utility fund includes outstanding receivable balances for customer usage charges.

Lease Receivable

The County leases land and office space to third parties. As of September 30, 2023, the County's lease receivables were valued at \$376,691 and the deferred inflow of resources associated with these leases that will be recognized as revenue over the term of the leases is \$362,305. Included in revenue is lease revenue of \$26,347 and interest revenue from leases of \$9,264.

The lease receivables for Governmental Activities as of September 30, 2023, are as follows:

Land Lease – annual lease payments totaling \$13,200 plus interest
at a rate of 2.56%, maturity dates ranging from 2027 to 2052. \$ 338,363

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

Office Space Leases – annual lease payments totaling \$15,543 plus interest at rates ranging from 0.92% to 1.39%, maturity dates ranging from 2025 to 2028. \$ 38,328

Note 5 - Capital Assets

A. Changes in Capital Assets

The following shows the changes in capital assets for governmental activities:

	Beginning Balance 10/01/2022	Additions	Transfers	Disposals	Ending Balance 9/30/2023
Governmental Activities					
Capital Assets, Not Depreciated/Amortized:					
Land and Easements	\$ 3,937,220	\$ -	\$ -	\$ (51,001)	\$ 3,886,219
Construction in Progress	1,499,197	3,974,411	(409,071)	-	5,064,537
Total Capital Assets, Not Depreciated/Amortized	<u>5,436,417</u>	<u>3,974,411</u>	<u>(409,071)</u>	<u>(51,001)</u>	<u>8,950,756</u>
Capital Assets, Depreciated/Amortized:					
Buildings and Improvements	31,999,041	89,785	-	-	32,088,826
Intangibles	551,756	-	-	-	551,756
Machinery and Equipment - Board	15,294,241	1,962,360	(54,659)	(748,976)	16,452,966
Machinery and Equipment - Sheriff	7,954,201	1,052,232	-	(559,217)	8,447,216
Right-to-Use Leased Equipment	196,248	-	-	-	196,248
Subscription Assets - Sheriff	-	68,520	-	-	68,520
Infrastructure	56,272,004	59,280	409,071	(130,872)	56,609,483
Total Capital Assets, Depreciated/Amortized	<u>112,267,491</u>	<u>3,232,177</u>	<u>354,412</u>	<u>(1,439,065)</u>	<u>114,415,015</u>
Less Accumulated Depreciation/Amortization for:					
Buildings and Improvements	(20,196,182)	(1,049,916)	-	-	(21,246,098)
Intangibles	(546,357)	(5,399)	-	-	(551,756)
Machinery and Equipment - Board	(10,291,225)	(888,240)	58,894	747,253	(10,373,318)
Machinery and Equipment - Sheriff	(4,715,784)	(740,859)	-	413,720	(5,042,923)
Right-to-Use Leased Equipment	(106,301)	(24,531)	-	-	(130,832)
Subscription Assets - Sheriff	-	(2,855)	-	-	(2,855)
Infrastructure	(18,063,135)	(2,063,352)	-	47,223	(20,079,264)
Total Accumulated Depreciation/Amortization	<u>(53,918,984)</u>	<u>(4,775,152)</u>	<u>58,894</u>	<u>1,208,196</u>	<u>(57,427,046)</u>
Total Capital Assets, Depreciated/Amortized	<u>58,348,507</u>	<u>(1,542,975)</u>	<u>413,306</u>	<u>(230,869)</u>	<u>56,987,969</u>
Governmental Activities Capital Assets	<u><u>\$ 63,784,924</u></u>	<u><u>\$ 2,431,436</u></u>	<u><u>\$ 4,235</u></u>	<u><u>\$ (281,870)</u></u>	<u><u>\$ 65,938,725</u></u>

The following is a summary of governmental activities depreciation expense by function:

Depreciation/Amortization Expense by Function	
Governmental Activities	
General Government	\$ 375,690
Public Safety (Board)	791,323
Public Safety (Sheriff)	743,714
Physical Environment	18,615
Economic Environment	334
Transportation	1,945,585
Human Services	6,793
Culture/Recreation	879,330
Court Services	13,768
Total Depreciation Expense	
Governmental Activities	<u><u>\$ 4,775,152</u></u>

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

The following shows the changes in capital assets for the County's business-type activities, by fund:

	Beginning Balance 10/01/2022	Additions	Transfers	Disposals	Ending Balance 9/30/2023
Landfill Fund					
Capital Assets, Not Depreciated:					
Construction in Progress	\$ 768,683	\$ -	\$ -	\$ -	\$ 768,683
Total Capital Assets, Not Depreciated	<u>768,683</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>768,683</u>
Capital Assets, Depreciated:					
Buildings and Improvements	245,520	-	-	-	245,520
Infrastructure	10,638,588	-	-	-	10,638,588
Intangibles	5,350	43,121	-	-	48,471
Machinery and Equipment	<u>1,811,170</u>	<u>986,562</u>	<u>61,878</u>	<u>(671,292)</u>	<u>2,188,318</u>
Total Capital Assets, Depreciated	<u>12,700,628</u>	<u>1,029,683</u>	<u>61,878</u>	<u>(671,292)</u>	<u>13,120,897</u>
Less Accumulated Depreciation for:					
Buildings and Improvements	(196,843)	(9,818)	-	-	(206,661)
Infrastructure	(7,933,812)	(283,251)	-	-	(8,217,063)
Intangibles	(334)	(10,322)	-	-	(10,656)
Machinery and Equipment	<u>(1,125,828)</u>	<u>(146,017)</u>	<u>(66,113)</u>	<u>420,689</u>	<u>(917,269)</u>
Total Accumulated Depreciation	<u>(9,256,817)</u>	<u>(449,408)</u>	<u>(66,113)</u>	<u>420,689</u>	<u>(9,351,649)</u>
Total Capital Assets, Depreciated	<u>3,443,811</u>	<u>580,275</u>	<u>(4,235)</u>	<u>(250,603)</u>	<u>3,769,248</u>
Landfill Capital Assets	<u>\$ 4,212,494</u>	<u>\$ 580,275</u>	<u>\$ (4,235)</u>	<u>\$ (250,603)</u>	<u>\$ 4,537,931</u>
	Beginning Balance 10/01/2022	Additions	Transfers	Disposals	Ending Balance 9/30/2023
Water/Sewer Utility					
Capital Assets, Not Depreciated:					
Land and Easements	\$ 2,452,456	\$ 12,501	\$ -	\$ -	\$ 2,464,957
Construction in Progress	<u>3,001,057</u>	<u>1,014,646</u>	<u>-</u>	<u>-</u>	<u>4,015,703</u>
Total Capital Assets, Not Depreciated	<u>5,453,513</u>	<u>1,027,147</u>	<u>-</u>	<u>-</u>	<u>6,480,660</u>
Capital Assets, Depreciated:					
Buildings and Improvements	646,783	-	-	-	646,783
Infrastructure	2,710,687	-	-	-	2,710,687
Intangibles	59,253	12,614	-	(3,000)	68,867
Machinery and Equipment	876,913	148,751	(7,219)	(27,661)	990,784
Water Distribution System	<u>39,748,944</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,748,944</u>
Total Capital Assets, Depreciated	<u>44,042,580</u>	<u>161,365</u>	<u>(7,219)</u>	<u>(30,661)</u>	<u>44,166,065</u>
Less Accumulated Depreciation for:					
Buildings and Improvements	(537,247)	(33,936)	-	-	(571,183)
Infrastructure	(1,004,395)	(122,461)	-	-	(1,126,856)
Intangibles	(54,339)	(1,706)	-	1,687	(54,358)
Machinery and Equipment	(556,579)	(81,252)	7,219	25,543	(605,069)
Water Distribution System	<u>(19,788,230)</u>	<u>(1,425,494)</u>	<u>-</u>	<u>-</u>	<u>(21,213,724)</u>
Total Accumulated Depreciation	<u>(21,940,790)</u>	<u>(1,664,849)</u>	<u>7,219</u>	<u>27,230</u>	<u>(23,571,190)</u>
Total Capital Assets, Depreciated	<u>22,101,790</u>	<u>(1,503,484)</u>	<u>-</u>	<u>(3,431)</u>	<u>20,594,875</u>
Water/Sewer Utility Capital Assets	<u>\$ 27,555,303</u>	<u>\$ (476,337)</u>	<u>\$ -</u>	<u>\$ (3,431)</u>	<u>\$ 27,075,535</u>

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

The following is a summary of business-type activities depreciation expense by activity:

Depreciation Expense by Activity	
Business-Type Activities	
Landfill	\$ 449,408
Water/Sewer Utility	<u>1,664,849</u>
Total Depreciation Expense	
Business-Type Activities	<u><u>\$ 2,114,257</u></u>

The following summarizes capital assets found on the statement of net position for governmental activities and business-type activities:

	Governmental	Business-Type	Total
Land and Easements	\$ 3,886,219	\$ 2,464,957	\$ 6,351,176
Construction in Progress	5,064,537	4,784,386	9,848,923
Capital Assets - Non-Depreciable/Amortized	<u><u>\$ 8,950,756</u></u>	<u><u>\$ 7,249,343</u></u>	<u><u>\$ 16,200,099</u></u>
Buildings and Improvements	\$ 32,088,826	\$ 892,303	\$ 32,981,129
Intangibles	551,756	117,338	669,094
Machinery and Equipment - Board	16,452,966	3,179,102	19,632,068
Machinery and Equipment - Sheriff	8,447,216	-	8,447,216
Infrastructure	56,609,483	13,349,275	69,958,758
Right-to-Use Leased Equipment	196,248	-	196,248
Subscription Assets - Sheriff	68,520	-	68,520
Water Distribution System	-	39,748,944	39,748,944
	<u>114,415,015</u>	<u>57,286,962</u>	<u>171,701,977</u>
(Less Accumulated Depreciation/Amortization)	<u>(57,427,046)</u>	<u>(32,922,839)</u>	<u>(90,349,885)</u>
Capital Assets - Depreciated/Amortized	<u><u>\$ 56,987,969</u></u>	<u><u>\$ 24,364,123</u></u>	<u><u>\$ 81,352,092</u></u>

Note 6 - Long-Term Debt

A. Schedule of Changes in Long-Term Debt

The County's outstanding long-term debt includes bonds payable, loans payable, installment purchases, leases, SBITAs, compensated absences, OPEB, net pension liability, and accrued landfill closure costs. The following is a schedule of changes in the County's long-term debt for the fiscal year ended September 30, 2023:

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

	Balance 9/30/22	Additions	Reductions	Balance 9/30/23	Due Within One Year	Long-Term Portion
Governmental Activities						
Notes Payable:						
Revenue Note, Series 2010	\$ 1,605,000	\$ -	\$ (1,605,000)	\$ -	\$ -	\$ -
Sales Tax Refunding						
Revenue Note, Series 2012	126,000	-	(126,000)	-	-	-
Installment Purchases*	409,360	251,900	(147,954)	513,306	109,520	403,786
Subscription-Based Information						
Information Technology Arrangements	-	68,520	(34,800)	33,720	33,720	-
Leases Payable	71,754	-	(23,030)	48,724	23,906	24,818
Long-Term Debt - At Par	2,212,114	320,420	(1,936,784)	595,750	167,146	428,604
Other Long-Term Obligations						
Other Postemployment						
Benefits Liability	8,781,734	564,000	(2,005,183)	7,340,551	578,247	6,762,304
FEMA Long-Term Payable	67,911	-	(67,911)	-	-	-
Compensated Absences:						
Board	487,804	511,719	(379,564)	619,959	61,996	557,963
Clerk	41,872	41,026	(33,638)	49,260	11,047	38,213
Property Appraiser	31,061	28,297	(19,020)	40,338	4,034	36,304
Sheriff	476,295	152,343	-	628,638	62,864	565,774
Supervisor	1,300	6,400	(5,200)	2,500	250	2,250
Tax Collector	3,980	30,933	(30,144)	4,769	4,769	-
Net Pension Liability	28,855,904	19,911,667	(13,656,405)	35,111,166	-	35,111,166
Governmental Activities						
Long-Term Liabilities	\$ 40,959,975	\$ 21,566,805	\$ (18,133,849)	\$ 44,392,931	\$ 890,353	\$ 43,502,578

*Per GASB Statement No. 88, this debt meets the definition of a direct borrowing.

	Balance 9/30/22	Additions	Reductions	Balance 9/30/23	Due Within One Year	Long-Term Portion
Business-Type Activities						
Bonds and Notes Payable:						
Revenue Bonds	\$ 6,066,285	\$ -	\$ (331,368)	\$ 5,734,917	\$ 337,226	\$ 5,397,691
Notes Payable*	1,588,747	-	(220,100)	1,368,647	105,304	1,263,343
Installment Purchases*	1,317,988	-	(350,293)	967,695	210,405	757,290
Total Long-Term Debt	8,973,020	-	(901,761)	8,071,259	652,935	7,418,324
Other Long-Term Obligations						
Landfill Closure Costs	6,505,349	4,535,343	-	11,040,692	-	11,040,692
Other Postemployment						
Benefits Liability	779,646	54,127	(92,041)	741,732	26,542	715,190
Compensated Absences	55,389	37,885	(47,704)	45,570	4,557	41,013
Net Pension Liability	748,198	539,922	(336,623)	951,497	-	951,497
Business-Type Activities						
Long-Term Liabilities	\$ 17,061,602	\$ 5,167,277	\$ (1,378,129)	\$ 20,850,750	\$ 684,034	\$ 20,166,716

*Per GASB Statement No. 88, this debt meets the definition of a direct borrowing.

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

Compensated absences for governmental activities and OPEB will be liquidated in future periods primarily by the general fund. The net pension liability will be liquidated through employer contributions by the funds where the current employees reside.

B. Governmental Debt Payable

Debt outstanding at September 30, 2023, consists of the following for governmental activities:

	<u>Purpose of Issue</u>	<u>Loan Amount</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>
Governmental Activities				
Revenue Notes:				
Capital Improvement Refunding Note Series 2010 (Retired in 2023)	Refunding of Series 2002 Capital Improvement Revenue Bonds	\$ 15,450,000	\$ -	2.80%
Sales Tax Refunding Revenue Note Series 2012 (Retired in 2023)	Purchase Fire Truck and Refinance Notes	2,280,000	-	2.15%
Installment Notes: Lease to Own* (Matures 2027)	Various County Equipment	980,255	513,306	2.95% - 4.50%
Subscription-Based Information Technology Arrangements Payable (Matures 2025)	Datto Backup Arrangement	68,520	33,720	3.16%
Leases Payable: Equipment Lease (Matures 2025)	Dominion Voting System Equipment	196,248	<u>48,724</u>	3.81%
Total Governmental Activities Notes Payable			<u>\$ 595,750</u>	

*Per GASB Statement No. 88, this debt meets the definition of a direct borrowing.

Remedies in the Event of Default – The debt obligations all allow for the obligors to take whatever legal actions necessary to collect the amounts due in the event of default.

The Capital Improvement Refunding Revenue Note, Series 2010 was reissued May 9, 2018. Principal and interest payments during the year totaled \$1,605,000 and \$22,470, respectively. This obligation was fully retired during 2023.

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

The Sales Tax Refunding Revenue Note, Series 2012 was issued April 24, 2012. Principal and interest payments during the year totaled \$126,000 and \$1,355, respectively. This obligation was fully retired during 2023.

Bonds and notes/loans outstanding at September 30, 2023, consist of the following for business-type activities:

	<u>Purpose of Issue</u>	<u>Loan Amount</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>
Business-Type Activities				
Revenue Bonds:				
Water and Wastewater Refunding System Revenue Bond, Series 2022 (Matures 2038)	Refund the Outstanding U.S. Department of Agriculture Loan	\$ 7,080,000	\$ 5,734,917	3.80%
Notes Payable:				
State Revolving Fund Loans* (Matures 2035)	Wastewater System Improvements DP63904S	2,900,528	1,368,647	2.29%
(Matures 2030)	DW140230	1,795,946	-	1.69%
Installment Notes:				
Caterpillar Financial* (Matures 2024-2029)	Wheel Loader	154,581	85,809	7.66%
	Compactor #2	824,316	760,474	3.63%
	Dozer	199,747	<u>121,412</u>	3.63%
Total Business-Type Activities - Bonds and Notes Payable			<u><u>\$ 8,071,259</u></u>	

*Per GASB Statement No. 88, this debt meets the definition of a direct borrowing.

The Water and Wastewater System Refunding Revenue Bond, Series 2022 (the 2022 Bond) is payable solely from and secured by a senior lien on, and pledge of, the net revenue of the water and wastewater systems, and is payable through 2038. A legislative appropriation of \$957,000 was awarded to the County in 2016 to offset the principal balances. The obligation was incurred to refund a prior obligation of the County. The total principal and interest remaining to be repaid on the bond is \$6,550,247. Debt service for 2023 was \$436,683. Pledged revenues of the water/wastewater system for 2023 were \$7,456,564. In the event of default, the lender has the right to take whatever legal actions are necessary to collect the amounts due.

The State Revolving Fund (SRF) Loans – Direct Borrowings are through the Florida Department of Environmental Protection and provide for level semiannual debt service over the life of the loan. The loans are secured by a junior lien on, and pledge of, the gross revenues of the water/wastewater systems (including interest income), after payment of operation and maintenance expenses and certain other future senior debt.

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

The final maturity of SRF loan #DP63904S is in 2035. The total principal and interest remaining to be repaid on the loan is \$1,564,540. Debt service for 2023 was \$136,047. Pledged revenues of the water/wastewater system for 2023 were \$7,617,293.

SRF loan #DW140230 was fully retired in 2023. Debt service for 2023 included principal and interest payments of \$117,167 and \$1,293, respectively.

In the event of default, the lender, subject to superior liens on the pledged revenues, may request a court to appoint a receiver to manage the water and sewer systems, intercept the delinquent amount from any unobligated funds due to the County under any revenue or tax sharing fund established by the State of Florida, impose a penalty in the amount of 6% percent per annum on the amount due, notify financial market credit rating agencies and potential creditors, and may accelerate the repayment schedule or increase the interest rate on the unpaid principal of the loan to as much as 166.7% of the loan interest rate.

Debt Service Requirements

The following schedule shows debt service requirements to maturity for the County's revenue bonds and notes:

Fiscal Year	Governmental Activities			
	Direct Borrowings			
	Principal	Interest		
2024	\$ 109,520	\$ 16,427		
2025	112,864	13,083		
2026	116,323	9,624		
2027	119,900	6,047		
2028	54,699	2,347		
	<u>\$ 513,306</u>	<u>\$ 47,528</u>		

Fiscal Year	Business-Type Activities			
	Revenue Bonds		Direct Borrowings	
	Principal	Interest	Principal	Interest
2024	\$ 337,226	\$ 99,457	\$ 315,709	\$ 55,227
2025	343,187	93,496	302,752	45,642
2026	349,254	87,429	212,874	38,000
2027	355,428	81,255	217,861	33,013
2028	361,711	74,972	222,966	27,908
2029-2033	1,906,757	276,659	864,694	64,248
2034-2038	2,081,354	102,062	199,486	4,585
	<u>\$ 5,734,917</u>	<u>\$ 815,330</u>	<u>\$ 2,336,342</u>	<u>\$ 268,623</u>

C. Landfill Closure and Post-Closure Care Costs

The County has adopted a policy based on U.S. Environmental Protection Agency rules and in accordance with Florida law, to set aside funds for the closure and post-closure care costs of its current landfill. At September 30, 2023, the County had \$2,533,185 in restricted cash and investments in the landfill fund for these purposes. The shortfall between the escrow balance and the statutorily required amount to be set aside for closure is \$83,704.

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

Accounting rules require the recording of a liability for the estimated future costs (in current dollars) for all landfill closure and post-closure care costs attributable to the portion of the landfill capacity filled to-date (state laws require post-closure monitoring of closed landfills for thirty years). The County's estimate of future costs was based on their consulting engineer's report and the County's estimated remaining landfill capacity. As of September 30, 2023, the County has recognized \$11,040,692, or approximately 75% of the remaining estimated closure and post-closure care totaling \$14,861,842. The following table summarizes the estimated remaining closure costs and post-closure costs, and costs incurred through September 30, 2023, by zone:

Zone	Remaining Closure Costs	Remaining Post-Closure Costs	Remaining Total Costs	Percent Filled	Total Liability Relative to Costs	Closing Costs Paid To-Date	Remaining To Be Paid
1	\$ -	\$ 1,670,091	\$ 1,670,091	100.00%	\$ 1,670,091	\$ -	\$ 1,670,091
2	-	1,410,299	1,410,299	100.00%	1,410,299	-	1,410,299
3	-	1,929,883	1,929,883	100.00%	1,929,883	-	1,929,883
4	2,435,197	2,709,258	5,144,455	97.20%	5,000,411	(716,331)	4,284,080
5	1,923,629	2,783,485	4,707,114	37.10%	1,746,339	-	1,746,339
	<u>\$ 4,358,826</u>	<u>\$ 10,503,016</u>	<u>\$ 14,861,842</u>	79.1%	<u>\$ 11,757,023</u>	<u>\$ (716,331)</u>	<u>\$ 11,040,692</u>

The accrued closure and post-closure care costs are \$11,040,692 at September 30, 2023, and have been accrued as a liability on the statement of net position - proprietary funds of the landfill fund.

D. Lease Payable

The County is a lessee for an eight-year non-cancellable lease agreement of voting equipment through 2026. As of September 30, 2023, the value of the lease liability was \$48,724. The County is required to make annual principal and interest payments of \$25,764. The lease has an interest rate of 3.81%. The equipment originally had an eight-year estimated useful life, of which approximately three years remain. The value of the right-to-use asset as of the end of the fiscal year was \$196,248 and had accumulated depreciation of \$130,832.

The future principal and interest lease payments as of September 30, 2023, were as follows:

Fiscal Year	Leases Payable	
	Principal	Interest
2024	\$ 23,906	\$ 1,857
2025	24,818	946
	<u>\$ 48,724</u>	<u>\$ 2,803</u>

E. SBITAs Payable

The County is obligated under a non-cancellable agreement for data backup services through 2024. As of September 30, 2023, the value of the subscription liability is \$33,720. The arrangement is discounted using a rate of 3.16%, which is based on the incremental borrowing rate. In 2024, the County is required to recognize payments of \$33,720 and \$1,080 for principal and interest, respectively.

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

Note 7 - Restricted Net Position (Other Purposes)

Net position restricted for other purposes on the face of the statement of net position for governmental activities includes the following:

Governmental Activities	Other Purposes
Court-Related Services	\$ 658,133
Debt Service	4
Street Lighting	11,658
Public Assistance Programs	372
Building Code Enforcements	1,226,182
Solid Waste Control Services	1,896
Total Governmental Activities	\$ 1,898,245

Note 8 - Retirement System

A. General Information about the Florida Retirement System (FRS)

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

Essentially all regular employees of the County are eligible to enroll as members of the state-administered FRS. Provisions relating to 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 two cost-sharing, multiple-employer defined benefit plans and other non-integrated 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' website (www.dms.myflorida.com).

The County's pension expense totaled \$8,796,247 for the fiscal year ended September 30, 2023 (all plans). The County's deferred outflows for all plans totaled \$9,423,399, and the County's deferred inflows for all plans totaled \$2,221,855. The County's total net pension liability for all plans totaled \$36,062,663 for the fiscal year ended September 30, 2023.

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

For the year ended September 30, 2023, the County's contributions to all plans totaled \$4,417,991. For further information of contributions by plan for each Constitutional Officer, see the schedule below:

	Florida			
	Retirement	Health Insurance		
	System	Subsidy	Investment Plan	Total
Board of County Commissioners	\$ 1,607,079	\$ 172,259	\$ 269,673	\$ 2,049,011
Clerk of Circuit Court	128,304	11,871	2,776	142,951
Property Appraiser	127,917	11,556	2,370	141,843
Tax Collector	66,294	10,077	7,969	84,340
Sheriff	1,632,376	128,904	159,254	1,920,534
Supervisor of Elections	75,825	3,389	98	79,312
	<u>\$ 3,637,795</u>	<u>\$ 338,056</u>	<u>\$ 442,140</u>	<u>\$ 4,417,991</u>

Payables to the Pension Plan. The County reported a payable of \$45,537 for the outstanding amount of contributions to the Plan required for the fiscal year ended September 30, 2023.

B. FRS Pension Plan

Plan Description. The FRS Pension Plan is a cost-sharing, multiple-employer qualified defined benefit pension plan with a DROP available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. The Florida Legislature established and amends the contribution requirements and benefit terms of the FRS Pension Plan. Retirees receive a lifetime pension benefit with joint and survivor payment options. The general classes of membership applicable to the County are as follows:

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

Employees enrolled in the FRS Pension Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the FRS Pension 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 Pension Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Members of the FRS Pension Plan may include up to four years of credit for military service toward creditable service.

The FRS Pension 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 Pension Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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

Benefits Provided. Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight 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. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

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

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% 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%. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the County's 2022-23 fiscal year were as follows:

<u>Class</u>	<u>Year Ended June 30, 2023, Percent of Gross Salary</u>		<u>Year Ended June 30, 2024, Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer</u>	<u>Employee</u>	<u>Employer</u>
FRS, Regular	3.00	10.19	3.00	11.51
FRS, Elected County Officers	3.00	55.28	3.00	56.62
FRS, Senior Management Service	3.00	29.85	3.00	32.46
FRS, Special Risk Regular	3.00	26.11	3.00	30.61
DROP - Applicable to Members from All of the Above Classes	0.00	16.94	0.00	19.13
FRS, Reemployment Retiree	(1)	(1)	(1)	(1)

Notes: (1) Contribution rates are dependent upon retirement class in which reemployed. Employer contributions are also required for members in the FRS Investment Plan for a portion of the unfunded actuarial accrued liability.

The County's contributions (employer only) to the Plan totaled \$3,637,795 for the fiscal year ended September 30, 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2023, the County reported a liability of \$28,488,029 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The County's proportionate share of the net pension liability was based on the County's 2022-23 fiscal year contributions relative to the 2022-23 fiscal year contributions of all participating members. At June 30, 2023, the County's proportion was 0.0714938313%, which was a decrease of 0.0047785796% from its proportion measured as of June 30, 2022.

For the year ended September 30, 2023, the County recognized pension expense of \$5,895,694 related to the Plan. At September 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to the FRS Plan from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Employer Contributions After Measurement Date	\$ 978,652	\$ -
Difference Between Expected and Actual Experience	2,674,780	-
Changes of Assumptions	1,857,086	-
Changes in Proportion and Difference Between County Contributions and Proportionate Share of Contributions	1,736,004	1,336,613
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,189,737	-
Total	<u>\$ 8,436,259</u>	<u>\$ 1,336,613</u>

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

The deferred outflows of resources related to pensions, totaling \$978,652, resulting from County contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year	
Ending	Amount
2024	\$ 824,065
2025	(355,823)
2026	4,718,816
2027	729,862
2028	204,074
Total	\$ 6,120,994

For information regarding the net pension liability, deferred outflows of resources, and deferred inflows of resources by each Constitutional Officer, see the table below:

	Net Pension	Deferred	Deferred Inflows
	Liability	Outflows of	of Resources
	Resources		
Board of County Commissioners	\$ 12,401,024	\$ 3,956,133	\$ 441,508
Clerk of Circuit Court	1,045,579	292,809	21,211
Property Appraiser	985,271	309,326	36,605
Tax Collector	540,045	158,691	221,098
Sheriff	12,902,178	3,564,153	576,259
Supervisor of Elections	613,932	155,147	39,932
	\$ 28,488,029	\$ 8,436,259	\$ 1,336,613

Actuarial Assumptions. The total pension liability in the July 1, 2023 actuarial valuation was determined using the individual entry age cost method and the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary Increases	3.25% Average, Including Inflation
Discount Rate	6.70%
Long-Term Expected Rate of Return,	
Net of Investment Expense	6.70%
Municipal Bond Index	N/A

Mortality rates were based on the PUB-2010 base tables, which vary by member category and sex, projected generationally with Scale MP-2018.

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

The actuarial assumptions used in the July 1, 2023 valuation, were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

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

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.9%	2.9%	1.1%
Fixed Income	19.8%	4.5%	4.4%	3.4%
Global Equity	54.0%	8.7%	7.1%	18.1%
Real Estate	10.3%	7.6%	6.6%	14.8%
Private Equity	11.1%	11.9%	8.8%	26.3%
Strategic Investments	3.8%	6.3%	6.1%	7.7%
Total	100.0%			

Assumed Inflation – Mean

2.4%

1.4%

(1) As outlined in the FRS Pension Plan's investment policy available from "Funds We Manage" on the SBA's website at www.sbafla.com.

Discount Rate. The discount rate used to measure the total pension liability was 6.7%. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The discount rate was 6.7% in the July 1, 2022 valuation.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 6.7%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.7%) or 1 percentage-point higher (7.7%) than the current rate:

	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
County's Proportionate Share of the Net Pension Liability	\$ 48,663,354	\$ 28,488,029	\$ 11,608,955

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

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

C. HIS Pension Plan

Plan Description. The HIS Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The Florida Legislature established and amends the contribution requirements and benefit terms of the HIS Program. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs.

Benefits Provided. For the fiscal year ended September 30, 2023, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. Through June 30, 2023, the minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes. On July 1, 2023, these rates increased to a minimum payment of \$45 and a maximum payment of \$225, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state administered retirement systems must provide proof of eligible health insurance coverage, which may include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the HIS Plan fiscal years ended June 30, 2023 and 2022, the contribution rates were 1.66% of payroll, pursuant to Section 112.363, Florida Statutes. The contribution rate increased to 2.00% of payroll effective July 1, 2023, pursuant to Section 112.363, Florida Statutes. The County contributed 100% of its statutorily required contributions for the current and all preceding years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The County's contributions to the HIS Plan totaled \$338,056 for the fiscal year ended September 30, 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2023, the County reported a net pension liability of \$7,574,634 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The County's proportionate share of the net pension liability (HIS) was based on the County's 2022-23 fiscal year contributions relative to the total 2022-23 fiscal year contributions of all participating members. At June 30, 2023, the County's proportionate share was 0.0476952006%, which was a decrease of 0.0025587882 from its proportionate share measured as of June 30, 2022.

For the fiscal year ended September 30, 2023, the County recognized pension expense of \$2,900,553 related to the HIS Plan. At September 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to the HIS Plan from the following sources:

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer Contributions After Measurement Date	\$ 95,429	\$ -
Difference Between Expected and Actual		
Experience	110,887	17,779
Changes of Assumptions	199,135	656,368
Changes in Proportion and Difference Between		
County Contributions and Proportionate Share		
Contributions	577,777	211,095
Net Difference Between Projected and Actual Earnings		
on Pension Plan Investments	3,912	-
Total	\$ 987,140	\$ 885,242

The deferred outflows of resources related to pensions, totaling \$95,429, resulting from County contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending	Amount
2024	\$ 18,545
2025	45,877
2026	(8,148)
2027	(52,360)
2028	(6,125)
Thereafter	8,680
Total	\$ 6,469

For information regarding the net pension liability, deferred outflows of resources, and deferred inflows of resources by each Constitutional Officer, see the table below:

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources
Board of County Commissioners	\$ 3,810,583	\$ 514,597	\$ 455,309
Clerk of Circuit Court	273,489	32,798	34,238
Property Appraiser	246,243	29,472	26,070
Tax Collector	233,847	28,239	33,711
Sheriff	2,933,827	377,393	325,573
Supervisor of Elections	76,645	4,641	10,341
	\$ 7,574,634	\$ 987,140	\$ 885,242

Actuarial Assumptions. The total pension liability in the July 1, 2023 actuarial valuation was determined using the individual entry age cost method and the following actuarial assumptions, applied to all periods included in the measurement:

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

Inflation	2.40%
Salary Increases	3.25% Average, Including Inflation
Discount Rate	3.65 %
Long-Term Expected Rate of Return, Net of Investment Expense	N/A
Municipal Bond Index	3.65 %

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2018.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

Discount Rate. The discount rate used to measure the total pension liability was 3.65%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate was 3.54% in the July 1, 2022 valuation.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 3.65%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.65%) or 1 percentage-point higher (4.65%) than the current rate:

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
County's Proportionate Share of the Net Pension Liability	\$ 8,641,475	\$ 7,574,634	\$ 6,690,294

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

D. FRS—Defined Contribution Pension Plan

The County contributes to the FRS Investment Plan (Investment Plan), a defined contribution pension plan, for its eligible employees electing to participate in the Investment Plan. The Investment Plan is administered by the SBA and is reported in the SBA's annual financial statements and in the State of Florida's Annual Comprehensive Financial Report. Service retirement benefits are based upon the value of the member's account upon retirement.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. County employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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. Allocations to the investment member's accounts (employer and employee) during the 2022-23 fiscal year were as follows:

Class	Year Ended June 30, 2023		Year Ended June 30, 2024	
	Percent of Gross Compensation		Percent of Gross Compensation	
	Employee	Employer	Employee	Employer
FRS, Regular Class	3.00	6.30	3.00	8.30
FRS, Special Risk Class	3.00	14.00	3.00	16.00
FRS, Senior Management Service Class	3.00	7.67	3.00	9.67
FRS, Elected County Officers, Judges	3.00	13.23	3.00	15.23
FRS, Elected County Officers	3.00	11.34	0.00	13.34

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. Non-vested 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. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended September 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 County.

After termination and applying to receive benefits, the member may roll over 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.

Note 9 - OPEB Plan

A. Plan Description

The Desoto County's Retiree Health Care Plan (Plan) is a single-employer defined benefit postemployment health care plan that covers eligible retired employees of the County. The Plan, which is administered by the County, allows employees who retire and meet retirement eligibility requirements under one of the County's retirement plans to continue medical, dental, and life insurance coverage as a participant in the

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

County's Plan. For purposes of applying Paragraph 4 under GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the Plan does not meet the requirements for an OPEB plan administered through a trust.

B. Benefit Provided

Retirees participating in the group insurance plans offered by the County, who retired on or before December 31, 2008 (Class A), are provided a benefit equal to 100% of the premium for the life of the retiree. The County also pays a portion of the costs for dependent coverage. Employees who retire after December 31, 2008 (Class B), and who meet the age and service requirements set forth by the Plan Provisions, are provided a benefit equal to 100% of the premium for the life of the retiree. All other individuals who retire after December 31, 2008, receive no explicit benefit and are expected to pay 100% of the active premium. For individuals who retire after December 31, 2008, Medicare is assumed to become primary upon attainment of age 65.

C. Employees Covered by Benefit Terms

At October 1, 2022, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	56
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees	319
Total	<u><u>375</u></u>

D. Total OPEB Liability

The County's total OPEB liability of \$8,082,283 was measured as of September 30, 2023, and was determined by an actuarial valuation as of October 1, 2022.

E. Actual Assumption and Other Inputs

The total OPEB liability was determined by an actuarial valuation as of October 1, 2022 using the following actuarial assumptions:

<u>Actuarial Cost Method</u>	<u>Entry Age Normal</u>
Inflation	2.50%
Salary Increase Rate	Varies by Service
Discount Rate	4.87%
Initial Trend Rate	7.25%
Ultimate Trend Rate	4.00%
Years to Ultimate	52

All mortality rates were based on the Pub-2010 mortality tables with fully generational improvement using Scale MP-2018. Rates are based on those outlined in Milliman's July 1, 2019 FRS valuation report.

Mortality - Active Lives

- For female (non-special risk) lives, the headcount-weighted PubG-2010 female below-median income employee table was used.
- For female special risk lives, the headcount-weighted PubS-2010 female employee table, set forward one year, was used.

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

- For male (non-special risk) lives, the headcount-weighted PubG-2010 male below-median income employee table, set back one year, was used.
- For male special risk lives, the headcount-weighted PubS-2010 male below-median income employee table, set forward one year was used.

Mortality - Inactive Healthy Lives

- For female (non-special risk) lives, the headcount-weighted PubG-2010 female below-median income healthy retiree table was used.
- For female special risk lives, the headcount-weighted PubS-2010 female healthy retiree table, set forward one year, was used.
- For male (non-special risk) lives, the headcount-weighted PubS-2010 male below-median income healthy retiree table, set back one year, was used.
- For male special risk lives, the headcount-weighted PubS-2010 male below-median income healthy retiree table, set forward one year, was used.

F. Discount Rate

Given the County's decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 4.87%. The high-quality municipal bond rate was based on the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices nearest the measurement date. The S&P Municipal 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard and Poor's Ratings Services, Aa2 by Moody's, or AA by Fitch. If there are multiple ratings, the lowest rating is used.

G. Changes in the Total OPEB Liability

The following table shows the change in the County's OPEB Plan liability:

Balance at September 30, 2022	<u>\$ 9,561,380</u>
Changes for the Year:	
Service Cost	196,535
Interest on the Total OPEB Liability	421,593
Difference Between Expected and Actual Experience	(620,635)
Changes in Assumptions or Other Inputs	(871,801)
Benefit Payments	<u>(604,789)</u>
Net Changes	<u>(1,479,097)</u>
Balance at September 30, 2023	<u><u>\$ 8,082,283</u></u>

Changes in assumptions reflect a change in the discount rate from 4.77% for the reporting period ended September 30, 2022, to 4.87% for the reporting period ended September 30, 2023.

H. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following table presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (3.87%) or 1 percentage-point higher (5.87%) than the current rate:

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

	1.00% Decrease 3.87%	Current Discount Rate 4.87%	1.00% Increase 5.87%
Total OPEB Liability	<u>\$ 8,993,277</u>	<u>\$ 8,082,283</u>	<u>\$ 7,315,399</u>

I. Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following table presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates:

	1.00% Decrease (3.00% - 6.25%)	Healthcare Cost Trend Rates (4.00% - 7.25%)	1.00% Increase (5.00% - 8.25%)
Total OPEB Liability	<u>\$ 7,212,401</u>	<u>\$ 8,082,283</u>	<u>\$ 9,121,755</u>

J. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended September 30, 2023, the County recognized OPEB expense of \$147,115. At September 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 154,476	\$ 712,440
Changes of Assumptions or Other Inputs	1,478,649	4,430,804
Total	<u>\$ 1,633,125</u>	<u>\$ 5,143,244</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year Ending September 30,	Amortization
2024	\$ (481,413)
2025	(481,409)
2026	(670,679)
2027	(1,025,495)
2028	(637,917)
Thereafter	(213,206)
Total	<u>\$ (3,510,119)</u>

Note 10 - Risk Management

The County is exposed to various risks of loss related to tort, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County is a member of a non-profit risk sharing pool with membership limited to Florida governmental entities. The pool charges its members premiums based upon claim history. The pool provides coverage for most insurable risks,

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

including covering the County to the statutory limit for each workers' compensation claim, up to \$2,000,000 for each general liability claim, and at replacement cost for each property damage claim. As of September 30, 2023, settled claims have not exceeded the pool coverage in any of the past three years.

Note 11 - Fund Balance and Net Position Deficits

The following funds had deficit fund balances as of September 30, 2023:

<u>Fund Name</u>	<u>Deficit Amounts</u>
Major Funds	
Hurricane	\$ 8,472,962
Non-Major Funds	
Special Revenue Funds:	
Emergency Management	18,995
Golden Melody Lighting	5,703
Kings Crossing Lighting	2,026
Spring Lakes Lighting	780
Sunny Breeze Lighting	1,271
Capital Projects:	
CDBG Projects	26,980

The deficit in the hurricane fund will be eliminated with future insurance claim payments and grant receipts. The deficits in the other special revenue funds will be eliminated with future special assessment receipts. The deficit in the capital projects – special projects fund will be eliminated with future transfers from the general fund.

Note 12 - Related-Party – Peace River Manasota Water Supply Authority

A. Water Supplier

The Peace River Manasota Regional Water Supply Authority (the Authority) was established in 1991 when it purchased the Peace River Plant located in DeSoto County. The Authority has four voting members: DeSoto County, Charlotte County, Sarasota County, and Manatee County.

On October 5, 2005, the Authority renegotiated new water supply contracts and established the Peace River Manasota Regional Water Supply Authority Master Water Supply Contract with all four counties – DeSoto County, Charlotte County, Sarasota County, and Manatee County, and with the City of North Port. The term of these contracts is 35 years, with an option to renew for an additional 35 years. A provision in each contract requires that customers of the Authority must identify and commit to water demands for a seven-year period.

The contracts require all customers to pay for all committed water through the Authority's annual budget process, which reflects the budgetary needs of the Authority every year. The contract does also have a provision for customers who exceed their allocation; a conservation rate will be charged to all customers exceeding their allocation, and a corresponding credit is given to the customers who do not use their full allocation. The conservation rate is adopted annually by a rate resolution. During 2023, the County's water purchases from the Authority were \$639,627 for base charges and \$270,376 for variable water use charges. The agreement also anticipates an expansion of the current water supply system to accommodate its customers' anticipated increased needs.

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

Additional amounts paid to the Authority in 2023 included an annual membership fee of \$60,451 and special assessment fee of \$14,038. Because the Authority's facility is located in the County, the County received \$796,000 in payments in lieu of property taxes in the general fund.

B. Water Contractual Rights

In 2007, the County acquired the contractual rights to a maximum flow capacity of 3.1 million gallons per day from a newly constructed potable water transmission pipeline owned by the Authority. The term of the contract extends for as long as the County continues to receive water from the Authority. The cost of the contractual rights was \$800,000, approximating the allocable cost of the pipeline, and is reported as a deferred outflow on the statement of net position of the water/sewer utility fund, to be amortized over twenty years, beginning in 2007. Amortization expense was \$40,000 for 2023, and the unamortized balance is \$80,000 at September 30, 2023.

Note 13 - Related-Party – Steven Hickox

District 5 Commissioner to the County, Steven Hickox, has an ownership interest in "Copy Life," a company from which the County procures copying services. For the fiscal year ended September 30, 2023, the County incurred expenses totaling \$24,885 for these services. The County has determined that these transactions do not materially affect the financial position or operations of the County.

Note 14 - Fire and Emergency Medical Services (EMS) Merger

On May 15, 2006, the County entered into a 30-year Inter-Local Agreement with the City of Arcadia (the City) for the merger of Fire and EMS. With an effective date of June 1, 2006, the City Fire Department merged with the DeSoto County Fire Department to become one all-inclusive department within the County. All City fire personnel (14 employees) were transferred and employed by the County. The City and County retirement programs were unchanged by the merger. The transferred employees had the option to remain members of the City retirement program or join the County retirement program.

The City transferred ownership of all fire suppression and emergency medical assets to the County, including a deed, with the associated debt, to real property located on Highway 17 for the construction of a fire suppression and EMS station. The City agreed to allow the County to use the City's existing fire stations 1 and 2 for working stations without additional compensation for up to ten years from the effective date, or until the County determines that fire stations 1 and 2 are no longer needed. The County is responsible for all maintenance costs for the buildings while in use. To-date, the County has opted to use only station 1.

Finally, under terms of the Inter-Local Agreement, the City agreed to make monthly payments to the County for fire suppression and emergency medical services in accordance with the following schedule:

<u>Fiscal Year</u>	<u>Total</u>
2024	\$ 70,000 (2)
2025	20,000 (1) (2)

(1) Each year is reduced by \$50,000.

(2) If the City implements a municipal services benefit unit for fire suppression and/or a municipal services taxing unit for EMS equivalent to the County's fees, then the City may use the amount collected less any property assessor/tax collector's fees to reduce the payment due each year.

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

During 2007, the City initiated a special assessment for fire services within the City limits and added the City to the County-wide MSTU millage for EMS. No payments were made to the County in fiscal year 2023.

Note 15 - Other Commitments and Contingencies

A. Litigation

The County is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operations. Claims covered by the risk management program are reviewed and losses are accrued as required in the judgment of management. In the opinion of management, based on the advice of legal counsel, the ultimate disposition of lawsuits and claims will not have a material adverse effect on the financial position of the County.

The DeSoto County Sheriff's Office claims are covered by the Florida Sheriff's Risk Management Fund (FSRMF). The FSRMF believes that the potential liability under these claims is more than adequately covered by the risk management fund.

B. Grants

Amounts received or receivable from the grantor agencies are subject to audit and adjustment by grantor agencies. If expenditures are disallowed as a result of these audits, the claims for reimbursement to the grantor agency would become a liability of the County. In the opinion of management, except for potential adjustments from matters in the preceding paragraph, any such adjustments would not be significant.

Note 16 - Adjustment to Beginning Fund Balance

Due to the planned utilization of American Recovery Plan Act (ARPA) funds, the County determined that the ARPA Fund is no longer required to be reported as a separately presented major governmental fund. Instead, the ARPA Fund was consolidated within the General Fund. This reclassification required a restatement of beginning fund balance in the related funds.

See below for the effects of this reclassification on the fund level:

	<u>General Fund</u>	<u>ARPA Fund</u>	<u>Total</u>
Beginning Fund Balance – As Originally Reported	\$ 19,876,286	\$ 139,205	\$ 20,015,491
Consolidation of ARPA Fund	<u>139,205</u>	<u>(139,205)</u>	<u>-</u>
Beginning Fund Balance – As Restated	<u>\$ 20,015,491</u>	<u>\$ -</u>	<u>\$ 20,015,491</u>

REQUIRED SUPPLEMENTARY INFORMATION

DESOTO COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND - BOARD ONLY
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
Revenues				
Taxes	\$ 25,965,029	\$ 28,516,656	\$ 28,642,413	\$ 125,757
Permits and Fees	1,647,600	1,901,416	1,896,495	(4,921)
Intergovernmental Revenues	6,693,359	8,340,969	12,408,863	4,067,894
Charges for Services	377,756	415,015	414,982	(33)
Fines and Forfeitures	25,125	8,944	8,944	-
Miscellaneous Revenues	325,247	1,098,886	1,151,446	52,560
Less: 4% Reduction	(887,795)	-	-	-
Total Revenues	34,146,321	40,281,886	44,523,143	4,241,257
Expenditures				
Current:				
General Government	10,554,202	10,620,062	7,848,238	2,771,824
Public Safety	629,519	633,288	625,091	8,197
Physical Environment	520,113	520,113	447,563	72,550
Economic Environment	243,690	245,990	24,283	221,707
Human Services	1,905,405	1,900,734	1,660,748	239,986
Culture and Recreation	2,173,115	2,076,805	1,947,520	129,285
Debt Service:				
Principal Retirement	-	23,029	23,030	(1)
Interest and Fiscal Charges	-	2,735	2,734	1
(Total Expenditures)	(16,026,044)	(16,022,756)	(12,579,207)	3,443,549
Excess (Deficiency) of Revenues Over (Under) Expenditures	18,120,277	24,259,130	31,943,936	7,684,806
Other Financing Sources (Uses)				
Transfers In	2,096,016	2,320,975	1,301,671	(1,019,304)
Transfers (Out)	(23,300,175)	(24,498,872)	(27,124,277)	(2,625,405)
Insurance Proceeds	-	61,041	83,671	22,630
Total Other Financing Sources (Uses)	(21,204,159)	(22,116,856)	(25,738,935)	(3,622,079)
Net Change in Fund Balances	\$ (3,083,882)	\$ 2,142,274	\$ 6,205,001	\$ 4,062,727

DESOTO COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
COUNTY TRANSPORTATION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Taxes	\$ 1,237,874	\$ 1,275,000	\$ 1,289,381	\$ 14,381
Permits and Fees	41,000	50,228	50,229	1
Intergovernmental Revenues	6,575,710	9,196,126	4,565,422	(4,630,704)
Charges for Services	60,000	55,425	55,523	98
Miscellaneous Revenues	14,500	42,808	50,032	7,224
Total Revenues	7,929,084	10,619,587	6,010,587	(4,609,000)
Expenditures				
Current:				
Transportation	11,835,365	14,315,256	8,459,529	5,855,727
Debt Service:				
Principal Retirement	108,906	61,950	61,950	-
Interest and Fiscal Charges	15,819	6,952	6,951	1
(Total Expenditures)	(11,960,090)	(14,384,158)	(8,528,430)	5,855,728
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(4,031,006)	(3,764,571)	(2,517,843)	1,246,728
Other Financing Sources (Uses)				
Transfers In	4,450,547	4,450,603	4,455,927	5,324
Transfers (Out)	(1,627,470)	(1,627,526)	(1,632,850)	(5,324)
Lease Financing	575,256	251,900	251,900	-
Insurance Proceeds	4,000	53,550	54,050	500
Total Other Financing Sources (Uses)	3,402,333	3,128,527	3,129,027	500
Net Change in Fund Balances	\$ (628,673)	\$ (636,044)	\$ 611,184	\$ 1,247,228

DESOTO COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
FIRE AND EMS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Taxes	\$ 1,000	\$ -	\$ -	\$ -
Special Assessments	3,065,060	2,990,764	2,992,648	1,884
Permits and Fees	21,000	18,485	18,875	390
Intergovernmental Revenues	132,973	446,709	152,545	(294,164)
Charges for Services	942,889	1,201,296	1,578,417	377,121
Miscellaneous Revenues	15,245	32,714	32,706	(8)
Less: 4% Reduction	(82,184)	-	-	-
Total Revenues	4,095,983	4,689,968	4,775,191	85,223
Expenditures				
Current:				
General Government	134,294	89,385	89,385	-
Public Safety	6,740,625	7,747,853	7,110,466	637,387
Debt Service:				
Principal Retirement	86,005	86,005	86,004	1
Interest and Fiscal Charges	2,658	2,658	2,658	-
(Total Expenditures)	(6,963,582)	(7,925,901)	(7,288,513)	637,388
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(2,867,599)	(3,235,933)	(2,513,322)	722,611
Other Financing Sources (Uses)				
Transfers In	2,360,497	2,551,127	2,554,365	3,238
Transfers (Out)	(66,236)	(66,236)	(66,236)	-
Insurance Proceeds	-	33,964	33,964	-
Total Other Financing Sources (Uses)	2,294,261	2,518,855	2,522,093	3,238
Net Change in Fund Balance	\$ (573,338)	\$ (717,078)	\$ 8,771	\$ 725,849

**DESOTO COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
HURRICANE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Intergovernmental Revenues	\$ -	\$ 18,337,705	\$ 7,528,575	\$ (10,809,130)
Total Revenues	-	18,337,705	7,528,575	(10,809,130)
Expenditures				
Current:				
Public Safety	-	18,217,191	17,592,052	625,139
Physical Environment	-	1,855,518	-	1,855,518
(Total Expenditures)	-	(20,072,709)	(17,592,052)	(2,480,657)
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	-	(1,735,004)	(10,063,477)	(8,328,473)
Other Financing Sources (Uses)				
Transfers In	-	32,913	32,913	-
Insurance Proceeds	-	-	1,086,668	1,086,668
Total Other Financing Sources (Uses)	-	32,913	1,119,581	1,086,668
Net Change in Fund Balance	\$ -	\$ (1,702,091)	\$ (8,943,896)	\$ (7,241,805)

DESOTO COUNTY, FLORIDA
SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OTHER
POSTEMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS
SEPTEMBER 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability						
Service Cost	\$ 196,535	\$ 309,225	\$ 406,909	\$ 318,150	\$ 231,144	\$ 275,269
Interest	421,593	304,553	319,628	450,300	459,010	403,256
Differences Between Expected and Actual Experience	(620,635)	-	(315,815)	-	540,661	-
Changes of Assumptions or Other Inputs	(871,801)	(2,972,984)	(2,397,207)	2,483,671	1,449,759	(760,615)
Benefit Payments	<u>(604,789)</u>	<u>(602,828)</u>	<u>(666,242)</u>	<u>(666,208)</u>	<u>(593,228)</u>	<u>(432,554)</u>
Net Change in Total OPEB Liability	(1,479,097)	(2,962,034)	(2,652,727)	2,585,913	2,087,346	(514,644)
Total OPEB Liability - Beginning	<u>9,561,380</u>	<u>12,523,414</u>	<u>15,176,141</u>	<u>12,590,228</u>	<u>10,502,882</u>	<u>11,017,526</u>
Total OPEB Liability - Ending	<u><u>\$ 8,082,283</u></u>	<u><u>\$ 9,561,380</u></u>	<u><u>\$12,523,414</u></u>	<u><u>\$15,176,141</u></u>	<u><u>\$12,590,228</u></u>	<u><u>\$10,502,882</u></u>
Covered-Employee Payroll	\$17,621,271	\$16,475,637	\$15,306,498	\$15,763,626	\$15,201,683	\$13,287,982
Total OPEB Liability as a Percentage of Covered-Employee Payroll	45.87%	58.03%	81.82%	96.27%	82.82%	79.04%

Notes to the Schedule:

Note 1: The amounts presented for each fiscal year were determined as of September 30. The County implemented GASB Statement No. 75 for the fiscal year ended September 30, 2018. As a result, this schedule will present 10 years as information becomes available.

Note 2: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

DESOTO COUNTY, FLORIDA
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2023

Note 1 - Change of Assumptions

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

- **2023:** 4.87%
- **2022:** 4.77%
- **2021:** 2.43%
- **2020:** 2.14%
- **2019:** 3.58%
- **2018:** 4.18%

DESOTO COUNTY, FLORIDA
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PENSION PLANS
LAST 10 FISCAL YEARS

FLORIDA RETIREMENT SYSTEM PENSION PLAN

Year Ended June 30,	County's Proportion of the FRS Net Pension Plan	County's Proportion Share of the FRS Net Pension Plan Liability	County's Covered Payroll (FYE June 30)	County's Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered Payroll	FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.065823097%	\$ 4,016,178	\$ 12,370,252	32.47%	96.09%
2015	0.068445798%	8,840,692	13,896,326	63.62%	92.00%
2016	0.072780821%	18,377,214	13,755,262	133.60%	84.88%
2017	0.068892068%	20,377,811	13,792,933	147.74%	83.89%
2018	0.068222159%	20,548,868	13,702,518	149.96%	84.26%
2019	0.073663617%	25,368,724	14,671,101	172.92%	82.61%
2020	0.072702936%	31,510,524	15,336,406	205.46%	78.85%
2021	0.065540197%	4,950,817	15,306,023	32.35%	96.40%
2022	0.066715252%	24,823,435	16,475,637	150.67%	82.89%
2023	0.071493831%	28,488,029	18,964,768	150.22%	82.38%

HEALTH INSURANCE SUBSIDY PENSION PLAN

Year Ended June 30,	County's Proportion of the HIS Net Pension Plan	County's Proportion Share of the HIS Net Pension Plan Liability	County's Covered Payroll (FYE June 30)	County's Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered Payroll	HIS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.045499267%	\$ 4,254,293	\$ 12,370,252	34.39%	0.99%
2015	0.045689870%	4,659,647	13,896,326	33.53%	0.50%
2016	0.044548858%	5,191,985	13,755,262	37.75%	0.97%
2017	0.042596933%	4,554,661	13,792,933	33.02%	1.64%
2018	0.042844910%	4,534,709	13,702,518	33.09%	2.15%
2019	0.045273084%	5,065,605	14,671,101	34.53%	2.63%
2020	0.043756153%	5,342,555	15,336,406	34.84%	3.00%
2021	0.043196287%	5,298,674	15,306,023	34.62%	3.56%
2022	0.045136412%	4,780,667	16,475,637	29.02%	4.81%
2023	0.047695201%	7,574,634	18,964,768	39.94%	4.12%

DESOTO COUNTY, FLORIDA
SCHEDULE OF THE COUNTY'S CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PENSION PLANS
LAST 10 FISCAL YEARS

FLORIDA RETIREMENT SYSTEM PENSION PLAN

Year Ended September 30,	Contractually Required Contribution	FRS Contribution in Relation to the Contractually Required Contributions	FRS Contribution Deficiency (Excess)	County's Covered Payroll (FYE September 30)	FRS Contributions as a Percentage of Covered Payroll
2014	\$ 1,668,767	\$ (1,668,767)	\$ -	\$ 12,370,252	13.49%
2015	1,698,148	(1,698,148)	-	13,924,080	12.20%
2016	1,872,281	(1,872,281)	-	14,062,496	13.31%
2017	1,739,517	(1,739,517)	-	13,585,897	12.80%
2018	2,042,211	(2,042,211)	-	14,070,350	14.51%
2019	2,325,496	(2,325,496)	-	14,757,482	15.76%
2020	2,432,476	(2,432,476)	-	15,232,007	15.97%
2021	2,595,076	(2,595,076)	-	15,616,439	16.62%
2022	2,883,167	(2,883,167)	-	16,513,808	17.46%
2023	3,637,795	(3,637,795)	-	19,435,114	18.72%

HEALTH INSURANCE SUBSIDY PENSION PLAN

Year Ended September 30,	Contractually Required Contribution	HIS Contribution in Relation to the Contractually Required Contribution	HIS Contribution Deficiency (Excess)	County's Covered Payroll (FYE September 30)	HIS Contributions as a Percentage of Covered Payroll
2014	\$ 137,075	\$ (137,075)	\$ -	\$ 12,370,252	1.11%
2015	188,729	(188,729)	-	13,924,080	1.36%
2016	233,588	(233,588)	-	14,062,496	1.66%
2017	221,018	(221,018)	-	13,585,897	1.63%
2018	237,438	(237,438)	-	14,070,350	1.69%
2019	252,718	(252,718)	-	14,757,482	1.71%
2020	251,984	(251,984)	-	15,232,007	1.65%
2021	259,199	(259,199)	-	15,616,439	1.66%
2022	273,686	(273,686)	-	16,513,808	1.66%
2023	338,056	(338,056)	-	19,435,114	1.74%

DESOTO COUNTY, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2023

Note 1 - Changes in Benefits and Assumptions – Florida Retirement System (FRS) and Health Insurance Subsidy (HIS) Pension Plans – 2023

Changes in benefit terms from the year ended June 30, 2022 to June 30, 2023:

- **FRS:** No significant changes.
- **HIS:** No significant changes.

Changes in assumptions from the year ended June 30, 2022 to June 30, 2023:

- **FRS:** The long-term expected rate of return did not change.
- **HIS:** The municipal rate used to determine total pension liability increased from 3.54% to 3.65%.

Note 2 - Changes in Benefits and Assumptions – FRS and HRS Pension Plans – 2022

Changes in benefit terms from the year ended June 30, 2021 to June 30, 2022:

- **FRS:** No significant changes.
- **HIS:** No significant changes.

Changes in assumptions from the year ended June 30, 2021 to June 30, 2022:

- **FRS:** The long-term expected rate of return decreased from 6.80% to 6.70%
- **HIS:** The municipal rate used to determine total pension liability increased from 2.16% to 3.54%.

SUPPLEMENTARY INFORMATION

**DESOTO COUNTY, FLORIDA
COMBINING BALANCE SHEET
GENERAL FUND BY CATEGORY
SEPTEMBER 30, 2023**

	Board of County Commissioners	Clerk of the Courts	Property Appraiser
Assets			
Cash and Cash Equivalents	\$ 15,654,360	\$ 149,093	\$ 133,325
Accounts Receivable, Net	688,848	-	407
Lease Receivable	376,691	-	-
Due from Other Funds	1,680,512	-	-
Due from Other Governments	1,616,709	41,158	-
Due from Individuals and Businesses	-	-	-
Prepays	40,669	-	-
Deposits	80,000	-	-
Advances to Other Funds	8,945,782	-	-
Total Assets	29,083,571	190,251	133,732
Liabilities			
Vouchers Payable	952,434	-	-
Accrued Liabilities	91,670	3,410	-
Due to Other Funds	-	39,079	131,849
Due to Other Governments	3,241	131,534	1,883
Deposits	27,860	-	-
Unearned Revenue	1,426,078	-	-
Total Liabilities	2,501,283	174,023	133,732
Deferred Inflows			
Unavailable Revenues	40	16,228	-
Lease Related	362,305	-	-
Total Deferred Inflows	362,345	16,228	-
Fund Balances			
Non-Spendable:			
Prepays	40,669	-	-
Advances	8,945,782	-	-
Assigned for Budget Carryforward	4,848,170	-	-
Unassigned	12,385,322	-	-
Total Fund Balances	26,219,943	-	-
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 29,083,571	\$ 190,251	\$ 133,732

Sheriff	Supervisor of Elections	Tax Collector	Eliminating Entries	Total General Fund
\$ 850,891	\$ 12,288	\$ 413,373	\$ -	\$ 17,213,330
-	-	-	-	689,255
-	-	-	-	376,691
-	-	-	(771,861)	908,651
45,968	-	20,940	-	1,724,775
2,319	-	-	-	2,319
-	19,867	-	-	60,536
-	-	-	-	80,000
-	-	-	-	8,945,782
<u>899,178</u>	<u>32,155</u>	<u>434,313</u>	<u>(771,861)</u>	<u>30,001,339</u>
214,350	794	-	-	1,167,578
330,431	-	-	-	425,511
282,279	11,494	378,310	(771,861)	71,150
-	-	11,574	-	148,232
-	-	-	-	27,860
72,118	-	23,489	-	1,521,685
<u>899,178</u>	<u>12,288</u>	<u>413,373</u>	<u>(771,861)</u>	<u>3,362,016</u>
-	-	20,940	-	37,208
-	-	-	-	362,305
-	-	20,940	-	399,513
-	19,867	-	-	60,536
-	-	-	-	8,945,782
-	-	-	-	4,848,170
-	-	-	-	12,385,322
-	19,867	-	-	26,239,810
<u>\$ 899,178</u>	<u>\$ 32,155</u>	<u>\$ 434,313</u>	<u>\$ (771,861)</u>	<u>\$ 30,001,339</u>

DESOTO COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Board of County Commissioners	Clerk of the Courts	Property Appraiser
Revenues			
Taxes	\$ 28,642,413	\$ -	\$ -
Permits and Fees	1,896,495	-	-
Intergovernmental Revenues	12,408,863	258,195	-
Charges for Services	414,982	1,019,350	1,373,038
Fines and Forfeitures	8,944	-	-
Miscellaneous Revenues	1,151,446	10,315	1,399
Total Revenues	44,523,143	1,287,860	1,374,437
Expenditures			
Current:			
General Government	7,848,238	321,734	1,242,588
Public Safety	625,091	-	-
Physical Environment	447,563	-	-
Economic Environment	24,283	-	-
Human Services	1,660,748	-	-
Culture and Recreation	1,947,520	-	-
Court-Related	-	884,125	-
Debt Service:			
Principal Retirement	23,030	-	-
Interest and Fiscal Charges	2,734	-	-
(Total Expenditures)	(12,579,207)	(1,205,859)	(1,242,588)
Excess (Deficiency) of Revenues Over (Under) Expenditures	31,943,936	82,001	131,849
Other Financing Sources (Uses)			
Transfers In	1,301,671	84,078	-
Transfers (Out)	(27,124,277)	(39,079)	(131,849)
Distribution of Excess Commissions	-	(127,000)	-
Insurance Proceeds	83,671		
Subscription-Based Information Technology Arrangements Financing	-	-	-
Total Other Financing Sources (Uses)	(25,738,935)	(82,001)	(131,849)
Net Change in Fund Balances	6,205,001	-	-
Fund Balances, Beginning of Year	19,875,737	-	-
Adjustment to Beginning Fund Balance, See Note 16	139,205	-	-
Fund Balances, Beginning of Year, As Restated	20,014,942	-	-
Fund Balances, End of Year	\$ 26,219,943	\$ -	\$ -

Sheriff	Supervisor of Elections	Tax Collector	Eliminating Entries	Total General Fund
\$ -	\$ -	\$ -	\$ -	\$ 28,642,413
-	-	-	-	1,896,495
663,406	13,495	-	-	13,343,959
52,327	4,177	1,232,132	-	4,096,006
-	-	125,710	-	134,654
52,750	2	579	-	1,216,491
768,483	17,674	1,358,421	-	49,330,018
-	458,541	980,111	-	10,851,212
14,379,546	-	-	-	15,004,637
-	-	-	-	447,563
-	-	-	-	24,283
-	-	-	-	1,660,748
-	-	-	-	1,947,520
450,287	-	-	-	1,334,412
23,200	-	-	-	46,230
-	-	-	-	2,734
(14,853,033)	(458,541)	(980,111)	-	(31,319,339)
(14,084,550)	(440,867)	378,310	-	18,010,679
14,316,340	471,679	-	(15,643,958)	529,810
(277,470)	(11,494)	(378,310)	15,643,958	(12,318,521)
-	-	-	-	(127,000)
				83,671
45,680	-	-	-	45,680
14,084,550	460,185	(378,310)	-	(11,786,360)
-	19,318	-	-	6,224,319
-	549	-	-	19,876,286
-	-	-	-	139,205
-	549	-	-	20,015,491
\$ -	\$ 19,867	\$ -	\$ -	\$ 26,239,810

DESOTO COUNTY, FLORIDA
COMBINING BALANCE SHEET
ALL NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	Special Revenue				
	LIHEAP	Kings Crossing Lighting	Peace River Lighting	Ogden Acres Lighting	Golden Melody Lighting
Assets					
Cash and Cash Equivalents	\$ -	\$ -	\$ 3,505	\$ 1,132	\$ -
Restricted Cash and Cash Equivalents	-	-	-	-	-
Special Assessments Receivable	-	-	-	-	-
Notes Receivable	-	-	-	-	-
Due from Other Funds	-	314	22	25	86
Due from Other Governments	25,741	-	-	-	-
Due from Individuals and Businesses	-	-	-	-	-
Prepays	-	-	-	-	-
Total Assets	25,741	314	3,527	1,157	86
Liabilities					
Vouchers Payable	11,538	-	60	-	-
Accrued Liabilities	-	-	-	-	-
Due to Other Funds	13,831	2,340	-	-	-
Due to Other Governments	-	-	-	-	-
Deposits	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Advances from Other Funds	-	-	-	-	5,789
Total Liabilities	25,369	2,340	60	-	5,789
Deferred Inflows					
Unavailable Revenues	-	-	-	-	-
Fund Balances (Deficits)					
Non-Spendable:					
Prepays	-	-	-	-	-
Restricted for:					
Economic Development	-	-	-	-	-
Public Assistance Programs	372	-	-	-	-
Streetlighting	-	-	3,467	1,157	-
Public Safety	-	-	-	-	-
Court-Related Services	-	-	-	-	-
Solid Waste Control Services	-	-	-	-	-
Debt Service	-	-	-	-	-
Building Code Enforcements	-	-	-	-	-
Assigned for:					
Construction Projects	-	-	-	-	-
Unassigned (Deficit)	-	(2,026)	-	-	(5,703)
Total Fund Balances (Deficits)	372	(2,026)	3,467	1,157	(5,703)
Total Liabilities, Deferred Inflows, and Fund Balances (Deficits)	\$ 25,741	\$ 314	\$ 3,527	\$ 1,157	\$ 86

Special Revenue						
Harlem Heights Lighting	Lake Suzy Lighting	Spring Lakes Lighting	Sunny Breeze Lighting	E-911 Services	Emergency Management	Tourist Development Tax
\$ 6,822	\$ 12	\$ -	\$ -	\$ 247,849	\$ -	\$ 257,684
-	-	-	-	-	-	-
49	-	-	-	-	-	-
-	-	-	-	-	-	-
37	114	48	15	-	-	-
-	-	-	-	14,082	13,953	19,648
-	-	-	-	-	-	-
-	-	-	-	1,650	1,437	-
<u>6,908</u>	<u>126</u>	<u>48</u>	<u>15</u>	<u>263,581</u>	<u>15,390</u>	<u>277,332</u>
-	-	-	-	166	7,691	42,841
-	-	-	-	-	4,033	482
-	-	828	1,286	-	22,661	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	828	1,286	166	34,385	43,323
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	1,650	1,437	-
-	-	-	-	-	-	234,009
-	-	-	-	-	-	-
6,908	126	-	-	-	-	-
-	-	-	-	261,765	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	(780)	(1,271)	-	(20,432)	-
<u>6,908</u>	<u>126</u>	<u>(780)</u>	<u>(1,271)</u>	<u>263,415</u>	<u>(18,995)</u>	<u>234,009</u>
<u>\$ 6,908</u>	<u>\$ 126</u>	<u>\$ 48</u>	<u>\$ 15</u>	<u>\$ 263,581</u>	<u>\$ 15,390</u>	<u>\$ 277,332</u>

DESOTO COUNTY, FLORIDA
COMBINING BALANCE SHEET
ALL NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	Special Revenue				
	Mosquito Control	Curbside Solid Waste Collection	Building	SHIP	Indigent Health Trust
Assets					
Cash and Cash Equivalents	\$ -	\$ 5,637	\$ 1,262,103	\$ 3,041,789	\$ -
Restricted Cash and Cash Equivalents	-	-	-	-	-
Special Assessments Receivable	-	-	-	-	-
Notes Receivable	-	-	-	1,375,000	-
Due from Other Funds	-	25,473	-	-	-
Due from Other Governments	-	-	-	-	441,347
Due from Individuals and Businesses	-	-	-	-	-
Prepays	-	-	8,058	-	-
Total Assets	-	31,110	1,270,161	4,416,789	441,347
Liabilities					
Vouchers Payable	-	27,952	19,272	4,260	441,347
Accrued Liabilities	-	-	9,685	-	-
Due to Other Funds	-	-	-	37,548	-
Due to Other Governments	-	-	-	-	-
Deposits	-	1,262	6,964	-	-
Unearned Revenue	-	-	-	409,546	-
Advances from Other Funds	-	-	-	-	-
Total Liabilities	-	29,214	35,921	451,354	441,347
Deferred Inflows					
Unavailable Revenues	-	-	-	-	-
Fund Balances (Deficits)					
Non-Spendable:					
Prepays	-	-	8,058	-	-
Restricted for:					
Economic Development	-	-	-	3,965,435	-
Public Assistance Programs	-	-	-	-	-
Streetlighting	-	-	-	-	-
Public Safety	-	-	-	-	-
Court-Related Services	-	-	-	-	-
Solid Waste Control Services	-	1,896	-	-	-
Debt Service	-	-	-	-	-
Building Code Enforcements	-	-	1,226,182	-	-
Assigned for:					
Construction Projects	-	-	-	-	-
Unassigned (Deficit)	-	-	-	-	-
Total Fund Balances (Deficits)	-	1,896	1,234,240	3,965,435	-
Total Liabilities, Deferred Inflows, and Fund Balances (Deficits)	\$ -	\$ 31,110	\$ 1,270,161	\$ 4,416,789	\$ 441,347

Special Revenue						
Court Fees	Law Enforcement Trust	Sheriff Communications	Sheriff Inmate Welfare	Sheriff Voluntary Extra Duty	Sheriff Education	Sheriff Victim Advocate
\$ -	\$ 137,541	\$ 59,625	\$ 407,659	\$ 9,668	\$ 16,961	\$ 1,189
539,772	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
27,348	4,116	-	-	-	-	-
-	-	-	15,269	1,105	477	-
51,992	-	-	-	-	-	-
<u>619,112</u>	<u>141,657</u>	<u>59,625</u>	<u>422,928</u>	<u>10,773</u>	<u>17,438</u>	<u>1,189</u>
24,537	-	4,761	4,754	-	-	-
783	-	31,183	-	-	-	-
-	-	23,681	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>25,320</u>	<u>-</u>	<u>59,625</u>	<u>4,754</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	613	-	-
51,992	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	141,657	-	418,174	10,160	17,438	1,189
541,800	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>593,792</u>	<u>141,657</u>	<u>-</u>	<u>418,174</u>	<u>10,160</u>	<u>17,438</u>	<u>1,189</u>
<u>\$ 619,112</u>	<u>\$ 141,657</u>	<u>\$ 59,625</u>	<u>\$ 422,928</u>	<u>\$ 10,773</u>	<u>\$ 17,438</u>	<u>\$ 1,189</u>

DESOTO COUNTY, FLORIDA
COMBINING BALANCE SHEET
ALL NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	Special Revenue		Debt Service	Capital Projects	
	Clerk of Courts Records Modernization	Clerk of Courts Documentary Stamp Intangible Tax	Debt Service Fund	Construction Projects	Special Projects
Assets					
Cash and Cash Equivalents	\$ 120,547	\$ -	\$ 4	\$ 1,067,267	\$ 225,802
Restricted Cash and Cash Equivalents	-	-	-	-	-
Special Assessments Receivable	-	-	-	-	-
Notes Receivable	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Due from Other Governments	-	-	-	-	-
Due from Individuals and Businesses	-	-	-	-	-
Prepays	-	-	-	-	-
Total Assets	120,547	-	4	1,067,267	225,802
Liabilities					
Vouchers Payable	-	-	-	42,585	-
Accrued Liabilities	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Due to Other Governments	4,214	-	-	-	-
Deposits	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-
Total Liabilities	4,214	-	-	42,585	-
Deferred Inflows					
Unavailable Revenues	-	-	-	-	-
Fund Balances (Deficits)					
Non-Spendable:					
Prepays	-	-	-	-	-
Restricted for:					
Economic Development	-	-	-	-	-
Public Assistance Programs	-	-	-	-	-
Streetlighting	-	-	-	-	-
Public Safety	-	-	-	-	-
Court-Related Services	116,333	-	-	-	-
Solid Waste Control Services	-	-	-	-	-
Debt Service	-	-	4	-	-
Building Code Enforcements	-	-	-	-	-
Assigned for:					
Construction Projects	-	-	-	1,024,682	225,802
Unassigned (Deficit)	-	-	-	-	-
Total Fund Balances (Deficits)	116,333	-	4	1,024,682	225,802
Total Liabilities, Deferred Inflows, and Fund Balances (Deficits)	\$ 120,547	\$ -	\$ 4	\$ 1,067,267	\$ 225,802

Capital Projects

CDBG Projects		Total Non-Major Governmental Funds	
\$	-	\$	6,872,796
	-		539,772
	-		49
	-		1,375,000
	-		26,134
	-		546,235
	-		16,851
	-		63,137
	-		9,439,974
	-		631,764
	-		46,166
26,980			129,155
	-		4,214
	-		8,226
	-		409,546
	-		5,789
26,980			1,234,860
	-		613
	-		63,137
	-		4,199,444
	-		372
	-		11,658
	-		850,383
	-		658,133
	-		1,896
	-		4
	-		1,226,182
	-		1,250,484
(26,980)			(57,192)
(26,980)			8,204,501
\$	-	\$	9,439,974

DESOTO COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
ALL NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Special Revenue				
	LIHEAP	Kings Crossing Lighting	Peace River Lighting	Ogden Acres Lighting	Golden Melody Lighting
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	25,357	1,799	2,009	6,954
Licenses and Permits	-	-	-	-	-
Intergovernmental Revenues	400,399	-	-	-	-
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous Revenues	-	100	68	-	8
Total Revenues	400,399	25,457	1,867	2,009	6,962
Expenditures					
Current:					
General Government	-	761	54	81	209
Public Safety	-	-	-	-	-
Physical Environment	-	27,211	1,511	63	7,996
Economic Environment	-	-	-	1,873	-
Human Services	357,713	-	-	-	-
Culture and Recreation	-	-	-	-	-
Court-Related	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
(Total Expenditures)	(357,713)	(27,972)	(1,565)	(2,017)	(8,205)
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	42,686	(2,515)	302	(8)	(1,243)
Other Financing Sources (Uses)					
Transfers In	-	314	22	25	86
Transfers (Out)	(55,870)	-	-	-	-
Insurance Proceeds	-	-	-	-	-
Proceeds from Subscription-Based Information Technology Arrangements	-	-	-	-	-
Total Other Financing Sources (Uses)	(55,870)	314	22	25	86
Net Change in Fund Balances	(13,184)	(2,201)	324	17	(1,157)
Fund Balances (Deficits),					
Beginning of Year	13,556	175	3,143	1,140	(4,546)
Fund Balances (Deficits), End of Year	\$ 372	\$ (2,026)	\$ 3,467	\$ 1,157	\$ (5,703)

Special Revenue						
Harlem Heights Lighting	Lake Suzy Lighting	Spring Lakes Lighting	Sunny Breeze Lighting	E-911 Services	Emergency Management	Tourist Development Tax
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 164,532
3,210	9,187	3,851	1,191	-	-	-
-	-	-	-	-	-	-
-	-	-	-	127,000	142,799	-
-	-	-	-	51,829	-	-
-	-	-	-	-	-	-
70	46	-	-	3,572	-	3,372
3,280	9,233	3,851	1,191	182,401	142,799	167,904
91	276	115	53	-	-	-
-	-	-	-	92,669	352,042	2,798
2,478	9,435	4,131	1,440	-	6,426	-
-	-	-	-	-	-	138,316
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(2,569)	(9,711)	(4,246)	(1,493)	(92,669)	(358,468)	(141,114)
711	(478)	(395)	(302)	89,732	(215,669)	26,790
37	114	48	-	-	221,759	-
-	-	-	-	(92,100)	(10,370)	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
37	114	48	-	(92,100)	211,389	-
748	(364)	(347)	(302)	(2,368)	(4,280)	26,790
6,160	490	(433)	(969)	265,783	(14,715)	207,219
\$ 6,908	\$ 126	\$ (780)	\$ (1,271)	\$ 263,415	\$ (18,995)	\$ 234,009

DESOTO COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
ALL NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Special Revenue				
	Mosquito Control	Curbside Solid Waste Collection	Building Fund	SHIP	Indigent Health Trust
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 2,504,885
Special Assessments	-	-	-	-	-
Licenses and Permits	-	-	947,705	-	-
Intergovernmental Revenues	38,892	-	-	1,788,161	-
Charges for Services	-	2,079,399	2,320	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous Revenues	-	6,592	24,604	326,284	-
Total Revenues	38,892	2,085,991	974,629	2,114,445	2,504,885
Expenditures					
Current:					
General Government	-	61,758	4,454	-	-
Public Safety	451	-	634,232	-	-
Physical Environment	-	2,161,283	-	-	-
Economic Environment	-	-	275	562,291	-
Human Services	53,175	-	-	-	2,504,885
Culture and Recreation	-	-	-	-	-
Court-Related	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
(Total Expenditures)	(53,626)	(2,223,041)	(638,961)	(562,291)	(2,504,885)
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	(14,734)	(137,050)	335,668	1,552,154	-
Other Financing Sources (Uses)					
Transfers In	14,723	187,494	-	-	-
Transfers (Out)	-	(60,393)	-	(73,099)	-
Insurance Proceeds	-	-	2,968	-	-
Subscription-Based Information	-	-	-	-	-
Technology Arrangements Financing	-	-	-	-	-
Total Other Financing Sources (Uses)	14,723	127,101	2,968	(73,099)	-
Net Change in Fund Balances	(11)	(9,949)	338,636	1,479,055	-
Fund Balances (Deficits),					
Beginning of Year	11	11,845	895,604	2,486,380	-
Fund Balances (Deficits), End of Year	\$ -	\$ 1,896	\$ 1,234,240	\$ 3,965,435	\$ -

Special Revenue						
Court Fees	Law Enforcement Trust	Sheriff Communication	Sheriff Inmate Welfare	Sheriff Voluntary Extra Duty	Sheriff Education	Sheriff Victim Advocate
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	2,615	-	-	-	-	-
204,573	-	-	184,948	26,491	3,619	-
78,115	25,084	-	-	-	-	-
-	1,716	26	3,885	2	5	-
282,688	29,415	26	188,833	26,493	3,624	-
4,963	-	-	-	-	-	-
-	-	1,320,589	221,868	25,781	8,359	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
195,206	-	-	-	-	-	-
-	-	11,600	-	-	-	-
-	-	-	-	-	-	-
(200,169)	-	(1,332,189)	(221,868)	(25,781)	(8,359)	-
82,519	29,415	(1,332,163)	(33,035)	712	(4,735)	-
100,000	-	1,333,004	-	-	-	-
(162,541)	-	(23,681)	-	-	-	-
-	-	-	-	-	-	-
-	-	22,840	-	-	-	-
(62,541)	-	1,332,163	-	-	-	-
19,978	29,415	-	(33,035)	712	(4,735)	-
573,814	112,242	-	451,209	9,448	22,173	1,189
\$ 593,792	\$ 141,657	\$ -	\$ 418,174	\$ 10,160	\$ 17,438	\$ 1,189

DESOTO COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
ALL NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Special Revenue		Debt Service	Capital Projects	
	Clerk of Courts Records Modernization	Clerk of Courts Documentary Stamp Intangible Tax	Debt Service Fund	Construction Projects	Special Projects
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-
Licenses and Permits	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	1,374,444
Charges for Services	1,153,908	3,188,319	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous Revenues	28	-	-	-	-
Total Revenues	1,153,936	3,188,319	-	-	1,374,444
Expenditures					
Current:					
General Government	108,960	3,188,319	-	-	-
Public Safety	-	-	-	208,250	-
Physical Environment	-	-	-	-	-
Economic Environment	-	-	-	-	-
Human Services	-	-	-	-	-
Culture and Recreation	-	-	-	54,730	43,840
Court-Related	1,095,990	-	-	-	-
Debt Service:					
Principal Retirement	-	-	1,798,911	-	-
Interest and Fiscal Charges	-	-	23,549	-	-
(Total Expenditures)	(1,204,950)	(3,188,319)	(1,822,460)	(262,980)	(43,840)
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	(51,014)	-	(1,822,460)	(262,980)	1,330,604
Other Financing Sources (Uses)					
Transfers In	-	-	1,796,932	1,250,000	66,490
Transfers (Out)	-	-	-	-	(50,051)
Insurance Proceeds	-	-	-	-	-
Proceeds from Subscription-Based Information Technology Arrangements	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	1,796,932	1,250,000	16,439
Net Change in Fund Balances	(51,014)		(25,528)	987,020	1,347,043
Fund Balances (Deficits),					
Beginning of Year	167,347	-	25,532	37,662	(1,121,241)
Fund Balances (Deficits), End of Year	\$ 116,333	\$ -	\$ 4	\$ 1,024,682	\$ 225,802

Capital Projects		Total Non-Major	
CDBG		Governmental	
Projects		Funds	
\$	-	\$	2,669,417
	-		53,558
	-		947,705
	-		3,874,310
	-		6,895,406
	-		103,199
	-		370,378
	-		14,913,973
	-		3,370,094
	-		2,867,039
	-		2,221,974
	-		702,755
	-		2,915,773
4,500			103,070
-			1,291,196
	-		1,810,511
	-		23,549
(4,500)			(15,305,961)
(4,500)			(391,988)
	-		4,971,048
	-		(528,105)
	-		2,968
	-		22,840
	-		4,468,751
(4,500)			4,076,763
(22,480)			4,127,738
\$ (26,980)		\$	8,204,501

DESOTO COUNTY, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
SEPTEMBER 30, 2023

	Sheriff			
	Cash Bond	Individual	Other	Inmate
	Fund	Depositors	Suspense	Trust
	Fund	Fund	Fund	Fund
Assets				
Cash and Cash Equivalents	\$ 10	\$ 7,965	\$ 1,246	\$ 39,863
Accounts Receivable	-	-	-	-
Due from Other Governments	960	2,438	3,218	-
Total Assets	<u>970</u>	<u>10,403</u>	<u>4,464</u>	<u>39,863</u>
Liabilities				
Due to Other Governments	960	-	-	-
Due to Individuals and Businesses	-	2,596	3,900	32,107
Deposits	-	-	-	-
Total Liabilities	<u>960</u>	<u>2,596</u>	<u>3,900</u>	<u>32,107</u>
Net Position				
Restricted for Individuals, Businesses, and Other Governments	10	7,807	564	7,756
Total Net Position	<u>\$ 10</u>	<u>\$ 7,807</u>	<u>\$ 564</u>	<u>\$ 7,756</u>

Clerk of the Courts				Tax Collector	
Registry of Court Funds	Special Trust Fund	Fine and Forfeiture Fund	Child Support Fund	Tax Collector Fund	Totals
\$ 890,104	\$ 545,987	\$ -	\$ 2,291	\$ 592,545	\$ 2,080,011
-	-	-	-	33,842	33,842
-	-	-	-	-	6,616
<u>890,104</u>	<u>545,987</u>	<u>-</u>	<u>2,291</u>	<u>626,387</u>	<u>2,120,469</u>
-	-	-	-	620,655	621,615
-	-	-	2,291	-	40,894
-	-	-	-	5,732	5,732
<u>-</u>	<u>-</u>	<u>-</u>	<u>2,291</u>	<u>626,387</u>	<u>668,241</u>
890,104	545,987	-	-	-	1,452,228
<u>\$ 890,104</u>	<u>\$ 545,987</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,452,228</u>

DESOTO COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Sheriff			
	Cash Bond Fund	Individual Depositors Fund	Other Suspense Fund	Inmate Trust Fund
Additions				
Fees/Fines Collected for Other Governments	\$ -	\$ -	\$ -	\$ -
Deposits and Other Trust Activities	-	-	-	-
Property Taxes and Fees Collected for Local Governments	-	-	-	-
Tax Certificate Redemptions and Fees Collected for Businesses and Individuals	-	-	-	-
Cash Bond Collected	122,201	-	-	-
Fines, Forfeitures, and Fees Collected	-	51,260	-	-
Evidence Monies Collected	-	-	47,064	-
Collections from Inmates	-	-	-	570,064
Interest Income	-	1	422	7
Total Additions	<u>122,201</u>	<u>51,261</u>	<u>47,486</u>	<u>570,071</u>
Deductions				
Fees/Fines Disbursed to Other Governments	-	-	-	-
Deposits and Other Trust Activities Disbursed	-	-	-	-
Property Taxes and Fees Disbursed to Local Governments	-	-	-	-
Tax Certificate Redemptions and Fees Disbursed to Businesses and Individuals	-	-	-	-
Cash Bonds Disbursed	122,201	-	-	-
Fines, Forfeitures, and Fees Disbursed	-	46,454	-	-
Evidence Monies Disbursed	-	-	49,790	-
Inmate Funds Disbursed	-	-	-	565,770
Total Deductions	<u>122,201</u>	<u>46,454</u>	<u>49,790</u>	<u>565,770</u>
Changes in Fiduciary Net Position	<u>-</u>	<u>4,807</u>	<u>(2,304)</u>	<u>4,301</u>
Beginning Net Position	<u>10</u>	<u>3,000</u>	<u>2,868</u>	<u>3,455</u>
Ending Net Position	<u>\$ 10</u>	<u>\$ 7,807</u>	<u>\$ 564</u>	<u>\$ 7,756</u>

Clerk of the Courts				Tax Collector		Totals
Registry of Court Funds	Special Trust Fund	Fine and Forfeiture Fund	Child Support Fund	Tax Collector Fund	Eliminating Entries	
\$ -	\$ 713,926	\$ 1,117,663	\$ -	\$ -	\$ -	\$ 1,831,589
1,375,867	318,824	-	314,032	-	-	2,008,723
-	-	-	-	45,402,847	(27,591,564)	17,811,283
-	-	-	-	7,737,861	(36,846)	7,701,015
-	-	-	-	-	-	122,201
-	-	-	-	-	-	51,260
-	-	-	-	-	-	47,064
-	-	-	-	-	-	570,064
-	-	-	-	-	-	430
<u>1,375,867</u>	<u>1,032,750</u>	<u>1,117,663</u>	<u>314,032</u>	<u>53,140,708</u>	<u>(27,628,410)</u>	<u>30,143,629</u>
-	727,348	1,117,663	-	-	-	1,845,011
1,356,890	207,313	-	314,032	-	-	1,878,235
-	-	-	-	45,402,847	(27,591,564)	17,811,283
-	-	-	-	7,737,861	(36,846)	7,701,015
-	-	-	-	-	-	122,201
-	-	-	-	-	-	46,454
-	-	-	-	-	-	49,790
-	-	-	-	-	-	565,770
<u>1,356,890</u>	<u>934,661</u>	<u>1,117,663</u>	<u>314,032</u>	<u>53,140,708</u>	<u>(27,628,410)</u>	<u>30,019,759</u>
<u>18,977</u>	<u>98,089</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>123,870</u>
<u>871,127</u>	<u>447,898</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,328,358</u>
<u>\$ 890,104</u>	<u>\$ 545,987</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,452,228</u>

COMPLIANCE SECTION

DESOTO COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Grantor/Pass-Through Agency	AL/CSFA Number	Contract/ Grant Number	Grant Expenditures
Expenditures of Federal Awards			
U.S. Department of Justice			
Passed Through Florida Department of Law Enforcement:			
Bulletproof Vest Partnership Program	16.607	Unknown	\$ 5,204
Total U.S. Department of Justice			5,204
U.S. Department of Transportation, Federal Transit Administration			
Passed Through Florida Department of Transportation:			
Highway Planning and Construction *	20.205	FPN 438259-1-38/58/68-01	227,510
Highway Planning and Construction *	20.205	FPN 438103-1-38-01	53,901
Highway Planning and Construction *	20.205	FPN 438259-1-38/58/68-01	58,909
Highway Planning and Construction *	20.205	FPN 437099-1-38/58/68-01	837,782
Highway Planning and Construction Total			1,178,102
Highway Safety Cluster:			
State and Community Highway Safety	20.600	G2252	2,396
Highway Safety Cluster Total			2,396
Total U.S. Department of Transportation, Federal Transit Administration			1,180,498
U.S. Department of Treasury			
Passed Through Florida Housing Finance Corporation:			
COVID-19: Coronavirus State and Local Fiscal Recovery Funds - American Rescue Plan Act *	21.027	Unknown	5,101,810
Total U.S. Department of Treasury			5,101,810
U.S. Election Assistance Commission			
Passed Through Florida Department of State			
2018 HAVA Election Security Grants	90.404	23.e.es.100.013	13,195
Total U.S. Department of Treasury			13,195
U.S. Department of Health and Human Services			
Passed Through Florida Department of Revenue:			
Child Support Enforcement - Reimbursement	93.563	COC14	76,927
Passed Through Florida Department of Economic Opportunity:			
Low Income Household Water Assistance Program	93.499	E2001-41281, 41311	79,670
Low Income Home Energy Assistance Program	93.568	E2001-39716, 40028, 40238	320,729
Total U.S. Department of Health and Human Services			477,326
U.S. Department of Homeland Security,			
Federal Emergency Management Agency (FEMA)			
Passed Through Florida Division of Emergency Management:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)*	97.036	Z2862	11,412,647
Emergency Management Performance Grants	97.042	G0268	57,095
Total U.S. Department of Homeland Security, FEMA			11,469,742
Total Expenditures of Federal Awards			\$ 18,247,775

DESOTO COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Grantor/Pass-Through Agency	AL/CSFA Number	Contract/ Grant Number	Grant Expenditures
Expenditures of State Financial Assistance			
Florida Executive Office of the Governor			
Emergency Management Program	31.063	A0247	\$ 75,750
Emergency Management Program	31.063	A0379	13,768
Hurricane Loss Mitigation Program	31.066	B0114	194,000
Total Florida Executive Office of the Governor			<u>283,518</u>
Florida Department of Environmental Protection			
Small County Consolidated Grant	37.012	SC905	93,750
Total Florida Department of Environmental Protection			<u>93,750</u>
Florida Housing Finance Corporation			
State Housing Initiatives Partnership	40.901	Unknown	392,385
State Housing Initiatives Partnership - Disaster	40.901	Unknown	91,323
State Housing Initiatives Partnership - HHRP	40.901	Unknown	151,681
Total Florida Housing Finance Corporation			<u>635,389</u>
Florida Department of Agriculture and Consumer Services			
Mosquito Control Program			38,892
Total Florida Department of Agriculture and Consumer Services	42.003	28439	<u>38,892</u>
Florida Department of State, Division of Library and Information Services			
State Aid to Libraries	45.030	22-ST-13	62,183
Total Florida Department of State, Division of Library and Information Services			<u>62,183</u>
Florida Department of Transportation			
Small County Outreach Program - SW Welles **	55.009	446390 1 54 01 G2611	29,204
Small County Outreach Program - CR760A Hawthorne **	55.009	443437 2 54 01 G2581	546,267
Small County Outreach Program - SW Hull Avenue **	55.009	438576 1 54 01 G1215	1,021,826
Small County Outreach Program - Bridge Scour SE Airport **	55.009	443436 2 54 01 G2580	628,672
Small County Outreach Program - SW Reynolds Road **	55.009	445074 1 54 01 G2C57	72,045
Total Florida Department of Transportation			<u>2,298,014</u>
Florida Department of Health			
EMS Matching Award	64.003	M9030	47,493
Total Florida Department of Health			<u>47,493</u>
Florida Department of Law Enforcement			
Law Enforcement Salary Assistance For Fiscally Constrained Counties	71.067	5V005	125,689
Law Enforcement Salary Assistance For Fiscally Constrained Counties	71.067	7G019	302,944
Total Florida Department of Law Enforcement			<u>428,633</u>
Total Expenditures of State Financial Assistance			<u>\$ 3,887,872</u>

* Denotes major federal awards program.

** Denotes major state financial assistance project.

DESOTO COUNTY, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Note 1 - General

The accounting policies and presentation of the accompanying schedule of expenditures of federal awards and state financial assistance of DeSoto County, Florida (the County) have been designed to conform with generally accepted accounting principles applicable to governmental units, including the reporting and compliance requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) (federal awards); and Chapter 10.550, *Rules of the Auditor General* of the State of Florida.

The County reporting entity is defined in Note 1 to the County's financial statements for the year ended September 30, 2023. All federal awards and state financial assistance received directly from federal or state agencies, as well as federal awards and state financial assistance passed through other governmental agencies, are included in the schedule.

Note 2 - Basis of Accounting

The accompanying schedule of expenditures of federal awards and state financial assistance is presented using the same basis of accounting as the fund in which the grant is recorded, generally the accrual or modified accrual basis, as described in Note 1 C to the County's financial statements.

Note 3 - Contingencies

Grant monies received and disbursed by the County are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to the disallowance of expenditures. Based upon prior experience, the County does not believe that such disallowances, if any, would have a material effect on the financial position of the County.

Note 4 - Expenditures and Program Income

The amounts shown as current year expenditures on the accompanying schedule represent only the grant portion of the program/project costs. The total expenditures of the program/project may be more than shown. Program income generated by and expended on a federal or state award during the period of performance is included on this schedule if the program income is added to the award amount or if specifically directed by the awarding agency and/or required by program guidance. Program income that reduces the total allowable expenditures (deduction method) is not included.

Note 5 - Indirect Costs

DeSoto County Board of County Commissioners did not elect to use the 10% de minimis cost rate in 2023 as covered in 2 CFR 200.414.

Note 6 - Disaster Public Assistance

Disaster funding received from the FEMA Public Assistance Program (AL 97.036) is based on Project Worksheets (PWs) that outline the eligible expenses and the scope of the project. Expenditures recorded on this schedule are contingent on when funds are obligated and approved, and the County has incurred eligible expenditures. The schedule includes \$11,412,647 of eligible expenditures that were incurred in prior years.

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

Honorable Members of the Board of County Commissioners
DeSoto County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of DeSoto County, Florida (the County), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated October 3, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) 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 County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County'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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-01, 2023-02, and 2023-03, that we consider to be significant deficiencies.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

Honorable Members of the Board of County Commissioners
DeSoto County, Florida

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance 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 non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

County's Response to Findings

The County's response to the finding is included in the accompanying management's response letter. *Government Auditing Standards* requires the auditor to perform limited procedures on the County's response to the finding identified in our audit. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



October 3, 2024
Sarasota, Florida

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

Honorable Members of the Board of County Commissioners
DeSoto County, Florida

Report on Compliance for Each Major Federal Program/State Project

Opinion on Each Major Federal Program/State Project

We have audited DeSoto County, Florida's (the County) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement*, and the requirements described in the Florida Department of Financial Services' *State Projects Compliance Supplement*, that could have a direct and material effect on each of the County's major federal programs and state projects for the year ended September 30, 2023. The County's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program/State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Auditor General* (Chapter 10.550). Our responsibilities under those standards, the Uniform Guidance, and Chapter 10.550 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs and state projects.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material non-compliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. 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 generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550 will always detect material non-compliance when it exists. The risk of not detecting material non-compliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program and special project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material non-compliance, 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 County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Honorable Members of the Board of County Commissioners
DeSoto County, Florida

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-04 to be a material weakness. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-05 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



October 3, 2024
Sarasota, Florida

**DESOTO COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARD PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

Part A - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of Auditor's Report Issued	Unmodified
Internal Control Over Financial Reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	Yes
Non-compliance material to financial statements noted?	No

Federal Awards and State Financial Assistance Projects

Internal Control Over Major Programs:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified?	Yes
Type of Auditor's Report Issued on Compliance for Major Programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with CFR 200.516(a) or Chapter 10.557 for local government entities?	No

Identification of Major Programs/Projects:

Federal Program or Cluster

U.S. Department of Transportation	
Passed Through Florida Department of Transportation	
Highway Planning and Construction	AL No. 20.205
U.S. Department of The Treasury	
Passed Through Florida Emergency Management	
COVID-19 – Coronavirus State and Local Fiscal Recovery Finds – American Rescue Plan Act	AL No. 21.027
U.S. Department of Homeland Security	
Passed Through Florida Division of Emergency Management	
Disaster Grants – Public Assistance	AL No. 97.036

State Financial Assistance Projects

Florida Department of Transportation	
Small County Outreach Program	CSFA No. 55.009

**DESOTO COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARD PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

Dollar threshold used to distinguish between Type A and Type B programs - Federal Programs:	\$750,000
Dollar threshold used to distinguish between Type A and Type B programs - State Programs:	\$750,000
Auditee qualified as low-risk auditee pursuant to the Uniform Guidance?	No

PART B - FINDINGS - FINANCIAL STATEMENT AUDIT

■ **2023-01 – Timeliness of Financial Close and Reporting (Significant Deficiency)**

Condition – At commencement of final fieldwork, we noted that there were several large areas still requiring completion and adjustment. Management noted that these areas were still in process and adjustments were to be provided. The County subsequently provided adjustments to these areas. This resulted in significant updates to the original trial balance, a delay in the completion of final fieldwork, and a delay in the issuance of the financial statements until after the State of Florida’s statutory reporting deadline.

Effect – At the commencement of final fieldwork, all significant audit areas should be completed in order to limit the need for a large volume of subsequent journal entries. This reduces the chance of errors and allows management to perform an effective review of final amounts prior to commencement of the audit. Additionally, the State of Florida requires that counties submit their audited financial statements by June 30 of the following fiscal year.

Recommendation – We recommend management reviews policies and procedures in relation to the closing process in order to improve the timeliness of financial close and reporting.

■ **2023-02 – Inventory Management (Significant Deficiency)**

Condition – During the audit, we observed that Water and Sewer Fund inventory was not valued in accordance with County policy, had not had an inventory count performed on a timely basis, and was not being tracked accurately.

Effect – The deficiency in inventory management caused additional time in completion of the audit due to the difficulty in determining final inventory balances.

Recommendation – We recommend management review policies and procedures in relation to inventory to ensure that inventory counts are performed timely on a periodic basis and inventory is valued in accordance with established policies and procedures.

DESOTO COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARD PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

■ **2023-03 – Revenue Recognition (Significant Deficiency)**

Condition – During the audit, we observed that unearned grant revenue was not properly recognized in accordance with the performance of associated activities. Had this not been discovered, revenues would have been understated and liabilities would have been overstated.

Effect – An adjusting entry in the amount of \$1,426,078 was required to be recorded to correctly state revenues.

Recommendation – We recommend management review policies and procedures in relation to revenue recognition to ensure that revenue is recorded timely as it is earned.

PART C - FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS

■ **2023-04 – Preparation of Schedule of Expenditures of Federal Awards (Material Weakness)**

Condition – The Schedule of Expenditures of Federal Awards provided during the audit incorrectly omitted the activity for two grant programs, resulting in a material understatement of expenditures of federal awards.

Effect – Adjustments totaling approximately \$16,500,000 were required to be made to the Schedule of Expenditures of Federal Awards to properly reflect total expenditures.

Recommendation – We recommend management review the process of preparing the Schedule of Expenditures of Federal Awards and implement additional controls to ensure that all expenditures are included.

PART D - FINDINGS AND QUESTIONED COSTS - MAJOR STATE FINANCIAL ASSISTANCE PROJECTS

■ **2023-05 – Preparation of Schedule of Expenditures of State Financial Assistance (Significant Deficiency)**

Condition – The Schedule of Expenditures of State Financial Assistance provided during the audit incorrectly omitted the activity for two grant programs, resulting in an understatement of expenditures of state financial assistance.

Effect – An adjustment, in the amount of approximately \$240,000, was required to be made to the Schedule of Expenditures of State Financial Assistance to properly reflect total expenditures.

Recommendation – We recommend management review the process of preparing the Schedule of Expenditures of State Financial Assistance and implement additional controls to ensure that all expenditures are included.

PART E - OTHER ISSUES

No summary schedule of prior audit findings is required because there were no prior audit findings related to federal programs or state projects.

Management has provided their corrective action plan on page 111 in response to the current year findings required to be reported under the *Federal* and *Florida Single Audit Acts*.

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE
WITH FLORIDA STATUTES, SECTION 218.415 – INVESTMENTS OF PUBLIC FUNDS**

Honorable Members of the Board of County Commissioners
DeSoto County, Florida

We have examined DeSoto County, Florida's (the County) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the fiscal year ended September 30, 2023, as required by Section 10.566(10)(a), *Rules of the Auditor General*. Management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County'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 require that we plan and perform the examination to obtain reasonable assurance about whether the County complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the County complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material non-compliance, 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 County's compliance with specified requirements.

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

In our opinion, the County complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the fiscal year ended September 30, 2023.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, the Florida Auditor General, DeSoto County Board of County Commissioners, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.



October 3, 2024
Sarasota, Florida

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE
WITH SECTION 365.172(10) AND SECTION 365.173(2)(d), FLORIDA STATUTES**

Honorable Members of the Board of County Commissioners
DeSoto County, Florida

We have examined DeSoto County, Florida's (the County) compliance with Section 365.172(10), Florida Statutes, *Authorized Expenditures of E911 Fee*, and Section 365.173(2)(d), Florida Statutes, *Distribution and Use of (E911) Funds*, during the fiscal year ended September 30, 2023. Management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County'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 require that we plan and perform the examination to obtain reasonable assurance about whether the County complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the County complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material non-compliance, 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 County's compliance with specified requirements.

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

In our opinion, the County complied, in all material respects, with the requirements of Section 365.172(10), Florida Statutes, *Authorized Expenditures of E911 Fee*, and Section 365.173(2)(d), Florida Statutes, *Distribution and Use of (E911) Funds*, during the fiscal year ended September 30, 2023.

This report 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, DeSoto County Board of County Commissioners, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.



October 3, 2024
Sarasota, Florida

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

MANAGEMENT LETTER

Honorable Members of the Board of County Commissioners
DeSoto County, Florida

Report on the Financial Statements

We have audited the financial statements of DeSoto County, Florida (the County) as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated October 3, 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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance), and Chapter 10.550, *Rules of the Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control Over Compliance Required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*; Schedule of Findings and Questioned Costs; and Independent Accountant's Reports on an examination conducted in accordance with American Institute of Public Accountants *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated October 3, 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 financial audit report. Prior audit finding, 2022-01 – Timeliness of Financial Close and Reporting, was not sufficiently resolved and has been continued as finding 2023-01.

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. The County has disclosed this information in Note 1 of the financial statements and there were no component units.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

Honorable Members of the Board of County Commissioners
DeSoto County, Florida

MANAGEMENT LETTER

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the County met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that the County did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

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 other than those reported on the schedule of findings and questioned costs.

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate non-compliance 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 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 Honorable Members of the DeSoto County Board of County Commissioners, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.



October 3, 2024
Sarasota, Florida



DeSoto County

Board of County Commissioners Administrative Services Department

201 East Oak Street, Suite 205

Arcadia, Florida 34266

(863) 993-4587

(863) 993-4643 fax

www.desotobocc.com

October 7, 2024

Purvis, Gray and Company
Certified Public Accountants
5001 Lakewood Ranch Boulevard, N., Suite 101
Sarasota, FL 34240

Re: 2023 Audit – Management Response Letter

Our response to Management Letter Comment is as follows:

2023-01 – Timeliness of Financial Close and Reporting

The implementation of the new GASB 96, *SBITAs*, resulted in a delay of completion of the financial close and reporting. The County will review its policies and procedures in relation to the closing procedures on an annual basis.

2023-02 – Inventory Management

The County will review its policies and procedures in relation to inventory. The County's Water and Sewer Fund inventory will be performed on a quarterly basis to ensure that inventory counts are accurate in determining final inventory balances at fiscal year-end.

2023-03 – Revenue Recognition

The County has corrected the deficiency in the current fiscal year and does not foresee this as an ongoing deficiency in its internal controls. The County will review its policies and procedures on an annual basis.

2023-04 – Preparation of Schedule of Expenditures of Federal Awards

The County has corrected the material understatement of expenditures of federal awards in the current fiscal year and does not foresee this as an ongoing weakness in its internal controls. The County will review its policies and procedures on an annual basis.

2023-05 – Preparation of Schedule of Expenditures of State Financial Assistance

The County has corrected the understatement of expenditures of state financial assistance in the current fiscal year and does not foresee this as an ongoing deficiency in its internal controls. The County will review its policies and procedures on an annual basis.

Sincerely,

DESOTO COUNTY, FLORIDA

Peter Danao

Peter Danao, Finance Director

AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared, **Peter Danao**, who being duly sworn, deposes and says on oath that:

1. I am the Chief Financial Officer of **DeSoto County**, a county of the State of Florida;
2. **DeSoto County** adopted Ordinances 2020-4 and 2020-5 on March 24, 2020, repealing the county and school board impact fees respectively;
3. For ten years prior to adoption of Ordinances 2020-4 and 2020-5, **DeSoto County** waived county and school board impact fees annually; and
3. By waiving and repealing the county and school board impact fee ordinances, **DeSoto County** complied with and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

Peter Danao

Peter Danao

STATE OF FLORIDA
COUNTY OF DESOTO

SWORN TO AND SUBSCRIBED before me this 27 day of September, 2024.

Lorraine Edwards

NOTARY PUBLIC

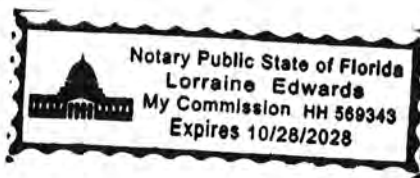
Print Name Lorraine Edwards

Personally known ☒ or produced identification _____

Type of identification produced: _____

My Commission Expires:

10/28/2028



**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR’S REPORT**

**CLERK OF THE CIRCUIT AND COUNTY COURTS
DESOTO COUNTY, FLORIDA**

SEPTEMBER 30, 2023

TABLE OF CONTENTS

Independent Auditor’s Report	1-3
Financial Statements	
Balance Sheet - Governmental Funds	4
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	5
Statement of Fiduciary Net Position.....	6
Statement of Changes in Fiduciary Net Position	7
Notes to Financial Statements.....	8-14
Required Supplementary Information	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	15
Note to Required Supplementary Information	16
Supplementary Information	
Combining Statement of Fiduciary Net Position	17
Combining Statement of Changes in Fiduciary Net Position	18
Other Reports	
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	19-20
Independent Accountant’s Report on Compliance with Florida Statutes, Section 218.415 - Investments of Public Funds	21
Independent Accountant’s Report on Compliance with Florida Statutes, Sections 28.35 and 28.36 - Certain Court-Related Functions	22
Independent Accountant’s Report on Compliance with Florida Statutes, Section 61.181 - Alimony and Child Support Payments.....	23
Management Letter.....	24-25

INDEPENDENT AUDITOR'S REPORT

Honorable Nadia Daughtrey
Clerk of the Circuit and County Courts
DeSoto County, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the DeSoto County, Florida Clerk of the Circuit and County Courts (the Clerk) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Clerk's 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 financial position of each major fund and the aggregate remaining fund information of the Clerk as of September 30, 2023, and the respective changes in financial position 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 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Clerk 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 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida (the Rules). In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position, only for that portion of each major fund and the aggregate remaining fund information of DeSoto County, Florida that is attributable to the Clerk. They do not purport to, and do not, present fairly the financial position of DeSoto County, Florida as of September 30, 2023, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

Honorable Nadia Daughtrey
Clerk of the Circuit and County Courts
DeSoto County, Florida

INDEPENDENT AUDITOR'S REPORT

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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Clerk's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's 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 auditor's 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 generally accepted auditing standards 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 generally accepted auditing standards 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 Clerk'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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Clerk's ability to continue as a going concern for a reasonable period of time.

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 Nadia Daughtrey
Clerk of the Circuit and County Courts
DeSoto County, Florida

INDEPENDENT AUDITOR'S REPORT

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule, as listed in the table of contents, be presented to supplement the financial statements. Such information is the responsibility of management, and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk's financial statements. The accompanying combining statements of fiduciary net position and changes in fiduciary net position are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such 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 accompanying combining statements of fiduciary net position and changes in fiduciary net position are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2024, on our consideration of the Clerk'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 Clerk'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 Clerk's internal control over financial reporting and compliance.



May 31, 2024
Sarasota, Florida

FINANCIAL STATEMENTS

DESOTO COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	Major Funds			Total
	General	Public	Documentary	Governmental
	Fund	Records	Stamp Intangible	Funds
		Trust Fund	Tax Fund	
Assets				
Cash and Cash Equivalents	\$ 149,093	\$ 120,547	\$ -	\$ 269,640
Due from Other Governments	41,158	-	-	41,158
Total Assets	<u>190,251</u>	<u>120,547</u>	<u>-</u>	<u>310,798</u>
Liabilities, Deferred Inflows, and Fund Balances				
Liabilities				
Accounts Payable	-	4,214	-	4,214
Accrued Payroll and Payroll Taxes	3,410	-	-	3,410
Due to Board of County Commissioners	39,079	-	-	39,079
Due to Other Governments	131,534	-	-	131,534
Total Liabilities	<u>174,023</u>	<u>4,214</u>	<u>-</u>	<u>178,237</u>
Deferred Inflows				
Unavailable Revenues	16,228	-	-	16,228
Total Deferred Inflows	<u>16,228</u>	<u>-</u>	<u>-</u>	<u>16,228</u>
Fund Balances				
Restricted for:				
Records Modernization	-	116,333	-	116,333
Total Fund Balances	<u>-</u>	<u>116,333</u>	<u>-</u>	<u>116,333</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 190,251</u>	<u>\$ 120,547</u>	<u>\$ -</u>	<u>\$ 310,798</u>

See accompanying notes.

DESOTO COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Major Funds			
	General Fund	Public Records Trust Fund	Documentary Stamp Intangible Tax Fund	Total Governmental Funds
Revenues				
Intergovernmental Revenues	\$ 258,195	\$ -	\$ -	\$ 258,195
Charges for Services	1,019,350	1,153,908	3,188,319	5,361,577
Interest	10,315	28	-	10,343
Total Revenues	1,287,860	1,153,936	3,188,319	5,630,115
Expenditures				
Current:				
General Government:				
Personnel Services	285,596	-	-	285,596
Operating Expenditures	35,195	108,960	3,188,319	3,332,474
Capital Outlay	943	-	-	943
Court-Related Services:				
Personnel Services	776,304	-	-	776,304
Operating Expenditures	104,991	1,095,990	-	1,200,981
Capital Outlay	2,830	-	-	2,830
(Total Expenditures)	(1,205,859)	(1,204,950)	(3,188,319)	(5,599,128)
Excess (Deficiency) of Revenues Over (Under) Expenditures	82,001	(51,014)	-	30,987
Other Financing Sources (Uses)				
Reversion to the State of Florida	(127,000)	-	-	(127,000)
Transfers in from DeSoto County				
Board of County Commissioners	84,078	-	-	84,078
Transfers (out) to DeSoto County				
Board of County Commissioners	(39,079)	-	-	(39,079)
Total Other Financing Sources (Uses)	(82,001)	-	-	(82,001)
Net Change in Fund Balances	-	(51,014)	-	(51,014)
Fund Balance, Beginning of Year	-	167,347	-	167,347
Fund Balance, End of Year	\$ -	\$ 116,333	\$ -	\$ 116,333

See accompanying notes.

**DESOTO COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2023**

	Total Custodial Funds
Assets	
Cash	\$ 1,438,382
Total Assets	<u>1,438,382</u>
 Liabilities and Net Position	
 Liabilities	
Due to Individuals and Businesses	<u>2,291</u>
Total Liabilities	<u>2,291</u>
 Net Position	
Restricted for Individuals and Businesses	<u>1,436,091</u>
Total Net Position	<u>1,436,091</u>
 Total Liabilities and Net Position	 <u>\$ 1,438,382</u>

See accompanying notes.

**DESOTO COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
SEPTEMBER 30, 2023**

	Total Custodial Funds
Additions	
Fees/Fines Collected for Other Governments	\$ 1,831,589
Deposits and Other Trust Activities	2,008,723
Total Additions	<u>3,840,312</u>
Deductions	
Fees/Fines Disbursed to Other Governments	1,845,011
Deposits and Other Trust Activities Disbursed	1,878,235
(Total Deductions)	<u>(3,723,246)</u>
Change in Net Position	117,066
Net Position, Beginning of Year	<u>1,319,025</u>
Net Position, End of Year	<u><u>\$ 1,436,091</u></u>

See accompanying notes.

**DESOTO COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

Note 1 - Summary of Significant Accounting Policies

The following is a summary of the significant accounting principles and policies used in the preparation of the financial statements.

Reporting Entity

DeSoto County, Florida (the County) is a political subdivision of the State of Florida. It is governed by an elected Board of County Commissioners (the Board) and an appointed County Administrator. The County Administrator is responsible for the administration of all departments of which the Board has the authority to control pursuant to the general laws of Florida.

The DeSoto County, Florida Clerk of the Circuit and County Courts (the Clerk) is an elected constitutional officer of the County as provided by the Constitution of the State of Florida. The Clerk is responsible for the administration and operation of the Clerk's office, including the Circuit and County court systems.

Certain costs of the court systems (communications services; existing radio systems; existing multiagency criminal justice information systems; and the cost of construction or lease, maintenance, utilities, and security of facilities for the trial courts, public defenders' offices, and state attorneys' offices) are required by Article V, *Florida Constitution*, to be funded by the Board. Such costs are not included herein.

For financial statement reporting purposes, the Clerk is deemed to be a part of the primary government of the County and, therefore, is included as such in the County's annual financial report.

Basis of Presentation

The accompanying financial statements include all the funds and accounts of the Clerk's office but are not a complete presentation of the County as a whole. Except for this matter, they are otherwise in conformity with accounting principles generally accepted in the United States of America (GAAP). The accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557(4), *Rules of the Auditor General - Local Governmental Entity Audits*.

The financial transactions of the Clerk are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. These funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

GAAP sets forth minimum criteria (percentage of assets, liabilities, revenues, and expenditures of each fund category) for the determination of major funds. Major funds are reported separately in the financial statements of the Clerk.

The Clerk reports the following major governmental funds:

■ **Governmental Funds**

- **General Fund**—is a governmental fund used to account for all revenues and expenditures applicable to the general operations of the Clerk that are not accounted for in another fund.

**DESOTO COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

- **Public Records Trust Fund**—is a special revenue fund used to account for recording fees, licenses, and investment income on the money restricted for record modernization. Revenues from the operational, clerical, and administrative functions of the Clerk’s court activities are also accounted for here.
- **The Documentary Stamp and Intangible Tax Fund**—is a special revenue fund used to account for the functions of the Clerk to perform and charge for the service of collecting and remitting taxes to the State of Florida. The documentary stamp tax is an excise tax imposed on obligations to pay money pursuant to Florida Statutes 201.08. The intangible tax is a tax on intangible personal property levied on obligations for payment of money which are secured by a mortgage or other liens upon real property located in the State of Florida pursuant to Florida Statutes 199.133.

In addition, the Clerk also reports the following other fund type:

■ **Fiduciary Funds**

- **Custodial Funds**—funds are used to account for assets received and held by the Clerk on behalf of outside parties, including other governments. Custodial funds are used to report resources held by the reporting governments in a purely custodial capacity. Custodial funds typically involve only the receipt, temporary investment, and remittance of custodial resources to individuals, private organizations, or other governments. The Clerk reports activity for four Custodial funds: Registry of Court, Special Trust, Fine and Forfeiture, and Child Support.

Funding of Clerk Activities

With the implementation of Revision 7 to Article V on July 1, 2004, the Clerk’s activities are now classified as either court or non-court. Both the court and non-court activities are reported within the Clerk’s general fund.

The non-court activities are funded through service charges for recording instruments and documents into the official records, and through transfers in from the Board.

The court activities are funded by fines, fees, service charges, and court cost collections, plus a monthly state appropriation for the projected deficiency. Beginning in 2014, the state appropriation represented an allocation from the Clerks of Court Operations Corporation (CCOC), pursuant to a contract between the CCOC and the Chief Financial Officer of the State of Florida.

The Public Records Trust Fund is funded by a portion of recording fees and 10% of the collections of court-related fines, fees, service charges, and court cost collections.

Basis of Accounting

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

DESOTO COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

All governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures of the current period. The Clerk considers receivables collected within 30 days after year-end to be available and recognizes them as revenues of the current year. Expenditures are recorded when the liability is incurred, except for accumulated sick and vacation pay, which are not recorded until paid. Fiduciary funds are accounted for using the accrual basis of accounting.

Measurement Focus

The accounting and financial reporting treatment applied to the capital assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or “financial flow” measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet.

Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Accordingly, they present a summary of sources and uses of “available spendable resources” during a period.

The custodial funds are accounted for using an economic resource measurement focus and require a resource flow statement. The Clerk reports aggregated totals for additions and aggregated totals for deductions of custodial funds in which resources, upon receipt, are normally expected to be held for three months or less. The descriptions of the aggregated totals of additions and deductions indicate the nature of the resource flows.

Budgetary Requirement

The budget for the Clerk’s general fund consists of two parts: a budget for non-court activities approved by the Board (the Board Budget), and a budget for court activities approved by the CCOC (the State Budget). Both budgets are on a basis consistent with GAAP. The budgets adopted for the Public Records Trust Fund and the Documentary Stamp Intangible Tax Fund are internally developed and approved budgets, with no legal level of budgetary control.

Budgetary control in the Board Budget is generally at the total appropriations level (before transfers out). Budgetary changes within the total Board Budget are made at the discretion of the Clerk. Amendments that increase total appropriations (before transfers out) must be submitted to the Board. In the case of the State Budget, budgetary control is also at the total appropriations level (including reserves but excluding intergovernmental expenditures). Amendments must be approved by the CCOC.

Included in the required supplementary information (RSI) section of the accompanying financial statements is a budget to actual comparison for the general fund. Expenditures for the general fund are segregated between the State and the Board Budgets to illustrate budgetary compliance. As described in the note to RSI, the Public Records Trust Fund and Documentary Stamp Intangible Tax Fund expenditures are restricted by statute and are not included in the RSI.

Supplemental Funding and Return of “Excess Fees”

The operations of the Clerk are approved and primarily funded from fees and charges authorized under Florida Statutes and supplemental appropriations from the CCOC or the Board.

DESOTO COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

For non-court activities, the supplemental funding from the Board is recorded as transfers in on the accompanying statement of revenues, expenditures, and changes in fund balance. Any excess of revenues and transfers in over expenditures for non-court activities (including child support activities) for the year ended September 30 are reported as transfers out and due to the Board and are payable by October 31.

For court activities, the supplemental funding from the CCOC is recorded as intergovernmental revenue on the accompanying statement of revenues, expenditures, and changes in fund balance. The amount returned, if any, is recorded as reversion to the State of Florida under other financing sources (uses). For the period October 1, 2022 through September 30, 2023, the amount recorded as due to other governments includes \$83,929 of September 2023 revenues that can be retained to fund 2024 expenditures, as well as \$47,605, which is due to the state.

Prepaid Items

Certain prepayments to vendors reflect costs applicable to future accounting periods. These prepayments are recorded as expenditures in the year paid.

Deferred Inflows/Unavailable Revenues

Deferred inflows represent revenues that have been earned but are not available (because they were received more than 30 days after year-end).

Fund Balances

Fund balance classifications comprise a hierarchy based primarily on the extent to which the organization is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components—non-spendable, restricted, committed, assigned, and unassigned:

- **Non-Spendable**—This component of fund balance consists of amounts that cannot be spent because: (a) they are not expected to be converted to cash, or (b) they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The Clerk does not have any non-spendable fund balances.
- **Restricted**—This component of fund balance consists of amounts that are constrained either: (a) externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments), or (b) by law through constitutional provisions or enabling legislation.
- **Committed**—This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (e.g., policy) of the organization's governing authority. By statute, the Clerk herself is the governing authority. These committed amounts cannot be used for any other purpose unless the Clerk removes or changes the specified use by taking the same type of action (e.g., policy) she employed to constrain those amounts. The Clerk does not have any committed fund balances.
- **Assigned**—This component of fund balance consists of amounts that are constrained by a less-than-formal action of the organization's governing authority, or by an individual or body to whom the governing authority has delegated this responsibility. The Clerk has not delegated the responsibility to assign fund balances to any individual or body.

DESOTO COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

- **Unassigned**—This classification is used for: (a) negative unrestricted fund balances in any governmental fund, or (b) fund balances within the general fund that are not restricted, committed, or assigned.

When both restricted and unrestricted resources are available for use, it is the Clerk's policy to use restricted resources first, then unrestricted resources (committed, assigned, and unassigned), as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use, it is the Clerk's policy to use committed resources first, then assigned, and then unassigned, as needed.

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported and disclosed in the accompanying financial statements and notes. Actual results could differ from those estimates.

Note 2 - Cash and Investments

At year-end, the carrying amount of the Clerk's deposits was \$1,706,772 (\$268,390 in governmental funds and \$1,438,382 in fiduciary funds). All of the Clerk's public deposits are held in qualified public depositories (QPDs) pursuant to Florida Statutes, Chapter 280. Under this Chapter, each QPD is required to pledge collateral to the State Treasurer against the public deposits. In the event of default by a QPD, all claims for public deposits would be satisfied by the State Treasurer from the proceeds of federal deposit insurance, pledged collateral of the QPD in default and, if necessary, assessments against other QPDs of the same type as the depositor in default.

In addition to cash deposits, the Clerk maintains cash on hand for the purpose of making change on transactions. At September 30, 2023, the Clerk held \$1,250 in cash on hand.

Investments

The Clerk has not adopted an investment policy and so, by statute, follows the state's guidance set forth in Section 219.075, Florida Statutes, regarding the deposit of funds received and the investment of surplus funds. That Section requires local governments without written investment policies, including County officers, to follow the state policy in Section 218.415(17), Florida Statutes. That Section authorizes the following investments:

- The Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the *Florida Interlocal Cooperation Act*, as provided in Florida Statute 163.01.
- Securities and Exchange Commission registered money market funds with the highest credit rating from a nationally recognized rating agency.
- Interest-bearing time deposits or savings accounts in QPDs.
- Direct obligations of the United States Treasury.

DESOTO COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

The Clerk does not have policies that address credit risk, custodial credit risk, or interest rate risk. The Clerk had no investments at year-end, or during the year.

Note 3 - Capital Assets

The tangible personal property used by the Clerk in its governmental fund operations is reported as capital assets in the statement of net position in the County's basic financial statements. Upon acquisition, such assets are recorded as expenditures in the governmental fund types of the Clerk and capitalized at cost in the capital asset accounts of the County. The Clerk maintains custodial responsibility for the capital assets used by her office.

Note 4 - Compensated Absences

The amount of compensated absences payable under the Clerk's leave policy is reported as a liability in the statement of net position in the County's basic financial statements. That liability is based on earned but unused leave time (vacation and sick) at current pay rates, plus *Federal Insurance Contributions Act* taxes related thereto. Leave time is accrued per the policy based on length of employment, is payable at 100% upon retirement in good standing, and is capped at 400 hours depending on years of service. The policy explains that payouts for unused leave time are subject to funding availability.

The change in compensated absences during the year is as follows:

Balance October 1, 2022	Additions	Retirements	Balance September 30, 2023	Due Within One Year
\$ 41,872	\$ 41,026	\$ (33,638)	\$ 49,260	\$ 11,047

These liabilities are not reported in the financial statements of the Clerk but rather are reported in the basic financial statements of the County.

Note 5 - Florida Retirement System (FRS) Pension Benefits

The Clerk participates in the FRS for pension benefits. A detailed plan description and any liability for employees of the Clerk are included in the financial statements of the County.

Note 6 - Postemployment Benefits Other Than Pensions

The Clerk participates in the plan established by the Board to provide other postemployment benefits to retirees of the Board and Constitutional Officers. A detailed plan description and any liability for employees of the Clerk are included in the financial statements of the County.

Note 7 - Risk Management

The Clerk's office is covered for employee medical, workers' compensation, liability, and casualty risks by the Board. The Board provides coverage as a member of a public risk management pool in amounts that the Board feels are adequate.

**DESOTO COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

The Clerk is also protected under sovereign immunity up to a maximum of \$200,000 per person/\$300,000 per occurrence for claims against the Clerk involving negligence, including automobile and general liability. Negligence claims in excess of the statutory limits set forth in Section 768.28, Florida Statutes, can only be recovered through an act of the State of Florida Legislature.

Note 8 - Litigation and Contingencies

From time to time, the office of the Clerk is involved as a defendant in certain litigation and claims arising from the ordinary course of operations. In the opinion of legal counsel, the range of potential liabilities will not materially affect the operations of the Clerk's office or the financial position of the County, which would be required to fund any claim payments.

REQUIRED SUPPLEMENTARY INFORMATION

DESOTO COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Revenues				
Intergovernmental Revenues	\$ 230,856	\$ 268,856	\$ 258,195	\$ (10,661)
Charges for Services:				
Court Activities	658,381	658,381	658,536	155
Non-Court Activities	210,000	240,000	360,814	120,814
Interest	-	-	10,315	10,315
Total Revenues	1,099,237	1,167,237	1,287,860	120,623
Expenditures				
Board Budget:				
General Government:				
Personnel Services	245,700	279,078	285,596	(6,518)
Operating Expenditures	45,000	45,000	35,195	9,805
Capital Outlay	-	-	943	(943)
State Budget:				
Court-Related Services:				
Personnel Services	790,441	828,441	776,304	52,137
Operating Expenditures	70,178	70,178	104,991	(34,813)
Capital Outlay	28,618	28,618	2,830	25,788
(Total Expenditures)	(1,179,937)	(1,251,315)	(1,205,859)	45,456
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(80,700)	(84,078)	82,001	166,079
Other Financing Sources (Uses)				
Reversion to the State of Florida	-	-	(127,000)	(127,000)
Transfers in from DeSoto County				
Board of County Commissioners	80,700	84,078	84,078	-
Transfers (out) to DeSoto County				
Board of County Commissioners	-	-	(39,079)	(39,079)
Total Other Financing Sources (Uses)	80,700	84,078	(82,001)	(166,079)
Net Change in Fund Balance	\$ -	\$ -	\$ -	\$ -

**DESOTO COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2023**

Note 1 - Budgetary Information

Budgets are legally adopted for the general fund and are on a basis consistent with generally accepted accounting principles. Budgetary control is exercised at the fund level; net expenditures cannot exceed the budgeted appropriation from the Board of County Commissioners (the Board) or the State of Florida, as amended. Budgetary changes within each fund can be made at the discretion of the Clerk of the Circuit and County Courts. Amendments to increase appropriations must be submitted to the Board or to the State of Florida.

The general fund revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with Florida Statutes. The Public Records Trust Fund and Documentary Stamp Intangible Tax Fund expenditures are restricted by statute; therefore, these budgets are not approved by the Board or by the State of Florida and are not included as required supplementary information.

SUPPLEMENTARY INFORMATION

DESOTO COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2023

	Registry of Court Fund	Special Trust Fund	Fine and Forfeiture Fund	Child Support Fund	Total Custodial Funds
Assets					
Cash	\$ 890,104	\$ 545,987	\$ -	\$ 2,291	\$ 1,438,382
Total Assets	<u>890,104</u>	<u>545,987</u>	<u>-</u>	<u>2,291</u>	<u>1,438,382</u>
Liabilities and Net Position					
Liabilities					
Due to Individuals and Businesses	-	-	-	2,291	2,291
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,291</u>	<u>2,291</u>
Net Position					
Restricted for: Individuals and Businesses	890,104	545,987	-	-	1,436,091
Total Liabilities and Net Position	<u>\$ 890,104</u>	<u>\$ 545,987</u>	<u>\$ -</u>	<u>\$ 2,291</u>	<u>\$ 1,438,382</u>

DESOTO COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
SEPTEMBER 30, 2023

	Registry of Court Fund	Special Trust Fund	Fine and Forfeiture Fund	Child Support Fund	Total Custodial Funds
Additions					
Fees/Fines Collected for Other Governments	\$ -	\$ 713,926	\$ 1,117,663	\$ -	\$ 1,831,589
Deposits and Other Trust Activities	1,375,867	318,824	-	314,032	2,008,723
Total Additions	<u>1,375,867</u>	<u>1,032,750</u>	<u>1,117,663</u>	<u>314,032</u>	<u>3,840,312</u>
Deductions					
Fees/Fines Disbursed to Other Governments	-	727,348	1,117,663	-	1,845,011
Deposits and Other Trust Activities Disbursed	1,356,890	207,313	-	314,032	1,878,235
(Total Deductions)	<u>(1,356,890)</u>	<u>(934,661)</u>	<u>(1,117,663)</u>	<u>(314,032)</u>	<u>(3,723,246)</u>
Change in Net Position	18,977	98,089	-	-	117,066
Net Position, Beginning of Year	871,127	447,898	-	-	1,319,025
Net Position, End of Year	<u>\$ 890,104</u>	<u>\$ 545,987</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,436,091</u>

OTHER REPORTS

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

Honorable Nadia Daughtrey
Clerk of the Circuit and County Courts
DeSoto 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 and the aggregate remaining fund information of the DeSoto County, Florida Clerk of the Circuit and County Courts (the Clerk) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Clerk's financial statements, and have issued our report thereon dated May 31, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Clerk's internal control over financial reporting (internal control) 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 Clerk's internal control. Accordingly, we do not express an opinion on the effectiveness of the Clerk's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Clerk'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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Clerk's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

Honorable Nadia Daughtrey
Clerk of the Circuit and County Courts
DeSoto County, Florida

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

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 non-compliance 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 Clerk'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 Clerk's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Puevis Gray

May 31, 2024
Sarasota, Florida

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE
WITH FLORIDA STATUTES, SECTION 218.415 – INVESTMENTS OF PUBLIC FUNDS**

Honorable Nadia Daughtrey
Clerk of the Circuit and County Courts
DeSoto County, Florida

We have examined the DeSoto County, Florida Clerk of the Circuit and County Courts' (the Clerk) compliance with Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2023. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination.

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 Clerk complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Clerk 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 non-compliance, 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 Clerk's compliance with specified requirements.

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

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements during the fiscal year ended September 30, 2023.

This report 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, the Clerk and management, and the Board of County Commissioners of DeSoto County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.



May 31, 2024
Sarasota, Florida

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE
WITH FLORIDA STATUTES, SECTIONS 28.35 AND 28.36 – CERTAIN COURT-RELATED FUNCTIONS**

Honorable Nadia Daughtrey
Clerk of the Circuit and County Courts
DeSoto County, Florida

We have examined the DeSoto County, Florida Clerk of the Circuit and County Courts' (the Clerk) compliance with Section 28.35, Florida Statutes, *Florida Clerks of Court Operations Corporation*, and Section 28.36, Florida Statutes, *Budget Procedure*, during the fiscal year ended September 30, 2023. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination.

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 Clerk complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Clerk 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 non-compliance, 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 Clerk's compliance with specified requirements.

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

In our opinion, the Clerk complied, in all material respects, with the requirements of Section 28.35, Florida Statutes, *Florida Clerks of Court Operations Corporation*, and Section 28.36, Florida Statutes, *Budget Procedure*, during the fiscal year ended September 30, 2023.

This report 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, the Clerk and management, and the Board of County Commissioners of DeSoto County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.



May 31, 2024
Sarasota, Florida

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH FLORIDA STATUTES, SECTION 61.181 – ALIMONY AND CHILD SUPPORT PAYMENTS

Honorable Nadia Daughtrey
Clerk of the Circuit and County Courts
DeSoto County, Florida

We have examined the DeSoto County, Florida Clerk of the Circuit and County Courts' (the Clerk) compliance with Section 61.181, Florida Statutes, *Depository for Alimony Transactions, Support, Maintenance, and Support Payments; Fees*, during the fiscal year ended September 30, 2023. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination.

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 Clerk complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Clerk 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 non-compliance, 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 Clerk's compliance with specified requirements.

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

In our opinion, the Clerk complied, in all material respects, with the requirements of Section 61.181, Florida Statutes, *Depository for Alimony Transactions, Support, Maintenance, and Support Payments; Fees*, during the fiscal year ended September 30, 2023.

This report 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, the Clerk and management, and the Board of County Commissioners of DeSoto County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.



May 31, 2024
Sarasota, Florida

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

MANAGEMENT LETTER

Honorable Nadia Daughtrey
Clerk of the Circuit and County Courts
DeSoto County, Florida

Report on the Financial Statements

We have audited the financial statements of each major fund and the aggregate remaining fund information of the DeSoto County, Florida Clerk of the Circuit and County Courts (the Clerk) as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated May 31, 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 Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Reports on an examination conducted in accordance with the American Institute of Certified Public Accountants *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 May 31, 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. There were no findings and recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. In that regard, the Clerk was established by the Constitution of the State of Florida, Article VIII, Section 1(d). The Clerk does not have any component units.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

Honorable Nadia Daughtrey
Clerk of the Circuit and County Courts
DeSoto County, Florida

MANAGEMENT LETTER

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 Auditor General*, requires us to communicate non-compliance 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, the Clerk and management, and the Board of County Commissioners of DeSoto County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.



May 31, 2024
Sarasota, Florida

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT**

**SHERIFF
DESOTO COUNTY, FLORIDA**

SEPTEMBER 30, 2023

TABLE OF CONTENTS

Independent Auditor's Report	1-3
Financial Statements	
Balance Sheet - Governmental Funds	4
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	5
Statement of Fiduciary Net Position - Fiduciary Funds	6
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	7
Notes to Financial Statements	8-15
Required Supplementary Information	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	16
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Communications Fund	17
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Inmate Welfare Fund	18
Note to Required Supplementary Information	19
Supplementary Information	
Combining Balance Sheet - Non-Major Governmental Funds	20
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds	21
Combining Statement of Fiduciary Net Position - Custodial Funds	22
Combining Statement of Changes in Fiduciary Net Position - Custodial Funds	23
Other Reports	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	24-25
Independent Accountant's Report on Compliance with Florida Statutes, Section 218.415 - Investments of Public Funds	26
Management Letter	27-28

INDEPENDENT AUDITOR'S REPORT

Honorable James Potter
Sheriff
DeSoto County, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the DeSoto County, Florida Sheriff (the Sheriff) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Sheriff's 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 financial position of each major fund and the aggregate remaining fund information of the Sheriff as of September 30, 2023, and the respective changes in financial position 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 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Sheriff 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 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida (the Rules). In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund and the aggregate remaining fund information, only for that portion of DeSoto County, Florida that is attributable to the Sheriff. They do not purport to, and do not, present fairly the financial position of DeSoto County, Florida as of September 30, 2023, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

Honorable James Potter
Sheriff
DeSoto County, Florida

INDEPENDENT AUDITOR'S REPORT

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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Sheriff's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's 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 auditor's 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 generally accepted auditing standards 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 generally accepted auditing standards 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 Sheriff'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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Sheriff's ability to continue as a going concern for a reasonable period of time.

Honorable James Potter
Sheriff
DeSoto County, Florida

INDEPENDENT AUDITOR'S REPORT

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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule, as listed in the table of contents, be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's financial statements. The accompanying combining statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such 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 combining statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2024, on our consideration of the Sheriff'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 Sheriff'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 Sheriff's internal control over financial reporting and compliance.



June 27, 2024
Sarasota, Florida

FINANCIAL STATEMENTS

DESOTO COUNTY, FLORIDA
SHERIFF
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	Major Funds			Non-Major	Total
	General	Communications	Inmate	Governmental	Governmental
	Fund	Fund	Welfare	Funds	Funds
			Fund		
Assets					
Cash	\$ 850,891	\$ 59,625	\$ 407,659	\$ 27,818	\$ 1,345,993
Due from Other Governments	45,968	-	-	-	45,968
Due from Individuals and Businesses	2,319	-	15,269	1,582	19,170
Total Assets	<u>899,178</u>	<u>59,625</u>	<u>422,928</u>	<u>29,400</u>	<u>1,411,131</u>
Liabilities and Fund Balances					
Liabilities					
Vouchers Payable	214,350	4,761	4,754	-	223,865
Accrued Liabilities	330,431	31,183	-	613	362,227
Unearned Revenue	72,118	-	-	-	72,118
Due to Board of County Commissioners	277,470	23,681	-	-	301,151
Due to Board of County Commissioners - Supplement	4,809	-	-	-	4,809
Total Liabilities	<u>899,178</u>	<u>59,625</u>	<u>4,754</u>	<u>613</u>	<u>964,170</u>
Fund Balances					
Restricted for:					
Inmate Benefits	-	-	418,174	-	418,174
Education and Training	-	-	-	17,438	17,438
Voluntary Extra Duty	-	-	-	10,160	10,160
Victim Advocate	-	-	-	1,189	1,189
Total Fund Balances	<u>-</u>	<u>-</u>	<u>418,174</u>	<u>28,787</u>	<u>446,961</u>
Total Liabilities and Fund Balances	<u>\$ 899,178</u>	<u>\$ 59,625</u>	<u>\$ 422,928</u>	<u>\$ 29,400</u>	<u>\$ 1,411,131</u>

See accompanying notes.

DESOTO COUNTY, FLORIDA
SHERIFF
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Major Funds			Non-Major	Total
	General	Communications	Inmate	Governmental	Governmental
	Fund	Fund	Welfare	Funds	Funds
			Fund		
Revenues					
Intergovernmental	\$ 663,406	\$ -	\$ -	\$ -	\$ 663,406
Charges for Services	52,327	-	184,948	30,110	267,385
Miscellaneous Income	52,750	26	3,885	7	56,668
Total Revenues	768,483	26	188,833	30,117	987,459
Expenditures					
Current:					
Public Safety - Law Enforcement:					
Personnel Services	6,654,104	-	-	25,781	6,679,885
Operating Expenditures	1,488,975	-	-	8,359	1,497,334
Capital Outlay	987,932	-	-	-	987,932
Debt Service - Principal	11,600	-	-	-	11,600
Public Safety - Corrections:					
Personnel Services	3,142,280	-	-	-	3,142,280
Operating Expenditures	1,665,751	-	221,868	-	1,887,619
Capital Outlay	326,637	-	-	-	326,637
Debt Service - Principal	11,600	-	-	-	11,600
Public Safety - Communications:					
Personnel Services	-	952,975	-	-	952,975
Operating Expenditures	-	279,202	-	-	279,202
Capital Outlay	-	88,412	-	-	88,412
Debt Service - Principal	-	11,600	-	-	11,600
Public Safety - E-911 Coordinators:					
Personnel Services	92,693	-	-	-	92,693
Court Services:					
Courthouse Security:					
Personnel Services	450,287	-	-	-	450,287
Other Public Safety - Recidivism Reentry:					
Personnel Services	21,174	-	-	-	21,174
(Total Expenditures)	(14,853,033)	(1,332,189)	(221,868)	(34,140)	(16,441,230)
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	(14,084,550)	(1,332,163)	(33,035)	(4,023)	(15,453,771)
Other Financing Sources (Uses)					
Transfers from Board of					
County Commissioners:					
Primary Allocation	13,840,477	1,333,004	-	-	15,173,481
Supplemental Funding	475,863	-	-	-	475,863
Transfers to Board of					
County Commissioners	(277,470)	(23,681)	-	-	(301,151)
Proceeds from Subscription-Based Information					
Technology Arrangements	45,680	22,840	-	-	68,520
Total Other Financing Sources (Uses)	14,084,550	1,332,163	-	-	15,416,713
Net Change in Fund Balances	-	-	(33,035)	(4,023)	(37,058)
Fund Balances, Beginning of Year	-	-	451,209	32,810	484,019
Fund Balances, End of Year	\$ -	\$ -	\$ 418,174	\$ 28,787	\$ 446,961

See accompanying notes.

DESOTO COUNTY, FLORIDA
SHERIFF
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2023

	Custodial Funds
Assets	
Cash	\$ 49,084
Due from Others	6,616
Total Assets	<u>55,700</u>
Liabilities	
Due to Others	39,563
Total Liabilities	<u>39,563</u>
Net Position	
Restricted for Individuals, Organizations, and Other Governments	16,137
Total Net Position	<u>16,137</u>
Total Liabilities and Net Position	<u>\$ 55,700</u>

See accompanying notes.

DESOTO COUNTY, FLORIDA
SHERIFF
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Custodial Funds
Additions	
Cash Bonds Collected	\$ 122,201
Fines, Forfeitures, and Fees Collected	51,260
Evidence Monies Collected	47,064
Collections from Inmates	570,064
Miscellaneous Income	430
Total Additions	<u>791,019</u>
Deductions	
Cash Bonds Disbursed	122,201
Fines, Forfeitures, and Fees Disbursed	46,454
Evidence Monies Disbursed	49,790
Inmate Funds Disbursed	565,770
Total Deductions	<u>784,215</u>
Change in Fiduciary Net Position	6,804
Beginning Net Position	<u>9,333</u>
Ending Net Position	<u><u>\$ 16,137</u></u>

See accompanying notes.

DESOTO COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

Note 1 - Summary of Significant Accounting Policies

The following is a summary of the significant accounting principles and policies used in the preparation of the accompanying financial statements.

Reporting Entity

DeSoto County, Florida (the County) is a political subdivision of the State of Florida. It is governed by an elected Board of County Commissioners (the Board) and an appointed County Administrator. The County Administrator is responsible for the administration of all departments of which the Board has the authority to control pursuant to the general laws of Florida.

The DeSoto County, Florida Sheriff (the Sheriff) is an elected constitutional officer of the County as provided for by the Constitution of the State of Florida. Pursuant to Chapter 129, Florida Statutes, the Sheriff's budget is submitted to the Board for approval. The Board appropriates and distributes to the Sheriff on a monthly basis funds necessary to operate the Sheriff's office. Any excess of appropriations received from the Board over actual expenditures for the fiscal year is required to be returned to the Board within 31 days after the close of the fiscal year.

For financial statement purposes, the Sheriff is deemed to be part of the primary government of the County and, therefore, is included as such in the County's annual financial report.

Basis of Presentation

The accompanying financial statements include all the funds and accounts of the Sheriff's office but are not intended to be a complete presentation of the County as a whole. Except for this matter, they are otherwise in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). The accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557(4), *Rules of the Auditor General—Local Governmental Entity Audits*.

The financial transactions of the Sheriff are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows, fund balance, revenues, and expenditures. These funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

U.S. GAAP sets forth minimum criteria (percentage of assets, liabilities, revenues, and expenditures of each fund category) for the determination of major funds. Major funds are reported separately in the basic financial statements of the Sheriff.

The Sheriff reports the following major governmental funds:

■ **Governmental Fund Types**

- **General Fund**—a governmental fund—is used to account for all general operations of the Sheriff and all transactions that are not accounted for in another fund.

DESOTO COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

- **Communications Fund**—a special revenue fund—is used to account for County-wide dispatch and the proceeds of telephone charges collected for the installation and operation of an Emergency 911 System. The Board receives the charges and transfers them to the Sheriff’s Communications Fund.
- **Inmate Welfare Fund**—a special revenue fund—is used to account for the proceeds from the commissary and pay phone sources that are restricted for inmate benefits.

In addition, the Sheriff also reports the following other fund types:

■ **Governmental Fund Types**

- **Special Revenue Funds**—special revenue funds account for the proceeds of specific revenue sources that are restricted for specified purposes.

■ **Fiduciary Fund Types**

- **Custodial Funds**—custodial funds are fiduciary funds, which are used to account for assets received and held by the Sheriff in the capacity of a trustee or as an agent for individuals, governmental agencies, and other public organizations.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting refers 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. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures of the current period. Grants are the primary revenue source considered to be susceptible to accrual. Expenditures are recognized when the related fund liability is incurred, except for accumulated sick and vacation pay, which are not recorded until paid. Fiduciary funds are accounted for using the accrual basis of accounting.

The Sheriff considers receivables collected within 30 days after year-end to be available and recognizes them as revenues of the current year.

Custodial funds are accounted for using an economic resource measurement focus requiring a resource flow statement. Liabilities are recognized when an event occurs that compels the Sheriff to disburse fiduciary resources, which is when a demand for resources has been made or when no further action, approval, or condition is required to be taken or not by the beneficiary to release the assets.

Measurement Focus

The accounting and financial reporting treatment applied to the capital assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or “financial flow” measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet.

DESOTO COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Accordingly, they present a summary of sources and uses of “available spendable resources” during a period.

The custodial funds are accounted for using an economic resource measurement focus and require a resource flow statement. The Sheriff reports aggregated totals for additions and aggregated totals for deductions of custodial funds in which resources, upon receipt, are normally expected to be held for three months or less. The descriptions of the aggregated totals of additions and deductions indicate the nature of the resource flows.

Budgetary Process

On or before June 1 of each year, the Sheriff submits a tentative budget for the ensuing fiscal year to the Board. The budgets of the general fund and communications fund are then adopted in the same manner as the budget of the Board.

Budgets are legally adopted for the general fund and communications fund and are on a basis consistent with U.S. GAAP. Budgetary control is exercised at the fund level; net expenditures cannot exceed the budgeted appropriation from the Board, as amended. Budgetary changes within each fund can be made at the discretion of the Sheriff. Amendments to increase appropriations must be submitted to the Board. Although budgets were not formally adopted for the remaining special revenue funds, the internal budget has been included for the inmate welfare fund’s budget and actual schedule.

Capital Assets

Capital assets, which include vehicles and equipment, are recorded as capital outlay expenditures in the governmental funds at the time goods are received and a liability is incurred. These assets are then capitalized at cost in the County-wide statement of net position as part of the basic financial statements of the County. Capital assets acquired under capital leases are capitalized at cost in the County’s statement of net position at the time the assets are received. Donated and confiscated capital assets are recorded in the County’s statement of net position at acquisition value at the time received. Capital assets are depreciated using the straight-line method over three to twenty-five years. The depreciation expense is recorded in the County-wide statement of activities as part of the basic financial statements of the County.

Compensated Absences

All full-time employees of the Sheriff are entitled to annual vacation and sick leave with pay. The employees may accumulate unused vacation leave up to a maximum of 340 hours and can accumulate sick leave with no limit. Accrued vacation leave is paid at termination, while accrued sick leave is only paid to employees who retire. Accrued sick leave is paid at a rate of 20% of the hours accrued up to a maximum of 300 hours for employees with 10 to 20 years of service, 30% of the hours accrued up to a maximum of 450 hours for employees with 21 to 25 years of service, and 50% up to a maximum of 600 hours for employees with 26 to 30 years of service. Vacation and sick leave payments are included in operating costs when payments are made to the employees. The Sheriff does not, nor is he legally required to, accumulate financial resources for these unmatured obligations. Accordingly, the liability for compensated absences is not reported in the governmental funds, but rather is reported in the basic financial statements of the County.

DESOTO COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

Appropriations from the Board and Refund of “Excess Fees”

The County funds the majority of the operating budget of the Sheriff. The payments by the County to fund the operations of the Sheriff are recorded as other financing uses (transfers out) in the basic financial statements of the County, and as other financing sources (transfers in) in the financial statements of the Sheriff.

The Board requires that the excess of the County’s appropriations (and other revenues) over expenditures be returned to the Board at the end of the fiscal year in both the general fund and the communications fund. Repayments to the County are recorded as other financing uses (transfers out) in the financial statements of the Sheriff and as other financing sources (transfers in) in the basic financial statements of the County. The amount of undistributed excess appropriations at the end of the fiscal year is reported as amounts due the Board.

Deferred Inflows

Deferred inflows represent revenues that have been earned but are not available (because they were received more than 30 days after year-end).

Fund Balances

Fund balance classifications comprise a hierarchy based primarily on the extent to which the organization is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components—non-spendable, restricted, committed, assigned, and unassigned:

- **Non-Spendable**—This component of fund balance consists of amounts that cannot be spent because: (a) they are not expected to be converted to cash, or (b) they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The Sheriff does not have any non-spendable fund balances.
- **Restricted**—This component of fund balances consists of amounts that are constrained either: (a) externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments), or (b) by law through constitutional provisions or enabling legislation.
- **Committed**—This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (e.g., policy) of the Sheriff. These committed amounts cannot be used for any other purpose unless the Sheriff removes or changes the specified use by taking the same type of action (e.g., policy) he employed to constrain those amounts. The Sheriff does not have any committed fund balances.
- **Assigned**—This component of fund balance consists of amounts that are constrained by a less-than-formal action of the organization’s governing authority, or by an individual or body to whom the governing authority has delegated this responsibility. The Sheriff has not delegated the responsibility to assign fund balances to any individual or body.
- **Unassigned**—This classification is used for: (a) negative unrestricted fund balances in any governmental fund, or (b) fund balances within the general fund that are not restricted, committed, or assigned.

DESOTO COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

When both restricted and unrestricted resources are available for use, it is the Sheriff's policy to use restricted resources first, then unrestricted resources (committed, assigned, and unassigned) as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use, it is the Sheriff's policy to use committed resources first, then assigned, and then unassigned as needed.

Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported and disclosed in the accompanying financial statements and notes. Actual results could differ from estimates.

New Accounting Pronouncement

For the year ended September 30, 2023, the Sheriff adopted new accounting guidance by implementing Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs). The implementation of this standard requires SBITAs to be reported as right-to-use assets, which are intangible assets, with a corresponding subscription liability. The new guidance also provides capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, and requires note disclosures regarding a SBITA. Because of the current financial resources management focus, the accompanying fund financial statements do not report those assets or long-term liabilities, and such amounts are instead reported in the government-wide financial statements of the County. The Sheriff's financial statements report subscription payments for applicable SBITAs as debt service expenditures. SBITAs that commence during the year are also reported as other financing sources and capital outlay.

Note 2 - Cash and Cash Equivalents

Deposits

At year-end, the carrying amount of the Sheriff's deposits was \$1,395,077 (\$1,345,993 in governmental funds and \$49,084 in custodial funds), and the bank balance was \$1,718,216. The Sheriff's bank deposits are held in qualified public depositories (QPDs) pursuant to Chapter 280, Florida Statutes. Under this Chapter, each QPD is required to pledge collateral to the State Treasurer against the public deposits. In the event of default by a QPD, all claims for public deposits would be satisfied by the State Treasurer from the proceeds of federal deposit insurance, pledged collateral of the QPD in default and, if necessary, assessments against other QPDs of the same type as the depositor in default.

Investments

The Sheriff has not adopted an investment policy and so, by statute, follows the state's guidance set forth in Section 219.075, Florida Statutes, regarding the deposit of funds received and the investment of surplus funds. That Section requires local governments without written investment policies, including county officers, to follow the state policy in Section 218.415(17), Florida Statutes. That Section authorizes the following investments:

- The Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the *Florida Interlocal Cooperation Act of 1969*, as provided in Florida Statute 163.01.

DESOTO COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

- Securities and Exchange Commission registered money market funds with the highest credit rating from a nationally recognized rating agency.
- Interest-bearing time deposits or savings accounts in QPDs.
- Direct obligations of the United States Treasury.

The Sheriff does not have policies that address credit risk, custodial credit risk, or interest rate risk. The Sheriff had no investments at year-end, or during the year.

Note 3 - Capital Assets

The tangible personal property used by the Sheriff in its governmental fund operations is reported as capital assets in the statement of net position in the County's basic financial statements. Upon acquisition, such assets are recorded as expenditures in the governmental fund types of the Sheriff. Those assets are capitalized at cost in the capital asset accounts of the County. The Sheriff maintains recordkeeping and custodial responsibility for certain tangible capital assets used by his office.

Information on vehicles and equipment, SBITAs, and lease assets used in the operations of the Sheriff's office are presented below and are presented in more detail in the County's notes to the financial statements:

	<u>Cost</u>	<u>Accumulated Depreciation/ Amortization</u>	<u>Capital Asset, Net</u>
Beginning Balance	\$ 7,954,201	\$ (4,715,783)	\$ 3,238,418
Capital Additions*	1,424,449	-	1,424,449
Depreciation/Amortization	-	(743,714)	(743,714)
(Disposals)	(559,217)	413,719	(145,498)
Ending Balance	<u>\$ 8,819,433</u>	<u>\$ (5,045,778)</u>	<u>\$ 3,773,655</u>

*See Note 7 for further information on the implementation of GASB Statement No. 96, *SBITAs*.

The Sheriff routinely trades in assets when purchasing new assets. The remaining book value of the assets traded in is added to the value of the new asset. Additionally, the Board contributed capital assets to the Sheriff in the form of radios to enhance the operational capabilities of the Sheriff. Following is a reconciliation of 2023 capital asset additions above to capital outlay on the accompanying statement of revenues, expenditures, and changes in fund balance:

	<u>2023</u>
Capital Outlay	\$ 1,402,981
Net Book Value of Trade-Ins and Donations	<u>21,468</u>
Total Capital Additions, Including SBITA and Lease Assets (Above)	<u>\$ 1,424,449</u>

DESOTO COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

Note 4 - Compensated Absences

Note 1 describes the policy for accrual and payment of vacation and sick leave. Following is a summary of changes in the compensated absences liability during fiscal year 2023:

Beginning Balance	\$ 476,295
Net Increase	<u>152,343</u>
Ending Balance	<u>\$ 628,638</u>

The portion of the above compensated absences liability estimated to be paid during the next year (current portion) is \$62,864.

Note 5 - Florida Retirement System (FRS) Pension Benefits

The Sheriff participates in the FRS for pension benefits. A detailed plan description and any liability for employees of the Sheriff are included in the financial statements of the County.

Note 6 - Postemployment Benefits Other Than Pensions

The Sheriff participates in the plan established by the Board to provide other postemployment benefits to retirees of the Board and Constitutional Officers. A detailed plan description and any liability for employees of the Sheriff are included in the financial statements of the County.

Note 7 - SBITAs

During the year ended September 30, 2023, the Sheriff implemented GASB Statement No. 96, *SBITAs*. There is one subscription arrangement that requires recognition under GASB Statement No. 96 and is included as an Addition in Note 3. Under the new standard, the asset was required to be recognized as of September 1, 2023, when the arrangement was effective, and has a balance of \$68,520. The subscription arrangement is a two-year agreement and lasts through fiscal year 2025. The asset is required to be amortized over the term of the contract, as that is considered to be the useful life of the asset. The accumulated amortization as of September 30, 2023, was \$2,855 and approximately 2 years remain on the contract. There is a related subscription liability described further below.

As mentioned above, the Sheriff has one right-to-use subscription through 2025 based on a two-year non-cancellable agreement, which is required to be recognized under GASB Statement No. 96. The Sheriff is required to make annual principal and interest payments of \$34,800. The SBITA is discounted using a rate of 3.16%, which is based on the incremental borrowing rate calculated by the Sheriff. As of September 30, 2023, the value of the subscription liability was \$33,720. In fiscal year 2024, the client will be required to recognize \$33,720 in principal expense and \$1,080 in interest expense.

All capital assets and long-term debt, including SBITAs, used by the Sheriff in its governmental fund operations is reported in the statement of net position in the County's basic financial statements.

DESOTO COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

Note 8 - Risk Management

The Sheriff's office is covered for workers' compensation and employee medical risks by the Board. The Board provides coverage as a member of a public risk management pool in amounts that the Board feels are adequate.

The Sheriff also participates in the Florida Sheriff's Self-Insurance Program for risks related to professional liability and automobile risks. The funding agreements provide that each fund will be self-sustaining through member premiums and that the Sheriff's liability will be reinsured through commercial companies. Aggregate coverage provided by the liability fund is \$10,000,000 for professional liability and \$10,000,000 for public official's liability. Coverage limits for automobile risks are \$300,000 per accident for bodily injury and \$300,000 per accident for property damage. Negligence claims in excess of the statutory limits set forth in Section 768.28, Florida Statutes, can only be recovered through an act of the State of Florida Legislature.

Additionally, the Sheriff has obtained coverage for inmate medical claims up to \$250,000.

Note 9 - Litigation

The Sheriff is periodically involved as a defendant or plaintiff in certain litigation and claims arising from the ordinary course of operations. It is at least possible that the ultimate liability for known and unknown claims existing at the balance sheet date may be material. However, it is presumed any significant judgments against the Sheriff would be settled by the Board. Accordingly, no contingent liabilities have been accrued in the accompanying financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

DESOTO COUNTY, FLORIDA
SHERIFF
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Intergovernmental	\$ -	\$ 712,637	\$ 663,406	\$ (49,231)
Charges for Services	-	52,327	52,327	-
Miscellaneous Income	-	-	52,750	52,750
Total Revenues	-	764,964	768,483	3,519
Expenditures				
Current:				
Personnel Services	10,257,523	11,426,339	10,360,538	1,065,801
Operating Expenditures	3,146,501	3,194,081	3,154,726	39,355
Capital Outlay	375,000	445,694	1,314,569	(868,875)
Debt Service - Principal	-	-	23,200	(23,200)
Reserves	20,000	20,000	-	20,000
(Total Expenditures)	(13,799,024)	(15,086,114)	(14,853,033)	233,081
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(13,799,024)	(14,321,150)	(14,084,550)	236,600
Other Financing Sources (Uses)				
Transfers from Board of				
County Commissioners:				
Primary Allocation	13,799,024	13,840,477	13,840,477	-
Supplemental Funding	-	480,673	475,863	(4,810)
Transfers to Board of				
County Commissioners	-	-	(277,470)	(277,470)
Proceeds from Subscription-Based				
Information Technology Arrangements	-	-	45,680	45,680
Total Other Financing Sources (Uses)	13,799,024	14,321,150	14,084,550	(236,600)
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -

DESOTO COUNTY, FLORIDA
SHERIFF
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COMMUNICATIONS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Miscellaneous Income	\$ -	\$ -	\$ 26	\$ 26
Total Revenues	<u>-</u>	<u>-</u>	<u>26</u>	<u>26</u>
Expenditures				
Current:				
Public Safety - Communications:				
Personnel Services	1,114,029	1,114,029	952,975	161,054
Operating Expenditures	193,975	193,975	279,202	(85,227)
Capital Outlay	25,000	25,000	88,412	(63,412)
Debt Service - Principal	-	-	11,600	(11,600)
(Total Expenditures)	<u>(1,333,004)</u>	<u>(1,333,004)</u>	<u>(1,332,189)</u>	<u>815</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(1,333,004)</u>	<u>(1,333,004)</u>	<u>(1,332,163)</u>	<u>841</u>
Other Financing Sources (Uses)				
Transfers from Board of				
County Commissioners:				
Primary Allocation	1,333,004	1,333,004	1,333,004	-
Transfers to Board of				
County Commissioners	-	-	(23,681)	(23,681)
Proceeds from Subscription-Based				
Information Technology Arrangements	-	-	22,840	22,840
Total Other Financing Sources (Uses)	<u>1,333,004</u>	<u>1,333,004</u>	<u>1,332,163</u>	<u>(841)</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DESOTO COUNTY, FLORIDA
SHERIFF
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
INMATE WELFARE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Charges for Services	\$ 183,084	\$ 183,084	\$ 184,948	\$ 1,864
Miscellaneous Income	4,000	4,000	3,885	(115)
Total Revenues	<u>187,084</u>	<u>187,084</u>	<u>188,833</u>	<u>1,749</u>
Expenditures				
Current:				
Public Safety - Corrections:				
Operating Expenditures	231,979	231,979	221,868	10,111
(Total Expenditures)	<u>(231,979)</u>	<u>(231,979)</u>	<u>(221,868)</u>	<u>10,111</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(44,895)</u>	<u>(44,895)</u>	<u>(33,035)</u>	<u>11,860</u>
Net Change in Fund Balance	(44,895)	(44,895)	(33,035)	11,860
Fund Balance, Beginning of Year	<u>451,209</u>	<u>451,209</u>	<u>451,209</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 406,314</u>	<u>\$ 406,314</u>	<u>\$ 418,174</u>	<u>\$ 11,860</u>

DESOTO COUNTY, FLORIDA
SHERIFF
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2023

Note 1 - Budgetary Information

Budgets are legally adopted for the general fund and communications fund and are on a basis consistent with generally accepted accounting principles. Budgetary control is exercised at the fund level; net expenditures cannot exceed the budgeted appropriation from the Board of County Commissioners, as amended. Budgetary changes within each fund can be made at the discretion of the Sheriff. Amendments to increase appropriations must be submitted to the Board.

The general fund and communications fund revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with Florida Statutes. The inmate welfare fund and all other special revenue fund expenditures are restricted by statute; therefore, these budgets are not approved by the Board of County Commissioners. The internal budget has been included for the inmate welfare fund's budget and actual schedule.

SUPPLEMENTARY INFORMATION

DESOTO COUNTY, FLORIDA
SHERIFF
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	Education Fund	Voluntary Extra Duty Fund	Victim Advocate Fund	Total Non-Major Governmental Funds
Assets				
Cash	\$ 16,961	\$ 9,668	\$ 1,189	\$ 27,818
Due from Individuals and Businesses	477	1,105	-	1,582
Total Assets	<u>17,438</u>	<u>10,773</u>	<u>1,189</u>	<u>29,400</u>
Liabilities				
Accrued Liabilities	-	613	-	613
Total Liabilities	<u>-</u>	<u>613</u>	<u>-</u>	<u>613</u>
Fund Balances				
Restricted for:				
Education and Training	17,438	-	-	17,438
Voluntary Extra Duty	-	10,160	-	10,160
Victim Advocate	-	-	1,189	1,189
Total Fund Balances	<u>17,438</u>	<u>10,160</u>	<u>1,189</u>	<u>28,787</u>
Total Liabilities and Fund Balances	<u>\$ 17,438</u>	<u>\$ 10,773</u>	<u>\$ 1,189</u>	<u>\$ 29,400</u>

DESOTO COUNTY, FLORIDA
SHERIFF
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Education Fund	Voluntary Extra Duty Fund	Victim Advocate Fund	Total Non-Major Governmental Funds
Revenues				
Charges for Services	\$ 3,619	\$ 26,491	\$ -	\$ 30,110
Miscellaneous Income	5	2	-	7
Total Revenues	<u>3,624</u>	<u>26,493</u>	<u>-</u>	<u>30,117</u>
Expenditures				
Current:				
Public Safety - Law Enforcement:				
Personnel Expenditures	-	25,781	-	25,781
Operating Expenditures	8,359	-	-	8,359
(Total Expenditures)	<u>(8,359)</u>	<u>(25,781)</u>	<u>-</u>	<u>(34,140)</u>
Net Change in Fund Balances	(4,735)	712	-	(4,023)
Fund Balances, Beginning of Year	<u>22,173</u>	<u>9,448</u>	<u>1,189</u>	<u>32,810</u>
Fund Balances, End of Year	<u>\$ 17,438</u>	<u>\$ 10,160</u>	<u>\$ 1,189</u>	<u>\$ 28,787</u>

DESOTO COUNTY, FLORIDA
SHERIFF
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
SEPTEMBER 30, 2023

	Cash Bond Fund	Individual Depositors Fund	Other Suspense Fund	Inmate Trust Fund	Total Custodial Funds
Assets					
Cash	\$ 10	\$ 7,965	\$ 1,246	\$ 39,863	\$ 49,084
Due from Others	960	2,438	3,218	-	6,616
Total Assets	<u>970</u>	<u>10,403</u>	<u>4,464</u>	<u>39,863</u>	<u>55,700</u>
Liabilities					
Due to Others	960	2,596	3,900	32,107	39,563
Total Liabilities	<u>960</u>	<u>2,596</u>	<u>3,900</u>	<u>32,107</u>	<u>39,563</u>
Net Position					
Restricted for Individuals, Organizations, and Other Governments	10	7,807	564	7,756	16,137
Total Net Position	<u>10</u>	<u>7,807</u>	<u>564</u>	<u>7,756</u>	<u>16,137</u>
Total Liabilities and Net Position	<u>\$ 970</u>	<u>\$ 10,403</u>	<u>\$ 4,464</u>	<u>\$ 39,863</u>	<u>\$ 55,700</u>

DESOTO COUNTY, FLORIDA
SHERIFF
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Cash Bond Fund	Individual Depositors Fund	Other Suspense Fund	Inmate Trust Fund	Total Custodial Funds
Additions					
Cash Bonds Collected	\$ 122,201	\$ -	\$ -	\$ -	\$ 122,201
Fines, Forfeitures, and Fees Collected	-	51,260	-	-	51,260
Evidence Monies Collected	-	-	47,064	-	47,064
Collections from Inmates	-	-	-	570,064	570,064
Miscellaneous Income	-	1	422	7	430
Total Additions	<u>122,201</u>	<u>51,261</u>	<u>47,486</u>	<u>570,071</u>	<u>791,019</u>
Deductions					
Cash Bonds Disbursed	122,201	-	-	-	122,201
Fines, Forfeitures, and Fees Disbursed	-	46,454	-	-	46,454
Evidence Monies Disbursed	-	-	49,790	-	49,790
Inmate Funds Disbursed	-	-	-	565,770	565,770
Total Deductions	<u>122,201</u>	<u>46,454</u>	<u>49,790</u>	<u>565,770</u>	<u>784,215</u>
Change in Net Position	-	4,807	(2,304)	4,301	6,804
Beginning Net Position	<u>10</u>	<u>3,000</u>	<u>2,868</u>	<u>3,455</u>	<u>9,333</u>
Ending Net Position	<u>\$ 10</u>	<u>\$ 7,807</u>	<u>\$ 564</u>	<u>\$ 7,756</u>	<u>\$ 16,137</u>

OTHER REPORTS

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

Honorable James Potter
Sheriff
DeSoto County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the DeSoto County, Florida Sheriff (the Sheriff) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Sheriff's financial statements, and have issued our report thereon dated June 27, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Sheriff's internal control over financial reporting (internal control) 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 Sheriff's internal control. Accordingly, we do not express an opinion on the effectiveness of the Sheriff's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Sheriff'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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sheriff's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

Honorable James Potter
Sheriff
DeSoto County, Florida

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

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 non-compliance 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 Sheriff'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 Sheriff's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



June 27, 2024
Sarasota, Florida

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE
WITH FLORIDA STATUTES, SECTION 218.415 – INVESTMENTS OF PUBLIC FUNDS**

Honorable James Potter
Sheriff
DeSoto County, Florida

We have examined the DeSoto County, Florida Sheriff's (the Sheriff's) compliance with Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2023, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the Sheriff's compliance with those requirements. Our responsibility is to express an opinion on the Sheriff's compliance based on our examination.

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 Sheriff complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Sheriff 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 non-compliance, 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 Sheriff's compliance with specified requirements.

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

In our opinion, the Sheriff complied, in all material respects, with the aforementioned requirements during the fiscal year ended September 30, 2023.

This report 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, the Sheriff, its management, and the Board of County Commissioners of DeSoto County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.



June 27, 2024
Sarasota, Florida

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

MANAGEMENT LETTER

Honorable James Potter
Sheriff
DeSoto County, Florida

Report on the Financial Statements

We have audited the financial statements of each major fund and the aggregate remaining fund information of the DeSoto County, Florida Sheriff (the Sheriff) as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated June 27, 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 Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with the American Institute of Certified Public Accountants *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 June 27, 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. There were no findings or recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. In that regard, the Sheriff was established by the Constitution of the State of Florida, Article VIII, Section 1(d). The Sheriff does not have any component units.

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.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

Honorable James Potter
Sheriff
DeSoto County, Florida

MANAGEMENT LETTER

Additional Matters

Section 10.554(1)(i)3., *Rules of Auditor General*, requires us to communicate non-compliance 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, the Sheriff, its management, and the Board of County Commissioners of DeSoto County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.



June 27, 2024
Sarasota, Florida

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR’S REPORT**

**TAX COLLECTOR
DESOTO COUNTY, FLORIDA**

SEPTEMBER 30, 2023

TABLE OF CONTENTS

Independent Auditor’s Report	1-3
Financial Statements	
Balance Sheet - General Fund (Major Fund)	4
Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund (Major Fund)	5
Statement of Fiduciary Net Position	6
Statement of Changes in Fiduciary Net Position	7
Notes to Financial Statements.....	8-12
Required Supplementary Information	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund (Major Fund).....	13
Other Reports	
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	14-15
Independent Accountant’s Report on Compliance with Florida Statutes, Section 218.415 - Investments of Public Funds	16
Management Letter.....	17-18

INDEPENDENT AUDITOR'S REPORT

Honorable Debra L. Burtscher
Tax Collector
DeSoto County, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the general fund (major fund) and the aggregate remaining fund information of the DeSoto County, Florida Tax Collector (the 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 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 financial position of the general fund (major fund) and the aggregate remaining fund information of the Tax Collector as of September 30, 2023, and the respective changes in financial position 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 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 Auditor's 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 – Incomplete Presentation

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida (the Rules). In conformity with the Rules, the accompanying financial statements are intended to present the financial position, and changes in financial position, only for that portion of the general fund and the aggregate remaining fund information of DeSoto County, Florida that is attributable to the Tax Collector. They do not purport to, and do not, present fairly the financial position of DeSoto County, Florida as of September 30, 2023, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

Honorable Debra L. Burtscher
Tax Collector
DeSoto County, Florida

INDEPENDENT AUDITOR'S REPORT

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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Tax Collector's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's 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 auditor's 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 generally accepted auditing standards 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 generally accepted auditing standards 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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Tax Collector's ability to continue as a going concern for a reasonable period of time.

Honorable Debra L. Burtscher
Tax Collector
DeSoto County, Florida

INDEPENDENT AUDITOR'S REPORT

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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule, as listed in the table of contents, be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 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.



May 31, 2024
Sarasota, Florida

FINANCIAL STATEMENTS

**DESOTO COUNTY, FLORIDA
TAX COLLECTOR
BALANCE SHEET
GENERAL FUND (MAJOR FUND)
SEPTEMBER 30, 2023**

Assets

Cash and Cash Equivalents	\$ 413,373
Due from Other Governments	<u>20,940</u>
Total Assets	<u><u>434,313</u></u>

Liabilities, Deferred Inflows, and Fund Balance

Liabilities

Due to Board of County Commissioners	378,310
Due to Other Governments	11,574
Unearned Revenue	<u>23,489</u>
Total Liabilities	<u>413,373</u>

Deferred Inflows of Resources

Unavailable Revenue	<u>20,940</u>
Total Deferred Inflows of Resources	<u>20,940</u>

Fund Balance

	<u>-</u>
Total Liabilities, Deferred Inflows, and Fund Balance	<u><u>\$ 434,313</u></u>

See accompanying notes.

DESOTO COUNTY, FLORIDA
TAX COLLECTOR
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND (MAJOR FUND)
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Revenues

Commissions and Fees:

Board of County Commissioners	\$ 917,201
Other Governmental Units	314,931
Delinquent Tax Fees	109,223
Other Taxing Districts	16,487
Miscellaneous	579

Total Revenues	<u>1,358,421</u>
-----------------------	------------------

Expenditures

Current:

General Government:

Personnel Services	852,184
Operating Expenditures	127,927

(Total Expenditures)	<u>(980,111)</u>
-----------------------------	------------------

Excess of Revenues Over Expenditures	<u>378,310</u>
---	----------------

Other Financing Sources (Uses)

Distribution of Excess Commissions to DeSoto County,
Florida, Board of County Commissioners

	<u>(378,310)</u>
Total Other Financing Sources (Uses)	<u>(378,310)</u>

Net Change in Fund Balance	-
-----------------------------------	---

Fund Balance, Beginning of Year	<u>-</u>
--	----------

Fund Balance, End of Year	<u><u>\$ -</u></u>
----------------------------------	--------------------

See accompanying notes.

**DESOTO COUNTY, FLORIDA
TAX COLLECTOR
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2023**

	<u>Custodial Fund</u>
Assets	
Cash and Cash Equivalents	\$ 592,545
Accounts Receivable	33,842
Total Assets	<u><u>626,387</u></u>
Liabilities	
Due to Other Governments	620,655
Escrow Deposits	5,732
Total Liabilities	<u><u>626,387</u></u>
Net Position	<u><u>-</u></u>
Total Liabilities and Net Position	<u><u>\$ 626,387</u></u>

See accompanying notes.

**DESOTO COUNTY, FLORIDA
TAX COLLECTOR
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Custodial Fund</u>
Additions	
Property Taxes Collected for:	
Board of County Commissioners	\$ 27,591,564
Other Taxing Agencies	17,811,283
Tax Certificate Redemptions:	
Board of County Commissioners	36,846
Individual Certificate Holders	1,953,346
Licenses and Fees Collected for Other Governments	5,747,669
Total Additions	<u>53,140,708</u>
Deductions	
Disbursements of Property Taxes to:	
Board of County Commissioners	27,591,564
Other Taxing Agencies	17,811,283
Disbursements of Tax Certificate Redemptions to:	
Board of County Commissioners	36,846
Other Taxing Agencies	1,953,346
Disbursements of Licenses and Fees to Other Governments	5,747,669
Total Deductions	<u>53,140,708</u>
Change in Net Position	-
Net Position, Beginning of Year	<u>-</u>
Net Position, End of Year	<u><u>\$ -</u></u>

See accompanying notes.

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

Note 1 - Summary of Significant Accounting Policies

The following is a summary of the significant accounting principles and policies used in the preparation of the accompanying financial statements.

Reporting Entity

DeSoto County, Florida (the County) is a political subdivision of the State of Florida. It is governed by an elected Board of County Commissioners (the Board) and an appointed County Administrator. The County Administrator is responsible for the administration of all departments of which the Board has the authority to control pursuant to the general laws of Florida.

The DeSoto County, Florida Tax Collector (the Tax Collector) is an elected constitutional officer of the County as provided for by the Constitution of the State of Florida. Pursuant to Chapter 195.087, Florida Statutes, the Tax Collector's budget is submitted annually to the Florida Department of Revenue for approval and a copy is forwarded to the Board for coordination with the Board's budget. Any excess revenues received over expenditures made are remitted at year-end to the taxing districts.

As provided in Florida Statutes, the Tax Collector periodically notifies the Board and other governmental agencies of the commissions and fees due to the Tax Collector. By statute, commissions and fees attributable to the school board are paid by the Board.

For financial reporting purposes, the Tax Collector is deemed to be a part of the primary government of the County and, therefore, is included as such in the County's annual financial report.

Basis of Presentation

The accompanying financial statements include all the funds and accounts of the Tax Collector's office but are not intended to be a complete presentation of the County as a whole. Except for this matter, they are otherwise in conformity with accounting principles generally accepted in the United States of America (GAAP). The accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557(4), *Rules of the Auditor General-Local Governmental Entity Audits*.

The financial transactions of the Tax Collector are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows, fund balance, revenues, and expenditures. These funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The Tax Collector reports the following major governmental fund:

- **General Fund**—a governmental fund—is used to account for all revenues and expenditures applicable to the general operations of the Tax Collector that are not required, either legally or by GAAP, to be accounted for in another fund.

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

In addition, the Tax Collector also reports the following other fund type:

- **Custodial Fund**—a fiduciary fund—is used to account for assets held by the Tax Collector as a custodian for other governments. The custodial fund is used primarily for the following:
 - To account for the collection of certain state taxes and fees, including motor vehicle registration fees, and the subsequent remittance of those fees (less commission) to the State of Florida.
 - To account for the collection and distribution of local taxes and licenses, including real and personal property taxes.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements and also refers 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. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures of the current period. Expenditures are recorded when the liability is incurred, except for accumulated sick and vacation pay, which are not recorded until paid. Fiduciary funds are accounted for using the accrual basis of accounting.

Charges for services on the collection of property taxes are recognized as revenue in the fiscal year for which taxes are levied, provided they are collected within 30 days after the end of the fiscal year (if not, they are deferred). Certain other miscellaneous revenues are recorded as revenues when received because they are generally not measurable until actually received. Investment revenues are recorded as earned.

Measurement Focus

The accounting and financial reporting treatment applied to the capital assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or “financial flow” measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet.

Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Accordingly, they present a summary of sources and uses of “available spendable resources” during a period.

The custodial funds are accounted for using an economic resource measurement focus and require a resource flow statement. The Tax Collector reports aggregated totals for additions and aggregated totals for deductions of custodial funds in which resources, upon receipt, are normally expected to be held for three months or less. The descriptions of the aggregated totals of additions and deductions indicate the nature of the resource flows.

Budgetary Requirement

Expenditures are controlled by appropriations in accordance with the budget requirements set forth in Florida Statutes.

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

A budget is legally adopted for the general fund and is on a basis consistent with GAAP. Budgetary control is at the expenditure classification level (personnel services, operating expenditures, and capital outlay). Budgetary changes within expenditure classification are made at the discretion of the Tax Collector. Amendments between expenditure classifications must be notified to the State of Florida Department of Revenue.

Property Tax Collections

Chapter 197, Florida Statutes, governs property tax collection.

Current Taxes

All property taxes become due and payable on November 1 and are delinquent on April 1 of the following year. Discounts of 4%, 3%, 2%, and 1% are allowed for early payment in November through February, respectively.

Unpaid Taxes—Sale of Tax Certificates

The Tax Collector advertises, as required by Florida Statutes, then sells tax certificates on all real property for unpaid taxes. Certificates not purchased are issued to the County. Any person owning real property upon which a tax certificate has been sold may redeem the certificate by paying the Tax Collector the face amount of the tax certificate plus interest and other costs.

Tax Deeds

The owner of a tax certificate may, after two years of the taxes being delinquent (after April 1), file an application for tax deed sale. The County, as a certificate owner, may exercise similar procedures two years after taxes have been delinquent (after April 1). Tax deeds are issued to the highest bidder for the property, which is sold at public auction. The Clerk of the Circuit Court administers these sales.

Refund of “Excess Fees”

Florida Statutes provide 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 each governmental agency bear to total fee income of the office. 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 taxing agencies.

The County pays a major portion of the fees collected by the Tax Collector. The payments by the County are recorded as operating expenditures in the financial statements of the County, and as charges for services revenue in the financial statements of the Tax Collector. Repayments to the County are recorded as other financing uses (transfers out) in the financial statements of the Tax Collector and as other financing sources (transfers in) in the financial statements of the County.

Deferred Inflows of Resources

Unavailable revenues represent revenues that have been earned but are not available (because they were received more than 30 days after year-end).

Unearned Revenue

Unearned revenue represents the portion of biennial service fees attributable to future years.

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

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported and disclosed in the accompanying financial statements. Actual results could differ from estimates.

Note 2 - Cash and Investments

Cash

At year-end, the carrying amount of the Tax Collector's deposits was \$1,000,718 (\$408,173 in governmental funds and \$592,545 in fiduciary funds). All of the Tax Collector's public deposits are held in qualified public depositories (QPDs) pursuant to Florida Statutes, Chapter 280. Under this Chapter, each QPD is required to pledge collateral to the State Treasurer against the public deposits. In the event of default by a QPD, all claims for public deposits would be satisfied by the State Treasurer from the proceeds of federal deposit insurance, pledged collateral of the QPD in default and, if necessary, assessments against other QPDs of the same type as the depositor in default.

In addition to cash deposits, the Tax Collector maintains cash on hand for the purpose of making change on transactions. At September 30, 2023, the Tax Collector held \$5,200 in cash on hand.

Investments

The Tax Collector has not adopted an investment policy and so, by statute, follows the state's guidance set forth in Section 219.075, Florida Statutes, regarding the deposit of funds received and the investment of surplus funds. That section requires local governments without written investment policies, including County officers, to follow the state policy in Section 218.415(17), Florida Statutes. That section authorizes the following investments:

- The Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the *Florida Interlocal Cooperation Act of 1969*, as provided in Florida Statute 163.01.
- Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
- Interest-bearing time deposits or savings accounts in QPDs.
- Direct obligations of the United States Treasury.

The Tax Collector does not have policies that address credit risk, custodial credit risk, or interest rate risk. The Tax Collector had no investments at year-end or during the year.

Note 3 - Capital Assets

The tangible personal property used by the Tax Collector in its governmental fund operations is reported as capital assets in the statement of net position in the County's financial statements. Upon acquisition, such assets are recorded as expenditures in the general fund of the Tax Collector and capitalized at cost in the capital asset accounts of the County. The Tax Collector maintains custodial responsibility for the capital assets used by her office.

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

Note 4 - Compensated Absences

The amount of vested compensated absences payable under the Tax Collector's vacation policy is reported as a liability in the statement of net position in the County's financial statements. That liability includes earned but unused vacation, as well as the *Federal Insurance Contribution Act* taxes related thereto. Vacation time is accrued based on length of employment. After six months of service, vacation time is paid out hour-for-hour upon separation from employment. Non-vested amounts are not considered to be significant.

The change in compensated absences during the year is as follows:

	Balance October 1, 2022	Additions	Retirements	Balance September 30, 2023	Due Within One Year
Compensated Absences	\$ 3,980	\$ 30,933	\$ (30,144)	\$ 4,769	\$ 4,769

These liabilities are not reported on the fund statements for the Tax Collector but rather on the financial statements of the County.

Note 5 - Florida Retirement System (FRS) Pension Benefits

The Tax Collector participates in the FRS for Pension Benefits. A detailed plan description and any liability for employees of the Tax Collector are included in the financial statements of the County.

Note 6 - Postemployment Benefits Other Than Pensions

The Tax Collector participates in the plan established by the Board to provide other postemployment benefits to retirees of the Board and Constitutional Officers. A detailed plan description and any liability for employees of the Tax Collector are included in the financial statements of the County.

Note 7 - Risk Management

The Tax Collector's office is covered for employee medical, workers' compensation, and liability and casualty risks by the Board. The Board provides coverage as a member of a public risk management pool in amounts that the Board feels are adequate.

The Tax Collector is also protected under sovereign immunity up to a maximum of \$200,000 per person/\$300,000 per occurrence for claims against the Tax Collector involving negligence, including automobile and general liability. Negligence claims in excess of the statutory limits set forth in Section 768.28, Florida Statutes, can only be recovered through an act of the State of Florida Legislature.

Note 8 - Litigation

From time to time, the office of the Tax Collector is involved as a defendant in certain litigation and claims arising from the ordinary course of operations. In the opinion of legal counsel, the range of potential liabilities will not materially affect the operations of the Tax Collector's office or the combined financial position of the County, which would be required to fund any claim payments.

REQUIRED SUPPLEMENTARY INFORMATION

DESOTO COUNTY, FLORIDA
TAX COLLECTOR
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND (MAJOR FUND)
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	With Final Budget Positive (Negative)
Revenues				
Commissions and Fees:				
Board of County Commissioners	\$ 865,000	\$ 865,000	\$ 917,201	\$ 52,201
Other Governmental Units	309,360	309,360	314,931	5,571
Delinquent Tax Fees	100,000	100,000	109,223	9,223
Other Taxing Districts	26,000	26,000	16,487	(9,513)
Miscellaneous	500	500	579	79
Total Revenues	<u>1,300,860</u>	<u>1,300,860</u>	<u>1,358,421</u>	<u>57,561</u>
Expenditures				
Current:				
General Government:				
Personnel Services	909,618	909,618	852,184	57,434
Operating Expenditures	152,295	152,295	127,927	24,368
(Total Expenditures)	<u>(1,061,913)</u>	<u>(1,061,913)</u>	<u>(980,111)</u>	<u>81,802</u>
Excess of Revenues Over Expenditures	<u>238,947</u>	<u>238,947</u>	<u>378,310</u>	<u>139,363</u>
Other Financing Sources (Uses)				
Distribution of Excess Commissions to DeSoto County, Florida, Board of County Commissioners	(238,947)	(238,947)	(378,310)	(139,363)
Total Other Financing Sources (Uses)	<u>(238,947)</u>	<u>(238,947)</u>	<u>(378,310)</u>	<u>(139,363)</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

OTHER REPORTS

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

Honorable Debra L. Burtscher
Tax Collector
DeSoto County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the general fund and the aggregate remaining fund information of the DeSoto County, Florida Tax Collector (the 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 financial statements, and have issued our report thereon dated May 31, 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 Tax Collector'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.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

Honorable Debra L. Burtcher
Tax Collector
DeSoto County, Florida

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

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, non-compliance 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 non-compliance 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 Tax Collector'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 Tax Collector's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



May 31, 2024
Sarasota, Florida

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE
WITH FLORIDA STATUTES, SECTION 218.415 – INVESTMENTS OF PUBLIC FUNDS**

Honorable Debra L. Burtscher
Tax Collector
DeSoto County, Florida

We have examined the DeSoto County, Florida Tax Collector's (the Tax Collector) compliance with Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2023. Management is responsible for the Tax Collector's compliance with those requirements. Our responsibility is to express an opinion on the Tax Collector's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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 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 non-compliance, 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 specified requirements.

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

In our opinion, the Tax Collector complied, in all material respects, with the aforementioned requirements during the fiscal year ended September 30, 2023.

This report 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, the Tax Collector, her management, and the Board of County Commissioners of DeSoto County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.



May 31, 2024
Sarasota, Florida

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

MANAGEMENT LETTER

Honorable Debra L. Burtscher
Tax Collector
DeSoto County, Florida

Report on the Financial Statements

We have audited the financial statements of the general fund and the aggregate remaining fund information of the DeSoto County, Florida Tax Collector (the Tax Collector) as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated May 31, 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 Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with American Institute of Certified Public Accountants *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 May 31, 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. There were no findings or recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Tax Collector was established by the Constitution of the State of Florida, Article VIII, Section 1(d). The Tax Collector does not have any component units.

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.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

Honorable Debra L. Burtscher
Tax Collector
DeSoto County, Florida

MANAGEMENT LETTER

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate non-compliance 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, the Tax Collector, her management team, and the Board of County Commissioners of DeSoto County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.



May 31, 2024
Sarasota, Florida

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR’S REPORT**

**PROPERTY APPRAISER
DESOTO COUNTY, FLORIDA**

SEPTEMBER 30, 2023

TABLE OF CONTENTS

Independent Auditor’s Report	1-3
Financial Statements	
Balance Sheet - General Fund (Major Fund)	4
Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund (Major Fund)	5
Notes to Financial Statements.....	6-9
Required Supplementary Information	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund (Major Fund).....	10
Other Reports	
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	11-12
Independent Accountant’s Report on Compliance with Florida Statutes, Section 218.415 - Investments of Public Funds	13
Management Letter.....	14-15

INDEPENDENT AUDITOR'S REPORT

Honorable David A. Williams, CFA
Property Appraiser
DeSoto County, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the general fund (major fund) of the DeSoto County, Florida Property Appraiser (the Property Appraiser) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Property Appraiser's 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 financial position of the general fund (major fund) of the Property Appraiser as of September 30, 2023, and the changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Property Appraiser 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 opinion.

Emphasis of Matter – Incomplete Presentation

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida (the Rules). In conformity with the Rules, the accompanying financial statements are intended to present the financial position, changes in financial position, and budgetary comparisons of the general fund (major fund), only for that portion of the general fund of DeSoto County, Florida that is attributable to the Property Appraiser. They do not purport to, and do not, present fairly the financial position of DeSoto County, Florida as of September 30, 2023, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

Honorable David A. Williams, CFA
Property Appraiser
DeSoto County, Florida

INDEPENDENT AUDITOR'S REPORT

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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Property Appraiser's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's 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 auditor's report that includes our opinion. 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 generally accepted auditing standards 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 generally accepted auditing standards 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 Property Appraiser'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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Property Appraiser's ability to continue as a going concern for a reasonable period of time.

Honorable David A. Williams, CFA
Property Appraiser
DeSoto County, Florida

INDEPENDENT AUDITOR'S REPORT

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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule, as listed in the table of contents, be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2024, on our consideration of the Property Appraiser's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, 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 Property Appraiser'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 Property Appraiser's internal control over financial reporting and compliance.



May 31, 2024
Sarasota, Florida

FINANCIAL STATEMENTS

**DESOTO COUNTY, FLORIDA
PROPERTY APPRAISER
BALANCE SHEET
GENERAL FUND (MAJOR FUND)
SEPTEMBER 30, 2023**

Assets

Cash	\$ 133,325
Accounts Receivable	<u>407</u>
Total Assets	<u><u>133,732</u></u>

Liabilities and Fund Balance

Liabilities

Due to DeSoto County Board of County Commissioners	131,849
Due to Other Governments	<u>1,883</u>
Total Liabilities	<u>133,732</u>

Fund Balance

	<u>-</u>
Total Liabilities and Fund Balance	<u><u>\$ 133,732</u></u>

See accompanying notes.

DESOTO COUNTY, FLORIDA
PROPERTY APPRAISER
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND (MAJOR FUND)
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Revenues

Charges for Services:

DeSoto County Board of County Commissioners	\$ 1,355,566
Other Taxing Agencies	17,472
Interest Income	23
Miscellaneous	1,376

Total Revenues	1,374,437
-----------------------	-----------

Expenditures

Current:

General Government:

Personnel Services	980,709
Operating Expenditures	261,879

(Total Expenditures)	(1,242,588)
-----------------------------	-------------

Excess (Deficiency) of Revenues Over (Under) Expenditures	131,849
--	---------

Other Financing Sources (Uses)

Distribution of Excess Appropriations to DeSoto County

Board of County Commissioners	(131,849)
-------------------------------	-----------

Total Other Financing Sources (Uses)	(131,849)
---	-----------

Net Change in Fund Balance	-
-----------------------------------	---

Fund Balance, Beginning of Year	-
--	---

Fund Balance, End of Year	\$ -
----------------------------------	------

See accompanying notes.

**DESOTO COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

Note 1 - Summary of Significant Accounting Policies

The following is a summary of the significant accounting principles and policies used in the preparation of the financial statements:

Reporting Entity

DeSoto County, Florida (the County) is a political subdivision of the State of Florida. It is governed by an elected Board of County Commissioners (the Board) and managed by an appointed County Administrator. The County Administrator is responsible for the administration of all departments of which the Board has the authority to control pursuant to the general laws of the State of Florida.

The DeSoto County, Florida Property Appraiser (the Property Appraiser) is an elected constitutional officer of the County as provided for by the Constitution of the State of Florida, Article VIII, Section 1(d). The Property Appraiser is part of the primary government of the County. Pursuant to the Florida Statutes, the Property Appraiser's budget is submitted annually to the Florida Department of Revenue, Division of Ad Valorem Tax, for approval, and a copy is forwarded to the Board.

Fees earned by the Property Appraiser (equal to the amount of the amended budget) are billed quarterly to the Board and other governmental agencies in proportion to prior year taxes levied, or in the case of non-ad valorem districts, by other reasonable methods. By statute, fees attributable to municipalities and school boards are paid by the Board.

For financial statement reporting purposes, the Property Appraiser is deemed to be a part of the primary government of the County and, therefore, is included as such in the County's annual financial report.

Basis of Presentation

The accompanying financial statements include all the funds and accounts of the Property Appraiser's office but are not a complete presentation of the County as a whole. Except for this matter, they are otherwise in conformity with accounting principles generally accepted in the United States of America (GAAP). The accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557(4), *Rules of the Auditor General - Local Governmental Entity Audits*.

The financial transactions of the Property Appraiser are recorded in one individual fund. This fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures.

The Property Appraiser reports the following fund type:

■ **Governmental Fund**

● **Major Fund**

- ▶ **General Fund**—the general fund is the general operating fund of the Property Appraiser. It is used to account for all financial resources, except for those required to be accounted for in another fund.

DESOTO COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements, and also refers 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. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures of the current period. Expenditures are recorded when the liability is incurred, except for accumulated sick and vacation pay, which are not recorded until paid.

Charges for services on the assessment of property are recognized as revenue in the fiscal year earned, provided they are collected within 30 days after the end of the fiscal year (if not, they are deferred). Certain other miscellaneous revenues are recorded as revenues when received because they are generally not measurable until actually received. Interest income is recorded as earned.

Measurement Focus

The accounting and financial reporting treatment applied to the capital assets and long-term liabilities associated with a fund are determined by its measurement focus. The governmental funds are accounted for on a spending or “financial flow” measurement focus. This means that, generally, only current assets and current liabilities are included in the balance sheet.

Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Accordingly, they present a summary of sources and uses of “available spendable resources” during a period.

Refund of “Excess Fees”

Florida Statutes provide that the excess of the Property Appraiser’s fee revenue over expenditures is to be distributed to each governmental agency in the same proportion as the fees paid by each governmental agency. The amount of undistributed excess fees at the end of the fiscal year is reported as amounts due to the Board and other governmental agencies.

The County pays a major portion of the fees collected by the Property Appraiser. The payments by the County are recorded as operating expenditures in the financial statements of the County, and as charges for services revenues in the financial statements of the Constitutional Officer. Repayments to the County are recorded as other financing uses (transfers out) in the financial statements of the Constitutional Officer and as other financing sources (transfers in) in the financial statements of the County.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make a number of estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from estimates.

**DESOTO COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

Note 2 - Cash and Investments

Cash

At year-end, the carrying amount of the Property Appraiser's deposits was \$133,225. All of the Property Appraiser's public deposits are held in qualified public depositories (QPDs) pursuant to Florida Statutes, Chapter 280. Under this Chapter, each QPD is required to pledge collateral to the State Treasurer against the public deposits. In the event of default by a QPD, all claims for public deposits would be satisfied by the State Treasurer from the proceeds of federal deposit insurance, pledged collateral of the QPD in default and, if necessary, assessments against other QPDs of the same type as the depositor in default.

In addition to cash deposits, the Property Appraiser maintains cash on hand for the purpose of making change on transactions. At September 30, 2023, the Property Appraiser held \$100 in cash on hand.

Investments

The Property Appraiser has not adopted an investment policy and so, by statute, follows the state's guidance set forth in Section 219.075, Florida Statutes, regarding the deposit of funds received and the investment of surplus funds. That Section requires local governments without written investment policies, including County officers, to follow the state policy in Section 218.415(17), Florida Statutes. That Section authorizes the following investments:

- The Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the *Florida Interlocal Cooperation Act*, as provided in Florida Statute 163.01.
- Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
- Interest-bearing time deposits or savings accounts in qualified public depositories.
- Direct obligations of the United States Treasury.

The Property Appraiser does not have policies that address credit risk, custodial credit risk, or interest rate risk. The Property Appraiser had no investments at year-end or during the year.

Note 3 - Capital Assets

The tangible personal property used by the Property Appraiser is reported as capital assets in the statement of net position in the County's financial statements. Upon acquisition, such assets are recorded as expenditures in the general fund of the Property Appraiser and capitalized at cost in the capital asset accounts of the County. The Property Appraiser maintains custodial responsibility for the capital assets used by his office.

**DESOTO COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

Note 4 - Compensated Absences

The amount of compensated absences payable under the Property Appraiser's annual leave and sick leave policy is reported as a liability in the statement of net position in the County's financial statements. That liability includes earned but unused vacation, as well as payroll taxes related thereto. Annual vacation is accrued based on length of employment. After six months of service, annual vacation is paid out hour-for-hour upon separation from employment.

The change in compensated absences during the year is as follows:

	Balance October 1, 2022	Additions	Retirements	Balance September 30, 2023	Due Within One Year
Compensated Absences	\$ 31,061	\$ 28,297	\$ (19,020)	\$ 40,338	\$ 4,034

Note 5 - Florida Retirement System (FRS) Pension Benefits

The Property Appraiser participates in the FRS for pension benefits. A detailed plan description and any liability for employees of the Property Appraiser are included in the financial statements of the County.

Note 6 - Postemployment Benefits Other Than Pensions

The Property Appraiser participates in the plan established by the Board to provide other postemployment benefits to retirees of the Board and Constitutional Officers. A detailed plan description and any liability for employees of the Property Appraiser are included in the financial statements of the County.

Note 7 - Risk Management

The Property Appraiser's office is covered for employee medical, workers' compensation, liability, and casualty risks by the Board. The Board provides coverage as a member of a public risk management pool in amounts that the Board feels are adequate.

The Property Appraiser is also protected under sovereign immunity up to a maximum of \$200,000 per person/\$300,000 per occurrence for claims against the Property Appraiser involving negligence, including automobile and general liability. Negligence claims in excess of the statutory limits set forth in Section 768.28, Florida Statutes, can only be recovered through an act of the State of Florida Legislature.

Note 8 - Litigation

From time to time, there are lawsuits pending against the Property Appraiser. These usually deal with the valuation and assessment of real properties in the County and the denial of exemptions. The Property Appraiser and legal counsel are of the opinion that the outcome of these lawsuits will not have a material adverse effect on the financial position of the Property Appraiser.

REQUIRED SUPPLEMENTARY INFORMATION

DESOTO COUNTY, FLORIDA
PROPERTY APPRAISER
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND (MAJOR FUND)
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	With Final Budget Positive (Negative)
Revenues				
Charges for Services:				
DeSoto County Board of County				
Commissioners	\$ 1,344,575	\$ 1,355,723	\$ 1,355,566	\$ (157)
Other Taxing Agencies	19,198	19,198	17,472	(1,726)
Interest Income	-	-	23	23
Miscellaneous	-	-	1,376	1,376
Total Revenues	1,363,773	1,374,921	1,374,437	(484)
Expenditures				
Current:				
General Government:				
Personnel Services	1,023,489	1,034,637	980,709	53,928
Operating Expenditures	274,884	274,884	261,879	13,005
Capital Outlay	5,400	5,400	-	5,400
Reserve	60,000	60,000	-	60,000
(Total Expenditures)	(1,363,773)	(1,374,921)	(1,242,588)	132,333
Excess (Deficiency) of Revenues Over				
Over (Under) Expenditures	-	-	131,849	131,849
Other Financing Sources (Uses)				
Distribution of Excess Appropriations to				
DeSoto County Board of County				
Commissioners	-	-	(131,849)	(131,849)
Total Other Financing Sources (Uses)	-	-	(131,849)	(131,849)
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -

OTHER REPORTS

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

Honorable David A. Williams, CFA
Property Appraiser
DeSoto County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the general fund (major fund) of the DeSoto County, Florida Property Appraiser (the Property Appraiser) as of and for the year ended September 30, 2023, and the related notes to the financial statements, and have issued our report thereon dated May 31, 2024.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Property Appraiser'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.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

Honorable David A. Williams, CFA
Property Appraiser
DeSoto County, Florida

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Property Appraiser's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance 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 non-compliance 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 Property Appraiser'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 Property Appraiser's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



May 31, 2024
Sarasota, Florida

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE
WITH FLORIDA STATUTES, SECTION 218.415 – INVESTMENTS OF PUBLIC FUNDS**

Honorable David A. Williams, CFA
Property Appraiser
DeSoto County, Florida

We have examined the DeSoto County, Florida Property Appraiser's (the Property Appraiser) compliance with Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2023, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the Property Appraiser's compliance with those requirements. Our responsibility is to express an opinion on the Property Appraiser's compliance based on our examination.

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 Property Appraiser complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Property Appraiser 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 non-compliance, 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 Property Appraiser's compliance with specified requirements.

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

In our opinion, the Property Appraiser complied, in all material respects, with the aforementioned requirements during the fiscal year ended September 30, 2023.

This report 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, the Property Appraiser, management, and the Board of County Commissioners of DeSoto County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.



May 31, 2024
Sarasota, Florida

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

MANAGEMENT LETTER

Honorable David A. Williams, CFA
Property Appraiser
DeSoto County, Florida

Report on the Financial Statements

We have audited the financial statements of the general fund (major fund) of the DeSoto County, Florida Property Appraiser (the Property Appraiser) as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated May 31, 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 Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with the American Institute of Certified Public Accountants *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 May 31, 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. There were no findings or recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. In that regard, the Property Appraiser was established by the Constitution of the State of Florida, Article VIII, Section 1(d). The Property Appraiser does not have any component units.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

Honorable David A. Williams, CFA
Property Appraiser
DeSoto County, Florida

MANAGEMENT LETTER

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 non-compliance 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, the Property Appraiser, its management team, and the Board of County Commissioners of DeSoto County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.



May 31, 2024
Sarasota, Florida

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR’S REPORT**

**SUPERVISOR OF ELECTIONS
DESOTO COUNTY, FLORIDA**

SEPTEMBER 30, 2023

TABLE OF CONTENTS

Independent Auditor’s Report	1-3
Financial Statements	
Balance Sheet - General Fund (Major Fund)	4
Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund (Major Fund)	5
Notes to Financial Statements	6-10
Required Supplementary Information	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund (Major Fund)	11
Note to Required Supplementary Information	12
Other Reports	
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	13-14
Independent Accountant’s Report on Compliance with Florida Statutes, Section 218.415 - Investments of Public Funds	15
Management Letter	16-17

INDEPENDENT AUDITOR'S REPORT

Honorable Mark F. Negley
Supervisor of Elections
DeSoto County, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the general fund (major fund) of the DeSoto County, Florida Supervisor of Elections (the Supervisor of Elections) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' 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 financial position of the general fund (major fund) of the Supervisor of Elections as of September 30, 2023, and the changes in financial position of the general fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Supervisor of Elections 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 – Incomplete Presentation

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida (the Rules). In conformity with the Rules, the accompanying financial statements are intended to present the financial position, changes in financial position, and budgetary comparisons of the general fund (major fund), only for that portion of the general fund of DeSoto County, Florida that is attributable to the Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of DeSoto County, Florida as of September 30, 2023, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

Honorable Mark F. Negley
Supervisor of Elections
DeSoto County, Florida

INDEPENDENT AUDITOR'S REPORT

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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Supervisor of Elections' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's 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 auditor's 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 generally accepted auditing standards 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 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 generally accepted auditing standards 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 Supervisor of Elections' 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.
- Conclude whether, in our judgment, there are conditions, or events, considered in the aggregate, that raise substantial doubt about the Supervisor of Elections' ability to continue as a going concern for a reasonable period of time.

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 Mark F. Negley
Supervisor of Elections
DeSoto County, Florida

INDEPENDENT AUDITOR'S REPORT

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule, as listed in the table of contents, be presented to supplement the financial statements. Such information is the responsibility of management, and although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2024, on our consideration of the Supervisor of Elections' 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 Supervisor of Elections' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Supervisor of Elections' internal control over financial reporting and compliance.



June 20, 2024
Sarasota, Florida

FINANCIAL STATEMENTS

**DESOTO COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
BALANCE SHEET
GENERAL FUND (MAJOR FUND)
SEPTEMBER 30, 2023**

Assets

Cash	\$ 12,288
Prepaid Items	<u>19,867</u>
Total Assets	<u><u>32,155</u></u>

Liabilities and Fund Balance

Liabilities

Accounts Payable	794
Due to Board of County Commissioners	<u>11,494</u>
Total Liabilities	<u>12,288</u>

Fund Balance

Non-Spendable	<u>19,867</u>
Total Fund Balance	<u>19,867</u>

Total Liabilities and Fund Balance	<u><u>\$ 32,155</u></u>
---	-------------------------

See accompanying notes.

**DESOTO COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
GENERAL FUND (MAJOR FUND)
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Revenues

Intergovernmental Revenue	\$ 13,495
Charges for Services	4,177
Interest Income	<u>2</u>
Total Revenues	<u>17,674</u>

Expenditures

Current:	
General Government:	
Personnel Services	311,211
Operating Expenditures	<u>147,330</u>
(Total Expenditures)	<u>(458,541)</u>

Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(440,867)</u>
--	------------------

Other Financing Sources (Uses)

Transfers in from DeSoto County, Board of County Commissioners	471,679
Transfers out to DeSoto County, Board of County Commissioners	<u>(11,494)</u>
Total Other Financing Sources (Uses)	<u>460,185</u>

Net Change in Fund Balance	19,318
-----------------------------------	--------

Fund Balance, Beginning of Year	<u>549</u>
--	------------

Fund Balance, End of Year	<u><u>\$ 19,867</u></u>
----------------------------------	-------------------------

See accompanying notes.

**DESOTO COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

Note 1 - Summary of Significant Accounting Policies

The following is a summary of the significant accounting principles and policies used in the preparation of these financial statements:

Reporting Entity

DeSoto County, Florida (the County) is a political subdivision of the State of Florida. It is governed by an elected Board of County Commissioners (the Board) and an appointed County Administrator. The County Administrator is responsible for the administration of all departments of which the Board has the authority to control pursuant to the general laws of Florida.

The DeSoto County, Florida Supervisor of Elections (the Supervisor of Elections) is an elected constitutional officer of the County as provided for by the Constitution of the State of Florida, Article VIII, Section 1(d), and is a part of the primary government of the County. Pursuant to Chapter 129, Florida Statutes, the Supervisor of Elections' budget is submitted annually to the Board for approval. The Board distributes the funds necessary to operate the Supervisor of Elections' office on a monthly basis. Any excess of appropriations received from the Board over actual expenditures for the fiscal year is required to be returned to the Board within 31 days after the close of the fiscal year.

For financial statement reporting purposes, the Supervisor of Elections is deemed to be a part of the primary government of the County and, therefore, is included as such in the County's annual financial report.

Basis of Presentation

The accompanying financial statements include all the funds and accounts of the Supervisor of Elections' office but are not a complete presentation of the County as a whole. Except for this matter, they are otherwise in conformity with accounting principles generally accepted in the United States of America (GAAP). The accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557(4), *Rules of the Auditor General - Local Governmental Entity Audits*.

The financial transactions of the Supervisor of Elections are recorded in one individual fund. This fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures.

The Supervisor of Elections reports the following fund type:

■ **Governmental Fund**

● **Major Fund**

- ▶ **General Fund**—the general fund is the general operating fund of the Supervisor of Elections. It is used to account for all financial resources, except for those required to be accounted for in another fund.

**DESOTO COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements, and also refers 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. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures for the current period. Expenditures are recorded when the liability is incurred, except for accumulated sick and vacation pay, which is not recorded until paid.

The Supervisor of Elections considers receivables collected within 30 days after year-end to be available and recognizes them as revenues of the current year.

Measurement Focus

The accounting and financial reporting treatment applied to the capital assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or “financial flow” measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet.

Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Accordingly, they present a summary of sources and uses of “available spendable resources” during a period.

Prepaid Items

Certain prepayments to vendors reflect costs applicable to future accounting periods. These prepayments are recorded as expenditures in the year the service is rendered.

Return of “Excess Fees”

The County funds a major portion of the operating budget of the Supervisor of Elections (net of grants and miscellaneous receipts). The payments by the County to fund the operations of the Supervisor of Elections are recorded as transfers out in the basic financial statements of the County, and as other financing sources in the financial statements of the Supervisor of Elections. Any excess of revenues and transfers in over expenditures for the year ended September 30 are reported as transfers out and due to the Board and are payable by October 31. Repayments to the County are recorded as other financing uses (transfers out) in the financial statements of the Supervisor of Elections and as other financing sources (transfers in) in the basic financial statements of the County. The amount of undistributed excess appropriations at the end of the fiscal year, if any, is reported as amounts due to the Board.

Fund Balances

Fund balance classifications comprise a hierarchy based primarily on the extent to which the organization is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components—non-spendable, restricted, committed, assigned, and unassigned:

**DESOTO COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

- **Non-Spendable**—This component of fund balance consists of amounts that cannot be spent because: (a) they are not expected to be converted to cash, or (b) they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The Supervisor of Elections has a non-spendable fund balance of \$19,867 as of September 30, 2023.
- **Restricted**—This component of fund balance consists of amounts that are constrained either: (a) externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments), or (b) by law through constitutional provisions or enabling legislation. The Supervisor of Elections does not have any restricted fund balances as of September 30, 2023.
- **Committed**—This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (e.g., policy) of the Supervisor of Elections. These committed amounts cannot be used for any other purpose unless the Supervisor of Elections removes or changes the specified use by taking the same type of action (e.g., policy) employed to constrain those amounts. The Supervisor of Elections does not have any committed fund balances as of September 30, 2023.
- **Assigned**—This component of fund balance consists of amounts that are constrained by a less-than-formal action of the organization's governing authority, or by an individual or body to whom the governing authority has delegated this responsibility. The Supervisor of Elections has not delegated the responsibility to assign fund balances to any individual or body.
- **Unassigned**—This classification is used for: (a) negative unrestricted fund balances in any governmental fund, or (b) fund balances within the general fund that are not restricted, committed, or assigned.

When both restricted and unrestricted resources are available for use, it is the Supervisor of Elections' policy to use restricted resources first, then unrestricted resources (committed, assigned, and unassigned) as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use, it is the Supervisor of Elections' policy to use committed resources first, then assigned, and then unassigned as needed.

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make a number of estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from estimates.

Note 2 - Cash and Investments

At year-end, the carrying amount of the Supervisor of Elections' deposits was \$12,288. All of the Supervisor of Elections' public deposits are held in qualified public depositories (QPDs) pursuant to Florida Statutes, Chapter 280. Under this Chapter, each QPD is required to pledge collateral to the State Treasurer against public deposits. In the event of default by a QPD, all claims for public deposits would be satisfied by the State Treasurer from the proceeds of federal deposit insurance, pledged collateral of the QPD in default and, if necessary, assessments against other QPDs of the same type of depositor in default.

**DESOTO COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

The Supervisor of Elections maintained no cash on hand at September 30, 2023.

Investments

The Supervisor of Elections has not adopted an investment policy and so, by statute, follows the state's guidance set forth in Section 219.075, Florida Statutes, regarding the deposit of funds received and the investment of surplus funds. That Section requires local governments without written investment policies, including County officers, to follow the state policy in Section 218.415(17), Florida Statutes. That Section authorizes the following investments:

- The Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the *Florida Interlocal Cooperation Act*, as provided in Florida Statute 163.01.
- Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
- Interest-bearing time deposits or savings accounts in qualified public depositories.
- Direct obligations of the United States Treasury.

The Supervisor of Elections does not have policies that address credit risk, custodial credit risk, or interest rate risk. The Supervisor of Elections had no investments at year-end or during the year.

Note 3 - Capital Assets

The tangible personal property used by the Supervisor of Elections is reported as capital assets in the statement of net position in the County's basic financial statements. Upon acquisition, such assets are recorded as expenditures in the general fund of the Supervisor of Elections and capitalized at cost in the capital asset accounts of the County. The Supervisor of Elections maintains custodial responsibility for the capital assets used by his office.

Note 4 - Compensated Absences

The amount of vested compensated absences payable under the Supervisor of Elections' annual leave policy is reported as a liability in the statement of net position in the County's basic financial statements. That liability includes earned but unused vacation, as well as payroll taxes related thereto. The change in compensated absences during the fiscal year 2023 is as follows:

Beginning Balance	\$ 1,300
Increases	6,400
Decreases	<u>(5,200)</u>
Ending Balance	<u>\$ 2,500</u>

Upon termination of employment, employees with more than ten years of service can receive payment for half of their accumulated sick leave. Non-vested amounts are not considered to be significant. The portion of the compensated absences liability estimated to be paid during the next year (current portion) is \$250.

**DESOTO COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

Note 5 - Florida Retirement System (FRS) Pension Benefits

The Supervisor of Elections participates in the FRS for pension benefits. A detailed plan description and any liability for employees of the Supervisor of Elections are included in the financial statements of the County.

Note 6 - Postemployment Benefits Other Than Pensions

The Supervisor of Elections participates in the plan established by the Board to provide other postemployment benefits to retirees of the Board and Constitutional Officers. A detailed plan description and any liability for employees of the Supervisor of Elections are included in the financial statements of the County.

Note 7 - Risk Management

The Supervisor of Elections' office is covered for employee medical, workers' compensation, liability, and casualty risks by the Board. The Board provides coverage as a member of a public risk management pool in amounts that the Board feels are adequate.

The Supervisor of Elections is also protected under sovereign immunity up to a maximum of \$200,000 per person/\$300,000 per occurrence for claims against the Supervisor of Elections involving negligence, including automobile and general liability. Negligence claims in excess of the statutory limits set forth in Section 768.28, Florida Statutes, can only be recovered through an act of the State of Florida Legislature.

Note 8 - Litigation

From time to time, the office of the Supervisor of Elections is involved as a defendant in certain litigation and claims arising from the ordinary course of operations. In the opinion of legal counsel, the range of potential liabilities will not materially affect the operations of the Supervisor of Elections' office or the financial position of the County, which would be required to fund any claims payments.

REQUIRED SUPPLEMENTARY INFORMATION

**DESOTO COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND (MAJOR FUND)
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget Positive (Negative)
Revenues				
Intergovernmental Revenue	\$ -	\$ -	\$ 13,495	\$ 13,495
Charges for Services	-	-	4,177	4,177
Interest Income	-	-	2	2
Total Revenues	<u>-</u>	<u>-</u>	<u>17,674</u>	<u>17,674</u>
Expenditures				
Current:				
General Government:				
Personnel Services	300,781	313,104	311,211	1,893
Operating Expenditures	158,575	158,575	147,330	11,245
(Total Expenditures)	<u>(459,356)</u>	<u>(471,679)</u>	<u>(458,541)</u>	<u>13,138</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(459,356)</u>	<u>(471,679)</u>	<u>(440,867)</u>	<u>30,812</u>
Other Financing Sources (Uses)				
Transfers in from DeSoto County, Board of County Commissioners	459,356	471,679	471,679	-
Transfers out to DeSoto County, Board of County Commissioners	-	-	(11,494)	(11,494)
Total Other Financing Sources (Uses)	<u>459,356</u>	<u>471,679</u>	<u>460,185</u>	<u>(11,494)</u>
Net Change in Fund Balance	-	-	19,318	19,318
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>549</u>	<u>549</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,867</u>	<u>\$ 19,867</u>

See accompanying note.

**DESOTO COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2023**

Note 1 - Budgetary Requirement

On or before June 1 of each year, the DeSoto County, Florida Supervisor of Elections (the Supervisor of Elections) submits a tentative budget for the ensuing fiscal year to the DeSoto County Board of County Commissioners (the Board). The budget is adopted in the same manner as the budget of the Board.

A budget is legally adopted only for the general fund and is on a basis consistent with accounting principles generally accepted in the United States of America. Budgetary control is exercised at the fund level; net expenditures cannot exceed the budgeted appropriation from the Board, as amended. Budgetary changes within the fund can be made at the discretion of the Supervisor of Elections. Amendments to increase the Board appropriation must be submitted to the Board.

In accordance with Florida Statute 129.201, the Supervisor of Elections' budget, as approved by the County Commission, is included in the general county budget and is subject to the same provisions of laws as the County's annual budget. As such, the Supervisor of Elections' budget must regulate its expenditures, and funds may not be expended except pursuant to the adopted budget.

OTHER REPORTS

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

Honorable Mark F. Negley
Supervisor of Elections
DeSoto County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the general fund (major fund) of the DeSoto County, Florida Supervisor of Elections (the Supervisor of Elections) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' financial statements, and have issued our report thereon dated June 20, 2024.

Report on Internal Control Over Financial Reporting

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

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

Honorable Mark F. Negley
Supervisor of Elections
DeSoto County, Florida

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Supervisor of Elections' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance 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 non-compliance 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 Supervisor of Elections' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Supervisor of Elections' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



June 20, 2024
Sarasota, Florida

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH
FLORIDA STATUTES, SECTION 218.415 - INVESTMENTS OF PUBLIC FUNDS**

Honorable Mark F. Negley
Supervisor of Elections
DeSoto County, Florida

We have examined the DeSoto County, Florida Supervisor of Elections' (the Supervisor of Elections) compliance with Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2023. Management is responsible for the Supervisor of Elections' compliance with those requirements. Our responsibility is to express an opinion on the Supervisor of Elections' compliance 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 Supervisor of Elections complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Supervisor of Elections 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 non-compliance, 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.

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

Our examination does not provide a legal determination on the Supervisor of Elections' compliance with specified requirements.

In our opinion, the Supervisor of Elections complied, in all material respects, with the aforementioned requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2023.

This report 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, the Supervisor of Elections and management, and the Board of County Commissioners of DeSoto County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.



June 20, 2024
Sarasota, Florida

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

MANAGEMENT LETTER

Honorable Mark F. Negley
Supervisor of Elections
DeSoto County, Florida

Report on the Financial Statements

We have audited the financial statements of the general fund (major fund) of the DeSoto County, Florida Supervisor of Elections (the Supervisor of Elections) as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated June 20, 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 Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with American Institute of Certified Public Accountants *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 June 20, 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. There were no findings and recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. In that regard, the Supervisor of Elections was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Supervisor of Elections.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

Honorable Mark F. Negley
Supervisor of Elections
DeSoto County, Florida

MANAGEMENT LETTER

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 non-compliance 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, the Supervisor of Elections, and the Board of County Commissioners of DeSoto County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.



June 20, 2024
Sarasota, Florida

PURVIS GRAY

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com