

# Highlands County

Florida



Annual Comprehensive Financial Report  
Fiscal Year Ending September 30, 2023



# Highlands County

## Florida

In 1921, Florida was booming, new areas were developing, and new communities were springing up in areas that just a few years earlier were wilderness. Highlands County was officially created on April 23, 1921 when a bill was signed dividing DeSoto County into five separate counties: Highlands, Hardee, DeSoto, Charlotte, and Glades. In the following years, Highlands County, along with much of the state, saw incredible growth fueled by real estate speculation. However, when the Florida Real Estate Boom collapsed in the mid 1920s it was quickly followed by the Great Depression. The local economy struggled but saw an upturn at the onset of World War II when Highlands County was chosen for the site of Hendricks Field and Avon Park Air Force Range (APAFR). After the war ended and Hendricks Field was inactivated, the site was turned into an international racetrack, now host of the annual “12 Hours of Sebring” while the APAFR is still in use as a military training facility. Tourism and agriculture also blossomed following the war. The coming decades saw steady growth as the County’s population swelled to 100,000 year-round residents. Today, Highlands County remains a place of strong historical and cultural identity, and the pictures featured in this report are evidence of the heritage that has shaped our community.



**Annual Comprehensive Financial Report**  
**Fiscal Year Ending September 30, 2023**



**HIGHLANDS COUNTY, FLORIDA**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**YEAR ENDED SEPTEMBER 30, 2023**

**PREPARED BY THE OFFICE OF JEROME KASZUBOWSKI  
CLERK OF COURTS**

**SALLY B. HOOD  
ACCOUNTING AND FINANCE DIRECTOR**

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# Highlands County

Florida



## Introductory Section

## **INTRODUCTORY SECTION**

**HIGHLANDS COUNTY, FLORIDA  
PRINCIPAL OFFICIALS  
YEAR ENDED SEPTEMBER 30, 2023**

**BOARD OF COUNTY COMMISSIONERS**

Chris Campbell  
Chairperson  
(District 5)

Kevin Roberts  
(District 1)

Arlene Tuck  
(District 4)

Scott Kirouac  
(District 3)

Don Elwell  
(District 2)

**COUNTY ADMINISTRATOR**

Laurie Hurner

**CLERK OF COURTS  
and  
CHIEF FINANCIAL OFFICER**

Jerome Kaszubowski

**TAX COLLECTOR**

Eric T. Zwayer

**PROPERTY APPRAISER**

C. Raymond McIntyre

**SHERIFF**

Paul Blackman

**SUPERVISOR OF ELECTIONS**

Karen Healy

**COUNTY ATTORNEY**

Sherry G. Sutphen  
Roper, P.A.

**ACCOUNTING  
AND FINANCE DIRECTOR**

Sally B. Hood

**INDEPENDENT AUDITORS**

CliftonLarsonAllen LLP



**Jerome Kaszubowski**  
Clerk of Circuit Court & Comptroller  
Highlands County, Florida

CLERK OF CIRCUIT COURT  
CLERK OF COUNTY COURT  
COUNTY AUDITOR  
COUNTY RECORDER  
CLERK TO THE BOARD OF COUNTY COMMISSIONERS

590 S COMMERCE AVE  
SEBRING FL 33870-3867  
PHONE (863) 402-6565  
FAX (863) 402-6768

April 17, 2024

Honorable Members of the Board of County Commissioners,  
Constitutional Officers and Citizens of Highlands County, Florida:

I am pleased to present to you the Annual Comprehensive Financial Report (ACFR) of Highlands County, Florida (County), for the fiscal year ended September 30, 2023.

This report was prepared in accordance with generally accepted accounting principles (GAAP) by the Clerk of Courts' Accounting Division. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Clerk of Courts as Chief Financial Officer of Highlands County.

We believe the data, as presented, is accurate in all material respects and is presented in a manner designed to fairly set forth the financial position and results of operations of the County, as measured by the financial activity of its various funds. In addition, all disclosures necessary to enable the reader to gain a thorough understanding of the County's financial affairs have been included.

### **REPORT FORMAT**

This report is intended to provide informative and relevant financial information for the citizens of the County, Board Members, investors, creditors, and other concerned readers. This ACFR is a countywide report, which discloses the combined results of operations for the Board of County Commissioners, Clerk of Courts, Property Appraiser, Tax Collector, Sheriff, and Supervisor of Elections. This report includes all funds and activities of governmental operations where the Board of County Commissioners is financially accountable, the exclusion of which would render the financial statements misleading or incomplete. The County provides a full range of services, and this report includes all activities of the County.

The Highlands County District School Board, the Highlands County Hospital District, the South Florida Water Management District, and the Southwest Florida Water Management District have not met the established criteria for inclusion in the reporting entity and, accordingly, are excluded from this report.

In accordance with GAAP, this ACFR includes a narrative introduction from management, in the form of Management's Discussion and Analysis (MD&A), which provides an overview and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors. The remainder of this letter provides an overview of the local economy and a report on some of the County's current and future initiatives.



## **County Profile**

Highlands County is a non-charter county established under the Constitution and laws of the State of Florida. Established on April 23, 1921, from a segment of DeSoto County, Highlands County is Florida's 56<sup>th</sup> county. The County is in the south-central part of Florida and within proximity to all major attractions and ports. The County encompasses 1,018 square miles of the state's heartland. The resident population served is estimated to be approximately 105,618, which includes the unincorporated County and three municipalities - the City of Avon Park, the City of Sebring and the Town of Lake Placid. According to the Florida Legislature's Office of Economic and Demographic Research, Highlands County is Florida's 36<sup>th</sup> most populous county.

The County operates under a commission form of government. The citizens of the County elect a five-member Board of County Commission to serve as the legislative body for the County. The County Commissioners appoint a County Administrator who is responsible for the operation of all County departments. The citizens of the County also elect a Clerk of Courts, Property Appraiser, Tax Collector, Sheriff, and Supervisor of Elections.

The Board of County Commissioners, as the legislative body, budgets and provides the funding used by the County departments and the separate Constitutional Officers, except for fees collected by the Clerk of Courts, Property Appraiser and Tax Collector. Under the direction of the Clerk of Courts, the Clerk's Accounting and Finance Division maintains the accounting system for the Board of County Commissioners' operations. The Clerk of Courts, Property Appraiser, Tax Collector, Sheriff, and Supervisor of Elections each maintain a separate accounting system; however, the operations of each agency have been combined for presentation in this report.

## **Economic Condition**

Citrus and cattle operations, both beef and dairy, provide the primary source of economic activity within the County. Florida's citrus production in 2022-2023 was 18.1 million boxes, down 60% from the previous season. Highlands County ranked second in the State in citrus production with 2.78 million boxes of fruit and number of beef cattle, with approximately 115,000 head, on 244,002 acres of designated pastureland. The economic impact of the cattle industry is a significant driver in the market with livestock sales totaling \$25,953,000 for Highlands County. There are approximately 389,622 acres of farmland in the county.

Tourism also plays a vital role in the local economy. With over 100 lakes, Highlands County is home to both recreational and tournament fishing, as well as recreational boating and skiing. The 12 Hours of Sebring endurance race, North America's longest running and most prestigious road race, provides a great opportunity for racing enthusiasts. The race, which is held annually in March at the Sebring International Raceway, celebrated 71 years of racing in 2023.

The local economy continued expanding in 2023. For the ninth consecutive year, overall property values improved, up 12.93% for the year. Building permits issued totaled 13,001, a 6.11% decrease for the fiscal year. Foreclosure cases were 130, an average decrease of 21.8% from last fiscal year. The unemployment rate in Highlands County was 4.70% at fiscal-year end, an increase of 0.60% from the prior year.



## Major Initiatives

During the 2022-2023 fiscal year, asset and infrastructure project expenditures were as follows:

<u>Description</u>	<u>Amount</u>
Arbuckle Creek Turn Lanes	\$ 824,718
Ballard Road Construction	304,327
Bridle Path Construction	197,988
Canter Path Construction	217,760
County Information Technology, Equipment and Software	1,108,593
Emergency Storage Facility	217,855
Engineering Vehicles	149,023
Fire Rescue Stations	144,037
Hammock Road Drainage	204,819
Lake Groves Road Construction	136,295
Landfill Equipment	2,340,337
Morgan Path Construction	321,876
Public Safety Equipment	2,133,886
Public Safety Technology	387,888
Public Safety Vehicles	1,750,679
Road and Bridge Heavy Machinery	559,737
Road and Bridge Vehicles	139,731
Sebring Parkway Phase IIA Construction	52,279
Sebring Parkway Phase IIB Construction	216,187
Stryker Road Improvements	2,198,015
Sun-N-Lakes Boulevard Sidewalk	417,495
Voting Equipment	104,875
Water Quality and Drainage Study	<u>306,305</u>
Total	\$ <u><u>14,434,705</u></u>

Many of these initiatives have been funded through a one-cent local option sales surtax for the purpose of financing, planning, and constructing infrastructure. The surtax was originally approved on August 22, 1989, for fifteen years (November 1, 1989 – October 31, 2004) and extended by the electorate of Highlands County on July 20, 1999, for an additional fifteen years (November 1, 2004 – October 31, 2019). On August 26, 2014, the voters of Highlands County approved the continuation of the surtax for an additional 15 years (January 1, 2019 – December 31, 2033).

## Major Accomplishments for 2022-2023



- **Sebring Parkway Phase IIA** – This project begins at Youth Care Lane and ends at Desoto Road encompassing the existing 2-lane roadway, currently known as S. Highlands Avenue. The project length is approximately 0.70 miles in length and involves the construction to replace the existing 2-lane roadway with a 4-lane divided roadway. The new roadway system consists of four – 12’ wide travel lanes, curb and gutter drainage, and an 8’ concrete multi-use path. Other improvements such as traffic signal upgrades, access management, and pedestrian crosswalks are also included as part of the project. Actual costs for Phase IIA were \$6,278,802.74, with FDOT’s participation being \$3,811,072.00. Construction began May 2020 and was completed November 21, 2022.
- **Sebring Parkway Phase IIB** – This project begins at the Desoto Road intersection and extends to US 27 and is approximately 0.474 miles in length. The existing 2-lane roadway was replaced with a 4-lane divided roadway. North of Highlands Regional Medical Center, a roundabout was constructed to reduce traffic conflicts in the area. As part of the project, a stormwater pond was necessary to reduce runoff from the additional impervious area. Actuals costs for Phase IIB were \$5,739,824.59, with FDOT’s participation being \$4,164,624.00. The project was completed on November 21, 2022.
- **Heron Street Roadway Improvements** – Highlands County was awarded a FDOT Small County Outreach Program (SCOP) grant in the amount of \$1,222,337 for roadway improvements on Heron Street. The improvements included, but were not limited to, the milling and resurfacing of existing pavement from Hammock Road to Howey Road, approximately 1.000 mile. The project was completed in May 2023.
- **W. Stryker Road Roadway Improvements** – Highlands County was awarded a FDOT Small County Road Assistance Program (SCRAP) grant in the amount of \$2,367,186 for roadway improvements on West Stryker Road. The improvements included, but were not limited to, the milling and resurfacing of existing pavement from North Olivia Drive to US 27, approximately 1.999 miles. The project was substantially complete in September 2023.
- **Arbuckle Creek Road Turn Lane** – In February 2017, Highlands County was awarded an FDOT Small County Outreach Program (SCOP) grant in the amount of \$936,152 for intersection improvements at Arbuckle Creek Road and Landfill Access Road. The construction consisted of the addition of an eastbound left turn lane and a westbound right turn lane from Arbuckle Creek Road to the northbound Landfill Access Road. Design, inspection, and construction of pavement widening and transition segments from the turn lanes back to the existing two-lane roadway, drainage improvements, and lighting were also included. Construction was completed in September 2023.
- **County Road 623 (Kenilworth Boulevard) Roadway Improvements** – Highlands County was awarded a State of Florida Department of Transportation (FDOT) Small County Road Assistance Program (SCRAP) grant in the amount of \$1,549,207 for roadway improvements on CR 623 (Kenilworth Boulevard). The improvements included, but were not limited to, the milling and resurfacing of existing pavement from Haywood Taylor Boulevard to Mini Ranch Road for an approximate distance of 7,804 linear feet (1.478 miles). The project was completed in April 2023.

#### Major Projects Scheduled for the Future

- **Memorial Drive Multiuse Path** – Highlands County was awarded a State of Florida Department of Transportation (FDOT) Local Agency Program (LAP) grant to construct an 8-foot-wide multiuse path along the right-of-way of Memorial Drive from Pompano Drive to Sebring Parkway in Sebring, FL,



for an approximate distance of 7,500 linear feet. The total grant amount is \$1,520,457. The intent is for the design, construction and CEI services to be done by outside forces. This project has gone through several revisions of the design due to funding and site constraints. It is still currently in the design phase. FDOT will reprogram funds for the State fiscal year beginning July 2024.

- **Animal Services Building** – Highlands County has budgeted the amount of \$1,100,000 for the construction of a hurricane resistant addition to the existing Highlands County Sheriff's Office Animal Services unit operations building. Any septic, drainage and roadway improvements are also included. Construction on this project was delayed in fiscal year 2023.
- **Traffic Operations Building** – Highlands County has budgeted the amount of \$760,000 for the construction of a building for the Traffic Operations Division. The project is expected to be completed by the summer of 2024.
- **Beacon Avenue Widening** – Highlands County was awarded a State of Florida Department of Transportation (FDOT) Small County Outreach Program (SCOP) grant in the amount of \$1,496,161 for roadway improvements on Beacon Avenue from State Road 17 to Sebring Parkway (Phase III). The improvements include, but are not limited to, the design, construction, and construction engineering inspection (CEI) of the widening and resurfacing of Beacon Avenue, approximately 1 mile. The project is expected to be completed by June 2028.
- **County Road 64 Resurfacing** – Highlands County was awarded a State of Florida Department of Transportation (FDOT) Small County Road Assistance Program (SCRAP) grant in the amount of \$1,182,628 for roadway improvements on County Road 64 from S. Angelo Lake Rd to E. Butler Rd. The improvements include, but are not limited to, the design, construction, and construction engineering inspection (CEI) of the resurfacing of County Road 64, approximately 3.265 miles. The project is expected to be completed by June 2028.

### Financial Information

The County operates on a fiscal year of October 1<sup>st</sup> to September 30<sup>th</sup>. The fiscal year 2022-2023 budget was adopted with a millage rate of 8.10, a 0.45 reduction from the fiscal year 2021-2022 millage rate.

Formal budgetary integration is employed as a management control device for the General and Special Revenue Funds. Budgets for these funds are legally adopted on an annual basis consistent with GAAP. The level of budgetary control exists with the Board of County Commissioners, and the Board follows the laws of Florida regarding the control, adoption, and amendment of the budget during each fiscal year. Open encumbrances in the General Fund are reported as assigned fund balance at year-end and reappropriated the following year. Unencumbered appropriations lapse at fiscal year-end.

The Clerk of Courts' Accounting and Finance Division and County Management are responsible for establishing and maintaining internal controls to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management.



All internal control evaluations occur within the above framework. We believe the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

**Independent Audit.** Section 218.39, Florida Statutes, requires that an annual financial audit of the accounts and records of the County be performed by an independent certified public accounting firm. This requirement has been accomplished for the fiscal year ended September 30, 2023, and the opinions of the independent auditors are included in the Financial Section of this report.

In addition to meeting the requirements set forth in the state statutes, the audit also was designed to meet the 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 *Rules of the Auditor General*, Chapter 10.550. The auditor's reports pertaining to the single audit are included in the Single Audit Section of this report.

**Single Audit.** The County is a recipient of federal and state financial assistance, making it mandatory that proper internal controls are in place to ensure that compliance with applicable laws and regulations related to those programs are achieved. This internal control structure is audited each year by our independent auditors.

**Awards.** The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to Highlands County for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2022. This was the 39<sup>th</sup> year that the County has received this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report satisfied both GAAP and applicable legal requirements.

The Certificate of Achievement is valid for a period of one (1) year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program requirements and we will submit it to the GFOA to determine eligibility for another certificate for the fiscal year ending September 30, 2023.

**Acknowledgments.** The preparation of the ACFR could not have been accomplished without the efforts and dedication of the entire staff of the Highlands County Clerk of Courts' Accounting and Finance Division.

I, and my staff, would like to thank CliftonLarsonAllen LLP, the County Administrator and her staff, and the Board of County Commissioners for their help and support in the preparation of this report for the citizens of Highlands County.

Respectfully submitted,



Jerome Kaszubowski, CGCIO  
Clerk of Courts



Sally B. Hood, CPA, CGFM  
Accounting and Finance Director





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Highlands County  
Florida**

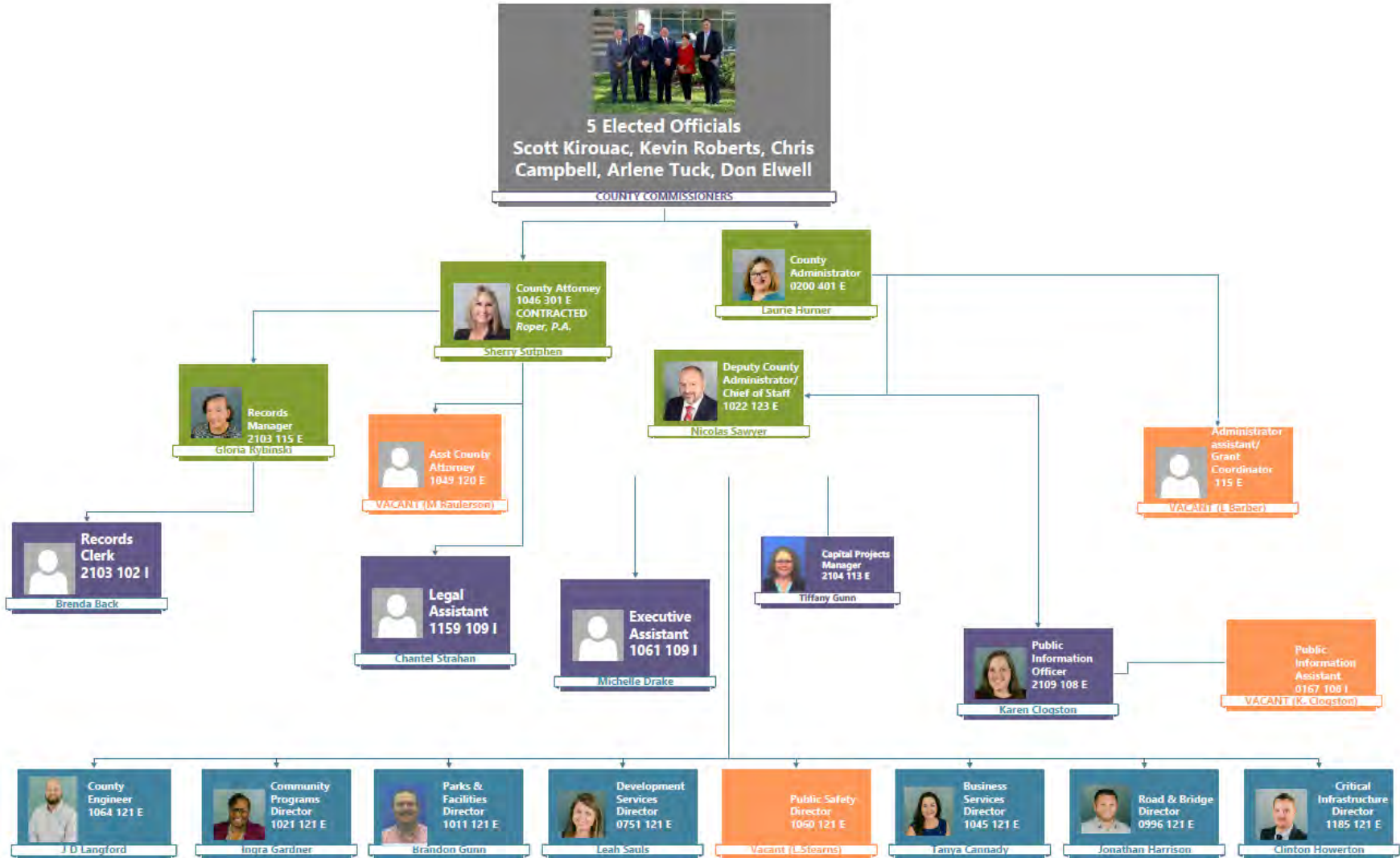
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2022

*Christopher P. Morill*

Executive Director/CEO

# HIGHLANDS COUNTY, FLORIDA ORGANIZATIONAL CHART YEAR ENDED SEPTEMBER 30, 2023



# Highlands County

Florida



Financial Section

## **FINANCIAL SECTION**



## INDEPENDENT AUDITORS' REPORT

Board of County Commissioners  
Highlands 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 Highlands 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 and the respective budgetary comparison for the General Fund, County Transportation Trust Fund, and Local Infrastructure Surtax Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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.

#### **Emphasis of Matter – Change in Accounting Principle**

As discussed in Note 1 to the financial statements, effective October 1, 2022, the County adopted new accounting guidance for Software Based Information Technology Arrangements (SBITA). The guidance requires SBITA users to recognize a right-to-use SBITA asset and corresponding SBITA liability for all SBITAs with terms greater than twelve months. Our opinions are not modified with respect to this matter.

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

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

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.

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, information on infrastructure using the modified approach, information on other postemployment benefits, and information on pension benefits 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 GAAS, 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 combining and individual nonmajor fund financial statements and schedules and the 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, *Local Governmental Entity Audits*, Rules of the Auditor General of the State of Florida are presented for 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 GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

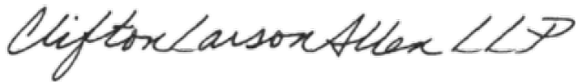
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Board of County Commissioners  
Highlands County, Florida

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated April 17, 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.



**CliftonLarsonAllen LLP**

Sebring, Florida  
April 17, 2024

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

The management of Highlands County (County) offers this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2023. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our Letter of Transmittal

**FINANCIAL HIGHLIGHTS**

The following are key financial highlights for the fiscal year:

- Total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$318.1 million (net position). Of this amount, \$275 million was invested in capital assets and \$49.1 million was restricted by laws, grant agreements, debt covenants or for capital projects. The County had an unrestricted net position of (\$6.2) million.
- Total net position increased by \$15.5 million or 5.1%. The net position of governmental activities increased \$14.1 million and business-type activities increased \$1.4 million.
- The fund balance in the General Fund was \$53.8 million, an increase of \$7.5 million from the previous year. The unassigned fund balance for the General Fund, which is available for use at the County's discretion, was \$50.6 million or 53.5% of total general fund expenditures.
- The governmental funds, in total, reported combined fund balances of \$112.2 million, an increase of \$15.0 million from the previous year. Of this amount, \$49.8 million was unassigned fund balance. The increase in fund balance was due in part to Tax and Assessment revenue increases as well as Net Change in Fair Value of Investments in the current year.
- Total assets increased by \$23.7 million or 5.5% and total liabilities increased by \$8.4 million or 6.0%. The increase in total assets was due to the growth in Investments as well as capital assets. The increase in liabilities was due to the net pension liability. The County is required to report, as a liability, the County's proportionate share of the Florida Retirement System (FRS) Plan Net Pension Liability.

**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: government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances using the accrual basis of accounting in a manner similar to a private-sector business. The County's government-wide financial statements include the statement of net position and statement of activities. As described below, these statements do not include the County's fiduciary funds because resources in these funds cannot be used to finance the County's activities. However, the financial statements of fiduciary funds are included in the County's fund financial statements because the County is financially accountable for those resources, even though they belong to other parties.

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

The statement of net position presents information on the County's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and 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 the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

The government-wide financial statements distinguish functions of the County (known as the primary government) 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. The business-type activities of the County include solid waste and energy recovery.

The government-wide financial statements include not only the County itself, but also legally separate entities for which the County is financially accountable (known as component units).

The government-wide financial statements can be found on pages 26-27 of this report.

### **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 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 a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

**Fund Financial Statements (Continued)**

Highlands County maintains 73 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 Fund, the County Transportation Trust Fund, and the Local Government Infrastructure Surtax Fund, which are considered to be major funds. Data from the other 70 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 elsewhere in this report.

The County adopts an annual appropriated budget for all funds. A budgetary comparison statement has been provided for the General Fund and other major special revenue funds to demonstrate compliance with these budgets.

Proprietary Funds - The County maintains two different types of proprietary funds. 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 its solid waste and energy recovery operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its employee benefit, insurance and compensated absences. Because these services benefit governmental and business-type functions, they have been allocated to the governmental activities and business-type activities in the government-wide financial statements. 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 proprietary operations, both of which are considered to be major funds of the County.

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 resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements - The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

Other Information - The combining statements referred to earlier in connection with non-major governmental funds, internal service funds and fiduciary funds are presented immediately following the required supplementary information (RSI).

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

**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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$318.1 million (total net position) as of September 30, 2023. The County recognized an increase in its total net position of \$15.5 million, or 5.1%, from \$302.6 million in 2022 to \$318.1 million in 2023.

	Governmental Activities		Business-Type Activities		Total	
	2022	2023	2022	2023	2022	2023
Current and Other Assets	\$ 128,918,115	\$ 141,210,839	\$ 23,398,157	\$ 25,279,003	\$ 152,316,272	\$ 166,489,842
Capital Assets	268,646,361	277,160,121	10,025,903	11,043,118	278,672,264	288,203,239
Total Assets	397,564,476	418,370,960	33,424,060	36,322,121	430,988,536	454,693,081
Deferred Outflows of Resources	21,490,783	20,446,158	239,738	224,233	21,730,521	20,670,391
Long-Term Debt Outstanding	111,373,144	121,859,865	9,818,137	10,987,669	121,191,281	132,847,534
Other Liabilities	18,716,952	15,165,901	550,605	842,066	19,267,557	16,007,967
Total Liabilities	130,090,096	137,025,766	10,368,742	11,829,735	140,458,838	148,855,501
Deferred Inflows of Resources	9,537,949	8,265,160	126,808	136,323	9,664,757	8,401,483
Net Position:						
Net Investment in Capital Assets	253,124,051	264,189,739	10,020,976	11,044,457	263,145,027	275,234,196
Restricted	42,752,995	49,094,388	-	-	42,752,995	49,094,388
Unrestricted	(16,449,832)	(19,757,935)	13,147,272	13,535,839	(3,302,560)	(6,222,096)
Total Net Position	\$ 279,427,214	\$ 293,526,192	\$ 23,168,248	\$ 24,580,296	\$ 302,595,462	\$ 318,106,488

The largest portion of the County's net position, \$275 million, reflects its net investment in capital assets (e.g., land, buildings, improvements, infrastructure, machinery, and equipment), net of accumulated depreciation, reduced by outstanding related debt used to acquire those assets, plus capital-related deferred outflows of resources. These capital assets are used to provide services to citizens and therefore, are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, the resources required 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, \$49.1 million, represents resources that are subject to external restrictions such as debt covenants, grantors, laws or regulations, or restrictions through enabling legislation on how they may be used.

The remaining balance is the unrestricted net position, which may be used to meet the County's ongoing obligations to citizens and creditors. As of September 30, 2023, the County's unrestricted net position was (\$6.2) million. The change in the total unrestricted net position from (\$3.3) million at September 30, 2022 to (\$6.2) million at September 30, 2023 was partially due to changes in net pension liability. The County is required to report, as a liability, the County's proportionate share of the Florida Retirement System (FRS) Plan Net Pension Liability.

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

	Governmental Activities		Business-Type Activities		Total	
	2022	2023	2022	2023	2022	2023
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$ 31,863,136	\$ 34,169,582	\$ 13,863,872	\$ 13,529,051	\$ 45,727,008	\$ 47,698,633
Operating Grants and Contributions	14,286,933	13,813,608	29,957	157,543	14,316,890	13,971,151
Capital Grants and Contributions	5,906,315	4,126,322	-	-	5,906,315	4,126,322
General Revenues:						
Property Taxes	47,203,470	50,578,777	-	-	47,203,470	50,578,777
Other Taxes	20,774,730	22,424,681	-	-	20,774,730	22,424,681
Other	26,278,495	27,950,124	378,564	1,186,607	26,657,059	29,136,731
<b>Total Revenues</b>	<b>146,313,079</b>	<b>153,063,094</b>	<b>14,272,393</b>	<b>14,873,201</b>	<b>160,585,472</b>	<b>167,936,295</b>
<b>Expenses:</b>						
General Government	21,865,689	22,599,038	-	-	21,865,689	22,599,038
Public Safety	55,919,431	68,119,772	-	-	55,919,431	68,119,772
Physical Environment	1,680,317	2,030,825	-	-	1,680,317	2,030,825
Transportation	16,212,205	17,604,650	-	-	16,212,205	17,604,650
Economic Environment	3,166,655	4,213,158	-	-	3,166,655	4,213,158
Human Services	4,955,460	14,147,925	-	-	4,955,460	14,147,925
Culture and Recreation	3,193,504	3,980,638	-	-	3,193,504	3,980,638
Court Related	5,312,924	5,945,120	-	-	5,312,924	5,945,120
Interest on Long-Term Debt	436,499	428,000	-	-	436,499	428,000
Solid Waste	-	-	9,258,245	11,792,374	9,258,245	11,792,374
Energy Recovery	-	-	2,669,422	1,563,769	2,669,422	1,563,769
<b>Total Expenses</b>	<b>112,742,684</b>	<b>139,069,126</b>	<b>11,927,667</b>	<b>13,356,143</b>	<b>124,670,351</b>	<b>152,425,269</b>
<b>Change in Net Position</b>						
Before Transfers	33,570,395	13,993,968	2,344,726	1,517,058	35,915,121	15,511,026
Transfers	106,585	105,010	(106,585)	(105,010)	-	-
<b>Change in Net Position</b>	<b>33,676,980</b>	<b>14,098,978</b>	<b>2,238,141</b>	<b>1,412,048</b>	<b>35,915,121</b>	<b>15,511,026</b>
Net Position - Beginning	245,750,234	279,427,214	20,930,107	23,168,248	266,680,341	302,595,462
<b>Net Position - Ending</b>	<b>\$ 279,427,214</b>	<b>\$ 293,526,192</b>	<b>\$ 23,168,248</b>	<b>\$ 24,580,296</b>	<b>\$ 302,595,462</b>	<b>\$ 318,106,488</b>

**Governmental Activities**

The net position of governmental activities increased \$14.1 million.

- Overall, revenues related to governmental activities increased \$6.7 million, or 4.6%.
- Charges for Services increased \$2.3 million, or 7.2%. Public Safety charges increased a net \$1.9 million due to increases in Law Enforcement Services (\$253,150), Ambulance Service (\$1.0 million), and Fire Assessment (\$609,662); General Government increased \$95 thousand; Culture & Recreation increased \$86 thousand due to increase in service assessments, and Court Related increased a net \$42 thousand. Economic Environment decreased \$93 thousand.
- Operating Grants and Contributions decreased by \$473 thousand, or 3.3%. General Government funding decreased \$9.2 million due to American Rescue Plan Act funds (\$10.0 million); however,

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

Public Safety funding increased \$7.9 million due to Disaster Relief funding from FEMA and Economic Environment increased \$711 thousand due to increased SHIP funding.

- Capital Grants and Contributions decreased by \$1.8 million, or 30.1%. Transportation funding decreased \$2.6 million while Public Safety funding increased by \$857 thousand.
- Property Taxes increased \$3.4 million, or 7.2% due to a 12.1% increase in property tax values driven by increased local real estate market values.
- Other Taxes increased \$1.65 million, or 7.9%. The County recognized a \$1.2 million increase in local option sales tax, along with a \$144 thousand increase in fuel taxes, and \$300 thousand increase in tourist development tax collections.
- Other general revenues increased \$1.7 million, or 6.9%. State shared revenues increased \$4.0 million, interest and investment earnings increased \$2.6 million, while gain on sale of capital assets decreased \$4.7 million.
- Overall, expenses related to governmental activities increased \$26.3 million, or 23.4%. Public Safety expenses increased \$12.2 million, Transportation related expenses increased \$1.4 million, Human Services increased \$9.2 million and Economic Environment increased \$1.0 million.
- Public Safety expenses increased \$12.2 million, or 21.8%. The increase is due to \$6.4 million of net pension liability expenses over the prior year, an increase of \$2.9 million of capital related items as well as \$309 thousand of OPEB as compared to the prior year.
- Transportation expenses increased by \$1.4 million, or 8.6%. The increase is due to an increase in transportation projects compared to the prior year, and a \$1.1 million increase in pension expense.
- Human Services expenses increased by \$9.2 million, or 185.5%. The increase is due to the Emergency/Disaster Relief expenses related to Hurricane Ian.

**Business-Type Activities**

The net position of business-type activities increased \$1.4 million.

- Overall, revenues related to business-type activities increased \$600 thousand, or 4.2%, and expenses increased \$1.4 million, or 12.0%.
- Charges for Services decreased \$335 thousand, or 2.4%. The sale of asphalt decreased total operating revenues by \$903 thousand as well as a \$66 thousand decrease of charges for services for the Energy Recovery facility. There was a \$370 thousand increase in revenues from the non-ad valorem assessment for solid waste collection due to an assessment increase and there was a \$259 thousand increase for landfill tipping fees from the hauler and the public.
- Solid Waste expenses increased \$2.5 million, or 27.4%. Personal Services increased \$749 thousand, General & Administrative Expenditures increased \$1.6 million, and Depreciation increased \$156 thousand.
- Energy Recovery expenses decreased \$1.1 million, or 41.4%. The decrease in Road Materials and Supplies was a direct result of the decrease in asphalt production.

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

**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

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

**Governmental Funds**

The County's governmental funds reported combined ending fund balances of \$112.2 million. Approximately \$49.8 million of the combined fund balances constitutes the unassigned fund balance, which is available for spending at the government's discretion. The remainder of the balance is not available for new spending because it is non-spendable (\$2.8 million), restricted (\$56.6 million) or assigned (\$2.9 million). Significant restrictions include: restrictions for infrastructure and land acquisitions (\$20.5 million), restrictions for transportation related (\$4.5 million), restrictions for building department (\$5.3 million), restrictions for Tourist Development (\$3.7 million), and restrictions for Public Safety (\$11.9 million).

The General Fund is the chief operating fund of the County. In 2023 the County reduced its millage rate from 8.10 mills to 7.85 mills and still be able to continue to provide quality services to its citizens and minimize the need to dip into its fund balance for operational needs. At September 30, 2023, the General Fund's total fund balance was \$53.8 million of which \$50.6 million (94.1%) was unassigned fund balance. The unassigned fund balance increased by \$9.0 million. As a measure of the General Fund's liquidity, the total fund balance represents 56.9% of total General Fund expenditures.

The County Transportation Trust Fund accounts for the operation of the road and bridge department, which is funded by the County's share of state gasoline taxes and the sixth-cent local option gas tax. As of September 30, 2023, the total fund balance was \$1.6 million, compared to \$2.23 million in 2022. The decrease in fund balance was due expenditures exceeding revenue collections.

The Local Government Infrastructure Surtax Fund accounts for the one-cent local discretionary sales surtax that was approved by voters. As of September 30, 2023, the total fund balance was \$18.2 million, compared to \$13.8 million in 2022. The increase in fund balance was due to an increase in sales tax collections.

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

**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (CONTINUED)**

**Proprietary Funds**

The Solid Waste Fund reported a net position of \$21.5 million, which is an increase of \$1.4 million over prior year. Unrestricted net position totaled \$12.1 million, a \$237 thousand increase over prior year, and net investments in capital assets totaled \$9.4 million, a \$1.1 million increase over prior year. Operating Revenues increased \$633 thousand, or 5.6% and Operating Expenses increased \$2.5 million or 27.1%. The change in revenues was primarily due to an increase in Special Assessments of \$370 thousand, Landfill Fees increased \$263 thousand and miscellaneous revenues and sale of recyclable materials change was insignificant. The change in expenses was primarily due to increased General & Administrative Expenses of \$1.6 million and Waste Franchise Fee increase of \$223,577 while Depreciation increased \$156,085.

The Energy Recovery Fund reported a net position of \$2.95 million, which is an increase of \$27 thousand over prior year. Unrestricted net position totaled \$1.3 million. This fund accounts for the operation of the County's Asphalt Plant which was constructed at the landfill site in order to use materials disposed at the landfill as production material for asphalt. The minimal change in total net position and unrestricted net position is due to asphalt sales nearly equaling production costs.

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

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The General Fund budget to actual schedule is presented in the basic financial statements. The schedule shows the original adopted budget, the final budget, actual results, and the positive or negative variance between the final budget and actual results. After the original budget is approved, it may be amended for various reasons such as unanticipated revenues, unforeseen expenditures or new grant awards.

- The actual net change in the fund balance of the General Fund compared to the final budget was a positive variance of \$28.7 million.
- General Fund revenues were \$5.2 million more than the final budget amounts. Net Change in Investment Fair Value revenues exceed budget by \$1.9 million and Intergovernmental revenues were \$1.8 million more than budget due to grant revenue exceeding anticipated receipts.
- Actual expenditures in the General Fund were \$22.9 million less than the final budget. Significant variations are summarized below:

<b><u>General Fund Department</u></b>	<b><u>Positive Variance</u></b>	<b><u>Reason for Variance</u></b>
Emergency/Disaster Relief	\$9,711,022	Project expenditures will occur in future years
Ambulance Services	923,953	Project Encumbrances/Repair & Maintenance Unexpended
Tax Collector	783,124	Unexpended Appropriations
Sheriff	(568,427)	SBITAs not budgeted
Clerk to Board – Financial and Administration	854,135	Unexpended Appropriations
Detention and Correction	1,181,031	Unexpended Appropriations
County Jail Maintenance	244,400	Unexpended Appropriations
Courthouse Facilities	302,924	Project appropriations not expended
Local Emergency Management Agency	6,145,387	Project appropriations not expended.
Children’s Advocacy Center	193,265	Project appropriations not expended in personal services and operating expenses.
Development Services	185,903	Project appropriations not expended
Natural Resources	306,309	Appropriations for project not expended
Central Services	690,021	Unexpended Appropriations.

**HIGHLANDS 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 \$288.2 million (net of accumulated depreciation) compared to \$279.1 million for the prior year. This investment in capital assets includes land, buildings, improvements, machinery and equipment, parks, roads, highways, bridges, software, water control structures, and land use rights. Major capital asset events during the fiscal year included the following:

- W Stryker Rd Improvements
- Fire/EMS Ambulance / Equipment
- IT Infrastructure Upgrades
- Road & Bridge Equipment / Vehicles
- Road Construction / Improvements

	Governmental Activities		Business-Type Activities		Entity Total	
	2022	2023	2022	2023	2022	2023
Land	\$ 45,133,945	\$ 45,133,945	\$ 1,839,228	\$ 1,839,228	\$ 46,973,173	\$ 46,973,173
Infrastructure - Roads and Bridges	124,071,877	143,026,414	-	-	124,071,877	143,026,414
Land Use Rights	2,571,167	2,571,167	-	-	2,571,167	2,571,167
Infrastructure - Water Control Structures	8,357,161	9,495,612	-	-	8,357,161	9,495,612
Buildings	38,526,534	37,090,032	78,276	66,787	38,604,810	37,156,819
Improvements	6,323,020	5,976,110	2,801,665	2,594,367	9,124,685	8,570,477
Equipment	24,066,504	25,127,628	5,251,703	6,447,095	29,318,207	31,574,723
Computer Software	374,859	265,970	-	35,657	374,859	301,627
Construction in Progress	19,019,289	6,115,214	50,162	59,610	19,069,451	6,174,824
Right-to-Use Assets	202,005	140,947	4,869	374	206,874	141,321
Right-to-Use Software	799,049	2,217,082	-	-	799,049	2,217,082
Total	<u>\$ 269,445,410</u>	<u>\$ 277,160,121</u>	<u>\$ 10,025,903</u>	<u>\$ 11,043,118</u>	<u>\$ 279,471,313</u>	<u>\$ 288,203,239</u>

Additional information on the County's capital assets can be found in Note 4 to the financial statements.

**Infrastructure**

The County has elected to use the modified approach to account for its bridges and roadways included on the County highway system. Under this approach, the County has made the commitment to preserve and maintain these assets at levels established by the County and approved by the Board of County Commissioners. No depreciation expense is reported for such assets, nor are amounts capitalized in connection with improvements that lengthen the lives of such assets, unless the improvements also increase their service potential. The County maintains an inventory of these assets and performs periodic condition assessments to establish that the predetermined condition level is being maintained.

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

**Infrastructure (Continued)**

- Road System - The County has established an overall minimum average condition level of "fair" which carries a rating between 51 and 75. The overall average condition of the County road system for fiscal year 2023 was 58.15, compared to 57.55 in 2022.
- Bridge System - It is the County's policy to maintain an overall minimum average sufficiency rating of not less than 60%. The overall average sufficiency rating of the County bridge system for fiscal year 2023 was 77.52, which was the same rating( 77.52) in 2022.

Additionally, the County makes annual estimates of the amounts that must be expended to preserve and maintain these assets at the predetermined condition levels. There were no significant differences from the estimated annual amount to preserve and maintain these assets compared with the actual amounts spent during the current period.

- Road System – The County budgeted \$1.9 million for maintenance/preservation of its road system and expended \$1.75 million.
- Bridge System – The County budgeted \$150,000 for maintenance/preservation of its bridge system and expended \$24,558.

For further information on the County's established condition standards, recent condition assessments or other information on infrastructure reported on the modified approach, refer to the RSI section of this report.

**Long-Term Debt**

At September 30, 2023, the County had total debt outstanding of \$23.6 million compared, to \$26.4 million in the prior year. Of this amount, all \$23.6 million represents governmental activities loans payable and other obligations. The decrease in total outstanding debt is attributed to payments on existing debt.

	Governmental Activities	
	2022	2023
Direct Borrowings and		
Direct Placements	\$ 26,419,000	\$ 23,643,543
Total	<u>\$ 26,419,000</u>	<u>\$ 23,643,543</u>

Please refer to Note 7 of the Notes to Financial Statements for a complete presentation of all long-term liabilities. The above table does not present information for compensated absences, net pension liability, other post-employment benefits or landfill closure liability.

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

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The following factors were considered in preparing the County's budget for the 2023 fiscal year. More information on economic factors is provided in the Statistical Section and the Transmittal Letter.

- Highlands County's population increased in 2023 by 1.24%, from 103,078 in 2022 to an estimated 104,361 in 2023 and is projected to see an increase in 2024. Additionally, two of the three municipalities showed population increases over the prior year according to the Office of Economic & Demographic Research.
- Highlands County's unemployment rate (October - September) averaged 4.1%, which was higher than the average for the State of Florida (2.8%) and the nation (3.6%).
- Highlands County has a diverse property tax base. The ten largest taxpayers in the County represent 5.20% of the assessed property values of all taxpayers.
- In 2023, the total taxable value of property increased 12.93% over prior year. This was the ninth increase in total taxable value that has been recognized since 2008.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide users with a general overview of the County's finances. Questions concerning budgets, long-term financial planning, future debt issuances, or questions related to the management of County operations should be addressed to the County Administrator at:

Office of the County Administrator  
Highlands County Board of County Commissioners  
600 South Commerce Avenue  
Sebring, FL 33870

Questions concerning the Basic Financial Statements or other financial information contained within this report should be addressed to the Clerk of Courts at:

Highlands County Clerk of Courts  
590 South Commerce Avenue  
Sebring, FL 33870

## **BASIC FINANCIAL STATEMENTS**

**HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2023**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 55,995,636	\$ 13,798,840	\$ 69,794,476
Investments	66,536,517	2,000,000	68,536,517
Accounts Receivable - Net	4,057,598	217,491	4,275,089
Lease Receivable	852,456	22,410	874,866
Internal Balances	(155,946)	155,946	-
Due from Other Governmental Units	11,039,101	-	11,039,101
Inventory	442,758	582,489	1,025,247
Other Assets	29,301	-	29,301
Prepaid Items	2,360,070	116,998	2,477,068
Restricted Assets:			
Cash and Cash Equivalents	53,348	8,384,829	8,438,177
Capital Assets not Being Depreciated/Amortized	196,846,740	1,898,838	198,745,578
Capital Assets - Net of Accumulated Depreciation/Amortization	80,313,381	9,144,280	89,457,661
Total Assets	<u>418,370,960</u>	<u>36,322,121</u>	<u>454,693,081</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Related Items	20,404,665	223,166	20,627,831
OPEB Related Items	41,493	1,067	42,560
Total Deferred Outflows of Resources	<u>20,446,158</u>	<u>224,233</u>	<u>20,670,391</u>
<b>LIABILITIES</b>			
Vouchers Payable	1,583,567	692,408	2,275,975
Claims Payable	668,457	-	668,457
Contracts Payable - Retained Percentage	127,115	-	127,115
Due to Other Governmental Units	445,980	162	446,142
Due to Others	173,980	-	173,980
Accrued Interest Payable	133,009	-	133,009
Accrued Wages Payable	1,692,939	25,688	1,718,627
Deposits	69,169	123,808	192,977
Unearned Revenue	10,271,685	-	10,271,685
Noncurrent Liabilities:			
Due Within One Year:			
Notes Payable, Compensated Absences, Leases, SBITA, and Landfill Closure	4,504,382	95,029	4,599,411
Total OPEB Liability	40,791	-	40,791
Due in More than One Year:			
Notes Payable, Compensated Absences Leases, SBITA, and Landfill Closure	26,447,300	9,756,505	36,203,805
Net Pension Liability	90,027,234	1,113,483	91,140,717
Total OPEB Liability	840,158	22,652	862,810
Total Liabilities	<u>137,025,766</u>	<u>11,829,735</u>	<u>148,855,501</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension Related Items	6,564,058	89,074	6,653,132
OPEB Related Items	871,788	22,417	894,205
Lease Related Items	829,314	24,832	854,146
Total Deferred Inflows of Resources	<u>8,265,160</u>	<u>136,323</u>	<u>8,401,483</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	264,189,739	11,044,457	275,234,196
Restricted for:			
General Government	921,825	-	921,825
Public Safety	14,708,273	-	14,708,273
Infrastructure and Land Acquisition	20,767,564	-	20,767,564
Transportation	4,581,972	-	4,581,972
Economic Environment	32,348	-	32,348
Physical Environment	299,757	-	299,757
Community Programs	3,061,443	-	3,061,443
Conservation	421,466	-	421,466
Tourist Development	3,747,445	-	3,747,445
Istokpoga Marsh Watershed Maintenance	124,594	-	124,594
Culture and Recreation	427,701	-	427,701
Unrestricted	(19,757,935)	13,535,839	(6,222,096)
Total Net Position	<u>\$ 293,526,192</u>	<u>\$ 24,580,296</u>	<u>\$ 318,106,488</u>

See accompanying Notes to Financial Statements.

**HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2023**

Functions/Programs	Program Revenues				Net Revenue (Expense) and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
<b>Primary Government:</b>							
<b>Governmental Activities:</b>							
General Government	\$ 22,599,038	\$ 4,560,840	\$ 2,227,097	\$ -	\$ (15,811,101)	\$ -	\$ (15,811,101)
Public Safety	68,119,772	20,805,949	8,440,730	1,160,006	(37,713,087)	-	(37,713,087)
Physical Environment	2,030,825	251,108	285,499	17,348	(1,476,870)	-	(1,476,870)
Transportation	17,604,650	3,551,401	-	2,948,968	(11,104,281)	-	(11,104,281)
Economic Environment	4,213,158	336,687	1,778,911	-	(2,097,560)	-	(2,097,560)
Human Services	14,147,925	1,066,771	755,921	-	(12,325,233)	-	(12,325,233)
Culture and Recreation	3,980,638	311,139	288,501	-	(3,380,998)	-	(3,380,998)
Court Related	5,945,120	3,285,687	36,949	-	(2,622,484)	-	(2,622,484)
<b>Debt Service:</b>							
Interest on Long-Term Debt	428,000	-	-	-	(428,000)	-	(428,000)
Total Governmental Activities	<u>139,069,126</u>	<u>34,169,582</u>	<u>13,813,608</u>	<u>4,126,322</u>	<u>(86,959,614)</u>	<u>-</u>	<u>(86,959,614)</u>
<b>Business-Type Activities:</b>							
Solid Waste	11,792,374	11,960,861	157,543	-	-	326,030	326,030
Energy Recovery	1,563,769	1,568,190	-	-	-	4,421	4,421
Total Business-Type Activities	<u>13,356,143</u>	<u>13,529,051</u>	<u>157,543</u>	<u>-</u>	<u>-</u>	<u>330,451</u>	<u>330,451</u>
Total Primary Government	<u>\$ 152,425,269</u>	<u>\$ 47,698,633</u>	<u>\$ 13,971,151</u>	<u>\$ 4,126,322</u>	<u>(86,959,614)</u>	<u>330,451</u>	<u>(86,629,163)</u>
<b>GENERAL REVENUES</b>							
<b>Taxes:</b>							
Property Taxes					50,578,777	-	50,578,777
Fuel Taxes					4,934,488	-	4,934,488
Sales Tax					15,044,472	-	15,044,472
Services Taxes					549,756	-	549,756
Other Taxes					1,895,965	-	1,895,965
Unrestricted State Shared Revenues					22,637,741	-	22,637,741
Net Change in Fair Value of Investments					4,611,006	1,171,982	5,782,988
Gain (Loss) on Sale of Capital Assets					354,024	-	354,024
Insurance Recoveries					275,918	14,625	290,543
Miscellaneous					71,435	-	71,435
Transfers					105,010	(105,010)	-
Total General Revenues					<u>101,058,592</u>	<u>1,081,597</u>	<u>102,140,189</u>
<b>CHANGE IN NET POSITION</b>					14,098,978	1,412,048	15,511,026
Net Position - October 1, 2022					<u>279,427,214</u>	<u>23,168,248</u>	<u>302,595,462</u>
<b>NET POSITION - SEPTEMBER 30, 2023</b>					<u>\$ 293,526,192</u>	<u>\$ 24,580,296</u>	<u>\$ 318,106,488</u>

See accompanying Notes to Financial Statements.

**HIGHLANDS COUNTY, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2023**

	General	County Transportation Trust	Local Government Infrastructure Surtax	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 13,086,604	\$ 696,637	\$ 6,653,325	\$ 28,098,568	\$ 48,535,134
Cash and Cash Equivalents - Restricted	53,348	-	-	-	53,348
Investments	45,650,986	-	9,220,164	10,165,367	65,036,517
Accounts Receivable - Net	3,141,177	7,379	117,287	763,964	4,029,807
Due from Other Funds	1,071,206	253	1,451	336,762	1,409,672
Due from Other Governmental Units	2,857,261	1,160,083	4,930,566	2,091,191	11,039,101
Lease Receivable	726,638	-	-	125,818	852,456
Other Assets	29,301	-	-	-	29,301
Advances to Other Funds	-	25,490	-	-	25,490
Prepaid Items	945,731	19,438	243,231	1,151,670	2,360,070
Inventory	442,758	-	-	-	442,758
	<u>\$ 68,005,010</u>	<u>\$ 1,909,280</u>	<u>\$ 21,166,024</u>	<u>\$ 42,733,340</u>	<u>\$ 133,813,654</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
Liabilities:					
Vouchers Payable	\$ 680,512	\$ 104,788	\$ 236,614	\$ 533,128	\$ 1,555,042
Accrued Wages Payable	1,379,426	127,277	-	186,236	1,692,939
Contracts Payable-Retained Percentage	-	-	127,115	-	127,115
Customer Deposits	53,348	10,419	-	5,402	69,169
Due to Other Governmental Units	151,054	1,170	110,498	183,258	445,980
Due to Other Funds	386,912	5,680	83,273	971,296	1,447,161
Due to Others	9,999	-	-	163,500	173,499
Advances from Other Funds	-	-	-	54,736	54,736
Unearned Revenue	8,748,337	-	-	1,000,000	9,748,337
Total Liabilities	<u>11,409,588</u>	<u>249,334</u>	<u>557,500</u>	<u>3,097,556</u>	<u>15,313,978</u>
Deferred Inflows of Resources:					
Unavailable Revenue:					
Intergovernmental	1,046,048	-	2,428,952	59,198	3,534,198
Charges for Services	1,077,334	19,957	-	856,718	1,954,009
Leases Related Items	707,927	-	-	121,387	829,314
Total Deferred Inflows of Resources	<u>2,831,309</u>	<u>19,957</u>	<u>2,428,952</u>	<u>1,037,303</u>	<u>6,317,521</u>
Fund Balances:					
Nonspendable	1,388,489	19,438	243,231	1,151,670	2,802,828
Restricted	-	511,827	17,936,341	38,192,609	56,640,777
Assigned	1,809,332	1,108,724	-	-	2,918,056
Unassigned	50,566,292	-	-	(745,798)	49,820,494
Total Fund Balances	<u>53,764,113</u>	<u>1,639,989</u>	<u>18,179,572</u>	<u>38,598,481</u>	<u>112,182,155</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 68,005,010</u>	<u>\$ 1,909,280</u>	<u>\$ 21,166,024</u>	<u>\$ 42,733,340</u>	<u>\$ 133,813,654</u>

See accompanying Notes to Financial Statements.

**HIGHLANDS COUNTY, FLORIDA  
RECONCILIATION OF FUND BALANCES FOR GOVERNMENTAL FUNDS TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2023**

Fund Balances - Total Governmental Funds	\$ 112,182,155
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	277,160,121
Certain receivables are not available to pay current period expenditures and, therefore, are reported as deferred inflows of resources in the funds.	5,488,207
Long-term liabilities consisting of notes payable, leases, and SBITAs are not due and payable in the current period and, therefore, are not reported in the funds.	(25,162,104)
Accrued general long-term debt interest expense is not a financial use and, therefore, is not reported in the funds.	(133,009)
Net pension liability and related deferred outflows and inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.	(75,492,810)
Total other postemployment benefits liability and related deferred outflows and inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.	(1,711,244)
The assets and liabilities of the internal service funds, used by management to charge the costs of certain activities to individual funds, are included in governmental activities in the statement of net position.	1,194,876
Net Position of Governmental Activities	\$ 293,526,192

**HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED SEPTEMBER 30, 2023**

	County Transportation Trust	Local Government Infrastructure Surtax	Nonmajor Governmental Funds	Total Governmental Funds	
<b>REVENUES</b>	General	County Transportation Trust	Local Government Infrastructure Surtax	Nonmajor Governmental Funds	Total Governmental Funds
Taxes	\$ 51,057,065	\$ 5,005,956	\$ 15,044,472	\$ 1,838,830	\$ 72,946,323
Licenses and Permits	530	171,640	-	1,973,233	2,145,403
Intergovernmental	31,786,795	3,463,471	4,252,503	3,233,665	42,736,434
Charges for Services	13,014,773	268,844	-	3,219,069	16,502,686
Fines and Forfeitures	139,637	-	-	598,001	737,638
Assessments	-	-	-	7,715,846	7,715,846
Net Change in Fair Value of Investments	2,522,251	4,597	505,622	1,334,275	4,366,745
Miscellaneous	2,318,027	2,277,655	-	776,394	5,372,076
Total Revenues	<u>100,839,078</u>	<u>11,192,163</u>	<u>19,802,597</u>	<u>20,689,313</u>	<u>152,523,151</u>
<b>EXPENDITURES</b>					
Current:					
General Government	20,052,769	-	1,538,651	3,000	21,594,420
Public Safety	51,339,785	-	1,114,082	11,148,710	63,602,577
Physical Environment	1,603,244	-	-	219,019	1,822,263
Transportation	154,470	12,593,845	8,292,161	565,914	21,606,390
Economic Environment	2,090,988	-	-	1,983,829	4,074,817
Human Services	13,796,734	-	12,978	242,698	14,052,410
Culture and Recreation	2,856,731	-	499,574	124,487	3,480,792
Court Related	1,910,288	-	1,274	3,458,219	5,369,781
Debt Service:					
Principal Retirement	613,048	115,409	2,832,000	967,204	4,527,661
Interest and Fiscal Charges	25,951	716	307,010	113,307	446,984
Total Expenditures	<u>94,444,008</u>	<u>12,709,970</u>	<u>14,597,730</u>	<u>18,826,387</u>	<u>140,578,095</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	6,395,070	(1,517,807)	5,204,867	1,862,926	11,945,056
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	292,521	750,000	-	1,439,249	2,481,770
Transfers Out	(1,266,018)	(76,526)	(831,474)	(202,742)	(2,376,760)
Leases	2,854	-	-	19,765	22,619
SBITA	993,188	143,509	-	613,761	1,750,458
Finance Purchase Agreements	514,410	-	-	-	514,410
Insurance Recoveries	250,334	25,584	-	-	275,918
Sale of Surplus Assets	342,823	7,086	-	4,115	354,024
Total Other Financing Sources (Uses)	<u>1,130,112</u>	<u>849,653</u>	<u>(831,474)</u>	<u>1,874,148</u>	<u>3,022,439</u>
<b>NET CHANGE IN FUND BALANCES</b>	7,525,182	(668,154)	4,373,393	3,737,074	14,967,495
Fund Balances - October 1, 2022	<u>46,238,931</u>	<u>2,308,143</u>	<u>13,806,179</u>	<u>34,861,407</u>	<u>97,214,660</u>
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<u>\$ 53,764,113</u>	<u>\$ 1,639,989</u>	<u>\$ 18,179,572</u>	<u>\$ 38,598,481</u>	<u>\$ 112,182,155</u>

See accompanying Notes to Financial Statements.

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

Net Change in Fund Balances - Total Governmental Funds	\$	14,967,495
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation or amortization expense. This is the amount by which net capital outlay exceeded depreciation and amortization in the current period.		8,724,287
In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus the change in net position differs from the change in fund balance by the cost of capital assets sold.		(210,527)
Long-term liabilities are reported in the statement of net position but not in the governmental funds because they are not due and payable in the current period. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		2,240,174
Some revenues reported in the statement of activities will not be collected for several months after the fiscal year and, therefore, are not reported as revenue in the governmental funds.		(334,261)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		18,984
Changes in net pension liability reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		(11,796,735)
Changes in total other postemployment benefits liability reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		(513,488)
Internal service funds are used by management to charge the costs of insurance to individual funds. The net cost of certain activities of internal service funds is reported with governmental activities.		1,003,049
		1,003,049
Change in Net Position of Governmental Activities	\$	14,098,978

See accompanying Notes to Financial Statements.

**HIGHLANDS COUNTY, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 50,364,977	\$ 50,364,977	\$ 51,057,065	\$ 692,088
Licenses and Permits	1,000	1,000	530	(470)
Intergovernmental	18,205,084	30,030,849	31,786,795	1,755,946
Charges for Services	10,031,225	11,968,265	13,014,773	1,046,508
Fines and Forfeitures	77,500	77,500	139,637	62,137
Net Change in Fair Value of Investments	604,000	604,000	2,522,251	1,918,251
Miscellaneous	2,154,295	2,585,283	2,318,027	(267,256)
Total Revenues	<u>81,438,081</u>	<u>95,631,874</u>	<u>100,839,078</u>	<u>5,207,204</u>
<b>EXPENDITURES</b>				
Current:				
General Government	20,950,283	23,664,974	20,052,769	3,612,205
Public Safety	50,342,341	59,542,365	51,339,785	8,202,580
Physical Environment	1,765,436	2,095,678	1,603,244	492,434
Transportation	158,285	158,285	154,470	3,815
Economic Environment	2,168,050	2,215,219	2,090,988	124,231
Human Services	3,525,486	23,681,642	13,796,734	9,884,908
Culture and Recreation	2,846,872	3,102,399	2,856,731	245,668
Court Related	1,919,341	2,270,906	1,910,288	360,618
Total Current	<u>83,676,094</u>	<u>116,731,468</u>	<u>93,805,009</u>	<u>22,926,459</u>
Debt Service:				
Principal Retirement	-	166,038	613,048	(447,010)
Interest and Fiscal Charges	-	8,750	25,951	(17,201)
Total Debt Service	<u>-</u>	<u>174,788</u>	<u>638,999</u>	<u>(464,211)</u>
Total Expenditures	<u>83,676,094</u>	<u>116,906,256</u>	<u>94,444,008</u>	<u>22,462,248</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(2,238,013)</b>	<b>(21,274,382)</b>	<b>6,395,070</b>	<b>27,669,452</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	154,296	152,421	292,521	140,100
Transfers Out	(1,497,098)	(1,597,098)	(1,266,018)	331,080
Leases	-	-	2,854	2,854
SBITAs	-	-	993,188	993,188
Finance Purchase Agreements	-	-	514,410	514,410
Insurance Recoveries	-	14,308	250,334	236,026
Sale of Surplus Assets	1,500,000	1,500,000	342,823	(1,157,177)
Total Other Financing Sources (Uses)	<u>157,198</u>	<u>69,631</u>	<u>1,130,112</u>	<u>1,060,481</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(2,080,815)</b>	<b>(21,204,751)</b>	<b>7,525,182</b>	<b>28,729,933</b>
Fund Balances - October 1, 2022	<u>2,080,815</u>	<u>21,204,751</u>	<u>46,238,931</u>	<u>25,034,180</u>
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 53,764,113</b>	<b>\$ 53,764,113</b>

See accompanying Notes to Financial Statements.

**HIGHLANDS COUNTY, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**COUNTY TRANSPORTATION TRUST FUND**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 4,963,979	\$ 4,963,981	\$ 5,005,956	\$ 41,975
Licenses and Permits	150,000	150,000	171,640	21,640
Intergovernmental	3,643,383	3,643,383	3,463,471	(179,912)
Charges for Services	140,200	140,200	268,844	128,644
Net Change in Fair Value of Investments	5,000	5,000	4,597	(403)
Miscellaneous	2,857,170	2,857,170	2,277,655	(579,515)
Total Revenues	<u>11,759,732</u>	<u>11,759,734</u>	<u>11,192,163</u>	<u>(567,571)</u>
<b>EXPENDITURES</b>				
Current:				
Transportation:				
County Engineer	153,004	181,626	169,006	12,620
Engineering Services	1,841,292	1,660,820	1,604,331	56,489
Roads and Bridges	6,492,273	6,731,676	6,718,611	13,065
Bridge and Concrete	427,403	380,444	346,069	34,375
Maintenance Shop	865,371	843,195	836,718	6,477
Traffic Operations	1,615,674	1,672,939	1,632,238	40,701
Mowing - Right of Ways	689,558	720,558	708,600	11,958
County Shell Pit	285,693	300,694	293,286	7,408
Multi-Use Paths	46,366	46,366	-	46,366
Road and Bridge Superintendent	110,480	113,980	109,681	4,299
GIS	197,309	204,059	175,305	28,754
Total Transportation	<u>12,724,423</u>	<u>12,856,357</u>	<u>12,593,845</u>	<u>262,512</u>
Debt Service:				
Principal	-	96,086	115,409	(19,323)
Interest	-	462	716	(254)
Total Expenditures	<u>12,724,423</u>	<u>12,952,905</u>	<u>12,709,970</u>	<u>242,935</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(964,691)	(1,193,171)	(1,517,807)	(324,636)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	750,000	750,000
Transfers Out	(76,526)	(76,526)	(76,526)	-
SBITAs	-	-	143,509	143,509
Insurance Recoveries	-	-	25,584	25,584
Sale of Surplus Assets	-	-	7,086	7,086
Total Other Financing Sources (Uses)	<u>(76,526)</u>	<u>(76,526)</u>	<u>849,653</u>	<u>926,179</u>
<b>NET CHANGE IN FUND BALANCE</b>	(1,041,217)	(1,269,697)	(668,154)	601,543
Fund Balances - October 1, 2022	<u>1,041,217</u>	<u>1,269,697</u>	<u>2,308,143</u>	<u>1,038,446</u>
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,639,989</u>	<u>\$ 1,639,989</u>

See accompanying Notes to Financial Statements.

**HIGHLANDS COUNTY, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**LOCAL GOVERNMENT INFRASTRUCTURE SURTAX FUND**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 14,334,750	\$ 14,334,749	\$ 15,044,472	\$ 709,723
Intergovernmental	3,390,813	7,312,944	4,252,503	(3,060,441)
Net Change in Fair Value of Investments	89,000	89,000	505,622	416,622
Miscellaneous	300,000	300,000	-	(300,000)
Total Revenues	<u>18,114,563</u>	<u>22,036,693</u>	<u>19,802,597</u>	<u>(2,234,096)</u>
<b>EXPENDITURES</b>				
Current:				
General Government:				
Central Services	1,973,535	2,304,093	1,227,326	1,076,767
Facilities Management	3,679,554	4,475,113	213,650	4,261,463
Supervisor of Elections	96,515	97,675	97,675	-
Total General Government	<u>5,749,604</u>	<u>6,876,881</u>	<u>1,538,651</u>	<u>5,338,230</u>
Public Safety:				
Sheriff	757,260	894,680	632,220	262,460
County Jail	1,518,365	1,736,608	223,181	1,513,427
Local Emergency Management Agency	50,000	124,400	9,450	114,950
Ambulance Service	355,000	775,430	249,231	526,199
Total Public Safety	<u>2,680,625</u>	<u>3,531,118</u>	<u>1,114,082</u>	<u>2,417,036</u>
Transportation:				
Road and Bridges	11,917,079	21,848,919	8,292,161	13,556,758
Human Services:				
Animal Control	1,063,258	1,096,115	12,978	1,083,137
Culture and Recreation:				
Recreation Department	609,483	873,758	320,034	553,724
Parks Department	450,000	555,347	179,540	375,807
Total Culture and Recreation	<u>1,059,483</u>	<u>1,429,105</u>	<u>499,574</u>	<u>929,531</u>

See accompanying Notes to Financial Statements.

**HIGHLANDS COUNTY, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**LOCAL GOVERNMENT INFRASTRUCTURE SURTAX FUND (CONTINUED)**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES (CONTINUED)</b>				
Current (Continued):				
Court Related:				
Court Related	\$ -	\$ 448,300	\$ 1,274	\$ 447,026
Debt Service:				
Principal Retirement	2,832,000	2,832,000	2,832,000	-
Interest and Fiscal Charges	307,010	307,010	307,010	-
Total Debt Service	<u>3,139,010</u>	<u>3,139,010</u>	<u>3,139,010</u>	<u>-</u>
Total Expenditures	<u>25,609,059</u>	<u>38,369,448</u>	<u>14,597,730</u>	<u>23,771,718</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(7,494,496)	(16,332,755)	5,204,867	21,537,622
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	104,963	-	(104,963)
Transfers Out	(81,474)	(831,474)	(831,474)	-
Issuance of Debt	-	1,347,946	-	(1,347,946)
Total Other Financing Sources (Uses)	<u>(81,474)</u>	<u>621,435</u>	<u>(831,474)</u>	<u>(1,452,909)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(7,575,970)	(15,711,320)	4,373,393	20,084,713
Fund Balances - October 1, 2022	<u>7,575,970</u>	<u>15,711,320</u>	<u>13,806,179</u>	<u>(1,905,141)</u>
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,179,572</u>	<u>\$ 18,179,572</u>

See accompanying Notes to Financial Statements.

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

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Solid Waste	Nonmajor Energy Recovery	Total	Internal Service Funds
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 12,990,864	\$ 807,976	\$ 13,798,840	\$ 7,460,502
Investments	2,000,000	-	2,000,000	1,500,000
Accounts Receivable - Net	216,842	649	217,491	27,791
Leases Receivable - Net	22,410	-	22,410	-
Due from Other Funds	47,728	-	47,728	719
Advances to Other Funds	29,246	-	29,246	-
Prepaid Items	116,998	-	116,998	-
Inventory	-	582,489	582,489	-
Total Current Assets	<u>15,424,088</u>	<u>1,391,114</u>	<u>16,815,202</u>	<u>8,989,012</u>
Noncurrent Assets:				
Restricted Cash and Cash Equivalents	8,384,829	-	8,384,829	-
Capital Assets:				
(Net of \$15,599,583 Accumulated Amortization and Depreciation)	9,417,294	1,625,824	11,043,118	-
Total Noncurrent Assets	<u>17,802,123</u>	<u>1,625,824</u>	<u>19,427,947</u>	<u>-</u>
Total Assets	33,226,211	3,016,938	36,243,149	8,989,012
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension Related Items	223,166	-	223,166	-
OPEB Related Items	1,025	42	1,067	-
Total Deferred Outflows of Resources	<u>224,191</u>	<u>42</u>	<u>224,233</u>	<u>-</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Vouchers Payable	629,731	62,677	692,408	28,525
Due to Other Funds	10,679	279	10,958	-
Accrued Interest Payable	-	-	-	-
Accrued Wages Payable	24,846	842	25,688	-
Due to Other Governmental Units	136	26	162	-
Due to Others	-	-	-	481
Unearned Revenue	-	-	-	523,348
Compensated Absences - Current Portion	10,529	169	10,698	-
Landfill Closure Liability - Current Portion	83,947	-	83,947	-
Lease Liability - Current Portion	384	-	384	-
Claims Payable	-	-	-	668,457
Total Current Liabilities	<u>760,252</u>	<u>63,993</u>	<u>824,245</u>	<u>1,220,811</u>

See accompanying Notes to Financial Statements.

**HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF NET POSITION (CONTINUED)  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2023**

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Solid Waste	Nonmajor Energy Recovery	Total	Internal Service Funds
<b>LIABILITIES (CONTINUED)</b>				
Long-Term Liabilities:				
Payable from Restricted Assets:				
Customer Deposits	\$ 123,808	\$ -	\$ 123,808	\$ -
Landfill Closure Liability	8,261,021	-	8,261,021	-
Compensated Absences Payable	94,759	1,518	96,277	6,483,395
Total OPEB Liability	21,766	886	22,652	-
Landfill Closure Liability	1,399,207	-	1,399,207	-
Net Pension Liability	1,113,483	-	1,113,483	-
Total Long-Term Liabilities	<u>11,014,044</u>	<u>2,404</u>	<u>11,016,448</u>	<u>6,483,395</u>
Total Liabilities	11,774,296	66,397	11,840,693	7,704,206
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension Related Items	89,074	-	89,074	-
OPEB Related Items	21,540	877	22,417	-
Leases	24,832	-	24,832	-
Total Deferred Inflows of Resources	<u>135,446</u>	<u>877</u>	<u>136,323</u>	<u>-</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	9,418,633	1,625,824	11,044,457	-
Unrestricted	<u>12,122,027</u>	<u>1,323,882</u>	<u>13,445,909</u>	<u>1,284,806</u>
Total Net Position	<u>\$ 21,540,660</u>	<u>\$ 2,949,706</u>	24,490,366	<u>\$ 1,284,806</u>
Adjustment to Reflect Consolidation of Internal Service Fund Activities Related to Enterprise Funds			<u>89,930</u>	
Net Position of Business-Type Activities			<u>\$ 24,580,296</u>	

See accompanying Notes to Financial Statements.

**HIGHLANDS COUNTY, FLORIDA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Solid Waste	Nonmajor Energy Recovery	Total	Internal Service Funds
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 3,682,793	\$ 1,568,190	\$ 5,250,983	\$ 20,271,741
Special Assessments	8,275,379	-	8,275,379	-
Sale of Recyclable Materials	2,261	-	2,261	-
Miscellaneous	428	-	428	-
Total Operating Revenues	<u>11,960,861</u>	<u>1,568,190</u>	<u>13,529,051</u>	<u>20,271,741</u>
<b>OPERATING EXPENSES</b>				
Personal Services	1,749,758	54,870	1,804,628	-
General and Administrative	9,305,279	1,374,977	10,680,256	7,691,550
Insurance and Claims	-	-	-	11,812,373
Depreciation and Amortization	728,393	122,100	850,493	-
Total Operating Expenses	<u>11,783,430</u>	<u>1,551,947</u>	<u>13,335,377</u>	<u>19,503,923</u>
<b>OPERATING INCOME (LOSS)</b>	177,431	16,243	193,674	767,818
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Operating Grants	157,543	-	157,543	-
Net Change in Fair Value of Investments	1,160,747	11,235	1,171,982	244,262
Interest Expense	(76)	-	(76)	-
Insurance Recoveries	14,625	-	14,625	-
Gain (Loss) on Disposal of Capital Assets	(29,722)	-	(29,722)	-
Total Nonoperating Revenues (Expenses)	<u>1,303,117</u>	<u>11,235</u>	<u>1,314,352</u>	<u>244,262</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	1,480,548	27,478	1,508,026	1,012,080
Transfer Out	<u>(105,010)</u>	<u>-</u>	<u>(105,010)</u>	<u>-</u>
<b>CHANGE IN NET POSITION</b>	1,375,538	27,478	1,403,016	1,012,080
Net Position - October 1, 2022	<u>20,165,122</u>	<u>2,922,228</u>		<u>272,726</u>
<b>NET POSITION - SEPTEMBER 30, 2023</b>	<u>\$ 21,540,660</u>	<u>\$ 2,949,706</u>		<u>\$ 1,284,806</u>
Adjustment to Reflect Consolidation of Internal Service Fund Activities Related to Enterprise Funds			<u>9,031</u>	
Change in Net Position of Business-Type Activities			<u>\$ 1,412,047</u>	

See accompanying Notes to Financial Statements.

**HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED SEPTEMBER 30, 2023**

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Solid Waste	Nonmajor Energy Recovery	Total	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Received from Customers	\$ 12,102,705	\$ 1,568,028	\$ 13,670,733	\$ -
Cash Received from Internal Customers	-	-	-	20,308,669
Cash Payments for Personal Services	(1,500,074)	(53,560)	(1,553,634)	-
Cash Payments to Vendors	(8,131,679)	(1,344,396)	(9,476,075)	-
Cash Payments for Insurance Premiums and Claims	-	-	-	(13,307,969)
Cash Payments to Employees for Services	-	-	-	(6,064,150)
Customer Deposits	11,160	-	11,160	-
Insurance Recoveries	14,625	-	14,625	-
Other Miscellaneous Cash Received	2,261	-	2,261	-
Net Cash Provided by Operating Activities	2,498,998	170,072	2,669,070	936,550
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Grant Funds Received	157,543	-	157,543	-
Payments Received on Advance to Other Funds	14,195	-	14,195	1,339
Repayment on Advance to Other Funds	-	-	-	(167)
Transfers to Other Funds	(105,010)	-	(105,010)	-
Net Cash Provided by Noncapital Financing Activities	66,728	-	66,728	1,172
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Proceeds from the Sale of Capital Assets	500,000	-	500,000	-
Acquisition of Capital Assets	(2,390,140)	(7,290)	(2,397,430)	-
Principal Payments on Borrowings	(4,546)	-	(4,546)	-
Interest Payments on Borrowings	(76)	-	(76)	-
Net Cash Used by Capital and Related Financing Activities	(1,894,762)	(7,290)	(1,902,052)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of Investments	(1,500,000)	-	(1,500,000)	(1,500,000)
Investment Income	1,147,648	11,235	1,158,883	223,677
Net Cash Provided (Used) by Investing Activities	(352,352)	11,235	(341,117)	(1,276,323)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>				
	318,612	174,017	492,629	(338,601)
Cash and Cash Equivalents - October 1, 2022	21,057,081	633,959	21,691,040	7,799,103
<b>CASH AND CASH EQUIVALENTS - SEPTEMBER 30, 2023</b>	<u>\$ 21,375,693</u>	<u>\$ 807,976</u>	<u>\$ 22,183,669</u>	<u>\$ 7,460,502</u>

See accompanying Notes to Financial Statements.

**HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF CASH FLOWS (CONTINUED)  
PROPRIETARY FUNDS  
YEAR ENDED SEPTEMBER 30, 2023**

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Solid Waste	Nonmajor Energy Recovery	Total	Internal Service Funds
<b>RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating Income (Loss)	\$ 177,431	\$ 16,243	\$ 193,674	\$ 767,818
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation and Amortization	728,393	122,100	850,493	-
Insurance Recoveries	14,625	-	14,625	-
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:				
(Increase) Decrease in:				
Accounts Receivable	121,386	(162)	121,224	4,132
Leases Receivable	22,410	-	22,410	-
Inventory	-	(26,154)	(26,154)	-
Due from Other Funds	(1,181)	-	(1,181)	(18)
Due from Other Governmental Units	309	-	309	-
Prepaid Items	(5,103)	-	(5,103)	-
Deferred Outflows Related to Pensions	14,861	-	14,861	-
Deferred Outflows Related to OPEB	608	36	644	-
Increase (Decrease) in:				
Vouchers Payable	225,083	56,482	281,565	3,949
Accrued Wages Payable	(217)	227	10	-
Due to Other Funds	7,987	1,608	9,595	-
Due to Other Governmental Units	(994)	26	(968)	-
Claims Payable	-	-	-	(151,542)
Compensated Absences	35,519	-	35,519	279,397
Landfill Closure Liability	947,808	-	947,808	-
Unearned Revenues	-	-	-	32,814
Customer Deposits	11,160	-	11,160	-
Total OPEB Liability	3,571	12	3,583	-
Net Pension Liability	185,481	-	185,481	-
Deferred Inflows Related to Pensions	13,786	-	13,786	-
Deferred Inflows Related to OPEB	(3,925)	(346)	(4,271)	-
Total Adjustments	<u>2,321,567</u>	<u>153,829</u>	<u>2,475,396</u>	<u>168,732</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 2,498,998</u>	<u>\$ 170,072</u>	<u>\$ 2,669,070</u>	<u>\$ 936,550</u>
<b>NONCASH CAPITAL AND INVESTING ACTIVITIES</b>				
Change in Fair Value of Investments	<u>\$ 22,834</u>	<u>\$ -</u>	<u>\$ 22,834</u>	<u>\$ -</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION CASH AND CASH EQUIVALENTS</b>				
Total Cash and Cash Equivalents	\$ 21,375,693	\$ 807,976	\$ 22,183,669	\$ 7,460,502
Less: Restricted Cash and Investments	<u>8,384,829</u>	<u>-</u>	<u>8,384,829</u>	<u>-</u>
Total Unrestricted Cash and Cash Equivalents	<u>\$ 12,990,864</u>	<u>\$ 807,976</u>	<u>\$ 13,798,840</u>	<u>\$ 7,460,502</u>

See accompanying Notes to Financial Statements.

**HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2023**

	<u>Custodial Funds</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 5,839,803
Due from Others	8,107
Due from Other Governmental Units	<u>2,100</u>
Total Assets	5,850,010
<b>LIABILITIES</b>	
Due to Others	316,775
Due to Other Governmental Units	<u>1,207,578</u>
Total Liabilities	<u>1,524,353</u>
<b>NET POSITION</b>	
Restricted for Other Governments and Individuals	<u><u>\$ 4,325,657</u></u>

See accompanying Notes to Financial Statements.

**HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
YEAR ENDED SEPTEMBER 30, 2023**

	<u>Custodial Funds</u>
<b>ADDITIONS</b>	
Tax, License, Fines, and Fees Collected for Other Governments and Individuals	\$ 83,074,378
<b>DEDUCTIONS</b>	
Tax, License, Fines, and Fees Disbursed to Other Governments and Individuals	<u>82,517,869</u>
<b>CHANGE IN NET POSITION</b>	556,509
Net Position - October 1, 2022	<u>3,769,148</u>
<b>NET POSITION - SEPTEMBER 30, 2023</b>	<u><u>\$ 4,325,657</u></u>

See accompanying Notes to Financial Statements.

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. Reporting Entity

Highlands County (the County) is a non-charter County established under the Constitution and the laws of the state of Florida. The six offices elected county-wide are as follows: Board of County Commissioners (Board) composed of five members, Clerk of the Courts (Clerk), Property Appraiser, Tax Collector, Sheriff, and Supervisor of Elections.

The Board, as the legislative body for the County, budgets and provides the funding used by the separate constitutional offices with the exception of fees collected by the Tax Collector, Property Appraiser, and the Clerk's court operations. Under the direction of the Clerk, the Division of Business Services maintains the accounting system for the Board's operations. The Clerk, Property Appraiser, Tax Collector, Sheriff, and Supervisor of Elections each maintain their own accounting system. The operations of the Board and each constitutional office have been combined in these financial statements.

As required by accounting principles generally accepted in the United States of America (GAAP), these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are in substance part of the government's operations, so data from these units are combined with data of the primary government.

**Blended Component Units**

The following component units are included in the accompanying financial statements as part of the primary government because they satisfy the criteria in Governmental Accounting Standards Board (GASB) pronouncements. The component units listed below do not issue separate financial statements:

**Lake Placid Sun-N-Lake Estates Fire District** was established by Ordinance 81-2 to provide fire protection services to the residents of the District. The Board is the ex-officio board of supervisors, the governing board of the District, and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Fire District is operated as a special revenue fund of the Board.

**DeSoto City Special Benefit Fire District** was established by Ordinance 03-04-5 (82-6 was amended in its entirety) to provide fire protection services to the residents within the District. The Board serves as the board of supervisors, the governing body of the District, and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Special Benefit Fire District is operated as a special revenue fund of the Board.

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

A. Reporting Entity (Continued)

**Blended Component Units (Continued)**

**Orange Villa Special Benefit District** was established by Ordinance 79-1 to provide street and recreational lights within the District. The Board serves as the governing body of the District and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Special Benefit District is operated as a special revenue fund of the Board.

**Hickory Hills Special Benefit District** was established by Ordinance 87-3 to provide street and recreational facilities within the District. The Board serves as the board of supervisors, the governing body of the District, and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Special Benefit District is operated as a special revenue fund of the Board.

**Placid Lakes Special Benefit District** was established by Ordinance 92-10 to provide maintenance of recreational areas, streets, fire protection, and canals. The Board is the ex-officio board of supervisors, the governing body of the District, and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Special Benefit District is operated as a special revenue fund of the Board.

**Sebring Country Estates Special Benefit District** was established by Ordinance 78-4 to provide installation and maintenance of street lighting within the District. The Board serves as the governing body of the District and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Special Benefit District is operated as a special revenue fund of the Board.

**Avon Park Estates Special Benefit District** was established by Ordinance 80-5 to provide road maintenance, improvements, reconstruction and paving, drainage maintenance, maintenance of streetlights, and other purposes within the District. The Board serves as the governing body of the District and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Special Benefit District is operated as a special revenue fund of the Board.

**Highlands Lakes Special Tax District** was established by Ordinance 84-1 to provide fire protection services within the District. The Board serves as the board of supervisors, the governing body of the District, and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Special Tax District is operated as a special revenue fund of the Board.

**Highlands Park Special Benefit Fire District** was established by Ordinance 88-4 to provide fire protection services directly, or by assistance, to local volunteer fire departments on property located within the District. The Board serves as the governing body of the District and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Special Benefit Fire District is operated as a special revenue fund of the Board.

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

A. Reporting Entity (Continued)

**Blended Component Units (Continued)**

**Istokpoga Marsh Watershed Improvement District** was established by Ordinance 80-2 to provide flood and erosion control and improvements to waterways within the District. The Board is the ex-officio board of supervisors, the governing body of the District, and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Improvement District is operated as a special revenue fund of the Board.

**Highlands Park Estates Improvement Trust** was established by resolution in 1981 (Resolution Book 6, Page 20) to assure maintenance, construction, and repairs on public thoroughfares in Highlands Park Estates Subdivision. The Board serves as the governing body of the District and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Improvement Trust is operated as a special revenue fund of the Board.

**Leisure Lakes Special Benefit Fire District** was established by Ordinance 85-4 to provide fire protection services within the District. The Board serves as the governing body of the District and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Special Benefit Fire District is operated as a special revenue fund of the Board.

**Sebring Hills Special Benefit District** was established by Ordinance 89-5 to provide streetlights within the District. The Board serves as the board of supervisors, the governing body of the District, and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Special Benefit District is operated as a special revenue fund of the Board.

**Red Hill Farms Improvement District** was established by Ordinance 89-16 to provide construction and maintenance of roads and drainage facilities within the District. The Board serves as the governing body of the District and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Improvement District is operated as a special revenue fund of the Board.

**Orange Blossom Estates Special Benefit District** was established by Ordinance 90-16 to provide road maintenance, construction of roads, and drainage facilities. The Board serves as the governing body of the District and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Special Benefit District is operated as a special revenue fund of the Board.

**Sun-N-Lakes of Lake Placid Recreation District** was established by Ordinance 92-35 to provide recreational facilities, maintenance of parks, and installation and maintenance of streetlights within the District. The Board is the ex-officio board of supervisors, the governing body of the District, and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Recreation District is operated as a special revenue fund of the Board.

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

A. Reporting Entity (Continued)

**Blended Component Units (Continued)**

**Sebring Acres Special Benefit District** was established by Ordinance 94-14 and Section 125.01(1)(q), Florida Statutes, to provide flood and erosion control, water and sewer systems, road maintenance, fire protection, recreational facilities, and street lighting within the District. The Board is the ex-officio board of supervisors, the governing body of the District, and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Special Benefit District is operated as a special revenue fund of the Board.

**Orange Blossom (Unit 12) Special Benefit District** was established by Ordinance 95-39 and Section 125.01(1)(q), Florida Statutes, to provide flood and erosion control, water and sewer systems, fire protection services, recreational facilities, road maintenance, and street lighting within the District. The Board is the ex-officio board of supervisors, the governing body of the District, and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Special Benefit District is operated as a special revenue fund of the Board.

**Lake Haven Estates Special Benefit District** was established by Ordinance 95-34 and Section 125.01(1)(q), Florida Statutes, to provide street lighting within the District. The Board is the ex-officio board of supervisors, the governing body of the District, and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Special Benefit District is operated as a special revenue fund of the Board.

**Lorida Special Benefit Fire District** was established by Ordinance 96-20 to provide fire protection services within the District. The Board is the ex-officio board of supervisors, the governing body of the District, and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Special Benefit Fire District is operated as a special revenue fund of the Board.

**Lake Placid Special Benefit Fire District** was established by Ordinance 98-03 to provide fire protection services within the District. The Board is the ex-officio board of supervisors, the governing body of the District, and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Special Benefit Fire District is operated as a special revenue fund of the Board.

**Highway Park Special Benefit District** was established by Ordinance 98-36 to provide and maintain street lighting within the District and pay the electrical bills incurred. The Board is the ex-officio board of supervisors, is the governing body of the District, and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Special Benefit District is operated as a special revenue fund of the Board.

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

A. Reporting Entity (Continued)

**Blended Component Units (Continued)**

**Sun-N-Lakes 1-20 Improvement Trust** was established by Resolution 2001-96 to assure construction of drainage and paved streets in Units 1 through 20 of Sun-N-Lakes Estates of Lake Placid Subdivision. The Board serves as the governing body of the District and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Improvement Trust is operated as a special revenue fund of the Board.

**Highlands Park Estates Special Benefit District** was established by Ordinance 00-25 to provide facilities and improvements within the District. The Board is the ex-officio board of supervisors, the governing body of the District, and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Special Benefit District is operated as a special revenue fund of the Board.

**West Sebring Special Benefit Fire District** was established by Ordinance 01-02-6 to provide fire protection services within the District. The Board is the ex-officio board of supervisors, the governing body of the District, and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Special Benefit Fire District is operated as a special revenue fund of the Board.

**Venus Special Benefit Fire District** was established by Ordinance 96-19 to provide fire protection services within the District. The Board serves as the board of supervisors, the governing body of the District, and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Special Benefit Fire District is operated as a special revenue fund of the Board.

**Placid Lakes Special Benefit Fire District** was established by Ordinance 03-04-6 to provide fire protection services within the District. The Board serves as the board of supervisors, the governing body of the District, and approves the annual budget of the district. Management of the County has operational responsibility for the District. The Special Benefit Fire District is operated as a special revenue fund of the Board.

**Oak Manor Avenue Road Paving District** was established by Ordinance 19-20-06 to track the special assessment financing for paving Oak Manor Avenue. The Board serves as the board of supervisors, the governing body of the District, and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Road Paving District is operated as a special revenue fund of the Board.

**Thunderbird Hill Wastewater Special Benefit District** was established by Ordinance 07-08-13 to track the special assessment financing of the upgrade, construction, and operations of the wastewater infrastructure for the Thunderbird Hills area. The Board serves as the board of supervisors, the governing body of the District, and approves the annual budget of the District. Management of the County has operational responsibility for the District. The Special Benefit District is operated as a special revenue fund of the Board.

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

A. Reporting Entity (Continued)

**Blended Component Units (Continued)**

**Highlands County Fire Protection Special Benefit District** was established by Ordinance 17-18-04 to track the special assessment to provide fire protection services within the County. The Board serves as the board of supervisors, the governing body of the District, and approves the annual budget of the district. Management of the County has operational responsibility for the District. The Special Benefit District is operated as a special revenue fund of the Board.

B. Measurement Focus and Basis of Accounting

The basic financial statements of the County are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

**Government-Wide Financial Statements**

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support.

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 – *Accounting and Financial Reporting for Nonexchange Transactions*.

Program revenues derive directly from the program itself or from parties outside the reporting government's taxpayers or citizenry, as a whole; they reduce the cost of the function to be financed from the government's general revenues. Program revenues include charges for services, program specific operating grants and contributions, and program specific capital grants and contributions. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

B. Measurement Focus and Basis of Accounting (Continued)

**Government-Wide Financial Statements (Continued)**

In the state of Florida, certain state shared revenues are considered to be unrestricted general revenues.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as other financing sources. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements, with an exception for interfund services provided and used, which are not eliminated in the process of consolidation. The County chooses to eliminate the indirect costs between governmental activities to avoid a “doubling up” effect.

The County’s fiduciary funds are presented in the fund financial statements by type (custodial). Since these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

**Fund Financial Statements**

The underlying accounting system of the County is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental 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.

Fund financial statements for the primary government’s governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds individually and nonmajor funds in the aggregate for governmental and enterprise funds. The fiduciary statement includes financial information for the custodial funds. The custodial funds of the County represent assets held by the County in a fiduciary capacity for other individuals or governments.

When both restricted and unrestricted resources are combined in a fund, expenses are considered to be paid first from restricted resources and then from unrestricted resources.

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

B. Measurement Focus and Basis of Accounting (Continued)

**Governmental Funds**

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 collected within the current period or soon enough thereafter to pay liabilities of the current period. Revenues susceptible to accrual are certain tax revenues, intergovernmental revenues, emergency medical services (EMS), and investment earnings. Major revenue sources not susceptible to accrual include charges for services (other than EMS), fines and forfeitures, and miscellaneous revenues. For this purpose, the County 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.

Under the current financial resources measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources are generally included on the balance sheet. The reported fund balance is considered to be a measure of "available spendable resources." Governmental funds operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Because of their spending measurement focus, expenditure recognition for governmental funds excludes amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental funds expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as an other financing source rather than as a fund liability. However, debt service expenditures and claims and judgments are recorded only when payment is due.

**Proprietary Funds**

The County's enterprise funds and internal service funds are proprietary funds. In the fund financial statements, proprietary funds are presented using the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when the related goods or services are delivered. In the fund financial statements, proprietary funds are presented using the economic resources measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their statement of net position. Proprietary funds operating statements present increases (revenues) and decreases (expenses) in total net position.

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

B. Measurement Focus and Basis of Accounting (Continued)

**Proprietary Funds (Continued)**

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 operating revenues of the County's enterprise funds, the Solid Waste Disposal System and Energy Recovery System are charges for services to customers. Operating expenses of these operations include salaries, contractual services, materials and supplies, utilities, equipment rental and maintenance, administrative charges, and depreciation. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the County's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available.

Amounts paid to acquire capital assets are capitalized as assets in the fund financial statements, rather than reported as an expense. Proceeds of long-term debt are recorded as a liability in the fund financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness are reported as a reduction of the related liabilities, rather than as an expense.

**Basis of Presentation**

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues, or expenditures/expenses of either fund category and the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements and detailed in the combining section.

The County considers the County Transportation Trust Fund important to financial statement users because of public interest and is, therefore, reporting that fund as a major fund even though the quantitative criteria has not been met.

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

B. Measurement Focus and Basis of Accounting (Continued)

**Governmental Major Funds**

General Fund

The General Fund is the general operating fund of the County. It is used to account for all financial resources, except those required to be accounted for in another fund.

County Transportation Trust

The County Transportation Trust Fund is a special revenue fund used to account for the operations of the road and bridge department. Financing is provided principally by the County's share of state gasoline taxes and the sixth-cent local option gas tax which are restricted.

Local Government Infrastructure Surtax

The Local Government Infrastructure Surtax Fund is a special revenue fund used to account for the one-cent local discretionary sales surtax that was approved by voters. This revenue collected is restricted per Section 212.055(2), Florida Statutes.

**Proprietary Funds**

Solid Waste

The Solid Waste Fund accounts for all facilities and administration relating to the sanitary disposal of solid waste (refuse).

Energy Recovery (Nonmajor)

The Energy Recovery Fund accounts for the operation of a County owned and operated asphalt plant.

**Other Fund Types**

Internal Service Funds

The Internal Service Funds account for employee benefits, insurance, and compensated absences provided to other departments of the County on a cost reimbursement basis.

Custodial Funds

The Custodial Funds account for all assets held by the County in its capacity as a fiduciary for individuals, other governmental units, and nonpublic organizations.

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

C. Budgets and Budgetary Accounting

The following are the procedures followed by the Board in establishing the budget for Highlands County:

1. On or before June 1 of each year, the Sheriff, the Clerk, the Tax Collector, and the Supervisor of Elections submit to the Board a tentative budget for their respective offices for the ensuing fiscal year.
2. Within 15 days after certification of the ad valorem tax roll by the Property Appraiser, the Office of Management and Budget submits to the Board a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
3. By Board resolution, a tentative budget is submitted to the public and public hearings are held to obtain taxpayers' comments.
4. Within 20 days after adoption of the tentative budget, a final budget is submitted for review and adoption at a final public hearing.
5. The County's operating budget is legally enacted through passage of a resolution at the final public hearing. Accordingly, the funds have an adopted budget as required by Section 129.03, Florida Statutes.
6. Section 129.07, Florida Statutes, as amended in 1978, provides that only expenditures in excess of total fund budgets are unlawful. However, because the Board acts on all budget changes between departments, this becomes the level of control. The budgetary data presented herein was amended by the Board during the year in a legally permissible manner.
7. Formal budgetary integration is employed as a management control device during the year for all Governmental Funds and Proprietary Funds except for the Industrial Development Agency Fund, Court Fund, Public Records Modernization Trust Fund, Teen Court Operations Fund, Court Related Technology Modernization Trust Fund, Homeowner's Foreclosure Education Fund, Community Donations Fund, Domestic Violence Training Fund and the Inmate Welfare Fund, which do not have legally adopted budgets.
8. Annual appropriated budgets for the General, Special Revenue, Capital Projects, and Proprietary Funds are legally adopted on a basis consistent with GAAP. However, the only funds required to report budgets are the General and Special Revenue Funds.

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

C. Budgets and Budgetary Accounting (Continued)

- 9. It is the Board's policy to amend the budget when unanticipated revenues and expenditures occur.
- 10. All appropriations lapse at the close of the fiscal year.
- 11. The Clerk's Court Services Fund does not budget for the excess of revenue over expenditures that is required to be returned to the state of Florida. For the year ending September 30, 2023, \$58,059 of revenue over expenditures returned to the state of Florida is included in total expenditures.

D. Reconciliation of Government-Wide and Fund Financial Statements

**Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position**

"Total fund balances" of the County's governmental funds, \$112,182,155, differs from "net position" of governmental activities, \$293,526,192, reported in the statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheet.

Capital Related Items

When capital assets (property, plant, equipment) that are to be used in governmental activities are purchased or constructed, the cost of those assets is reported as expenditures in governmental funds. However, the statement of net position includes those capital assets among the assets of the County as a whole.

Cost of Capital Assets	\$ 385,319,521
Accumulated Depreciation/Amortization	<u>(108,159,400)</u>
Total Capital Assets	<u><u>\$ 277,160,121</u></u>

Receivable Transactions

Certain receivables are not available to pay current period expenditures, and therefore, are reported as deferred inflows of resources in the funds. Balances as of September 30, 2023, were:

Deferred Inflows of Resources	<u><u>\$ 5,488,207</u></u>
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**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

D. Reconciliation of Government-Wide and Fund Financial Statements (Continued)

**Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position (Continued)**

Long-Term Debt Transactions

Long-term liabilities applicable to the County's governmental activities 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. Balances as of September 30, 2023, were:

Notes Payable	\$ (23,643,543)
Leases	(143,454)
SBITAs	<u>(1,375,107)</u>
Total Long-Term Liabilities	<u>\$ (25,162,104)</u>

Accrued Interest

Accrued liabilities in the statement of net position differ from the amount reported in governmental funds due to accrued interest on notes payable.

Accrued Interest on Notes Payable	<u>\$ (133,009)</u>
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Pension Related Items

Net pension liability and related deferred outflows and inflows of resources are not due and payable in the current period, and accordingly, are not reported as fund liabilities. Accrued pension contributions included in the Compensated Absences Fund were adjusted to avoid duplication of the pension liability. Balances as of September 30, 2023, were:

Net Pension Liability	\$ (90,027,234)
Deferred Outflows of Resources - Pension Related	20,404,665
Deferred Inflows of Resources - Pension Related	(6,564,058)
Compensated Absences Adjustment	693,817
Total	<u>\$ (75,492,810)</u>

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

D. Reconciliation of Government-Wide and Fund Financial Statements (Continued)

**Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position (Continued)**

Other Postemployment Benefits Related Items

Total other postemployment benefits (OPEB) liability and related deferred outflows and inflows of resources are not due and payable in the current period, and accordingly, are not reported as fund liabilities. Balances as of September 30, 2023, were:

Total OPEB Liability	\$ (880,949)
Deferred Outflows of Resources - OPEB Related	41,493
Deferred Inflows of Resources - OPEB Related	<u>(871,788)</u>
Total	<u><u>\$ (1,711,244)</u></u>

Internal Service Funds

Internal service funds are used by management to charge the costs of risk retention, employee benefits, and compensated absences to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position because they primarily serve governmental activities of the County.

Internal Service Funds	<u><u>\$ 1,194,876</u></u>
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Elimination of Interfund Receivables/Payables

Interfund receivables, payables, and advances in the amount of \$1,435,881 between governmental funds were eliminated from the statement of net position.

**Explanation of Differences Between the Governmental Fund Operating Statement and the Statement of Activities**

The “net change in fund balances” for governmental funds, \$14,967,495 differs from the “change in net position” for governmental activities, \$14,098,978 reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

D. Reconciliation of Government-Wide and Fund Financial Statements (Continued)

**Explanation of Differences Between the Governmental Fund Operating Statement and the Statement of Activities (Continued)**

Capital Related Items

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. As a result, fund balances decrease by the amount of financial resources expended, whereas net position decreases by the amount of depreciation/amortization expense charged for the year.

Capital Outlay	\$ 17,267,452
Depreciation/Amortization Expense	<u>(8,543,165)</u>
Difference	<u><u>\$ 8,724,287</u></u>

In the statement of activities, the gain/loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold.

Sale of Capital Assets	<u><u>\$ (210,527)</u></u>
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Long-Term Debt Transactions

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities. There were no premiums or discounts to report in the current year.

Issuance of Notes Payable and Leases	\$ (2,287,487)
Principal Repayments of Notes Payable and Leases	<u>4,527,662</u>
Net Adjustment	<u><u>\$ 2,240,175</u></u>

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

D. Reconciliation of Government-Wide and Fund Financial Statements (Continued)

**Explanation of Differences Between the Governmental Fund Operating Statement and the Statement of Activities (Continued)**

Revenue Transactions

Some revenue reported in the statement of activities will not be collected for several months after the fiscal year-end and, therefore, are not reported as revenue in the governmental funds.

Intergovernmental Revenue	\$ (744,812)
Charges for Services	410,551
Total Adjustment	\$ (334,261)

Expense Transactions

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Net Change in Interest Payable	\$ 18,984
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Pension Related Items

Changes in net pension liability reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Pension Expense	\$ (11,796,735)
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Other Postemployment Benefits Related Items

Changes in total OPEB liability reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

OPEB Expense	\$ (513,488)
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**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

D. Reconciliation of Government-Wide and Fund Financial Statements (Continued)

**Explanation of Differences Between the Governmental Fund Operating Statement and the Statement of Activities (Continued)**

Internal Service Funds Net Cost

The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position because they primarily serve governmental activities of the County.

Internal Service Funds Change in Net Position	\$ 1,012,080
Internal Service Funds Operating Loss	
Allocated to Business-Type Activities	(9,031)
Net Adjustment	<u>\$ 1,003,049</u>

Transfers in and transfers out in the amount of \$2,481,770 between governmental funds were eliminated from the statement of activities.

E. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand as well as demand deposits and investments with original maturities of three months or less from the date of acquisition.

Cash balances from the majority of funds are pooled for investment purposes. Earnings from such investments are allocated to the respective funds based on applicable cash participation by each fund. The investment pools are managed such that all participating funds have the ability to deposit and withdraw cash as if they were demand deposit accounts and, therefore, all balances representing participants' equity in the investment pools are classified as cash equivalents for purposes of these financial statements.

For the purpose of the statement of cash flows, each fund's equity in the investment pool is considered to be a cash equivalent since deposits and withdrawals can be made at any time without prior notice or penalty.

**HIGHLANDS COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

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

F. Investments

The County's investment policy authorizes investment of surplus funds in local government investment pools, certificates of deposit and savings accounts, money market mutual funds, and securities issued by the United States Treasury. The policy was adopted pursuant to Section 218.415, Florida Statutes.

The County reports investments at their fair value on the balance sheet or statement of net position, as applicable, with unrealized gains and losses charged or credited to the net change in fair value of investments. The fair value of each security is based on the quoted market value provided by the broker. Money market investments, the Local Government Surplus Funds Trust Funds, PRIME Fund, and the Florida Local Government Investment Trust (FLGIT) Day to Day Fund are reported as cash equivalents at amortized cost. Florida Surplus Asset Fund Trust (FL SAFE) Stable NAV Fund, Florida Cooperative Liquid Assets Securities System (FLCLASS), and the Florida Public Assets for Liquidity Management Portfolio (FL PALM) are reported as cash equivalents at net asset value (NAV). The Florida Local Government Investment Trust (FLGIT) Bond Fund, the Florida Surplus Asset Fund Trust (FL SAFE) Variable NAV Fund, the Florida Fixed Income Trust (FL-FIT) Cash Pool, and the Florida Public Asset Liquidity Management Term Fund (FL – PALM Term) are reported as investments at net asset value (NAV).

G. Accounts Receivable

Receivables are shown net of allowance for doubtful accounts. Doubtful accounts are those unpaid more than 180 days for Emergency Medical Services (EMS) and 90 days for all other accounts. Receivables are set up when services are rendered for EMS, landfill, and asphalt plant. The retired employees' health insurance premiums receivables are billed on a monthly basis. Receivables related to grants are not reflected until qualifying expenditures have been incurred and all other eligibility requirements have been met for the grant. Reinsurance recovery receivable is determined by those insurance claims that exceed the County's insurance limit but are covered by the County's excess coverage.

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

H. Interfund Transactions

Interfund transactions are accounted for in the following manner:

Transactions for services rendered are recorded as revenues in the receiving fund and as expenditures or expenses (as appropriate) in the disbursing fund.

Transactions to reimburse a fund for expenditures made by it for the benefit of another fund are recorded as expenditures or expenses (as appropriate) in the disbursing fund and as a reduction of expenditures or expenses (as appropriate) in the receiving fund, and transactions to shift revenues from the fund budgeted to receive them to the fund budgeted to expend them are recorded as transfers in and out, respectively.

Transfers are reported in the "Other Financing Sources (Uses)" section in the statement of revenues, expenditures, and changes in fund balances and in the "Transfers" section in the statement of revenues, expenses, and changes in net position. As of fiscal year-end, any unpaid amounts related to these transactions are reported as due to/from other funds on the governmental funds balance sheet or proprietary funds statement of net position. Assets acquired or constructed by resources of a Governmental Fund which are subsequently transferred to a Proprietary Fund are accounted for as expenditures within the Governmental Fund and as contributed capital in the Proprietary Fund.

I. Inventories

Inventories are stated at cost using the moving average cost basis. The consumption method is used to account for inventories. The cost is recorded as an expenditure or expense (as appropriate) at the time individual inventory items are consumed. Inventories reported in the General Fund are classified as nonspendable fund balance which indicates they are unavailable for appropriation.

J. Prepaid Items

Prepaid insurance and similar items are recorded using the consumption method of accounting. Under the consumption method, services paid for in advance are reported as an asset until the period in which the services are consumed.

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

K. Property Tax

The County's property tax roll is as follows:

Valuation Date January 1, 2023

Property Appraiser prepares the assessment roll with values as of January 1, 2023, submits this preliminary roll for approval by the Department of Revenue and notifies each taxing authority of their respective valuations. July 1, 2023

Each taxing authority holds two required public hearings and adopts a budget and ad valorem tax millage rates for the coming year. September 1, 2023

Property Appraiser certifies the assessment roll and all real and tangible personal property taxes are due and payable (levy date). November 1, 2023

Tax Collector mails a notice of taxes to each property owner on the assessment roll. Taxes may be paid November 2023 through March 2024, with the following applicable discounts:

<u>Month</u>	<u>Discount Percent</u>
November	4
December	3
January	2
February	1
March	0

All unpaid taxes on real and tangible personal property become delinquent. April 1, 2024

A list of unpaid tangible personal property taxes and a list of unpaid real property taxes are advertised. April and May 2024

Tax certificates are sold on all real estate parcels with unpaid real property taxes (lien date). June 1, 2024

A court order is obtained authorizing the seizure and sale of personal property if the taxpayer fails to pay the delinquent personal property taxes. June 1, 2024

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

K. Property Tax (Continued)

Ad valorem taxes on any real property with more than \$100 of estimated taxes due may be prepaid in installments as follows:

<u>Payment Due</u>	<u>Amount Due</u>	<u>Discount Percent</u>	<u>Discount Due Date</u>
First	25% of estimated tax	6.00	June 30, 2023
Second	25% of estimated tax	4.50	September 30, 2023
Third	25% of estimated tax plus 50% adjustment to actual tax	3.00	December 31, 2023
Fourth	25% of estimated tax plus 50% adjustment to actual tax	0.00	March 31, 2024

No accrual for the property tax levy becoming due in November 2023, is included in the accompanying financial statements since such taxes are collected to finance expenditures of the subsequent period. Property taxes receivable and a corresponding allowance for uncollectible property taxes are not included in the financial statements.

L. Capital Assets

Capital assets, which include property, plant, equipment, intangibles (e.g., software, easements, websites, radio frequencies, land use rights, patents, trademarks, and copyrights), right-of-use assets, and infrastructure assets (e.g., roads, bridges, rights-of-way, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements.

Governmental Accounting Standards Board Statement No. 51 established accounting and financial reporting requirements for intangible assets. Highlands County has implemented this statement by incorporating software, easements, patents, copyrights, water, timber, and land use rights as intangible assets. Information regarding intangible assets is included in Note 4 in the financial statements.

The Board holds legal title for the capital assets used in the operations of the Board, the Clerk, the Property Appraiser, the Supervisor of Elections, and the Tax Collector, and is accountable for them under Florida Law. The Sheriff holds legal title for capital assets used in the Sheriff's operations.

Capital assets used by the governmental funds are reported in the government-wide financial statements of the County. Capital assets of the Board's enterprise and internal service funds are reported in the Proprietary Funds financial statements.

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

L. Capital Assets (Continued)

Capital assets are defined by the County as having a minimum established cost (in the table listed below) and an estimated useful life in excess of one year. Capital assets are valued at historical cost or estimated historical cost if actual is not available. Donated capital assets are recorded at estimated acquisition value at the date of donation. Donated capital assets received in a service concession arrangement are recorded at acquisition value. Property, plant, equipment, and intangibles are depreciated or amortized using the straight-line method over the following generally applied estimated useful lives:

Assets	Years	Threshold
Buildings	10 – 40	\$ 5,000
Improvements Other Than Buildings	3 – 40	5,000
Operating Machinery and Equipment	4 – 20	5,000
Software – Internally Generated	3 – 10	15,000
Software – Purchased/Leased	3 – 10	25,000
Land Use Rights – Permanent	N/A	15,000
Land Use Rights – Term	Term	25,000
Other Capital Intangibles	Varies	20,000

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

SBITA assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets.

The County has elected to use the modified approach for accounting for its bridges and roadways included in the County highway system. Under this approach, the County has made the commitment to preserve and maintain these assets at levels established by the County and approved by the Board. No depreciation expense is reported for such assets, nor are amounts capitalized in connection with improvements that lengthen the lives of such assets, unless the improvements also increase their service potential. The County maintains an inventory of these assets and performs periodic condition assessments to establish that the predetermined condition level is being maintained.

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

L. Capital Assets (Continued)

In addition, the County makes annual estimates of the amounts that must be expended to preserve and maintain these assets at the predetermined condition levels. Refer to required supplementary information (RSI) for additional information on infrastructure using the modified approach.

M. Unearned Revenues

Unearned revenue at the government-wide level arises only when the County receives resources before it has a legal claim to them. Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned.

Revenues in the Proprietary Funds which have not been earned are reported in accordance with the accrual basis of accounting as unearned revenue. The unearned revenue will be recognized as revenues in the fiscal year they are earned.

N. Pensions

In the government-wide statement of net position, liabilities are recognized for the County's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) and additions to/deductions from FRS's and HIS's fiduciary net position have been determined on the same basis as they are reported by the FRS and HIS plans. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds of employee contributions are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

O. Other Postemployment Benefits (OPEB)

In the statement of net position, liabilities are recognized for the County's total OPEB liability as determined by an actuarial review of the healthcare coverage purchased by retirees to continue participation in the County's health plan. OPEB expense is recognized immediately for changes in the OPEB liability resulting from current year service cost, interest on the total OPEB liability, and changes of benefit terms or actuarial assumptions.

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

P. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has multiple items that qualify for reporting in this category including the differences between expected and actual experience, changes in actuarial assumptions, net difference between projected and actual earnings on pension plan investments, changes in proportion and differences between the County's contributions and proportionate share of contributions, and the County's contributions subsequent to the measurement date, relating to the Florida Retirement System Pension Plan, the Retiree Health Insurance Subsidy Program, and the OPEB Plan.

The other amounts will be recognized as increases in pension or OPEB expense in future years.

In addition to liabilities, the statement of net position and governmental funds balance sheet includes a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has multiple items that qualify for reporting in this category including leases and differences between expected and actual experience, changes in actuarial assumptions, net difference between projected and actual earnings on pension plan investments, and changes in the proportion and differences between the County's contributions and proportionate share of contributions, relating to the Florida Retirement System Pension Plan, the Retiree Health Insurance Subsidy Program and the OPEB Plan. The County also has several items, which arise only under a modified accrual basis of accounting that qualified for reporting in this category. Accordingly, the items are reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from intergovernmental revenues and charges for services. The amounts are deferred and recognized as an inflow of resources in the period in which the amounts become available.

Q. Compensated Absences

County policy permits employees to accumulate leave credits in varying amounts, which will be paid to employees upon termination of employment. Accumulated leave is recorded as an expenditure/expense in the fund in which an employee's payroll expense is normally recorded. The liability for compensated absences related to governmental activities is recorded in an internal service fund. The liability for compensated absences related to business-type activities is recorded in the proprietary funds. The liability is liquidated with funds accumulated in the internal service fund or proprietary fund as applicable.

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

R. Landfill Closure Costs

The County has obtained engineering estimates of future costs to close and monitor sanitary landfill sites in accordance with State and Federal guidelines. Estimated landfill closing and monitoring costs are being accrued in the Solid Waste Enterprise Fund over the operating life of the landfill representing the commitment to fund such costs for the future.

S. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditure of funds are recorded to reserve that portion of the applicable appropriation, is employed in the Governmental Funds. Encumbrances are not the equivalent of expenditures; but rather represent a future commitment to purchase goods or services. Although encumbrances lapse at fiscal year-end, it is the County's intention to honor these encumbrances under authority provided in the subsequent year's budget. Encumbrances outstanding as of September 30, 2023, totaled \$6,844,284 made up of \$1,809,354 in the General Fund, \$3,000 from County Transportation Trust, \$2,907,356 from Local Government Infrastructure Surtax, and \$2,124,574 from nonmajor governmental funds.

T. Operating Subsidies and Grants

Operating subsidies and grants which finance current operations are generally recorded as nonoperating revenue in the Enterprise Funds when earned and as intergovernmental revenue in the Governmental Funds when they become measurable and available.

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

U. Self-Insurance

Employee health and dental insurances are provided under externally administered self-insured plans. Contributions from the County (single rate) and the employees (family rate) pay the health and dental insurance plans. Contributions are based in part on the annual actuarial studies performed by an enrolled actuary. The self-insurance health and dental plans are accounted for in the Employee Benefit Fund.

V. Eliminations

Eliminating entries were made between departments in the General Fund.

W. Fund Balance

The classifications of fund balances are described as follows:

**Nonspendable Fund Balance**

Amounts that cannot be spent because they are either not in spendable form (such as inventories, prepaid amounts, and advances to other funds) or are legally or contractually required to be maintained intact.

**Restricted Fund Balance**

Amounts that can be spent only for specific purposes because of constraints imposed by external providers (such as grantors, bondholders, and higher levels of government), or imposed by constitutional provisions or enabling legislation.

**Committed Fund Balance**

Amounts that can be spent only for specific purposes determined by a formal action (ordinance) of the Board of County Commissioners, the County's highest level of decision-making authority. Commitments may be changed or lifted only by the Board of County Commissioners taking the same formal action that originally imposed the constraint.

**Assigned Fund Balance**

Amounts intended to be used by the County for specific purposes. According to the County's fund balance policy, this includes spendable fund balance amounts established by the Board of County Commissioners or the County Administrator that are neither restricted nor committed. The County's fund balance policy does not describe the specific action required to assign fund balance.

**Unassigned Fund Balance**

Amounts that are available for any purpose. Positive amounts can be reported only in the Board's General Fund. Unassigned fund balance may also include negative balance for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

W. Fund Balance (Continued)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions. The Board of County Commissioners adopted a fund balance policy for the county as a whole. It is the County's goal to maintain unassigned fund balance in the General Fund of not less than three months of the following year's General Fund budgeted expenditures, excluding certain items.

X. Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds. Net position is reported as restricted where there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Restricted resources are used first to fund appropriations. All other net position is reported as unrestricted.

Y. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make use of estimates that affect reported amounts in the financial statements. Actual results could differ from estimates.

Z. Subscription-Based Information Technology Arrangements (SBITAs)

The County determines if an arrangement is a SBITA at inception. SBITAs are included in SBITA assets and SBITA liabilities in the statements of net position.

SBITA assets represent the County's control of the right to use an underlying asset for the SBITA term, as specified in the contract, in an exchange or exchange-like transaction. SBITA assets are recognized at the commencement date based on the initial measurement of the SBITA liability, plus any payments made at or before the commencement of the SBITA term and certain direct costs. SBITA assets are amortized in a systematic and rational manner over the shorter of the SBITA term or the useful life of the underlying asset. SBITA liabilities represent the County's obligation to make SBITA payments arising from the SBITA. SBITA liabilities are recognized at the commencement date based on the present value of expected SBITA payments over the SBITA term, less any SBITA incentives. Interest expense is recognized ratably over the contract term.

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

Z. Subscription-Based Information Technology Arrangements (SBITAs) (Continued)

SBITA term may include options to extend or terminate the lease when it is reasonably certain that the County will exercise that option.

The County recognized payments for short-term SBITAs with a subscription term of 12 months or less as expenses are incurred, and these subscriptions are not included as SBITA liabilities or SBITA assets on the statements of net position.

Significant SBITA terms are disclosed in Note 22

The County accounts for contracts containing both subscription and nonsubscription components as separate contracts when possible. In cases where the contract does not provide separate price information for subscription and nonsubscription components, and it is impractical to estimate the price of such components, the County treats the components as a single subscription unit.

AA. Adoption of New Accounting Standards

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

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

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS**

At September 30, 2023, the bank balances of the County's deposits totaled \$59,325,780.

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's monies must be deposited in banks designated as qualified public depositories by the Chief Financial Officer, Florida Department of Financial Services. Therefore, the County's total deposits are insured by the Federal Depository Insurance Corporation and collateralized by the Bureau of Collateral Management, Division of Treasury, Florida Department of Financial Services. The law requires the Chief Financial Officer to ensure that funds are entirely collateralized throughout the fiscal year. Other than the preceding, the County has no policy on custodial credit risk.

Collateral is provided for demand deposits through the Florida Security for Public Deposits Act. This law establishes guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements, and characteristics of eligible collateral. Under this law, the qualified public depository must pledge at least 25% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance.

Additional collateral, up to a maximum of 150%, may be required if deemed necessary under the conditions set forth in this law. Eligible collateral consists of obligations of the United States and its agencies and obligations of states and their local political subdivisions and unaffiliated corporations.

Obligations pledged to secure deposits must be delivered to the Department of Financial Services or, with the approval of the Chief Financial Officer, to a bank, savings association, or trust company provided a power of attorney is delivered to the Chief Financial Officer. On a monthly basis, the Chief Financial Officer determines that the collateral has a fair value adequate to cover the deposits under the provisions of this law.

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

A reconciliation of deposits and investments to amounts shown on the statement of net position and statement of fiduciary net position – custodial funds is as follows:

Deposits	\$ 57,564,965
Petty Cash and Change Funds	29,292
Investments	95,014,716
Total	<u>\$ 152,608,973</u>
Statement of Net Position:	
Cash and Cash Equivalents	\$ 69,794,476
Investments	68,536,517
Restricted Cash and Cash Equivalents	8,438,177
Statement of Fiduciary Net Position - Custodial Funds:	
Cash and Cash Equivalents	5,839,803
Total	<u>\$ 152,608,973</u>

**Investments**

The County invested funds throughout the year with local government investment pools. At September 30, 2023, the County's investments consisted of the following:

Investment Type	Fair Value
Measured at Amortized Cost:	
Local Government Surplus Funds Trust Funds	
PRIME Fund	\$ 16,801,918
Florida Local Government Investment Trust - Day To Day Fund	5,835,784
Total Measured at Amortized Cost	22,637,702
Measured at NAV:	
Florida Local Government Investment Trust - Short-Term Bond Fund	104,612
Florida Surplus Asset Fund Trust - Stable NAV Fund	13,743,497
Florida Surplus Asset Fund Trust - Variable NAV Fund	121,492
Florida Cooperative Liquid Assets Securities System	12,317,822
Florida Public Assets for Liquidity Management Portfolio	2,779,178
Florida Public Assets for Liquidity Management Term Fund	38,230,000
Florida Fixed Income Trust	5,080,413
Total Measured at NAV	72,377,014
Total	<u>\$ 95,014,716</u>

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

**Investments (Continued)**

Florida PRIME

Florida PRIME is an investment pool administered by the State Board of Administration (SBA), under the regulatory oversight of the state of Florida. Investments in Florida PRIME are made pursuant to Chapter 125.31, Florida Statutes. The investments are not categorized because they are not evidenced by securities that exist in physical or book entry form. Throughout the year and as of September 30, 2023, Florida PRIME contained certain floating and adjustable-rate securities. These investments represented 31.4% of the Florida PRIME's portfolio at September 30, 2023.

Florida PRIME meets all of the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost, as a cash equivalent.

The dollar weighted average days to maturity (WAM) of Florida PRIME as of September 30, 2023, was 35 days. Next interest rate reset dates for floating securities are used in the calculation of the WAM. The weighted average life (WAL) of the Florida PRIME at September 30, 2023, was 75 days.

With regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states, "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, and the Investment Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the Executive Director may extend the moratorium until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days."

With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

As of September 30, 2023, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value.

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

**Investments (Continued)**

**Florida Local Government Investment Trust**

Florida Local Government Investment Trust (FLGIT) is a public entity investment trust organized under the laws of the state of Florida. At September 30, 2023, the County was invested in the Day to Day Fund and the Short-Term Bond Fund. There are no limits or restrictions on withdrawals.

**FLGIT Day to Day Fund**

At September 30, 2023, the average maturity in days was 38 days. The investments in the Day to Day Fund meet all of the necessary criteria to elect to measure all of the investments at amortized cost, as a cash equivalent.

**FLGIT Short-Term Bond Fund**

At September 30, 2023, the average maturity in years was 1.84 years. The FLGIT reports all share information at net asset value (NAV). The value of the County's position in the FLGIT external investment pool is the same as the value of the pool's shares.

The investment strategy of the FLGIT Short-Term Bond Fund is to hold a diversified mix of sectors for income generation. The fund focus is on identifying the most efficient sources of income for the portfolio, as the income component of total return is believed to be the key driver for overall portfolio performance.

**Florida Surplus Asset Fund Trust**

Florida Surplus Asset Fund Trust (FL SAFE) is a common law trust organized in 2007 under the laws of the state of Florida. The trust is administered by Prudent Man Advisors, Inc. and an elected five-member Board of Trustees. At September 30, 2023, the County was invested in the Stable NAV Fund and the Variable NAV Fund.

**FL SAFE Stable NAV Fund**

At September 30, 2023, the average maturity is not to exceed 44.71 days. The fund seeks, but does not guarantee, to maintain a constant NAV at \$1.00 per share. The value of the County's position in FL SAFE external investment pool is the same as the value of the pool's shares.

The investment strategy of FL SAFE Stable NAV Fund is to provide safety and preservation of principal, liquidity, transparency, and competitive yields.

**FL SAFE Variable NAV Fund**

At September 30, 2023, the weighted average maturity (WAM) was 66 days. FL SAFE reports all share information at NAV. The value of the County's position in FL SAFE external investment pool is the same as the value of the pool's shares.

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

**Investments (Continued)**

Florida Surplus Asset Fund Trust (Continued)

**FL SAFE Variable NAV Fund (Continued)**

The investment strategy of FL SAFE Variable NAV Fund is to invest in a diversified portfolio of short-term, investment-grade fixed income securities that include obligations guaranteed by the full faith and credit of the U.S., U.S. government agency obligations, corporate obligations, asset-backed securities, bank obligations, and other obligations permitted by applicable Florida statutes.

Florida Cooperative Liquid Assets Securities System

Florida Cooperative Liquid Assets Securities System (FLCLASS) is an independent local government investment pool. The trust is administered by Public Trust Advisors, LLC and an appointed Board of Trustees. FLCLASS is accounted for as a stable NAV investment pool, and operates like a money market mutual fund with each share valued at \$1.00. At September 30, 2023, the WAM in days was 43 days. Next interest rate reset dates for floating securities are used in the calculation of the WAM.

The investment strategy of FLCLASS is to offer a safe, convenient, and liquid investment option to Florida governmental entities.

Florida Public Assets for Liquidity Management Fund

The Florida Public Assets for Liquidity Management Fund (FL PALM) is a common law trust organized under the laws of the state of Florida. FL PALM is directed by a Board of Trustees and an Advisory Committee. At September 30, 2023, the County was invested in the FL PALM Portfolio and FL PALM Term fund.

The FL PALM Portfolio seeks to maintain a stable NAV of \$1.00 per share. As of September 30, 2023, FL PALM Portfolio's WAM in days was 55 days.

The FL PALM Term fund seeks to achieve a new asset value of \$1.00 per share at its stated maturity.

The investment strategy of FL PALM is to provide investors with the highest possible investment yield, while maintaining liquidity and preserving capital.

Florida Fixed Income Trust

Florida Fixed Income Trust (FL-FIT) was formed through indenture of trust pursuant to Florida Statutes, Sections 163.01 and 218.415.

Investments in FL-FIT are measured at NAV. As of September 30, 2023, FL-FIT's WAM in days was 23 days.

The investment strategy of FL-FIT seeks to maintain a portfolio of high-quality short-duration fixed-income instruments.

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

**Investments (Continued)**

The fair value of investments in certain pooled funds is based in the investments' fair value measurements. Such fair value measurements are as follows at September 30, 2023:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Pooled Funds:				
FLGIT Short-Term Bond Fund	\$ 104,612	\$ -	Daily	1-3 Days
FL SAFE Stable NAV Fund	13,743,497	-	Daily	1 Day
FL SAFE Variable NAV Fund	121,492	-	Daily	1 Day
FLCLASS	12,317,822	-	Daily	1 Day
FL PALM Portfolio	2,779,178	-	Daily	1 Day
FL PALM Term	38,230,000	-	Daily	1 Day
FL-FIT	5,080,413	-	Daily	1 Day

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County has no policy on interest rate risk. Investments and related level of risk at September 30, 2023, were as follows:

Investment Type	Investment Maturity (in Years)
Florida PRIME	Less than 1
FLGIT - Day To Day Fund	Less than 1
FLGIT - Short-Term Bond Fund	1 - 5
FL SAFE Stable NAV Fund	Less than 1
FL SAFE Variable NAV Fund	1 - 5
FLCLASS	Less than 1
FL PALM Portfolio	Less than 1
FL PALM Term Fund	Less than 1
FL-FIT	Less than 1

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

**Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County has no policy on credit risk. Presented below is the actual rating as of September 30, 2023, for each type of investment:

Investment Type	Credit Rating
Florida PRIME	AAAm
FLGIT - Day To Day Fund	AAAm
FLGIT - Short-Term Bond Fund	AAAf
FL SAFE Stable NAV Fund	AAAm
FL SAFE Variable NAV Fund	AAAf
FLCLASS	AAAm
FL PALM Portfolio	AAAm
FL PALM Term Fund	AAAf
FL-FIT	AAAf

**NOTE 3 ACCOUNTS RECEIVABLE**

Accounts receivable for the individual major and nonmajor and internal service funds in the aggregate consisted of the following at September 30, 2023:

	General	County Transportation Trust	Local Government Infrastructure Surtax	Solid Waste	Nonmajor and Other Funds	Total
Emergency Medical Services	\$ 2,208,347	\$ -	\$ -	\$ -	\$ -	\$ 2,208,347
Landfill Charges	-	-	-	178,547	-	178,547
Interest	626,242	960	117,287	38,295	279,805	1,062,589
Miscellaneous	746,492	6,419	-	-	512,599	1,265,510
Accounts Receivable, Gross	3,581,081	7,379	117,287	216,842	792,404	4,714,993
Allowance for Doubtful Accounts	(439,904)	-	-	-	-	(439,904)
Accounts Receivable, Net	<u>\$ 3,141,177</u>	<u>\$ 7,379</u>	<u>\$ 117,287</u>	<u>\$ 216,842</u>	<u>\$ 792,404</u>	<u>\$ 4,275,089</u>

Activity in Emergency Medical Services accounts receivable was as follows:

Balance - September 30, 2022	\$ 2,676,162
Billings	9,242,559
Less:	
Cash Receipts	(5,401,009)
Medical/Medicaid Adjustments	(2,838,758)
Sent to Collection	(1,457,505)
Write Off	-
Other Adjustments	(13,102)
Balance - September 30, 2023	<u>\$ 2,208,347</u>

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 4 CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2023, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated/Amortized:				
Land	\$ 45,133,945	\$ -	\$ -	\$ 45,133,945
Construction in Progress	19,019,289	3,016,318	(15,920,393)	6,115,214
Infrastructure	124,071,877	18,954,537	-	143,026,414
Land Use Rights, Permanent	2,571,167	-	-	2,571,167
Total Capital Assets, Not Being Depreciated/Amortized	190,796,278	21,970,855	(15,920,393)	196,846,740
Capital Assets, Being Depreciated/Amortized:				
Infrastructure	8,673,732	1,343,413	-	10,017,145
Buildings	75,653,900	672,763	(34,392)	76,292,271
Improvements Other Than Buildings	14,094,234	117,569	-	14,211,803
Machinery and Equipment	73,845,600	6,299,174	(1,696,581)	78,448,193
Computer Software	6,466,105	-	-	6,466,105
Total Capital Assets Being Depreciated/Amortized	178,733,571	8,432,919	(1,730,973)	185,435,517
Less: Accumulated Depreciation/Amortization for:				
Infrastructure	(316,571)	(204,962)	-	(521,533)
Buildings	(37,127,366)	(2,098,947)	24,074	(39,202,239)
Improvements Other Than Buildings	(7,771,214)	(464,479)	-	(8,235,693)
Machinery and Equipment	(49,779,096)	(5,037,841)	1,496,372	(53,320,565)
Computer Software	(6,091,246)	(108,889)	-	(6,200,135)
Total Accumulated Depreciation/Amortization	(101,085,493)	(7,915,118)	1,520,446	(107,480,165)
Total Capital Assets, Being Depreciated/ Amortized, Net	77,648,078	517,801	(210,527)	77,955,352
Right-to-Use Assets Being Depreciated/Amortized:				
Right-to-Use Assets	261,362	22,619	(8,169)	275,812
Less Accumulated Depreciation/Amortization for:				
Right-to-Use Assets	(59,357)	(83,677)	8,169	(134,865)
Total Right-to-Use Assets Being Depreciated/Amortized, Net	202,005	(61,058)	-	140,947
Subscription-Based Information Technology Arrangements Being Depreciated/Amortized:				
Subscription-Based Information Technology Arrangements	799,049	1,962,403	-	2,761,452
Less Accumulated Depreciation/Amortization for:				
Subscription-Based Information Technology Arrangements	-	(544,370)	-	(544,370)
Total Subscription-Based Information Technology Arrangements Being Depreciated/Amortized, Net	799,049	1,418,033	-	2,217,082
Governmental Activities Capital Assets, Net	\$ 269,445,410	\$ 23,845,631	\$ (16,130,920)	\$ 277,160,121

The beginning balance was restated due to implementation of GASB Statement No. 96, SBITA's.

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 4 CAPITAL ASSETS (CONTINUED)**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-Type Activities</b>				
Capital Assets, Not Being Depreciated/Amortized:				
Land	\$ 1,839,228	\$ -	\$ -	\$ 1,839,228
Construction in Progress	50,162	40,014	(30,566)	59,610
Total Capital Assets, Not Being Depreciated/Amortized	1,889,390	40,014	(30,566)	1,898,838
Capital Assets, Being Depreciated/Amortized:				
Buildings and Systems	696,881	-	-	696,881
Improvements Other Than Buildings	10,448,530	-	-	10,448,530
Machinery and Equipment	11,806,543	2,351,966	(605,683)	13,552,826
Computer Software	-	36,260	-	36,260
Total Capital Assets Being Depreciated/Amortized	22,951,954	2,388,226	(605,683)	24,734,497
Less: Accumulated Depreciation/Amortization for:				
Buildings and Systems	(618,605)	(11,489)	-	(630,094)
Improvements Other Than Buildings	(7,646,865)	(207,298)	-	(7,854,163)
Machinery and Equipment	(6,554,840)	(626,608)	75,717	(7,105,731)
Computer Software	-	(603)	-	(603)
Total Accumulated Depreciation/Amortization	(14,820,310)	(845,998)	75,717	(15,590,591)
Total Capital Assets, Being Depreciated/ Amortized, Net	8,131,644	1,542,228	(529,966)	9,143,906
Right-to-Use Assets Being Depreciated/Amortized:				
Right-to-Use Assets	9,366	-	-	9,366
Less Accumulated Depreciation/Amortization for:				
Right-to-Use Assets	(4,497)	(4,495)	-	(8,992)
Total Right-to-Use Assets Being Depreciated/Amortized, Net	4,869	(4,495)	-	374
Business-Type Activities Capital Assets, Net	<u>\$ 10,025,903</u>	<u>\$ 1,577,747</u>	<u>\$ (560,532)</u>	<u>\$ 11,043,118</u>

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 4 CAPITAL ASSETS (CONTINUED)**

Depreciation and amortization expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

General Government	\$ 1,604,457
Public Safety	4,397,470
Physical Environment	275,507
Transportation	1,556,763
Economic Environment	22,851
Human Services	86,222
Culture and Recreation	465,907
Court Related	<u>133,988</u>
Total Depreciation/Amortization Expense - Governmental Activities	<u><u>\$ 8,543,165</u></u>

Business-Type Activities:

Solid Waste	\$ 728,393
Energy Recovery	<u>122,100</u>
Total Depreciation/Amortization Expense - Business-Type Activities	<u><u>\$ 850,493</u></u>

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 5 INTERFUND BALANCES**

Interfund balances at September 30, 2023, consisted of the following amounts:

**Due To/From Other Funds**

	Due From Other Funds	Due To Other Funds
Major Funds:		
General Fund	\$ 1,071,206	\$ 386,912
County Transportation Trust	253	5,680
Local Government Infrastructure Surtax	1,451	83,273
Solid Waste Fund	47,728	10,679
Nonmajor Governmental Funds	336,762	971,296
Nonmajor Enterprise Funds	-	279
Internal Service Funds	719	-
Total	\$ 1,458,119	\$ 1,458,119

Amounts due to and from other funds arise from timing differences as a result of transactions and cash transfers for operating purposes.

**Advances**

- In 2020, the Solid Waste Fund refinanced an advance to a nonmajor governmental fund for wastewater improvements in 2018, and additional costs not covered by the original loan. The outstanding balance as of September 30, 2023, was \$29,246.
- In 2021, the County Transportation Trust Fund advanced a nonmajor governmental fund money for improvements to a road. The outstanding balance as of September 30, 2023, was \$25,490.

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 6 RESTRICTED ASSETS**

Restricted assets include customer deposits and amounts required by Florida Administrative Code 62-701.630 to be deposited in escrow for landfill management. Total restricted assets as of September 30, 2023, were as follows:

	Cash and Cash Equivalents
Governmental Funds:	
General Fund:	
Customer Deposits	\$ 53,348
Enterprise Funds:	
Solid Waste:	
Customer Deposits	\$ 123,808
Landfill Closure	8,261,021
Total Enterprise Funds	\$ 8,384,829

**NOTE 7 LONG-TERM LIABILITIES**

The summary of changes in long-term debt for the fiscal year ended September 30, 2023, is as follows:

	Balance September 30, 2022	Additions	Reductions	Balance September 30, 2023	Due Within One Year
Governmental Activities:					
Notes Payable:					
Direct Placements	\$ 26,419,000	\$ -	\$ (3,187,000)	\$ 23,232,000	\$ 3,233,000
Direct Borrowings	-	514,410	(102,867)	411,543	102,907
Total Notes Payable	26,419,000	514,410	(3,289,867)	23,643,543	3,335,907
Leases	203,421	22,619	(82,586)	143,454	47,463
SBITAs	779,858	1,750,458	(1,155,209)	1,375,107	541,311
Compensated Absences	5,608,963	6,244,764	(6,064,149)	5,789,578	579,701
Governmental Activity					
Long-Term Liabilities	\$ 33,011,242	\$ 8,532,251	\$ (10,591,811)	\$ 30,951,682	\$ 4,504,382
Business-Type Activities:					
Landfill Closure Liability	\$ 8,796,367	\$ 947,808	\$ -	\$ 9,744,175	\$ 83,947
Leases	4,930	-	(4,546)	384	384
Compensated Absences	69,769	90,695	(53,489)	106,975	10,698
Business-Type Activity					
Long-Term Liabilities	\$ 8,871,066	\$ 1,038,503	\$ (58,035)	\$ 9,851,534	\$ 95,029

The beginning balance was restated due to implementation of GASB Statement No. 96, SBITA's.

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 7 LONG-TERM LIABILITIES (CONTINUED)**

**Compensated Absences**

Compensated absences represent the vested portion of leave credits. See Note 1 for a summary of the County's compensated absences policy. For governmental activities, the liability for compensated absences is liquidated with resources of the Compensated Absences Internal Service Fund. For business-type activities, the liability for compensated absences is liquidated with resources of the Solid Waste Fund.

The following notes payable were outstanding at September 30, 2023:

	<u>Remaining Principal Amount</u>
Governmental Activities Notes Payable:	
<u>Direct Placement</u>	
\$21,614,000 with a fixed interest rate equal to 1.52% dated November 10, 2021, with final payment due November 1, 2033. Interest and principal payments beginning November 1, 2022, principal payments ranging from \$1,190,000 - \$2,960,000 are due in annual installments until maturity date. Serviced from and secured by the County's Sales Tax Revenues. The proceeds from the note are used for refunding of Infrastructure Sales Surtax Refunding Revenue Note, Series 2015 and finance and/or reimburse the costs of the project. If any event of default shall occur, all indebtedness may become immediately due and payable to the lender.	<u>\$ 23,232,000</u>
<u>Direct Borrowing</u>	
Direct borrowing from a financial institution for purchase of body cameras, with annual payments of \$102,867, including principal and interest at 0%, with a final payment due in October, 2027.	<u>411,543</u>
Total Governmental Activities Notes Payable	<u><u>\$ 23,643,543</u></u>

There are a number of limitations and restrictions contained in the various notes and certificate indentures. The County is in compliance with all significant limitations and restrictions.

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 7 LONG-TERM LIABILITIES (CONTINUED)**

The annual debt service requirements to amortize all debts outstanding as of September 30, 2023, are as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>	
	<u>Direct Borrowings and</u>	
	<u>Direct Placements</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 3,335,907	\$ 356,249
2025	3,387,865	304,706
2026	3,442,886	252,360
2027	1,677,885	212,916
2028	1,603,000	186,954
2028-2032	8,424,000	532,865
2033-2037	1,772,000	19,407
Total	<u>\$ 23,643,543</u>	<u>\$ 1,865,457</u>

**NOTE 8 LEASES**

**Lessee Arrangement**

The County leases equipment as well as certain operating and office facilities for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2028.

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

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2024	\$ 47,463	\$ 3,251	\$ 384	\$ -	\$ 51,098
2025	43,637	1,975	-	-	45,612
2026	28,233	1,975	-	-	30,208
2027	21,649	914	-	-	22,563
2028	2,472	318	-	-	2,790
Total minimum lease payments	<u>\$ 143,454</u>	<u>\$ 8,433</u>	<u>\$ 384</u>	<u>\$ -</u>	<u>\$ 152,271</u>

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 8 LEASES (CONTINUED)**

**Lessor Arrangement**

The County, acting as lessor, leases office space and cell towers under long-term, noncancelable lease agreements. The leases expire at various dates through 2027 and provide for renewal options ranging from three months to six years. During the year ended September 30, 2023, the County recognized \$199,210 and \$23,087 in lease revenue and interest revenue, respectively, pursuant to these contracts.

Total future minimum lease payments to be received under lease agreements are as follows:

<u>Year Ending September 30,</u>	<u>Governmental and Business Type Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2024	\$ 218,844	\$ 22,672	\$ 241,516
2025	226,958	16,209	243,167
2026	169,616	10,239	179,855
2027	138,350	5,780	144,130
2028	110,147	1,919	112,066
2029-2033	10,951	1,049	12,000
Total Minimum Lease Payments	<u>\$ 874,866</u>	<u>\$ 57,868</u>	<u>\$ 932,734</u>

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 9 GOVERNMENTAL FUND BALANCES**

At September 30, 2023, the County's governmental fund balances were classified as follows:

	General	County Transportation Trust	Local Government Infrastructure Surtax	Nonmajor Governmental Funds	Total Governmental Funds
<b>Nonspendable:</b>					
Prepaid Items	\$ 945,731	\$ 19,438	\$ 243,231	\$ 1,151,670	\$ 2,360,070
Inventories	442,758	-	-	-	442,758
Total Nonspendable	<u>1,388,489</u>	<u>19,438</u>	<u>243,231</u>	<u>1,151,670</u>	<u>2,802,828</u>
<b>Restricted:</b>					
General Government	-	-	-	493,165	493,165
Public Safety	-	-	-	11,849,852	11,849,852
Fire Districts	-	-	-	3,533,159	3,533,159
Inmate Welfare	-	-	-	2,004,139	2,004,139
Building Department	-	-	-	5,267,552	5,267,552
Istokpoga Marsh					
Watershed Maintenance	-	-	-	124,594	124,594
Physical Environment	-	-	-	299,757	299,757
Conservation	-	-	-	421,466	421,466
Tourist Development	-	-	-	3,738,178	3,738,178
Transportation	-	511,827	-	4,029,065	4,540,892
Housing Programs	-	-	-	2,892,617	2,892,617
Human Services	-	-	-	160,494	160,494
Culture and Recreation	-	-	-	427,701	427,701
Court Related	-	-	-	378,484	378,484
Court Facilities	-	-	-	1,328	1,328
Infrastructure and Land Acquisition	-	-	17,936,341	2,571,058	20,507,399
Total Restricted	<u>-</u>	<u>511,827</u>	<u>17,936,341</u>	<u>38,192,609</u>	<u>56,640,777</u>
<b>Assigned:</b>					
Subsequent Year					
Expenditures	1,809,332	-	-	-	1,809,332
Transportation	-	1,108,724	-	-	1,108,724
Total Assigned	<u>1,809,332</u>	<u>1,108,724</u>	<u>-</u>	<u>-</u>	<u>2,918,056</u>
Unassigned	<u>50,566,292</u>	<u>-</u>	<u>-</u>	<u>(745,798)</u>	<u>49,820,494</u>
Total Fund Balances	<u>\$ 53,764,113</u>	<u>\$ 1,639,989</u>	<u>\$ 18,179,572</u>	<u>\$ 38,598,481</u>	<u>\$ 112,182,155</u>

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 10 PERSONNEL COMMITMENTS**

**Deferred Compensation Plan**

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Effective January 1, 1997, Federal legislation converted the Section 457 deferred compensation assets from County assets to employee assets. As a result of these changes, plan assets are no longer subject to the claims of the County's general creditors.

The County had previously reported the assets and associated liabilities of the deferred compensation plan in its financial statements as a fiduciary fund. Effective with the change in legislation, these assets are no longer County assets and fiduciary responsibility has been transferred to the third party plan administrator. Consequently, these assets are no longer reported in the accompanying financial statements.

**NOTE 11 OTHER POSTEMPLOYMENT HEALTH CARE BENEFITS**

The County is obligated to make available to qualified retired employees the option to maintain coverage with the group health, life, and dental insurance plans.

**Plan Description**

The Postemployment Health Care Benefits Plan is a single-employer defined benefit plan administered by the County. Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees and eligible dependents who retire from the County may continue to participate in the County's self-funded health and hospitalization plan for medical, prescription drug, and dental coverage. The County subsidizes the premium rates paid by retirees by allowing them to participate in the plans at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. Retirees are required to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible.

For the Postemployment Health Care Benefits Plan, contribution requirements of the County are established and may be amended through the County. The plan is currently being funded on a pay-as-you-go basis. No trust fund has been established for the plan, and there are no assets accumulated in trust for payment of benefits. The plan does not issue a separate financial report.

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 11 OTHER POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)**

**Employees Covered by Benefit Terms**

At September 30, 2023, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	17
Active Plan Members	761
Total	<u>778</u>

**Total OPEB Liability**

The County's Total OPEB liability was measured as of September 30, 2023, and was determined by an actuarial valuation as of October 1, 2022. The following table shows the County's total OPEB liability for the year ended September 30, 2023.

	Total OPEB Liability
Balances - October 1, 2022	\$ 875,258
Changes for the Year:	
Service Cost	47,318
Interest	37,591
Changes in Assumptions	(14,725)
Differences Between Expected and Actual Experience	-
Benefit Payments	(41,841)
Net Changes	<u>28,343</u>
Balances - September 30, 2023	<u>\$ 903,601</u>

The total OPEB liability is liquidated by the activities in which current employee costs are associated.

**Discount Rate Sensitivity**

The following 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 or 1-percentage-point higher than the current discount rate:

Description	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
OPEB Plan Discount Rate	3.63 %	4.63 %	5.63 %
Total OPEB Liability	\$ 968,314	\$ 903,601	\$ 841,059

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 11 OTHER POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)**

**Healthcare Trend Rate Sensitivity**

The following 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:

Description	1% Decrease in Healthcare Cost Trend Rate	Healthcare Cost Trend Rate	1% Increase in Healthcare Cost Trend Rate
OPEB Plan Healthcare Cost Rate	2.94 %	3.94 %	4.94 %
Total OPEB Liability	\$ 800,829	\$ 903,601	\$ 1,024,706

**Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended September 30, 2023, the County recognized OPEB expense of (\$224,572). In addition, the County reported deferred outflows and inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 646,837
Changes of Assumptions	42,560	247,368
Total	<u>\$ 42,560</u>	<u>\$ 894,205</u>

Amounts reported as deferred outflows and inflows of resources related to OPEB will be amortized over five years and will be recognized as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2024	\$ (299,705)
2025	(332,412)
2026	(106,896)
2027	(110,177)
2028	(2,455)

**Actuarial Assumptions**

The total OPEB liability in the October 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	4.63%
Healthcare Cost Trend Rates	3.94%

The actuarial cost method used was the Entry Age Normal method calculated on an individual basis with level percentage of pay.

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 11 OTHER POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)**

**Actuarial Assumptions (Continued)**

Mortality rates were based on the Pub-2010 Safety Retirees Headcount – Weighted Mortality, projected with Fully Generational MP 2021 Mortality Improvement Scale.

The discount rate used to measure the total OPEB liability was 4.63%, based on yield for 20-year general obligation bond index.

The following changes have been made since the prior valuation:

- The trend table was updated to the latest model released by the Society of Actuaries.
- The discount rate was changed from 4.40% to 4.63%
- The mortality and disability decrements were updated to the latest assumptions used for the FRS valuation based on the 2021 FRS Experience Study.

**NOTE 12 LANDFILL CLOSURE AND POST-CLOSURE CARE COST**

Highlands County has four landfill sites which are comprised of a total of 10 cells, five of which are currently in operation. State and federal laws and regulations require the County to place a final cover on the five cells currently in use when they are closed and to perform maintenance and monitoring functions for all landfill sites for 30 years after closure. Landfill operations and landfill closure and post-closure care costs are accounted for in the Solid Waste Enterprise Fund. Although closure and post-closure care costs will be paid only near or after the date the landfill stops accepting waste, the County reports as a liability a portion of closure and post-closure care costs based on landfill capacity used as of the balance sheet date. The landfill closure and post-closure care liability of \$9,744,175 at September 30, 2023, represents the cumulative amount reported to date based on an average use of 59% of the total estimated capacity. The portion of the liability related to 2023 usage is an increase of \$947,808. It is estimated that an additional liability totaling \$6,946,756 for Arbuckle Creek Cells 1A, 1B, 3, C&D, and Agricultural Plastic will be recognized between the balance sheet date and the dates these cells will be filled to capacity in the years, 2024, 2031, and 2099, respectively. Actual costs may differ due to inflation, changes in technology, or changes in landfill laws and regulations.

The County is required by state and federal laws and regulations to make annual contributions to a landfill management escrow account to finance closure and post-closure care financial assurance requirements. The County is in compliance with these requirements at September 30, 2023, with cash and investments of \$9,744,175 held for these purposes. The County expects that future inflation costs will be paid from future contributions and interest earnings on these contributions. In the event closure escrows and interest earnings prove inadequate due to higher-than-expected inflation, changes in technology, or changes in laws or regulations, these costs may need to be financed by future landfill users or future tax revenue.

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 13 MISCELLANEOUS REVENUE**

Miscellaneous revenue included in the Governmental Funds for the fiscal year ended September 30, 2023, consists of the following:

	General	County Transportation Trust	Local Government Infrastructure Surtax	Other Governmental Funds
Interfund Services Rendered	\$ 1,331,338	\$ 2,172,215	\$ -	\$ 6,367
Commissions on Inmate Phone Calls and Commissary Sales				
Profits	-	-	-	128,891
Other	986,689	105,440	-	641,136
Total	<u>\$ 2,318,027</u>	<u>\$ 2,277,655</u>	<u>\$ -</u>	<u>\$ 776,394</u>

**NOTE 14 MAJOR CUSTOMERS**

A significant amount of the Solid Waste Fund revenue for 2023 is derived from one major customer as follows:

Waste Connections, Inc.	<u>Percentage of Total Revenue</u> 6.09%
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The Solid Waste Fund revenue is comprised of charges for services to residential and commercial customers and a special non-ad valorem assessment of \$173 per property owner.

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 15 COMMITMENTS AND CONTINGENCIES**

The County has entered into various contracts for design, construction, and other services as of September 30, 2023:

	<u>Commitment</u>
Annex Building Remodel	\$ 42,775
Asphalt Milling	106,798
Avon Park Estates Roads	15,325
Avon Park Tax Collector Office Remodel	14,145
Catfish Creek Road Bridge Rehabilitation	131,907
Clerk of Courts Remodel	26,000
Clerk of Courts Technology, Equipment and Software	70,154
County Jail Facility Expansion	1,035,470
County Jail Kitchen Hood	1,452
Dispatch Console Upgrade	311,146
Emergency Operations Center Building Remodel	110,619
Fire Rescue Station 20, Spring Lake Airport	42,176
Fire Rescue Station 36, Lake Placid	127,922
Florida Department of Environmental Protection Stormwater Permitting	7,851
Highlands County Comprehensive Vulnerability Assessment	340,000
Highlands County Drainage Study	1,125,917
Highlands County Solid Waste System Evaluation	269,611
Hurricane Shelter	509,947
Judicial Court Remodel	17,000
Lake Istokpoga Boat Ramp Parking Expansion	7,000
Lake June-in-Winter Catfish Creek BMPs	38,712
Landfill Borrow Pit Expansion	19,548
Landfill Class I Expansion	1,306,693
Memorial Drive Multi-Use Path	14,000
New Animal Control Operation Building	45,296
New Traffic Operations Building	1,961,636
Priority Utility Expansions	6,743
Road and Bridge Main Building Expansion	95,500
Road and Bridge Building Expansion (Unit 2)	17,000
Sebring Tax Collector Office Remodel	13,775
Sports Marketing and Sales Services Consultant	84,250
Sun-N-Lakes Boulevard Sidewalk	21,488
W. Stryker Roadway Improvements	113,210
USFA Softball and Pumpkin Smash Tournament Marketing and Event	35,000
Total	<u>\$ 8,086,066</u>

The County is currently receiving, and has received in the past, grants which are subject to special compliance audits by the grantor agency and which may result in disallowed expenditure/expense amounts. These amounts, if any, constitute a contingent liability of the County. Accordingly, such liabilities are not reflected within the financial statements. Management does not believe the effects of contingent liabilities, if any, will be material to the financial statements.

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 15 COMMITMENTS AND CONTINGENCIES (CONTINUED)**

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, management is not aware of any resolution that would have a material adverse effect of the County's financial condition.

**NOTE 16 RISK MANAGEMENT**

**Insurance Fund**

Effective April 1, 2009, the County became a member of Preferred Governmental Insurance Trust (PGIT), a governmental insurance carrier. PGIT administers insurance activities relating to property, general liability, public official's and employment practices liability, automobile, crime, and worker's compensation. The County is liable for the deductible on certain coverages. PGIT meets the GASB Statement No. 10 guidelines for governmental entity pools and provides audited financial statements annually. Transactions related to PGIT activity are presented within the Insurance Internal Service Fund.

There is no significant reduction in insurance coverage from the prior year. The insurance settlements have not exceeded the County's insurance coverage in any of the three prior fiscal years.

**Employee Benefit Fund**

On October 1, 1977, the County established the Employee Benefit Fund which was formerly an expendable trust fund. In 1989, the County transferred its assets, liabilities, and fund equity to an internal service fund. This fund was created to self-insure County employees and their dependents for group medical costs. Both the County and employees contribute to the cost of insurance premiums. Premiums and contributions, which are used to pay medical claims, are determined by projected losses based on historical claims experience.

From October 1, 2001 through September 30, 2012, the County maintained private insurance for health insurance. Effective October 1, 2012, the County discontinued private insurance and re-established its self-insurance plan for group medical costs. The County maintained its self-insurance plan for health and dental costs for the fiscal year ended September 30, 2023.

From October 1, 2001 through September 30, 2012, the County maintained private insurance for health insurance. Effective October 1, 2012, the County discontinued private insurance and re-established its self-insurance plan for group medical costs. The County maintained its self-insurance plan for health and dental costs for the fiscal year ended September 30, 2023.

Health and dental claims are adjudicated by a third-party administrator under contract. The County limits its exposure to health claims through stop-loss coverage.

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 16 RISK MANAGEMENT (CONTINUED)**

**Employee Benefit Fund (Continued)**

The following table shows the changes in aggregate liabilities for health and dental claims for the past two fiscal years:

Fiscal Year	Beginning Balance	Incurred Claims	Payments	Ending Balance
2022	\$ 690,897	\$ 10,951,029	\$ 10,822,499	\$ 819,427
2023	819,427	9,875,540	10,026,510	668,457

**NOTE 17 DEFINED BENEFIT PENSION PLANS**

**Background**

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

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

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 17 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**Florida Retirement System Pension Plan**

Plan Description

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

- Regular Class - Members of the FRS who do not qualify for membership in the other classes.
- Elected County Officers Class - Members who hold specified elective offices in local government.
- Senior Management Service Class (SMSC) - Members in senior management level positions.
- Special Risk Class - Members who are special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

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

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 8 years after electing to participate, except that certain instructional personnel may participate for up to 10 years. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 17 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**Florida Retirement System Pension Plan (Continued)**

**Benefits Provided**

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

<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>% Value</u>
Regular Class Members Initially Enrolled Before July 1, 2011:	
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 Years of Service	1.68
Regular Class Members Initially Enrolled on or After July 1, 2011:	
Retirement at Age 65 or with 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 Years of Service	1.68
Elected County Officers Class	3.00
Senior Management Service Class	2.00
Special Risk Regular Class:	
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%. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 17 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**Florida Retirement System Pension Plan (Continued)**

Contributions

The Florida Legislature establishes contribution rates for participating employers and employees. Effective July 1, 2011, all FRS Plan members (except those in DROP) are required to make 3% employee contributions on a pretax basis. The contribution rates attributable to the County, effective July 1, 2022, were applied to employee salaries as follows: regular employees 13.57%, special risk 32.67%, county elected officials 58.68%, senior management 34.52%, and DROP participants 21.13%. The County's contributions to the FRS Plan were \$8,820,977 for the year ended September 30, 2023.

Pension Costs

At September 30, 2023, the County reported a liability of \$70,933,286 for its proportionate share of the FRS 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 proportion of the net pension liability was based on the County's contributions received by FRS during the measurement period for employer payroll paid dates from July 1, 2022, through June 30, 2023, relative to the total employer contributions received from all of FRS's participating employers. At June 30, 2023, the County's proportion was 0.178015120%, which was an increase of 0.001637061% from its proportion measured as of June 30, 2022.

For the year ended September 30, 2023, the County recognized pension expense of \$14,061,507 for its proportionate share of FRS's pension expense. In addition, the County reported its proportionate share of FRS's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 6,660,033	\$ -
Changes of Assumptions	4,624,027	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,962,370	-
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	2,333,729	(4,398,886)
County Contributions Subsequent to the Measurement Date	2,358,926	-
Total	<u>\$ 18,939,085</u>	<u>\$ (4,398,886)</u>

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 17 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**Florida Retirement System Pension Plan (Continued)**

Pension Costs (Continued)

\$2,358,926 reported as deferred outflows of resources related to pensions resulting from County contributions to the FRS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2024	\$ 1,298,929
2025	(1,516,554)
2026	10,915,253
2027	1,140,480
2028	343,165

Actuarial Assumptions

The total pension liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40% Per Year
Salary Increases	3.25%, Average, Including Inflation
Investment Rate of Return	6.70%

Mortality rates were based on the PUB-2010 base table, varies by member category, and sex, projected generationally with 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.

The long-term expected rate of return assumption of 6.70% consists of two building block components: 1) an inferred real (in excess of inflation) return of 4.20%, which is consistent with the 4.48% real return from the capital market outlook model developed by the FRS consulting actuary, Milliman; and 2) a long-term average annual inflation assumption of 2.40% as adopted in October 2023 by the FRS Actuarial Assumption Conference. In the opinion of the FRS consulting actuary both components and the overall 6.70% return assumption were determined to be reasonable and appropriate per Actuarial Standards of Practice. The 6.70% reported investment return assumption is the same as the investment return assumption chosen by the 2022 FRS Actuarial Assumption Conference for funding policy purposes.

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 17 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**Florida Retirement System Pension Plan (Continued)**

Actuarial Assumptions (Continued)

For reference, the table below contains a summary of Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	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 (Property)	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 %

Discount Rate

The discount rate used to measure the total pension liability was 6.70% for the FRS Plan. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the pension 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 long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Liability Sensitivity

The following presents the County’s proportionate share of the net pension liability for the FRS Plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

Description	1% Decrease	Current Discount Rate	1% Increase in Discount Rate
FRS Plan Discount Rate	5.70%	6.70%	7.70%
County’s Proportionate Share of the FRS Plan Net Pension Liability	\$ 121,168,676	\$ 70,933,286	\$ 28,905,565

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 17 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**Florida Retirement System Pension Plan (Continued)**

Pension Plan Fiduciary Net Position

Detailed information about the FRS Plan's fiduciary's net position is available in a separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report. That report may be obtained through the Florida Department of Management Services website at <http://www.dms.myflorida.com>.

**Retiree Health Insurance Subsidy Program**

Plan Description

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

Benefits Provided

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

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 fiscal year ended June 30, 2023, the contribution rate was 1.66% of payroll pursuant to section 112.363, Florida Statutes. The County contributed 100% of its statutorily required contributions for the current and preceding three 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 were \$879,980 for the year ended September 30, 2023.

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 17 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**Retiree Health Insurance Subsidy Program (Continued)**

Pension Costs

At September 30, 2023, the County reported a liability of \$20,207,431 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, 2022. The County's proportion of the net pension liability was based on the County's contributions received during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023, relative to the total employer contributions received from all participating employers. At June 30, 2023, the County's proportion was 0.127240136%, which was an decrease of 0.001038550% from its proportion measured as of June 30, 2022.

For the year ended September 30, 2023, the County recognized pension expense of \$7,724,363 for its proportionate share of HIS's pension expense. In addition, the County reported its proportionate share of HIS's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 295,823	\$ (47,430)
Changes in Actuarial Assumptions	531,247	(1,751,042)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	10,435	-
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	603,313	(455,774)
County Contributions Subsequent to the Measurement Date	247,928	-
Total	<u>\$ 1,688,746</u>	<u>\$ (2,254,246)</u>

\$247,928 reported as deferred outflows of resources related to pensions resulting from County contributions to the FRS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

<u>Year Ending September 30,</u>	Amount
2024	\$ (86,002)
2025	(29,224)
2026	(141,580)
2027	(343,534)
2028	(193,805)
Thereafter	(19,283)

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 17 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**Retiree Health Insurance Subsidy Program (Continued)**

Actuarial Assumptions

The total pension liability in the July 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40% Per Year
Salary Increases	3.25%, Average, Including Inflation
Municipal Bond Rate	3.65%

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2018. The actuarial assumptions used in the July 1, 2022 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 the current year and 3.54% in the prior year for the HIS Plan. 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 FRS Actuarial Assumption Conference. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Pension Liability Sensitivity

The following presents the County's proportionate share of the net pension liability for the HIS Plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

<u>Description</u>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase in Discount Rate</u>
HIS Plan Discount Rate	2.65%	3.65%	4.65%
County's Proportionate Share of the HIS Plan Net Pension Liability	\$ 23,053,525	\$ 20,207,431	\$ 17,848,210

Pension Plan Fiduciary Net Position

Detailed information about the HIS Plan's fiduciary's net position is available in a separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report. That report may be obtained through the Florida Department of Management Services website at <http://www.dms.myflorida.com>.

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 17 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**Retiree Health Insurance Subsidy Program (Continued)**

Summary

The aggregate amount of net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense for the County's defined benefit pension plans are summarized below. These liabilities are typically liquidated by the individual activity in which the employee's costs are associated.

Description	FRS Plan	HIS Plan	Total
Net Pension Liability	\$ 70,933,286	\$ 20,207,431	\$ 91,140,717
Deferred Outflows of Resources			
Related to Pensions	18,939,085	1,688,746	20,627,831
Deferred Inflows of Resources			
Related to Pensions	4,398,886	2,254,246	6,653,132
Pension Expense	14,061,507	7,724,363	21,785,870

**NOTE 18 DEFINED CONTRIBUTION PLAN**

**FRS Investment Plan**

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

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

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 18 DEFINED CONTRIBUTION PLAN (CONTINUED)**

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

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

The County's Investment Plan pension expense totaled \$1,687,341 for the year ended September 30, 2023. Employee contributions to the Investment Plan totaled \$269,996 for the year ended September 30, 2023.

**NOTE 19 FUND BALANCE DEFICIT**

**Special Revenue Funds**

**Oak Manor Avenue Road Paving Fund**

The fund balance deficit of \$29,904 is a result of road paving costs. The \$34,900 advance from the Transportation Trust Fund in October 2020 is being paid back with the assessments collected from this district.

**E911 Emergency Operations Fund**

The fund balance deficit of \$656,677 is a result of two significant grant reimbursements not being received within 60 days of fiscal year end. The deficit balance was corrected when grant reimbursements were received in January 2024.

**Orange Villa Special Benefit District Fund**

The fund balance deficit of \$16 is a result of increased electricity costs. The deficit will be covered by future assessments collected by the district.

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 19 FUND BALANCE DEFICIT (CONTINUED)**

**Special Revenue Funds (Continued)**

Court Fund

The fund balance deficit of \$31,815 is a result of the September 2023 Title IV-D grant reimbursement not being received within 60 days of fiscal year end. The deficit balance was corrected when the grant reimbursement was received in December 2023.

Court Services Fund

The fund balance deficit of \$27,386 is a result of the July through September 2023 JAC jury reimbursement not being received within 60 days of fiscal year end. The deficit balance was corrected when the reimbursement was received in December 2023.

**NOTE 20 INTERFUND TRANSFERS**

Transfers for the year ended September 30, 2023, consisted of the following:

Transfers to the General Fund from:

Nonmajor Governmental Funds	\$ 187,511
Solid Waste Fund	105,010
Total	292,521

Transfers to the County Transportation Trust Fund from:

Local Government Infrastructure Surtax Fund	750,000
Total	750,000

Transfers to Nonmajor Governmental Funds from:

General Fund	1,266,018
County Transportation Trust	76,526
Local Government Infrastructure Surtax Fund	81,474
Other Nonmajor Governmental Funds	15,231
Total	1,439,249

Total Interfund Transfers	\$ 2,481,770
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Transfers are used to: 1) move revenues from the fund that state law requires to collect them to the fund that state law requires to expend them, 2) provide matching funds for grants, and 3) use unrestricted General Fund and other fund revenues to finance transportation or other activities which must be accounted for in another fund.

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 21 SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)**

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

During the year ended September 30, 2023, the County entered into SBITAs in the amount of \$1,750,458. During the year ended September 30, 2023, the County's principal payments on SBITAs totaled \$1,155,208.

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

	Principal	Interest	Total
2024	\$ 541,311	\$ 46,558	\$ 587,869
2025	353,934	26,566	380,500
2026	258,166	13,295	271,461
2027	221,696	4,503	226,199
Total Minimum Subscription Payments	\$ 1,375,107	\$ 90,922	\$ 1,466,029

**HIGHLANDS COUNTY, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
MODIFIED APPROACH FOR INFRASTRUCTURE ASSETS  
SEPTEMBER 30, 2023**

**Condition Rating of Highlands County  
Roadway System**

**Overall Minimum Average Condition Level (Fair Condition 51 – 75)**

	FY 2021	FY 2022	FY 2023
Road System	54.62	57.55	58.15

**Comparison of Estimated to Actual Maintenance/Preservation**

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Budgeted	\$ 5,758,461	\$ 5,686,498	\$ 2,809,287	\$ 2,994,877	\$ 1,875,665
Actual	1,381,079	5,504,681	2,274,131	2,585,458	1,752,761

The condition of a road segment is measured using the Road Evaluation Standards Version 1 (RES) that is based on weighted averages or distress factors of the pavement surface. The RES system uses a measurement scale to evaluate the Pavement Condition Level (PCL) ranging from zero for a failed pavement to 100 for pavement in perfect condition. The PCL index is used to classify road segments in good condition (76–100), fair condition (51-75), poor condition (26-50), and needs reconstruction (25 or below). An overall minimum average condition level is then determined from the individual road segments and the total lane miles of roads. It is the County's policy to maintain the road system at an overall minimum average condition level not less than 45. Road segment condition is determined annually for all arterial roads and all of the local roads are inspected annually.

**Condition Rating of Highlands County  
Bridge System**

**Overall Average Sufficiency Rating**

	FY 2021	FY 2022	FY 2023
Bridge System	77.75	77.52	77.52

**Comparison of Estimated to Actual Maintenance/Preservation**

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Budgeted	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
Actual	22,272	35,808	67,617	30,108	24,558

The condition of the County's bridges is determined using the inspection program that follows state mandates and regulations. The bridge sufficiency rating is a weighted average of an assessment of the ability of individual components to meet necessary performance requirements and uses a numerical condition scale ranging from 0 to 100. It is the County's policy to maintain an overall minimum average sufficiency rating for the County maintained bridges of not less than 60%.

**HIGHLANDS COUNTY, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE COUNTY'S  
TOTAL OPEB LIABILITY AND RELATED RATIOS  
LAST TEN FISCAL YEARS**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability						
Service Cost	\$ 47,318	\$ 86,748	\$ 80,827	\$ 140,238	\$ 113,559	\$ 115,422
Interest	37,591	31,728	33,784	74,630	91,062	82,736
Difference Between Expected and Actual Experience	-	(501,137)	-	(1,202,118)	-	-
Changes of Assumptions	(14,725)	(145,206)	19,707	(414,877)	196,258	(58,668)
Benefit Payments	(41,841)	(91,249)	(83,562)	131,938	(129,355)	(122,205)
Net Change in Total OPEB Liability	<u>28,343</u>	<u>(619,116)</u>	<u>50,756</u>	<u>(1,270,189)</u>	<u>271,524</u>	<u>17,285</u>
Total OPEB Liability - Beginning	<u>875,258</u>	<u>1,494,368</u>	<u>1,443,612</u>	<u>2,713,801</u>	<u>2,442,277</u>	<u>2,424,992</u>
Total OPEB Liability - Ending	<u>\$ 903,601</u>	<u>\$ 875,252</u>	<u>\$ 1,494,368</u>	<u>\$ 1,443,612</u>	<u>\$ 2,713,801</u>	<u>\$ 2,442,277</u>
Covered Employee Payroll	\$42,824,463	\$47,773,230	\$46,048,436	\$44,799,904	\$43,213,012	\$39,987,348
Total OPEB Liability as a percentage of the Covered Employee Payroll	2.11%	1.83%	3.25%	3.22%	6.28%	6.11%

Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the County will present information for only those years for which information is available.

**HIGHLANDS COUNTY, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE COUNTY'S  
TOTAL OPEB LIABILITY AND RELATED RATIOS (CONTINUED)  
LAST TEN FISCAL YEARS**

**Notes to Schedule:**

The OPEB plan is not administered through a trust.

Benefit changes: There have been no substantive plan provision changes since the last full valuation.

For the measurement date September 30, 2023, the amount reported as changes in assumptions resulted from the following:

- The trend table was updated to the latest model released by the Society of Actuaries.
- The mortality and disability decrements were updated to the latest assumptions used for the valuation based on the MP2021.
- The discount rate was changed from 4.40% to 4.63%.

For the measurement date September 30, 2022, the amount reported as changes in assumptions resulted from the following:

- The trend table was updated to the latest model released by the Society of Actuaries.
- The mortality and disability decrements were updated to the latest assumptions used for the valuation based on the MP2021.
- The discount rate was changed from 2.19% to 4.40%.

For the measurement date September 30, 2021, the amount reported as changes in assumptions resulted from the following:

- The discount rate was changed from 2.41% to 2.19%.

For the measurement date September 30, 2020, the amount reported as changes in assumptions resulted from the following:

- The trend table was updated to the latest model released by the Society of Actuaries and has been adjusted to include the effects of the Cadillac Tax.
- The discount rate was changed from 2.75% to 2.41%.
- The mortality and disability decrements were updated to the latest assumptions used for the FRS valuation based on the 2019 FRS Experience Study.

For the measurement date September 30, 2019, the amount reported as changes in assumptions resulted from the following:

- The trend table was updated to the latest model released by the Society of Actuaries and has been adjusted to include the effects of the Cadillac Tax, set to take effect in 2022.
- The funding method was changed to Entry Age Normal as required by GASB 75.
- The mortality and disability decrements were updated to the latest assumptions used for the FRS valuation.

For the measurement date September 30, 2018, the amount reported as changes in assumptions resulted from the following:

- The trend table was updated to the latest model released by the Society of Actuaries and has been adjusted to include the effects of the Cadillac Tax, set to take effect in 2022.
- The funding method was changed to Entry Age Normal as required by GASB 75.
- The mortality and disability decrements were updated to the latest assumptions used for the FRS valuation.

**HIGHLANDS COUNTY, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –  
FLORIDA RETIREMENT SYSTEM PENSION PLAN  
LAST TEN MEASUREMENT PERIODS**

	2023	2022	2021	2020	2019	2018	2017	2016	2015
County's Proportion of the Net Pension Liability	0.178015120%	0.176378059%	0.178540495%	0.197170451%	0.191369337%	0.185889216%	0.188036873%	0.183000953%	0.173515439%
County's Proportionate Share of the Net Pension Liability	\$ 70,933,286	\$ 65,626,811	\$ 13,486,705	\$ 85,456,581	\$ 65,904,936	\$ 55,990,794	\$ 55,620,044	\$ 46,207,883	\$ 22,411,845
County's Covered Payroll	\$ 43,045,573	\$ 47,036,514	\$ 44,552,783	\$ 44,798,121	\$ 42,283,674	\$ 39,890,912	\$ 39,037,082	\$ 36,239,309	\$ 35,581,960
County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	164.79%	139.52%	30.27%	190.76%	155.86%	140.36%	142.48%	127.51%	62.99%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%

The amounts presented for each fiscal year were determined as of June 30.

Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the County will present information for only those years for which information is available.

**HIGHLANDS COUNTY, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE COUNTY'S CONTRIBUTIONS –  
FLORIDA RETIREMENT SYSTEM PENSION PLAN  
LAST TEN FISCAL YEARS**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 8,820,977	\$ 7,704,869	\$ 7,025,442	\$ 6,583,862	\$ 6,157,860	\$ 5,451,120	\$ 4,824,979	\$ 4,743,244	\$ 4,232,805
Contributions in Relation to the Contractually Required Contribution	<u>(8,820,977)</u>	<u>(7,704,869)</u>	<u>(7,025,442)</u>	<u>(6,583,862)</u>	<u>(6,157,860)</u>	<u>(5,451,120)</u>	<u>(4,824,979)</u>	<u>(4,743,244)</u>	<u>(4,232,805)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll	\$ 42,824,463	\$ 47,773,270	\$ 46,048,436	\$ 44,799,904	\$ 43,213,012	\$ 39,987,348	\$ 39,019,305	\$ 37,331,763	\$ 35,431,913
Contributions as a Percentage of Covered Payroll	20.60%	16.13%	15.26%	14.70%	14.25%	13.63%	12.37%	12.71%	11.95%

The amounts presented for each fiscal year were determined as of September 30.

Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the County will present information for only those years for which information is available.

**HIGHLANDS COUNTY, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –  
HEALTH INSURANCE SUBSIDY PENSION PLAN  
LAST TEN MEASUREMENT PERIODS**

	2023	2022	2021	2020	2019	2018	2017	2016	2015
County's Proportion of the Net Pension Liability	0.127240136%	0.128278686%	0.128158209%	0.128544136%	0.125879122%	0.121886584%	0.122329734%	0.117095796%	0.117233715%
County's Proportionate Share of the Net Pension Liability	\$ 20,207,431	\$ 13,586,762	\$ 15,720,531	\$ 15,695,030	\$ 14,084,614	\$ 12,900,612	\$ 13,080,059	\$ 13,647,029	\$ 11,955,994
County's Covered Payroll	\$ 43,045,573	\$ 47,036,514	\$ 45,552,783	\$ 44,798,121	\$ 42,283,674	\$ 39,890,912	\$ 39,037,082	\$ 36,239,309	\$ 35,581,960
County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	46.94%	28.89%	34.51%	35.04%	33.31%	32.34%	33.51%	37.66%	33.60%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

The amounts presented for each fiscal year were determined as of June 30.

Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the County will present information for only those years for which information is available.

**HIGHLANDS COUNTY, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE COUNTY'S CONTRIBUTIONS –  
HEALTH INSURANCE SUBSIDY PENSION PLAN  
LAST TEN FISCAL YEARS**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 879,980	\$ 786,903	\$ 762,194	\$ 740,270	\$ 715,780	\$ 660,671	\$ 646,964	\$ 622,318	\$ 481,791
Contributions in Relation to the Contractually Required Contribution	<u>(879,980)</u>	<u>(786,903)</u>	<u>(762,194)</u>	<u>(740,270)</u>	<u>(715,780)</u>	<u>(660,671)</u>	<u>(646,964)</u>	<u>(622,318)</u>	<u>(481,791)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll	\$ 42,824,463	\$ 47,773,270	\$ 46,048,436	\$ 44,799,904	\$ 43,213,012	\$ 39,987,348	\$ 39,019,305	\$ 37,331,763	\$ 35,431,913
Contributions as a Percentage of Covered Payroll	2.05%	1.65%	1.66%	1.65%	1.66%	1.65%	1.66%	1.67%	1.36%

The amounts presented for each fiscal year were determined as of September 30.

Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the County will present information for only those years for which information is available.

**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 50,364,977	\$ 50,364,977	\$ 51,057,065	\$ 692,088
Licenses and Permits	1,000	1,000	530	(470)
Intergovernmental	18,205,084	30,030,849	31,786,795	1,755,946
Charges for Services	10,031,225	11,968,265	13,014,773	1,046,508
Fines and Forfeitures	77,500	77,500	139,637	62,137
Net Change in Fair Value of Investments	604,000	604,000	2,522,251	1,918,251
Miscellaneous	2,154,295	2,585,283	2,318,027	(267,256)
Total Revenues	81,438,081	95,631,874	100,839,078	5,207,204
<b>EXPENDITURES</b>				
Current:				
General Government:				
Board of County Commissioners	517,535	545,098	539,587	5,511
County Administrator	609,760	538,715	530,633	8,082
Business Services	236,610	253,751	252,492	1,259
Clerk to Board-Financial and Administration	3,998,209	4,295,896	3,441,761	854,135
County Audits-CPA	235,745	275,397	204,279	71,118
Office of Management and Budget	321,923	299,232	285,752	13,480
Human Resources	434,524	421,885	405,034	16,851
Risk Management	-	-	-	-
Non-Ad Valorem Assessments	117,536	100,536	96,129	4,407
Public Information	129,917	131,261	101,155	30,106
Central Services	1,709,716	3,043,369	2,353,348	690,021
Property Appraiser	3,619,947	3,596,002	3,474,733	121,269
Tax Collector	3,897,250	3,897,250	3,114,126	783,124
Supervisor of Elections	1,396,256	1,459,852	1,311,635	148,217
Purchasing	356,725	351,671	306,299	45,372
County Attorney	392,375	480,117	429,617	50,500
County Planning and Development	620,651	999,565	533,206	466,359
Development Services	199,787	349,828	163,925	185,903
Clerk to Board - Other General Government Services	297,118	771,405	771,361	44
Facilities Management	1,858,699	1,854,144	1,737,697	116,447
Total General Government	20,950,283	23,664,974	20,052,769	3,612,205
Public Safety:				
Sheriff	20,909,428	27,498,813	28,067,240	(568,427)
Division of Forestry	34,579	34,580	34,579	1
County Jail Maintenance	743,766	244,400	-	244,400
Detention and Correction	11,799,796	13,831,033	12,650,002	1,181,031
Detention Medical	997,460	-	-	-
Detention and Corrections Other	130,000	-	-	-
Law Enforcement Maintenance	285,841	-	-	-
Law Enforcement Other	4,946,702	-	-	-
Zoning Department	420,213	431,183	370,944	60,239
Local Emergency Management Agency	566,267	6,773,775	628,388	6,145,387
Communications Program	90,508	90,508	88,261	2,247
Information Technology	72,336	72,336	72,336	-
Community Safety	73,075	123,116	102,641	20,475
Ambulance Services	8,384,933	9,322,959	8,399,006	923,953

**HIGHLANDS COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES (CONTINUED)</b>				
Current (Continued):				
Public Safety (Continued):				
Medical Examiner	\$ 473,530	\$ 479,140	\$ 479,131	\$ 9
Children's Advocacy Center	413,907	640,522	447,257	193,265
Total Public Safety	<u>50,342,341</u>	<u>59,542,365</u>	<u>51,339,785</u>	<u>8,202,580</u>
Physical Environment:				
County Extension	343,957	348,639	308,409	40,230
Natural Resources	715,853	820,109	513,800	306,309
Aquatic Plant Program	648,626	663,126	589,779	73,347
Nuisance Abatement	57,000	66,961	45,333	21,628
Critical Infrastructure	-	196,843	145,923	50,920
Total Physical Environment	<u>1,765,436</u>	<u>2,095,678</u>	<u>1,603,244</u>	<u>492,434</u>
Transportation:				
Avon Park Airport	21,445	21,445	20,928	517
Avon Park Southside	136,840	136,840	133,542	3,298
Total Transportation	<u>158,285</u>	<u>158,285</u>	<u>154,470</u>	<u>3,815</u>
Economic Environment:				
Office of Economic Development	363,123	409,326	366,644	42,682
Community Redevelopment - Sebring	656,869	656,869	641,041	15,828
Community Redevelopment - Avon Park	354,360	354,360	345,821	8,539
Community Redevelopment - Lake Placid	105,966	105,966	103,412	2,554
Sebring Regional Airport/Industrial Park	424,016	424,016	413,799	10,217
Veteran Service Office	263,716	264,682	220,271	44,411
Total Economic Environment	<u>2,168,050</u>	<u>2,215,219</u>	<u>2,090,988</u>	<u>124,231</u>
Human Services:				
Health Care Responsibility Act	100,000	65,800	-	65,800
Health Unit	256,535	269,926	269,901	25
Mental Health	530,865	530,865	530,865	-
Public Assistance Programs	83,576	83,458	75,067	8,391
State County Assistance Program	1,637,572	1,671,772	1,671,771	1
Human Services - Project Hope	46,886	46,886	46,886	-
Children's Services Council	30,000	30,000	30,000	-
Transportation for Disadvantaged	198,430	198,430	197,615	815
Community Program Services	42,055	42,055	36,481	5,574
Community Programs	139,159	142,531	141,240	1,291
Healthy Families Grant	460,408	460,921	368,932	91,989
Emergency/Disaster Relief	-	20,138,998	10,427,976	9,711,022
Total Human Services	<u>3,525,486</u>	<u>23,681,642</u>	<u>13,796,734</u>	<u>9,884,908</u>
Culture and Recreation:				
Library - Avon Park	209,350	211,938	209,585	2,353
Library - Sebring	494,247	496,614	475,236	21,378
Library - Lake Placid	243,970	256,811	247,850	8,961
Libraries - Countywide	170,450	349,091	231,658	117,433
Recreation Department	330,000	330,000	330,000	-

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**GENERAL FUND (CONTINUED)**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES (CONTINUED)</b>				
Current (Continued):				
Culture and Recreation (Continued):				
Parks Department	\$ 1,041,310	\$ 1,060,751	\$ 973,206	\$ 87,545
Sports Complex	232,664	238,164	235,830	2,334
Historic District Site Survey	3,880	36,190	31,782	4,408
Heartland Library Cooperative	121,001	122,840	121,584	1,256
Total Culture and Recreation	<u>2,846,872</u>	<u>3,102,399</u>	<u>2,856,731</u>	<u>245,668</u>
Court Related:				
Court General Administration:				
Circuit Court Administration	12,566	17,381	17,070	311
State Attorney	19,196	20,207	19,981	226
Public Defender	8,700	7,450	7,416	34
Law Library	111,643	112,709	112,704	5
Circuit Court Criminal:				
Pre-Trial Release	147,352	137,173	137,168	5
Circuit Court Family:				
Pro Se Services	38,768	40,916	40,910	6
Circuit Court Juvenile:				
Circuit Court Juvenile Guardian Ad Litem	4,052	4,052	3,190	862
Court General Operations:				
General Operations Courthouse Security	1,375,871	1,382,364	1,326,119	56,245
General Operations Courthouse Facilities	201,193	548,654	245,730	302,924
Total Court Related	<u>1,919,341</u>	<u>2,270,906</u>	<u>1,910,288</u>	<u>360,618</u>
Debt Service:				
Principal Retirement	-	166,038	613,048	(447,010)
Interest and Fiscal Charges	-	8,750	25,951	(17,201)
Total Debt Service	<u>-</u>	<u>174,788</u>	<u>638,999</u>	<u>(464,211)</u>
Total Expenditures	<u>83,676,094</u>	<u>116,906,256</u>	<u>94,444,008</u>	<u>22,462,248</u>
<b>EXCESS (DEFICIENCY) OF REVENUES UNDER EXPENDITURES</b>	(2,238,013)	(21,274,382)	6,395,070	27,669,452
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	154,296	152,421	292,521	140,100
Transfers Out	(1,497,098)	(1,597,098)	(1,266,018)	331,080
Leases	-	-	2,854	2,854
SBITAs	-	-	993,188	993,188
Finance Purchase Agreements	-	-	514,410	514,410
Insurance Recoveries	-	14,308	250,334	236,026
Sale of Surplus Properties	1,500,000	1,500,000	342,823	(1,157,177)
Total Other Financing Sources (Uses)	<u>157,198</u>	<u>69,631</u>	<u>1,130,112</u>	<u>1,060,481</u>
<b>NET CHANGE IN FUND BALANCE</b>	(2,080,815)	(21,204,751)	7,525,182	28,729,933
Fund Balances - October 1, 2022	<u>2,080,815</u>	<u>21,204,751</u>	<u>46,238,931</u>	<u>25,034,180</u>
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,764,113</u>	<u>\$ 53,764,113</u>

**HIGHLANDS COUNTY, FLORIDA  
NONMAJOR GOVERNMENTAL FUNDS**

**SPECIAL REVENUE FUNDS**

Special Revenue Funds account for revenues from specific taxes or other earmarked revenue sources which, by law, are restricted to finance particular functions or activities of government which include special benefit districts that account for the cost of street lighting, paving and maintaining streets, water control, fire protection, and recreation within certain benefit areas (districts) of the County. The purpose of the individual funds is depicted as follows:

**Lake Placid Sun-N-Lake Estates Fire District** - To account for assessments relating to fire protection.

**DeSoto City Special Benefit Fire District** - To account for assessments relating to fire protection.

**Orange Villa Special Benefit District** - To account for assessments relating to recreation and street lighting.

**Hickory Hills Special Benefit District** - To account for assessments relating to street maintenance and recreation.

**Placid Lakes Special Benefit District** - To account for assessments relating to maintenance of recreational areas, cleaning canals and fire protection, etc.

**Sebring Country Estates Special Benefit District** - To account for assessments relating to street lighting.

**Avon Park Estates Special Benefit District** - To account for assessments relating to street maintenance.

**Highlands Lakes Special Tax District** - To account for assessments relating to fire protection.

**Highlands Park Special Benefit Fire District** - To account for assessments relating to fire protection.

**Istokpoga Marsh Watershed Improvement District** - The Istokpoga Marsh Watershed Improvement District Fund is a special revenue fund used to account for assessments and federal and state grants relating to water control and improvements for the restoration of the watershed of Lake Okeechobee and the Florida Everglades. The Istokpoga Marsh Watershed Improvement District accounts for the purchase of land and the building of infrastructure through federal and state grants as well as property assessments to create retention areas for excess water for the use of agriculture and to improve water quality of Lake Okeechobee and the Florida Everglades.

**Highlands Park Estates Improvement Trust** - To account for funds available for street maintenance.

**Leisure Lakes Special Benefit Fire District** - To account for assessments relating to fire protection.

**Sebring Hills Special Benefit District** - To account for assessments relating to street lighting.

**Red Hill Farms Improvement District** - To account for assessments relating to constructing road and drainage facilities.

**HIGHLANDS COUNTY, FLORIDA  
NONMAJOR GOVERNMENTAL FUNDS**

**SPECIAL REVENUE FUNDS (CONTINUED)**

**E911 Emergency Operations** - To account for the ongoing fiscal activity relating to the collection and use of the \$.50 user fee for the E911 emergency telephone number system.

**Hospital District** - To account for revenues used exclusively for health services in Highlands County.

**Orange Blossom Estates Special Benefit District** - To account for assessments relating to constructing roads and drainage facilities.

**Sun-N-Lakes of Lake Placid Recreation District** - To account for assessments relating to recreation and street lighting.

**Conservation Trust** - To account for operations relating to land preservation.

**Intergovernmental Radio Communications** - To account for the additional surcharge, up to \$12.50 for each moving traffic violation, to assist in funding the County's participation in the intergovernmental radio communication program approved by the Division of Communications of the Department of Management Services.

**Sebring Acres Special Benefit District** - To account for assessments relating to road construction, drainage, and maintenance.

**Orange Blossom (Unit 12) Special Benefit District** - To account for assessments relating to roads and rights-of-way maintenance, flood and erosion control, water and sewer systems, fire protection, recreational facilities, and street lighting.

**Lake Haven Estates Special Benefit District** - To account for assessments relating to street lighting.

**Lorida Special Benefit Fire District** - To account for assessments relating to fire protection.

**Lake Placid Special Benefit Fire District** - To account for assessments relating to fire protection.

**Law Enforcement Education** - To account for a \$2 court cost added to all fines and forfeitures. These monies can only be used for approved education and training of law enforcement, correctional, and administrative personnel per §318.18(11)(d) and §938.15 FS.

**Building Code Enforcement** - To account for operations of the building department. Financing is provided primarily from building department permits and fees.

**Florida Boating Improvement** - To account for the operation and maintenance of County boat ramps.

**Special Law Enforcement Trust** - To account for the sale of confiscated property. These monies are used for the purchase of equipment and materials to be used in specialized law enforcement activities as well as to defray the cost of protracted or complex investigations.

**Highway Park Special Benefit District** - To account for assessments relating to street lighting.

**HIGHLANDS COUNTY, FLORIDA  
NONMAJOR GOVERNMENTAL FUNDS**

**SPECIAL REVENUE FUNDS (CONTINUED)**

**Affordable Housing Assistance Trust** - To account for the revenues and expenditures of the State Housing Initiatives Partnership which aids low-income persons seeking housing loans.

**Sun-N-Lakes 1-20 Improvement Trust** - To account for funds available for the construction of drainage and paved streets.

**Highlands Park Estates Special Benefit District** - To account for assessments relating to facilities and improvements.

**West Sebring Special Benefit Fire District** - To account for assessments relating to fire protection.

**Driver Education Safety Trust** - To account for funds for driver education programs in schools of Highlands County per §318.1215 FS.

**Tourist Development Trust** - To account for the expenditure of tax revenues collected to promote and assist tourism in Highlands County, Florida.

**Industrial Development Agency** - To account for the revenue and expenditures of the Industrial Development Agency. Revenue sources are primarily from bond issues.

**Domestic Violence Training** - To account for a domestic violence surcharge used to defray the costs of incarcerating persons sentenced under §741.283 FS and provide additional training to law enforcement personnel in combating domestic violence.

**Fire Inspection and Safety** - To account for fees collected to be used for paying the cost of inspections conducted pursuant to §633.216(1) FS and related administrative expenses. This fund also accounts for fire safety enforcement fees and fire safety program fees collected and appropriated for these purposes.

**Venus Special Benefit Fire District** - To account for assessments relating to fire protection.

**Sebring Parkway Maintenance** - To account for the costs associated with the interlocal agreement (July 1, 2003) with the City of Sebring for maintenance of the Sebring Parkway.

**State Court Facilities Trust** - To account for the surcharge imposed per §318.18(13) FS that shall be used to fund state court facilities.

**Innovations and Supplemental Courts Funding Trust** - To account for the additional court cost imposed by §939.185 FS used to fund innovations to supplement state funding for the elements of the state court system identified in §29.004 FS and county funding for local requirements under §29.008(2)(a)2 FS.

**Crime Prevention** - To account for the court cost imposed per §775.083(2) FS for crime prevention programs in the county, including safe neighborhood programs.

**HIGHLANDS COUNTY, FLORIDA  
NONMAJOR GOVERNMENTAL FUNDS**

**SPECIAL REVENUE FUNDS (CONTINUED)**

**Court Technology 28.24(12)(e)1** - To account for recording fees used to fund court related technology and court technology needs for the state trial courts, state attorney, and public defender in the County.

**Court** - To account for the Child Support Enforcement grant activity, which is restricted by the grantor, and bond estreature activity.

**Home Initiatives Partnership** - To account for HUD funds to be used for housing rehabilitation, tenant based rental assistance, assistance to home buyers, acquisition of housing, and new construction of housing.

**Placid Lakes Special Benefit Fire District** - To account for assessments for fire protection.

**Oak Manor Avenue Road Paving Special Benefit District** - To account for assessments relating to paving Oak Manor Avenue.

**Public Records Modernization Trust** - To account for the additional service charges on recorded instruments used exclusively for modernizing the official record keeping systems in the Clerk's office per §28.24(12)(d) FS.

**Teen Court Operations** - To account for assessment of mandatory court costs for the operation and administration of the Highlands County Teen Court Program per §938.19 FS.

**Court Related Technology Modernization Trust** - To account for the recording fees used exclusively to fund court related technology information needs for the Clerk of Courts per §28.24(12)(e) FS.

**Court Services** - To account for court-related filing fees, service charges, fines, court costs, appropriations, and expenses of the Clerk as mandated by §28.35 FS.

**Homeowner's Foreclosure Education Fund** - To account for funds for the purpose of educating the public as to the rights of homeowners regarding foreclosure proceedings.

**Community Donations** - To account for public donations received by the Sheriff's Office.

**Inmate Welfare** - To account for the profits earned from telephone services and commissary services operated within the County jail. Profits are earned from the sales of products such as candy and toothpaste to the inmates. Profits from these sales can only be spent for the benefit of the inmates.

**Thunderbird Hill Wastewater Special Benefit District** - To account for assessments relating to financing the upgrade, construction, and operations of the wastewater infrastructure for the Thunderbird Hills area.

**Highlands County Fire Protection Special Benefit District** - To account for assessments relating to fire protection within the County.

**HIGHLANDS COUNTY, FLORIDA  
NONMAJOR GOVERNMENTAL FUNDS**

**CAPITAL PROJECTS FUND**

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital – related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

**Highlands County Infrastructure Sales Surtax Refunding Revenue Note (HCISSR Construction) -** The HCISSR Construction Fund is a capital projects fund used to account for financial resources to be used for the acquisition and construction of major capital facilities and infrastructure projects (other than those financed by proprietary funds).

**Highlands County Public Improvement Revenue Note (HCIPRN Construction) -** The HCIPRN Construction Fund is a capital projects fund used to account for financial resources to be used for the acquisition and construction of major capital facilities and infrastructure projects (other than those financed by proprietary funds).

**HIGHLANDS COUNTY, FLORIDA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2023**

	Special Revenue Funds									
	Lake Placid Sun-N-Lake Estates Fire District	DeSoto City Special Benefit Fire District	Orange Villa Special Benefit District	Hickory Hills Special Benefit District	Placid Lakes Special Benefit District	Sebring Country Estates Special Benefit District	Avon Park Estates Special Benefit District	Highlands Lakes Special Tax District	Highlands Park Special Benefit Fire District	Istokpoga Marsh Watershed Improve- ment District
<b>ASSETS</b>										
Cash and Cash Equivalents	\$ 43,638	\$ 39,112	\$ 126	\$ -	\$ 380,804	\$ 50,632	\$ 868,096	\$ 2,263	\$ 68,070	\$ 1,122,537
Investments	-	-	-	-	-	-	500,000	-	-	-
Accounts Receivable - Net	-	-	-	-	437	52	12,438	-	-	1,213
Lease Receivable	-	-	-	-	-	-	-	-	-	-
Due from Other Funds	1,166	-	12	-	1,295	122	555	109	25	845
Due from Other Governmental Units	-	-	-	-	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 44,804</b>	<b>\$ 39,112</b>	<b>\$ 138</b>	<b>\$ -</b>	<b>\$ 382,536</b>	<b>\$ 50,806</b>	<b>\$ 1,381,089</b>	<b>\$ 2,372</b>	<b>\$ 68,095</b>	<b>\$ 1,124,595</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>										
Liabilities:										
Vouchers Payable	\$ -	\$ -	\$ 154	\$ -	\$ 11,746	\$ 4,202	\$ 814	\$ -	\$ -	\$ -
Accrued Wages Payable	-	-	-	-	-	-	-	-	-	-
Customer Deposits	-	-	-	-	700	-	-	-	-	-
Due to Other Governmental Units	-	-	-	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-	-	-	1
Due to Others	-	-	-	-	-	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-	1,000,000
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>154</b>	<b>-</b>	<b>12,446</b>	<b>4,202</b>	<b>814</b>	<b>-</b>	<b>-</b>	<b>1,000,001</b>
Deferred Inflows of Resources:										
Unavailable Revenue:										
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund Balances:										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	44,804	39,112	-	-	370,090	46,604	1,380,275	2,372	68,095	124,594
Unassigned	-	-	(16)	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>44,804</b>	<b>39,112</b>	<b>(16)</b>	<b>-</b>	<b>370,090</b>	<b>46,604</b>	<b>1,380,275</b>	<b>2,372</b>	<b>68,095</b>	<b>124,594</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 44,804</b>	<b>\$ 39,112</b>	<b>\$ 138</b>	<b>\$ -</b>	<b>\$ 382,536</b>	<b>\$ 50,806</b>	<b>\$ 1,381,089</b>	<b>\$ 2,372</b>	<b>\$ 68,095</b>	<b>\$ 1,124,595</b>

**HIGHLANDS COUNTY, FLORIDA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
SEPTEMBER 30, 2023**

	Special Revenue Funds									
	Highlands Park Estates Improve- ment Trust	Leisure Lakes Special Benefit Fire District	Sebring Hills Special Benefit District	Red Hill Farms Improve- ment District	E911 Emergency Operations	Hospital District	Orange Blossom Estates Special Benefit District	Sun-N-Lakes of Lake Placid Recreation District	Conservation Trust	Intergov- ernmental Radio Communi- cations
<b>ASSETS</b>										
Cash and Cash Equivalents	\$ 64,359	\$ 131,024	\$ 43,646	\$ 172,516	\$ -	\$ 162,536	\$ 23,619	\$ 96,464	\$ 421,030	\$ -
Investments	-	-	-	-	-	-	-	-	-	-
Accounts Receivable - Net	68	-	47	179	-	179	26	123	436	-
Lease Receivable	-	-	-	-	-	-	-	-	-	125,818
Due from Other Funds	-	238	117	908	178,506	-	-	4,312	-	4,685
Due from Other Governmental Units	-	-	-	-	932,661	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 64,427</b>	<b>\$ 131,262</b>	<b>\$ 43,810</b>	<b>\$ 173,603</b>	<b>\$ 1,111,167</b>	<b>\$ 162,715</b>	<b>\$ 23,645</b>	<b>\$ 100,899</b>	<b>\$ 421,466</b>	<b>\$ 130,503</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>										
Liabilities:										
Vouchers Payable	\$ -	\$ -	\$ 1,984	\$ -	\$ 129,927	\$ 2,222	\$ 23	\$ 4,071	\$ -	\$ -
Accrued Wages Payable	-	-	-	-	-	-	-	-	-	-
Customer Deposits	-	-	-	-	-	-	-	2,281	-	-
Due to Other Governmental Units	-	-	-	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	783,449	-	-	-	-	4,518
Due to Others	-	-	-	-	-	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>1,984</b>	<b>-</b>	<b>913,376</b>	<b>2,222</b>	<b>23</b>	<b>6,352</b>	<b>-</b>	<b>4,518</b>
Deferred Inflows of Resources:										
Unavailable Revenue:										
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	854,468	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	121,387
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>854,468</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>121,387</b>
Fund Balances:										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	64,427	131,262	41,826	173,603	-	160,493	23,622	94,547	421,466	4,598
Unassigned	-	-	-	-	(656,677)	-	-	-	-	-
<b>Total Fund Balances</b>	<b>64,427</b>	<b>131,262</b>	<b>41,826</b>	<b>173,603</b>	<b>(656,677)</b>	<b>160,493</b>	<b>23,622</b>	<b>94,547</b>	<b>421,466</b>	<b>4,598</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 64,427</b>	<b>\$ 131,262</b>	<b>\$ 43,810</b>	<b>\$ 173,603</b>	<b>\$ 1,111,167</b>	<b>\$ 162,715</b>	<b>\$ 23,645</b>	<b>\$ 100,899</b>	<b>\$ 421,466</b>	<b>\$ 130,503</b>

**HIGHLANDS COUNTY, FLORIDA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
SEPTEMBER 30, 2023**

	Special Revenue Funds									
	Sebring Acres Special Benefit District	Orange Blossom (Unit 12) Special Benefit District	Lake Haven Estates Special Benefit District	Lorida Special Benefit Fire District	Lake Placid Special Benefit Fire District	Law Enforcement Education	Building Code Enforcement	Florida Boating Improvement	Special Law Enforcement Trust	Highway Park Special Benefit District
<b>ASSETS</b>										
Cash and Cash Equivalents	\$ 205,991	\$ 8,822	\$ 31,235	\$ 3,429	\$ 432,964	\$ 335,171	\$ 1,756,281	\$ 325,473	\$ 332,428	\$ 36,299
Investments	-	-	-	-	-	-	3,500,000	-	-	-
Accounts Receivable - Net	216	9	34	-	453	347	44,901	336	503	40
Lease Receivable	-	-	-	-	-	-	-	-	-	-
Due from Other Funds	60	-	62	1	18	2,039	-	2,382	-	44
Due from Other Governmental Units	-	-	-	-	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 206,267</b>	<b>\$ 8,831</b>	<b>\$ 31,331</b>	<b>\$ 3,430</b>	<b>\$ 433,435</b>	<b>\$ 337,557</b>	<b>\$ 5,301,182</b>	<b>\$ 328,191</b>	<b>\$ 332,931</b>	<b>\$ 36,383</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>										
Liabilities:										
Vouchers Payable	\$ 214	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ 3,368	\$ -	\$ 35,000	\$ 655
Accrued Wages Payable	-	-	-	-	-	-	15,105	-	-	-
Customer Deposits	-	-	-	-	-	-	-	-	-	-
Due to Other Governmental Units	-	-	-	-	-	-	14,796	-	-	-
Due to Other Funds	-	-	-	-	-	-	360	-	-	-
Due to Others	-	-	-	-	-	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>214</b>	<b>-</b>	<b>1,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,629</b>	<b>-</b>	<b>35,000</b>	<b>655</b>
Deferred Inflows of Resources:										
Unavailable Revenue:										
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund Balances:										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	206,053	8,831	30,331	3,430	433,435	337,557	5,267,553	328,191	297,931	35,728
Unassigned	-	-	-	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>206,053</b>	<b>8,831</b>	<b>30,331</b>	<b>3,430</b>	<b>433,435</b>	<b>337,557</b>	<b>5,267,553</b>	<b>328,191</b>	<b>297,931</b>	<b>35,728</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 206,267</b>	<b>\$ 8,831</b>	<b>\$ 31,331</b>	<b>\$ 3,430</b>	<b>\$ 433,435</b>	<b>\$ 337,557</b>	<b>\$ 5,301,182</b>	<b>\$ 328,191</b>	<b>\$ 332,931</b>	<b>\$ 36,383</b>

**HIGHLANDS COUNTY, FLORIDA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
SEPTEMBER 30, 2023**

Special Revenue Funds

	Affordable Housing Assistance Trust	Sun-N-Lakes 1 - 20 Improvement Trust	Highlands Park Estates Special Benefit District	West Sebring Special Benefit Fire District	Driver Education Safety Trust	Tourist Development Trust	Industrial Development Agency	Domestic Violence Training	Fire Inspection and Safety
<b>ASSETS</b>									
Cash and Cash Equivalents	\$ 2,102,184	\$ 62,665	\$ 122,331	\$ 95,231	\$ 86,209	\$ 2,292,562	\$ 1,083	\$ 135,903	\$ 136,500
Investments	-	-	-	-	-	1,500,000	-	-	-
Accounts Receivable - Net	1,439	65	135	-	87	36,138	1	141	139
Lease Receivable	-	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	899	507	2,559	-	-	402	-
Due from Other Governmental Units	813,714	-	-	-	-	223,744	-	-	-
Prepaid Items	15,000	-	-	-	-	9,267	-	-	-
<b>Total Assets</b>	<b>\$ 2,932,337</b>	<b>\$ 62,730</b>	<b>\$ 123,365</b>	<b>\$ 95,738</b>	<b>\$ 88,855</b>	<b>\$ 4,061,711</b>	<b>\$ 1,084</b>	<b>\$ 136,446</b>	<b>\$ 136,639</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>									
Liabilities:									
Vouchers Payable	\$ 22,720	\$ -	\$ 2,042	\$ -	\$ -	\$ 62,818	\$ -	\$ -	\$ 119
Accrued Wages Payable	1,983	-	-	-	-	985	-	-	-
Customer Deposits	-	-	2,421	-	-	-	-	-	-
Due to Other Governmental Units	523	-	-	-	-	-	-	-	-
Due to Other Funds	47	-	1	-	-	393	-	-	1
Due to Others	-	-	-	-	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>25,273</b>	<b>-</b>	<b>4,464</b>	<b>-</b>	<b>-</b>	<b>64,196</b>	<b>-</b>	<b>-</b>	<b>120</b>
Deferred Inflows of Resources:									
Unavailable Revenue:									
Intergovernmental	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund Balances:									
Nonspendable	15,000	-	-	-	-	9,267	-	-	-
Restricted	2,892,064	62,730	118,901	95,738	88,855	3,988,248	1,084	136,446	136,519
Unassigned	-	-	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>2,907,064</b>	<b>62,730</b>	<b>118,901</b>	<b>95,738</b>	<b>88,855</b>	<b>3,997,515</b>	<b>1,084</b>	<b>136,446</b>	<b>136,519</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 2,932,337</b>	<b>\$ 62,730</b>	<b>\$ 123,365</b>	<b>\$ 95,738</b>	<b>\$ 88,855</b>	<b>\$ 4,061,711</b>	<b>\$ 1,084</b>	<b>\$ 136,446</b>	<b>\$ 136,639</b>

**HIGHLANDS COUNTY, FLORIDA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
SEPTEMBER 30, 2023**

	Special Revenue Funds								
	Venus Special Benefit Fire District	Sebring Parkway Maintenance	State Court Facilities Trust	Innovations and Supplemental Courts Funding Trust	Crime Prevention	Court Tech 28.24(12)(e)1	Court	Home Initiatives Partnership	Placid Lakes Special Benefit Fire District
<b>ASSETS</b>									
Cash and Cash Equivalents	\$ 47,256	\$ 1,449,510	\$ -	\$ 20,643	\$ 164,953	\$ 125,347	\$ 259,104	\$ 550	\$ 694
Investments	-	-	-	-	-	-	-	-	-
Accounts Receivable - Net	-	915	-	61	170	1,885	3,036	1	-
Lease Receivable	-	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	26,264	5,828	28,994	15,048	-	-	-
Due from Other Governmental Units	-	28,593	-	-	-	-	61,707	-	-
Prepaid Items	-	1,685	5,399	-	-	16,058	-	-	-
<b>Total Assets</b>	<b>\$ 47,256</b>	<b>\$ 1,480,703</b>	<b>\$ 31,663</b>	<b>\$ 26,532</b>	<b>\$ 194,117</b>	<b>\$ 158,338</b>	<b>\$ 323,847</b>	<b>\$ 551</b>	<b>\$ 694</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>									
Liabilities:									
Vouchers Payable	\$ -	\$ 12,905	\$ 8,434	\$ 6,382	\$ -	\$ 41,887	\$ 480	\$ -	\$ -
Accrued Wages Payable	-	-	980	-	-	2,914	8,751	-	-
Customer Deposits	-	-	-	-	-	-	-	-	-
Due to Other Governmental Units	-	69	-	-	-	5,797	-	-	-
Due to Other Funds	-	-	15,522	-	-	-	151,116	-	-
Due to Others	-	-	-	-	-	-	163,500	-	-
Advances from Other Funds	-	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>12,974</b>	<b>24,936</b>	<b>6,382</b>	<b>-</b>	<b>50,598</b>	<b>323,847</b>	<b>-</b>	<b>-</b>
Deferred Inflows of Resources:									
Unavailable Revenue:									
Intergovernmental	-	-	-	-	-	-	31,815	-	-
Charges for Services	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31,815</b>	<b>-</b>	<b>-</b>
Fund Balances:									
Nonspendable	-	1,685	5,399	-	-	16,058	-	-	-
Restricted	47,256	1,466,044	1,328	20,150	194,117	91,682	-	551	694
Unassigned	-	-	-	-	-	-	(31,815)	-	-
<b>Total Fund Balances</b>	<b>47,256</b>	<b>1,467,729</b>	<b>6,727</b>	<b>20,150</b>	<b>194,117</b>	<b>107,740</b>	<b>(31,815)</b>	<b>551</b>	<b>694</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 47,256</b>	<b>\$ 1,480,703</b>	<b>\$ 31,663</b>	<b>\$ 26,532</b>	<b>\$ 194,117</b>	<b>\$ 158,338</b>	<b>\$ 323,847</b>	<b>\$ 551</b>	<b>\$ 694</b>

**HIGHLANDS COUNTY, FLORIDA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
SEPTEMBER 30, 2023**

Special Revenue Funds

	Oak Manor Avenue Road Paving District	Public Records Modernization Trust	Teen Court Operations	Court Related Technology Modernization Trust	Court Services	Homeowner's Foreclosure Education	Community Donations	Inmate Welfare	Impact Fee Parks and Recreation Avon Park
<b>ASSETS</b>									
Cash and Cash Equivalents	\$ -	\$ 491,610	\$ 16,629	\$ 255,007	\$ 212,789	\$ 1,013	\$ 154,470	\$ 1,506,678	\$ 4,964
Investments	-	-	-	-	-	-	-	-	-
Accounts Receivable - Net	-	548	20	349	1,403	-	-	500,000	-
Lease Receivable	-	-	-	-	-	-	-	-	-
Due from Other Funds	27	-	-	-	-	-	-	-	-
Due from Other Governmental Units	-	-	-	-	25,883	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 27</b>	<b>\$ 492,158</b>	<b>\$ 16,649</b>	<b>\$ 255,356</b>	<b>\$ 240,075</b>	<b>\$ 1,013</b>	<b>\$ 154,470</b>	<b>\$ 2,006,678</b>	<b>\$ 4,964</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>									
Liabilities:									
Vouchers Payable	\$ -	\$ -	\$ -	\$ -	\$ 2,450	\$ -	\$ -	\$ 1,997	\$ -
Accrued Wages Payable	-	-	385	4,970	76,613	-	-	542	-
Customer Deposits	-	-	-	-	-	-	-	-	-
Due to Other Governmental Units	-	-	-	-	161,015	-	-	-	-
Due to Other Funds	4,441	-	-	-	-	-	-	-	-
Due to Others	-	-	-	-	-	-	-	-	-
Advances from Other Funds	25,490	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>29,931</b>	<b>-</b>	<b>385</b>	<b>4,970</b>	<b>240,078</b>	<b>-</b>	<b>-</b>	<b>2,539</b>	<b>-</b>
Deferred Inflows of Resources:									
Unavailable Revenue:									
Intergovernmental	-	-	-	-	27,383	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,383</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund Balances:									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	492,158	16,264	250,386	-	1,013	154,470	2,004,139	4,964
Unassigned	(29,904)	-	-	-	(27,386)	-	-	-	-
<b>Total Fund Balances</b>	<b>(29,904)</b>	<b>492,158</b>	<b>16,264</b>	<b>250,386</b>	<b>(27,386)</b>	<b>1,013</b>	<b>154,470</b>	<b>2,004,139</b>	<b>4,964</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 27</b>	<b>\$ 492,158</b>	<b>\$ 16,649</b>	<b>\$ 255,356</b>	<b>\$ 240,075</b>	<b>\$ 1,013</b>	<b>\$ 154,470</b>	<b>\$ 2,006,678</b>	<b>\$ 4,964</b>

**HIGHLANDS COUNTY, FLORIDA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
SEPTEMBER 30, 2023**

	Capital Projects Fund				Total All Nonmajor Governmental Funds
	Thunderbird Hill Waste Water Special Benefit District	Highlands County Fire Protection Special Benefit District	HCISRR Construction	HCPIRN Construction	
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 77,665	\$ 1,190,711	\$ 7,688,353	\$ 2,237,389	\$ 28,098,568
Investments	-	1,500,000	2,777,473	387,894	10,165,367
Accounts Receivable - Net	82	103,285	50,944	1,083	763,964
Lease Receivable	-	-	-	-	125,818
Due from Other Funds	100	58,633	-	-	336,762
Due from Other Governmental Units	-	4,889	-	-	2,091,191
Prepaid Items	-	1,104,261	-	-	1,151,670
<b>Total Assets</b>	<b>\$ 77,847</b>	<b>\$ 3,961,779</b>	<b>\$ 10,516,770</b>	<b>\$ 2,626,366</b>	<b>\$ 42,733,340</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
Liabilities:					
Vouchers Payable	\$ -	\$ 102,794	\$ 17,413	\$ 55,307	\$ 533,128
Accrued Wages Payable	-	73,008	-	-	186,236
Customer Deposits	-	-	-	-	5,402
Due to Other Governmental Units	-	1,058	-	-	183,258
Due to Other Funds	-	11,447	-	-	971,296
Due to Others	-	-	-	-	163,500
Advances from Other Funds	29,246	-	-	-	54,736
Unearned Revenue	-	-	-	-	1,000,000
<b>Total Liabilities</b>	<b>29,246</b>	<b>188,307</b>	<b>17,413</b>	<b>55,307</b>	<b>3,097,556</b>
Deferred Inflows of Resources:					
Unavailable Revenue:					
Intergovernmental	-	-	-	-	59,198
Charges for Services	-	2,250	-	-	856,718
Leases	-	-	-	-	121,387
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>2,250</b>	<b>-</b>	<b>-</b>	<b>1,037,303</b>
Fund Balances:					
Nonspendable	-	1,104,261	-	-	1,151,670
Restricted	48,601	2,666,961	10,499,357	2,571,059	38,192,609
Unassigned	-	-	-	-	(745,798)
<b>Total Fund Balances</b>	<b>48,601</b>	<b>3,771,222</b>	<b>10,499,357</b>	<b>2,571,059</b>	<b>38,598,481</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 77,847</b>	<b>\$ 3,961,779</b>	<b>\$ 10,516,770</b>	<b>\$ 2,626,366</b>	<b>\$ 42,733,340</b>

**HIGHLANDS COUNTY, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Special Revenue Funds									
	Lake Placid Sun-N-Lake Estates Fire District	DeSoto City Special Benefit Fire District	Orange Villa Special Benefit District	Hickory Hills Special Benefit District	Placid Lakes Special Benefit District	Sebring Country Estates Special Benefit District	Avon Park Estates Special Benefit District	Highlands Lakes Special Tax District	Highlands Park Special Benefit Fire District	Istokpoga Marsh Watershed Improve- ment District
<b>REVENUES</b>										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	310	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-	-	-	-	-
Assessments	28,022	-	2,038	-	171,437	20,974	90,692	1,160	603	145,616
Net Change in Fair Value of Investments	167	218	16	(15)	8,835	1,079	43,466	9	380	22,213
Miscellaneous	-	-	-	-	520	-	-	-	-	9,448
<b>Total Revenues</b>	<b>28,189</b>	<b>218</b>	<b>2,054</b>	<b>(15)</b>	<b>181,102</b>	<b>22,053</b>	<b>134,158</b>	<b>1,169</b>	<b>983</b>	<b>177,277</b>
<b>EXPENDITURES</b>										
Current:										
General Government	-	-	-	-	-	-	-	-	-	-
Public Safety	3,500	-	-	-	-	-	-	-	-	-
Physical Environment	-	-	-	-	-	-	-	-	-	140,457
Transportation	-	-	2,031	-	233,683	25,301	116,709	-	-	-
Economic Environment	-	-	-	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-	-	-
Court Related	-	-	-	-	-	-	-	-	-	-
Debt Service:										
Principal Retirement	-	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>3,500</b>	<b>-</b>	<b>2,031</b>	<b>-</b>	<b>233,683</b>	<b>25,301</b>	<b>116,709</b>	<b>-</b>	<b>-</b>	<b>140,457</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>24,689</b>	<b>218</b>	<b>23</b>	<b>(15)</b>	<b>(52,581)</b>	<b>(3,248)</b>	<b>17,449</b>	<b>1,169</b>	<b>983</b>	<b>36,820</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers In	-	-	-	-	-	-	-	-	-	-
Transfers Out	(10,720)	-	-	-	-	-	-	(235)	(246)	-
Leases	-	-	-	-	-	-	-	-	-	-
SBITA	-	-	-	-	-	-	-	-	-	-
Sale of Surplus Assets	-	-	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(10,720)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(235)</b>	<b>(246)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>13,969</b>	<b>218</b>	<b>23</b>	<b>(15)</b>	<b>(52,581)</b>	<b>(3,248)</b>	<b>17,449</b>	<b>934</b>	<b>737</b>	<b>36,820</b>
Fund Balances - October 1, 2022	30,835	38,894	(39)	15	422,671	49,852	1,362,826	1,438	67,358	87,774
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<b>\$ 44,804</b>	<b>\$ 39,112</b>	<b>\$ (16)</b>	<b>\$ -</b>	<b>\$ 370,090</b>	<b>\$ 46,604</b>	<b>\$ 1,380,275</b>	<b>\$ 2,372</b>	<b>\$ 68,095</b>	<b>\$ 124,594</b>

**HIGHLANDS COUNTY, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Highlands Park Estates Improve- ment Trust	Leisure Lakes Special Benefit Fire District	Sebring Hills Special Benefit District	Red Hill Farms Improve- ment District	E911 Emergency Operations	Hospital District	Orange Blossom Estates Special Benefit District	Sun-N-Lakes of Lake Placid Recreation District	Conserva- tion Trust	Intergov- ernmental Radio Communi- cations
<b>REVENUES</b>										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	46,930	260,000	-	-	-	-
Charges for Services	-	-	-	-	462,386	-	-	205	75,985	51,800
Fines and Forfeitures	-	-	-	-	-	-	-	-	-	-
Assessments	-	2,966	20,166	9,193	-	-	-	189,096	-	-
Net Change in Fair Value of Investments	1,205	724	1,007	3,169	-	3,503	445	1,873	8,282	4,000
Miscellaneous	-	-	-	-	-	-	-	450	-	45,671
<b>Total Revenues</b>	<b>1,205</b>	<b>3,690</b>	<b>21,173</b>	<b>12,362</b>	<b>509,316</b>	<b>263,503</b>	<b>445</b>	<b>191,624</b>	<b>84,267</b>	<b>101,471</b>
<b>EXPENDITURES</b>										
Current:										
General Government	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	1,858,812	-	-	-	-	399,834
Physical Environment	-	-	-	-	-	-	-	-	74,246	-
Transportation	-	-	25,122	804	-	-	271	-	-	-
Economic Environment	-	-	-	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	242,698	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	123,154	-	-
Court Related	-	-	-	-	-	-	-	-	-	-
Debt Service:										
Principal Retirement	-	-	-	-	594,529	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	10,091	-	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>25,122</b>	<b>804</b>	<b>2,463,432</b>	<b>242,698</b>	<b>271</b>	<b>123,154</b>	<b>74,246</b>	<b>399,834</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,205</b>	<b>3,690</b>	<b>(3,949)</b>	<b>11,558</b>	<b>(1,954,116)</b>	<b>20,805</b>	<b>174</b>	<b>68,470</b>	<b>10,021</b>	<b>(298,363)</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers In	-	-	-	-	666,782	-	-	-	-	299,468
Transfers Out	-	(1,219)	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-
SBITA	-	-	-	-	594,529	-	-	-	-	-
Sale of Surplus Assets	-	-	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(1,219)</b>	<b>-</b>	<b>-</b>	<b>1,261,311</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>299,468</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>1,205</b>	<b>2,471</b>	<b>(3,949)</b>	<b>11,558</b>	<b>(692,805)</b>	<b>20,805</b>	<b>174</b>	<b>68,470</b>	<b>10,021</b>	<b>1,105</b>
Fund Balances - October 1, 2022	63,222	128,791	45,775	162,045	36,128	139,688	23,448	26,077	411,445	3,493
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<b>\$ 64,427</b>	<b>\$ 131,262</b>	<b>\$ 41,826</b>	<b>\$ 173,603</b>	<b>\$ (656,677)</b>	<b>\$ 160,493</b>	<b>\$ 23,622</b>	<b>\$ 94,547</b>	<b>\$ 421,466</b>	<b>\$ 4,598</b>

**HIGHLANDS COUNTY, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Special Revenue Funds									
	Sebring Acres Special Benefit District	Orange Blossom (Unit 12) Special Benefit District	Lake Haven Estates Special Benefit District	Lorida Special Benefit Fire District	Lake Placid Special Benefit Fire District	Law Enforcement Education	Building Code Enforce- ment	Florida Boating Improve- ment	Special Law Enforce- ment Trust	Highway Park Special Benefit District
<b>REVENUES</b>										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-	1,972,583	-	-	-
Intergovernmental	-	-	-	-	-	-	-	36,925	230,108	-
Charges for Services	-	-	-	-	-	21,372	257,917	-	-	-
Fines and Forfeitures	-	-	-	-	-	-	-	-	-	-
Assessments	9,942	-	10,627	1,108	66	-	-	-	-	7,057
Net Change in Fair Value of Investments	3,826	165	673	17	8,157	6,052	162,105	5,716	6,149	713
Miscellaneous	-	-	-	-	-	-	5,631	-	-	-
<b>Total Revenues</b>	<b>13,768</b>	<b>165</b>	<b>11,300</b>	<b>1,125</b>	<b>8,223</b>	<b>27,424</b>	<b>2,398,236</b>	<b>42,641</b>	<b>236,257</b>	<b>7,770</b>
<b>EXPENDITURES</b>										
Current:										
General Government	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	3,788	-	1,304,201	-	216,790	-
Physical Environment	-	-	-	-	-	-	-	-	-	-
Transportation	3,509	-	12,700	-	-	-	-	-	-	8,338
Economic Environment	-	-	-	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	1,333	-	-
Court Related	-	-	-	-	-	-	-	-	-	-
Debt Service:										
Principal Retirement	-	-	-	-	-	-	6,451	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	49	-	-	-
<b>Total Expenditures</b>	<b>3,509</b>	<b>-</b>	<b>12,700</b>	<b>-</b>	<b>3,788</b>	<b>-</b>	<b>1,310,701</b>	<b>1,333</b>	<b>216,790</b>	<b>8,338</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>10,259</b>	<b>165</b>	<b>(1,400)</b>	<b>1,125</b>	<b>4,435</b>	<b>27,424</b>	<b>1,087,535</b>	<b>41,308</b>	<b>19,467</b>	<b>(568)</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers In	-	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	(360)	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-
SBITA	-	-	-	-	-	-	19,232	-	-	-
Sale of Surplus Assets	-	-	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(360)</b>	<b>-</b>	<b>-</b>	<b>19,232</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>10,259</b>	<b>165</b>	<b>(1,400)</b>	<b>765</b>	<b>4,435</b>	<b>27,424</b>	<b>1,106,767</b>	<b>41,308</b>	<b>19,467</b>	<b>(568)</b>
Fund Balances - October 1, 2022	195,794	8,666	31,731	2,665	429,000	310,133	4,160,786	286,883	278,464	36,296
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<b>\$ 206,053</b>	<b>\$ 8,831</b>	<b>\$ 30,331</b>	<b>\$ 3,430</b>	<b>\$ 433,435</b>	<b>\$ 337,557</b>	<b>\$ 5,267,553</b>	<b>\$ 328,191</b>	<b>\$ 297,931</b>	<b>\$ 35,728</b>

**HIGHLANDS COUNTY, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Special Revenue Funds								
	Affordable Housing Assistance Trust	Sun-N-Lakes 1 - 20 Improvement Trust	Highlands Park Estates Special Benefit District	West Sebring Special Benefit Fire District	Driver Education Safety Trust	Tourist Development Trust	Industrial Development Agency	Domestic Violence Training	Fire Inspection and Safety
<b>REVENUES</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,838,830	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-	-	-	650
Intergovernmental	1,783,839	-	-	-	-	23,129	-	-	-
Charges for Services	322,453	-	1,620	-	26,719	-	-	8,013	16,545
Fines and Forfeitures	-	-	-	-	-	-	-	-	-
Assessments	-	-	66,244	10,998	-	-	-	-	-
Net Change in Fair Value of Investments	44,456	1,172	2,723	485	1,338	94,996	20	2,452	3,076
Miscellaneous	-	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>2,150,748</b>	<b>1,172</b>	<b>70,587</b>	<b>11,483</b>	<b>28,057</b>	<b>1,956,955</b>	<b>20</b>	<b>10,465</b>	<b>20,271</b>
<b>EXPENDITURES</b>									
Current:									
General Government	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	52,648
Physical Environment	-	-	-	-	-	2,699	-	-	-
Transportation	-	-	49,072	-	-	-	-	-	-
Economic Environment	1,060,292	-	-	-	-	923,466	-	-	-
Human Services	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-	-
Court Related	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal Retirement	-	-	-	-	-	46	-	-	-
Interest and Fiscal Charges	-	-	851	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>1,060,292</b>	<b>-</b>	<b>49,923</b>	<b>-</b>	<b>-</b>	<b>926,211</b>	<b>-</b>	<b>-</b>	<b>52,648</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,090,456</b>	<b>1,172</b>	<b>20,664</b>	<b>11,483</b>	<b>28,057</b>	<b>1,030,744</b>	<b>20</b>	<b>10,465</b>	<b>(32,377)</b>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	(1,964)	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-
SBITA	-	-	-	-	-	-	-	-	-
Sale of Surplus Assets	-	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,964)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>1,090,456</b>	<b>1,172</b>	<b>20,664</b>	<b>9,519</b>	<b>28,057</b>	<b>1,030,744</b>	<b>20</b>	<b>10,465</b>	<b>(32,377)</b>
Fund Balances - October 1, 2022	1,816,608	61,558	98,237	86,219	60,798	2,966,771	1,064	125,981	168,896
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<b>\$ 2,907,064</b>	<b>\$ 62,730</b>	<b>\$ 118,901</b>	<b>\$ 95,738</b>	<b>\$ 88,855</b>	<b>\$ 3,997,515</b>	<b>\$ 1,084</b>	<b>\$ 136,446</b>	<b>\$ 136,519</b>

**HIGHLANDS COUNTY, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Special Revenue Funds								
	Venus Special Benefit Fire District	Sebring Parkway Maintenance	State Court Facilities Trust	Innovations and Supplemental Courts Funding Trust	Crime Prevention	Court Tech 28.24(12)(e)1	Court	Home Initiatives Partnership	Placid Lakes Special Benefit Fire District
<b>REVENUES</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-	-	-	-
Intergovernmental	-	84,415	-	-	-	25,000	389,896	-	-
Charges for Services	-	-	163,880	79,908	35,444	201,522	-	-	-
Fines and Forfeitures	-	-	-	-	531	-	-	-	-
Assessments	-	-	-	-	-	-	-	-	624
Net Change in Fair Value of Investments	262	32,041	55	828	2,616	847	2,926	11	3
Miscellaneous	-	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>262</b>	<b>116,456</b>	<b>163,935</b>	<b>80,736</b>	<b>38,591</b>	<b>227,369</b>	<b>392,822</b>	<b>11</b>	<b>627</b>
<b>EXPENDITURES</b>									
Current:									
General Government	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	34,688	-	-	-	-
Physical Environment	-	-	-	-	-	-	-	-	-
Transportation	-	87,957	-	-	-	-	-	-	-
Economic Environment	-	-	-	-	-	-	-	71	-
Human Services	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-	-
Court Related	-	-	208,344	102,431	-	410,871	273,521	-	-
Debt Service:									
Principal Retirement	-	-	1,202	-	-	93	-	-	-
Interest and Fiscal Charges	-	-	16	-	-	1	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>87,957</b>	<b>209,562</b>	<b>102,431</b>	<b>34,688</b>	<b>410,965</b>	<b>273,521</b>	<b>71</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>262</b>	<b>28,499</b>	<b>(45,627)</b>	<b>(21,695)</b>	<b>3,903</b>	<b>(183,596)</b>	<b>119,301</b>	<b>(60)</b>	<b>627</b>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	-	158,000	75,000	38,262	-	186,506	-	-	-
Transfers Out	-	-	(16,394)	(20,001)	-	-	(151,116)	-	(487)
Leases	-	-	-	-	-	-	-	-	-
SBITA	-	-	-	-	-	-	-	-	-
Sale of Surplus Assets	-	-	-	-	-	251	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>158,000</b>	<b>58,606</b>	<b>18,261</b>	<b>-</b>	<b>186,757</b>	<b>(151,116)</b>	<b>-</b>	<b>(487)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>262</b>	<b>186,499</b>	<b>12,979</b>	<b>(3,434)</b>	<b>3,903</b>	<b>3,161</b>	<b>(31,815)</b>	<b>(60)</b>	<b>140</b>
Fund Balances - October 1, 2022	46,994	1,281,230	(6,252)	23,584	190,214	104,579	-	611	554
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<b>\$ 47,256</b>	<b>\$ 1,467,729</b>	<b>\$ 6,727</b>	<b>\$ 20,150</b>	<b>\$ 194,117</b>	<b>\$ 107,740</b>	<b>\$ (31,815)</b>	<b>\$ 551</b>	<b>\$ 694</b>

**HIGHLANDS COUNTY, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Special Revenue Funds								
	Oak Manor Avenue Road Paving	Public Records Modernization Trust	Teen Court Operations	Court Related Technology Modernization Trust	Court Services	Homeowner's Foreclosure Education	Community Donations	Inmate Welfare	Impact Fee Parks and Recreation Avon Park
<b>REVENUES</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	341,264	-	-	-	-
Charges for Services	-	68,762	19,496	188,881	1,215,543	308	-	-	-
Fines and Forfeitures	-	-	-	-	597,470	-	-	-	-
Assessments	4,429	-	-	-	-	-	-	-	-
Net Change in Fair Value of Investments	-	9,438	241	4,651	18,202	16	-	-	76
Miscellaneous	-	23,156	-	7,975	39	-	49,078	628,961	-
<b>Total Revenues</b>	<b>4,429</b>	<b>101,356</b>	<b>19,737</b>	<b>201,507</b>	<b>2,172,518</b>	<b>324</b>	<b>49,078</b>	<b>628,961</b>	<b>76</b>
<b>EXPENDITURES</b>									
Current:									
General Government	-	3,000	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	22,924	171,704	-
Physical Environment	-	-	-	-	-	-	-	-	-
Transportation	417	-	-	-	-	-	-	-	-
Economic Environment	-	-	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-	-
Court Related	-	-	12,273	237,679	2,213,100	-	-	-	-
Debt Service:									
Principal Retirement	-	-	-	-	5,997	-	-	-	-
Interest and Fiscal Charges	862	-	-	-	572	-	-	-	-
<b>Total Expenditures</b>	<b>1,279</b>	<b>3,000</b>	<b>12,273</b>	<b>237,679</b>	<b>2,219,669</b>	<b>-</b>	<b>22,924</b>	<b>171,704</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>3,150</b>	<b>98,356</b>	<b>7,464</b>	<b>(36,172)</b>	<b>(47,151)</b>	<b>324</b>	<b>26,154</b>	<b>457,257</b>	<b>76</b>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	19,765	-	-	-	-
SBITA	-	-	-	-	-	-	-	-	-
Sale of Surplus Assets	-	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,765</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>3,150</b>	<b>98,356</b>	<b>7,464</b>	<b>(36,172)</b>	<b>(27,386)</b>	<b>324</b>	<b>26,154</b>	<b>457,257</b>	<b>76</b>
Fund Balances - October 1, 2022	(33,054)	393,802	8,800	286,558	-	689	128,316	1,546,882	4,888
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<b>\$ (29,904)</b>	<b>\$ 492,158</b>	<b>\$ 16,264</b>	<b>\$ 250,386</b>	<b>\$ (27,386)</b>	<b>\$ 1,013</b>	<b>\$ 154,470</b>	<b>\$ 2,004,139</b>	<b>\$ 4,964</b>

**HIGHLANDS COUNTY, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Special Revenue Funds		Capital Projects Funds		Total All Nonmajor Governmental Funds
	Thunderbird Hill Waste Water Special Benefit District	Highlands County Fire Protection Special Benefit District	HCISSR Construction	HCPIRN Construction	
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,838,830
Licenses and Permits	-	-	-	-	1,973,233
Intergovernmental	-	12,159	-	-	3,233,665
Charges for Services	-	-	-	-	3,219,069
Fines and Forfeitures	-	-	-	-	598,001
Assessments	17,169	6,905,619	-	-	7,715,846
Net Change in Fair Value of Investments	1,548	285,689	436,535	93,423	1,334,275
Miscellaneous	-	5,465	-	-	776,394
<b>Total Revenues</b>	<b>18,717</b>	<b>7,208,932</b>	<b>436,535</b>	<b>93,423</b>	<b>20,689,313</b>
<b>EXPENDITURES</b>					
Current:					
General Government	-	-	-	-	3,000
Public Safety	-	6,903,227	48,187	128,407	11,148,710
Physical Environment	1,617	-	-	-	219,019
Transportation	-	-	-	-	565,914
Economic Environment	-	-	-	-	1,983,829
Human Services	-	-	-	-	242,698
Culture and Recreation	-	-	-	-	124,487
Court Related	-	-	-	-	3,458,219
Debt Service:					
Principal Retirement	-	358,886	-	-	967,204
Interest and Fiscal Charges	869	99,996	-	-	113,307
<b>Total Expenditures</b>	<b>2,486</b>	<b>7,362,109</b>	<b>48,187</b>	<b>128,407</b>	<b>18,826,387</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>16,231</b>	<b>(153,177)</b>	<b>388,348</b>	<b>(34,984)</b>	<b>1,862,926</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	15,231	-	-	1,439,249
Transfers Out	-	-	-	-	(202,742)
Leases	-	-	-	-	19,765
SBITA	-	-	-	-	613,761
Sale of Surplus Assets	-	3,864	-	-	4,115
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>19,095</b>	<b>-</b>	<b>-</b>	<b>1,874,148</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>16,231</b>	<b>(134,082)</b>	<b>388,348</b>	<b>(34,984)</b>	<b>3,737,074</b>
Fund Balances - October 1, 2022	32,370	3,905,304	10,111,009	2,606,043	34,861,407
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<b>\$ 48,601</b>	<b>\$ 3,771,222</b>	<b>\$ 10,499,357</b>	<b>\$ 2,571,059</b>	<b>\$ 38,598,481</b>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**LAKE PLACID SUN-N-LAKE ESTATES FIRE DISTRICT FUND**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Assessments	\$ -	\$ -	\$ 28,022	\$ 28,022
Net Change in Fair Value of Investments	-	-	167	167
Total Revenues	-	-	28,189	28,189
<b>EXPENDITURES</b>				
Current:				
Public Safety:				
Special Benefit Districts	-	46,090	3,500	42,590
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	(46,090)	24,689	70,779
<b>OTHER FINANCING SOURCES</b>				
Transfer Out	-	-	(10,720)	(10,720)
<b>NET CHANGE IN FUND BALANCE</b>	-	(46,090)	13,969	60,059
Fund Balances - October 1, 2022	-	46,090	30,835	(15,255)
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 44,804</b>	<b>\$ 44,804</b>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**DESOTO CITY SPECIAL BENEFIT FIRE DISTRICT FUND**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Net Change in Fair Value of Investments	\$ -	\$ -	\$ 218	\$ 218
<b>EXPENDITURES</b>				
Current:				
Public Safety:				
Special Benefit Districts	37,901	39,112	-	39,112
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(37,901)</u>	<u>(39,112)</u>	<u>218</u>	<u>39,330</u>
Fund Balances - October 1, 2022	<u>37,901</u>	<u>39,112</u>	<u>38,894</u>	<u>(218)</u>
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 39,112</u></u>	<u><u>\$ 39,112</u></u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**ORANGE VILLA SPECIAL BENEFIT DISTRICT FUND**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Assessments	\$ 1,850	\$ 1,850	\$ 2,038	\$ 188
Net Change in Fair Value of Investments	-	-	16	16
Total Revenues	<u>1,850</u>	<u>1,850</u>	<u>2,054</u>	<u>204</u>
<b>EXPENDITURES</b>				
Current:				
Transportation:				
Special Benefit Districts	<u>2,030</u>	<u>2,030</u>	<u>2,031</u>	<u>(1)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(180)	(180)	23	203
Fund Balances - October 1, 2022	<u>180</u>	<u>180</u>	<u>(39)</u>	<u>(219)</u>
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (16)</u></u>	<u><u>\$ (16)</u></u>

**HIGHLANDS COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
HICKORY HILLS SPECIAL BENEFIT DISTRICT FUND  
YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Net Change in Fair Value of Investments	\$ -	\$ -	\$ (15)	\$ (15)
<b>EXPENDITURES</b>				
Current:				
Transportation:				
Special Benefit Districts	-	-	-	-
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	-	-	(15)	(15)
Fund Balances - October 1, 2022	-	-	15	15
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**PLACID LAKES SPECIAL BENEFIT DISTRICT FUND**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$ 1,000	\$ 1,000	\$ 310	\$ (690)
Assessments	162,336	162,336	171,437	9,101
Net Change in Fair Value of Investments	7,500	7,500	8,835	1,335
Miscellaneous	500	500	520	20
Total Revenues	<u>171,336</u>	<u>171,336</u>	<u>181,102</u>	<u>9,766</u>
<b>EXPENDITURES</b>				
Current:				
Transportation:				
Special Benefit Districts	<u>299,518</u>	<u>299,529</u>	<u>233,683</u>	<u>65,846</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(128,182)	(128,193)	(52,581)	75,612
Fund Balances - October 1, 2022	<u>128,182</u>	<u>128,193</u>	<u>422,671</u>	<u>294,478</u>
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 370,090</u></u>	<u><u>\$ 370,090</u></u>

**HIGHLANDS COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
SEBRING COUNTRY ESTATES SPECIAL BENEFIT DISTRICT FUND  
YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Assessments	\$ 19,630	\$ 19,630	\$ 20,974	\$ 1,344
Net Change in Fair Value of Investments	1,250	1,250	1,079	(171)
Total Revenues	<u>20,880</u>	<u>20,880</u>	<u>22,053</u>	<u>1,173</u>
<b>EXPENDITURES</b>				
Current:				
Transportation:				
Special Benefit Districts	<u>25,300</u>	<u>25,300</u>	<u>25,301</u>	<u>(1)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(4,420)</u>	<u>(4,420)</u>	<u>(3,248)</u>	<u>1,172</u>
Fund Balances - October 1, 2022	<u>4,420</u>	<u>4,420</u>	<u>49,852</u>	<u>45,432</u>
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 46,604</u></u>	<u><u>\$ 46,604</u></u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**AVON PARK ESTATES SPECIAL BENEFIT DISTRICT FUND**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Assessments	\$ 86,754	\$ 86,754	\$ 90,692	\$ 3,938
Net Change in Fair Value of Investments	15,000	15,000	43,466	28,466
Total Revenues	<u>101,754</u>	<u>101,754</u>	<u>134,158</u>	<u>32,404</u>
<b>EXPENDITURES</b>				
Current:				
Transportation:				
Special Benefit Districts	<u>292,500</u>	<u>307,825</u>	<u>116,709</u>	<u>191,116</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(190,746)	(206,071)	17,449	223,520
Fund Balances - October 1, 2022	<u>190,746</u>	<u>206,071</u>	<u>1,362,826</u>	<u>1,156,755</u>
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,380,275</u></u>	<u><u>\$ 1,380,275</u></u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**HIGHLANDS LAKES SPECIAL TAX DISTRICT FUND**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Assessments	\$ -	\$ -	\$ 1,160	\$ 1,160
Net Change in Fair Value of Investments	-	-	9	9
Total Revenues	-	-	1,169	1,169
<b>EXPENDITURES</b>				
Current:				
Public Safety:				
Special Benefit Districts	-	2,236	-	2,236
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	(2,236)	1,169	3,405
<b>OTHER FINANCING SOURCES</b>				
Transfer Out	-	-	(235)	(235)
<b>NET CHANGE IN FUND BALANCE</b>	-	(2,236)	934	3,170
Fund Balances - October 1, 2022	-	2,236	1,438	(798)
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,372</u>	<u>\$ 2,372</u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**HIGHLANDS PARK SPECIAL BENEFIT FIRE DISTRICT FUND**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>REVENUES</b>				
Assessments	\$ -	\$ -	\$ 603	\$ 603
Net Change in Fair Value of Investments	-	-	380	380
Total Revenues	<u>-</u>	<u>-</u>	<u>983</u>	<u>983</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety:				
Special Benefit Districts	<u>58,869</u>	<u>68,174</u>	<u>-</u>	<u>68,174</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(58,869)	(68,174)	983	69,157
<b>OTHER FINANCING SOURCES</b>				
Transfer Out	<u>-</u>	<u>-</u>	<u>(246)</u>	<u>(246)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(58,869)	(68,174)	737	68,911
Fund Balances - October 1, 2022	<u>58,869</u>	<u>68,174</u>	<u>67,358</u>	<u>(816)</u>
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,095</u>	<u>\$ 68,095</u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**ISTOKPOGA MARSH WATERSHED IMPROVEMENT DISTRICT FUND**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 4,447,682	\$ 4,442,562	\$ -	\$ (4,442,562)
Assessments	143,625	143,625	145,616	1,991
Net Change in Fair Value of Investments	20,000	20,000	22,213	2,213
Miscellaneous	-	-	9,448	9,448
Total Revenues	<u>4,611,307</u>	<u>4,606,187</u>	<u>177,277</u>	<u>(4,428,910)</u>
<b>EXPENDITURES</b>				
Current:				
Physical Environment:				
Istokpoga Marsh Improvements	<u>4,957,840</u>	<u>4,986,268</u>	<u>140,457</u>	<u>4,845,811</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(346,533)	(380,081)	36,820	416,901
Fund Balances - October 1, 2022	<u>346,533</u>	<u>380,081</u>	<u>87,774</u>	<u>(292,307)</u>
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 124,594</u></u>	<u><u>\$ 124,594</u></u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**HIGHLANDS PARK ESTATES IMPROVEMENT TRUST FUND**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Net Change in Fair Value of Investments	\$ 1,150	\$ 1,150	\$ 1,205	\$ 55
<b>EXPENDITURES</b>				
Current:				
Transportation:				
Improvement Trust	63,000	63,000	-	63,000
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(61,850)	(61,850)	1,205	63,055
Fund Balances - October 1, 2022	61,850	61,850	63,222	1,372
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,427</u>	<u>\$ 64,427</u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**LEISURE LAKES SPECIAL BENEFIT FIRE DISTRICT FUND**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>REVENUES</b>				
Assessments	\$ -	\$ -	\$ 2,966	\$ 2,966
Net Change in Fair Value of Investments	-	-	724	724
Total Revenues	-	-	3,690	3,690
<b>EXPENDITURES</b>				
Current:				
Public Safety:				
Special Benefit Districts	128,414	131,900	-	131,900
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(128,414)	(131,900)	3,690	135,590
<b>OTHER FINANCING SOURCES</b>				
Transfer Out	-	-	(1,219)	(1,219)
<b>NET CHANGE IN FUND BALANCE</b>	(128,414)	(131,900)	2,471	134,371
Fund Balances - October 1, 2022	128,414	131,900	128,791	(3,109)
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 131,262</u>	<u>\$ 131,262</u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**SEBRING HILLS SPECIAL BENEFIT DISTRICT FUND**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Assessments	\$ 20,000	\$ 20,000	\$ 20,166	\$ 166
Net Change in Fair Value of Investments	1,000	1,000	1,007	7
Total Revenues	<u>21,000</u>	<u>21,000</u>	<u>21,173</u>	<u>173</u>
<b>EXPENDITURES</b>				
Current:				
Transportation:				
Special Benefit Districts	<u>25,120</u>	<u>25,120</u>	<u>25,122</u>	<u>(2)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(4,120)	(4,120)	(3,949)	171
Fund Balances - October 1, 2022	<u>4,120</u>	<u>4,120</u>	<u>45,775</u>	<u>41,655</u>
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 41,826</u></u>	<u><u>\$ 41,826</u></u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**RED HILL FARMS IMPROVEMENT DISTRICT FUND**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Assessments	\$ 6,355	\$ 6,355	\$ 9,193	\$ 2,838
Net Change in Fair Value of Investments	2,500	2,500	3,169	669
Total Revenues	<u>8,855</u>	<u>8,855</u>	<u>12,362</u>	<u>3,507</u>
<b>EXPENDITURES</b>				
Current:				
Transportation:				
Special Benefit Districts	<u>8,855</u>	<u>8,855</u>	<u>804</u>	<u>8,051</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	-	-	11,558	11,558
Fund Balances - October 1, 2022	<u>-</u>	<u>-</u>	<u>162,045</u>	<u>162,045</u>
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 173,603</u>	<u>\$ 173,603</u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**E911 EMERGENCY OPERATIONS FUND**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 209,322	\$ 46,930	\$ (162,392)
Charges for Services	418,500	418,500	462,386	43,886
Total Revenues	<u>418,500</u>	<u>627,822</u>	<u>509,316</u>	<u>(118,506)</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety:				
E911 Operations	<u>1,312,864</u>	<u>2,263,581</u>	<u>1,858,812</u>	<u>404,769</u>
Debt Service				
Principal	-	-	594,529	(594,529)
Interest	-	-	10,091	(10,091)
Total Debt Service	<u>-</u>	<u>-</u>	<u>604,620</u>	<u>(604,620)</u>
Total Expenditures	<u>1,312,864</u>	<u>2,263,581</u>	<u>2,463,432</u>	<u>(199,851)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(894,364)	(1,635,759)	(1,954,116)	318,357
<b>OTHER FINANCING SOURCES</b>				
Transfers In	894,364	894,364	666,782	(227,582)
SBITA	-	-	594,529	594,529
Total Other Financing Sources	<u>894,364</u>	<u>894,364</u>	<u>1,261,311</u>	<u>366,947</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	(741,395)	(692,805)	(48,590)
Fund Balances - October 1, 2022	<u>-</u>	<u>741,395</u>	<u>36,128</u>	<u>(705,267)</u>
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (656,677)</u>	<u>\$ 656,677</u>

**HIGHLANDS COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
HOSPITAL DISTRICT FUND  
YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 260,000	\$ 289,904	\$ 260,000	\$ (29,904)
Net Change in Fair Value of Investments	-	-	3,503	3,503
Total Revenues	260,000	289,904	263,503	(26,401)
<b>EXPENDITURES</b>				
Current:				
Human Services:				
Other Human Services	260,000	292,953	242,698	50,255
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	(3,049)	20,805	23,854
Fund Balances - October 1, 2022	-	3,049	139,688	136,639
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 160,493</u>	<u>\$ 160,493</u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**ORANGE BLOSSOM ESTATES SPECIAL BENEFIT DISTRICT FUND**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Net Change in Fair Value of Investments	\$ 350	\$ 350	\$ 445	\$ 95
<b>EXPENDITURES</b>				
Current:				
Transportation:				
Special Benefit Districts	23,500	23,500	271	23,229
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(23,150)	(23,150)	174	23,324
Fund Balances - October 1, 2022	23,150	23,150	23,448	298
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,622</u>	<u>\$ 23,622</u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**SUN-N-LAKES OF LAKE PLACID RECREATION DISTRICT FUND**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$ 2,000	\$ 2,000	\$ 205	\$ (1,795)
Assessments	175,988	175,988	189,096	13,108
Net Change in Fair Value of Investments	1,000	1,000	1,873	873
Miscellaneous	2,000	2,000	450	(1,550)
Total Revenues	<u>180,988</u>	<u>180,988</u>	<u>191,624</u>	<u>10,636</u>
<b>EXPENDITURES</b>				
Current:				
Culture and Recreation:				
Special Benefit Districts	<u>146,304</u>	<u>148,936</u>	<u>123,154</u>	<u>25,782</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	34,684	32,052	68,470	36,418
Fund Balances - October 1, 2022	<u>(34,684)</u>	<u>(32,052)</u>	<u>26,077</u>	<u>58,129</u>
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 94,547</u></u>	<u><u>\$ 94,547</u></u>

**HIGHLANDS COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
CONSERVATION TRUST FUND  
YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$ -	\$ -	\$ 75,985	\$ 75,985
Net Change in Fair Value of Investments	-	-	8,282	8,282
Total Revenues	-	-	84,267	84,267
<b>EXPENDITURES</b>				
Current:				
Physical Environment:				
Conservation and Resource Management	49,704	100,933	74,246	26,687
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	(49,704)	(100,933)	10,021	110,954
Fund Balances - October 1, 2022	49,704	100,933	411,445	310,512
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 421,466</b>	<b>\$ 421,466</b>

**HIGHLANDS COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
INTERGOVERNMENTAL RADIO COMMUNICATIONS FUND  
YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$ 55,000	\$ 55,000	\$ 51,800	\$ (3,200)
Net Change in Fair Value of Investments	-	-	4,000	4,000
Miscellaneous	47,500	47,500	45,671	(1,829)
Total Revenues	102,500	102,500	101,471	(1,029)
<b>EXPENDITURES</b>				
Current:				
Public Safety:				
Other Public Safety	399,736	399,836	399,834	2
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(297,236)	(297,336)	(298,363)	(1,027)
<b>OTHER FINANCING SOURCES</b>				
Transfers In	297,236	297,236	299,468	2,232
<b>NET CHANGE IN FUND BALANCE</b>	-	(100)	1,105	1,205
Fund Balances - October 1, 2022	-	100	3,493	3,393
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,598</u>	<u>\$ 4,598</u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**SEBRING ACRES SPECIAL BENEFIT DISTRICT FUND**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Assessments	\$ 9,548	\$ 9,548	\$ 9,942	\$ 394
Net Change in Fair Value of Investments	3,750	3,750	3,826	76
Total Revenues	<u>13,298</u>	<u>13,298</u>	<u>13,768</u>	<u>470</u>
<b>EXPENDITURES:</b>				
Current:				
Transportation:				
Special Benefit Districts	<u>74,900</u>	<u>74,900</u>	<u>3,509</u>	<u>71,391</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(61,602)	(61,602)	10,259	71,861
Fund Balances - October 1, 2022	<u>61,602</u>	<u>61,602</u>	<u>195,794</u>	<u>134,192</u>
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 206,053</u></u>	<u><u>\$ 206,053</u></u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**ORANGE BLOSSOM (UNIT 12) SPECIAL BENEFIT DISTRICT FUND**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Net Change in Fair Value of Investments	\$ 100	\$ 100	\$ 165	\$ 65
<b>EXPENDITURES</b>				
Current:				
Transportation:				
Special Benefit Districts	8,500	8,500	-	8,500
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(8,400)	(8,400)	165	8,565
Fund Balances - October 1, 2022	8,400	8,400	8,666	266
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,831</u>	<u>\$ 8,831</u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**LAKE HAVEN ESTATES SPECIAL BENEFIT DISTRICT FUND**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Assessments	\$ 10,200	\$ 10,200	\$ 10,627	\$ 427
Net Change in Fair Value of Investments	650	650	673	23
Total Revenues	<u>10,850</u>	<u>10,850</u>	<u>11,300</u>	<u>450</u>
<b>EXPENDITURES</b>				
Current:				
Transportation:				
Special Benefit Districts	<u>12,700</u>	<u>12,700</u>	<u>12,700</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,850)</u>	<u>(1,850)</u>	<u>(1,400)</u>	<u>450</u>
Fund Balances - October 1, 2022	<u>1,850</u>	<u>1,850</u>	<u>31,731</u>	<u>29,881</u>
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 30,331</u></u>	<u><u>\$ 30,331</u></u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**LORIDA SPECIAL BENEFIT FIRE DISTRICT FUND**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Assessments	\$ -	\$ -	\$ 1,108	\$ 1,108
Net Change in Fair Value of Investments	-	-	17	17
Total Revenues	-	-	1,125	1,125
<b>EXPENDITURES</b>				
Current:				
Public Safety:				
Special Benefit Districts	-	3,751	-	3,751
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	(3,751)	1,125	4,876
<b>OTHER FINANCING SOURCES</b>				
Transfer Out	-	-	(360)	(360)
<b>NET CHANGE IN FUND BALANCE</b>	-	(3,751)	765	4,516
Fund Balances - October 1, 2022	-	3,751	2,665	(1,086)
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,430</u>	<u>\$ 3,430</u>

**HIGHLANDS COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
LAKE PLACID SPECIAL BENEFIT FIRE DISTRICT FUND  
YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Assessments	\$ -	\$ -	\$ 66	\$ 66
Net Change in Fair Value of Investments	-	-	8,157	8,157
Total Revenues	-	-	8,223	8,223
<b>EXPENDITURES</b>				
Current:				
Public Safety:				
Special Benefit Districts	406,868	406,868	3,788	403,080
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(406,868)	(406,868)	4,435	411,303
Fund Balances - October 1, 2022	406,868	406,868	429,000	22,132
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 433,435</b>	<b>\$ 433,435</b>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**LAW ENFORCEMENT EDUCATION FUND**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>REVENUES</b>				
Charges for Services	\$ -	\$ -	\$ 21,372	\$ 21,372
Net Change in Fair Value of Investments	-	-	6,052	6,052
Total Revenues	-	-	27,424	27,424
<b>EXPENDITURES</b>				
Current:				
Public Safety:				
Sheriff	-	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	27,424	27,424
Fund Balances - October 1, 2022	-	-	310,133	310,133
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 337,557</b>	<b>\$ 337,557</b>

**HIGHLANDS COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
BUILDING CODE ENFORCEMENT  
YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Licenses and Permits	\$ 1,356,300	\$ 1,356,300	\$ 1,972,583	\$ 616,283
Charges for Services	200,600	200,600	257,917	57,317
Net Change in Fair Value of Investments	50,000	50,000	162,105	112,105
Miscellaneous	3,000	3,000	5,631	2,631
Total Revenues	<u>1,609,900</u>	<u>1,609,900</u>	<u>2,398,236</u>	<u>788,336</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety:				
Protective Inspections	<u>1,861,197</u>	<u>4,195,356</u>	<u>1,304,201</u>	<u>2,891,155</u>
Debt Service:				
Principal Retirement	-	6,480	6,451	29
Interest	-	55	49	6
Total Debt Service	<u>-</u>	<u>6,535</u>	<u>6,500</u>	<u>35</u>
Total Expenditures	<u>1,861,197</u>	<u>4,201,891</u>	<u>1,310,701</u>	<u>2,891,190</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(251,297)	(2,591,991)	1,087,535	3,679,526
<b>OTHER FINANCING SOURCES</b>				
SBITAs	<u>-</u>	<u>-</u>	<u>19,232</u>	<u>19,232</u>
<b>NET CHANGE IN FUND BALANCE</b>	(251,297)	(2,591,991)	1,106,767	3,698,758
Fund Balances - October 1, 2022	<u>251,297</u>	<u>2,591,991</u>	<u>4,160,786</u>	<u>1,568,795</u>
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,267,553</u></u>	<u><u>\$ 5,267,553</u></u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FLORIDA BOATING IMPROVEMENT FUND**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 37,000	\$ 37,000	\$ 36,925	\$ (75)
Net Change in Fair Value of Investments	6,000	6,000	5,716	(284)
Total Revenues	<u>43,000</u>	<u>43,000</u>	<u>42,641</u>	<u>(359)</u>
<b>EXPENDITURES</b>				
Current:				
Culture and Recreation:				
Parks Department	<u>48,000</u>	<u>61,469</u>	<u>1,333</u>	<u>60,136</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(5,000)	(18,469)	41,308	59,777
Fund Balances - October 1, 2022	<u>5,000</u>	<u>18,469</u>	<u>286,883</u>	<u>268,414</u>
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 328,191</u></u>	<u><u>\$ 328,191</u></u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**SPECIAL LAW ENFORCEMENT TRUST FUND**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 11,000	\$ 230,108	\$ 219,108
Net Change in Fair Value of Investments	-	-	6,149	6,149
Total Revenues	-	11,000	236,257	225,257
<b>EXPENDITURES</b>				
Current:				
Public Safety:				
County Jail	-	349,061	216,790	132,271
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	(338,061)	19,467	357,528
Fund Balances - October 1, 2022	-	338,061	278,464	(59,597)
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 297,931</b>	<b>\$ 297,931</b>

**HIGHLANDS COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
HIGHWAY PARK SPECIAL BENEFIT DISTRICT FUND  
YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Assessments	\$ 6,287	\$ 6,287	\$ 7,057	\$ 770
Net Change in Fair Value of Investments	750	750	713	(37)
Total Revenues	<u>7,037</u>	<u>7,037</u>	<u>7,770</u>	<u>733</u>
<b>EXPENDITURES</b>				
Current:				
Transportation:				
Special Benefit Districts	<u>8,643</u>	<u>8,643</u>	<u>8,338</u>	<u>305</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,606)	(1,606)	(568)	1,038
Fund Balances - October 1, 2022	<u>1,606</u>	<u>1,606</u>	<u>36,296</u>	<u>34,690</u>
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 35,728</u></u>	<u><u>\$ 35,728</u></u>

**HIGHLANDS COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
AFFORDABLE HOUSING ASSISTANCE TRUST FUND  
YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 1,155,634	\$ 1,783,839	\$ 628,205
Charges for Services	-	343,417	322,453	(20,964)
Net Change in Fair Value of Investments	-	34,423	44,456	10,033
Total Revenues	-	1,533,474	2,150,748	617,274
<b>EXPENDITURES</b>				
Current:				
Economic Environment:				
State Housing Assistance Grant	243,911	2,288,122	1,060,292	1,227,830
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(243,911)	(754,648)	1,090,456	1,845,104
Fund Balances - October 1, 2022	243,911	754,648	1,816,608	1,061,960
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,907,064</b>	<b>\$ 2,907,064</b>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**SUN-N-LAKES 1 - 20 IMPROVEMENT TRUST**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Net Change in Fair Value of Investments	\$ 750	\$ 750	\$ 1,172	\$ 422
<b>EXPENDITURES</b>				
Current:				
Transportation:				
Special Benefit Districts	61,750	61,750	-	61,750
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(61,000)	(61,000)	1,172	62,172
Fund Balances - October 1, 2022	61,000	61,000	61,558	558
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,730</u>	<u>\$ 62,730</u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**HIGHLANDS PARK ESTATES SPECIAL BENEFIT DISTRICT FUND**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$ 2,500	\$ 2,500	\$ 1,620	\$ (880)
Assessments	61,237	61,237	66,244	5,007
Net Change in Fair Value of Investments	2,750	2,750	2,723	(27)
Total Revenues	<u>66,487</u>	<u>66,487</u>	<u>70,587</u>	<u>4,100</u>
<b>EXPENDITURES</b>				
Current:				
Transportation:				
Special Benefit Districts	87,787	90,462	49,072	41,390
Debt Service:				
Principal Retirement	21,578	21,578	-	21,578
Interest	852	852	851	1
Total Debt Service	<u>22,430</u>	<u>22,430</u>	<u>851</u>	<u>21,579</u>
Total Expenditures	<u>110,217</u>	<u>112,892</u>	<u>49,923</u>	<u>62,969</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(43,730)	(46,405)	20,664	67,069
Fund Balances - October 1, 2022	<u>43,730</u>	<u>46,405</u>	<u>98,237</u>	<u>51,832</u>
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 118,901</u></u>	<u><u>\$ 118,901</u></u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**WEST SEBRING SPECIAL BENEFIT FIRE DISTRICT FUND**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive
				(Negative)
<b>REVENUES</b>				
Assessments	\$ -	\$ -	\$ 10,998	\$ 10,998
Net Change in Fair Value of Investments	-	-	485	485
Total Revenues	-	-	11,483	11,483
<b>EXPENDITURES</b>				
Current:				
Public Safety:				
Special Benefit Districts	75,000	93,825	-	93,825
<b>EXCESS (DEFICIENCY) OF REVENUES</b>				
<b>OVER (UNDER) EXPENDITURES</b>	(75,000)	(93,825)	11,483	105,308
<b>OTHER FINANCING SOURCES</b>				
Transfers Out	-	-	(1,964)	(1,964)
<b>NET CHANGE IN FUND BALANCE</b>	(75,000)	(93,825)	9,519	103,344
Fund Balances - October 1, 2022	75,000	93,825	86,219	(7,606)
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 95,738</u>	<u>\$ 95,738</u>

**HIGHLANDS COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
DRIVER EDUCATION SAFETY TRUST FUND  
YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$ 26,750	\$ 26,750	\$ 26,719	\$ (31)
Net Change in Fair Value of Investments	750	750	1,338	588
Total Revenues	<u>27,500</u>	<u>27,500</u>	<u>28,057</u>	<u>557</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety:				
Sheriff	<u>27,500</u>	<u>27,500</u>	<u>-</u>	<u>27,500</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	28,057	28,057
Fund Balances - October 1, 2022	<u>-</u>	<u>-</u>	<u>60,798</u>	<u>60,798</u>
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 88,855</u>	<u>\$ 88,855</u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**TOURIST DEVELOPMENT TRUST FUND**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 1,400,000	\$ 1,400,000	\$ 1,838,830	\$ 438,830
Intergovernmental	36,000	59,129	23,129	(36,000)
Net Change in Fair Value of Investments	-	-	94,996	94,996
Total Revenues	<u>1,436,000</u>	<u>1,459,129</u>	<u>1,956,955</u>	<u>497,826</u>
<b>EXPENDITURES</b>				
Current:				
Physical Environment:				
Lakes	267,902	272,438	2,699	269,739
Economic Environment:				
Industry Development	1,050,848	1,472,894	923,466	549,428
Debt Service:				
Principal	-	47	46	1
Interest	-	1	-	1
Total Debt Service	<u>-</u>	<u>48</u>	<u>46</u>	<u>2</u>
Total Expenditures	<u>1,318,750</u>	<u>1,745,380</u>	<u>926,211</u>	<u>819,169</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	117,250	(286,251)	1,030,744	1,316,995
Fund Balances - October 1, 2022	<u>(117,250)</u>	<u>286,251</u>	<u>2,966,771</u>	<u>2,680,520</u>
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,997,515</u>	<u>\$ 3,997,515</u>

**HIGHLANDS COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FIRE INSPECTION AND SAFETY FUND  
YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Licenses and Permits	\$ 1,250	\$ 1,250	\$ 650	\$ (600)
Charges for Services	14,000	14,000	16,545	2,545
Net Change in Fair Value of Investments	3,000	3,000	3,076	76
Total Revenues	<u>18,250</u>	<u>18,250</u>	<u>20,271</u>	<u>2,021</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety:				
Fire Control	<u>57,980</u>	<u>59,980</u>	<u>52,648</u>	<u>7,332</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(39,730)	(41,730)	(32,377)	9,353
Fund Balances - October 1, 2022	<u>39,730</u>	<u>41,730</u>	<u>168,896</u>	<u>127,166</u>
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 136,519</u></u>	<u><u>\$ 136,519</u></u>

**HIGHLANDS COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
VENUS SPECIAL BENEFIT FIRE DISTRICT FUND  
YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Net Change in Fair Value of Investments	\$ -	\$ -	\$ 262	\$ 262
<b>EXPENDITURES</b>				
Current:				
Public Safety:				
Special Benefit Districts	104,098	47,256	-	47,256
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(104,098)	(47,256)	262	47,518
Fund Balances - October 1, 2022	104,098	47,256	46,994	(262)
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,256</u>	<u>\$ 47,256</u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**SEBRING PARKWAY MAINTENANCE FUND**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 76,526	\$ 76,526	\$ 84,415	\$ 7,889
Net Change in Fair Value of Investments	-	-	32,041	32,041
Total Revenues	<u>76,526</u>	<u>76,526</u>	<u>116,456</u>	<u>39,930</u>
<b>EXPENDITURES</b>				
Current:				
Transportation:				
Other Transportation	<u>234,526</u>	<u>260,320</u>	<u>87,957</u>	<u>172,363</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(158,000)	(183,794)	28,499	212,293
<b>OTHER FINANCING SOURCES</b>				
Transfers In	<u>158,000</u>	<u>158,000</u>	<u>158,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	(25,794)	186,499	212,293
Fund Balances - October 1, 2022	<u>-</u>	<u>25,794</u>	<u>1,281,230</u>	<u>1,255,436</u>
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,467,729</u>	<u>\$ 1,467,729</u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**STATE COURT FACILITIES TRUST FUND**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$ 175,250	\$ 175,250	\$ 163,880	\$ (11,370)
Net Change in Fair Value of Investments	750	750	55	(695)
Total Revenues	<u>176,000</u>	<u>176,000</u>	<u>163,935</u>	<u>(12,065)</u>
<b>EXPENDITURES</b>				
Current:				
Court Related:				
Court Related Operations	285,563	294,220	208,344	85,876
Debt Service:				
Principal	-	118	1,202	(1,084)
Interest	-	2	16	(14)
Total Debt Service	<u>-</u>	<u>120</u>	<u>1,218</u>	<u>(1,098)</u>
Total Expenditures	<u>285,563</u>	<u>294,340</u>	<u>209,562</u>	<u>84,778</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(109,563)	(118,340)	(45,627)	72,713
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	75,000	75,000
Transfers Out	(15,000)	(16,400)	(16,394)	6
Total Other Financing Sources (Uses)	<u>(15,000)</u>	<u>(16,400)</u>	<u>58,606</u>	<u>75,006</u>
<b>NET CHANGE IN FUND BALANCE</b>	(124,563)	(134,740)	12,979	147,719
Fund Balances - October 1, 2022	<u>124,563</u>	<u>134,740</u>	<u>(6,252)</u>	<u>(140,992)</u>
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6,727</u></u>	<u><u>\$ 6,727</u></u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**INNOVATIONS AND SUPPLEMENTAL COURTS FUNDING TRUST FUND**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$ 99,600	\$ 99,600	\$ 79,908	\$ (19,692)
Net Change in Fair Value of Investments	600	600	828	228
Total Revenues	<u>100,200</u>	<u>100,200</u>	<u>80,736</u>	<u>(19,464)</u>
<b>EXPENDITURES</b>				
Current:				
Court Related:				
Court Related Operations	<u>109,286</u>	<u>109,286</u>	<u>102,431</u>	<u>6,855</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	(9,086)	(9,086)	(21,695)	(12,609)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	58,886	58,886	38,262	(20,624)
Transfers Out	<u>(49,800)</u>	<u>(49,800)</u>	<u>(20,001)</u>	<u>29,799</u>
Total Other Financing Sources (Uses)	<u>9,086</u>	<u>9,086</u>	<u>18,261</u>	<u>9,175</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	(3,434)	(3,434)
Fund Balances - October 1, 2022	<u>-</u>	<u>-</u>	<u>23,584</u>	<u>23,584</u>
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,150</u>	<u>\$ 20,150</u>

**HIGHLANDS COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
CRIME PREVENTION FUND  
YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>REVENUES</b>				
Charges for Services	\$ 41,000	\$ 41,000	\$ 35,444	\$ (5,556)
Fines and Forfeitures	-	-	531	531
Net Change in Fair Value of Investments	1,000	1,000	2,616	1,616
Total Revenues	<u>42,000</u>	<u>42,000</u>	<u>38,591</u>	<u>(3,409)</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety:				
Crime Prevention	<u>61,290</u>	<u>61,290</u>	<u>34,688</u>	<u>26,602</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(19,290)	(19,290)	3,903	23,193
Fund Balances - October 1, 2022	<u>19,290</u>	<u>19,290</u>	<u>190,214</u>	<u>170,924</u>
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 194,117</u>	<u>\$ 194,117</u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**COURT TECH 28.24(12)(e)1 FUND**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 20,000	\$ 20,000	\$ 25,000	\$ 5,000
Charges for Services	245,000	245,000	201,522	(43,478)
Net Change in Fair Value of Investments	1,000	1,000	847	(153)
Total Revenues	<u>266,000</u>	<u>266,000</u>	<u>227,369</u>	<u>(38,631)</u>
<b>EXPENDITURES</b>				
Current:				
Court Related:				
Court Related Operations	<u>641,512</u>	<u>647,090</u>	<u>410,871</u>	<u>236,219</u>
Debt Service:				
Principal Retirement	-	98	93	5
Interest	-	2	1	1
Total Debt Service	<u>-</u>	<u>100</u>	<u>94</u>	<u>6</u>
Total Expenditures	<u>641,512</u>	<u>647,190</u>	<u>410,965</u>	<u>236,225</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(375,512)	(381,190)	(183,596)	197,594
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	271,512	271,512	186,506	(85,006)
Sale of Surplus Asset	-	-	251	251
Total Other Financing Sources (Uses)	<u>271,512</u>	<u>271,512</u>	<u>186,757</u>	<u>(84,755)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(104,000)	(109,678)	3,161	112,839
Fund Balances - October 1, 2022	<u>104,000</u>	<u>109,678</u>	<u>104,579</u>	<u>(5,099)</u>
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 107,740</u>	<u>\$ 107,740</u>

**HIGHLANDS COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
HOME INITIATIVES PARTNERSHIP FUND  
YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Net Change in Fair Value of Investments	\$ -	\$ -	\$ 11	\$ 11
<b>EXPENDITURES</b>				
Current:				
Economic Environment:				
Housing Initiatives	-	553	71	482
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	(553)	(60)	493
Fund Balances - October 1, 2022	-	553	611	58
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 551</u>	<u>\$ 551</u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**PLACID LAKES SPECIAL BENEFIT FIRE DISTRICT FUND**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>REVENUES</b>				
Assessments	\$ -	\$ -	\$ 624	\$ 624
Net Change in Fair Value of Investments	-	-	3	3
Total Revenues	-	-	627	627
<b>EXPENDITURES</b>				
Current:				
Public Safety:				
Special Benefit Districts	-	1,080	-	1,080
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	(1,080)	627	1,707
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	-	-	(487)	(487)
<b>NET CHANGE IN FUND BALANCE</b>	-	(1,080)	140	1,220
Fund Balances - October 1, 2022	-	1,080	554	(526)
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 694</u>	<u>\$ 694</u>

**HIGHLANDS COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
OAK MANOR AVENUE ROAD PAVING FUND  
YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Assessments	\$ 4,275	\$ 4,275	\$ 4,429	\$ 154
<b>EXPENDITURES</b>				
Current:				
Transportation:				
Special Benefit Districts	450	450	417	33
Debt Service:				
Principal Retirement	3,230	3,230	-	3,230
Interest	862	862	862	-
Total Debt Service	<u>4,092</u>	<u>4,092</u>	<u>862</u>	<u>3,230</u>
Total Expenditures	<u>4,542</u>	<u>4,542</u>	<u>1,279</u>	<u>3,263</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(267)	(267)	3,150	3,417
Fund Balances - October 1, 2022	<u>267</u>	<u>267</u>	<u>(33,054)</u>	<u>(33,321)</u>
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (29,904)</u>	<u>\$ (29,904)</u>

**HIGHLANDS COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
COURT SERVICES FUND  
YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 180,893	\$ 313,005	\$ 341,264	\$ 28,259
Charges for Services	1,158,270	1,158,270	1,215,543	57,273
Fines and Forfeitures	659,170	659,170	597,470	(61,700)
Net Change in Fair Value of Investments	11,400	11,401	18,202	6,801
Miscellaneous	-	-	39	39
Total Revenues	<u>2,009,733</u>	<u>2,141,846</u>	<u>2,172,518</u>	<u>30,672</u>
<b>EXPENDITURES</b>				
Current:				
Court Related:				
Operating Related Operations	2,009,733	2,155,040	2,213,100	(58,060)
Debt Service				
Principal	-	5,998	5,997	1
Interest	-	573	572	1
Total Debt Service	<u>-</u>	<u>6,571</u>	<u>6,569</u>	<u>2</u>
Total Expenditures	<u>2,009,733</u>	<u>2,161,611</u>	<u>2,219,669</u>	<u>(58,058)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	(19,765)	(47,151)	(27,386)
<b>OTHER FINANCING SOURCES (USES)</b>				
Leases	-	19,765	19,765	-
Total Other Financing Uses	<u>-</u>	<u>19,765</u>	<u>19,765</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	(27,386)	(27,386)
Fund Balances - October 1, 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (27,386)</u>	<u>\$ (27,386)</u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**IMPACT FEE - PARKS AND RECREATION - AVON PARK**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Net Change in Fair Value of Investments	\$ 100	\$ 100	\$ 76	\$ (24)
<b>EXPENDITURES</b>				
Current:				
Culture and Recreation:				
Impact Fees	4,945	25	-	25
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(4,845)	75	76	1
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	-	(4,963)	-	4,963
<b>NET CHANGE IN FUND BALANCE</b>	(4,845)	(4,888)	76	4,963
Fund Balances - October 1, 2022	4,845	(75)	4,888	4,963
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,964</u>	<u>\$ 4,964</u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**THUNDERBIRD HILL WASTE WATER SPECIAL BENEFIT DISTRICT**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Assessments	\$ 17,100	\$ 17,100	\$ 17,169	\$ 69
Net Change in Fair Value of Investments	1,250	1,250	1,548	298
Total Revenues	<u>18,350</u>	<u>18,350</u>	<u>18,717</u>	<u>367</u>
<b>EXPENDITURES</b>				
Current:				
Physical Environment:				
Special Benefit District	1,720	1,720	1,617	103
Debt Service:				
Principal Retirement	14,195	14,195	-	14,195
Interest	869	869	869	-
Total Debt Service	<u>15,064</u>	<u>15,064</u>	<u>869</u>	<u>14,195</u>
Total Expenditures	<u>16,784</u>	<u>16,784</u>	<u>2,486</u>	<u>14,298</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	1,566	1,566	16,231	14,665
Fund Balances - October 1, 2022	<u>(1,566)</u>	<u>(1,566)</u>	<u>32,370</u>	<u>33,936</u>
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,601</u>	<u>\$ 48,601</u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**HIGHLANDS COUNTY FIRE PROTECTION SPECIAL BENEFIT DISTRICT**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 3,007,270	\$ 12,159	\$ (2,995,111)
Assessments	6,689,084	6,689,084	6,905,619	216,535
Net Change in Fair Value of Investments	90,000	90,000	285,689	195,689
Miscellaneous Revenue	-	-	5,465	5,465
Total Revenues	<u>6,779,084</u>	<u>9,786,354</u>	<u>7,208,932</u>	<u>(2,577,422)</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety:				
Special Benefit District	6,844,808	11,517,078	6,903,227	4,613,851
Debt Service:				
Principal Retirement	355,000	358,886	358,886	-
Interest	99,944	99,996	99,996	-
Total Debt Service	<u>454,944</u>	<u>458,882</u>	<u>458,882</u>	<u>-</u>
Total Expenditures	<u>7,299,752</u>	<u>11,975,960</u>	<u>7,362,109</u>	<u>4,613,851</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(520,668)	(2,189,606)	(153,177)	2,036,429
<b>OTHER FINANCING SOURCES</b>				
Transfer In	-	-	15,231	15,231
Sale of Surplus Assets	-	-	3,864	3,864
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>19,095</u>	<u>19,095</u>
<b>NET CHANGE IN FUND BALANCE</b>	(520,668)	(2,189,606)	(134,082)	2,055,524
Fund Balances - October 1, 2022	<u>520,668</u>	<u>2,189,606</u>	<u>3,905,304</u>	<u>1,715,698</u>
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,771,222</u>	<u>\$ 3,771,222</u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**HIGHLANDS COUNTY INFRASTRUCTURE SALES SURTAX**  
**REFUNDING REVENUE NOTE (HCISSR CONSTRUCTION) FUND**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Net Change in Fair Value of Investments	\$ -	\$ -	\$ 436,535	\$ 436,535
<b>EXPENDITURES</b>				
Current:				
Public Safety:				
HCISSR LTD Capital	-	9,990,957	48,187	9,942,770
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	(9,990,957)	388,348	10,379,305
Fund Balances - October 1, 2022	-	9,990,957	10,111,009	120,052
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,499,357</u>	<u>\$ 10,499,357</u>

**HIGHLANDS COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**HIGHLANDS COUNTY PUBLIC IMPROVEMENT REVENUE**  
**NOTE (HCPIRN CONSTRUCTION) FUND**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Net Change in Fair Value of Investments	\$ -	\$ -	\$ 93,423	\$ 93,423
<b>EXPENDITURES</b>				
Current:				
Public Safety:				
Special Benefit District	2,306,706	2,477,184	128,407	2,348,777
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(2,306,706)	(2,477,184)	(34,984)	2,442,200
Fund Balances - October 1, 2022	2,306,706	2,477,184	2,606,043	128,859
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,571,059</b>	<b>\$ 2,571,059</b>

**HIGHLANDS COUNTY, FLORIDA  
INTERNAL SERVICE FUNDS**

The Internal Service Funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the Board and to other governmental units on a cost reimbursement basis. The Board maintains the following Internal Service Funds:

**Employee Benefit** - To account for employer, employee, and retiree contributions to the County's health and dental plans and the payment of health and dental expenses.

**Insurance** - To account for activity related to property, general liability, public officials and employment practices liability, automobile, crime, and worker's compensation needs of County departments and elected officials.

**Compensated Absences** - To account for accumulated leave credits, which will be paid to employees upon termination of employment.

**HIGHLANDS COUNTY, FLORIDA  
COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
SEPTEMBER 30, 2023**

	Employee Benefit Fund	Insurance Fund	Compensated Absences Fund	Total
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 1,424,341	\$ 52,128	\$ 5,984,033	\$ 7,460,502
Investments	1,000,000	-	500,000	1,500,000
Accounts Receivable	24,823	-	2,968	27,791
Due from Other Funds	362	357	-	719
Total Assets	<u>2,449,526</u>	<u>52,485</u>	<u>6,487,001</u>	<u>8,989,012</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Vouchers Payable	23,674	1,245	3,606	28,525
Claims Payable	668,457	-	-	668,457
Due to Others	-	481	-	481
Unearned Revenues	523,348	-	-	523,348
Total Current Liabilities	<u>1,215,479</u>	<u>1,726</u>	<u>3,606</u>	<u>1,220,811</u>
Noncurrent Liabilities:				
Compensated Absences	-	-	6,483,395	6,483,395
Total Liabilities	<u>1,215,479</u>	<u>1,726</u>	<u>6,487,001</u>	<u>7,704,206</u>
<b>NET POSITION</b>				
Unrestricted	<u>1,234,047</u>	<u>50,759</u>	<u>-</u>	<u>1,284,806</u>
Total Net Position	<u>\$ 1,234,047</u>	<u>\$ 50,759</u>	<u>\$ -</u>	<u>\$ 1,284,806</u>

**HIGHLANDS COUNTY, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Employee Benefit Fund	Insurance Fund	Compensated Absences Fund	Total
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 12,266,182	\$ 1,845,894	\$ 6,159,665	\$ 20,271,741
Total Operating Revenues	<u>12,266,182</u>	<u>1,845,894</u>	<u>6,159,665</u>	<u>20,271,741</u>
<b>OPERATING EXPENSES</b>				
General and Administrative	1,348,003	-	6,343,547	7,691,550
Insurance and Claims	<u>9,875,540</u>	<u>1,936,833</u>	<u>-</u>	<u>11,812,373</u>
Total Operating Expenses	<u>11,223,543</u>	<u>1,936,833</u>	<u>6,343,547</u>	<u>19,503,923</u>
<b>OPERATING INCOME (LOSS)</b>	1,042,639	(90,939)	(183,882)	767,818
<b>NONOPERATING REVENUES</b>				
Net Change in Fair Value of Investments	<u>60,380</u>	<u>-</u>	<u>183,882</u>	<u>244,262</u>
<b>CHANGE IN NET POSITION</b>	1,103,019	(90,939)	-	1,012,080
Net Position - October 1, 2022	<u>131,028</u>	<u>141,698</u>	<u>-</u>	<u>272,726</u>
<b>NET POSITION - SEPTEMBER 30, 2023</b>	<u>\$ 1,234,047</u>	<u>\$ 50,759</u>	<u>\$ -</u>	<u>\$ 1,284,806</u>

**HIGHLANDS COUNTY, FLORIDA  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED SEPTEMBER 30, 2023**

	Employee Benefit Fund	Insurance Fund	Compensated Absences Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Received from Internal Customers	\$ 12,302,955	\$ 1,846,049	\$ 6,159,665	\$ 20,308,669
Cash Payments for Insurance Premiums and Claims	(11,369,361)	(1,938,608)	-	(13,307,969)
Cash Payments to Employees for Services	-	-	(6,064,150)	(6,064,150)
Net Cash Provided (Used) by Operating Activities	<u>933,594</u>	<u>(92,559)</u>	<u>95,515</u>	<u>936,550</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Repayment on Advance to Other Funds	-	-	(167)	(167)
Receipt on Advance from Other Funds	-	-	1,339	1,339
Net Cash Provided by Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>1,172</u>	<u>1,172</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of Investments	(1,000,000)	-	(500,000)	(1,500,000)
Investment Income	38,021	-	185,656	223,677
Net Cash Used by Investing Activities	<u>(961,979)</u>	<u>-</u>	<u>(314,344)</u>	<u>(1,276,323)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(28,385)</b>	<b>(92,559)</b>	<b>(217,657)</b>	<b>(338,601)</b>
Cash and Cash Equivalents - October 1, 2022	<u>1,452,726</u>	<u>144,687</u>	<u>6,201,690</u>	<u>7,799,103</u>
<b>CASH AND CASH EQUIVALENTS - SEPTEMBER 30, 2023</b>	<b><u>\$ 1,424,341</u></b>	<b><u>\$ 52,128</u></b>	<b><u>\$ 5,984,033</u></b>	<b><u>\$ 7,460,502</u></b>
<b>RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating Income (Loss)	\$ 1,042,639	\$ (90,939)	\$ (183,882)	\$ 767,818
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Changes in Assets and Liabilities:				
(Increase) Decrease in:				
Accounts Receivable	3,959	173	-	4,132
Due from Other Funds	-	(18)	-	(18)
Increase (Decrease) in:				
Vouchers Payable	5,152	(1,203)	-	3,949
Claims Payable	(150,970)	(572)	-	(151,542)
Compensated Absences	-	-	279,397	279,397
Unearned Revenues	32,814	-	-	32,814
Total Adjustments	<u>(109,045)</u>	<u>(1,620)</u>	<u>279,397</u>	<u>168,732</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 933,594</u>	<u>\$ (92,559)</u>	<u>\$ 95,515</u>	<u>\$ 936,550</u>

## HIGHLANDS COUNTY, FLORIDA FIDUCIARY FUNDS DESCRIPTIONS

These funds account for assets held by the County in a fiduciary capacity for individuals, private organizations, and/or other governmental units.

The County maintains the following Fiduciary Funds:

### **Custodial Funds**

**Sheriff's Inmates** - To account for monies collected from inmates who have money in their possession at the time of their arrest and/or monies deposited on their behalf while incarcerated.

**Sheriff's Cash Bonds** - To account for cash appearance bonds collected by the Sheriff on behalf of other governments. These funds are disbursed weekly.

**Sheriff's Unclaimed Evidence** - To account for monies seized by law enforcement. These funds are maintained until final determination by Florida Statute or the court.

**Sheriff's Suspense** - To account for fees and court ordered payments collected for various agencies. These funds are remitted to other governmental agencies.

**Tax Collector's Tag Agency** - To account for motor vehicle and vessel registrations, title transfer fees, drivers' license transactions, sales tax, birth certificate fees, and concealed weapons licensing fees remitted to the state of Florida.

**Tax Collector's Tax and License** - To account for the collection of ad valorem and non-ad valorem taxes, tangible personal property taxes and hunting and fishing licenses remitted to various taxing agencies and the state of Florida.

**Tax Collector's Tax Redemption** - To account for collection of redeemed tax certificates issued in connection with delinquent ad valorem and non-ad valorem taxes and remittance to certificate holders.

**Clerk's Child Support** - To account for child support and/or alimony payments collected by the Clerk and remitted to the appropriate recipients.

**Clerk's Suspense** - To account for documentary stamp fees and recording fees, jury and witness payments and fines, and forfeitures collected through the court system and remitted to other governmental agencies.

**Board's Agency Escrow** - To account for the collection of funds held in escrow by the Board.

**HIGHLANDS COUNTY, FLORIDA  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS - CUSTODIAL FUNDS  
SEPTEMBER 30, 2023**

	Sheriff's Inmates	Sheriff's Cash Bond	Sheriff's Unclaimed Evidence	Sheriff's Individual Depositors	Sheriff's Suspense	Tax Collector's Tag Agency	Tax Collector's Tax and License	Tax Collector's Tax Redemption	Clerk's Child Support	Clerk's Suspense	Board's Agency Escrow	Total
<b>ASSETS</b>												
Cash and Cash Equivalents	\$ 12,562	\$ -	\$ 1,206	\$ 328	\$ 14,329	\$ 239,300	\$ 727,016	\$ 156,807	\$ 356	\$ 4,475,258	\$ 212,641	\$ 5,839,803
Due from Others	2,006	-	-	-	-	29	-	-	-	5,849	223	8,107
Due from Other Governmental Units	-	-	-	-	452	-	-	-	-	1,648	-	2,100
<b>Total Assets</b>	<b>14,568</b>	<b>-</b>	<b>1,206</b>	<b>328</b>	<b>14,781</b>	<b>239,329</b>	<b>727,016</b>	<b>156,807</b>	<b>356</b>	<b>4,482,755</b>	<b>212,864</b>	<b>5,850,010</b>
<b>LIABILITIES</b>												
Due to Others	10,480	-	-	328	11,930	23	130,753	156,807	-	6,454	-	316,775
Due to Other Governmental Units	-	-	-	-	2,851	239,306	596,263	-	271	368,887	-	1,207,578
Deposits	-	-	-	-	-	-	-	-	-	-	-	-
Tax Deed Surplus	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>10,480</b>	<b>-</b>	<b>-</b>	<b>328</b>	<b>14,781</b>	<b>239,329</b>	<b>727,016</b>	<b>156,807</b>	<b>271</b>	<b>375,341</b>	<b>-</b>	<b>1,524,353</b>
<b>NET POSITION</b>												
Restricted for Other Governments and Individuals	<u>\$ 4,088</u>	<u>\$ -</u>	<u>\$ 1,206</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 85</u>	<u>\$ 4,107,414</u>	<u>\$ 212,864</u>	<u>\$ 4,325,657</u>

**HIGHLANDS COUNTY, FLORIDA  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS - CUSTODIAL FUNDS  
YEAR ENDED SEPTEMBER 30, 2023**

	Sheriff's Inmates	Sheriff's Cash Bond	Sheriff's Unclaimed Evidence	Sheriff's Individual Depositors	Sheriff's Suspense	Tax Collector's Tag Agency	Tax Collector's Tax and License	Tax Collector's Tax Redemption	Clerk's Child Support	Clerk's Suspense	Board's Agency Escrow	Total
<b>ADDITIONS</b>												
Tax, License, Fines, and Fees Collected for Other Governments and Individuals	\$ 239,217	\$ 33,385	\$ 41,941	\$ 3,200	\$ 32,292	\$ 7,300,188	\$ 53,286,149	\$ 2,864,083	\$ 155,333	\$ 19,115,452	\$ 3,138	\$ 83,074,378
<b>DEDUCTIONS</b>												
Tax, License, Fines, and Fees Disbursed to Other Governments and Individuals	238,629	33,385	41,941	3,200	32,292	7,300,188	53,286,149	2,864,083	155,248	18,562,754	-	82,517,869
<b>CHANGE IN NET POSITION</b>	588	-	-	-	-	-	-	-	85	552,698	3,138	556,509
Net Position - October 1, 2022	3,500	-	1,206	-	-	-	-	-	-	3,554,716	209,726	3,769,148
<b>NET POSITION - SEPTEMBER 30, 2023</b>	<u>\$ 4,088</u>	<u>\$ -</u>	<u>\$ 1,206</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 85</u>	<u>\$ 4,107,414</u>	<u>\$ 212,864</u>	<u>\$ 4,325,657</u>

# Highlands County

Florida



Statistical Section

# HIGHLANDS COUNTY, FLORIDA STATISTICAL SECTION

This section of the County's Comprehensive Annual Financial Report represents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the County's overall financial health.

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**Sources:** Unless otherwise noted, the information contained in the schedules in this Statistical Section are derived from the comprehensive annual financial reports for the relevant year.

**HIGHLANDS COUNTY, FLORIDA  
NET POSITION BY COMPONENTS  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)**

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>GOVERNMENTAL ACTIVITIES</b>										
Net Investment in Capital Assets	\$ 264,190	\$ 253,124	\$ 243,879	\$ 231,232	\$ 225,367	\$ 213,827	\$ 206,255	\$ 197,479	\$ 194,776	\$ 192,567
Restricted	49,094	42,753	36,721	34,914	40,883	42,707	40,820	47,025	56,267	40,172
Unrestricted	(19,758)	(16,450)	(34,850)	(49,770)	(41,387)	(44,686)	(30,211)	(25,408)	(33,080)	14,911
Total Governmental Activities										
Net Position	<u>\$ 293,526</u>	<u>\$ 279,427</u>	<u>\$ 245,750</u>	<u>\$ 216,376</u>	<u>\$ 224,863</u>	<u>\$ 211,848</u>	<u>\$ 216,864</u>	<u>\$ 219,096</u>	<u>\$ 217,963</u>	<u>\$ 247,650</u>
<b>BUSINESS-TYPE ACTIVITIES</b>										
Net Investment in Capital Assets	\$ 11,045	\$ 10,021	\$ 9,072	\$ 8,684	\$ 8,758	\$ 9,369	\$ 9,153	\$ 9,393	\$ 9,369	\$ 9,728
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	13,536	13,147	11,858	10,935	10,118	9,002	7,650	5,609	5,378	5,069
Total Business-Type Activities										
Net Position	<u>\$ 24,580</u>	<u>\$ 23,168</u>	<u>\$ 20,930</u>	<u>\$ 19,619</u>	<u>\$ 18,876</u>	<u>\$ 18,371</u>	<u>\$ 16,803</u>	<u>\$ 15,002</u>	<u>\$ 14,747</u>	<u>\$ 14,797</u>
<b>PRIMARY GOVERNMENT</b>										
Net Investment in Capital Assets	\$ 275,234	\$ 263,145	\$ 252,951	\$ 239,916	\$ 234,125	\$ 223,196	\$ 215,408	\$ 206,872	\$ 204,145	\$ 202,295
Restricted	49,094	42,753	36,721	34,914	40,883	42,707	40,820	47,025	56,267	40,172
Unrestricted	(6,222)	(3,303)	(22,992)	(38,835)	(31,269)	(35,684)	(22,561)	(19,799)	(27,702)	19,980
Total Primary Government										
Net Position	<u>\$ 318,107</u>	<u>\$ 302,596</u>	<u>\$ 266,680</u>	<u>\$ 235,995</u>	<u>\$ 243,739</u>	<u>\$ 230,219</u>	<u>\$ 233,667</u>	<u>\$ 234,098</u>	<u>\$ 232,710</u>	<u>\$ 262,447</u>

\*GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, was implemented in 2015.

**HIGHLANDS COUNTY, FLORIDA  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>EXPENSES</b>										
Governmental Activities:										
General Government	\$ 22,599,038	\$ 21,865,689	\$ 21,188,678	\$ 20,865,488	\$ 20,874,168	\$ 18,519,219	\$ 17,632,374	\$ 15,875,786	\$ 13,531,358	\$ 14,797,429
Public Safety	68,119,772	55,919,431	43,208,028	59,515,863	56,939,713	59,326,852	48,236,789	41,971,815	37,704,396	38,955,726
Physical Environment	2,030,825	1,680,317	1,068,965	1,250,441	1,178,231	1,864,091	1,276,317	1,688,061	1,038,196	1,021,946
Transportation	17,604,650	16,212,205	14,905,826	18,631,875	14,508,911	13,459,205	13,339,901	13,152,319	13,178,891	13,308,009
Economic Environment	4,213,158	3,166,655	2,977,572	3,266,775	3,704,233	3,508,116	2,716,539	2,713,202	3,227,914	1,813,659
Human Services	14,147,925	4,955,460	18,607,574	7,664,991	3,639,034	3,682,396	3,844,649	3,838,641	4,803,440	5,103,604
Culture and Recreation	3,980,638	3,193,504	3,042,138	3,542,238	2,894,053	2,988,164	3,241,983	3,041,505	2,991,401	2,800,793
Court Related	5,945,120	5,312,924	4,822,945	5,387,500	5,215,689	4,782,597	4,508,844	4,286,136	4,325,815	4,175,685
Debt Service:										
Interest on Long-Term Debt	428,000	436,499	413,615	462,290	452,226	479,532	526,214	576,318	447,348	407,662
Total Governmental Activities Expenses	139,069,126	112,742,684	110,235,341	120,587,461	109,406,258	108,610,172	95,323,610	87,143,783	81,248,759	82,384,513
Business-Type Activities:										
Solid Waste	11,792,374	9,258,245	8,615,200	8,904,617	9,019,161	8,258,598	7,911,813	8,229,484	7,839,954	6,820,416
Energy Recovery	1,563,769	2,669,422	2,926,822	4,739,577	2,067,795	1,286,705	2,182,353	2,190,260	2,037,100	2,830,944
Total Business-Type Activities Expenses	13,356,143	11,927,667	11,542,022	13,644,194	11,086,956	9,545,303	10,094,166	10,419,744	9,877,054	9,651,360
Total Primary Government Expenses	\$ 152,425,269	\$ 124,670,351	\$ 121,777,363	\$ 134,231,655	\$ 120,493,214	\$ 118,155,475	\$ 105,417,776	\$ 97,563,527	\$ 91,125,813	\$ 92,035,873
<b>PROGRAM REVENUES</b>										
Governmental Activities:										
Charges for Services:										
General Government	\$ 4,560,840	\$ 4,479,244	\$ 4,718,317	\$ 4,029,731	\$ 3,611,736	\$ 3,491,884	\$ 3,388,476	\$ 3,232,991	\$ 3,430,390	\$ 3,158,631
Public Safety	20,805,949	19,804,087	17,417,929	13,796,529	14,611,053	10,201,333	9,109,107	8,455,014	9,093,968	8,404,021
Physical Environment	251,108	259,002	306,658	286,800	223,291	209,208	203,253	190,111	188,619	200,061
Transportation	3,551,401	3,499,680	2,641,294	2,453,038	3,778,828	2,960,748	2,541,604	2,532,117	2,263,685	2,404,676
Economic Environment	336,687	429,466	345,273	192,294	218,340	234,972	190,647	133,273	91,339	-
Human Services	1,066,771	19,069	20,196	21,113	22,944	32,040	56,356	78,134	104,571	118,965
Culture and Recreation	311,139	224,642	190,729	160,345	198,047	205,665	205,127	231,252	255,352	236,647
Court Related	3,285,687	3,147,946	3,260,991	2,505,424	2,582,473	2,770,345	2,551,261	2,395,544	2,733,165	2,796,207
Operating Grants and Contributions:										
General Government	2,227,097	11,458,327	177,111	346,919	89,915	97,665	119,917	154,809	169,073	204,518
Public Safety	8,440,730	534,034	651,756	319,850	13,637,806	918,640	484,767	471,626	429,685	433,524
Physical Environment	285,499	332,200	366,376	320,161	269,695	320,313	322,895	442,290	234,827	206,295
Transportation	-	-	-	-	-	23,995	6,419	2,052	181,443	54,068
Economic Environment	1,778,911	1,068,257	756,005	454,711	1,363,228	738,802	408,358	826,494	1,103,227	1,064,101
Human Services	755,921	652,759	15,731,780	4,521,721	646,931	739,927	534,043	667,781	1,934,767	2,344,565
Culture and Recreation	288,501	205,424	217,880	207,999	194,621	241,801	193,493	207,941	258,164	239,627
Court Related	36,949	35,932	23,983	20,000	15,000	15,000	-	-	-	-

**HIGHLANDS COUNTY, FLORIDA  
CHANGES IN NET POSITION (CONTINUED)  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>PROGRAM REVENUES</b>										
<b>(CONTINUED)</b>										
Governmental Activities (Continued):										
Capital Grants and Contributions:										
General Government	\$ -	\$ -	\$ -	\$ 60,657	\$ 167,864	\$ 98,063	\$ 60,657	\$ 60,657	\$ -	\$ -
Public Safety	1,160,006	303,268	156,012	481,644	446,895	38,756	86,077	400,886	21,466	154,816
Physical Environment	17,348	-	25,905	5,660,798	870,117	872,809	711,535	329,100	158,408	38,638
Transportation	2,948,968	5,593,047	8,134,378	454,091	809,475	2,151,471	2,899,663	696,326	795,084	1,178,687
Economic Environment	-	-	-	-	-	-	-	-	-	-
Human Services	-	-	-	39,871	956,079	606,301	-	-	-	-
Culture and Recreation	-	10,000	-	-	-	-	-	3,115	15,707	-
Court Related	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities										
Program Revenues	52,109,512	52,056,384	55,142,573	36,333,696	44,714,338	26,969,738	24,073,655	21,511,513	23,462,940	23,238,047
Business-Type Activities:										
Charges for Services:										
Solid Waste	11,960,861	11,327,521	9,670,526	9,342,369	9,043,194	9,704,626	9,282,253	8,245,581	8,026,002	8,112,624
Energy Recovery	1,568,190	2,536,351	2,921,291	4,998,541	2,093,557	1,236,046	2,377,919	2,223,189	2,151,518	2,883,567
Operating Grants and Contributions:										
Solid Waste	157,543	29,957	158,379	26,280	90,909	90,909	90,909	90,909	90,910	90,909
Energy Recovery	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions:										
Solid Waste	-	-	-	-	-	-	-	-	-	-
Energy Recovery	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities										
Program Revenues	13,686,594	13,893,829	12,750,196	14,367,190	11,227,660	11,031,581	11,751,081	10,559,679	10,268,430	11,087,100
Total Primary Government										
Program Revenues	<u>\$ 65,796,106</u>	<u>\$ 65,950,213</u>	<u>\$ 67,892,769</u>	<u>\$ 50,700,886</u>	<u>\$ 55,941,998</u>	<u>\$ 38,001,319</u>	<u>\$ 35,824,736</u>	<u>\$ 32,071,192</u>	<u>\$ 33,731,370</u>	<u>\$ 34,325,147</u>
<b>NET REVENUE (EXPENSE)</b>										
Governmental Activities	\$ (86,959,614)	\$ (60,686,300)	\$ (55,092,768)	\$ (84,253,765)	\$ (64,691,920)	\$ (81,640,434)	\$ (71,249,955)	\$ (65,632,270)	\$ (57,785,819)	\$ (59,146,466)
Business-Type Activities	330,451	1,966,162	1,208,174	722,996	140,704	1,486,278	1,656,915	139,935	391,376	1,435,740
Total Primary Governmental										
Net Expense	<u>\$ (86,629,163)</u>	<u>\$ (58,720,138)</u>	<u>\$ (53,884,594)</u>	<u>\$ (83,530,769)</u>	<u>\$ (64,551,216)</u>	<u>\$ (80,154,156)</u>	<u>\$ (69,593,040)</u>	<u>\$ (65,492,335)</u>	<u>\$ (57,394,443)</u>	<u>\$ (57,710,726)</u>

**HIGHLANDS COUNTY, FLORIDA  
CHANGES IN NET POSITION (CONTINUED)  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>										
Governmental Activities:										
Taxes:										
Property Taxes	\$ 50,578,777	\$ 47,203,470	\$ 44,385,911	\$ 41,984,688	\$ 39,979,150	\$ 39,565,159	\$ 38,462,928	\$ 37,278,775	\$ 36,998,413	\$ 30,637,891
Fuel Taxes	4,934,488	4,814,901	4,697,783	4,296,818	4,554,036	4,662,245	4,544,584	4,587,791	4,571,124	4,442,566
Sales Tax	15,044,472	13,829,396	11,634,496	9,952,249	9,766,712	9,811,985	9,072,162	9,128,971	8,646,977	8,104,374
Services Taxes	549,756	542,369	535,916	557,115	574,650	623,216	724,573	675,705	702,695	711,348
Other Taxes	1,895,965	1,588,064	1,200,802	913,665	1,064,256	560,188	482,936	481,072	453,063	420,444
State Shared Revenues	22,637,741	18,633,100	16,520,077	15,003,122	15,434,257	15,205,276	14,506,012	13,810,350	13,389,606	12,809,474
Net Change in Fair Value										
of Investments	4,611,006	1,975,240	1,088,320	948,096	1,274,929	892,708	662,365	451,282	456,608	240,985
Gain on Sale of Capital Assets	354,024	5,103,450	3,322,823	826,358	952,383	145,545	77,368	43,112	230,677	500
Insurance Recoveries	275,918	252,951	269,543	74,416	752,218	-	-	-	-	-
Miscellaneous	71,435	313,754	705,410	915,547	3,261,481	1,993,965	485,539	308,519	360,970	335,215
Transfers	105,010	106,585	105,872	294,798	92,916	226,063	-	-	-	-
Total Governmental Activities	<u>101,058,592</u>	<u>94,363,280</u>	<u>84,466,953</u>	<u>75,766,872</u>	<u>77,706,988</u>	<u>73,686,350</u>	<u>69,018,467</u>	<u>66,765,577</u>	<u>65,810,133</u>	<u>57,702,797</u>
Business-Type Activities:										
Net Change in Fair Value										
of Investments	1,171,982	263,986	150,383	276,307	450,023	243,064	143,822	59,744	46,870	35,409
Gain (Loss) on Sale of Capital Assets	-	7,162	32,669	15,000	2,888	5	-	55,000	1,951	(2,694)
Insurance Recoveries	14,625	107,416	25,392	23,552	4,382	-	-	-	-	-
Transfers	(105,010)	(106,585)	(105,872)	(294,798)	(92,916)	(226,063)	-	-	-	-
Total Business-Type Activities	<u>1,081,597</u>	<u>271,979</u>	<u>102,572</u>	<u>20,061</u>	<u>364,377</u>	<u>17,006</u>	<u>143,822</u>	<u>114,744</u>	<u>48,821</u>	<u>32,715</u>
Total Primary Government	<u>\$ 102,140,189</u>	<u>\$ 94,635,259</u>	<u>\$ 84,569,525</u>	<u>\$ 75,786,933</u>	<u>\$ 78,071,365</u>	<u>\$ 73,703,356</u>	<u>\$ 69,162,289</u>	<u>\$ 66,880,321</u>	<u>\$ 65,858,954</u>	<u>\$ 57,735,512</u>
<b>CHANGE IN NET POSITION</b>										
Government Activities	\$ 14,098,978	\$ 33,676,980	\$ 29,374,185	\$ (8,486,893)	\$ 13,015,068	\$ (7,954,084)	\$ (2,231,488)	\$ 1,133,307	\$ 8,024,314	\$ (1,443,669)
Business-Type Activities	1,412,048	2,238,141	1,310,746	743,057	505,081	1,503,284	1,800,737	254,679	440,197	1,468,455
Total Primary Government	<u>\$ 15,511,026</u>	<u>\$ 30,684,931</u>	<u>\$ 30,684,931</u>	<u>\$ (7,743,836)</u>	<u>\$ 13,520,149</u>	<u>\$ (6,450,800)</u>	<u>\$ (430,751)</u>	<u>\$ 1,387,986</u>	<u>\$ 8,464,511</u>	<u>\$ 24,786</u>

**HIGHLANDS COUNTY, FLORIDA  
FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>GENERAL FUND</b>										
Nonspendable	\$ 1,388,489	\$ 1,297,795	\$ 1,249,038	\$ 1,345,428	\$ 1,688,633	\$ 1,254,682	\$ 1,271,683	\$ 1,090,109	\$ 898,522	\$ 735,796
Assigned	1,809,332	3,387,198	468,434	518,151	357,689	392,559	5,395,581	478,468	536,116	1,051,976
Unassigned	50,566,292	41,553,938	25,909,864	17,524,589	17,133,264	4,946,829	11,207,433	17,965,879	18,007,274	15,424,223
<b>Total General Fund</b>	<b>\$ 53,764,113</b>	<b>\$ 46,238,931</b>	<b>\$ 27,627,336</b>	<b>\$ 19,388,168</b>	<b>\$ 19,179,586</b>	<b>\$ 6,594,070</b>	<b>\$ 17,874,697</b>	<b>\$ 19,534,456</b>	<b>\$ 19,441,912</b>	<b>\$ 17,211,995</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>										
Nonspendable	\$ 1,414,339	\$ 583,052	\$ 1,386,989	\$ 1,743,945	\$ 138,111	\$ 43,171	\$ 129,818	\$ 58,043	\$ 78,576	\$ 55,560
Restricted	56,640,777	49,328,284	33,686,376	35,798,233	44,362,820	41,575,220	40,740,308	46,180,218	55,617,654	38,863,427
Assigned	1,108,724	1,108,725	1,108,725	1,131,596	1,131,596	1,131,596	1,131,596	1,131,596	1,209,272	1,131,596
Unassigned	(745,798)	(44,332)	(36,100)	(2,409)	(5,465,323)	(5,285,444)	(3,502,628)	(449,481)	(94,077)	(182,558)
<b>Total All Other Governmental Funds</b>	<b>\$ 58,418,042</b>	<b>\$ 50,975,729</b>	<b>\$ 36,145,990</b>	<b>\$ 38,671,365</b>	<b>\$ 40,167,204</b>	<b>\$ 37,464,543</b>	<b>\$ 38,499,094</b>	<b>\$ 46,920,376</b>	<b>\$ 56,811,425</b>	<b>\$ 39,868,025</b>

**HIGHLANDS COUNTY, FLORIDA  
CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>REVENUES</b>										
Taxes	\$ 72,946,323	\$ 67,928,829	\$ 62,404,912	\$ 57,650,705	\$ 55,887,727	\$ 55,172,719	\$ 53,234,947	\$ 52,101,154	\$ 51,319,790	\$ 44,263,651
Licenses and Permits	2,145,403	2,216,196	1,455,417	1,037,516	1,001,754	1,465,721	773,153	768,201	670,995	592,967
Intergovernmental	42,736,434	39,157,533	40,845,539	31,496,711	34,817,945	22,550,893	21,205,397	18,627,084	19,987,878	19,391,575
Charges for Services	16,502,686	15,208,670	14,299,662	11,369,540	11,944,323	10,893,391	10,219,318	9,464,472	10,046,027	9,628,330
Fines and Forfeitures	737,638	703,974	934,692	617,376	597,206	613,473	483,845	659,069	853,718	689,523
Assessments	7,715,846	6,992,757	6,492,597	5,910,454	5,432,424	2,222,840	2,236,688	2,151,722	2,167,235	2,071,734
Net Change in Fair Value of Investments	4,366,745	1,906,914	1,043,670	863,974	1,129,691	782,659	610,260	429,176	432,068	232,693
Miscellaneous	5,372,076	5,572,802	4,476,390	3,887,094	6,117,091	4,505,545	4,163,763	3,800,801	3,990,201	3,797,347
<b>Total Revenues</b>	<b>152,523,151</b>	<b>139,687,675</b>	<b>131,952,879</b>	<b>112,833,370</b>	<b>116,928,161</b>	<b>98,207,241</b>	<b>92,927,371</b>	<b>88,001,679</b>	<b>89,467,912</b>	<b>80,667,820</b>
<b>EXPENDITURES</b>										
Current:										
General Government	21,594,420	19,261,121	18,887,873	19,137,605	19,504,745	17,298,385	16,382,937	15,820,668	15,320,898	15,038,762
Public Safety	63,602,577	55,736,834	51,033,560	51,272,109	48,686,528	55,424,348	46,488,455	49,112,058	37,532,165	36,769,408
Physical Environment	1,822,263	1,665,981	1,220,904	1,662,450	3,256,902	3,807,540	5,951,756	1,652,101	1,419,943	1,030,244
Transportation	21,606,390	25,448,864	25,572,993	21,371,636	19,273,642	17,015,511	17,543,571	14,340,234	14,656,785	16,141,550
Economic Environment	4,074,817	3,113,222	2,998,436	3,091,151	3,548,911	3,413,605	2,663,981	2,646,019	3,058,180	1,763,053
Human Services	14,052,410	4,886,156	18,591,572	7,387,680	3,596,614	3,571,908	3,682,639	3,830,092	4,746,714	5,073,317
Culture and Recreation	3,480,792	2,889,392	2,826,716	3,057,918	2,770,798	2,661,198	2,915,249	2,719,949	2,576,017	2,536,456
Court Related	5,369,781	5,200,966	5,124,632	4,674,599	4,608,530	4,460,416	4,186,800	4,453,875	4,373,657	4,402,846
Debt Service:										
Principal Retirement	4,527,661	14,806,776	3,160,611	3,174,345	2,821,386	2,609,352	2,658,400	2,648,293	9,867,709	2,792,500
Interest	446,984	421,672	438,304	486,706	439,671	486,219	534,624	576,895	342,527	400,404
<b>Total Expenditures</b>	<b>140,578,095</b>	<b>133,430,984</b>	<b>129,855,601</b>	<b>115,316,199</b>	<b>108,507,727</b>	<b>110,748,482</b>	<b>103,008,412</b>	<b>97,800,184</b>	<b>93,894,595</b>	<b>85,948,540</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>11,945,056</b>	<b>6,256,691</b>	<b>2,097,278</b>	<b>(2,482,829)</b>	<b>8,420,434</b>	<b>(12,541,241)</b>	<b>(10,081,041)</b>	<b>(9,798,505)</b>	<b>(4,426,683)</b>	<b>(5,280,720)</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers In	2,481,770	3,926,826	2,275,907	3,130,908	1,320,536	1,569,934	1,636,066	1,121,712	1,186,440	4,119,015
Transfers Out	(2,376,760)	(3,820,241)	(2,170,035)	(2,836,110)	(1,227,620)	(1,343,871)	(1,636,066)	(1,121,712)	(1,186,440)	(4,119,015)
Insurance Recoveries	275,918	252,951	261,580	74,416	752,217	-	-	-	-	-
Leases	22,619	107,657	-	-	-	-	-	-	-	-
SBITAs	1,750,458	-	-	-	-	-	-	-	-	-
Finance Purchase Agreement	514,410	-	-	-	-	-	-	-	-	-
Sale of Surplus Asset	354,024	5,103,450	-	-	-	-	-	-	-	-
Issuance of Debt	-	21,614,000	3,249,063	826,358	6,022,610	-	-	-	23,600,000	-
<b>Total Other Financing Sources (Uses)</b>	<b>3,022,439</b>	<b>27,184,643</b>	<b>3,616,515</b>	<b>1,195,572</b>	<b>6,867,743</b>	<b>226,063</b>	<b>-</b>	<b>-</b>	<b>23,600,000</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 14,967,495</b>	<b>\$ 33,441,334</b>	<b>\$ 5,713,793</b>	<b>\$ (1,287,257)</b>	<b>\$ 15,288,177</b>	<b>\$ (12,315,178)</b>	<b>\$ (10,081,041)</b>	<b>\$ (9,798,505)</b>	<b>\$ 19,173,317</b>	<b>\$ (5,280,720)</b>
Debt Service as a Percentage of Noncapital Expenditures	4.03%	3.28%	3.53%	3.51%	3.19%	3.73%	4.01%	3.51%	4.08%	4.55%

**HIGHLANDS COUNTY, FLORIDA  
TAXABLE VALUE AND ACTUAL VALUE OF PROPERTY  
LAST TEN FISCAL YEARS**

Fiscal Year	Real Property (Assessed Value <sup>a</sup> )				Assessed Value <sup>a</sup> of Personal Property	Less: Allowable Exemptions	Total Taxable Value <sup>b</sup>	Total Direct Tax Rate <sup>c</sup>
	Residential Property	Agriculture	Commercial Property	Other				
2023	\$ 7,378,784,648	\$ 726,210,696	\$ 1,154,010,560	\$ 1,375,364,329	\$ 786,993,610	\$ 4,995,742,593	\$ 6,425,621,250	8.1000
2022	5,642,324,541	637,605,236	981,888,091	1,176,614,848	780,614,312	3,529,006,961	5,690,040,067	8.5500
2021	5,069,210,600	641,097,786	949,233,771	1,130,867,590	752,606,707	3,207,042,444	5,335,974,010	8.5500
2020	4,696,604,547	630,636,086	945,504,608	1,116,687,337	688,218,384	3,025,622,319	5,052,028,643	8.5500
2019	4,420,651,377	571,111,854	940,284,611	1,091,717,986	686,246,734	2,873,692,500	4,836,320,062	8.5500
2018	4,185,031,437	683,819,126	909,541,660	1,069,894,445	688,743,734	2,775,178,889	4,761,851,513	8.5500
2017	3,908,190,237	733,151,871	899,474,589	1,059,389,125	668,544,116	2,637,549,375	4,631,200,563	8.5500
2016	3,521,950,986	722,088,198	879,493,681	1,041,600,090	667,761,606	2,329,575,367	4,503,319,194	8.5500
2015	3,430,182,769	734,356,228	872,987,089	1,024,869,481	675,833,516	2,272,404,297	4,465,824,786	8.5500
2014	3,444,169,441	712,697,860	863,410,453	1,025,462,248	682,100,936	2,285,182,642	4,442,658,296	7.1000

Source: Highlands County Property Appraiser.

Notes:

<sup>a</sup> Assessed value is determined by the Highlands County Property Appraiser on January 1 of each year at 100% of fair market value, as required by Section 192.042, Florida Statutes.

<sup>b</sup> Taxable values are based on the assessed value after deducting allowable statutory exemptions.

<sup>c</sup> Per \$1,000 of value.

**HIGHLANDS COUNTY, FLORIDA  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
(PER \$1,000 OF ASSESSED VALUE)  
LAST TEN FISCAL YEARS**

Fiscal Year	Direct Rates		Overlapping Rates <sup>a</sup>						Total Overlapping Rates	Total Countywide
	General Government	Total Direct Rate	School District	South Florida Water District	Southwest Florida Water District	City of Avon Park	City of Sebring	Town of Lake Placid		
2023	8.1000	8.1000	5.5510	0.2301	0.2260	4.3681	5.8184	3.1500	19.3436	27.4436
2022	8.5500	8.5500	5.8790	0.2572	0.2535	2.2400	5.8184	3.2500	17.6981	26.2481
2021	8.5500	8.5500	6.0750	0.2675	0.2669	1.0000	5.3184	3.3250	16.2528	24.8028
2020	8.5500	8.5500	6.1200	0.2795	0.2801	0.3000	5.3184	3.5000	15.7980	24.3480
2019	8.5500	8.5500	6.3220	0.2936	0.2955	0.3000	5.3184	3.6500	16.1795	24.7295
2018	8.5500	8.5500	6.5420	0.3100	0.3131	0.3000	5.3184	3.6500	16.4335	24.9835
2017	8.5500	8.5500	7.1850	0.3551	0.3488	0.3000	4.8184	3.6500	16.6573	25.2073
2016	8.5500	8.5500	7.1850	0.3551	0.3488	0.3000	4.8184	3.6500	16.6573	25.2073
2015	8.5500	8.5500	7.2780	0.3842	0.3658	0.3000	4.9900	3.6500	16.9680	25.5180
2014	7.1000	7.1000	7.2650	0.4110	0.3818	0.3000	4.9900	3.6500	16.9978	24.0978

Source: Highlands County Property Appraiser.

Notes:

The County's basic property tax rate may be increased only by a majority vote of the Board of County Commissioners.

<sup>a</sup> Overlapping rates are those of local and county governments that apply to property owners within Highlands County. Not all overlapping rates apply to all Highlands County property owners.

**HIGHLANDS COUNTY, FLORIDA  
PRINCIPAL PROPERTY TAX PAYERS  
CURRENT FISCAL YEAR AND NINE YEARS PRIOR**

Taxpayer	Type of Business	Fiscal Year 2023			Fiscal Year 2014		
		Assessed Value	Rank	Percentage of Total County Assessed Value	Assessed Value	Rank	Percentage of Total County Assessed Value
Duke Energy f/k/a Progress Energy	Electric Utility	\$ 191,326,488	1	1.68%	\$ 117,320,210	1	1.74%
FLA Gas Transmission Co	Gas System	71,141,957	2	0.62%	81,369,890	2	1.21%
Tanglewood Investors Limited	Real Estate	63,717,134	3	0.56%	38,819,623	6	0.58%
Sebring Airport Authority	Industrial/Entertainment	58,418,267	4	0.51%	58,906,358	3	0.88%
Glades Electric Coop Inc	Electric Utility	48,392,038	5	0.42%	37,443,250	7	0.56%
Gulfstream Natural Gas Sys LLC	Gas System	47,396,746	6	0.41%	50,411,480	5	0.75%
Lykes Bros Inc	Cattle & Citrus	30,756,939	7	0.27%	51,459,479	4	0.76%
Sun Comm Acquisitions LLC	Real Estate	29,534,363	8	0.26%	-	-	0.00%
Highlands County Hospital	Hospital	27,311,162	9	0.24%	20,784,377	9	0.31%
ARC - Sebring LLC	Non-Profit	26,107,074	10	0.23%	-	-	0.00%
Embarq-Florida Inc.	Telephone Services	-		0.00%	27,417,680	8	0.41%
Wal Mart	Retail	-		0.00%	20,290,946	10	0.30%
Total Assessed Value of Ten Largest Taxpayers		594,102,168		5.20%	504,223,293		7.50%
Total Assessed Value of All Other Taxpayers		10,827,261,675		94.80%	6,223,617,645		92.50%
Total Assessed Value of All Taxpayers		<u>\$ 11,421,363,843</u>		<u>100%</u>	<u>\$ 6,727,840,938</u>		<u>100%</u>

Source: Highlands County Property Appraiser.

Note: The assessed value includes real and personal property.

**HIGHLANDS COUNTY, FLORIDA  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

Fiscal Year	Taxes Levied for the Fiscal Year <sup>a</sup> (Original Levy)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years <sup>b</sup>	Total Collections to Date <sup>b</sup>	
		Amount <sup>b</sup>	Percentage of Original Levy		Amount	Percentage of Original Levy
2023	\$ 52,047,603	N/A	N/A	N/A	N/A	N/A
2022	48,651,459	N/A	N/A	N/A	N/A	N/A
2021	45,622,580	N/A	N/A	N/A	N/A	N/A
2020	43,194,901	N/A	N/A	N/A	N/A	N/A
2019	41,350,592	N/A	N/A	N/A	N/A	N/A
2018	40,713,868	N/A	N/A	N/A	N/A	N/A
2017	39,596,821	38,268,827	96.65%	-	38,268,827	96.65%
2016	38,503,428	37,129,634	96.43%	78,509	37,208,143	96.64%
2015	38,168,421	36,841,599	96.52%	82,693	36,924,293	96.74%
2014	32,330,893	30,487,500	94.30%	78,347	30,565,848	94.54%

Source: Highlands County Property Appraiser.

Notes:

<sup>a</sup> Property taxes become due and payable on November 1 of each year. A 4% discount is allowed if taxes are paid in November, with the discount declining by 1% each month thereafter. Accordingly, taxes collected will never be 100% of the tax levy. Taxes become delinquent on April 1 of each year and tax certificates for the full amount of any unpaid taxes must be sold no later than June 1 of each year.

Property taxes receivable and a corresponding reserve for uncollectible property taxes are not included in the financial statements as there are no delinquent taxes as of September 30, 2023.

Information regarding the Original Levy was obtained from the Property Appraiser.

<sup>b</sup> Information was obtained from the Tax Collector's Recapitulation of the Tax Roll report. Data not available since 2017.

**HIGHLANDS COUNTY, FLORIDA  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities					Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita	Personal Income	Population
	General Obligation Bonds	Notes Payable	Revenue Certificates	SBITAs	Leases	Notes Payable	Leases <sup>a</sup>					
2023	\$ -	\$ 23,643,543	\$ -	\$ 1,375,107	\$ 143,454	\$ -	\$ 384	\$ 25,162,488	N/A	N/A	N/A	N/A
2022	-	26,419,000	-	-	203,421	-	4,930	26,627,351	16.60%	\$ 252	\$ 4,419,585	105,618
2021	-	19,553,596	-	-	-	-	-	19,553,596	22.02%	189	4,306,675	103,296
2020	-	22,714,207	-	-	-	-	-	22,714,207	17.44%	224	3,962,441	101,222
2019	-	25,042,643	-	-	845,909	-	-	25,888,552	14.08%	256	3,646,058	101,061
2018	-	21,008,750	-	-	1,678,578	-	-	22,687,328	15.21%	226	3,451,815	100,189
2017	-	22,404,315	-	-	2,892,365	60,596	-	25,357,276	13.50%	253	3,422,997	100,094
2016	-	23,768,018	15,000	-	4,172,062	296,472	97,790	28,349,342	11.52%	287	3,266,766	98,886
2015	-	25,085,303	30,000	-	5,488,070	522,271	192,879	31,318,523	10.14%	321	3,175,079	97,582
2014	-	9,996,456	45,000	-	6,829,624	738,423	285,343	17,894,846	16.94%	185	3,030,704	96,541

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

<sup>a</sup> The County implemented GASB Statement 96, *Leases*, in fiscal year 2022.

<sup>a</sup> The County implemented GASB Statement 96, *Leases*, in fiscal year 2023.

**HIGHLANDS COUNTY, FLORIDA  
OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
SEPTEMBER 30, 2023**

	Debt Outstanding	Estimated Percentage Applicable <sup>a</sup>	Estimated Share of Overlapping Debt
Direct Debt			
Notes Payable	\$ 23,643,543	100%	\$ 23,643,543
SBITA/Leases (b)	1,518,561	100%	1,518,561
Total Direct Debt	<u>25,162,104</u>		<u>25,162,104</u>
Overlapping Debt			
Highlands County School Board:			
Bonds Payable	2,700,000	100%	2,700,000
Certificates of Participation	30,545,000	100%	30,545,000
City of Sebring:			
Loans and Notes Payable	6,778,196	13%	906,295
Leases (b)	27,218	13%	3,639
South Florida Water Management District:			
Certificates of Participation	<u>305,610,000</u>	15%	<u>45,841,500</u>
Total Overlapping Debt	<u>345,660,414</u>		<u>79,996,434</u>
Total Direct and Overlapping Debt	<u><u>\$ 370,822,518</u></u>		<u><u>\$ 105,158,538</u></u>

Source: Debt outstanding data provided by each respective agency.

Notes:

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Highlands County. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt of each overlapping government.

<sup>a</sup> The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the taxable assessed value that is within the government's boundaries and dividing it by the County's total taxable assessed value.

<sup>b</sup> The County implemented GASB Statement 87, *Leases*, in fiscal year 2022. County implemented GASB Statement 96, *SBITAs*, in fiscal year 2023.

**HIGHLANDS COUNTY, FLORIDA  
PLEGDED-REVENUE COVERAGE  
LAST TEN FISCAL YEARS**

Infrastructure Sales Surtax Pledged Revenue Coverage					
Fiscal Year	Infrastructure Sales Surtax Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2023	\$ 15,044,472	\$ 2,832,000	\$ 307,010	\$ 3,139,010	4.79
2022	13,829,396	2,740,000	143,363	2,883,363	4.80
2021	11,634,496	2,685,000	313,711	2,998,711	3.88
2020	9,952,249	2,200,744	361,928	2,562,672	3.88
2019	9,766,713	1,725,366	399,322	2,124,688	4.60
2018	9,811,985	1,383,363	426,446	1,809,809	5.42
2017	9,072,162	1,351,833	450,352	1,802,185	5.03
2016	9,128,971	1,295,755	465,995	1,761,750	5.18
2015	8,646,980	1,550,112	200,478	1,750,590	4.94
2014	8,104,375	1,509,888	234,169	1,744,057	4.65

Notes:

Details regarding the County's outstanding debt can be found in the notes to the financial statements.

The Infrastructure Sales Surtax Revenue Notes are serviced from and secured by designated revenues derived from the County's share of the one cent local discretionary infrastructure sales surtax.

**HIGHLANDS COUNTY, FLORIDA  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

Year	Population <sup>a</sup>	Total Personal Income <sup>a</sup> (in thousands)	Per Capita Personal Income <sup>a</sup>	Public School Enrollment <sup>b</sup>	Unemployment Rate <sup>c</sup>
2023	-	\$ -	\$ -	12,127	4.70 %
2022	105,618	4,419,585	41,845	12,314	4.10
2021	103,296	4,296,843	41,568	12,119	5.70
2020	101,222	3,964,116	39,163	12,047	8.90
2019	101,061	3,669,412	36,309	11,993	4.50
2018	100,189	3,442,686	34,362	12,308	4.90
2017	100,094	3,416,070	34,129	12,513	6.00
2016	98,886	3,262,275	32,993	12,296	6.90
2015	97,582	3,169,640	32,482	12,481	7.50
2014	96,541	3,027,985	31,365	12,059	8.80

Notes:

<sup>a</sup> Information was provided by the U.S. Department of Commerce, Bureau of Economic Analysis.

<sup>b</sup> Information was provided by the Highlands County School Board.

<sup>c</sup> Information was provided by the Florida Research and Economic Information Database.

**HIGHLANDS COUNTY, FLORIDA  
PRINCIPAL EMPLOYERS  
CURRENT FISCAL YEAR AND NINE YEARS PRIOR**

Employer	2022			2013		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Highlands County School Board	1,833	1	4.94 %	1,608	1	4.13 %
Advent Health (fka Florida Hospital)	1,755	2	4.72	1,100	2	2.82
Wal-Mart	736	3	1.98	736	3	1.89
Publix	501	4	1.35	-	-	-
South Florida State College	427	5	1.15	-	-	-
Highlands County Board of County Commissioners	382	6	1.03	355	6	0.91
Highlands Regional Medical Center	357	7	0.96	400	5	1.03
Highlands County Sheriff's Office	347	8	0.93	325	7	0.83
Costa Farms LLC	322	9	0.87	250	9	0.64
Alan Jay Automotive	269	10	0.72	285	8	0.73
Agero f/d/a Cross Country Automotive Services	-	-	-	500	4	1.28
The Palms of Sebring	-	-	-	250	9	0.64
<b>Total</b>	<b>6,929</b>		<b>18.65 %</b>	<b>5,809</b>		<b>14.90%</b>
Labor Force Employed	37,157			38,974		

Source: Top Employee information was provided by the Highlands County Economic Development Commission. Labor force employee numbers were obtained from the Florida Research and Economic Database.

**HIGHLANDS COUNTY, FLORIDA  
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION  
LAST TEN FISCAL YEARS**

Function	Full-Time Equivalent Employees as of September 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>GENERAL GOVERNMENT</b>										
Legislative	5	5	5	5	5	5	5	5	5	5
Executive	3	3	4	5	5	4	4	5	6	5
Financial and Administrative	139	139	133	135	129	124	124	116	119	122
Comprehensive Planning	6	6	5	4	4	5	5	5	6	6
Other General Government	24	27	28	24	26	26	24	27	27	27
<b>PUBLIC SAFETY</b>										
Law Enforcement	238	228	237	243	243	244	232	220	216	216
Fire Control	42	40	36	29	32	16	13	14	16	13
Detention / Correction	98	105	107	112	111	110	106	108	104	99
Protective Inspection	20	18	18	17	18	16	13	16	15	15
Emergency and Disaster	6	6	6	9	7	4	5	4	6	6
Ambulance and Rescue	57	62	62	69	65	63	66	61	57	64
Other Public Safety	5	5	5	6	5	3	3	3	2	2
<b>PHYSICAL ENVIRONMENT</b>										
Water Utility Services	22	18	16	17	19	16	21	19	20	21
Conservation and Rescue	11	18	14	13	16	14	13	14	14	14
Flood Control/ Stormwater	1	-	-	-	-	-	-	-	-	-
Other Physical Environment	1	-	-	-	-	-	-	-	-	-
<b>TRANSPORTATION</b>										
Road and Street Facilities	119	114	120	107	120	120	112	113	107	112
Other Transportation	2	-	-	-	-	-	-	-	-	-
<b>ECONOMIC ENVIRONMENT</b>										
Housing	2	2	1	1	1	1	1	1	1	1
Veteran Services	3	4	4	3	3	3	3	3	3	3
Other	4	3	3	3	3	3	3	2	1	2
<b>HUMAN SERVICES</b>										
Health	-	3	8	6	8	8	8	8	8	7
Welfare	7	1	1	1	1	1	1	7	9	10
Other Human Services	1	-	-	-	1	1	1	-	-	-
<b>CULTURE AND RECREATION</b>										
Libraries	19	20	20	19	16	16	14	16	18	17
Parks and Recreation	15	15	16	17	16	17	18	18	18	18
<b>COURT RELATED</b>										
Court General Administration	25	25	23	21	19	23	21	22	14	9
Circuit Court Criminal	9	6	5	4	4	5	5	6	6	7
Circuit Court Civil	2	4	4	4	4	3	3	4	4	4
Circuit Court Family	8	8	10	9	10	8	9	9	9	6
Circuit Court Juvenile	3	5	5	4	5	3	3	3	2	3
Court General Operations	6	7	6	6	9	9	8	7	16	11
County Court Traffic	5	4	6	4	6	6	6	7	7	7
<b>Total</b>	<b>908</b>	<b>901</b>	<b>908</b>	<b>897</b>	<b>911</b>	<b>877</b>	<b>850</b>	<b>843</b>	<b>836</b>	<b>832</b>

## HIGHLANDS COUNTY, FLORIDA OPERATING INDICATORS BY FUNCTION

Function / Program	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>GENERAL GOVERNMENT</b>										
New Hires	117	93	68	52	89	66	46	46	50	54
Purchase Orders Issued	1,578	1,676	1,693	1,687	1,681	1,708	1,910	1,518	1,629	1,696
Comp Plan Amendments	16	14	19	10	7	5	7	15	13	2
IT Work Orders Completed	15,011	18,122	17,317	17,050	15,636	17,676	14,636	8,917	9,778	9,205
IT Users Served	689	689	689	650	650	650	650	650	650	650**
<b>PUBLIC SAFETY</b>										
Emergency Medical Services:										
Emergency 911 Call Volume:										
Fire/Rescue Calls	24,406	20,600	29,813	19,292	20,629	****	****	****	****	****
EMS Calls	****	****	****	****	****	17,089	17,365	16,546	15,696	14,814
Fire Department Calls	****	****	****	****	****	3,914	11,002	9,337	8,174	7,412
Average EMS Response Time (in Minutes)	7.68	9.16	7.54	7.20	7.23	7.02	7.06	8.04	7.99	7.15
Air Medical Service (Number of Flights)	139	3	143	188	212	135	116	104	108	106
Sheriff:										
Arrests Made	2,111	****	2,099	2,054	3,570	3,699	3,258	4,474	5,489	6,014
Traffic Citations Issued	3,988	3,986	4,376	2,466	3,888	2,040	2,116	2,349	3,244	3,188
Detentions and Correction:										
Jail Average Daily Population	472	462	453	397	460	417	423	379	387	399
Building Department:										
Permits Issued	13,001	13,847	9,080	7,014	6,820	11,339	5,598	5,407	4,745	4,185
Inspections Performed	30,840	27,793	17,585	13,216	14,431	19,685	9,430	7,527	7,527	6,210
Zoning Department:										
Code Enforcement Complaints Received	1,423	2,144	1,282	2,691	2,142	1,975	2,818	2,222	1,552	2,272
Code Enforcement Inspections Performed	3,125	3,824	5,617	5,329	3,623	3,347	4,219	4,106	4,050	4,664
<b>PHYSICAL ENVIRONMENT</b>										
Recycled Waste (Tons)	462	147	389	2,200	3,366	5,528	3,614	2,391	2,563	2,737
Landfill Waste:										
Residential Household Waste (Tons)	51,908	49,693	45,497	44,450	37,960	37,954	37,575	39,411	37,609	36,189
Commercial Waste (Tons)	12,215	44,667	42,158	39,285	36,506	38,443	30,975	28,238	26,856	28,763
<b>TRANSPORTATION</b>										
Miles of Road Constructed	4.87	0.08	0.29	4.31	-	-	0	-	0.31	2.12
Miles of Road Reconstructs	4.66	4.66	0.13	132.42	0.06	-	1.10	1.54	1.38	1.39
Miles of Road Resurfaced	14.53	24.78	35.01	67.00	22.39	8.09	30.81	31.30	34.95	31.30

**HIGHLANDS COUNTY, FLORIDA  
OPERATING INDICATORS BY FUNCTION (CONTINUED)**

Function / Program	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>ECONOMIC ENVIRONMENT</b>										
Down Payment Assistance Loan Program	***	***	***	***	***	***	***	***	***	***
Veterans' Services:										
In Office Visits	2,676	2,222	1,600	1,400	4,905	5,043	5,291	***	5,032	4,717
Phone Calls Received	8,994	11,191	12,292	12,300	10,503	7,990	7,264	***	19,200	19,200
Home Visits	-	-	-	-	5	5	12	***	3	6
Transportation Trips	-	-	-	125	250	242	242	***	89	74
Presentations	33	27	25	40	52	29	30	***	110	104
<b>HUMAN SERVICES</b>										
Animal Services:										
Number of Complaints Received *	5,794	4,759	5,216	4,486	5,603	5,373	2,994	7,359	8,553	8,442
Number of Impoundments *	3,053	2,684	2,955	2,678	3,531	3,035	1,726	3,316	3,547	3,433
Animals Reclaimed *	296	395	292	243	268	285	118	340	412	371
Animals Adopted *	210	161	214	185	329	434	139	451	601	557
Animals Donated to Humane Society *	1,448	1,087	1,335	1,240	1,323	1,046	420	1,277	***	713
Animals Euthanized *	542	771	806	731	1,225	1,038	616	1,146	1,441	1,798
Wildlife Relocated	***	***	***	***	52	***	***	***	***	104
Transportation Trips for Disadvantaged Persons	60,936	62,396	52,560	64,316	74,525	72,219	78,334	92,039	100,123	126,472
<b>CULTURE AND RECREATION</b>										
Library Operations:										
Registered Borrowers in Highlands County	93,273	93,757	91,143	89,250	88,030	20,409	18,736	20,218	19,846	20,320
Library Visitors	176,460	149,740	118,467	136,564	233,161	248,481	269,095	284,480	287,573	284,785
Items Circulated:										
Adult	163,468	169,209	175,345	172,284	233,352	281,953	295,853	354,156	305,349	253,187
Children	104,178	90,936	77,895	68,059	111,532	104,319	122,681	123,069	119,176	94,354
Adult Programs:										
Number of Programs	119	3	17	95	159	247	510	414	392	237
Number of Attendees	669	17	150	1,198	2,202	2,263	4,187	2,766	3,259	1,821
Children's Programs:										
Number of Programs	402	244	109	117	229	205	226	287	195	319
Number of Attendees	11,963	4,774	1,980	3,262	3,124	2,681	3,242	3,736	3,120	2,875
Volunteer Hours	4,835	3,844	3,621	2,825	5,164	6,058	5,435	5,425	5,204	2,103
Library Webpage Visits	158,532	145,548	145,745	186,041	230,313	919,587	1,087,095	1,226,146	***	353,182
Public Internet Usage (Hours)	14,969	14,842	23,222	10,702	33,962	194,178	105,715	25,165	35,341	46,595
Park Rentals:										
H. L. Bishop	51	73	28	29	61	64	32	49	52	47
Boat Ramps Maintained	37	38	38	38	38	38	38	38	38	38

**HIGHLANDS COUNTY, FLORIDA  
OPERATING INDICATORS BY FUNCTION (CONTINUED)**

Function / Program	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>COURT RELATED</b>										
Cases in Court	30,629	21,336	13,864	15,948	26,955	27,557	26,840	26,967	29,806	30,953
Individuals thru Security	93,713	66,822	54,355	52,611	106,396	100,996	124,283	111,171	125,991	130,060

Sources: Information was obtained from various County departments.

\* For 2017 these numbers represent the time period of April 2017 through September 2017. Information for the remainder of the fiscal year is not available due to a transition of Animal Services to the Sheriff's Office.

\*\* Methodology for calculating number of IT Users changed in 2014.

\*\*\* Information not available.

\*\*\*\* As of January 1, 2019, all EMS and Fire calls became combined into Fire/Rescue calls

\*\*\*\*\*Information unavailable as a result of the May 27, 2022 Highlands County Sheriff's Office ransomware attack.

## HIGHLANDS COUNTY, FLORIDA CAPITAL ASSETS BY FUNCTION

Function / Program	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>GENERAL GOVERNMENT</b>										
IT Networked Buildings	58	54	54	54	54	46	42	43	43	43
<b>PUBLIC SAFETY</b>										
EMS Vehicles:										
Ambulances	9	11	12	14	12	13	15	14	12	12
Jaws	18	14	17	17	2	2	1	2	2	2
Administrative	5	14	7	7	6	5	3	3	2	2
Paid/Volunteer Fire Stations:	15	17	17	17	17	17	17	17	*	*
Sheriff:										
Stations	1	1	1	1	1	1	1	1	1	1
Sub-Stations	3	3	3	3	3	3	4	4	3	5
Patrol Vehicles	154	167	165	144	144	129	110	97	103	104
Command Center	2	2	2	1	1	1	1	3	3	1
Special Operations Vehicle	2	2	2	3	3	2	4	4	3	3
Aircraft	-	-	-	1	1	1	1	1	1	1
Watercraft	3	3	3	3	3	3	3	3	3	4
Correction Facility Capacity	504	504	504	504	504	504	504	504	504	504
<b>TRANSPORTATION</b>										
Miles of County Road:										
Paved	341	938	938	1,003	999	998	998	998	1,010	1,010
Unpaved	184	189	189	194	198	200	197	197	217	215
Number of Airports	2	2	2	2	2	2	3	3	3	3
<b>CULTURE AND RECREATION</b>										
Number of County Libraries	3	3	3	3	3	3	3	3	3	3
Library Books	230,668	225,960	222,189	257,241	253,678	245,326	233,238	206,601	236,135	245,123
Library Audio Materials	7,598	7,224	7,451	9,888	9,652	*	9,252	17,941	18,284	12,261
Library Video Materials	24,405	23,482	23,129	32,537	28,380	12,519	26,637	20,886	22,555	31,378
Number of County Boat Ramps	37	38	38	38	38	38	38	38	38	38
Number of County Parks	45	45	45	45	45	45	45	45	45	45
Parks with Playgrounds	5	5	4	4	4	4	4	4	4	4
Parks with Baseball/Softball Fields	10	10	10	10	10	10	10	10	10	10
Park Acreage (Estimated):										
Developed	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465
Undeveloped	30.67	30.67	30.67	30.67	30.67	30.67	30.67	30.67	30.67	30.67

Sources: Information was obtained from various County departments.

\* Information not available

# Highlands County

Florida



## Compliance Section

**HIGHLANDS COUNTY, FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND  
STATE FINANCIAL ASSISTANCE  
YEAR ENDED SEPTEMBER 30, 2023**

Federal Grantor/ Pass-Through Grantor / Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Amounts Passed Through To Subrecipients	Expenditures
<b>FEDERAL AWARDS</b>				
<b>U.S. Department of Justice</b>				
Direct Programs				
State Criminal Alien Assistance Program	16.606		-	\$ 18,898
State Criminal Alien Assistance Program	16.606		-	34,172
Total State Criminal Alien Assistance Program			-	53,070
Bulletproof Vest Partnership Program	16.607		-	2,358
Public Safety Partnership and Community Policing Grants	16.710		-	61,207
JAG Program				
Edward Byrne Memorial Justice Assistance Grant Program	16.738		-	17,733
Edward Byrne Memorial Justice Assistance Grant Program	16.738		-	57,830
Total Edward Byrne Memorial Justice Assistance Grant Program			-	75,563
Pass-Through from Florida Attorney General:				
Crime Victim Assistance	16.575	VOCA-2020-HCSO-00793	-	(3,218)
Crime Victim Assistance	16.575	VOCA-2022-840	-	94,684
Crime Victim Assistance	16.575	VOCA-2022-840	-	56,932
Total Crime Victim Assistance			-	148,398
Pass-Through from Florida Department of Law Enforcement:				
Residential Substance Abuse Treatment for State Prisoners	16.593	15PBJA-21-GG-0051-RSAT	-	99,984
Pass-Through from Florida Network of Children's Advocacy Centers:				
Program Improvement - Meeting Accreditation Standards	16.758	SEBR-FL-PI22	-	11,361
Total U.S. Department of Justice			-	451,941
<b>U.S. Department of Treasury</b>				
Direct Programs				
Local Assistance and Tribal Consistency Fund	21.032		-	13,342
Pass-Through from Florida Division of Emergency Management:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	1505-0271	-	1,369,304
Total U.S. Department of Treasury			-	1,382,646
<b>U.S. Department of Transportation</b>				
Highway Planning and Construction Cluster				
Pass-Through from Florida Department of Transportation:				
Highway Planning and Construction	20.205	435067-1-3/58/68-01	-	10,738
Highway Planning and Construction	20.205	441739-1-38/58/68-01	-	416,512
Highway Planning and Construction	20.205	441923-1-38-01	-	1,721
Total Highway Planning and Construction Cluster			-	428,971
Total U.S. Department of Transportation			-	428,971

See accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

**HIGHLANDS COUNTY, FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2023**

Federal Grantor/ Pass-Through Grantor / Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Amounts Passed Through To Subrecipients	Expenditures
<b>FEDERAL AWARDS (CONTINUED)</b>				
<b>U.S. Election Assistance Commission</b>				
Pass-Through from Florida Division of Elections:				
HAVA Election Security Grants	90.404	2022-23.e.es.100.HIG	-	40,575
Total U.S. Election Assistance Commission			-	40,575
<b>U.S. Department of Health and Human Services</b>				
Pass-Through from Ounce of Prevention Fund of Florida, Inc.:				
Promoting Safe and Stable Families	93.556	20-25-42	-	40,435
Promoting Safe and Stable Families	93.556	20-25-42	-	13,262
Total Promoting Safe and Stable Families			-	53,697
TANF Cluster:				
Pass-Through from Ounce of Prevention Fund of Florida, Inc.:				
Temporary Assistance for Needy Families	93.558	20-25-42	-	74,024
Temporary Assistance for Needy Families	93.558	20-25-42	-	24,278
Total Temporary Assistance for Needy Families Cluster			-	98,302
Pass-Through U.S. Agency for Children and Families and Office of Child Support Enforcement, Florida Department of Revenue:				
Child Support Enforcement	93.563	COC28	-	423,072
Total U.S. Department of Health and Human Services			-	575,071
<b>Department of Homeland Security</b>				
Pass-Through from Florida Division of Emergency Management:				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Z0016	-	(3,050)
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Z2274	-	427,123
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Z2163	-	53,404
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Z2891	-	6,201,977
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Z3144	-	58,065
Total Disaster Grants - Public Assistance (Presidentially Declared Disasters)			-	6,737,519
Emergency Management Performance Grants	97.042	G0384	-	58,752
Total U.S. Department of Homeland Security			-	6,796,271
Total Expenditures of Federal Awards			\$ -	\$ 9,675,475

See accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

**HIGHLANDS COUNTY, FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2023**

State Grantor / Pass-Through Grantor / Program or Cluster Title	CSFA Number	Grant Contract Number	Amounts Passed Through To Subrecipients	Expenditures
<b>STATE FINANCIAL ASSISTANCE</b>				
<b>Florida Department of Economic Opportunity</b>				
Florida Sports Foundation Grant	40.040	260196711	\$ -	\$ 2,291
Florida Sports Foundation Grant	40.040	260509458	-	13,974
Florida Sports Foundation Grant	40.040	282384085	-	2,500
Total Florida Sports Foundation Grant			-	18,765
Community Planning Technical Assistance	40.024	P04665	-	50,000
Total Florida Department of Economic Opportunity			-	68,765
<b>Florida Department of Environmental Protection</b>				
Small County Consolidated Waste Grants	37.012	SC215	-	63,793
Small County Consolidated Waste Grants	37.012	SC315	-	93,750
Total Small County Consolidated Waste Grants			-	157,543
Total Florida Department of Environmental Protection			-	157,543
<b>Florida Department of State &amp; Secretary of State</b>				
State Aid to Libraries	45.030	18-ST-16	-	213,642
Small Matching Grant	45.031	23.h.sm.200.071	-	22,500
Small Matching Grant	45.031	23.h.sm.200.070	-	1,050
Total Small Matching Grant			-	23,550
Total Florida Department of State & Secretary of State			-	237,192
<b>Florida Executive Office of the Governor</b>				
Emergency Management Programs	31.063	A0250	-	79,890
Emergency Management Projects	31.067	T0146	-	1,669
<b>Florida Housing Finance Corporation</b>				
State Housing Initiatives Partnership (SHIP) Program	40.901	N/A	-	859,308
Total Florida Housing Finance Corporation			-	859,308
<b>Florida Department of Transportation</b>				
County Incentive Grant Program	55.008	429841-1-54-01	-	117,883
Small County Outreach Program	55.009	436644-1-54-01	-	172,215
Small County Outreach Program	55.009	445071-1-54-01	-	2,303
Small County Outreach Program	55.009	446394-1-54-01	-	6,813
Total Small County Outreach Program			-	181,331
Small County Road Assistance Program	55.016	436642-1-54-01/02	-	1,990,644
Small County Road Assistance Program	55.016	436643-1-54-01	-	165,152
Small County Road Assistance Program	55.016	442469-1-54-01	-	9,564
Total Small County Road Assistance Program			-	2,165,360
Total Florida Department of Transportation			-	2,464,574

See accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

**HIGHLANDS COUNTY, FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2023**

State Grantor / Pass-Through Grantor / Program or Cluster Title	CSFA Number	Grant Contract Number	Amounts Passed Through To Subrecipients	Expenditures
<b>STATE FINANCIAL ASSISTANCE (CONTINUED)</b>				
<b>Florida Department of Health</b>				
Emergency Medical Services Matching Grant	64.003	M0007		150,032
Emergency Medical Services Matching Grant	64.003	R9004		18,175
Total Emergency Medical Services Matching Grant			-	168,207
County Grant Awards	64.005	C1028		14,675
Total Florida Department of Health			-	182,882
<b>Florida Department of Law Enforcement</b>				
Law Enforcement Salary Assistance for Fiscally Constrained Counties	71.067	7G029	-	945,000
Law Enforcement Salary Assistance for Fiscally Constrained Counties	71.067	5V015	-	310,996
Total Law Enforcement Salary Assistance for Fiscally Constrained Counties			-	1,255,996
Total Florida Department of Law Enforcement			-	1,255,996
<b>Florida Department of Highway Safety and Motor Vehicles</b>				
Child Abuse Prevention and Intervention License Plate Project	76.067	21-22-LPVC-CAC-23	-	195
Total Florida Department of Highway Safety and Motor Vehicles			-	195
<b>Florida Department of Management Services</b>				
Prepaid Next Generation 911 (NG911) State Grant Program	72.003	S21-22-05-09	-	611,466
Prepaid Next Generation 911 (NG911) State Grant Program	72.003	S21-22-05-08	-	129,924
Total Prepaid Next Generation 911 (NG911) State Grant Program			-	741,390
Local Government Cybersecurity Grant Program	72.009	DMS-22/23-308	-	194,981
Local Government Cybersecurity Grant Program	72.009	DMS-22/23-306	-	139,239
Local Government Cybersecurity Grant Program	72.009	DMS-22/23-305	-	152,449
Local Government Cybersecurity Grant Program	72.009	DMS-22/23-304	-	143,339
Total Local Government Cybersecurity Grant Program			-	630,008
Total Florida Department of Management Services			-	1,371,398
<b>Florida Department of Legal Affairs and Attorney General</b>				
FL Network of Children's Advocacy Centers	41.031	22/23-GR-CAC23	-	93,394
FL Network of Children's Advocacy Centers	41.031	23/24-GR-CAC23	-	18,733
Total FL Network of Children's Advocacy Centers			-	112,127
Total Florida Department of Legal Affairs and Attorney General			-	112,127
Total State Financial Assistance			\$ -	\$ 6,791,539

See accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

**HIGHLANDS COUNTY, FLORIDA**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND**  
**STATE FINANCIAL ASSISTANCE**  
**SEPTEMBER 30, 2023**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) includes the federal awards and state financial assistance activity of Highlands County, Florida (County) under programs of the federal government and state of Florida for the year ended September 30, 2023. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and Chapter 69I-5, Rules of the Florida Department of Financial Services. Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting for awards and financial assistance recorded in governmental funds and the accrual basis of accounting for awards and financial assistance recorded in the proprietary funds, which are described in Note 1 to the County's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**NOTE 3 INDIRECT COST RATE**

The County has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

**HIGHLANDS COUNTY, FLORIDA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND  
STATE FINANCIAL ASSISTANCE (CONTINUED)  
SEPTEMBER 30, 2023**

**NOTE 4 OUNCE OF PREVENTION MATCH**

In addition to the amounts listed on the Schedule, the County received additional funding from the state of Florida as a match for certain federal programs. The amounts listed below represent the funding provided by the state of Florida as a match to the specified federal programs.

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Expenditures
<b>State Matching Monies</b>			
Pass-Through from Ounce of Prevention Fund of Florida, Inc.:			
Promoting Safe and Stable Families	93.556	20-25-42	\$ 4,349
Promoting Safe and Stable Families	93.556	20-25-42	129,984
Total Promoting Safe and Stable Families			<u>134,333</u>
Temporary Assistance for Needy Families	93.558	20-25-42	44,059
Total State Matching Monies			<u>\$ 178,392</u>



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

Board of County Commissioners  
Highlands 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 Highlands 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 April 17, 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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

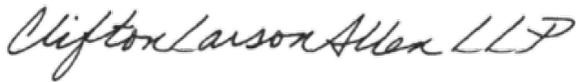
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

***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, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of this Report***

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



**CliftonLarsonAllen LLP**

Sebring, Florida  
April 17, 2024



**INDEPENDENT AUDITORS' 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 OF THE STATE OF FLORIDA**

Board of County Commissioners  
Highlands County, Florida

**Report on Compliance for Each Major Federal Program and State Project**

***Opinion on Each Major Federal Program and State Project***

We have audited Highlands 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 identified as subject to audit 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 auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the 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 and State Project***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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 for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General for Local Governmental Entity Audits. Our responsibilities under those standards, the Uniform Guidance, and Chapter 10.550 are further described in the Auditors' 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.

***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.

***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance 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 GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance 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. Noncompliance 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 judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program and state project as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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.

**Report on Internal Control Over Compliance**

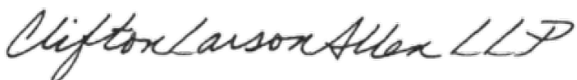
Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant 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 a certain deficiency in internal control over compliance that we consider to be a material weakness.

*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, noncompliance with a type of compliance requirement of a federal program or state project 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 noncompliance with a type of compliance requirement of a federal program or state project 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 or state project 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 2023-001, to be a material weakness.

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 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 and Chapter 10.550. Accordingly, this report is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Sebring, Florida  
April 17, 2024

**HIGHLANDS COUNTY, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FEDERAL PROGRAMS AND STATE PROJECTS  
YEAR ENDED SEPTEMBER 30, 2023**

---

**Section I – Summary of Auditors’ Results**

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**Financial Statements**

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? \_\_\_\_\_ yes        x   no
  - Significant deficiency(ies) identified? \_\_\_\_\_ yes        x   none reported
3. Noncompliance material to financial statements noted? \_\_\_\_\_ yes        x   no

**Federal Awards**

1. Internal control over major federal programs:
- Material weakness(es) identified? \_\_\_\_\_ yes        x   no
  - Significant deficiency(ies) identified? \_\_\_\_\_ yes        x   none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_\_\_ yes        x   no

**Identification of Major Federal Programs**

<b>Assistance Listing Number(s)</b>	<b>Name of Federal Program or Cluster</b>
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)

Dollar threshold used to distinguish between Type A and Type B programs: \$   750,000  

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes        x   no

**HIGHLANDS COUNTY, FLORIDA  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FEDERAL PROGRAMS AND STATE PROJECTS (CONTINUED)  
 YEAR ENDED SEPTEMBER 30, 2023**

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**Section I – Summary of Auditors’ Results (Continued)**

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**State Financial Assistance**

1. Internal control over state projects:

- Material weakness(es) identified?          x     yes                 no
- Significant deficiency(ies) identified?                 yes          x     none reported

2. Type of auditors’ report issued on compliance for state projects:      Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with Chapter 10.557, Rules of the Auditor General?          x     yes                 no

**Identification of Major State Projects**

<b>CSFA Number(s)</b>	<b>Name of State Project</b>
40.901	State Housing Initiatives Partnership (SHIP) Program
55.016	Small County Road Assistance Program
71.067	Law Enforcement Salary Assistance for Fiscally Constrained Counties

Dollar threshold used to distinguish between Type A and Type B state projects:      \$     750,000    

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**Section II – Financial Statement Findings**

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Our audit did not disclose any matters required to be reported in accordance with *Government Auditing standards*.

**HIGHLANDS COUNTY, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FEDERAL PROGRAMS AND STATE PROJECTS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2023**

---

***Section III – Findings and Questioned Costs – Major Federal Programs***

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Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

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***Section IV – Findings and Questioned Costs – Major State Projects***

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**2023-001 – Reporting**

State agency: Florida Department of Law Enforcement

State program title: Law Enforcement Salary Assistance for Fiscally Constrained Counties

CFSA Number: 71.067

Award Period: July 1, 2022 - June 30, 2023, and July 1, 2023 - June 30, 2024

Type of Finding:

- Material Weakness in Internal Control over Compliance

**Criteria or specific requirement:** The County should maintain effective internal controls over its state grants. Continuous evaluation and monitoring of the internal controls in place allows for reasonable assurance that state award compliance is achieved.

**Condition:** Quarterly reports submitted to the grantor were not reviewed by a member of management to ensure the accuracy and completeness of the data.

**Questioned costs:** None.

**Context:** Two of the four quarterly reports for the year were tested as part of the audit.

**Cause:** Review procedures were not established for grant reporting.

**Effect:** A lack of review could cause undetected errors to be reported to the grantor.

**Repeat Finding:** No.

**Recommendation:** We recommend all reports submitted to grantors be reviewed by knowledgeable personnel before submittal. A copy of the review, approval, approval date, and submittal date should be maintained as evidence.

**Views of responsible officials:** The Highlands County Sheriff's Office has established and will maintain effective internal controls over its state/federal grants. All reports will be reviewed by a member of management to ensure the accuracy and completeness of the data being submitted. A copy of the review, approval, approval date, and submittal date will be maintained as evidence.



## MANAGEMENT LETTER

Board of County Commissioners  
Highlands County, Florida

### Report on the Financial Statements

We have audited the financial statements of Highlands County, Florida (County), as of and for the fiscal year ended September 30, 2023 and have issued our report thereon dated April 17, 2024.

### Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control Over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated April 17, 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. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report.

### Official Title and Legal Authority

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

### **Financial Condition and Management**

Section 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 has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) 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 Section 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 the 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.

### **Special District Component Units**

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

### **Specific Information (For a dependent special district or an independent special district, or a local government entity that includes the information of a dependent special district)**

The information required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, is included in Attachment A to this letter.

### **Specific Information (For an independent special district that imposes ad valorem special taxes)**

There are no special districts included in the reporting entity that are imposing ad valorem taxes and are required to report under Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General.

### **Specific Information (For an independent special district that imposes non-ad valorem special assessments)**

The information required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, is included in Attachment A to this letter.

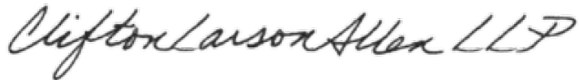
### **Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. See finding 2023-002 in the accompanying schedule of findings and responses.

Board of County Commissioners  
Highlands County, Florida

**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 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.

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

**CliftonLarsonAllen LLP**

Sebring, Florida  
April 17, 2024

# Management Letter Special District Specific Information Attachment A

Special District	The total number of district employees compensated in the last pay period of the district's fiscal year as:	The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as:	All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as:	All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as:	Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as (provide list):	The rate or rates of non-ad valorem special assessments imposed by the District as:	The total amount of special assessments collected by or on behalf of the district as:	The total amount of outstanding bonds issued by the district and the terms of such bonds as:
Lake Placid Sun-N-Lake Estates Fire District	-	-	\$-	\$ 3,500	\$-	N/A	\$28,022	\$-
DeSoto City Special Benefit Fire District	-	-	\$-	\$-	\$-	N/A	\$	-
Orange Villa Special Benefit District	-	-	\$-	\$-	\$-	\$48.00/Per home site	\$2,038	\$-
Hickory Hills Special Benefit District	-	-	\$-	\$-	\$-	\$0.00/Lot	\$	-
Placid Lakes Special Benefit District	1 FTE @ 33.75%	7	\$ 17,381	\$ 125,034	\$-	\$20.00/lot or fraction thereof	\$171,437	\$-
Sebring Country Estates Special Benefit District	-	-	\$-	\$-	\$-	\$18.00/Improved lot	\$20,974	\$-
Avon Park Estates Special Benefit District	-	-	\$-	\$ 2,981	\$-	\$6.00/Unimproved lot	\$90,692	\$-
Highlands Lakes Special Tax District	-	-	\$-	\$-	\$-	\$40.00/Lot or fraction thereof	\$1,160	\$-
Highlands Park Special Benefit Fire District	-	-	\$-	\$-	\$-	N/A	\$603	\$-
Istokpoga Marsh Watershed Improvement District	-	4	\$-	\$ 73,263	\$-	\$8.00/Acre or fraction thereof	\$145,616	\$-
Highlands Park Estates Improvement Trust	-	-	\$-	\$-	\$-	N/A	\$	-
Leisure Lakes Special Benefit Fire District	-	-	\$-	\$-	\$-	N/A	\$2,966	\$-
						\$23.00/per home/or Business improved lot		
Sebring Hills Special Benefit District	-	-	\$-	\$-	\$-	\$3.00/Vacant lot	\$20,166	\$-
Red Hill Farms Improvement District	-	-	\$-	\$-	\$-	\$15.00/Lot or fraction thereof	\$9,193	\$-
Orange Blossom Estates Special Benefit District	N/A	N/A	N/A	N/A	N/A	N/A	\$	N/A
Sun-N-Lakes of Lake Placid Recreation District	1 FTE @ 33.75%	8	\$ 17,381	\$ 69,026	\$-	\$25.00/Per Parcel	\$189,096	\$-
Sebring Acres Special Benefit District	-	-	\$-	\$-	\$-	\$50.00/Lot or fraction thereof	\$9,942	\$-
Orange Blossom (Unit 12) Special Benefit District	N/A	N/A	N/A	N/A	N/A	N/A	\$	N/A
						\$20.00/Improved lot		
Lake Haven Estates Special Benefit District	-	-	\$-	\$-	\$-	\$5.00/Unimproved lot or fraction thereof	\$10,627	\$-
Lorida Special Benefit Fire District	-	-	\$-	\$-	\$-	N/A	\$	-
Lake Placid Special Benefit Fire District	-	-	\$-	\$-	\$-	N/A	\$	-
Sun-N-Lakes 1-20 Improvement Trust	-	-	\$-	\$-	\$-	N/A	\$	-
Highlands Park Estates Special Benefit District	1 FTE @ 22.50%	5	\$ 11,587	\$ 26,378	\$-	\$10.00/Lot or fraction thereof	\$66,244	\$-
West Sebring Special Benefit Fire District	-	2	\$-	\$-	\$-	N/A	\$10,998	\$-
Venus Special Benefit Fire District	-	-	\$-	\$-	\$-	N/A	\$	-
Placid Lakes Special Benefit Fire District	-	-	\$-	\$-	\$-	N/A	\$624	\$-
						\$1.4631/Per front foot of County maintained road frontage		
Oak Manor Avenue Road Paving District	-	-	\$-	\$-	\$-	\$6.448/Per front foot of non County maintained road frontage	\$4,429	\$-
						\$40.00/Improved/Residential		
						\$20.00/Unimproved lot/tract or fraction thereof		
Thunderbird Hill Wastewater Special Benefit District	-	-	\$-	\$-	\$-	\$40.00/Rental MH Park	\$17,169	\$-
						\$40.00/Commercial structure		
						\$0.05243/Dwelling s.f.		
						\$0.07864/Commercial s.f.		
						\$0.06738/Industrial/Warehouse s.f.		
						\$0.07864/Institutional s.f.		
Highlands County Fire Protection Special Benefit District	87 EE but 43.01 EE when considering salary splits with EMS dept (General Fd)	30	\$ 2,785,369	\$ 485,411	\$-	\$26.95/Parcel	\$6,905,619	\$ 4,450,000
						\$20.00/Improved lot or fraction thereof		
Highway Park Special Benefit District	-	-	\$-	\$-	\$-	\$5.00/Unimproved lot or fraction thereof	\$7,057.00	\$-

**HIGHLANDS COUNTY, FLORIDA  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED SEPTEMBER 30, 2023**

**2023-002 – Budgets**

**Type of Finding:**

- Budgetary Compliance

**Condition:** Expenditures in the Sheriff department of the General Fund and the E911 Emergency Operations Fund exceeded the final appropriated budget for the year ended September 30, 2023.

**Criteria or Specific Requirement:** Florida statutes, set forth the requirements of the County's budget. Because the Board acts on all budget changes between departments, this becomes the level of control.

**Context:** Testing of compliance with budgetary requirements identified the deficiency.

**Effect:** The County is not in compliance with the budgetary requirements.

**Cause:** The budget was not amended for certain noncash expenditures recorded after implementation of new accounting standards.

**Recommendation:** Budgets should be monitored and amended when needed, within the time period allowed by statute, to ensure that the County does not incur expenditures in excess of budgeted amounts.

**Views of Responsible Officials and Planned Corrective Actions:** For Fiscal Year 2022-2023 a new accounting statement was developed by GASB (Governmental Accounting Standards Board) for SBITA's (Subscription Based Information Technology Agreements). This new standard resulted in recognizing an intangible subscription asset and a corresponding subscription liability. It also provides capitalization criteria for implementation costs and defines the term of the subscription as a period of time during which the entity has a right to use the underlying asset(s). Moving forward, we will include procedures and seek professional guidance when recording new qualifying SBITA contracts. We will also continue monitoring and amending the budget as needed when incurring expenditures in excess of budgeted amounts as they pertain to this new accounting standard.



## INDEPENDENT ACCOUNTANTS' REPORT

Board of County Commissioners and the Florida Auditor General  
Highlands County, Florida

We have examined Highlands County, Florida's (County) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds and Section 365.172(10) and 365.173(2)(d), Florida Statutes, regarding emergency communications number E911 system fund during the year ended September 30, 2023. Management of the County is responsible for the County's compliance with the specified requirements. Our responsibility is to express an opinion on the County's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the County complied, in all material respects, with the specified 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 noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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 County's compliance with specified requirements.

In our opinion, the County complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds and Section 365.172(10) and 365.173(2)(d), Florida Statutes, regarding emergency communications number E911 system fund during the year ended September 30, 2023.

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

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

**CliftonLarsonAllen LLP**

Sebring, Florida  
April 17, 2024



HIGHLANDS COUNTY BOARD OF COUNTY COMMISSIONERS  
ADMINISTRATION

600 S. Commerce Ave., Sebring, Florida 33870

Office (863) 402-6833 Fax (863) 402-6835 [www.highlandssf.gov](http://www.highlandssf.gov)

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**HIGHLANDS COUNTY, FLORIDA  
CORRECTIVE ACTION PLAN  
YEAR ENDED SEPTEMBER 30, 2023**

Florida Department of Law Enforcement

Highlands County, Florida respectfully submits the following corrective action plan for the year ended September 30, 2023.

Audit period: October 1, 2022 through September 30, 2023

The finding from the schedule of findings and questioned costs is discussed below. The finding is numbered consistently with the number assigned in the schedule.

**FINDINGS—STATE AWARD PROGRAMS AUDITS**

Florida Department of Law Enforcement

2023-001 Law Enforcement Salary Assistance for Fiscally Constrained Counties – CFSA 71.067

Recommendation: We recommend all reports submitted to grantors be reviewed by knowledgeable personnel before submittal. A copy of the review, approval, approval date, and submittal date should be maintained as evidence.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The Highlands County Sheriff's Office has established and will maintain effective internal controls over its state/federal grants. All reports will be reviewed by a member of management to ensure the accuracy and completeness of the data being submitted. A copy of the review, approval, approval date, and submittal date will be maintained as evidence.

Name(s) of the contact person(s) responsible for corrective action: Michael Halloran

Planned completion date for corrective action plan: April 18, 2024

If the Florida Department of Law Enforcement has questions regarding this plan, please call Michael Halloran at (863) 402-7216



## HIGHLANDS COUNTY BOARD OF COUNTY COMMISSIONERS

Business Services Department  
600 S. Commerce Ave., Sebring, Florida 33870  
Office (863) 402-6500 [www.highlandsfl.gov](http://www.highlandsfl.gov)

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### HIGHLANDS COUNTY BOARD OF COUNTY COMMISSIONERS SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS YEAR ENDED SEPTEMBER 30, 2023

Department of the Treasury

Highlands County Board of County Commissioners respectfully submits the following summary schedule of prior audit findings for the year ended September 30, 2023.

Audit period: October 1, 2021-September 30, 2022

The finding from the prior audit's schedule of findings and questioned costs is discussed below.

#### **FINDINGS—FINANCIAL STATEMENT AUDIT**

There were no financial statement findings in the prior year.

#### **FINDINGS— FEDERAL AWARD PROGRAMS AUDITS**

##### **2022-001 Period of Performance**

**Condition:** The County originally included expenditures incurred prior to March 3, 2021, in their grant expenditures.

**Reason why audit finding is no longer valid or does not warrant further action:** The covered costs were corrected and provided to the auditors. A designated individual will perform a secondary review before claimed expenses are submitted to ensure compliance in the future.

If the Department of Treasury has questions regarding this schedule, please call Tanya Cannady at (863) 402-6842.

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTAL REPORTS**

**YEAR ENDED SEPTEMBER 30, 2023**



CPAs | CONSULTANTS | WEALTH ADVISORS

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**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
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**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
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## INDEPENDENT AUDITORS' REPORT

The Honorable Jerome Kaszubowski  
Clerk of Courts  
Highlands 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 Clerk of Courts of Highlands County, Florida (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 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 each major fund and the aggregate remaining fund information of the Clerk, as of September 30, 2023, and the respective changes in financial position, and where applicable, cash flows thereof, and the respective budgetary comparisons for the General Fund and Court Services Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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, the financial statements of the Clerk referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the financial statements are intended to present the financial position, the changes in financial position, and, where applicable, cash flows of only that portion of each major fund and the aggregate remaining fund information of Highlands County that is attributable to the transactions of the Clerk. They do not purport to, and do not, present fairly the financial position of Highlands County, Florida as of September 30, 2023, the changes in its financial position or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

The Honorable Jerome Kaszubowski  
Clerk of Courts  
Highlands County, Florida

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

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

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.

The Honorable Jerome Kaszubowski  
Clerk of Courts  
Highlands County, Florida

**Required Supplementary Information**

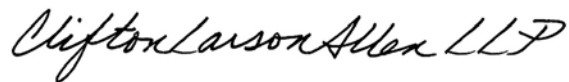
Management has omitted management’s discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required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

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk’s basic financial statements. The combining and individual nonmajor and fiduciary fund financial statements are presented for 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 GAAS. In our opinion, the supplementary information is 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 February 27, 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 Clerk’s internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Sebring, Florida  
February 27, 2024

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2023**

<b>ASSETS</b>	General	Court	Public Records Modernization Trust	Court Related Technology Modernization Trust	Court Services	Nonmajor Governmental Funds	Total Governmental Funds
Cash and Cash Equivalents	\$ 451,600	\$ 259,104	\$ 491,610	\$ 255,007	\$ 212,789	\$ 17,644	\$ 1,687,754
Accounts Receivable	507	3,036	550	349	1,403	22	5,867
Due from Constitutional Officers	235,846	-	-	-	-	-	235,846
Due from Other Governmental Units	-	61,707	-	-	25,883	-	87,590
Prepaid Items	128,410	-	-	-	-	-	128,410
<b>Total Assets</b>	<b>\$ 816,363</b>	<b>\$ 323,847</b>	<b>\$ 492,160</b>	<b>\$ 255,356</b>	<b>\$ 240,075</b>	<b>\$ 17,666</b>	<b>\$ 2,145,467</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Vouchers Payable	\$ 58,513	\$ 480	\$ -	\$ -	\$ 2,450	\$ -	\$ 61,443
Due to Other Governmental Units	-	-	-	-	161,016	-	161,016
Due to Others	2,518	163,500	-	-	-	-	166,018
Due to Constitutional Officers	623,067	151,116	-	-	-	-	774,183
Accrued Payroll and Related Liabilities	132,265	8,751	-	4,973	76,613	384	222,986
<b>Total Liabilities</b>	<b>816,363</b>	<b>323,847</b>	<b>-</b>	<b>4,973</b>	<b>240,079</b>	<b>384</b>	<b>1,385,646</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable Revenue:							
Intergovernmental	-	31,815	-	-	27,383	-	59,198
<b>FUND BALANCES</b>							
Nonspendable	128,410	-	-	-	-	-	128,410
Restricted	-	-	492,160	250,383	-	17,282	759,825
Unassigned	(128,410)	(31,815)	-	-	(27,387)	-	(187,612)
<b>Total Fund Balances</b>	<b>-</b>	<b>(31,815)</b>	<b>492,160</b>	<b>250,383</b>	<b>(27,387)</b>	<b>17,282</b>	<b>700,623</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 816,363</b>	<b>\$ 323,847</b>	<b>\$ 492,160</b>	<b>\$ 255,356</b>	<b>\$ 240,075</b>	<b>\$ 17,666</b>	<b>\$ 2,145,467</b>

See accompanying Notes to Financial Statements.

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED SEPTEMBER 30, 2023**

	General	Court	Public Records Modernization Trust	Court Related Technology Modernization Trust	Court Services	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>							
<b>Intergovernmental:</b>							
Appropriation from Board of County Commissioners	\$ 5,069,918	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,069,918
<b>Miscellaneous Revenues:</b>							
Recording Fees	-	-	68,762	188,881	-	-	257,643
Intergovernmental	-	389,896	-	-	341,264	-	731,160
Court Related Service Charge	-	-	-	-	1,215,543	19,806	1,235,349
Fines and Forfeitures	-	-	-	-	597,470	-	597,470
Interest Earnings	-	2,926	9,439	4,651	18,202	258	35,476
Other Miscellaneous Revenues	358,081	-	23,157	7,975	38	-	389,251
Total Revenues	<u>5,427,999</u>	<u>392,822</u>	<u>101,358</u>	<u>201,507</u>	<u>2,172,517</u>	<u>20,064</u>	<u>8,316,267</u>
<b>EXPENDITURES</b>							
<b>General Government:</b>							
Personal Services	3,545,303	-	-	-	-	-	3,545,303
Operating Expenditures	1,039,381	-	3,000	-	-	-	1,042,381
Total General Government	<u>4,584,684</u>	<u>-</u>	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,587,684</u>
<b>Court Related:</b>							
Personal Services	221,692	254,104	-	131,223	2,073,563	10,736	2,691,318
Operating Expenditures	9,417	19,417	-	106,457	61,713	1,536	198,540
Total Court Related	<u>231,109</u>	<u>273,521</u>	<u>-</u>	<u>237,680</u>	<u>2,135,276</u>	<u>12,272</u>	<u>2,889,858</u>
<b>Capital Outlay</b>	46,192	-	-	-	19,765	-	65,957
<b>Debt Service:</b>							
Principal	64,672	-	-	-	5,997	-	70,669
Interest	5,221	-	-	-	572	-	5,793
Total Debt Service	<u>69,893</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,569</u>	<u>-</u>	<u>76,462</u>
Total Expenditures	<u>4,931,878</u>	<u>273,521</u>	<u>3,000</u>	<u>237,680</u>	<u>2,161,610</u>	<u>12,272</u>	<u>7,619,961</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	496,121	119,301	98,358	(36,173)	10,907	7,792	696,306
<b>OTHER FINANCING SOURCES (USES)</b>							
Unexpended Budget Balance Reverting to Board of County Commissioners	(501,793)	(151,116)	-	-	-	-	(652,909)
Distribution of Excess Fees to State of Florida	-	-	-	-	(58,059)	-	(58,059)
Leases	-	-	-	-	19,765	-	19,765
SBITA	5,672	-	-	-	-	-	5,672
Total Other Financing Sources (Uses)	<u>(496,121)</u>	<u>(151,116)</u>	<u>-</u>	<u>-</u>	<u>(38,294)</u>	<u>-</u>	<u>(685,531)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	(31,815)	98,358	(36,173)	(27,387)	7,792	10,775
Fund Balance - October 1, 2022	-	-	393,802	286,556	-	9,490	689,848
<b>FUND BALANCE - SEPTEMBER 30, 2023</b>	<u>\$ -</u>	<u>\$ (31,815)</u>	<u>\$ 492,160</u>	<u>\$ 250,383</u>	<u>\$ (27,387)</u>	<u>\$ 17,282</u>	<u>\$ 700,623</u>

See accompanying Notes to Financial Statements.

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE – BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance - Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
<b>Intergovernmental:</b>				
Appropriation from Board of County Commissioners	\$ 4,593,090	\$ 5,069,919	\$ 5,069,918	\$ (1)
<b>Miscellaneous Revenues:</b>				
Other Miscellaneous Revenues	-	358,081	358,081	-
Total Revenues	4,593,090	5,428,000	5,427,999	(1)
<b>EXPENDITURES</b>				
<b>General Government:</b>				
Personal Services	3,259,734	4,042,657	3,545,303	497,354
Operating Expenditures	1,035,593	1,043,797	1,039,381	4,416
Total General Government	4,295,327	5,086,454	4,584,684	501,770
<b>Court Related:</b>				
Personal Services	231,433	221,696	221,692	4
Operating Expenditures	8,515	9,428	9,417	11
Total Court Related	239,948	231,124	231,109	15
<b>Capital Outlay</b>	57,815	46,193	46,192	1
<b>Debt Service:</b>				
Principal Payments	-	64,676	64,672	4
Interest Payments	-	5,225	5,221	4
Total Debt Service	-	69,901	69,893	8
Total Expenditures	4,593,090	5,433,672	4,931,878	501,794
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	(5,672)	496,121	501,793
<b>OTHER FINANCING SOURCES (USES)</b>				
Unexpended Budget Balance Reverting to Board of County Commissioners	-	-	(501,793)	(501,793)
SBITA	-	5,672	5,672	-
Total Other Financing Sources (Uses)	-	5,672	(496,121)	(501,793)
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
Fund Balance - October 1, 2022	-	-	-	-
<b>FUND BALANCE - SEPTEMBER 30, 2023</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

See accompanying Notes to Financial Statements.

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE – BUDGET AND ACTUAL  
COURT SERVICES FUND  
YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance -
	Original	Final		Favorable (Unfavorable)
<b>REVENUES</b>				
<b>Miscellaneous Revenues:</b>				
Intergovernmental	\$ 180,893	\$ 313,005	\$ 341,264	\$ 28,259
Court Related Service Charge	1,158,270	1,158,270	1,215,543	57,273
Fines and Forfeitures	659,170	659,170	597,470	(61,700)
Interest Earnings	11,400	11,401	18,202	6,801
Other Miscellaneous Revenue	-	-	38	38
Total Revenues	<u>2,009,733</u>	<u>2,141,846</u>	<u>2,172,517</u>	<u>30,671</u>
<b>EXPENDITURES</b>				
<b>Court Related:</b>				
Personal Services	1,964,279	2,073,541	2,073,563	(22)
Operating Expenditures	45,454	61,736	61,713	23
Total Court Related	<u>2,009,733</u>	<u>2,135,277</u>	<u>2,135,276</u>	<u>1</u>
<b>Capital Outlay</b>	-	19,765	19,765	-
<b>Debt Service</b>				
Principal	-	5,997	5,997	-
Interest	-	572	572	-
Total Debt Service	<u>-</u>	<u>6,569</u>	<u>6,569</u>	<u>-</u>
Total Expenditures	<u>2,009,733</u>	<u>2,161,611</u>	<u>2,161,610</u>	<u>1</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	(19,765)	10,907	30,672
<b>OTHER FINANCING USES</b>				
Distribution of Excess Fees to State of Florida	-	-	(58,059)	(58,059)
Leases	-	19,765	19,765	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>19,765</u>	<u>(38,294)</u>	<u>(58,059)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	(27,387)	(27,387)
Fund Balance - October 1, 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE - SEPTEMBER 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (27,387)</u>	<u>\$ (27,387)</u>

See accompanying Notes to Financial Statements.

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
SEPTEMBER 30, 2023**

	Internal Service Fund
	Compensated Absences
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 452,072
Accounts Receivable	413
Total Assets	452,485
<b>LIABILITIES</b>	
Due to BOCC	2,878
Accrued Compensated Absences Payable	449,607
Total Liabilities	452,485
<b>NET POSITION</b>	
Unrestricted	\$ -

See accompanying Notes to Financial Statements.

**CLERK OF COURTS**  
**HIGHLANDS COUNTY, FLORIDA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUND**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Internal Service Fund Compensated Absences
<b>OPERATING REVENUES</b>	
Charges for Services	\$ 475,009
<b>OPERATING EXPENSES</b>	
Compensated Absences Expense	478,359
<b>OPERATING LOSS</b>	(3,350)
<b>NONOPERATING REVENUES</b>	
Net Change in Fair Value of Investments	3,350
<b>CHANGE IN NET POSITION</b>	-
Net Position - October 1, 2022	-
<b>NET POSITION - SEPTEMBER 30, 2023</b>	\$ -

See accompanying Notes to Financial Statements.

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
YEAR ENDED SEPTEMBER 30, 2023**

	Internal Service Fund <u>Compensated Absences</u>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	
Charges for Services	\$ 475,009
Cash Paid to Employees for Services	<u>(461,295)</u>
Net Cash Provided by Operating Activities	13,714
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Receipt from Other Constitutional Officers	<u>1,339</u>
Net Cash Provided by Noncapital Financing Activities	1,339
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Investment Income	<u>3,632</u>
Net Cash Provided by Investing Activities	<u>3,632</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	18,685
Cash and Cash Equivalents - October 1, 2022	<u>433,387</u>
<b>CASH AND CASH EQUIVALENTS - SEPTEMBER 30, 2023</b>	<u><u>\$ 452,072</u></u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating Loss	\$ (3,350)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Changes in Assets and Liabilities:	
Increase in Compensated Absences	<u>17,064</u>
Net Cash Provided by Operating Activities	<u><u>\$ 13,714</u></u>

See accompanying Notes to Financial Statements.

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2023**

	<u>Custodial Funds</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 4,475,614
Due from Others	5,849
Due from Other Governmental Units	1,648
Total Assets	<u>4,483,111</u>
<b>LIABILITIES</b>	
Due to Others	6,454
Due to Other Governmental Units	369,157
Total Liabilities	<u>375,611</u>
<b>NET POSITION</b>	
Restricted for Other Governments and Individuals	<u><u>\$ 4,107,500</u></u>

See accompanying Notes to Financial Statements.

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2023**

	Custodial Funds
<b>ADDITIONS</b>	
Fines/Fees Collected for Other Governments and Individuals	\$ 19,270,785
Total Additions	19,270,785
<b>DEDUCTIONS</b>	
Fines/Fees Disbursed to Other Governments and Individuals	18,718,002
Total Deductions	18,718,002
<b>CHANGE IN NET POSITION</b>	552,783
Net Position - Beginning of Year	3,554,717
<b>NET POSITION - END OF YEAR</b>	\$ 4,107,500

See accompanying Notes to Financial Statements.

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Highlands County is a noncharter County established on April 3, 1921, under the laws of the state of Florida, Chapter 8513. The Clerk of Courts (Clerk) is one of six constitutional officers elected to serve within the County and receives a significant portion of its revenue from the Board of County Commissioners, Highlands County, Florida. The Clerk's financial statements include only the funds of the Clerk's office. There are no separate legal entities (component units) for which the Clerk is to be financially accountable.

The Clerk is elected every four years to serve as Clerk of the Circuit Court as well as the County Courts. In addition, the Clerk is the ex-officio Clerk to the Board of County Commissioners of Highlands County (Board). As Clerk to the Board, the Clerk is the auditor, recorder, and custodian of all County funds.

The Clerk is a budget officer in that noncourt functions of the Clerk are funded by revenues that are received from the Board in the form of an appropriation. The Clerk is required to submit to the Board excess revenues over expenditures as of September 30 of each year for the noncourt related budget.

Court related fees collected by the Clerk in carrying out his duties are used to fund the court functions of the Clerk of Courts. Excess fees are remitted per Sections 28.36 and 28.37, Florida Statutes.

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

**Basis of Presentation**

These financial statements have been prepared for the purpose of complying with Section 218.39(2), Florida Statutes, and Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*, which allow the Clerk to only present fund financial statements. These financial statements present only the portion of the funds of Highlands County, Florida that are attributable to the Clerk. They are not intended to present fairly the financial position and results of operations of Highlands County, Florida in conformity with accounting principles generally accepted in the United States of America (GAAP).

**Fund Accounting**

The accounts of the Clerk are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, 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.

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

**Fund Accounting (Continued)**

The purpose of the Clerk's various funds is as follows:

**Major Governmental Funds**

**General Fund** – The General Fund is used to account for all revenues and expenditures applicable to the general operations of the Clerk of the Courts that are not required either legally or by GAAP to be accounted for in another fund.

**Court Fund** – The Court Fund is a special revenue fund used to account for the Child Support Enforcement grant activity, which is restricted by the grantor, and bond estreature activity.

**Public Records Modernization Trust Fund** – The Public Records Modernization Trust Fund is a special revenue fund used to account for the additional service charges on recorded instruments used exclusively for modernizing the official recordkeeping systems in the Clerk's office per Section 28.24(12)(d), Florida Statutes.

**Court Related Technology Modernization Trust Fund** – The Court Related Technology Modernization Trust Fund is a special revenue fund used to account for the recording fees used exclusively to fund court related technology information needs for the Clerk of Courts per Section 28.24(12)(e), Florida Statutes.

**Court Services Fund** – The Court Services Fund is a special revenue fund used to account for court-related filing fees, service charges, fines, court costs, appropriations and expenses of the Clerk as mandated by Section 28.35, Florida Statutes.

**Nonmajor Governmental Funds**

**Teen Court Fund** – The Teen Court Fund is a special revenue fund used to account for assessment of mandatory court costs for the operation and administration of the Highlands County Court Program per Section 938.19, Florida Statutes.

**Homeowner's Foreclosure Education Fund** – The Homeowner's Foreclosure Education Fund is a special revenue fund used to account for funds for the purpose of educating the public as to the rights of homeowners regarding foreclosure proceedings.

**Proprietary Fund**

**Internal Service Fund** – The Internal Service Fund is used to account for the accumulation of funded compensated absences.

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

**Fund Accounting (Continued)**

**Fiduciary Funds**

**Custodial Funds** – Custodial Funds are used to account for assets held by a government in a fiduciary capacity for individuals, private organizations or other governments.

**Capital Assets**

All capital assets purchased, which include equipment and intangible software, are recorded as expenditures in the governmental funds at the time of purchase. The Board holds legal title for the capital assets used in the operation of the Clerk and is accountable for them under Florida Law. The Clerk notifies the Board of capital assets purchased and the original cost is recorded in the capital asset records of Highlands County as a whole. The Clerk may not dispose of any capital assets in his custody. The Clerk is to notify the Board of any unused or obsolete assets, and it is the Board's responsibility to dispose of these assets in accordance with the various Florida Statutes.

**Measurement Focus**

**Governmental Funds** – Governmental funds are accounted for using a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported unassigned fund balances (net current assets) are considered a measure of "available, spendable, or appropriable resources." Governmental Funds operating statements present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

**Proprietary Fund** – The Internal Service Fund is accounted for on a cost of services measurement focus which is referred to as a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of the fund are included in the statement of net position. Proprietary fund operating statements present increases (revenues) and decreases (expenses) in net position.

**Custodial Funds** – The custodial funds use the economic resources measurement focus.

**Basis of Accounting**

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

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

**Basis of Accounting (Continued)**

All governmental funds are accounted for using the modified accrual basis of accounting. Under this method, revenue is recognized when it becomes measurable and available as net current assets. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Clerk considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on long-term debt which is recognized when due.

The accrual basis of accounting is utilized by the fiduciary funds and proprietary fund. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

**Budgets and Budgetary Data**

The following are the procedures followed in establishing the budget for the Clerk's office.

The Clerk is required to prepare two budgets. One budget relates to the Clerk's court related functions and is filed with the Clerks of Court Operations Corporation (CCOC). The other budget relates to the requirement of the Clerk as Clerk to the Board and is filed with the Board. Annual appropriated budgets for the General Fund and Court Services Fund are adopted on a basis consistent with GAAP.

**Clerk to the Board Budget**

1. On or before June 1 of each year, the Clerk submits to the Board a tentative budget for the ensuing fiscal year.
2. Within 15 days after certification of the ad valorem tax roll by the Property Appraiser, the County Budget Officer submits to the Board a proposed county-wide operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
3. By Board resolution, a tentative budget is submitted to the public. Public hearings are held to obtain taxpayers' comments.
4. Within 20 days after adoption of the tentative budget, a final budget is submitted for review and adoption at a final public hearing.
5. Prior to, or on, September 30, the County's operating budget is legally enacted through passage of a resolution.
6. The Clerk receives his budgeted revenues from the Board in monthly installments beginning in October.
7. Section 129.07, Florida Statutes, provides that only expenditures in excess of total fund budgets are unlawful. However, because the Clerk acts on all budget changes between departments, this becomes the level of control.

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

**Budgets and Budgetary Data (Continued)**

Clerk to the Board Budget (Continued)

8. Formal budgetary integration is employed as a management control device during the year for all Governmental Funds.
9. All appropriations lapse at the close of the fiscal year.

Annual appropriated budgets for the General Fund and Court Services Fund are adopted on a basis consistent with GAAP. The Court Fund, Public Records Modernization Trust Fund, Court Related Technology Modernization Trust Fund, Teen Court Fund, and Homeowner's Foreclosure Education Fund are not legally required to have budgets.

**Cash and Cash Equivalents**

Cash and cash equivalents are cash on hand as well as demand deposits and investments with original maturities of three months or less from the date of acquisition.

**Investments**

The Clerk invests surplus public funds in accordance with Section 218.415, Florida Statutes.

**Compensated Absences**

Employees of the Clerk earn paid-time-off in varying amounts. Upon retirement, death, resignation, or separation in good standing employees are eligible to receive payment, at their current rates of pay, up to 100% of accumulated paid-time-off based on years of service. However, employees having less than one year of service will not be paid for any accumulated paid-time-off. Employees of the Clerk are limited to no more than 400 hours of paid time-off carryover at year-end.

In governmental funds, only the amounts that normally would be liquidated with expendable available financial resources are accrued as current year expenditures. Paid-time-off for the Clerk's employees have been fully funded and are recorded as expenditures in the governmental funds.

**Fund Balance**

The classifications of fund balances are described as follows:

**Nonspendable Fund Balance** – Amounts that cannot be spent because they are either not in spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact.

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

**Fund Balance (Continued)**

**Restricted Fund Balance** – Amounts that can be spent only for specific purposes because of constraints imposed by external providers (such as grantors, bondholders, and higher levels of government), or imposed by constitutional provisions or enabling legislation. The Clerk is reporting restricted fund balances in the Public Records Modernization Trust Fund, Court Related Technology Modernization Trust Fund, Teen Court Fund, and Homeowner’s Foreclosure Education Fund.

**Committed Fund Balance** – Amounts that can be spent only for specific purposes determined by a formal action of the Clerk’s highest level of decision-making authority.

**Assigned Fund Balance** – Amounts the Clerk intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.

**Unassigned Fund Balance** – Amounts that are available for any purpose; these amounts can be reported only in the Clerk’s General Fund. Unassigned fund balance may also include a negative balance for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

When both restricted and unrestricted resources are available for use, it is the Clerk’s policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available. The Board adopted a fund balance policy for the county as a whole. The Clerk does not have a separate fund balance policy.

**Unexpended Budget Balance Reverting to Board of County Commissioners**

Section 218.36(2), Florida Statutes, requires that any excess of revenues over expenditures in the General Fund held by the Clerk at the end of each fiscal year for noncourt functions shall be remitted to the Board. Therefore, the excess of revenues over expenditures in the General Fund and Court Fund at the end of each fiscal year is reflected as unexpended budget balance reverting to the Board on the statement of revenues, expenditures, and changes in fund balance, and the related liability is included in due to constitutional officers.

**Use of Estimates**

The preparation of the financial statements in conformity with GAAP requires management to make use of estimates that affect the reported amounts in the financial statements. Actual results could differ from estimates.

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

**Other Postemployment Benefit Obligations**

In accordance with Section 112.0801, Florida Statutes, the Clerk participates with the County in offering retiring employees the opportunity to continue in the County's health insurance plan. The participating retirees pay 100% of the premium cost applicable to an active employee. The liability and expense for other postemployment benefits, calculated in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, are reported in the financial statements of the County.

**Adoption of New Accounting Standards**

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

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

**NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS**

At September 30, 2023, the bank balance of the Clerk's deposits consisted of the following:

Deposits	\$ 6,291,609
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The entire amount of the demand deposits is deposited in a state of Florida qualified depository and, therefore, is fully collateralized.

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Clerk's monies must be deposited in banks designated as qualified public depositories by the Chief Financial Officer, Florida Department of Financial Services. Therefore, the Clerk's total deposits are insured by the Federal Depository Insurance Corporation and collateralized by the Bureau of Collateral Management, Division of Treasury, and Florida Department of Financial Services. The law requires the Chief Financial Officer to ensure that funds are entirely collateralized throughout the fiscal year.

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

Collateral is provided for demand deposits through the Florida Security for Public Deposits Act. This law establishes guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements, and characteristics of eligible collateral. Under this law, the qualified public depository must pledge at least 25% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance.

Additional collateral, up to a maximum of 150%, may be required if deemed necessary under the conditions set forth in this law. Eligible collateral consists of obligations of the United States and its agencies and obligations of states and their local political subdivisions and unaffiliated corporations.

Obligations pledged to secure deposits must be delivered to the Department of Financial Services or, with the approval of the Chief Financial Officer, to a bank, savings association or trust company provided a power of attorney is delivered to the Chief Financial Officer. On a monthly basis, the Chief Financial Officer determines that the collateral has a market value adequate to cover the deposits under the provisions of this law.

The Clerk invests funds throughout the year with Florida PRIME, an investment pool administered by the State Board of Administration, under the regulatory oversight of the state of Florida. Investments in Florida PRIME are made pursuant to Chapter 125.31, Florida Statutes. The investments are not categorized because they are not evidenced by securities that exist in physical or book entry form. Throughout the year and as of September 30, 2023, Florida PRIME contained certain floating and adjustable rate securities which were indexed based on the prime rate and/or one and three-month LIBOR rates. These investments represented 31.40% of Florida PRIME's portfolio at September 30, 2023.

Florida PRIME meets all of the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost, as a cash equivalent.

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Clerk's investment policy limits the maximum duration of the overall portfolio to one year.

The dollar weighted average days to maturity (WAM) of Florida PRIME as of September 30, 2023 was 35 days. Next interest rate reset dates for floating securities are used in the calculation of the WAM. The weighted average life (WAL) of the Florida PRIME at September 30, 2023 was 75 days.

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

**Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Clerk's investment policy limits investments to specified credit ratings for authorized investments. Investments in Florida PRIME must carry an "AAAm" rating from Standard and Poor's.

On September 30, 2023, Standard and Poor's Ratings Services assigned the Florida PRIME an "AAAm" principal stability funding rating.

With regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states that "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48-hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, and the Investment Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days."

With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

As of September 30, 2023, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value.

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

**Credit Risk (Continued)**

A reconciliation to amounts shown on the balance sheet, statement of net position, and statement of fiduciary net position is as follows:

Deposits	\$ 5,663,399
Petty Cash and Change in Funds	7,900
Florida PRIME	944,141
Total	<u>\$ 6,615,440</u>
Balance Sheet - Governmental Funds:	
Cash and Cash Equivalents	\$ 1,687,754
Statement of Net Position - Proprietary Fund:	
Cash and Cash Equivalents	452,072
Statement of Fiduciary Net Position - Custodial Funds:	
Cash and Cash Equivalents	4,475,614
Total Cash, Cash Equivalents, and Investments	<u>\$ 6,615,440</u>

**NOTE 3 PERSONNEL COMMITMENTS**

Employees of the Clerk earn paid-time-off in varying amounts. In the event of retirement or termination of employment, an employee is paid for a portion of paid-time-off credits unused.

The following shows the change in compensated absences for the fiscal year ended September 30, 2023:

Accrued Compensated Absences - September 30, 2022	\$ 432,543
Leave Earned by Employees	478,359
Payments to Employees	(461,295)
Accrued Compensated Absences - September 30, 2023	<u>\$ 449,607</u>

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 4 PENSION PLANS**

**Background**

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

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

**Florida Retirement System Pension Plan**

**Plan Description**

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

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers Class* – Members who hold specified elective offices in local government.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.
- *Special Risk Class* – Members who are special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 4 PENSION PLANS (CONTINUED)**

**Florida Retirement System Pension Plan (Continued)**

**Plan Description (Continued)**

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

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 8 years after electing to participate, except that certain instructional personnel may participate for up to 10 years. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

**Benefits Provided**

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

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
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SEPTEMBER 30, 2023**

**NOTE 4 PENSION PLANS (CONTINUED)**

**Florida Retirement System Pension Plan (Continued)**

**Benefits Provided (Continued)**

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

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

**Retiree Health Insurance Subsidy Program**

**Plan Description**

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

**Benefits Provided**

For the fiscal year ended June 30, 2023, eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$45 and a maximum HIS payment of \$225 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

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

**FRS Investment Plan**

**Plan Description**

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

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 4 PENSION PLANS (CONTINUED)**

**FRS Investment Plan (Continued)**

**Plan Description (Continued)**

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. Clerk employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan.

Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members.

**Benefits Provided**

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

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

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 4 PENSION PLANS (CONTINUED)**

**Contributions**

Participating employer contributions are based upon statewide rates established by the state of Florida. The Clerk's contributions made to the plans during the years ended September 30, 2023, 2022, and 2021 were \$732,246, \$657,735, and \$592,759, respectively, equal to the actuarially determined contribution requirements for each year.

Additional information about pension plans can be found in the County's annual comprehensive financial report.

**NOTE 5 LEASES**

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

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

During the year ended September 30, 2023, the Clerk entered into leases in the amount of \$19,765. During the year ended September 30, 2023, the Clerk's principal and interest payments on leases totaled \$22,909 and \$1,837, respectively.

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

The Clerk has entered into subscription based-information technology arrangements (SBITAs) for various terms under certain agreements that meet the definition under GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Detailed information about the Clerk's SBITAs can be found in the Highlands County Annual Comprehensive Financial Report.

SBITAs entered into by the Clerk are included as other financing sources and capital outlay expenditures in the statement of revenues, expenditures, and changes in fund balance in the year of inception. Payments made in accordance with the contract terms are reported as debt service expenditures in the statement of revenues, expenditures, and changes in fund balance as they are incurred.

During the year ended September 30, 2023, the Clerk entered into SBITAs in the amount of \$5,672. During the year ended September 30, 2023, the Clerk's principal and interest payments on SBITAs totaled \$47,760 and \$3,956, respectively.

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 7 RELATED PARTY TRANSACTIONS**

Transactions with the Board and the Constitutional Officers of Highlands County, Florida, for the year ended September 30, 2023 were as follows:

Budget Appropriation

The General Fund of the Clerk received payments from the Board in the amount of \$5,069,918 for the year ended September 30, 2023. The amounts payable to the Board at September 30, 2023 for excess fees and other items were \$623,067.

Court Fund

The Board provides certain indirect costs for Child Support Enforcement Grant activities. The excess of revenues over expenditures is remitted to the Board at fiscal year-end. The amounts payable to the Board at September 30, 2023 for excess fees were \$151,116.

Various Services

The Board provides various services to the Clerk. The charges for these services for the fiscal year ended September 30, 2023 amounted to \$863,177.

The Clerk provides information technology support, communication and freight services, and other miscellaneous services to the Board and other constitutional officers. The Clerk received \$358,081 for these services for the fiscal year ended September 30, 2023.

**NOTE 8 RISK MANAGEMENT**

The Clerk is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County is a member of Preferred Governmental Insurance Trust (PGIT), a governmental insurance carrier. PGIT administers insurance activities relating to property, general liability, public official's and employment practices liability, automobile, crime, and worker compensation. The County is liable for deductibles on certain coverage. Transactions related to activities involving PGIT are presented in the statements of Highlands County as a whole.

**NOTE 9 FUND BALANCE DEFICITS**

**Court Fund** – The fund balance deficit of \$31,815 is a result of the September 2023 Title IV-D grant reimbursement not being received within 60 days of fiscal year end. The deficit balance was corrected when the grant reimbursement was received in December 2023.

**Court Services Fund** – The fund balance deficit of \$27,387 is a result of the July through September 2023 JAC jury reimbursement not being received within 60 days of fiscal year end. The deficit balance was corrected when the reimbursement was received in December 2023.

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 10 CAPITAL ASSETS**

The Clerk's capital assets include furniture, equipment, computer equipment, vehicles, software, and SBITA. The Clerk, pursuant to Florida Statutes, records no capital assets for which the Clerk is custodian. The threshold for capitalizing all capital assets, except software, is \$5,000. The threshold for capitalizing software is \$15,000 for internally generated software and \$25,000 for purchased software. Capital assets are recorded at cost or estimated historical cost. Contributed assets are recorded at estimated acquisition value at the time received. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets as follows:

<u>Assets</u>	<u>Years</u>
Operating Machinery and Equipment	4 to 20
Software - Internally Generated	3 to 10
Software - Purchased	3 to 10

Detailed information concerning capital assets is recorded and reported in the government-wide financial statements of the County.

The following is a summary of the changes in capital assets for which the Clerk is custodian during fiscal year 2023:

	Beginning Balances*	Increases	Decreases	Ending Balances
Capital Assets, Not Being Depreciated/Amortized:				
IT Equipment in Development	\$ 1,537,350	\$ -	\$ (1,537,350)	\$ -
Building in Development	24,569	-	(24,569)	-
Total Capital Assets Not Being Depreciated/Amortized	1,561,919	-	(1,561,919)	-
Capital Assets, Being Depreciated/Amortized:				
Equipment	5,753,514	84,528	(92,855)	5,745,187
Computer Software	1,443,320	-	-	1,443,320
Right-to-Use Lease Equipment	74,210	19,765	(5,350)	88,625
Subscription Based Information Technology Arrangements	124,729	5,672		130,401
Total Capital Assets Being Depreciated/Amortized	7,395,773	109,965	(98,205)	7,407,533
Less: Accumulated Depreciation/Amortization:				
Equipment	(2,223,167)	(808,719)	74,655	(2,957,231)
Computer Software	(1,357,344)	(62,668)	-	(1,420,012)
Right-to-Use Lease Equipment	(18,379)	(23,498)	5,350	(36,527)
Subscription Based Information Technology Arrangements	-	(48,705)	-	(48,705)
Total Accumulated Depreciation/Amortization	(3,598,890)	(943,590)	80,005	(4,462,475)
Total Capital Assets, Being Depreciated/Amortized, Net	3,796,883	(833,625)	(18,200)	2,945,058
Total Capital Assets, Net	\$ 5,358,802	\$ (833,625)	\$ (1,580,119)	\$ 2,945,058

\*Beginning balances were restated due to implementation of GASB 96, SBITA.

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2023**

	Teen Court	Homeowner's Foreclosure Education	Total Nonmajor Governmental Funds
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 16,629	\$ 1,015	\$ 17,644
Accounts Receivable	20	2	22
Total Assets	\$ 16,649	\$ 1,017	\$ 17,666
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accrued Payroll and Related Liabilities	384	-	384
Total Liabilities	384	-	384
<b>FUND BALANCES</b>			
Restricted	16,265	1,017	17,282
Total Liabilities and Fund Balances	\$ 16,649	\$ 1,017	\$ 17,666

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED SEPTEMBER 30, 2023**

	Teen Court	Homeowner's Foreclosure Education	Total Nonmajor Governmental Funds
<b>REVENUES</b>			
Miscellaneous Revenues:			
Court Related Service Charge	\$ 19,496	\$ 310	\$ 19,806
Interest Earnings	241	17	258
Total Revenues	<u>19,737</u>	<u>327</u>	<u>20,064</u>
<b>EXPENDITURES</b>			
Court Related:			
Personal Services	10,736	-	10,736
Operating Expenditures	1,536	-	1,536
Total Expenditures	<u>12,272</u>	<u>-</u>	<u>12,272</u>
<b>NET CHANGE IN FUND BALANCE</b>	7,465	327	7,792
Fund Balance - October 1, 2022	<u>8,800</u>	<u>690</u>	<u>9,490</u>
<b>FUND BALANCES - SEPTEMBER 30, 2023</b>	<u>\$ 16,265</u>	<u>\$ 1,017</u>	<u>\$ 17,282</u>

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
FIDUCIARY FUND DESCRIPTIONS  
YEAR ENDED SEPTEMBER 30, 2023**

The Clerk maintains the following Custodial Funds:

**Child Support** – To account for child support and/or alimony payments collected by the Clerk and remitted to the appropriate recipients.

**Suspense** – Used by the Clerk to account for documentary stamp and recording fees, jury and witness payments, and fines and forfeitures collected through the court system and remitted to other governmental agencies.

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS – CUSTODIAL FUNDS  
SEPTEMBER 30, 2023**

	<u>Custodial Funds</u>		Total Custodial Funds
	<u>Child Support</u>	<u>Suspense</u>	
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 356	\$ 4,475,258	\$ 4,475,614
Due from Others	-	5,849	5,849
Due from Other Governmental Units	-	1,648	1,648
Total Assets	<u>356</u>	<u>4,482,755</u>	<u>4,483,111</u>
<b>LIABILITIES</b>			
Due to Others	-	6,454	6,454
Due to Other Governmental Units	271	368,886	369,157
Total Liabilities	<u>271</u>	<u>375,340</u>	<u>375,611</u>
<b>NET POSITION</b>			
Restricted for Other Governments and Individuals	<u>\$ 85</u>	<u>\$ 4,107,415</u>	<u>\$ 4,107,500</u>

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS – CUSTODIAL FUNDS  
YEAR ENDED SEPTEMBER 30, 2023**

	<u>Custodial Funds</u>		Total Custodial Funds
	<u>Child Support</u>	<u>Suspense</u>	
<b>ADDITIONS</b>			
Fines/Fees Collected for Other Governments and Individuals	\$ 155,333	\$ 19,115,452	\$ 19,270,785
Total Additions	<u>155,333</u>	<u>19,115,452</u>	<u>19,270,785</u>
<b>DEDUCTIONS</b>			
Fines/Fees Disbursed to Other Governments and Individuals	155,248	18,562,754	18,718,002
Total Deductions	<u>155,248</u>	<u>18,562,754</u>	<u>18,718,002</u>
<b>CHANGE IN NET POSITION</b>	85	552,698	552,783
Net Position - Beginning of Year	<u>-</u>	<u>3,554,717</u>	<u>3,554,717</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 85</u>	<u>\$ 4,107,415</u>	<u>\$ 4,107,500</u>



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

The Honorable Jerome Kaszubowski  
Clerk of Courts  
Highlands 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 Clerk of Courts of Highlands County, Florida (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 basic financial statements, and have issued our report thereon dated February 27, 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2023-001 that we consider to be a material weakness.

The Honorable Jerome Kaszubowski  
Clerk of Courts  
Highlands County, Florida

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

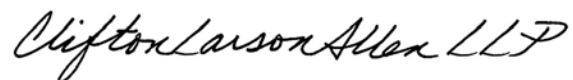
As part of obtaining reasonable assurance about whether the Clerk's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect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

### ***Clerk of Court's Response to Findings***

*Government Auditing Standards* requires the auditor to perform limited procedures on the Clerk's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Clerk'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 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.



**CliftonLarsonAllen LLP**

Sebring, Florida  
February 27, 2024



## MANAGEMENT LETTER

The Honorable Jerome Kaszubowski  
Clerk of Courts  
Highlands County, Florida

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

We have audited the financial statements of the Clerk of Courts of Highlands County, Florida (the Clerk), as of and for the fiscal year ended September 30, 2023 and have issued our report thereon dated February 27, 2024.

### ***Auditors' Responsibility***

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

### ***Other Reporting Requirements***

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

### ***Official Title and Legal Authority***

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

The Honorable Jerome Kaszubowski  
Clerk of Courts  
Highlands County, Florida

***Financial Management***

Section 10.554(1)(i)2, Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

***Additional Matters***

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

***Purpose of this Letter***

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



**CliftonLarsonAllen LLP**

Sebring, Florida  
February 27, 2024



## INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Jerome Kaszubowski, Clerk of Courts  
and the Florida Auditor General  
Highlands County, Florida

We have examined the Clerk of Courts of Highlands County, Florida's (the Clerk) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds; Section 61.181, Florida Statutes, regarding clerk of the courts alimony and child support payments, and Sections 28.35 and 28.36, Florida Statutes, regarding clerks of court performance standards and budgets, during the year ended September 30, 2023. Management of the Clerk is responsible for the Clerk's compliance with the specified requirements. Our responsibility is to express an opinion on the Clerk's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Clerk complied, in all material respects, with the specified 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 noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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 Clerk's compliance with specified requirements.

In our opinion, the Clerk complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds; Section 61.181, Florida Statutes, regarding clerks of the courts alimony and child support payments; and Sections 28.35 and 28.36, Florida Statutes, regarding clerks of the courts performance standards and budgets during the year ended September 30, 2023.

The Honorable Jerome Kaszubowski, Clerk of Courts  
And the Florida Auditor General  
Highlands County, Florida

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

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Sebring, Florida  
February 27, 2024

**CLERK OF COURTS  
HIGHLANDS COUNTY, FLORIDA  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED SEPTEMBER 30, 2023**

**2023-001 – Material Adjustments**

**Type of Finding:** Material Weakness in Internal Control over Financial Reporting

**Condition:** A material error was detected in the Clerk's account balances during our audit. As a result, a material adjustment was proposed to correct the account balances.

**Criteria or Specific Requirement:** Management is responsible for establishing and maintaining internal control over recording of the Clerk's transactions to ensure balances are reported in accordance with GAAP.

**Effect:** Deferred inflows of resources – unavailable revenue was understated and intergovernmental revenue was overstated.

**Cause:** Intergovernmental revenue is usually received within the period of availability for revenue recognition. In the current year, there was delay at the state level in distributing funds to the local governments. The amounts were not received within the period of availability and therefore should not have been recognized as revenue in the current year.

**Repeat Finding:** No

**Recommendation:** The year end closing process should include procedures to review amounts recorded in receivables to ensure the subsequent receipts are received within the 60 day period of availability for revenue recognition.

**Views of Responsible Officials and Planned Corrective Actions:** Management concurs with the finding and recommendation. The Clerk's year end closing process has been modified to include a more thorough review of subsequent receipts and related receivables, ensuring the availability of funds and proper revenue recognition.

**PROPERTY APPRAISER  
HIGHLANDS COUNTY, FLORIDA**

**FINANCIAL STATEMENTS  
AND SUPPLEMENTAL REPORTS**

**YEAR ENDED SEPTEMBER 30, 2023**



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**PROPERTY APPRIASER  
HIGHLANDS COUNTY, FLORIDA  
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## INDEPENDENT AUDITORS' REPORT

Honorable C. Raymond McIntyre  
Property Appraiser  
Highlands County, Florida

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the major fund and the aggregate remaining fund information of the Property Appraiser of Highlands County, Florida (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 basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and the aggregate remaining fund information of the Property Appraiser as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof, and budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 opinions.

#### **Emphasis of Matter**

As discussed in Note 1, the financial statements of the Property Appraiser referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the financial statements are intended to present the financial position, the changes in financial position, and, where applicable, cash flows of only that portion of each major fund and the aggregate remaining fund information of Highlands County that is attributable to the transactions of the Property Appraiser. They do not purport to, and do not, present fairly the financial position of Highlands County as of September 30, 2023, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Honorable C. Raymond McIntyre  
Property Appraiser  
Highlands County, Florida

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

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

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 C. Raymond McIntyre  
Property Appraiser  
Highlands County, Florida

***Required Supplementary Information***

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 6, 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.



**CliftonLarsonAllen LLP**

Sebring, Florida  
February 6, 2024

**PROPERTY APPRAISER  
HIGHLANDS COUNTY, FLORIDA  
BALANCE SHEET  
GENERAL FUND  
SEPTEMBER 30, 2023**

**ASSETS**

Cash and Cash Equivalents	\$	244,588
Accounts Receivable		8,516
Prepaid Items		1,264
		1,264
Total Assets	\$	254,368

**LIABILITIES AND FUND BALANCE**

**LIABILITIES**

Vouchers Payable	\$	5,446
Accrued Wages Payable		64,137
Due to Other Governmental Units		2,214
Due to Constitutional Officers		2,682
Due to Board of County Commissioners		179,889
Total Liabilities		254,368

**FUND BALANCE**

Nonspendable		1,264
Unassigned		(1,264)
Total Fund Balance		-
Total Liabilities and Fund Balance	\$	254,368

See accompanying Notes to Financial Statements.

**PROPERTY APPRIASER  
HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
<b>Intergovernmental:</b>				
Appropriations from Board of County Commissioners	\$ 3,561,199	\$ 3,561,199	\$ 3,561,199	\$ -
South Florida Water Management District	7,870	7,870	7,870	-
Southwest Florida Water Management District	47,499	47,499	47,499	-
Total Intergovernmental Revenues	<u>3,616,568</u>	<u>3,616,568</u>	<u>3,616,568</u>	<u>-</u>
<b>Miscellaneous Revenues:</b>				
Interest Earnings	-	-	611	611
Other Miscellaneous Revenues	-	-	17,141	17,141
Total Miscellaneous Revenues	<u>-</u>	<u>-</u>	<u>17,752</u>	<u>17,752</u>
Total Revenues	3,616,568	3,616,568	3,634,320	17,752
<b>EXPENDITURES</b>				
<b>General Government:</b>				
Financial and Administrative:				
Personal Services	2,576,799	2,663,434	2,663,430	4
Operating Expenditures	1,014,769	899,571	801,099	98,472
Capital Outlay	25,000	25,000	-	25,000
Debt Service:				
Principal	-	25,627	25,627	-
Interest	-	2,936	2,936	-
Total Expenditures	<u>3,616,568</u>	<u>3,616,568</u>	<u>3,493,092</u>	<u>123,476</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	-	-	141,228	141,228
<b>OTHER FINANCING USES</b>				
Transfer of Excess Fees	-	-	(141,228)	(141,228)
Total Other Financing Uses	<u>-</u>	<u>-</u>	<u>(141,228)</u>	<u>(141,228)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
Fund Balance - October 1, 2022	-	-	-	-
<b>FUND BALANCE - SEPTEMBER 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**PROPERTY APPRAISER  
 HIGHLANDS COUNTY, FLORIDA  
 STATEMENT OF NET POSITION  
 PROPRIETARY FUND  
 SEPTEMBER 30, 2023**

	Internal Service Fund <hr/> Compensated Absences <hr/>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 461,009
<b>LIABILITIES</b>	
Accrued Compensated Absences Payable	<hr/> 461,009 <hr/>
<b>NET POSITION</b>	
Unrestricted	<hr/> \$ - <hr/>

See accompanying Notes to Financial Statements.

**PROPERTY APPRAISER**  
**HIGHLANDS COUNTY, FLORIDA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUND**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Internal Service Fund <u>Compensated            Absences</u>
<b>OPERATING REVENUES</b>	
Charges for Services	\$ 261,389
<b>OPERATING EXPENSES</b>	
Compensated Absences Expense	<u>266,182</u>
<b>OPERATING LOSS</b>	(4,793)
<b>NONOPERATING REVENUES</b>	
Net Change in Fair Value of Investments	<u>4,793</u>
<b>CHANGE IN NET POSITION</b>	-
Net Position - October 1, 2022	<u>-</u>
<b>NET POSITION - SEPTEMBER 30, 2023</b>	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

**PROPERTY APPRAISER  
HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF CASH FLOWS – PROPRIETARY FUND  
YEAR ENDED SEPTEMBER 30, 2023**

	Internal Service Fund <u>Compensated Absences</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Charges for Services	\$ 261,389
Cash Paid to Employees for Services	<u>(228,294)</u>
Net Cash Provided by Operating Activities	33,095
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest Received	<u>4,793</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	37,888
Cash and Cash Equivalents - October 1, 2022	<u>423,121</u>
<b>CASH AND CASH EQUIVALENTS - SEPTEMBER 30, 2023</b>	<u><u>\$ 461,009</u></u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating Loss	\$ (4,793)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Changes in Assets and Liabilities:	
Increase in Compensated Absences	37,888
Net Cash Provided by Operating Activities	<u><u>\$ 33,095</u></u>

See accompanying Notes to Financial Statements.

**PROPERTY APPRAISER  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Highlands County is a noncharter county established April 23, 1921, under the laws of Florida 1921, Chapter 8513. The Property Appraiser of Highlands County, Florida (Property Appraiser) is one of six constitutional officers elected to serve within the county and receives a significant portion of its revenue from the Board of County Commissioners (the Board), Highlands County, Florida. The Property Appraiser's financial statements include only the funds of the Property Appraiser's office. There are no separate legal entities (component units) for which the Property Appraiser is financially accountable.

The Property Appraiser is elected every four years to serve as the official appraiser of property within the county as it relates to the ad valorem tax rolls. The Property Appraiser is responsible for ensuring that all property is included on the tax rolls, that the fair value of the property is correctly reflected in the rolls, and that the proper millage rate has been applied to the recorded property values. In addition, the Property Appraiser is responsible to ensure that all taxable tangible personal property is properly reflected on the tax rolls.

The Property Appraiser is a "fee" officer, in that operating revenues are received based upon the services rendered to the various taxing governmental units within the county. The Property Appraiser receives the majority of his operating revenues from the Board of County Commissioners in the form of an appropriation. The balance of fees in excess of expenditures remaining at September 30 are divided among the various taxing governmental units in the same proportion as that particular unit's payments to the Property Appraiser during the year relates to the total payments from all taxing governmental units.

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

**Basis of Presentation**

These financial statements have been prepared for the purpose of complying with Section 218.39(2), Florida Statutes, and Chapter 10.550, Rules of the Auditor General – Local Governmental Entity Audits, which allows the Property Appraiser to only present fund financial statements. These financial statements present only the portion of the funds of Highlands County, Florida that are attributable to the Property Appraiser. They are not intended to present fairly the financial position and results of operations of Highlands County, Florida in conformity with accounting principles generally accepted in the United States of America.

**PROPERTY APPRAISER  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2023**

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

**Fund Accounting**

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

The purpose of the Property Appraiser's various funds is as follows:

**Governmental Funds**

**General Fund** – The General Fund is the general operating fund of the Property Appraiser. It is used to account for all financial resources not required to be accounted for in another fund. Intergovernmental revenues and fees are recorded in this fund. Expenditures for general governmental services are paid through this fund.

**Proprietary Funds**

**Internal Service Fund** – The Internal Service Fund is used to account for the accumulation of funded compensated absences.

**Capital Assets**

All capital assets purchased are recorded as expenditures in the General Fund at the time of purchase. The Board holds legal title for the capital assets used in the operation of the Property Appraiser and is accountable for them under Florida Law. The Property Appraiser notifies the Board of capital assets purchased and the original cost is recorded in the capital assets records of Highlands County as a whole. The Property Appraiser may not dispose of any capital assets in his custody. The Property Appraiser is to notify the Board of any unused or obsolete assets and it is the Boards' responsibility to dispose of these assets in accordance with the various Florida Statutes.

**Measurement Focus**

**Governmental Fund** – The General Fund is accounted for using a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on the balance sheet. The reported unassigned fund balance (net current assets) is considered a measure of "available, spendable, or appropriable resources." Governmental fund operating statements present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

**PROPERTY APPRAISER  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2023**

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

**Measurement Focus (Continued)**

**Proprietary Fund** – The Internal Service Fund is accounted for on a cost of services measurement focus which is referred to as a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of the fund are included in the statement of net position. Proprietary Fund operating statements present increases (revenues) and decreases (expenses) in net position.

**Basis of Accounting**

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

Governmental Funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they become measurable and available as net current assets. Revenues are considered to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due.

The accrual basis of accounting is utilized by Proprietary Funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods. The operating revenues of the Property Appraiser consist of charges to other funds for compensated absences. Operating expenses include compensated absences earned. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Budgets and Budgetary Data**

The following are the procedures followed in establishing the budget for the Property Appraiser's office:

1. On or before June 1 of each year, the Property Appraiser submits an annual budget for the operations of his office to the state of Florida, Department of Revenue (the Department). A copy of his budget is also furnished to the Board of County Commissioners. After his budget has been reviewed and approved by the Department, it becomes his operating budget for the ensuing fiscal year.
2. The Property Appraiser's operating budget can only be amended after written approval has been received from the Department.

**PROPERTY APPRAISER  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2023**

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

**Budgets and Budgetary Data (Continued)**

3. Florida Statutes provide that it is unlawful to make expenditures that exceed the total amount budgeted for each fund. The Department of Revenue approves all transfers between appropriation categories, and this becomes the level of control for budgetary considerations.
4. Formal budgetary integration is employed as a management control device during the year for the governmental funds.
5. Annual appropriated budget for the General Fund is legally adopted on a basis consistent with accounting principles generally accepted in the United States of America.

**Cash and Cash Equivalents**

The Property Appraiser considers the following as cash and cash equivalents:

1. Cash on hand, demand deposits; and
2. Deposits in the Local Government Surplus Funds Trust Fund (Florida Prime) under the management of the State Board of Administration.

**Investments**

The Property Appraiser invests surplus public funds in accordance with Section 218.415, Florida Statutes.

**Compensated Absences**

Employees of the Property Appraiser earn annual and sick leave in varying amounts. Upon retirement, death, resignation, or separation in good standing, employees are eligible to receive payment at their current rate of pay for 100% of accumulated annual leave.

There is no limit on the amount of sick leave that can be accumulated by employees of the Property Appraiser. The limit of lump-sum reimbursements of sick leave credits is based on years of continuous service. Employees of the Property Appraiser with 10 or more years of continuous service are fully vested for sick leave. Upon termination of employment, these employees are eligible to receive payment for accumulated sick leave up to 500 hours at their current rate of pay.

The vested liability for accrued compensated absences has been budgeted for and fully funded by the General Fund.

**Fund Balance**

The classifications of fund balances are described as follows:

**PROPERTY APPRAISER  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2023**

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

**Fund Balance (Continued)**

**Nonspendable Fund Balance** – Amounts that cannot be spent because they are either not in spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact.

**Restricted Fund Balance** – Amounts that can be spent only for specific purposes because of constraints imposed by external providers (such as grantors, bondholders, and higher levels of government), or imposed by constitutional provisions or enabling legislation.

**Committed Fund Balance** – Amounts that can be spent only for specific purposes determined by a formal action of the Property Appraiser's highest level of decision-making authority.

**Assigned Fund Balance** – Amounts the Property Appraiser intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.

**Unassigned Fund Balance** – Amounts that are available for any purpose; these amounts can be reported only in the Property Appraiser's General Fund.

When both restricted and unrestricted resources are available for use, it is the Property Appraiser's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available. The Board adopted a fund balance policy for the county as a whole. The Property Appraiser does not have a separate fund balance policy as any unexpended fund balance is returned to the Board and other taxing units each year.

**Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make use of estimates that affect reported amounts in the financial statements. Actual results could differ from estimates.

**Other Postemployment Benefit Obligations**

In accordance with Section 112.0801, Florida Statutes, the Property Appraiser participates with the County in offering retiring employees the opportunity to continue in the county's health insurance plan. The participating retirees pay 100% of the premium cost applicable to an active employee. The liability and expense for other postemployment benefits, calculated in accordance with Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, are reported in the financial statements of the County.

**PROPERTY APPRAISER  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2023**

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

**Adoption of New Accounting Standards**

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

The Property Appraiser's adopted the requirements of the guidance effective October 1, 2022 and has applied the provisions of this standard to the beginning of the period of adoption.

**NOTE 2 CASH AND CASH EQUIVALENTS**

At September 30, 2023, the bank balance of the Property Appraiser's deposits were \$724,243. The entire amount of the demand deposits is deposited in a state of Florida qualified depository and, therefore, is fully collateralized.

Custodial Credit Risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Property Appraiser's monies must be deposited in banks designated as qualified public depositories by the Chief Financial Officer, Florida Department of Financial Services. Therefore, the Property Appraiser's total deposits are insured by the Federal Depository Insurance Corporation and collateralized by the Bureau of Collateral Management, Division of Treasury, and the Florida Department of Financial Services. The law requires the Chief Financial Officer to ensure that funds are entirely collateralized throughout the fiscal year. Other than the preceding, the Property Appraiser has no policy on custodial credit risk.

Collateral is provided for demand deposits through the Florida Security for Public Deposits Act. This law establishes guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements and characteristics of eligible collateral. Under this law, the qualified public depository must pledge at least 25% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance.

Additional collateral, up to a maximum of 150%, may be required if deemed necessary under the conditions set forth in this law. Eligible collateral consists of obligations of the United States and its agencies and obligations of states and their local political subdivisions and unaffiliated corporations.

**PROPERTY APPRAISER  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2023**

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

Obligations pledged to secure deposits must be delivered to the Department of Financial Services or, with the approval of the chief financial officer, to a bank, savings association, or trust company provided a power of attorney is delivered to the Chief Financial Officer. On a monthly basis, the Chief Financial Officer determines that the collateral has a market value adequate to cover the deposits under the provisions of this law.

The Property Appraiser invests funds throughout the year with Florida PRIME, an investment pool administered by the State Board of Administration, under the regulatory oversight of the state of Florida. Investments in Florida PRIME are made pursuant to Chapter 125.31, Florida Statutes. The investments are not categorized because they are not evidenced by securities that exist in physical or book entry form. Throughout the year and as of September 30, 2023, Florida PRIME contained certain floating and adjustable rate securities which were indexed based on the prime rate and/or one and three-month LIBOR rates. These investments represented 31.4% of Florida Prime's portfolio at September 30, 2023.

Florida PRIME meets all of the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost, as a cash equivalent.

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

The dollar weighted-average days to maturity (WAM) of Florida PRIME as of September 30, 2023 was 35 days. Next interest rate reset dates for floating securities are used in the calculation of the WAM. The weighted average life (WAL) of the Florida PRIME at September 30, 2023 was 75 days.

**Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investments in Florida PRIME must carry an "AAAm" rating from Standard and Poor's.

On September 30, 2023, Standard and Poor's Ratings Services assigned the Florida PRIME an "AAAm" principal stability funding rating.

**PROPERTY APPRAISER  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2023**

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

**Credit Risk (Continued)**

With regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states, “The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, and the Investment Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days.”

With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

As of September 30, 2023, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100% of their account value.

A reconciliation to amounts shown on the balance sheet and statement of net position is as follows:

Demand Deposits	\$ 692,468
Petty Cash and Change Funds	100
Florida PRIME	13,029
Total	<u>\$ 705,597</u>
Balance Sheet - General Fund:	
Cash and Cash Equivalents	\$ 244,588
Statement of Net Position - Proprietary Fund:	
Cash and Cash Equivalents	461,009
Total Cash and Cash Equivalents	<u>\$ 705,597</u>

**PROPERTY APPRAISER  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 3 PERSONNEL COMMITMENTS**

Employees of the Property Appraiser earn annual leave and sick leave in varying amounts. In the event of retirement or termination of employment, an employee is paid for vested accumulated unused credits. The cash benefit of compensated absences is determined by multiplying the employee's current wage rate by the number of hours of unused credits.

The following shows the change in compensated absences for the fiscal year ended September 30, 2023:

Compensated Absences - September 30, 2022	\$ 423,121
Leave Earned by Employees	266,182
Payments to Employees	<u>(228,294)</u>
Compensated Absences - September 30, 2023	<u>\$ 461,009</u>

**NOTE 4 PENSION PLANS**

**Background**

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

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

**PROPERTY APPRAISER  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 4 PENSION PLANS (CONTINUED)**

**Florida Retirement System Pension Plan**

**Plan Description**

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

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers Class* – Members who hold specified elective offices in local government.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.
- *Special Risk Class* – Members who are special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

**Benefits Provided**

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

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 8 years after electing to participate, except that certain instructional personnel may participate for up to 10 years. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

**PROPERTY APPRAISER  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 4 PENSION PLANS (CONTINUED)**

**Florida Retirement System Pension Plan (Continued)**

**Benefits Provided (Continued)**

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

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

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

**Retiree Health Insurance Subsidy Program**

**Plan Description**

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

**Benefits Provided**

For the fiscal year ended June 30, 2023, eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$45 and a maximum HIS payment of \$225 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

**PROPERTY APPRAISER  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 4 PENSION PLANS (CONTINUED)**

**Retiree Health Insurance Subsidy Program (Continued)**

**Benefits Provided (Continued)**

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

**FRS Investment Plan**

**Plan Description**

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Property Appraiser employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan.

Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members.

**Benefits Provided**

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

**PROPERTY APPRAISER  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 4 PENSION PLANS (CONTINUED)**

**FRS Investment Plan (Continued)**

**Benefits Provided (Continued)**

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.

**Contributions**

Participating employer contributions are based upon statewide rates established by the state of Florida. The Property Appraiser's contributions made to the plans during the years ended September 30, 2023, 2022, and 2021 were \$373,593, \$333,911, and \$313,549, respectively, equal to the actuarially determined contribution requirements for each year.

Additional information about pension plans can be found in the county's annual comprehensive financial report.

**NOTE 5 RELATED PARTY TRANSACTIONS**

Transactions with the Highlands County Board of Commissioners and the Constitutional Officers of Highlands County, Florida, for the year ended September 30, 2023, were as follows:

**Budget Appropriation** – The General Fund of the Property Appraiser received revenue from the Board of County Commissioners in the amount of \$3,561,199 for the year ended September 30, 2023. Excess fees and other amounts payable to the Board at September 30, 2023 were \$179,889.

**Various Services** – The Board of County Commissioners provides various services to the Property Appraiser. The charges for these services for the fiscal year ended September 30, 2023 amounted to \$390,698.

Amounts paid to the Clerk for the fiscal year ended September 30, 2023, for other services were \$10,725.

**PROPERTY APPRAISER  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 6 RISK MANAGEMENT**

The Property Appraiser is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The county is a member of Preferred Governmental Insurance Trust (PGIT), a governmental insurance carrier. PGIT administers insurance activities relating to property, general liability, public official's and employment practices liability, automobile, crime, and workers' compensation. The county is liable for deductibles on certain coverage. Transactions related to activities related to PGIT are presented in the statements of Highlands County as a whole. There were no settlements in excess of the insurance coverage in any of the three prior fiscal years.

**NOTE 7 CAPITAL ASSETS**

The Property Appraiser's capital assets include furniture, equipment, computer equipment, vehicles, and software. The Property Appraiser, pursuant to Florida Statutes, records no capital assets for which the Property Appraiser is custodian. The threshold for capitalizing all capital assets, except software, is \$5,000. The threshold for capitalizing software is \$15,000 for internally generated software and \$25,000 for purchased software. Capital assets are recorded at cost. Contributed assets are recorded at estimated acquisition value at the time received. Contributed assets are recorded at estimated fair value at the time received. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets as follows:

Machinery and Equipment	4 to 20 Years
Software - Internally Generated	3 to 10 Years
Software - Purchased/Leased	3 to 10 Years

**PROPERTY APPRAISER  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 7 CAPITAL ASSETS (CONTINUED)**

Detailed information concerning capital assets is recorded and reported in the government-wide financial statements of the county. The following is a summary of the changes in capital assets for which the Property Appraiser is custodian during fiscal year 2023:

	Beginning Balance *	Additions	Deletions	Ending Balances
Capital Assets, Being				
Depreciated/Amortized:				
Equipment	\$ 629,946	\$ 10,659	\$ -	\$ 640,605
Computer Software	2,791,399	-	-	2,791,399
Right-to-Use Lease Equipment	115,841	-	-	115,841
Subscription-Based Information				
Technology Arrangements	9,188	-	-	9,188
Total Capital Assets Being				
Depreciated/Amortized	3,546,374	10,659	-	3,557,033
Less: Accumulated				
Depreciation/Amortization:				
Equipment	(567,853)	(21,212)	-	(589,065)
Computer Software	(2,791,399)	-	-	(2,791,399)
Right-to-Use Lease Equipment	(6,692)	(23,780)	-	(30,472)
Subscription-Based Information				
Technology Arrangements	-	(3,186)	-	(3,186)
Total Accumulated				
Depreciation/Amortization	(3,365,944)	(48,178)	-	(3,414,122)
Total Capital Assets, Net	<u>\$ 180,430</u>	<u>\$ (37,519)</u>	<u>\$ -</u>	<u>\$ 142,911</u>

\* Restated for implementation of GASB 96, SBITA.

**PROPERTY APPRAISER  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 8 LEASES**

The Property Appraiser leases assets for various terms under certain agreements that meet the definition of a lease under GASB Statement No. 87 – Leases. Detailed information about the Property Appraiser’s leases can be found in the Highlands County Annual Comprehensive Financial Report.

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

During the year ended September 30, 2023, the Property Appraiser’s principal and interest payments on leases totaled \$22,716 and \$2,623, respectively.

**NOTE 9 SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS**

The Property Appraiser has entered into subscription-based information technology arrangements (SBITAs) for various terms under certain agreements that meet the definition under GASB Statement No. 96, Subscription-Based Information Technology Agreements. Detailed information about the Property Appraiser’s SBITAs can be found in the Highlands County county-wide financial statements.

SBITAs entered into by the Property Appraiser are included as other financing sources and capital outlay expenditures in the statement of revenues, expenditures, and changes in fund balance in the year of inception. Payments made in accordance with the contract terms are reported as debt service expenditures in the statement of revenues, expenditures, and changes in fund balance as they are incurred.

During the year ended September 30, 2023, the Property Appraiser’s payments of principal and interest on SBITA totaled \$2,911 and \$313, respectively.



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

Honorable C. Raymond McIntyre  
Property Appraiser  
Highlands County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the major fund and the aggregate remaining fund information of the Property Appraiser of Highlands County, Florida (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 basic financial statements, and have issued our report thereon dated February 6, 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 opinions 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 entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

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

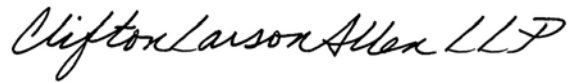
Honorable C. Raymond McIntyre  
Property Appraiser  
Highlands County, Florida

***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, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.



**CliftonLarsonAllen LLP**

Sebring, Florida  
February 6, 2024



## MANAGEMENT LETTER

Honorable C. Raymond McIntyre  
Property Appraiser  
Highlands County, Florida

### Report on the Financial Statements

We have audited the financial statements of the Property Appraiser of Highlands County, Florida (Property Appraiser), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated February 6, 2024.

### Auditors' Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated February 6, 2024, should be considered in conjunction with this management letter.

### Prior Audit Findings

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

### Official Title and Legal Authority

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

Honorable C. Raymond McIntyre  
Property Appraiser  
Highlands County, Florida

**Financial Management**

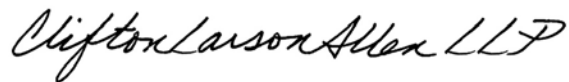
Section 10.554(1)(i)2, *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

**Additional Matters**

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

**Purpose of this Letter**

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



**CliftonLarsonAllen LLP**

Sebring, Florida  
February 6, 2024



## INDEPENDENT ACCOUNTANTS' REPORT

Honorable C. Raymond McIntyre, Property Appraiser  
and the Florida Auditor General  
Highlands County, Florida

We have examined the Highlands County Property Appraiser, Highlands County, Florida (Property Appraiser)'s compliance with Section 218.415, Florida Statutes, regarding the investment of public funds, during the year ended September 30, 2023. Management of the Property Appraiser is responsible for the Property Appraiser's compliance with the specified requirements. Our responsibility is to express an opinion on the Property Appraiser's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Property Appraiser complied, in all material respects, with the specified 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 judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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 Property Appraiser's compliance with specified requirements.

In our opinion, the Property Appraiser complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2023.

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

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Sebring, Florida  
February 6, 2024

**SHERIFF  
HIGHLANDS COUNTY, FLORIDA**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTAL REPORTS**

**YEAR ENDED SEPTEMBER 30, 2023**



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**SHERIFF  
HIGHLANDS COUNTY, FLORIDA  
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## INDEPENDENT AUDITORS' REPORT

The Honorable Paul Blackman  
Sheriff  
Highlands 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 Sheriff of Highlands County, Florida (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 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 each major fund and the aggregate remaining fund information of the Sheriff, as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the 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, the financial statements of the Sheriff referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the financial statements are intended to present the financial position, the changes in financial position, and, where applicable, cash flows of only that portion of each major fund and the aggregate remaining fund information of Highlands County that is attributable to the transactions of the Sheriff. They do not purport to, and do not, present fairly the financial position of Highlands County as of September 30, 2023, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

The Honorable Paul Blackman  
Sheriff  
Highlands County, Florida

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

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

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***

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

The Honorable Paul Blackman  
Sheriff  
Highlands County, Florida

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's basic financial statements. The combining statements, as listed in the table of contents, are presented for 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 GAAS. 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 March 21, 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.



**CliftonLarsonAllen LLP**

Sebring, Florida  
March 21, 2024

**SHERIFF  
HIGHLANDS COUNTY, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2023**

	General Fund	Inmate Welfare Fund	<u>Nonmajor Community Donation Fund</u>	Total Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 2,715,735	\$ 1,506,678	\$ 154,470	\$ 4,376,883
Accounts Receivable	-	500,000	-	500,000
Prepaid Items	359,561	-	-	359,561
	<u>359,561</u>	<u>-</u>	<u>-</u>	<u>359,561</u>
Total Assets	<u>\$ 3,075,296</u>	<u>\$ 2,006,678</u>	<u>\$ 154,470</u>	<u>\$ 5,236,444</u>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>LIABILITIES</b>				
Vouchers Payable	\$ 188,962	\$ 1,997	\$ -	\$ 190,959
Accrued Wages Payable	869,141	542	-	869,683
Due to Board of County Commissioners	2,017,193	-	-	2,017,193
Total Liabilities	<u>3,075,296</u>	<u>2,539</u>	<u>-</u>	<u>3,077,835</u>
<b>FUND BALANCE</b>				
Nonspendable	359,561	-	-	359,561
Restricted for Inmate Welfare	-	2,004,139	-	2,004,139
Restricted for Law Enforcement Programs	-	-	154,470	154,470
Unassigned	(359,561)	-	-	(359,561)
Total Fund Balance	<u>-</u>	<u>2,004,139</u>	<u>154,470</u>	<u>2,158,609</u>
Total Liabilities and Fund Balance	<u>\$ 3,075,296</u>	<u>\$ 2,006,678</u>	<u>\$ 154,470</u>	<u>\$ 5,236,444</u>

See accompanying Notes to Financial Statements.

**SHERIFF  
HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
YEAR ENDED SEPTEMBER 30, 2023**

	General Fund	Inmate Welfare Fund	Nonmajor Community Donation Fund	Total Governmental Funds
<b>REVENUES</b>				
Intergovernmental:				
Appropriation from Board of County Commissioners	\$ 44,086,363	\$ -	\$ -	\$ 44,086,363
Miscellaneous Revenues:				
Commissary Sales	-	128,891	-	128,891
Miscellaneous Revenues	-	500,070	49,078	549,148
Total Revenues	<u>44,086,363</u>	<u>628,961</u>	<u>49,078</u>	<u>44,764,402</u>
<b>EXPENDITURES</b>				
Current:				
Court Related:				
Courthouse Security:				
Personal Services	1,317,247	-	-	1,317,247
Operating Expenditures	8,873	-	-	8,873
Total Court Related	<u>1,326,120</u>	<u>-</u>	<u>-</u>	<u>1,326,120</u>
Public Safety:				
Law Enforcement:				
Personal Services	22,388,094	-	-	22,388,094
Operating Expenditures	4,131,442	-	22,924	4,154,366
Total Law Enforcement	<u>26,519,536</u>	<u>-</u>	<u>22,924</u>	<u>26,542,460</u>
Corrections and Detention:				
Personal Services	9,837,272	26,795	-	9,864,067
Operating Expenditures	2,668,005	144,909	-	2,812,914
Total Corrections and Detention	<u>12,505,277</u>	<u>171,704</u>	<u>-</u>	<u>12,676,981</u>
Capital Outlay	2,763,412	-	-	2,763,412
Debt Service:				
Principal	434,503	-	-	434,503
Interest	12,308	-	-	12,308
Total Expenditures	<u>43,561,156</u>	<u>171,704</u>	<u>22,924</u>	<u>43,755,784</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	525,207	457,257	26,154	1,008,618
<b>OTHER FINANCING SOURCES (USES)</b>				
Leases	2,854	-	-	2,854
Subscription-Based Information				
Technology Arrangement	914,625	-	-	914,625
Financed Purchased Agreements	514,410	-	-	514,410
Unexpended Budget Balance Reverting to Board of County Commissioners	<u>(1,957,096)</u>	<u>-</u>	<u>-</u>	<u>(1,957,096)</u>
Total Other Financing Sources (Uses)	<u>(525,207)</u>	<u>-</u>	<u>-</u>	<u>(525,207)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	457,257	26,154	483,411
Fund Balance - October 1, 2022	<u>-</u>	<u>1,546,882</u>	<u>128,316</u>	<u>1,675,198</u>
<b>FUND BALANCE - SEPTEMBER 30, 2023</b>	<u>\$ -</u>	<u>\$ 2,004,139</u>	<u>\$ 154,470</u>	<u>\$ 2,158,609</u>

See accompanying Notes to Financial Statements.

**SHERIFF  
HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED SEPTEMBER 30, 2023**

	General Fund			Variance - Positive (Negative)
	Budget		Actual	
	Original	Final		
<b>REVENUES</b>				
Intergovernmental:				
Appropriation from Board of County Commissioners	\$ 34,110,095	\$ 44,111,363	\$ 44,086,363	\$ (25,000)
Total Revenues	34,110,095	44,111,363	44,086,363	(25,000)
<b>EXPENDITURES</b>				
Current:				
Court Related:				
Courthouse Security:				
Personal Services	1,365,072	1,371,565	1,317,247	54,318
Operating Expenditures	10,799	10,799	8,873	1,926
Total Court Related	1,375,871	1,382,364	1,326,120	56,244
Public Safety:				
Law Enforcement:				
Personal Services	17,858,813	22,716,277	22,388,094	328,183
Operating Expenditures	3,050,615	4,804,822	4,131,442	673,380
Total Law Enforcement	20,909,428	27,521,099	26,519,536	1,001,563
Corrections and Detention:				
Personal Services	10,974,120	10,903,185	9,837,272	1,065,913
Operating Expenditures	792,630	2,730,096	2,668,005	62,091
Total Corrections and Detention	11,766,750	13,633,281	12,505,277	1,128,004
Capital Outlay	58,046	1,574,619	2,763,412	(1,188,793)
Debt Service:				
Principal	-	-	434,503	(434,503)
Interest	-	-	12,308	(12,308)
Total Expenditures	34,110,095	44,111,363	43,561,156	550,207
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	-	-	525,207	525,207
<b>OTHER FINANCING SOURCES (USES)</b>				
Leases	-	-	2,854	2,854
Subscription-Based Information Technology Arrangement	-	-	914,625	914,625
Financed Purchased Agreements	-	-	514,410	514,410
Unexpended Budget Balance Reverting to Board of County Commissioners	-	-	(1,957,096)	(1,957,096)
Total Other Financing Sources (Uses)	-	-	(525,207)	(528,061)
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
Fund Balance - October 1, 2022	-	-	-	-
<b>FUND BALANCE - SEPTEMBER 30, 2023</b>	\$ -	\$ -	\$ -	\$ -

See accompanying Notes to Financial Statements.

**SHERIFF  
HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
SEPTEMBER 30, 2023**

	Internal Service Fund
	Compensated Absences
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 3,691,927
<b>LIABILITIES</b>	
Accrued Compensated Absences Payable	3,691,927
<b>NET POSITION</b>	
Unrestricted	\$ -

See accompanying Notes to Financial Statements.

**SHERIFF  
 HIGHLANDS COUNTY, FLORIDA  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 PROPRIETARY FUND  
 YEAR ENDED SEPTEMBER 30, 2023**

	Internal Service Fund
	Compensated Absences
<b>OPERATING REVENUES</b>	
Charges for Services	\$ 3,290,277
<b>OPERATING EXPENSES</b>	
Compensated Absences Expense	3,412,297
<b>OPERATING LOSS</b>	(122,020)
<b>NONOPERATING REVENUES</b>	
Investment Earnings	122,020
<b>CHANGE IN NET POSITION</b>	-
Net Position - October 1, 2022	-
<b>NET POSITION - SEPTEMBER 30, 2023</b>	\$ -

See accompanying Notes to Financial Statements.

**SHERIFF  
HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
YEAR ENDED SEPTEMBER 30, 2023**

	Internal Service Fund
	Compensated Absences
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Charges for Services	\$ 3,290,277
Cash Paid to Employees for Services	<u>(3,270,599)</u>
Net Cash Provided by Operating Activities	19,678
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Investment Income	<u>122,020</u>
 <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	141,698
Cash and Cash Equivalents - October 1, 2022	<u>3,550,229</u>
 <b>CASH AND CASH EQUIVALENTS - SEPTEMBER 30, 2023</b>	<u><u>\$ 3,691,927</u></u>
 <b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating Loss	\$ (122,020)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Increase in Compensated Absences	<u>141,698</u>
Net Cash Provided by Operating Activities	<u><u>\$ 19,678</u></u>

See accompanying Notes to Financial Statements.

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

	<u>Custodial Funds</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 28,425
Due from Other Governmental Units	452
Due from Others	<u>2,006</u>
Total Assets	<u>30,883</u>
<b>LIABILITIES</b>	
Due to Others	22,739
Due to Other Governmental Units	<u>2,850</u>
Total Liabilities	<u>25,589</u>
<b>NET POSITION</b>	
Restricted for Individuals, Organizations, and Other Governments	<u><u>\$ 5,294</u></u>

See accompanying Notes to Financial Statements.

**SHERIFF  
HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2023**

	Custodial Funds
<b>ADDITIONS</b>	
Collections from Individuals	\$ 350,035
<b>DEDUCTIONS</b>	
Payments to Other Governments, Entities, and Individuals	349,447
<b>CHANGE IN NET POSITION</b>	588
Net Position - Beginning of Year	4,706
<b>NET POSITION - END OF YEAR</b>	\$ 5,294

*See accompanying Notes to Financial Statements.*

**SHERIFF  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Highlands County is a noncharter County established April 23, 1921 under the laws of Florida 1921, Chapter 8513. The Sheriff of Highlands County, Florida (the Sheriff) is one of six constitutional officers elected to serve within the County and receives a significant portion of his revenue from the Board of County Commissioners, Highlands County, Florida. The Sheriff's financial statements include only the funds of the Sheriff's office. There are no separate legal entities (component units) for which the Sheriff is financially accountable.

The Sheriff is elected every four years to serve as the Keeper of the Peace for Highlands County.

The Sheriff is a "budget" officer in that all of the Sheriff's operating revenues are received from the Board of County Commissioners (the Board) in the form of an appropriation. Any fees collected by the office in carrying out duties as Sheriff, except for reimbursements for overtime incurred while assisting other federal and state agencies, are remitted to the Board at the end of each month. The Sheriff is also required to submit back to the Board any excess revenues over expenditures as of September 30 of each year.

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

**Basis of Presentation**

These financial statements have been prepared for the purpose of complying with Section 218.39(2), Florida Statutes, and Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*, which allows the Sheriff to present only fund financial statements. These financial statements present only the portion of the funds of Highlands County, Florida that are attributable to the Sheriff. They are not intended to present fairly the financial position and results of operations of Highlands County, Florida in conformity with accounting principles generally accepted in the United States of America.

**Fund Accounting**

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

**SHERIFF  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

**Fund Accounting (Continued)**

The purpose of the Sheriff's various funds is as follows:

**Major Governmental Funds**

*General Fund* – The General Fund is the general operating fund of the Sheriff. The majority of the Sheriff's day-to-day operations are accounted for in this fund. It is used to account for all financial resources not required to be accounted for in another fund. Appropriations received from the Board are recorded in this fund. Expenditures for general government services are paid through this fund.

*Inmate Welfare Fund* – The Inmate Welfare Fund is a special revenue fund used to account for the profits earned from telephone services and commissary services operated within the County jail. Profits are earned from sales of products such as candy and toothpaste to the inmates. Profits from these sales can only be spent for the benefit of the inmates.

**Nonmajor Governmental Fund**

*Community Donations Fund* – The Community Donations Fund is a special revenue fund used to account for public donations received by the Sheriff's office for specific purposes.

**Proprietary Fund**

*Internal Service Fund* – The Internal Service Fund is used to account for the accumulation of funded compensated absences.

**Fiduciary Funds**

*Custodial Funds* – Custodial Funds are used to account for assets held by a government in a fiduciary capacity for individuals, private organizations or other governments.

**Capital Assets**

All capital assets purchased are recorded as expenditures in the governmental funds at the time of purchase. Capital assets used by the Sheriff are capitalized in the basic financial statements of the County rather than in the governmental funds of the Sheriff. Capital assets are valued at historical cost or estimated historical cost if actual is not available. Donated capital assets are recorded at acquisition value at the date of donation. The Sheriff maintains custodial responsibility for the capital assets used by his office.

**SHERIFF  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

**Measurement Focus**

*Governmental Funds* – The governmental funds are accounted for using a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. The reported unassigned fund balances (net current assets) are considered a measure of “available, spendable, or appropriable resources.” Governmental fund operating statements present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

*Proprietary Fund* – The Internal Service Fund is accounted for on a cost of services measurement focus which is referred to as a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of the fund are included in the statement of net position. Proprietary Fund operating statements present increases (revenues) and decreases (expenses) in net position.

The Custodial funds use the economic resources measurement focus.

**Basis of Accounting**

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

Governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they become measurable and available as net current assets. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Sheriff considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on long-term debt which is recognized when due.

The accrual basis of accounting is utilized by the fiduciary fund and proprietary fund. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods. The operating revenues of the internal service fund consist of charges to other funds for compensated absences. Operating expenses include compensated absences earned. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**SHERIFF  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

**Budgets and Budgetary Data**

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

1. On or before June 1 of each year, the Sheriff submits to the Board a tentative budget for the ensuing fiscal year.
2. Within 15 days after certification of the ad valorem tax roll by the Property Appraiser, the County Budget Officer submits to the Board a proposed county-wide operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
3. By Board resolution, a tentative budget is submitted to the public. Public hearings are held to obtain taxpayers' comments.
4. Within 20 days after adoption of the tentative budget, a final budget is submitted for review and adoption at a final public hearing.
5. Prior to, or on, September 30, the County's operating budget is legally enacted through passage of a resolution.
6. If the Board adopts a budget that includes amendments, modifications, increases, or reductions to the Sheriff's proposed budget, they must provide the Sheriff written notice of the changes.
7. The Sheriff receives budgeted revenues from the Board in installments. One twelfth of the budget is received in all months except January and September. One sixth of the budget is received in January, and no appropriation is received in September.
8. Section 129.07, Florida statutes, provides that only expenditures in excess of total fund budgets are unlawful. However, because the Sheriff acts on all budget changes between departments, this becomes the level of control.
9. Formal budgetary integration is employed as a management control device during the year for the General Fund. A budget is not legally adopted for the Inmate Welfare Fund or the Community Donations Fund.
10. Annual appropriated budgets for the General Fund are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).
11. All appropriations lapse at the close of the fiscal year.

Final expenditures for the law enforcement department exceeded budget during the year by \$687,070 due to noncash transactions recorded as part of implementation of GASB 96, *SBITA*.

**Cash and Cash Equivalents**

The Sheriff considers the following as cash and cash equivalents:

1. Cash on hand, demand deposits; and
2. Deposits in the Local Government Surplus Funds Trust Fund (Florida PRIME) under the management of the State Board of Administration.

**SHERIFF  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

**Investments**

The Sheriff invests surplus public funds in accordance with Section 218.415, Florida statutes.

**Prepaid Items**

Prepaid insurance and similar items are recorded using the consumption method of accounting. Under the consumption method, services paid for in advance are reported as an asset until the period in which the services are actually consumed.

**Compensated Absences**

Employees of the Sheriff earn annual and sick leave in varying amounts. Upon retirement, death, resignation or separation in good standing, employees are eligible to receive payment for accumulated annual and sick leave. Annual leave will be paid out 100% at the current rate of pay. There is no limit on the amount of sick leave that can be accumulated by an employee. Sick leave will be paid out at varying rates based on years of service and minimum balances, and payout is capped at 2,080 hours.

Annual and sick leave credits for the Sheriff's Office employees have been fully funded and are recorded as an expense in the Internal Service Fund. No liability has been recorded for the nonvesting accumulating rights to receive sick leave pay benefits.

**Fund Balance**

The classifications of fund balances are described as follows:

*Nonspendable Fund Balance* – Amounts that cannot be spent because they are either not in spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact.

*Restricted Fund Balance* – Amounts that can be spent only for specific purposes because of constraints imposed by external providers (such as grantors, bondholders, and higher levels of government), or imposed by constitutional provisions or enabling legislation. The Sheriff is reporting restricted fund balances in the Inmate Welfare fund and Community Donations fund.

*Committed Fund Balance* – Amounts that can be spent only for specific purposes determined by a formal action of the Sheriff's highest level of decision-making authority.

*Assigned Fund Balance* – Amounts the Sheriff intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.

*Unassigned Fund Balance* – Amounts that are available for any purpose; these amounts can be reported only in the Sheriff's General Fund. Unassigned fund balance may also include a negative balance for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

**SHERIFF  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

**Fund Balance (Continued)**

When both restricted and unrestricted resources are available for use, it is the Sheriff's policy to first apply restricted resources when an expenditure is incurred for purposes for which both restricted and unrestricted assets are available. The Board adopted a fund balance policy for the county as a whole. The Sheriff does not have a separate fund balance policy.

**Unexpended Budget Balance Reverting to Board of County Commissioners**

Chapter 218, Florida statutes, requires that any excess of revenues over expenditures in the General Fund held by the Sheriff at the end of each fiscal year shall be remitted to the Board. Therefore, the excess of revenues over expenditures in the General Fund at the end of each fiscal year is reflected as unexpended budget balance reverting to the Board on the statement of revenues, expenditures and changes in fund balance, and the related liability is included in due to the Board.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make use of estimates that affect reported amounts in the financial statements. Actual results could differ from estimates.

**Other Postemployment Benefit Obligations**

In accordance with Section 112.0801, Florida statutes, the Sheriff participates with the County in offering retiring employees the opportunity to continue in the County's health insurance plan. The participating retirees pay 100% of the premium cost applicable to an active employee. The liability and expense for other postemployment benefits, calculated in accordance with Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, are reported in the financial statements of the County.

**Adoption of New Accounting Standards**

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

The Sheriff adopted the requirements of the guidance effective October 1, 2022 and has elected to apply the provisions of this standard to the beginning of the period of adoption.

**SHERIFF  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS**

At September 30, 2023, the bank balance of the Sheriff's deposits were \$6,578,457. The entire amount of the demand deposits is deposited in a state of Florida qualified depository and, therefore, is fully collateralized.

Custodial Credit Risk is the risk that in the event of a bank failure the government's deposits may not be returned to it. The Sheriff's monies must be deposited in banks designated as qualified public depositories by the Chief Financial Officer, Florida Department of Financial Services. Therefore, the Sheriff's total deposits are insured by the Federal Depository Insurance Corporation and collateralized by the Bureau of Collateral Management, Division of Treasury, Florida Department of Financial Services. The law requires the Chief Financial Officer to ensure that funds are entirely collateralized throughout the fiscal year. Other than the preceding, the Sheriff has no policy on custodial credit risk.

Collateral is provided for demand deposits through the Florida Security for Public Deposits Act. This law establishes guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements and characteristics of eligible collateral. Under this law, the qualified public depository must pledge at least 25% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance.

Additional collateral, up to a maximum of 150%, may be required if deemed necessary under the conditions set forth in this law. Eligible collateral consists of obligations of the United States and its agencies and obligations of states and their local political subdivisions and unaffiliated corporations.

Obligations pledged to secure deposits must be delivered to the Department of Financial Services or, with the approval of the Chief Financial Officer, to a bank, savings association or trust company provided a power of attorney is delivered to the Chief Financial Officer. On a monthly basis, the Chief Financial Officer determines that the collateral has a market value adequate to cover the deposits under the provisions of this law.

The Sheriff invests funds throughout the year with Florida PRIME, an investment pool administered by the State Board of Administration, under the regulatory oversight of the state of Florida. Investments in Florida PRIME are made pursuant to Chapter 125.31, Florida statutes. The investments are not categorized because they are not evidenced by securities that exist in physical or book entry form. Throughout the year and as of September 30, 2023, Florida PRIME contained certain floating and adjustable rate securities which were indexed based on the prime rate. These investments represented 31.4% of Florida PRIME's portfolio at September 30, 2023.

Florida PRIME meets all of the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost, as a cash equivalent.

**SHERIFF  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Sheriff has no policy on interest rate risk.

The dollar weighted-average days to maturity (WAM) of Florida PRIME as of September 30, 2023 was 35 days. Next interest rate reset dates for floating securities are used in the calculation of the WAM. The weighted-average life (WAL) of the Florida PRIME at September 30, 2023 was 75 days.

**Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Sheriff's investment policy limits investments to specified credit ratings for authorized investments. Investments in Florida PRIME must carry an "AAAm" rating from Standard and Poor's.

On September 30, 2023, Standard and Poor's Ratings Services assigned the Florida PRIME an "AAAm" principal stability funding rating.

With regard to redemption gates, Chapter 218.409(8)(a), Florida statutes, states that "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, and the Investment Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days."

With regard to liquidity fees, Florida statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

As of September 30, 2023, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value.

**SHERIFF  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

**Credit Risk (Continued)**

A reconciliation to amounts shown on the balance sheet, statement of net position, and statement of fiduciary net position is as follows:

Demand Deposits		\$	5,491,601
Petty Cash and Change Fund			1,662
Florida PRIME			2,603,972
Total			8,097,235
 Balance Sheet:			
Cash and Cash Equivalents		\$	4,376,883
Statement of Net Position:			
Cash and Cash Equivalents			3,691,927
Statement of Fiduciary Net Position:			
Cash and Cash Equivalents			28,425
Total Cash and Cash Equivalents			\$ 8,097,235

**NOTE 3 PERSONNEL COMMITMENTS**

Employees of the Sheriff earn annual leave and sick leave in varying amounts. In the event of retirement or termination of employment, an employee is paid for accumulated leave credits unused. Employees may be paid for accumulated sick leave benefits at varying amounts based on years of service. The cash benefit of these compensated absences is determined by multiplying the employee's current wage rate by the number of unused credits.

The following shows the change in compensated absences for the fiscal year ended September 30, 2023:

Compensated Absences - September 30, 2022		\$	3,550,229
Leave Earned by Employees			3,412,297
Payments to Employees			(3,270,599)
Compensated Absences - September 30, 2023			\$ 3,691,927

**SHERIFF  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 4 PENSION PLANS**

**Background**

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

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

**Florida Retirement System Pension Plan**

**Plan Description**

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

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers Class* – Members who hold specified elective offices in local government.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.
- *Special Risk Class* – Members who are special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

**SHERIFF  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 4 PENSION PLANS (CONTINUED)**

**Florida Retirement System Pension Plan (Continued)**

Plan Description (Continued)

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

DROP, subject to provisions of Section 121.091, Florida statutes, permits employees eligible for normal retirement under the FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed eight years after electing to participate, except that certain instructional personnel may participate for up to 10 years. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided

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

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

**SHERIFF  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 4 PENSION PLANS (CONTINUED)**

**Florida Retirement System Pension Plan (Continued)**

**Benefits Provided (Continued)**

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

**Retiree Health Insurance Subsidy Program**

**Plan Description**

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

**Benefits Provided**

For the fiscal year ended June 30, 2023, eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$45 and a maximum HIS payment of \$225 per month, pursuant to Section 112.363, Florida statutes. To be eligible to receive a HIS Plan benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

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

**FRS investment Plan**

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

**SHERIFF  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 4 PENSION PLANS (CONTINUED)**

**FRS Investment Plan (Continued)**

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

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 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 Sheriff.

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

**Contributions**

Participating employer contributions are based upon statewide rates established by the state of Florida. The Sheriff's contributions made to the plans during the years ended September 30, 2023, 2022, and 2021 were \$5,455,016, \$4,542,013, and \$4,242,848, respectively, equal to the actuarially determined contribution requirements for each year.

**SHERIFF  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 4 PENSION PLANS (CONTINUED)**

**Contributions (Continued)**

Additional information about pension plans can be found in the County's annual comprehensive financial report.

**NOTE 5 DEFINED CONTRIBUTION PLAN**

**401(a) Discretionary Contribution Plan**

The Sheriff maintains a defined contribution retirement plan for governmental entities, the Highlands County Sheriff's Office 401(a) Discretionary Contribution Plan. The Sheriff is the plan administrator. The plan was organized pursuant to Internal Revenue Code Section 401(a) by declaration of the Sheriff.

Employees working in the telecommunications and nursing areas are generally eligible to participate in the plan. The Sheriff determines the contribution rate. The contribution rate for the year ended September 30, 2023 was 3%. There were no employee contributions to the plan. Contributions to the plan for fiscal years ended September 30, 2023, 2022, and 2021 were \$42,306, \$41,610, and \$42,625, respectively.

**NOTE 6 RELATED PARTY TRANSACTIONS**

Transactions with the Highlands County Board of Commissioners and the Constitutional Officers of Highlands County, Florida for the year ended September 30, 2023 were as follows:

**Budget Appropriation**

The General Fund of the Sheriff received revenues from the Board of County Commissioners in the amount of \$44,086,363 for the year ended September 30, 2023. Amounts payable to the Board at September 30, 2023 for excess fees was \$1,957,096. Additionally, the Sheriff received other miscellaneous fees of \$60,097 which were payable to the Board of County Commissioners at September 30, 2023.

**Various Goods and Services**

The Board of County Commissioners provides various goods, services, and employee benefits to the Sheriff. The charges for these goods, services, and employee benefits for the fiscal year ended September 30, 2023 amounted to \$3,752,442.

The Clerk of the Circuit Court provides the Sheriff various software maintenance and licensing services. The charges for these services for the fiscal year ended September 30, 2023 amounted to \$47,042.

**SHERIFF  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 7 RISK MANAGEMENT**

The Sheriff is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Sheriff is a member of the Florida Sheriffs Risk Management Fund and participates in the following programs: Florida Sheriffs' Self-Insurance Program, Florida Sheriffs' Workers' Compensation Self Insurance Program, and the Sheriffs' Automobile Risk Program, governmental insurance carriers. These agencies administer insurance activities relating to property, general liability, public official's and employment practices liability, automobile, crime, and workers' compensation. The Sheriff is liable for deductibles on certain coverage. There have been no settlements which have exceeded insurance coverage in the past three years.

**NOTE 8 CAPITAL ASSETS**

The Sheriff's capital assets include furniture, equipment, computer equipment, vehicles, and software. The threshold for capitalizing all capital assets, except software, is \$5,000. The threshold for capitalizing software is \$15,000 for internally generated software and \$25,000 for purchased software. Capital assets are recorded at cost or estimated historical cost. Contributed assets are recorded at estimated acquisition value at the time received. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets as follows:

<u>Assets</u>	<u>Years</u>
Leasehold Improvements	3 to 40
Machinery and Equipment	4 to 20
Software – Internally Generated	3 to 10
Software – Purchased/Leased	3 to 10

Detailed information concerning capital assets is recorded and reported in the government-wide financial statement of the County.

**SHERIFF  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 8 CAPITAL ASSETS (CONTINUED)**

The following is a summary of the changes in capital assets for which the Sheriff is custodian during fiscal year 2023:

	Beginning Balance*	Additions	Deletions	Ending Balances
Capital Assets, Being				
Depreciated/Amortized:				
Equipment	\$ 13,967,986	\$ 2,936,298	\$ (530,471)	\$ 16,373,813
Leasehold Improvements	7,366	-	-	7,366
Computer Software	657,943	-	-	657,943
Right-to-Use Lease Equipment	-	2,854	-	2,854
SBITA	381,649	1,580,331	-	1,961,980
Total Capital Assets Being				
Depreciated/Amortized	15,014,944	4,519,483	(530,471)	19,003,956
Less: Accumulated Depreciation/ Amortization:				
Equipment	(10,297,203)	(1,275,881)	446,298	(11,126,786)
Leasehold Improvements	(2,946)	(1,473)	-	(4,419)
Computer Software	(369,060)	(46,221)	-	(415,281)
Right-to-Use Lease Equipment	-	(2,212)	-	(2,212)
SBITA	-	(286,819)	-	(286,819)
Total Accumulated				
Depreciation/Amortization	(10,669,209)	(1,612,606)	446,298	(11,835,517)
Total Capital Assets, Net	<u>\$ 4,345,735</u>	<u>\$ 2,906,877</u>	<u>\$ (84,173)</u>	<u>\$ 7,168,439</u>

\* Restated for implementation of GASB 96, *Subscription-Based Information Technology Arrangements*.

**NOTE 9 COMMITMENTS AND CONTINGENCIES**

The Sheriff administers grants which are subject to special compliance audits by the grantor agency and which may result in disallowed expenditure amounts. These amounts, if any, constitute a contingent liability of the Sheriff. Accordingly, such liabilities are not reflected within the financial statements. Management does not believe the effects of contingent liabilities, if any, will be material to the financial statements.

The Sheriff is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of legal counsel for the Sheriff, the resolution of these matters will not have a materially adverse effect on the financial condition of the Sheriff.

**SHERIFF  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 10 LONG-TERM DEBT**

The summary of changes in long-term debt for fiscal year ended September 30, 2023 is as follows:

	Balance October 1, 2022	Additions	Reductions	Balance September 30, 2023	Due Within One Year
Direct Borrowing- Notes Payable	\$ -	\$ 514,410	\$ (102,867)	\$ 411,543	\$ 102,907
Leases Payable		2,854	(2,199)	655	655
SBITA Payable	400,250	914,625	(329,432)	985,443	375,428
Total	<u>\$ 400,250</u>	<u>\$ 1,431,889</u>	<u>\$ (434,498)</u>	<u>\$ 1,397,641</u>	<u>\$ 478,990</u>

**Notes Payable**

Notes payable at September 30, 2023 consisted of the following:

<u>Description</u>	<u>Amount</u>
Direct borrowing from a financial institution for purchase of body cameras, with annual payments of \$102,867, including principal and interest at 0%, with a final payment due in October, 2027.	<u>\$ 411,543</u>
Total	411,543
Less: Current Portion	<u>(102,907)</u>
Long-Term Portion	<u>\$ 308,636</u>

Annual debt service requirements as of September 30, 2023 for notes payable are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 102,907	\$ 34,914
2025	102,879	21,551
2026	102,879	13,211
2027	102,878	4,503
2028	-	-
Thereafter	-	-
Total	<u>\$ 411,543</u>	<u>\$ 74,179</u>

**SHERIFF  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 11 LEASES**

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

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

During the year ended September 30, 2023, the Sheriff's principal and interest payments on leases totaled \$2,199 and \$59, respectively. Future interest and principal payments are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 655	\$ 1
Total	<u>\$ 655</u>	<u>\$ 1</u>

**NOTE 12 SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS**

The Sheriff has entered into subscription based-information technology arrangements (SBITAs) for various terms under certain agreements that meet the definition under GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Detailed information about the Sheriff's SBITAs can be found in the Highlands County Annual Comprehensive Financial Report.

SBITAs entered into by the Sheriff are included as other financing sources and capital outlay expenditures in the statement of revenues, expenditures, and changes in fund balance in the year of inception. Payments made in accordance with the contract terms are reported as debt service expenditures in the statement of revenues, expenditures, and changes in fund balance as they are incurred.

During the year ended September 30, 2023, the Sheriff entered into SBITAs in the amount of \$914,625. During the year ended September 30, 2023, the Sheriff's principal and interest payments on SBITAs totaled \$329,432 and \$12,249, respectively. Future interest and principal payments are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 375,428	\$ 34,914
2025	189,951	21,551
2026	198,291	13,211
2027	221,773	4,503
Total	<u>\$ 985,443</u>	<u>\$ 74,179</u>

**SHERIFF  
HIGHLANDS COUNTY, FLORIDA  
CUSTODIAL FUNDS DESCRIPTIONS  
YEAR ENDED SEPTEMBER 30, 2023**

These funds are used to account for assets held by the Sheriff as a custodian for individuals, other governmental units, and/or other funds.

Custodial Funds:

Inmates – To account for monies collected from inmates who have money in their possession at the time of their arrest and/or monies deposited on their behalf while incarcerated.

Cash Bond – To account for cash appearance bonds collected by the Sheriff on behalf of other governments. These funds are disbursed weekly.

Unclaimed Evidence – To account for monies seized by law enforcement. These funds are maintained until final determination by Florida Statute or the court.

Individual Depositors – To account for fees charged to serve civil process. Fees are collected and held until service is completed and then remitted to other entities or individuals.

Suspense – To account for fees and court ordered payments collected for various agencies. These funds are remitted to other governmental agencies.

**SHERIFF  
HIGHLANDS COUNTY, FLORIDA  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS – CUSTODIAL FUNDS  
SEPTEMBER 30, 2023**

	Custodial Funds					Total Custodial Funds
	Inmates	Cash Bond	Unclaimed Evidence	Individual Depositors	Suspense	
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 12,562	\$ -	\$ 1,206	\$ 328	\$ 14,329	\$ 28,425
Due from Other Governmental Units	-	-	-	-	452	452
Due from Others	2,006	-	-	-	-	2,006
Total Assets	14,568	-	1,206	328	14,781	30,883
<b>LIABILITIES</b>						
Due to Others	10,480	-	-	328	11,931	22,739
Due to Other Governmental Units	-	-	-	-	2,850	2,850
Total Liabilities	10,480	-	-	328	14,781	25,589
<b>NET POSITION</b>						
Restricted for Individuals, Organizations, and Other Governments	\$ 4,088	\$ -	\$ 1,206	\$ -	\$ -	\$ 5,294

**SHERIFF  
HIGHLANDS COUNTY, FLORIDA  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS – CUSTODIAL FUNDS  
YEAR ENDED SEPTEMBER 30, 2023**

	Custodial Funds					Total Custodial Funds
	Inmates	Cash Bond	Unclaimed Evidence	Individual Depositors	Suspense	
<b>ADDITIONS</b>						
Collections from Individuals	\$ 239,217	\$ 33,385	\$ 41,941	\$ 3,200	\$ 32,292	\$ 350,035
<b>DEDUCTIONS</b>						
Payments to Other Governments, Entities, and Individuals	238,629	33,385	41,941	3,200	32,292	349,447
<b>CHANGE IN NET POSITION</b>	588	-	-	-	-	588
Net Position - Beginning of Year	3,500	-	1,206	-	-	4,706
<b>NET POSITION - END OF YEAR</b>	<u>\$ 4,088</u>	<u>\$ -</u>	<u>\$ 1,206</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,294</u>



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

The Honorable Paul Blackman  
Sheriff  
Highlands 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 Sheriff of Highlands County, Florida (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 basic financial statements, and have issued our report thereon dated March 21, 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 entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

The Honorable Paul Blackman  
Sheriff  
Highlands County, Florida

We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2023-001 that we consider to be material weaknesses.

***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, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Highlands County Sheriff's Response to Findings***

*Government Auditing Standards* requires the auditor to perform limited procedures on the Sheriff's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Sheriff'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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Sebring, Florida  
March 21, 2024



## MANAGEMENT LETTER

The Honorable Paul Blackman  
Sheriff  
Highlands County, Florida

### Report on the Financial Statements

We have audited the financial statements of the Sheriff of Highlands County, Florida (the Sheriff), as of and for the fiscal year ended September 30, 2023 and have issued our report thereon dated March 21, 2024.

### Auditors' Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 21, 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. See Note 1 to the financial statements.

The Honorable Paul Blackman  
Sheriff  
Highlands County, Florida

**Financial Management**

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. Our recommendation is included in the accompanying schedule of findings and responses as 2023-002.

**Additional Matters**

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

**Purpose of this Letter**

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



**CliftonLarsonAllen LLP**

Sebring, Florida  
March 21, 2024



## INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Paul Blackman, Sheriff  
and the Florida Auditor General  
Highlands County, Florida

We have examined the Sheriff of Highlands County, Florida's (Sheriff) compliance with Section 218.415, Florida statutes, regarding the investment of public funds, during the year ended September 30, 2023. Management of the Sheriff is responsible for the Sheriff's compliance with the specified requirements. Our responsibility is to express an opinion on the Sheriff's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Sheriff complied, in all material respects, with the specified 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 noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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 Sheriff's compliance with specified requirements.

In our opinion, the Sheriff complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2023.

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

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Sebring, Florida  
March 21, 2024

**SHERIFF  
HIGHLANDS COUNTY, FLORIDA  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED SEPTEMBER 30, 2023**

**2023-001 – Material Adjustments**

**Type of Finding:** Material Weakness in Internal Control over Financial Reporting

**Condition:** A material error was detected in the Sheriff's account balances during our audit. As a result, a material adjustment was proposed to correct the account balances.

**Criteria or Specific Requirement:** Management is responsible for establishing and maintaining internal control over recording of the Sheriff's transactions to ensure balances are reported in accordance with GAAP.

**Effect:** Receivables and revenue were materially understated in the Inmate Welfare Fund.

**Cause:** Payments received after the fiscal year were not accrued as receivables at year-end.

**Repeat Finding:** No

**Recommendation:** The year-end closing process should include procedures to review amounts received after year-end to ensure revenue is recognized in the correct period.

**Views of Responsible Officials and Planned Corrective Actions:** Moving forward our year-end closing process will include procedures to review amounts received after year-end to ensure revenue is recognized in the correct period.

**SHERIFF  
HIGHLANDS COUNTY, FLORIDA  
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2023**

**2023-002 – Budgets**

**Type of Finding:**

- Budgetary Compliance

**Condition:** Expenditures in the law enforcement department exceeded the final appropriated budget for the year ended September 30, 2023.

**Criteria or Specific Requirement:** Section 30.49, Florida statutes, sets forth the requirements of the Sheriff's budget. Because the Sheriff acts on all budget changes between departments, this becomes the level of control.

**Context:** Testing of compliance with budgetary requirements identified the deficiency.

**Effect:** The Sheriff is not in compliance with the budgetary requirements.

**Cause:** The budget was not amended for certain noncash expenditures recorded after implementation of new accounting standards.

**Recommendation:** Budgets should be monitored and amended when needed, within the time period allowed by statute, to ensure that the Sheriff does not incur expenditures in excess of budgeted amounts.

**Views of Responsible Officials and Planned Corrective Actions:** For Fiscal Year 2022-2023 a new accounting statement was developed by GASB (Governmental Accounting Standards Board) for SBITA's (Subscription Based Information Technology Agreements). This new standard resulted in recognizing an intangible subscription asset and a corresponding subscription liability. It also provides capitalization criteria for implementation costs and defines the term of the subscription as a period of time during which the entity has a right to use the underlying asset(s). Moving forward, we will include procedures and seek professional guidance when recording new qualifying SBITA contracts. We will also continue monitoring and amending the budget as needed when incurring expenditures in excess of budgeted amounts as they pertain to this new accounting standard.

**SUPERVISOR OF ELECTIONS  
HIGHLANDS COUNTY, FLORIDA**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTAL REPORTS**

**YEAR ENDED SEPTEMBER 30, 2023**



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**SUPERVISOR OF ELECTIONS  
HIGHLANDS COUNTY, FLORIDA  
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## INDEPENDENT AUDITORS' REPORT

The Honorable Karen Healy  
Supervisor of Elections  
Highlands County, Florida

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the major fund and the aggregate remaining fund information of the Supervisor of Elections of Highlands County, Florida (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' 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 each major fund and the aggregate remaining fund information of the Supervisor of Elections as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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***

As discussed in Note 1, the financial statements of the Supervisor of Elections referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the financial statements are intended to present the financial position, the changes in financial position, and, where applicable, cash flows of only that portion of each major fund and the aggregate remaining fund information of Highlands County that is attributable to the transactions of the Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of Highlands County as of September 30, 2023, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

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

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

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***

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

The Honorable Karen Healy  
Supervisor of Elections  
Highlands County, Florida

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 7, 2024, on our consideration of the Supervisor of Election'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 Supervisor of Election'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 Supervisor of Election's internal control over financial reporting and compliance.

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

**CliftonLarsonAllen LLP**

Sebring, Florida  
February 7, 2024

**SUPERVISOR OF ELECTIONS  
HIGHLANDS COUNTY, FLORIDA  
BALANCE SHEET – GENERAL FUND  
SEPTEMBER 30, 2023**

	General Fund
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 161,183
Prepaid Items	6,038
Total Assets	\$ 167,221
<b>LIABILITIES AND FUND BALANCE</b>	
<b>LIABILITIES</b>	
Accounts Payable	\$ 3,259
Due to Other Constitutional Officers	150,793
Accrued Wages	9,169
Unearned Revenues	4,000
Total Liabilities	167,221
<b>FUND BALANCE</b>	
Nonspendable	6,038
Unassigned	(6,038)
Total Fund Balance	-
Total Liabilities and Fund Balance	\$ 167,221

See accompanying Notes to Financial Statements.

**SUPERVISOR OF ELECTIONS  
HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – GENERAL FUND  
YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
<b>Intergovernmental:</b>				
Appropriation from Board of County Commissioners	\$ 1,418,128	\$ 1,418,128	\$ 1,411,628	\$ (6,500)
Intergovernmental	48,224	48,224	48,224	-
Total Revenues	<u>1,466,352</u>	<u>1,466,352</u>	<u>1,459,852</u>	<u>(6,500)</u>
<b>EXPENDITURES</b>				
<b>General Government:</b>				
Financial and Administrative:				
Personal Services	895,238	954,642	875,238	79,404
Operating Expenditures	431,706	511,710	376,989	134,721
Capital Outlay	139,408	-	59,408	(59,408)
Total Expenditures	<u>1,466,352</u>	<u>1,466,352</u>	<u>1,311,635</u>	<u>154,717</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	-	-	148,217	148,217
<b>OTHER FINANCING USES</b>				
Unexpended Budget Balance Reverting to Board of County Commissioners	-	-	(148,217)	(148,217)
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
Fund Balance - October 1, 2022	-	-	-	-
<b>FUND BALANCE - SEPTEMBER 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**SUPERVISOR OF ELECTIONS  
HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF NET POSITION – PROPRIETARY FUND  
SEPTEMBER 30, 2023**

	Internal Service Fund
	Compensated Absences
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 36,816
<b>LIABILITIES</b>	
Accrued Compensated Absences Payable	36,088
Due to Other Constitutional Officers	728
Total Liabilities	36,816
<b>NET POSITION</b>	
Unrestricted	-
Total Net Position	\$ -

See accompanying Notes to Financial Statements.

**SUPERVISOR OF ELECTIONS  
HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUND  
YEAR ENDED SEPTEMBER 30, 2023**

	Internal Service Fund
	Compensated Absences
<b>OPERATING REVENUES</b>	
Charges for Services	\$ 57,785
<b>OPERATING EXPENSES</b>	
Compensated Absences Expense	57,785
<b>CHANGE IN NET POSITION</b>	-
Net Position - October 1, 2022	-
<b>NET POSITION - SEPTEMBER 30, 2023</b>	\$ -

See accompanying Notes to Financial Statements.

**SUPERVISOR OF ELECTIONS  
HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF CASH FLOWS – PROPRIETARY FUND  
YEAR ENDED SEPTEMBER 30, 2023**

	Internal Service Fund <u>Compensated Absences</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Charges for Services	\$ 57,785
Cash Paid to Employees for Services	<u>(38,390)</u>
Net Cash Provided by Operating Activities	19,395
<b>CASH FLOWS FROM NONCAPITAL RELATED FINANCING ACTIVITIES</b>	
Transfer to Other Constitutional Officers	(167)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Receipts of Interest	<u>728</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	19,956
Cash and Cash Equivalents - October 1, 2022	<u>16,860</u>
<b>CASH AND CASH EQUIVALENTS - SEPTEMBER 30, 2023</b>	<u><u>\$ 36,816</u></u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Changes in Assets and Liabilities:	
Increase in Compensated Absences	<u>\$ 19,395</u>
Net Cash Provided by Operating Activities	<u><u>\$ 19,395</u></u>

See accompanying Notes to Financial Statements.

**SUPERVISOR OF ELECTIONS  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Highlands County is a noncharter county established on April 23, 1921 under the laws of the state of Florida 1921, Chapter 8513. The Supervisor of Elections of Highlands County, Florida (Supervisor of Elections) is one of six constitutional officers elected to serve within the county and receives a significant portion of its revenue from the Board of County Commissioners, Highlands County, Florida. The Supervisor of Elections' financial statements include only the funds of the Supervisor of Elections' office. There are no separate legal entities (component units) for which the Supervisor of Elections is financially accountable.

The Supervisor of Elections is elected every four years to serve as the official responsible for registering eligible voters within the county, conducting elections within the county, receiving qualifying fees for public office, and tabulating results of votes cast during elections.

The Supervisor of Elections is a "budget" officer in that all of the Supervisor of Elections' operating revenues are received from the Board of County Commissioners (the Board) in the form of an appropriation. Any fees collected by the Supervisor of Elections in carrying out her duties are remitted to the Board at the end of each month. The Supervisor of Elections is also required to submit back to the Board any excess revenues over expenditures as of September 30 of each year.

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

**Basis of Presentation**

These financial statements have been prepared for the purpose of complying with Section 218.39(2), Florida Statutes, and Chapter 10.550, Rules of the Auditor General – Local Governmental Entity Audits, which allows the Supervisor of Elections to only present fund financial statements. These financial statements present only the portion of the funds of Highlands County, Florida that are attributable to the Supervisor of Elections. They are not intended to present fairly the financial position and results of operations of Highlands County, Florida in conformity with accounting principles generally accepted in the United States of America (GAAP).

**Fund Accounting**

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

**SUPERVISOR OF ELECTIONS  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

**Fund Accounting (Continued)**

The purpose of the Supervisor of Elections' various funds are as follows:

**Governmental Funds**

**General Fund** – The General Fund is the general operating fund of the Supervisor of Elections. The majority of the Supervisor of Elections' day-to-day operations are accounted for in this fund. It is used to account for all financial resources not required to be accounted for in another fund. Appropriations received from the Board are recorded in this fund. Expenditures for general governmental services are paid for through this fund.

**Proprietary Funds**

**Internal Service Fund** – The Internal Service Fund is used to account for the accumulation of funded compensated absences.

**Capital Assets**

All capital assets purchased, which include equipment and intangible software, are recorded as expenditures in the General Fund at the time of purchase. The Board holds legal title for the capital assets used in the operations of the Supervisor of Elections and is accountable for them under Florida Law. The Supervisor of Elections notifies the Board of capital assets purchased and the original cost is recorded in the capital asset records of Highlands County as a whole. The Supervisor of Elections may not dispose of any capital assets in her custody. The Supervisor of Elections is to notify the Board of any unused or obsolete assets and it is the Board's responsibility to dispose of these assets in accordance with the various Florida Statutes.

**Measurement Focus**

**Governmental Fund** – The General Fund is accounted for using a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on the balance sheet. The reported unassigned fund balance (net current assets) is considered a measure of "available, spendable, or appropriable resources". Governmental fund operating statements present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

**Proprietary Fund** – The Internal Service Fund is accounted for on a cost of services measurement focus which is referred to as a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of the fund are included on the balance sheet. Proprietary Fund type operating statements present increases (revenues) and decreases (expenses) in net position.

**Basis of Accounting**

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

**SUPERVISOR OF ELECTIONS  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

**Basis of Accounting (Continued)**

Governmental Funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they become measurable and available as net current assets. For this purpose, revenues are available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due.

The accrual basis of accounting is utilized by Proprietary Funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods. The operating revenues of the internal service fund consist of charges to other funds for compensated absences. Operating expenses include compensated absences earned. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Budgets and Budgetary Data**

The following are the procedures followed in establishing the budget for the Supervisor of Elections' office:

1. On or before June 1 of each year, the Supervisor of Elections shall submit to the Board of County Commissioners a tentative budget for the ensuing fiscal year.
2. Within 15 days after certification of the ad valorem tax roll by the Property Appraiser, the County Budget Officer submits to the Board a proposed County-wide operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
3. By Board resolution, a tentative budget is submitted to the public. Public hearings are held to obtain taxpayers' comments.
4. Within 20 days after adoption of the tentative budget, a final budget is submitted for review and adoption at a final public hearing.
5. Prior to, or on, September 30, the county's operating budget is legally enacted through passage of a resolution.
6. The Supervisor of Elections receives her budgeted revenues from the Board in monthly installments beginning in October.
7. Section 129.07, Florida Statutes, provides that only expenditures in excess of total fund budgets are unlawful. The Supervisor of Elections' annual budget is monitored at varying levels of classification detail.
8. Formal budgetary integration is employed as a management control device during the year for the governmental funds.

**SUPERVISOR OF ELECTIONS  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

**Budgets and Budgetary Data (Continued)**

9. Annual appropriated budgets for the General Fund are legally adopted on a basis consistent with GAAP.
10. All appropriations lapse at the close of the fiscal year.

**Cash and Cash Equivalents**

The Supervisor of Elections considers the following as cash and cash equivalents:

1. Cash on hand, demand deposits; and
2. Deposits in the Local Government Surplus Funds Trust Fund (Florida PRIME) under the management of the State Board of Administration.

**Investments**

The Supervisor of Elections invests surplus public funds in accordance with Section 218.415, Florida Statutes.

**Compensated Absences**

Employees of the Supervisor of Elections earn annual and sick leave in varying amounts. Upon retirement, death, resignation, or separation in good standing, employees are eligible to receive 100% of accumulated annual leave, up to 240 hours, at their current rates of pay.

There is no limit on the amount of sick leave that can be accumulated by employees of the Supervisor of Elections. Upon separation of service, up to 1,040 hours of sick leave will be paid out at varying rates based on years of continuous service, at the current rate of pay.

Annual and sick leave credits for the Supervisor of Elections employees have been fully funded and are recorded as an expense in the Internal Service Fund.

**Fund Balance**

The classifications of fund balances are described as follows:

**Nonspendable Fund Balance** – Amounts that cannot be spent because they are either not in spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact.

**Restricted Fund Balance** – Amounts that can be spent only for specific purposes because of constraints imposed by external providers (such as grantors, bondholders, and higher levels of government), or imposed by constitutional provisions or enabling legislation.

**Committed Fund Balance** – Amounts that can be spent only for specific purposes determined by a formal action of the Supervisor of Elections' highest level of decision-making authority.

**SUPERVISOR OF ELECTIONS  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

**Fund Balance (Continued)**

**Assigned Fund Balance** – Amounts the Supervisor of Elections intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.

**Unassigned Fund Balance** – Amounts that are available for any purpose; these amounts can be reported only in the Supervisor of Elections' General Fund.

When both restricted and unrestricted resources are available for use, it is the Supervisor of Elections' policy to first apply restricted resources when expenditures are incurred for purposes for which both restricted and unrestricted assets are available. The Board of County Commissioners adopted a fund balance policy for the county as a whole. The Supervisor of Elections does not have a separate fund balance policy as any unexpended fund balance is returned to the Board of County Commissioners each year.

**Unexpended Budget Balance Reverting to Board of County Commissioners**

Section 218.36(2), Florida Statutes, requires that any excess of revenues over expenditures in the General Fund held by the Supervisor of Elections at the end of each fiscal year shall be remitted to the Board of County Commissioners. Therefore, the excess of revenues over expenditures in the General Fund at the end of each fiscal year is reflected as unexpended budget balance reverting to Board of County Commissioners on the statement of revenues, expenditures and changes in fund balance, and the related liability is included in due to constitutional officers.

**Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make use of estimates that affect reported amounts in the financial statements. Actual results could differ from estimates.

**Other Postemployment Benefit Obligations**

In accordance with Section 112.0801, Florida Statutes, the Supervisor of Elections participates with the county in offering retiring employees the opportunity to continue in the County's health insurance plan. The participating retirees pay 100% of the premium cost applicable to an active employee. The liability and expense for other postemployment benefits, calculated in accordance with Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, are reported in the financial statements of the County.

**SUPERVISOR OF ELECTIONS  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

**Adoption of New Accounting Standards**

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

The Supervisor of Election's adopted the requirements of the guidance effective October 1, 2022 and has applied the provisions of this standard to the beginning of the period of adoption. The implementation of GASB Statement No. 96, SBITA, did not have an impact on the financial statements.

**NOTE 2 CASH AND CASH EQUIVALENTS**

At September 30, 2023, the bank balance of the Supervisor of Elections' deposits were \$192,608. The entire amount of the demand deposits is deposited in a state of Florida qualified depository and, therefore, is fully collateralized.

Custodial Credit Risk is the risk that in the event of a bank failure the government's deposits may not be returned to it. The Supervisor of Elections' monies must be deposited in banks designated as qualified public depositories by the Chief Financial Officer, Florida Department of Financial Services. Therefore, the Supervisor of Elections' total deposits are insured by the Federal Depository Insurance Corporation (FDIC) and collateralized by the Bureau of Collateral Management, Division of Treasury, Florida Department of Financial Services. The law requires the Chief Financial Officer to ensure that funds are entirely collateralized throughout the fiscal year. Other than the preceding, the Supervisor of Elections has no policy on custodial credit risk.

Collateral is provided for demand deposits through the Florida Security for Public Deposits Act. This law establishes guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements, and characteristics of eligible collateral. Under this law, the qualified public depository must pledge at least 25% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance.

Additional collateral, up to a maximum of 150%, may be required if deemed necessary under the conditions set forth in this law. Eligible collateral consists of obligations of the United States and its agencies and obligations of states and their local political subdivisions and unaffiliated corporations.

**SUPERVISOR OF ELECTIONS  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

Obligations pledged to secure deposits must be delivered to the Department of Financial Services or, with the approval of the Chief Financial Officer, to a bank, savings association, or trust company provided a power of attorney is delivered to the Chief Financial Officer. On a monthly basis, the Chief Financial Officer determines that the collateral has a market value adequate to cover the deposits under the provisions of this law.

The Supervisor of Elections invests funds throughout the year with Florida PRIME, an investment pool administered by the State Board of Administration, under the regulatory oversight of the state of Florida. Investments in Florida PRIME are made pursuant to Chapter 125.31, Florida Statutes. The investments are not categorized because they are not evidenced by securities that exist in physical or book entry form. Throughout the year and as of September 30, 2023, Florida PRIME contained certain floating and adjustable rate securities which were indexed based on the prime rate and/or one and three-month LIBOR rates. These investments represented 31.40% of Florida PRIME's portfolio at September 30, 2023.

Florida PRIME meets all of the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost, as a cash equivalent.

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

The dollar weighted-average days to maturity (WAM) of Florida PRIME as of September 30, 2023 was 35 days. Next interest rate reset dates for floating securities are used in the calculation of the WAM. The weighted-average life (WAL) of the Florida PRIME at September 30, 2023 was 75 days.

**Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Supervisor of Elections' investment policy limits investments to specified credit ratings for authorized investments. Investments in Florida PRIME must carry an "AAAm" rating from Standard and Poor's.

On September 30, 2023, Standard and Poor's Ratings Services assigned the Florida PRIME an AAAM principal stability funding rating.

**SUPERVISOR OF ELECTIONS  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

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

With regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states that “The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the executive director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, and the Investment Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the executive director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the executive director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days.”

With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

As of September 30, 2023, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100% of their account value.

A reconciliation to amounts shown on the balance sheet and statement of net position is as follows:

Demand Deposits	\$ 177,467
Petty Cash and Change Funds	150
Florida PRIME	20,382
Total	<u>\$ 197,999</u>
Balance Sheet - General Fund:	
Cash and Cash Equivalents	\$ 161,183
Statement of Net Position - Proprietary Fund:	
Cash and Cash Equivalents	36,816
Total Cash and Cash Equivalents	<u>\$ 197,999</u>

**SUPERVISOR OF ELECTIONS  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 3 PERSONNEL COMMITMENTS**

Employees of the Supervisor of Elections earn annual leave and sick leave in varying amounts. In the event of retirement or termination of employment, an employee is paid for accumulated unused credits. The cash benefit of compensated absences is determined by multiplying the employee's current wage rate by the number of hours of unused credits.

The following shows the change in compensated absences for the fiscal year ended September 30, 2023:

Compensated Absences - September 30, 2022	\$ 16,693
Leave Earned by Employees	57,785
Payments to Employees	<u>(38,390)</u>
Compensated Absences - September 30, 2023	<u>\$ 36,088</u>

The Supervisor of Elections is obligated to make available to retired employees the option to maintain coverage with the county group health insurance plan. The Supervisor of Elections incurs no cost for this as the retired employee makes monthly payments to the county for this insurance.

**NOTE 4 PENSION PLAN**

**Background**

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

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

**SUPERVISOR OF ELECTIONS  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 4 PENSION PLANS (CONTINUED)**

**Florida Retirement System Pension Plan**

**Plan Description**

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

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers Class* – Members who hold specified elective offices in local government.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.
- *Special Risk Class* – Members who are special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

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

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 8 years after electing to participate, except that certain instructional personnel may participate for up to 10 years. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

**SUPERVISOR OF ELECTIONS  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 4 PENSION PLANS (CONTINUED)**

**Florida Retirement System Pension Plan (Continued)**

**Benefits Provided**

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

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

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

**Retiree Health Insurance Subsidy Program**

**Plan Description**

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

**Benefits Provided**

For the fiscal year ended June 30, 2023, eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$45 and a maximum HIS payment of \$225 per month, pursuant to Section 112.363, Florida statutes. To be eligible to receive a HIS Plan benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

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

**SUPERVISOR OF ELECTIONS  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 4 PENSION PLANS (CONTINUED)**

**FRS Investment Plan**

**Plan Description**

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Supervisor of Elections employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan.

Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members.

**Benefits Provided**

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

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

**SUPERVISOR OF ELECTIONS  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 4 PENSION PLANS (CONTINUED)**

**Contributions**

Participating employer contributions are based upon statewide rates established by the state of Florida. The Supervisor of Election's contributions made to the plans during the years ended September 30, 2023, 2022, and 2021 were \$137,112, \$107,931, and \$94,729, respectively, equal to the actuarially determined contribution requirements for each year.

Additional information about pension plans can be found in the county's annual comprehensive financial report.

**NOTE 5 RELATED PARTY TRANSACTIONS**

Transactions with the Highlands County Board of Commissioners and the Constitutional Officers of Highlands County, Florida, for the fiscal year ended September 30, 2023 were as follows:

**Budget Appropriation**

The General Fund of the Supervisor of Elections received appropriations from the Board of County Commissioners in the amount of \$1,411,628 for the fiscal year ended September 30, 2023. Excess fees and other amounts payable to the Board at September 30, 2023 were \$148,664.

**Various Services**

The Board of County Commissioners provides various services to the Supervisor of Elections. The charges for these services for the fiscal year ended September 30, 2023 amounted to \$97,529.

The Clerk of Courts provides various services to the Supervisor of Elections. The charges for these services for the fiscal year ended September 30, 2023 amounted to \$108,903. Amounts payable to the Clerk at September 30, 2023 were \$2,129.

**NOTE 6 RISK MANAGEMENT**

The Supervisor of Elections is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The county is a member of Preferred Governmental Insurance Trust (PGIT), a governmental insurance carrier. PGIT administers insurance activities relating to property, general liability, public official's and employment practices liability, automobile, crime, and workers' compensation. The county is liable for deductibles on certain coverage. Transactions related to activities involving PGIT are presented in the statements of Highlands County as a whole. There were no settlements in excess of the insurance coverage in any of the three prior fiscal years.

**SUPERVISOR OF ELECTIONS  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 7 CAPITAL ASSETS**

The Supervisor of Elections' capital assets include furniture, equipment, voter equipment, computer equipment, vehicles, and software. The Supervisor of Elections, pursuant to Florida Statutes, records no capital assets for which the Supervisor of Elections is custodian. The threshold for capitalizing all capital assets, except software, is \$5,000. The threshold for capitalizing software is \$15,000 for internally generated software and \$25,000 for purchased software. Capital assets are recorded at cost or estimated historical cost. Contributed assets are recorded at estimated acquisition value at the time received. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets as follows:

Machinery and Equipment	4 to 20 Years
Software – Internally Generated	3 to 10 Years
Software – Purchased/Leased	3 to 10 Years

Detailed information concerning capital assets is recorded and reported in the government-wide financial statements of the county.

The following is a summary of the changes in capital assets for which the Supervisor of Elections is custodian during the fiscal year 2023:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets, Being Depreciated/ Amortized:				
Equipment	\$ 670,861	\$ 220,988	\$ -	\$ 891,849
Computer Software	31,914	-	-	31,914
Total Capital Assets, Being Depreciated/Amortized	702,775	220,988	-	923,763
Less: Accumulated Depreciation/ Amortization:				
Equipment	(425,328)	(93,872)	-	(519,200)
Computer Software	(31,914)	-	-	(31,914)
Total Accumulated Depreciation/Amortization	(457,242)	(93,872)	-	(551,114)
Total Capital Assets, Net	\$ 245,533	\$ 127,116	\$ -	\$ 372,649



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

The Honorable Karen Healy  
Supervisor of Elections  
Highlands County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the major fund and the aggregate remaining fund information of the Supervisor of Elections of Highlands County, Florida (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' basic financial statements, and have issued our report thereon dated February 7, 2024.

***Report on Internal Control Over Financing 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 opinions 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

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

The Honorable Karen Healy  
Supervisor of Elections  
Highlands County, Florida

***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, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.



**CliftonLarsonAllen LLP**

Sebring, Florida  
February 7, 2024



## MANAGEMENT LETTER

The Honorable Karen Healy  
Supervisor of Elections  
Highlands County, Florida

### Report on the Financial Statements

We have audited the financial statements of the Supervisor of Elections of Highlands County, Florida (Supervisor of Elections), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated February 7, 2024.

### Auditors' Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated February 7, 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 in the preceding annual financial audit report.

### Official Title and Legal Authority

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

The Honorable Karen Healy  
Supervisor of Elections  
Highlands County, Florida

**Financial Management**

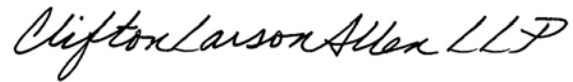
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

**Additional Matters**

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

**Purpose of this Letter**

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



**CliftonLarsonAllen LLP**

Sebring, Florida  
February 7, 2024



## INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Karen Healy, Supervisor of Elections  
and the Florida Auditor General  
Highlands County, Florida

We have examined the Supervisor of Elections of Highlands County, Florida's (Supervisor of Elections) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2023. Management of the Supervisor of Elections is responsible for the Supervisor of Elections' compliance with the specified requirements. Our responsibility is to express an opinion on the Supervisor of Elections' compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Supervisor of Elections complied, in all material respects, with the specified 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 noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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 Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2023.

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

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Sebring, Florida  
February 7, 2024

**TAX COLLECTOR  
HIGHLANDS COUNTY, FLORIDA**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTAL REPORTS**

**YEAR ENDED SEPTEMBER 30, 2023**



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**TAX COLLECTOR  
HIGHLANDS COUNTY, FLORIDA  
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## INDEPENDENT AUDITORS' REPORT

Honorable Eric T. Zwyer  
Tax Collector  
Highlands County, Florida

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the major fund and the aggregate remaining fund information of the Tax Collector of Highlands County, Florida (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 basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and the aggregate remaining fund information of the Tax Collector, as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

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

As discussed in Note 1, the financial statements of the Tax Collector referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the state of Florida. In conformity with the Rules, the financial statements are intended to present the financial position, the changes in financial position, and, where applicable, cash flows of only that portion that is attributable to the transactions of the Tax Collector. They do not purport to, and do not, present fairly the financial position as of September 30, 2023, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Honorable Eric T. Zwayer  
Tax Collector  
Highlands County, Florida

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

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

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

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

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

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

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

### ***Required Supplementary Information***

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

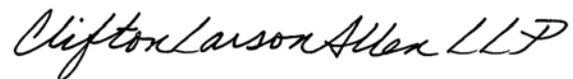
Honorable Eric T. Zwyer  
Tax Collector  
Highlands County, Florida

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Tax Collector's basic financial statements. The combining statements, as listed in the table of contents, are presented for 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 GAAS. 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 February 12, 2024, on our consideration of the Tax Collector's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Tax Collector's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tax Collector's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Sebring, Florida  
February 12, 2024

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

	<u>General Fund</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 1,581,229
Accounts Receivable, Net	27,403
Inventory	2,513
Prepaid Items	<u>10,601</u>
Total Assets	<u><u>\$ 1,621,746</u></u>
<b>LIABILITIES AND FUND BALANCE</b>	
<b>LIABILITIES</b>	
Vouchers Payable	\$ 24,092
Due to Other Governmental Units	19,519
Due to Board of County Commissioners	1,501,830
Due to Others	4,158
Accrued Wages Payable	<u>72,147</u>
Total Liabilities	<u>1,621,746</u>
<b>FUND BALANCE</b>	
Nonspendable	13,114
Unassigned	<u>(13,114)</u>
Total Fund Balance	<u>-</u>
Total Liabilities and Fund Balance	<u><u>\$ 1,621,746</u></u>

See accompanying Notes to Financial Statements.

**TAX COLLECTOR  
HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND  
YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services:				
Commissions from:				
Board of County Commissioners	\$ 2,080,557	\$ 2,080,557	\$ 2,145,379	\$ 64,822
South Florida Water Management District	4,836	4,836	4,082	(754)
Southwest Florida Water Management District	26,075	26,075	24,571	(1,504)
Other Taxing Districts	281,199	281,199	303,576	22,377
Other Fees	1,331,960	1,331,960	1,452,272	120,312
Total Charges for Services	<u>3,724,627</u>	<u>3,724,627</u>	<u>3,929,880</u>	<u>205,253</u>
Miscellaneous Revenues:				
Investment Earnings	4,000	4,000	61,991	57,991
Other Miscellaneous Revenues	36,911	36,911	42,868	5,957
Total Miscellaneous Revenues	<u>40,911</u>	<u>40,911</u>	<u>104,859</u>	<u>63,948</u>
Total Revenues	3,765,538	3,765,538	4,034,739	269,201
<b>EXPENDITURES</b>				
General Government:				
Financial and Administrative:				
Personal Services	3,151,211	3,151,211	2,854,166	297,045
Operating Expenditures	601,692	601,692	399,010	202,682
Debt Service:				
Principal	-	-	1,420	(1,420)
Interest	-	-	19	(19)
Total Expenditures	<u>3,752,903</u>	<u>3,752,903</u>	<u>3,254,615</u>	<u>498,288</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	12,635	12,635	780,124	767,489
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer of Excess Fees	-	-	(780,124)	(780,124)
Unbudgeted Excess Fees	(12,635)	(12,635)	-	12,635
Total Other Financing Uses	<u>(12,635)</u>	<u>(12,635)</u>	<u>(780,124)</u>	<u>(767,489)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**TAX COLLECTOR  
HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF NET POSITION – PROPRIETARY FUND  
SEPTEMBER 30, 2023**

	Internal Service Fund
	Compensated Absences
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 69,322
<b>LIABILITIES</b>	
Accrued Compensated Absences Payable	69,322
<b>NET POSITION</b>	
Unrestricted	\$ -

*See accompanying Notes to Financial Statements.*

**TAX COLLECTOR  
HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
IN NET POSITION – PROPRIETARY FUND  
YEAR ENDED SEPTEMBER 30, 2023**

	Internal Service Fund <u>Compensated Absences</u>
<b>OPERATING REVENUES</b>	
Charges for Services	\$ 217,855
<b>OPERATING EXPENSES</b>	
Compensated Absence Expense	<u>220,528</u>
<b>OPERATING LOSS</b>	(2,673)
<b>NONOPERATING REVENUES</b>	
Investment Earnings	<u>2,673</u>
<b>CHANGE IN NET POSITION</b>	-
Net Position - Beginning of Year	<u>-</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

**TAX COLLECTOR  
HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF CASH FLOWS – PROPRIETARY FUND  
YEAR ENDED SEPTEMBER 30, 2023**

	Internal Service Fund <u>Compensated Absences</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Charges for Services	\$ 217,855
Cash Paid to Employees for Services	<u>(217,442)</u>
Net Cash Provided by Operating Activities	413
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest Received	<u>2,673</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	3,086
Cash and Cash Equivalents - Beginning of Year	<u>66,236</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 69,322</u></u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating Loss	\$ (2,673)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Changes in Assets and Liabilities:	
Decrease in Compensated Absences	<u>3,086</u>
Net Cash Provided by Operating Activities	<u><u>\$ 413</u></u>

See accompanying Notes to Financial Statements.

**TAX COLLECTOR  
HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS  
SEPTEMBER 30, 2023**

	<u>Custodial Funds</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 1,123,123
Due from Others	<u>29</u>
Total Assets	<u>1,123,152</u>
<b>LIABILITIES</b>	
Due to Other Governmental Units	835,592
Due to Others	<u>287,560</u>
Total Liabilities	<u>1,123,152</u>
<b>NET POSITION</b>	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

**TAX COLLECTOR  
HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS  
YEAR ENDED SEPTEMBER 30, 2023**

	Custodial Funds
<b>ADDITIONS</b>	
Tax, License, and Fee Collections	\$ 63,450,420
<b>DEDUCTIONS</b>	
Payments to State Agencies	7,300,188
Payments to Other Governments	53,286,149
Payments to Others	2,864,083
Total Deductions	63,450,420
<b>CHANGE IN NET POSITION</b>	-
Net Position - Beginning of Year	-
<b>NET POSITION - END OF YEAR</b>	\$ -

See accompanying Notes to Financial Statements.

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Highlands County is a noncharter County established April 23, 1921 under the Constitution and Laws of the state of Florida, 1921, Chapter 8513. The Highlands County Tax Collector (the Tax Collector) is one of six constitutional officers elected to serve within the County and receives a significant portion of his revenue through the fees and commissions that are generated by the Tax Collector's office pursuant to the provisions of Section 192.091, Florida Statutes. These financial statements include only the funds of the Tax Collector and are not meant to represent Highlands County, Florida. There are no separate legal entities (component units) for which the Tax Collector is financially accountable.

The Tax Collector is elected every four years to serve as the public official charged with the responsibility for collecting and disbursing ad valorem taxes, non-ad valorem taxes, and tangible taxes for the County as well as various other taxes and licenses. Additional duties of the Tax Collector include motor vehicle, mobile home, vessel and drivers' license registrations, hunting and fishing licenses, yard sale permits, certified copies of birth certificates, and concealed weapons licensing processing.

The Tax Collector is a "fee" officer in that operating revenues are received based upon the services rendered. The balance of fees in excess of expenditures remaining at September 30 is divided among the various taxing units in the same proportion as that particular unit's payments to the Tax Collector during the year bear to the total payments received from all taxing units.

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

**Basis of Presentation**

These financial statements have been prepared for the purpose of complying with Section 218.39(2), Florida Statutes, and Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*, which allows the Tax Collector to present only fund financial statements. These financial statements present only the portion of the funds of Highlands County, Florida that are attributable to the Tax Collector. They are not intended to present fairly the financial position and results of operations of Highlands County, Florida in conformity with accounting principles generally accepted in the United States of America (GAAP).

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

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

**Fund Accounting**

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

**Governmental Fund**

**General Fund** – The General Fund is the general operating fund of the Tax Collector. The majority of the Tax Collector's day-to-day operating costs are accounted for in this fund. It is used to account for all financial resources not required to be accounted for in another fund. Fees from the collection of general property taxes, licenses, and certain other intergovernmental revenues are recorded in this fund. Expenditures for general governmental services are paid through this fund.

**Proprietary Fund**

**Internal Service Fund** – The Internal Service Fund is used to account for the accumulation of funded compensated absences.

**Fiduciary Funds**

**Custodial Funds** – Custodial Funds are used to account for assets held by a government in a fiduciary capacity for individuals, private organizations or other governments.

**Capital Assets**

All capital assets purchased, which include furniture, equipment, computer equipment, and vehicles, are recorded as expenditures in the General Fund at the time of purchase. The Board holds legal title for the capital assets used in the operations of the Tax Collector and is accountable for them under Florida Law. The Tax Collector notifies the Board of County Commissioners of capital assets purchased and the original cost is recorded in the capital asset records of the Board of County Commissioners. The Tax Collector may not dispose of any capital assets in his custody. The Tax Collector is to notify the Board of County Commissioners of any unused or obsolete assets, and it is the Board of County Commissioners' responsibility to dispose of these assets in accordance with the various Florida Statutes.

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

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

**Measurement Focus**

**Governmental Fund** – The General Fund is presented using the flow of current financial resources measurement focus. This means that only current assets and current liabilities are generally included on the balance sheet. Their reported unassigned fund balances (net current assets) are considered a measure of “available, spendable, or appropriable resources.” Governmental fund operating statements present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

**Proprietary Fund** – The Internal Service Fund is accounted for on a cost of services measurement focus which is referred to as a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of the fund are included in the statement of net position. Proprietary Fund operating statements present increases (revenues) and decreases (expenses) in net position.

The Custodial funds use the economic resources measurement focus.

**Basis of Accounting**

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

Governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they become measurable and available as net current assets. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Tax Collector considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due.

The accrual basis of accounting is utilized by the fiduciary fund and proprietary fund. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

**Budgets and Budgetary Data**

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

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

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

**Budgets and Budgetary Data (Continued)**

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

**Cash and Cash Equivalents**

Cash and cash equivalents is cash on hand as well as demand deposits and investments in local government investment pools with original maturities of three months or less from the date of acquisition.

The Tax Collector maintains a pooled bank account where cash resources of several funds are consolidated for investment purposes. This account represents the amount owned by each fund. This practice gives the Tax Collector the ability to maximize the yield on the short-term investment of cash, increasing interest earnings accordingly.

Interest earned on pooled investments is allocated to the participating funds.

**Investments**

The Tax Collector invests surplus public funds in accordance with Section 218.415, Florida Statutes.

**Prepaid Items**

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

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

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

**Compensated Absences**

Employees of the Tax Collector earn paid time off in varying amounts. Paid time off credits earned in excess of 400 hours which are not used by the close of business on December 31 of each calendar year shall be canceled. Upon terminal separation from the Tax Collector's office, employees having one year of satisfactory, continuous and creditable service are eligible to receive payment for paid time off up to 400 hours at their current rate of pay. The limit of lump-sum reimbursements of paid time off credits is based on years of service.

**Fund Balance**

The classifications of fund balances are described as follows:

**Nonspendable Fund Balance** – Amounts that cannot be spent because they are either not in spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact.

**Restricted Fund Balance** – Amounts that can be spent only for specific purposes because of constraints imposed by external providers (such as grantors, bondholders, and higher levels of government), or imposed by constitutional provisions or enabling legislation.

**Committed Fund Balance** – Amounts that can be spent only for specific purposes determined by a formal action of the Tax Collector's highest level of decision-making authority.

**Assigned Fund Balance** – Amounts the Tax Collector intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.

**Unassigned Fund Balance** – Amounts that are available for any purpose; positive amounts can be reported only in the Tax Collector's General Fund.

When both restricted and unrestricted resources are available for use, it is the Tax Collector's policy to first apply restricted resources when an expenditure is incurred for purposes for which both restricted and unrestricted assets are available. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Tax Collector considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds. The Board of County Commissioners adopted a fund balance policy for the county as a whole. The Tax Collector does not have a separate fund balance policy because, by Florida Statute, the Tax Collector must return any excess fees at year-end.

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

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

**Unexpended Budget Balance Reverting to Board of County Commissioners**

Section 218.36(2), Florida Statutes, requires that any excess of revenues over expenditures in the General Fund (excess fees) held by the Tax Collector at the end of each fiscal year be distributed to each governmental unit in the same proportion as the fees paid by the governmental unit bear to the total fee income of the office. Therefore, the excess of revenues over expenditures in the General Fund at the end of each fiscal year is reflected as a transfer of excess fees on the statement of revenues, expenditures and changes in fund balance, and the related liability is recorded as due to the Board of County Commissioners and other governmental units.

**Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make use of estimates that affect the reported amounts in the financial statements. Actual results could differ from estimates.

**Other Postemployment Benefit Obligations**

In accordance with Section 112.0801, Florida Statutes, the Tax Collector participates with the County in offering retiring employees the opportunity to continue in the County's health insurance plan. The participating retirees pay 100% of the premium cost applicable to an active employee. The liability and expense for other postemployment benefits, calculated in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, are reported in the financial statements of the County.

**Adoption of New Accounting Standards**

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

The Tax Collector adopted the requirements of the guidance effective October 1, 2023 and has applied the provisions of this standard to the beginning of the period of adoption. The implementation of the GASB Statement No. 96, SBITA, did not have an impact on the financial statements.

**NOTE 2 CASH AND CASH EQUIVALENTS**

At year-end, the bank balance of the Tax Collector's deposits were \$658,685. The entire amount of the demand deposits is deposited in a state of Florida qualified depository and, therefore, is fully collateralized.

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

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

Custodial Credit Risk is the risk that in the event of a bank failure the government's deposits may not be returned to it. The Tax Collector's monies must be deposited in banks designated as qualified public depositories by the Chief Financial Officer, Florida Department of Financial Services. Therefore, the Tax Collector's total deposits are insured by the Federal Depository Insurance Corporation and collateralized by the Bureau of Collateral Management, Division of Treasury, Florida Department of Financial Services. The law requires the Chief Financial Officer to ensure that funds are entirely collateralized throughout the fiscal year. Other than the preceding, the Tax Collector has no policy on custodial credit risk.

Collateral is provided for demand deposits through the Florida Security for Public Deposits Act. This law establishes guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements and characteristics of eligible collateral. Under this law, the qualified public depository must pledge at least 25% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance.

Additional collateral, up to a maximum of 150%, may be required if deemed necessary under the conditions set forth in this law. Eligible collateral consists of obligations of the United States and its agencies and obligations of states and their local political subdivisions and unaffiliated corporations.

Obligations pledged to secure deposits must be delivered to the Department of Financial Services or, with the approval of the Chief Financial Officer, to a bank, savings association or trust company provided a power of attorney is delivered to the Chief Financial Officer. On a monthly basis, the Chief Financial Officer determines that the collateral has a market value adequate to cover the deposits under the provisions of this law.

The Tax Collector invests funds throughout the year with the following local government investment pools:

Florida Surplus Asset Trust Fund

Florida Surplus Asset Fund Trust (FL SAFE) is a common law trust organized in 2007 under the laws of the state of Florida. The trust is administered by Prudent Man Advisors, Inc. and an elected five-member Board of Trustees. At September 30, 2023, the Tax Collector was invested in the Stable NAV Fund.

At September 30, 2023, the weighted average maturity of the Stable NAV Fund is 60 days or less. The fund seeks, but does not guarantee, to maintain a constant NAV at \$1.00 per share. The value of the County's position in FL SAFE external investment pool is the same as the value of the pool's shares.

The investment strategy of FL SAFE Stable NAV Fund is to provide safety and preservation of principal, liquidity, transparency, and competitive yields.

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

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

Florida Cooperative Liquid Assets Securities System

Florida Cooperative Liquid Assets Securities System (FLCLASS) is an independent local government investment pool. The trust is administered by Public Trust Advisors, LLC and an appointed Board of Trustees. FLCLASS is accounted for as a stable NAV investment pool and operates like a money market fund with each share valued at \$1. At September 30, 2023, the WAM in days was 43 days. Next interest rate reset dates for floating securities are used in the calculation of the WAM.

The investment strategy of FLCLASS is to offer a safe, convenient, and liquid investment option to Florida governmental entities.

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investments in FLCLASS carry an "AAAm" rating from Standard and Poor's.

A reconciliation to amounts shown on the balance sheet, statement of net position, and statement of fiduciary net position is as follows:

Demand Deposits	\$	862,014
Petty Cash and Change Funds		12,750
Florida SAFE		449,217
Florida Cooperative Liquid Assets Securities System (FLCLASS)		1,449,693
Total		\$ 2,773,674
Balance Sheet - General Fund:		
Cash and Cash Equivalents	\$	1,581,229
Statement of Net Position - Proprietary Fund:		
Cash and Cash Equivalents		69,322
Statement of Fiduciary Net Position - Custodial Funds:		
Cash and Cash Equivalents		1,123,123
Total Cash and Cash Equivalents	\$	2,773,674

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

**NOTE 3 PERSONNEL COMMITMENTS**

Employees of the Tax Collector earn paid time off in varying amounts. In the event of retirement or termination of employment, an employee is paid for accumulated paid time off credits unused based on years of service. The cash benefit of these compensated absences is determined by multiplying the employee’s current wage rate by the number of unused credits.

The following shows the change in compensated absences for the fiscal year ended September 30, 2023:

Compensated Absences - September 30, 2022	\$	66,236
Increase in Leave Earned by Employees		220,528
Payments to Employees		<u>(217,442)</u>
Compensated Absences - September 30, 2023	<u>\$</u>	<u>69,322</u>

**NOTE 4 PENSION PLANS**

**Background**

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

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

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

**NOTE 4 PENSION PLANS (CONTINUED)**

**Florida Retirement System Pension Plan**

**Plan Description**

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

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers Class* – Members who hold specified elective offices in local government.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.
- *Special Risk Class* – Members who are special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

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

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 8 years after electing to participate, except that certain instructional personnel may participate for up to 10 years. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

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

**NOTE 4 PENSION PLANS (CONTINUED)**

**Florida Retirement System Pension Plan (Continued)**

**Benefits Provided**

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

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

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

**Retiree Health Insurance Subsidy Program**

**Plan Description**

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

**Benefits Provided**

For the fiscal year ended June 30, 2023, eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$45 and a maximum HIS payment of \$225 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

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

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

**NOTE 4 PENSION PLANS (CONTINUED)**

**FRS Investment Plan**

**Plan Description**

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. The Tax Collector's employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan.

Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members.

**Benefits Provided**

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

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

**NOTE 4 PENSION PLANS (CONTINUED)**

**FRS Investment Plan (Continued)**

**Benefits Provided (Continued)**

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

**Contributions**

Participating employer contributions are based upon statewide rates established by the state of Florida. The Tax Collector's contributions made to the plans during the years ended September 30, 2023, 2022, and 2021 were \$345,626, \$297,432, and \$301,730, respectively, equal to the actuarially determined contribution requirements for each year.

Additional information about pension plans can be found in the County's annual comprehensive financial report.

**NOTE 5 RELATED PARTY TRANSACTIONS**

Transactions with the Highlands County Board of Commissioners and the Constitutional Officers of Highlands County, Florida for the year ended September 30, 2023 were as follows:

**Charges for Services**

The General Fund of the Tax Collector received revenue from the Board of County Commissioners in the amount of \$2,145,379 for the year ended September 30, 2023. Excess fees payable to the Board at September 30, 2023 was \$760,605. Additionally, taxes and fees payable to the Board at September 30, 2023 were \$741,225.

**Various Services**

The Board of County Commissioners provides various services to the Tax Collector. The charges for these services for the fiscal year ended September 30, 2023 amounted to \$463,258.

The Clerk of Courts provides various services to the Tax Collector. The charges for IT support and software related expenditures for the fiscal year ended September 30, 2023 amounted to \$100,866.

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

**NOTE 6 RISK MANAGEMENT**

The Tax Collector is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County is a member of Preferred Governmental Insurance Trust (PGIT), a governmental insurance carrier. PGIT administers insurance activities relating to property, general liability, public official's and employment practices liability, automobile, crime, and worker compensation. The County is liable for deductibles on certain coverage. Transactions related to activities related to PGIT are presented in the statements of Highlands County as a whole. There were no settlements in excess of the insurance coverage in any of the three prior fiscal years.

**NOTE 7 CAPITAL ASSETS**

The Tax Collector's capital assets include furniture, equipment, computer equipment, and vehicles. The Tax Collector, pursuant to Florida Statutes, records no capital assets for which the Tax Collector is custodian. The threshold for capitalizing all capital assets except software is \$5,000. The threshold for capitalizing software is \$15,000 for internally generated software and \$25,000 for purchased software. Capital assets are recorded at cost or estimated historical cost. Contributed assets are recorded at estimated acquisition value at the time received. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets as follows:

Machinery and Equipment	4 to 20 Years
Software – Internally Generated	3 to 10 Years
Software – Purchase	3 to 10 Years

Detailed information concerning capital assets is recorded and reported in the government-wide financial statements of the County. The following is a summary of the changes in capital assets for which the Tax Collector was custodian during fiscal year 2023:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Being Depreciated/ Amortized:				
Equipment	\$ 261,878	\$ -	\$ -	\$ 261,878
Right-to-use Lease Equipment	2,819	-	(2,819)	-
Total Capital Assets Being Depreciated/Amortized	264,697	-	(2,819)	261,878
Less Accumulated Depreciation/ Amortization:				
Equipment	(249,607)	(4,750)	-	(254,357)
Right-to-use Lease Equipment	(1,409)	(1,410)	2,819	-
Total Accumulated Depreciation/Amortization	(251,016)	(6,160)	2,819	(254,357)
Total Capital Assets, Net	\$ 13,681	\$ (6,160)	\$ -	\$ 7,521

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

**NOTE 8 LEASES**

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

Leases entered into by the Tax Collector are included as other financing sources and capital outlay expenditures in the Statement of Revenues, Expenditures, and Changes in Fund.

Balance in the year of inception. Payments made in accordance with the lease terms are reported as debt service expenditures in the Statement of Revenues, Expenditures, and Changes in Fund Balance as they are incurred.

During the year ended September 30, 2023, the Tax Collector’s principal and interest payments on leases totaled \$1,420 and \$19, respectively.

**NOTE 9 COMMITMENTS AND CONTINGENCIES**

The Tax Collector is named as a defendant in several lawsuits concerning assessment and collection of prior years’ ad valorem taxes on real and personal property located in Highlands County, Florida. The outcome of these matters turns upon disputed questions of property classifications and tax values. As of September 30, 2023, based on management’s opinion, it does not appear the Tax Collector’s assets will be affected and, consequently, no provision has been made for any liability that might arise from these claims.

**TAX COLLECTOR  
HIGHLANDS COUNTY, FLORIDA  
CUSTODIAL FUNDS DESCRIPTIONS  
YEAR ENDED SEPTEMBER 30, 2023**

The Tax Collector maintains the following Custodial Funds:

**Custodial Funds**

**Tag** – Used by the Tax Collector to account for motor vehicle and vessel registrations, title transfer fees, drivers' license transactions, sales tax, birth certificate fees, and concealed weapons licensing fees remitted to the state of Florida.

**Tax and License** – Used by the Tax Collector to account for the collection of ad valorem and non-ad valorem taxes, tangible personal property taxes and hunting and fishing licenses remitted to various taxing agencies and the state of Florida.

**Tax Redemption** – Used by the Tax Collector to account for collection of redeemed tax certificates issued in connection with delinquent ad valorem and non-ad valorem taxes and remittance to certificate holders.

**TAX COLLECTOR  
HIGHLANDS COUNTY, FLORIDA  
COMBINING STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS  
SEPTEMBER 30, 2023**

	Custodial Funds			Total Custodial Funds
	Tag	Tax and License	Tax Redemption	
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 239,300	\$ 727,016	\$ 156,807	\$ 1,123,123
Due from Others	29	-	-	29
Total Assets	<u>239,329</u>	<u>727,016</u>	<u>156,807</u>	<u>1,123,152</u>
<b>LIABILITIES</b>				
Due to Other Governmental Units	239,329	596,263	-	835,592
Due to Others	-	130,753	156,807	287,560
Total Liabilities	<u>239,329</u>	<u>727,016</u>	<u>156,807</u>	<u>1,123,152</u>
<b>NET POSITION</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**TAX COLLECTOR  
HIGHLANDS COUNTY, FLORIDA  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS  
YEAR ENDED SEPTEMBER 30, 2023**

	Custodial Funds			Total Custodial Funds
	Tag	Tax and License	Tax Redemption	
<b>ADDITIONS</b>				
Tax, License, and Fee Collections	7,300,188	53,286,149	2,864,083	\$ 63,450,420
<b>DEDUCTIONS</b>				
Payments to State Agencies	7,300,188	-	-	7,300,188
Payments to Other Governments	-	53,286,149	-	53,286,149
Payments to Others	-	-	2,864,083	2,864,083
Total Deductions	7,300,188	53,286,149	2,864,083	63,450,420
<b>CHANGE IN NET POSITION</b>	-	-	-	-
Net Position - Beginning of Year	-	-	-	-
<b>NET POSITION - END OF YEAR</b>	\$ -	\$ -	\$ -	\$ -



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

Honorable Eric T. Zwyer  
Tax Collector  
Highlands 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 major fund and the aggregate remaining fund information of the Tax Collector of Highlands County, Florida (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 basic financial statements, and have issued our report thereon dated February 12, 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 Tax Collector's internal control.

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

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

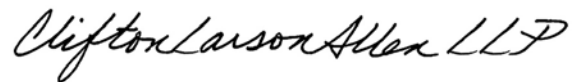
Honorable Eric T. Zwyer  
Highlands County Tax Collector

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

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

***Purpose of this Report***

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



**CliftonLarsonAllen LLP**

Sebring, Florida  
February 12, 2024



## MANAGEMENT LETTER

Honorable Eric T. Zwyer  
Highlands County Tax Collector  
Highlands County, Florida

### Report on the Financial Statements

We have audited the financial statements of the Tax Collector of Highlands County, Florida (the Tax Collector), as of and for the fiscal year ended September 30, 2023 and have issued our report thereon dated February 12, 2024.

### Auditor's Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated February 12, 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 recommendations in the preceding annual financial 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. Information regarding the specific legal authority for the entity is contained in Note 1 to the Financial Statements.

Honorable Eric T. Zwyer  
Highlands County Tax Collector

**Financial Management**

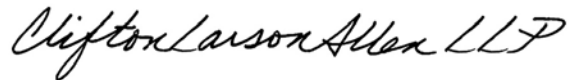
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

**Additional Matters**

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

**Purpose of this Letter**

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



**CliftonLarsonAllen LLP**

Sebring, Florida  
February 12, 2024



## INDEPENDENT ACCOUNTANTS' REPORT

Honorable Eric T. Zwyer  
Highlands County Tax Collector  
Highlands County, Florida

We have examined the Tax Collector of Highlands County, Florida (the Tax Collector)'s compliance with Section 218.415, Florida Statutes, regarding the investment of public funds, during the year ended September 30, 2023. Management of the Tax Collector is responsible for the Tax Collector's compliance with the specified requirements. Our responsibility is to express an opinion on the Tax Collector's compliance with the specified requirements based on our examination.

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

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

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

In our opinion, the Tax Collector complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2023.

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

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Sebring, Florida  
February 12, 2024