

2024

DeSoto County, Florida

Financial Statements and
Independent Auditor's Report

September 30, 2024

PURVIS GRAY
CERTIFIED PUBLIC ACCOUNTANTS

COUNTY-WIDE

2024

DeSoto County, Florida

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Independent Auditor's Report

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PURVIS GRAY
CERTIFIED PUBLIC ACCOUNTANTS

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

DESOTO COUNTY, FLORIDA

SEPTEMBER 30, 2024

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INDEPENDENT AUDITOR'S REPORT**

DESOTO COUNTY, FLORIDA

SEPTEMBER 30, 2024

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of DeSoto County, Florida (the County) as of and for the year ended September 30, 2024, 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, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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.

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INDEPENDENT AUDITOR'S REPORT

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, as listed in the table of contents (collectively, the required supplementary information), be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate

INDEPENDENT AUDITOR'S REPORT

operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2025, 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.

Purvis Gray

June 30, 2025
Sarasota, Florida

DESOTO COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024

DeSoto County's (the County) Management's Discussion and Analysis (the MD&A) presents an overview of the County's financial activities for the fiscal year ended September 30, 2024. Please read it in conjunction with the County's financial statements following the MD&A.

Financial Highlights

- The assets (plus deferred outflows) of the County exceeded its liabilities (plus deferred inflows) at the close of fiscal year 2024 by \$105.9 million (*net position*). This is net of a \$22.8 million deficit in unrestricted net position.
- At September 30, 2024, the County's governmental funds reported combined ending fund balances of \$33.8 million, an increase of \$4.0 million for the year.
- At September 30, 2024, unassigned fund balance for the General Fund was \$14.3 million, or 20.6% of total General Fund expenditures and other uses.
- Net investment in capital assets increased by \$6.4 million from the prior fiscal year.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

The *statement of activities* presents information showing how the County's net position changed during 2024. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

DESOTO COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024

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

Fund Financial Statements

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

Governmental Funds

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

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

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

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

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

DESOTO COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024

Proprietary Funds

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

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

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

Fiduciary Funds

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

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

Notes to the Financial Statements

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

Other Information

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

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

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets (plus deferred outflows) exceeded liabilities (plus deferred inflows) by \$105.9 million at the close of the fiscal year ended September 30, 2024. The County is able to report positive balances in net investment in capital assets and restricted net position for both governmental and business-type activities. The County reports a positive unrestricted net position for business-type activities, but a deficit in unrestricted net position for governmental activities. Following is a summarized version of the statement of net position found in the financial section of this report, with comparative information for 2023:

**DESOTO COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

| | Governmental Activities | | Business-Type Activities | | Total | |
|-------------------------------|-------------------------|----------------------|--------------------------|----------------------|-----------------------|----------------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Current and Other Assets | \$ 51,084,760 | \$ 37,227,647 | \$ 40,426,148 | \$ 26,694,899 | \$ 91,510,908 | \$ 63,922,546 |
| Capital Assets (Net) | 72,364,778 | 65,938,725 | 31,019,567 | 31,613,466 | 103,384,345 | 97,552,191 |
| Total Assets | 123,449,538 | 103,166,372 | 71,445,715 | 58,308,365 | 194,895,253 | 161,474,737 |
| Deferred Outflows | 12,015,384 | 10,676,258 | 452,236 | 460,266 | 12,467,620 | 11,136,524 |
| Current and Other Liabilities | 13,025,462 | 6,557,704 | 7,174,957 | 658,829 | 20,000,419 | 7,216,533 |
| Long-Term Liabilities | 45,125,601 | 44,392,931 | 27,810,887 | 20,890,750 | 72,936,488 | 65,243,681 |
| Total Liabilities | 58,151,063 | 50,950,635 | 34,985,844 | 21,509,579 | 93,135,907 | 72,460,214 |
| Deferred Inflows | 7,937,254 | 7,391,631 | 338,782 | 335,773 | 8,076,036 | 7,727,404 |
| Net Position: | | | | | | |
| Investment in Capital Assets | 71,702,082 | 65,189,441 | 23,420,769 | 23,542,207 | 95,122,851 | 88,731,648 |
| Restricted | 12,504,562 | 10,699,758 | 21,116,363 | 10,218,028 | 33,620,925 | 20,917,786 |
| Unrestricted | (14,830,039) | (20,388,835) | (7,963,807) | 3,163,044 | (22,793,846) | (17,225,791) |
| Total Net Position | \$ 69,376,605 | \$ 55,500,364 | \$ 36,573,325 | \$ 36,923,279 | \$ 105,949,930 | \$ 92,423,643 |

A substantial portion of the County's net position (89.8%) reflects its net investments in capital assets (e.g., land, buildings, and equipment). The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position (31.7%) represents restricted resources that are subject to external restrictions on how they may be used. The remaining balance is a deficit in unrestricted net position (-21.5% of total net position).

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

| | Governmental Activities | | Business-Type Activities | | Total | |
|--|-------------------------|----------------------|--------------------------|----------------------|-----------------------|----------------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| REVENUES | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services | \$ 17,212,728 | \$ 22,392,778 | \$ 9,276,219 | \$ 8,045,853 | \$ 26,488,947 | \$ 30,438,631 |
| Operating Grants and Contributions | 29,085,533 | 11,613,748 | 386,656 | 267,175 | 29,472,189 | 11,880,923 |
| Capital Grants and Contributions | 7,019,968 | 5,939,866 | 5,144,712 | 6,308,861 | 12,164,680 | 12,248,727 |
| General Revenues: | | | | | | |
| Property Taxes | 21,244,595 | 19,790,641 | - | - | 21,244,595 | 19,790,641 |
| Other Taxes | 13,637,631 | 12,810,569 | - | - | 13,637,631 | 12,810,569 |
| Shared Revenues | 8,263,343 | 8,580,989 | - | - | 8,263,343 | 8,580,989 |
| Other | 542,752 | 1,825,121 | 818,865 | 343,655 | 1,361,617 | 2,168,776 |
| Total Revenues | 97,006,550 | 82,953,712 | 15,626,452 | 14,965,544 | 112,633,002 | 97,919,256 |
| EXPENSES | | | | | | |
| General Government | 12,711,714 | 14,125,822 | - | - | 12,711,714 | 14,125,822 |
| Public Safety | 28,428,755 | 47,100,701 | - | - | 28,428,755 | 47,100,701 |
| Physical Environment | 24,263,877 | 2,688,155 | - | - | 24,263,877 | 2,688,155 |
| Transportation | 2,792,743 | 5,761,026 | - | - | 2,792,743 | 5,761,026 |
| Economic Environment | 3,898,078 | 726,737 | - | - | 3,898,078 | 726,737 |
| Human Services | 4,594,554 | 4,629,047 | - | - | 4,594,554 | 4,629,047 |
| Culture/Recreation | 3,475,152 | 2,755,978 | - | - | 3,475,152 | 2,755,978 |
| Court-Related | 2,748,429 | 2,590,789 | - | - | 2,748,429 | 2,590,789 |
| Interest on Long-Term Debt | 218,259 | 338,939 | - | - | 218,259 | 338,939 |
| Landfill | - | - | 9,920,562 | 6,309,456 | 9,920,562 | 6,309,456 |
| Water and Sewer Utility | - | - | 6,054,592 | 5,807,481 | 6,054,592 | 5,807,481 |
| Total Expenses | 83,191,561 | 80,716,594 | 15,975,154 | 11,616,937 | 99,106,715 | 92,333,531 |
| Excess before Transfers | 13,874,989 | 2,237,118 | (348,702) | 3,348,607 | 13,526,287 | 5,585,725 |
| Transfers | 1,252 | (2,001,649) | (1,252) | 2,001,649 | - | - |
| Change in net Position | 13,876,241 | 235,469 | (349,954) | 5,350,256 | 13,526,287 | 5,585,725 |
| net Position, beginning of Year | 55,500,364 | 55,264,895 | 36,923,279 | 31,573,023 | 92,423,643 | 86,837,918 |
| net Position, End of Year | \$ 69,376,605 | \$ 55,500,364 | \$ 36,573,325 | \$ 36,923,279 | \$ 105,949,930 | \$ 92,423,643 |

DESOTO COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024

Governmental Activities

Governmental activities increased the County's net position by \$13,876,241 during 2024. Following is further detail of the revenues and expenses for governmental activities in 2024, compared to 2023:

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

| Functions/Programs | Expenses | | | | Net Revenue (Cost) of Services | |
|----------------------------|----------------------|----------------|----------------------|----------|--------------------------------|------------------------|
| | 2024 | % of Total | 2023 | % Change | 2024 | 2023 |
| General Government | \$ 12,711,714 | 15.3% | \$ 14,125,822 | -10.0% | \$ 18,130,573 | \$ (1,401,420) |
| Public Safety | 28,428,755 | 34.2% | 47,100,701 | -39.6% | (19,150,000) | (34,794,392) |
| Physical Environment | 24,263,877 | 29.2% | 2,688,155 | 802.6% | (21,967,913) | (1,456,614) |
| Transportation | 2,792,743 | 3.4% | 5,761,026 | -51.5% | 3,730,198 | 334,624 |
| Economic Environment | 3,898,078 | 4.7% | 726,737 | 436.4% | (2,626,029) | 1,063,744 |
| Human Services | 4,594,554 | 5.5% | 4,629,047 | -0.7% | (4,335,266) | (4,159,545) |
| Culture/Recreation | 3,475,152 | 4.2% | 2,755,378 | 26.1% | (2,955,956) | (2,497,144) |
| Court-Related | 2,748,429 | 3.3% | 2,590,789 | 6.1% | (420,680) | 2,479,484 |
| Interest on Long-Term Debt | 218,259 | 0.2% | 338,939 | -35.6% | (218,259) | (338,939) |
| | <u>\$ 83,131,561</u> | <u>100.00%</u> | <u>\$ 80,716,594</u> | | <u>\$ (29,813,332)</u> | <u>\$ (40,770,202)</u> |

Governmental Activities - Revenues by Source

| Description | 2024 | % of Total | 2023 | % Change |
|------------------------------------|----------------------|-------------|----------------------|----------|
| Program Revenues: | | | | |
| Charges for Services | \$ 17,212,728 | 17.7% | \$ 22,392,778 | -23.1% |
| Operating Grants and Contributions | 29,085,533 | 30.0% | 11,613,748 | 150.4% |
| Capital Grants and Contributions | 7,019,968 | 7.2% | 5,939,866 | 18.2% |
| General Revenues: | | | | |
| Property Tax | 21,244,595 | 21.9% | 19,790,641 | 7.3% |
| Small County Surcharge | 4,121,549 | 4.2% | 3,991,079 | 3.3% |
| Law Enforcement | 5,134,285 | 5.3% | 4,714,909 | 8.9% |
| Communications Service | 165,849 | 0.2% | 145,783 | 13.8% |
| Tourist Development | 170,923 | 0.2% | 164,532 | 3.9% |
| Surtax | 2,585,778 | 2.7% | 2,504,885 | 3.2% |
| Gas and Fuel Taxes | 1,459,247 | 1.5% | 1,289,381 | 13.2% |
| Franchise Fees | 1,745,097 | 1.8% | 1,776,873 | -1.8% |
| Pari-Mutual Tax | 314,333 | 0.3% | 314,333 | 0.0% |
| State Shared Revenue | 1,190,285 | 1.2% | 1,200,626 | -0.9% |
| Local Shared Revenue | 858,293 | 0.9% | 858,293 | 0.0% |
| State Sales Tax | 4,155,335 | 4.3% | 4,430,864 | -6.2% |
| Miscellaneous | 542,752 | 0.6% | 1,825,121 | -70.3% |
| | <u>\$ 97,006,550</u> | <u>100%</u> | <u>\$ 82,953,712</u> | |

Revenues for governmental activities increased by \$14.1 million compared to the prior year, primarily due to higher grant activity. However, program revenues declined significantly in 2024, largely as a result of a change in the reporting entity at the Clerk level. The Documentary Stamp and Intangible Tax Fund is now reported as a custodial fund rather than within governmental activities (see Note 16 for additional details). Expenses for governmental activities rose by \$2.4 million, also driven by grant-related activity. Much of the current year's grant revenue pertains to expenditures incurred in prior years, particularly those related to Hurricane Ian. Because reimbursement requests were not submitted until 2024, the associated revenue was not recognized until the current fiscal year.

**DESOTO COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

Business-Type Activities

Business-type activities decreased the County's net position by \$0.4 million in 2024 compared to an increase of \$5.4 million in 2023. Net position decreased significantly this year due to an increase in the provision for closure and long-term care related to the Landfill. Following is further detail of the business-type activities financial results for 2024, compared to 2023:

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

| | 2024 | | | 2023 | | |
|-----------------------------|----------------------|----------------------|---------------------|----------------------|----------------------|---------------------|
| | Revenues | Expenses | Net | Revenues | Expenses | Net |
| Functions/Programs: | | | | | | |
| Landfill | \$ 4,176,386 | \$ 9,920,562 | \$ (5,744,176) | \$ 3,533,084 | \$ 6,309,456 | \$ (2,776,372) |
| Water and Sewer | 10,631,201 | 6,040,717 | 4,590,484 | 11,088,805 | 5,307,481 | 5,781,324 |
| | 14,807,587 | 15,961,279 | (1,153,692) | 14,621,889 | 11,616,937 | 3,004,952 |
| General Revenues (Expenses) | 804,990 | - | 804,990 | 343,655 | - | 343,655 |
| Transfers | - | 1,252 | (1,252) | 2,001,649 | - | 2,001,649 |
| Net | \$ 15,612,577 | \$ 15,962,531 | \$ (349,954) | \$ 16,967,193 | \$ 11,616,937 | \$ 5,350,256 |

Business-Type Activities - Revenues by Source

| | 2024 | % of Total | 2023 | % of Total |
|------------------------------------|----------------------|---------------|----------------------|---------------|
| Charges for Services | \$ 9,276,219 | 59.4% | \$ 8,045,853 | 53.8% |
| Operating Grants and Contributions | 386,656 | 2.5% | 267,175 | 1.8% |
| Capital Grants and Contributions | 5,144,712 | 33.0% | 6,308,861 | 42.2% |
| Miscellaneous | 804,990 | 5.2% | 343,655 | 2.3% |
| | <u>\$ 15,612,577</u> | <u>100.0%</u> | <u>\$ 14,965,544</u> | <u>100.0%</u> |

Financial Analysis of the County's Funds

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

Governmental Funds

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

At the end of 2024, the County's governmental funds reported combined ending fund balances of \$33.8 million, an increase of \$4.0 million for the year. At the end of 2024, the County's governmental funds reported combined *restricted fund balances* of \$12.5 million. This represents amounts that can only be spent for specific purposes as stipulated by external resource providers or by enabling legislation. The County's governmental funds reported combined *assigned fund balances* of \$6.6 million. *Unassigned fund balances* totaled \$8.6 million and are available for spending. The remainder of the fund balances are *non-spendable* to indicate that they are not available for spending: 1) for prepaids and inventories (\$323 thousand); and 2) for advances to other funds (\$5.7 million).

**DESOTO COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

The General Fund is the chief operating fund of the County. At the end of 2024, unassigned fund balance of the General Fund was \$14.3 million, while total fund balance reached \$24 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 20.6% of the total General Fund expenditures and other uses, while total fund balance represents 34.6% of the same amount. During 2024, the fund balance of the General Fund decreased by \$2.2 million primarily due to decreases in intergovernmental revenues.

The County Transportation Fund reported an increase in fund balance of \$1.2 million during 2024, resulting in an ending fund balance of \$3.2 million.

The Fire and EMS Fund reported an increase in fund balance of \$688 thousand during 2024, compared to an increase of \$9 thousand in 2023. The fund balance is in a positive position of \$2.5 million at September 30, 2024. Revenues and expenditures were consistent from 2023 to 2024. The increase in change in net position from 2023 is primarily due to an increase in transfers in.

The Hurricane Fund reported an increase in fund balance of \$3.3 million during 2024, resulting in an ending fund balance deficit of (\$5.1) million. This is a result of timing of grant reimbursements for expenditures incurred during the response to Hurricane Ian.

Proprietary Funds

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

The Landfill Fund reported a decrease in net position of \$5.3 million, as compared to a decrease net position of \$2.6 million in 2023. This increase compared to prior year is attributable to an increase in annual landfill closure and post-closure care costs in 2024.

The Water and Sewer Fund reported an increase in net position of \$5.0 million, as compared to an increase net position of \$8.0 million in 2023. Net position increased significantly more in the current year due to large amounts of capital fees related to on-going development within the County.

Unrestricted net position for proprietary funds are as follows:

| Fund | Unrestricted Net Position (Deficit) | |
|-----------------|-------------------------------------|---------------------|
| | 2024 | 2023 |
| Landfill | \$ (7,323,763) | \$ (2,209,815) |
| Water and Sewer | (640,044) | 5,372,859 |
| Total | \$ (7,963,807) | \$ 3,163,044 |

**DESOTO COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

General Fund Budgetary Highlights

A budget versus actual comparison of the operating results of the County's General Fund (excluding the County Officers) can be found in the Required Supplementary Information section of the report. Final budgeted revenues increased from the original budget by \$3.6 million, mostly related to intergovernmental revenues and taxes. As shown below, final budgeted expenditures and transfers out increased by \$3.4 million from the original budget due primarily to an increase in transfers out to other funds and increases in planned public safety projects.

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Difference</u> |
|----------------------|------------------------|----------------------|---------------------|
| General Government | \$ 11,321,030 | \$ 11,802,734 | \$ 481,704 |
| Public Safety | 2,326,319 | 3,337,186 | 1,010,867 |
| Physical Environment | 605,851 | 629,851 | 24,000 |
| Economic Environment | 245,332 | 32,632 | (212,700) |
| Human Services | 2,052,162 | 2,092,570 | 40,408 |
| Culture/Recreation | 2,658,813 | 2,713,453 | 54,640 |
| Debt Service | 25,764 | 25,764 | - |
| Transfers Out | 27,503,926 | 29,484,269 | 1,980,343 |
| | <u>\$ 46,739,197</u> | <u>\$ 50,118,459</u> | <u>\$ 3,379,262</u> |

The General Fund final actual revenues were \$1.7 million less than the final budget. As shown below, the General Fund actual expenditures and transfers out were \$3.7 million less than the final amended budget. The most significant factor was budgeted general government and public safety expenditures of \$1.3M and \$1.1 million, respectively, that were not expended.

General Fund budgeted and actual expenditures and transfers out for 2024 were as follows:

| | <u>Actual Expenditures</u> | <u>Final Budget</u> | <u>Difference</u> |
|----------------------|--------------------------------|----------------------|---------------------|
| General Government | \$ 10,547,630 | \$ 11,802,734 | \$ 1,255,104 |
| Public Safety | 2,211,229 | 3,337,186 | 1,125,957 |
| Physical Environment | 503,740 | 629,851 | 126,111 |
| Economic Environment | 25,118 | 32,632 | 7,514 |
| Human Services | 1,814,263 | 2,092,570 | 278,307 |
| Culture/Recreation | 2,237,079 | 2,713,453 | 476,374 |
| Debt Service | 25,764 | 25,764 | - |
| Transfers Out | 29,033,331 | 29,484,269 | 450,938 |
| | <u>\$ 46,398,154</u> | <u>\$ 50,118,459</u> | <u>\$ 3,720,305</u> |

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, 2024, amounted to \$103.4 million (net of accumulated depreciation and amortization). The total increase in the County's investment in capital assets for the current fiscal year was \$5.8 million or 6.0%. Major capital asset events during 2024 included the following:

DESOTO COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024

- Depreciation expense for governmental activities was \$5.3 million. Capital asset additions were \$11.8 million, including \$7.4 million for various transportation projects, \$1 million in various additions at the Sheriff's Office, and \$3 million for various furniture and equipment additions among other additions.
- Depreciation expense for business-type activities was \$2.2 million. Capital asset additions were \$1.6 million, including \$182,522 for a wheel loader and \$1 million in wastewater treatment rehabilitation and expansions projects among other additions.

Following is a summary of the County's capital assets at the end of 2024 and 2023:

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|-------------------------|----------------------|--------------------------|----------------------|-----------------------|----------------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Land and Easements | \$ 3,886,219 | \$ 3,886,219 | \$ 3,233,640 | \$ 2,464,957 | \$ 7,119,859 | \$ 6,351,176 |
| Construction in Progress | 5,323,452 | 5,064,537 | 965,182 | 4,784,386 | 6,288,634 | 9,848,923 |
| Buildings and Improvements | 32,252,711 | 32,088,826 | 892,303 | 892,303 | 33,145,014 | 32,981,129 |
| Intangibles | 551,756 | 551,756 | 334,101 | 117,338 | 881,857 | 669,094 |
| Machinery and Equipment - Board | 18,415,494 | 16,452,966 | 3,192,371 | 3,179,102 | 21,607,865 | 19,632,068 |
| Machinery and Equipment - Sheriff | 8,964,250 | 8,447,216 | - | - | 8,964,250 | 8,447,216 |
| Right-to-Use Leased Equipment | 196,248 | 196,248 | 13,344,755 | - | 13,541,003 | 196,248 |
| Subscription Assets - Sheriff | 68,520 | 68,520 | 182,525 | - | 251,045 | 68,520 |
| Infrastructure | 63,996,284 | 56,609,483 | - | 13,349,275 | 63,996,284 | 69,958,758 |
| Water Distribution System | - | - | 43,764,683 | 39,748,944 | 43,764,683 | 39,748,944 |
| | <u>133,654,934</u> | <u>123,365,771</u> | <u>65,905,560</u> | <u>64,536,305</u> | <u>199,560,494</u> | <u>187,902,076</u> |
| Less: Accumulated Depreciation/ Amortization | <u>(61,290,156)</u> | <u>(57,427,046)</u> | <u>(34,885,993)</u> | <u>(32,922,839)</u> | <u>(96,176,149)</u> | <u>(90,349,885)</u> |
| Capital Assets, Net | <u>\$ 72,364,778</u> | <u>\$ 65,938,725</u> | <u>\$ 31,019,567</u> | <u>\$ 31,613,466</u> | <u>\$ 103,384,345</u> | <u>\$ 97,552,191</u> |

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

Long-Term Debt

The County's outstanding long-term debt consists of revenue bonds/notes, other notes payable, installment obligations, leases payable, and subscription-based information technology arrangements. At the end of 2024, the County's governmental activities had an increase of \$10,855 in outstanding long-term debt, including the reduction of installment purchases totaling \$158 thousand, reduction of leases payable of \$24 thousand, and reduction in subscription-based information technology arrangements of \$34 thousand, which was offset by additions of installment purchases of \$226 thousand. Business-type activities had a decrease of \$473 thousand in outstanding long-term debt. This activity was the result of debt installment payments of \$210 thousand, principal payments on revenue bonds and notes payable of \$443 thousand, and reduction of installment purchases of \$2 thousand, which was offset by additions of leases payable of \$183 thousand.

Following is a summary of the County's long-term debt at the end of 2024 and 2023:

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|-------------------------|-------------------|--------------------------|---------------------|---------------------|---------------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Revenue Bonds | \$ - | \$ - | \$ 5,397,691 | \$ 5,734,917 | \$ 5,397,691 | \$ 5,734,917 |
| Revenue Notes | - | - | 1,263,343 | 1,368,647 | 1,263,343 | 1,368,647 |
| Installment Purchases | 581,788 | 513,306 | 757,290 | 967,695 | 1,339,078 | 1,481,001 |
| Subscription-Based Information Technology Arrangements | - | 33,720 | - | - | - | 33,720 |
| Leases Payable | 24,817 | 48,724 | 180,474 | - | 205,291 | 48,724 |
| | <u>\$ 606,605</u> | <u>\$ 595,750</u> | <u>\$ 7,598,798</u> | <u>\$ 8,071,259</u> | <u>\$ 8,205,403</u> | <u>\$ 8,667,009</u> |

DESOTO COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024

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

Economic Factors and Next Year's Budgets and Rates

The County's millage rate for general operations was unchanged from 2024 in 2025 at 7.9048 mills. The Law Enforcement M.S.T.U. remained the same in 2025 as in 2024, at 2.4399 mills. Budgets remained conservative with little activity in upcoming capital improvements. The 2025 general fund budget utilizes a surplus of \$3,911,361 to balance.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

DESOTO COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

| | Governmental Activities | Business-Type Activities | Total |
|---|------------------------------------|-------------------------------------|-----------------------|
| Assets | | | |
| Cash and Cash Equivalents | \$ 34,403,251 | \$ 15,383,317 | \$ 49,786,568 |
| Restricted Cash and Cash Equivalents | 711,863 | 24,025,989 | 24,737,852 |
| Accounts Receivable, Net | 1,582,472 | 585,964 | 2,168,436 |
| Special Assessments Receivable | 1,472 | 147 | 1,619 |
| Notes Receivable | 1,375,000 | - | 1,375,000 |
| Lease Receivable | 339,989 | - | 339,989 |
| Internal Balances | (6,226) | 6,226 | - |
| Due from Other Governments | 12,204,902 | 86,079 | 12,290,981 |
| Due from Individuals | 69,517 | - | 69,517 |
| Inventories | 97,737 | 324,367 | 422,104 |
| Prepays | 224,783 | 14,059 | 238,842 |
| Deposits | 80,000 | - | 80,000 |
| Capital Assets - Non-Depreciated/Amortized | 9,209,671 | 4,198,822 | 13,408,493 |
| Capital Assets - Depreciated/Amortized, Net | <u>63,155,107</u> | <u>26,820,745</u> | <u>89,975,852</u> |
| Total Assets | <u>123,449,538</u> | <u>71,445,715</u> | <u>194,895,253</u> |
| Deferred Outflows of Resources | | | |
| Contractual Rights | - | 40,000 | 40,000 |
| Deferred Outflows Related to Pensions | 10,517,646 | 295,172 | 10,812,818 |
| Deferred Outflows Related to OPEB | <u>1,497,738</u> | <u>117,064</u> | <u>1,614,802</u> |
| Total Deferred Outflows of Resources | <u>12,015,384</u> | <u>452,236</u> | <u>12,467,620</u> |
| Total Assets and Deferred Outflows | <u>135,464,922</u> | <u>71,897,951</u> | <u>207,362,873</u> |
| Liabilities | | | |
| Vouchers Payable | 4,108,536 | 920,492 | 5,029,028 |
| Construction Retainage Payable | 56,091 | - | 56,091 |
| Accrued Liabilities | 792,417 | 33,258 | 825,675 |
| Accrued Interest | - | 39,231 | 39,231 |
| Due to Other Governments | 339,820 | - | 339,820 |
| Deposits | 23,368 | 222,882 | 246,250 |
| Unearned Revenue | 7,705,230 | 5,959,094 | 13,664,324 |
| Long-Term Liabilities: | | | |
| Due Within One Year | 951,677 | 705,098 | 1,656,775 |
| Due in More Than One Year | <u>44,173,924</u> | <u>27,105,789</u> | <u>71,279,713</u> |
| Total Liabilities | <u>58,151,063</u> | <u>34,985,844</u> | <u>93,136,907</u> |
| Deferred Inflows of Resources | | | |
| Deferred Inflows Related to Pensions | 3,829,199 | 104,824 | 3,934,023 |
| Deferred Inflows Related to OPEB | 3,788,718 | 233,958 | 4,022,676 |
| Lease Related | <u>319,337</u> | <u>-</u> | <u>319,337</u> |
| Total Deferred Inflows of Resources | <u>7,937,254</u> | <u>338,782</u> | <u>8,276,036</u> |
| Total Liabilities and Deferred Inflows | <u>66,088,317</u> | <u>35,324,626</u> | <u>101,412,943</u> |
| Net Position | | | |
| Net Investment in Capital Assets | 71,702,082 | 23,420,769 | 95,122,851 |
| Restricted for: | | | |
| Capital Expansion Program | - | 21,116,363 | 21,116,363 |
| Transportation | 3,068,847 | - | 3,068,847 |
| Public Safety | 3,296,125 | - | 3,296,125 |
| Economic Development | 4,076,975 | - | 4,076,975 |
| Other Purposes | 2,062,615 | - | 2,062,615 |
| Unrestricted (Deficit) | <u>(14,830,039)</u> | <u>(7,963,807)</u> | <u>(22,793,846)</u> |
| Total Net Position | <u>\$ 69,376,605</u> | <u>\$ 36,573,325</u> | <u>\$ 105,949,930</u> |

See accompanying notes.

DESOTO COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | |
|---|----------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|---------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Total |
| Governmental Activities | | | | | | | |
| General Government | \$ 12,711,714 | \$ 5,328,736 | \$ 25,513,551 | \$ - | \$ 18,130,573 | \$ - | \$ 18,130,573 |
| Public Safety | 28,428,755 | 7,621,867 | 1,656,888 | - | (19,150,000) | - | (19,150,000) |
| Physical Environment | 24,263,877 | 2,275,964 | 20,000 | - | (21,967,913) | - | (21,967,913) |
| Transportation | 2,792,743 | 177,953 | - | 6,344,988 | 3,730,198 | - | 3,730,198 |
| Economic Environment | 3,898,078 | 2,160 | 1,269,889 | - | (2,626,029) | - | (2,626,029) |
| Human Services | 4,594,554 | 23,756 | 235,532 | - | (4,335,266) | - | (4,335,266) |
| Culture and Recreation | 3,475,152 | 295,008 | 49,208 | 174,980 | (2,955,956) | - | (2,955,956) |
| Court-Related | 2,748,429 | 1,487,284 | 340,465 | 500,000 | (420,680) | - | (420,680) |
| Interest on Long-Term Debt | 218,259 | - | - | - | (218,259) | - | (218,259) |
| Total Governmental Activities | 83,131,561 | 17,212,728 | 29,085,533 | 7,019,968 | (29,813,332) | - | (29,813,332) |
| Business-Type Activities | | | | | | | |
| Landfill | 9,920,562 | 4,082,636 | 93,750 | - | - | (5,744,176) | (5,744,176) |
| Water and Sewer | 6,054,592 | 5,193,583 | 292,906 | 5,144,712 | - | 4,576,609 | 4,576,609 |
| Total Business-Type Activities | 15,975,154 | 9,276,219 | 386,656 | 5,144,712 | - | (1,167,567) | (1,167,567) |
| Total | \$ 99,106,715 | \$ 26,488,947 | \$ 29,472,189 | \$ 12,164,680 | (29,813,332) | (1,167,567) | (30,980,899) |
| General Revenues | | | | | | | |
| Taxes: | | | | | | | |
| Property Tax | | | | | | | |
| | | | | | 21,244,595 | - | 21,244,595 |
| Small County Surcharge | | | | | | | |
| | | | | | 4,121,549 | - | 4,121,549 |
| Law Enforcement | | | | | | | |
| | | | | | 5,134,285 | - | 5,134,285 |
| Communications | | | | | | | |
| | | | | | 165,849 | - | 165,849 |
| Tourist Development | | | | | | | |
| | | | | | 170,923 | - | 170,923 |
| Surtax | | | | | | | |
| | | | | | 2,585,778 | - | 2,585,778 |
| Gas and Fuel Taxes | | | | | | | |
| | | | | | 1,459,247 | - | 1,459,247 |
| Franchise Fees | | | | | | | |
| | | | | | 1,745,097 | - | 1,745,097 |
| Inter-Governmental Revenue: | | | | | | | |
| Pari-Mutuel Tax | | | | | | | |
| | | | | | 314,333 | - | 314,333 |
| State Shared Revenue | | | | | | | |
| | | | | | 1,190,285 | - | 1,190,285 |
| Local Shared Revenue | | | | | | | |
| | | | | | 858,293 | - | 858,293 |
| State Sales Tax | | | | | | | |
| | | | | | 4,155,335 | - | 4,155,335 |
| Miscellaneous | | | | | | | |
| | | | | | 542,752 | 818,865 | 1,361,617 |
| Transfers In (Out), Net | | | | | | | |
| | | | | | 1,252 | (1,252) | - |
| Total General Revenues and Transfers | | | | | | | |
| | | | | | 43,689,573 | 817,613 | 44,507,186 |
| Change in Net Position | | | | | | | |
| | | | | | 13,876,241 | (349,954) | 13,526,287 |
| Net Position, Beginning of Year | | | | | | | |
| | | | | | 55,500,364 | 36,923,279 | 92,423,643 |
| Net Position, End of Year | | | | | | | |
| | | | | | \$ 69,376,605 | \$ 36,573,325 | \$ 105,949,930 |

See accompanying notes.

DESOTO COUNTY, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

| | General | County Transportation | Fire and EMS |
|--|----------------------|--------------------------|---------------------|
| Assets | | | |
| Cash and Cash Equivalents | \$ 18,510,162 | \$ 3,514,916 | \$ 2,260,879 |
| Restricted Cash and Cash Equivalents | - | - | - |
| Accounts Receivable, Net | 687,085 | - | 892,677 |
| Special Assessments Receivable | - | - | 1,472 |
| Notes Receivable, Net | - | - | - |
| Lease Receivable | 339,989 | - | - |
| Due from Other Funds | 608,979 | - | 28,052 |
| Due from Other Governments | 1,828,700 | 1,127,555 | 1,294 |
| Due from Individuals | 53,583 | - | - |
| Inventories | 11,876 | 85,861 | - |
| Prepays | 99,284 | 1,966 | 33,229 |
| Deposits | 80,000 | - | - |
| Advances to Other Funds | 5,699,319 | - | - |
| Total Assets | <u>27,918,977</u> | <u>4,730,298</u> | <u>3,217,603</u> |
| Liabilities | | | |
| Vouchers Payable | 1,872,831 | 971,451 | 262,759 |
| Construction Retainage Payable | - | 48,209 | - |
| Accrued Liabilities | 562,950 | 42,008 | 147,050 |
| Due to Other Funds | 55,205 | 122,356 | - |
| Due to Other Governments | 339,820 | - | - |
| Deposits | 17,455 | - | - |
| Unearned Revenues | 200,833 | - | - |
| Advances from Other Funds | - | - | - |
| Total Liabilities | <u>3,049,094</u> | <u>1,184,024</u> | <u>409,809</u> |
| Deferred Inflows | | | |
| Unavailable Revenues | 540,806 | 389,600 | 346,165 |
| Lease Related | 319,337 | - | - |
| Total Deferred Inflows of Resources | <u>860,143</u> | <u>389,600</u> | <u>346,165</u> |
| Fund Balances (Deficits) | | | |
| Non-Spendable: | | | |
| Prepays and Inventories | 111,160 | 87,827 | 33,229 |
| Advances to Other Funds | 5,699,319 | - | - |
| Restricted for: | | | |
| Transportation | - | 3,068,847 | - |
| Economic Development | - | - | - |
| Streetlighting | - | - | - |
| Public Safety | - | - | 2,428,400 |
| Court-Related Services | - | - | - |
| Solid Waste Control Services | - | - | - |
| Debt Service | - | - | - |
| Building Code Enforcement | - | - | - |
| Assigned for: | | | |
| Subsequent Year Budget | 3,911,361 | - | - |
| Construction Projects | - | - | - |
| Unassigned (Deficit) | 14,287,900 | - | - |
| Total Fund Balances (Deficits) | <u>24,009,740</u> | <u>3,156,674</u> | <u>2,461,629</u> |
| Total Liabilities, Deferred Inflows, and Fund Balances (Deficits) | <u>\$ 27,918,977</u> | <u>\$ 4,730,298</u> | <u>\$ 3,217,603</u> |

See accompanying notes.

| Hurricane Fund | Non-Major Governmental Funds | Total Governmental Funds |
|---------------------|------------------------------|--------------------------|
| \$ 543,927 | \$ 9,573,367 | \$ 34,403,251 |
| - | 711,863 | 711,863 |
| - | 2,710 | 1,582,472 |
| - | - | 1,472 |
| - | 1,375,000 | 1,375,000 |
| - | - | 339,989 |
| - | 20,927 | 657,958 |
| 7,680,803 | 1,566,550 | 12,204,902 |
| - | 15,934 | 69,517 |
| - | - | 97,737 |
| - | 90,304 | 224,783 |
| - | - | 80,000 |
| - | - | 5,699,319 |
| <u>8,224,730</u> | <u>13,356,655</u> | <u>57,448,263</u> |
| 239,457 | 762,038 | 4,108,536 |
| - | 7,882 | 56,091 |
| 6,689 | 17,383 | 776,080 |
| - | 486,623 | 664,184 |
| - | - | 339,820 |
| - | 5,913 | 23,368 |
| 5,519,620 | 1,984,777 | 7,705,230 |
| 5,668,671 | 30,648 | 5,699,319 |
| <u>11,434,437</u> | <u>3,295,264</u> | <u>19,372,628</u> |
| 1,923,851 | 809,131 | 4,009,553 |
| - | - | 319,337 |
| <u>1,923,851</u> | <u>809,131</u> | <u>4,328,890</u> |
| - | 90,304 | 322,520 |
| - | - | 5,699,319 |
| - | - | 3,068,847 |
| - | 4,076,975 | 4,076,975 |
| - | 12,632 | 12,632 |
| - | 867,725 | 3,296,125 |
| - | 802,449 | 802,449 |
| - | 1,072 | 1,072 |
| - | 4 | 4 |
| - | 1,246,458 | 1,246,458 |
| - | - | 3,911,361 |
| - | 2,673,574 | 2,673,574 |
| (5,133,558) | (518,933) | 8,635,409 |
| <u>(5,133,558)</u> | <u>9,252,260</u> | <u>33,746,745</u> |
| <u>\$ 8,224,730</u> | <u>\$ 13,356,655</u> | <u>\$ 57,448,263</u> |

See accompanying notes.

DESOTO COUNTY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2024

| | | |
|--|---------------------|--------------------------|
| Total Fund Balances of Governmental Funds | \$ | 33,746,745 |
| Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because: | | |
| Revenues are deferred in governmental funds when both the measurable and available criteria are not met under the modified accrual basis of accounting. Under the full accrual basis of accounting, these revenues would be recognized when earned regardless of when they are received. | | 4,009,553 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$133,654,934, and the accumulated depreciation is \$61,290,156. | | 72,364,778 |
| Net pension liabilities and related deferred outflows and inflows of resources are not due or available in the current period and, therefore, are not recognized in the governmental funds: | | |
| Deferred Outflows | \$ 10,517,646 | |
| Deferred Inflows | (3,829,199) | |
| Net Pension Liability | <u>(34,971,751)</u> | (28,283,304) |
| Long-term liabilities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position. Long-term liabilities at year-end consist of: | | |
| Installment Purchase Obligations | (581,788) | |
| Leases Payable | (24,817) | |
| Interest Payable | (16,337) | |
| Compensated Absences | <u>(1,547,999)</u> | (2,170,941) |
| The other postemployment benefits liability is not recorded in the fund financial statements because it does not utilize current resources: | | |
| Other Postemployment Benefits Liability | (7,999,246) | |
| Deferred Outflows | 1,497,738 | |
| Deferred Inflows | <u>(3,788,718)</u> | (10,290,226) |
| Total Net Position of Governmental Activities | \$ | <u>69,376,605</u> |

See accompanying notes.

DESOTO COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

| | General | County Transportation | Fire and EMS |
|--|----------------------|--------------------------|---------------------|
| Revenues | | | |
| Taxes | \$ 30,666,278 | \$ 1,459,247 | \$ - |
| Special Assessments | - | - | 3,018,718 |
| Permits and Fees | 1,897,736 | 43,054 | 17,597 |
| Intergovernmental Revenues | 9,411,624 | 5,815,163 | 269,770 |
| Charges for Services | 4,349,886 | 47,492 | 1,567,375 |
| Fines and Forfeitures | 231,751 | - | - |
| Miscellaneous Revenues | 1,179,045 | 87,405 | 54,519 |
| Total Revenues | <u>47,736,320</u> | <u>7,452,361</u> | <u>4,927,979</u> |
| Expenditures | | | |
| Current: | | | |
| General Government | 13,863,805 | - | 90,373 |
| Public Safety | 19,265,492 | - | 7,556,183 |
| Physical Environment | 503,740 | - | - |
| Transportation | - | 9,026,130 | - |
| Economic Environment | 25,118 | - | - |
| Human Services | 1,814,263 | - | - |
| Culture and Recreation | 2,237,079 | - | - |
| Court-Related | 1,471,098 | - | - |
| Debt Service: | | | |
| Principal Retirement | 57,627 | 157,668 | - |
| Interest and Fiscal Charges | 1,857 | 20,052 | - |
| (Total Expenditures) | <u>(39,240,079)</u> | <u>(9,203,850)</u> | <u>(7,646,556)</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>8,496,241</u> | <u>(1,751,489)</u> | <u>(2,718,577)</u> |
| Other Financing Sources (Uses) | | | |
| Transfers In | 617,672 | 2,745,863 | 3,406,039 |
| Transfers (Out) | (11,153,573) | (68,826) | - |
| Distributions of Excess Commissions | (253,227) | - | - |
| Financed Purchase | - | 226,150 | - |
| Insurance Proceeds | 62,817 | 35,914 | - |
| Total Other Financing Sources (Uses) | <u>(10,726,311)</u> | <u>2,939,101</u> | <u>3,406,039</u> |
| Net Change in Fund Balances | <u>(2,230,070)</u> | <u>1,187,612</u> | <u>687,462</u> |
| Fund Balances, Beginning of Year, As Restated | <u>26,239,810</u> | <u>1,969,062</u> | <u>1,774,167</u> |
| Fund Balances (Deficits), End of Year | <u>\$ 24,009,740</u> | <u>\$ 3,156,674</u> | <u>\$ 2,461,629</u> |

See accompanying notes.

| Hurricane Fund | Non-Major Governmental Funds | Total Governmental Funds |
|-----------------------|------------------------------------|--------------------------------|
| \$ - | \$ 2,756,701 | \$ 34,882,226 |
| - | 53,596 | 3,072,314 |
| - | 711,491 | 2,669,878 |
| 23,002,185 | 2,289,849 | 40,788,591 |
| - | 3,896,880 | 9,861,633 |
| - | 120,294 | 352,045 |
| 112,085 | 263,131 | 1,696,185 |
| <u>23,114,270</u> | <u>10,091,942</u> | <u>93,322,872</u> |
| - | 488,486 | 14,442,664 |
| 812,100 | 1,579,689 | 29,213,464 |
| 21,770,331 | 2,379,768 | 24,653,839 |
| 19,145 | 581 | 9,045,856 |
| - | 1,622,866 | 1,647,984 |
| - | 2,798,446 | 4,612,709 |
| - | 711,299 | 2,948,378 |
| - | 1,298,383 | 2,769,481 |
| - | - | 215,295 |
| - | - | 21,909 |
| <u>(22,601,576)</u> | <u>(10,879,518)</u> | <u>(89,571,579)</u> |
| <u>512,694</u> | <u>(787,576)</u> | <u>3,751,293</u> |
| 2,637,235 | 2,373,369 | 11,780,178 |
| (18,284) | (538,243) | (11,778,926) |
| - | - | (253,227) |
| - | - | 226,150 |
| 207,759 | 209 | 306,699 |
| <u>2,826,710</u> | <u>1,835,335</u> | <u>280,874</u> |
| 3,339,404 | 1,047,759 | 4,032,167 |
| <u>(8,472,962)</u> | <u>8,204,501</u> | <u>29,714,578</u> |
| <u>\$ (5,133,558)</u> | <u>\$ 9,252,260</u> | <u>\$ 33,746,745</u> |

See accompanying notes.

DESOTO COUNTY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Net Change in Fund Balances - Total Governmental Funds \$ 4,032,167

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

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

| | | |
|-----------------------------|--------------------|-----------|
| Capital Asset Purchases | \$ 11,822,081 | |
| Capital Asset Disposals | (82,776) | |
| Transfers of Capital Assets | (1,921) | |
| Depreciation Expense | <u>(5,311,331)</u> | 6,426,053 |

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

| | | |
|----------------|----------------|----------|
| New Debt | (226,150) | |
| Principal Paid | <u>215,295</u> | (10,855) |

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

| | | |
|-------------------------------|------------------|--------|
| Accrued Interest | (3,915) | |
| Other Postemployment Benefits | 395,176 | |
| Pension Adjustments | (163,927) | |
| Compensated Absences | <u>(202,535)</u> | 24,799 |

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

3,404,077

Change in Net Position of Governmental Activities

\$ 13,876,241

See accompanying notes.

DESOTO COUNTY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2024

| | Business-Type Activities - Enterprise Funds | | |
|---|--|----------------------|----------------------|
| | Landfill | Water/Sewer | |
| | | Utility | Total |
| Assets | | | |
| Current Assets: | | | |
| Cash and Cash Equivalents | \$ 9,049,980 | \$ 6,333,337 | \$ 15,383,317 |
| Accounts Receivable, Net | 111,091 | 474,873 | 585,964 |
| Assessments Receivable | 147 | - | 147 |
| Due from Other Funds | 6,226 | - | 6,226 |
| Due from Other Governments | 47,536 | 38,543 | 86,079 |
| Inventories | - | 324,367 | 324,367 |
| Prepays | 7,415 | 6,644 | 14,059 |
| Restricted Assets: | | | |
| Cash and Cash Equivalents | 20,450 | 241,664 | 262,114 |
| Total Current Assets | 9,242,845 | 7,419,428 | 16,662,273 |
| Non-Current Assets: | | | |
| Restricted Assets: | | | |
| Cash and Cash Equivalents | 2,588,954 | 21,174,921 | 23,763,875 |
| Capital Assets - Non-Depreciated | 795,800 | 3,403,022 | 4,198,822 |
| Capital Assets - Depreciated, Net | 3,506,875 | 23,313,870 | 26,820,745 |
| Total Non-Current Assets | 6,891,629 | 47,891,813 | 54,783,442 |
| Total Assets | 16,134,474 | 55,311,241 | 71,445,715 |
| Deferred Outflows of Resources | | | |
| Contractual Rights | - | 40,000 | 40,000 |
| Deferred Outflows Related to Pensions | 117,946 | 177,226 | 295,172 |
| Deferred Outflows Related to OPEB | 62,453 | 54,611 | 117,064 |
| Total Deferred Outflows of Resources | 180,399 | 271,837 | 452,236 |
| Liabilities | | | |
| Current Liabilities: | | | |
| Vouchers and Contracts Payable | 18,181 | 902,311 | 920,492 |
| Accrued Liabilities | 15,554 | 17,704 | 33,258 |
| Accrued Interest | - | 39,231 | 39,231 |
| Deposits | 20,450 | 202,432 | 222,882 |
| Unearned Revenue | - | 5,959,094 | 5,959,094 |
| Accrued Compensated Absences | 2,724 | 4,252 | 6,976 |
| Notes Payable | 195,022 | 107,730 | 302,752 |
| Bonds Payable | - | 343,187 | 343,187 |
| Leases Payable | 25,633 | - | 25,633 |
| Other Postemployment Benefits | 12,944 | 12,944 | 25,888 |
| Net Pension Liability | 265 | 397 | 662 |
| Total Current Liabilities | 290,773 | 7,589,282 | 7,880,055 |
| Non-Current Liabilities: | | | |
| Accrued Compensated Absences | 24,511 | 38,264 | 62,775 |
| Notes Payable | 562,268 | 1,155,613 | 1,717,881 |
| Bonds Payable | - | 5,054,504 | 5,054,504 |
| Leases Payable | 154,841 | - | 154,841 |
| Net Pension Liability | 402,801 | 605,252 | 1,008,053 |
| Other Postemployment Benefits | 358,458 | 414,890 | 773,348 |
| Accrued Landfill Closure/Post-Closure Costs | 18,334,387 | - | 18,334,387 |
| Total Non-Current Liabilities | 19,837,266 | 7,268,523 | 27,105,789 |
| Total Liabilities | 20,128,039 | 14,857,805 | 34,985,844 |
| Deferred Inflows of Resources | | | |
| Deferred Inflows Related to Pensions | 41,885 | 62,939 | 104,824 |
| Deferred Inflows Related to OPEB | 103,801 | 130,157 | 233,958 |
| Total Deferred Inflows of Resources | 145,686 | 193,096 | 338,782 |
| Net Position | | | |
| Net Investment in Capital Assets | 3,364,911 | 20,055,858 | 23,420,769 |
| Restricted for: | | | |
| Capital Expansion Program | - | 21,116,363 | 21,116,363 |
| Unrestricted (Deficit) | (7,323,763) | (640,044) | (7,963,807) |
| Total Net Position | \$ (3,958,852) | \$ 40,532,177 | \$ 36,573,325 |

See accompanying notes.

DESOTO COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

| | Business-Type Activities - Enterprise Funds | | |
|--|--|----------------------|----------------------|
| | Landfill | Water/Sewer | |
| | | Utility | Total |
| Operating Revenues | | | |
| Charges for Services | \$ 3,354,874 | \$ 5,113,367 | \$ 8,468,241 |
| Special Assessments | 669,158 | - | 669,158 |
| Miscellaneous Operating Revenues | 58,604 | 80,216 | 138,820 |
| Total Operating Revenues | <u>4,082,636</u> | <u>5,193,583</u> | <u>9,276,219</u> |
| Operating Expenses | | | |
| Purchased Water | - | 1,316,644 | 1,316,644 |
| Personnel Services | 585,449 | 855,532 | 1,440,981 |
| Contracted Services | 1,201,054 | 190,457 | 1,391,511 |
| Supplies and Materials | 54,719 | 195,399 | 250,118 |
| Repairs and Maintenance | 169,491 | 1,300,842 | 1,470,333 |
| Other Services and Charges | 100,934 | 157,900 | 258,834 |
| Utilities | 13,150 | 196,988 | 210,138 |
| Depreciation | 476,773 | 1,672,134 | 2,148,907 |
| Amortization | - | 40,000 | 40,000 |
| Provision for Closure and Long-Term Care | 7,293,695 | - | 7,293,695 |
| (Total Operating Expenses) | <u>(9,895,265)</u> | <u>(5,925,896)</u> | <u>(15,821,161)</u> |
| Operating (Loss) | <u>(5,812,629)</u> | <u>(732,313)</u> | <u>(6,544,942)</u> |
| Non-Operating Revenues (Expenses) | | | |
| Operating Grants | 93,750 | 292,906 | 386,656 |
| Interest Income | 198,386 | 384,694 | 583,080 |
| Interest Expense | (25,297) | (128,696) | (153,993) |
| Gain (Loss) on Disposal of Capital Assets | (1,160) | 13,875 | 12,715 |
| Other Non-Operating Revenues | 223,070 | - | 223,070 |
| Total Non-Operating Revenues (Expenses) | <u>488,749</u> | <u>562,779</u> | <u>1,051,528</u> |
| (Loss) Before Transfers and Contributions | <u>(5,323,880)</u> | <u>(169,534)</u> | <u>(5,493,414)</u> |
| Operating Transfers | | | |
| Operating Transfers In | 6,227 | - | 6,227 |
| Operating Transfers (Out) | (1,620) | (5,859) | (7,479) |
| Total Operating Transfers | <u>4,607</u> | <u>(5,859)</u> | <u>(1,252)</u> |
| Capital Contributions | | | |
| Capital Grants | - | 40,906 | 40,906 |
| Capital Contributions | - | 1,921 | 1,921 |
| Capital Fees | - | 5,101,885 | 5,101,885 |
| Total Capital Contributions | <u>-</u> | <u>5,144,712</u> | <u>5,144,712</u> |
| Changes in Net Position | <u>(5,319,273)</u> | <u>4,969,319</u> | <u>(349,954)</u> |
| Net Position, Beginning of Year | <u>1,360,421</u> | <u>35,562,858</u> | <u>36,923,279</u> |
| Total Net Position (Deficit), End of Year | <u>\$ (3,958,852)</u> | <u>\$ 40,532,177</u> | <u>\$ 36,573,325</u> |

See accompanying notes.

DESOTO COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

| | Business-Type Activities - Enterprise Funds | | |
|--|---|----------------------|----------------------|
| | Landfill | Water/Sewer | |
| | | Utility | Total |
| Cash Flows from Operating Activities | | | |
| Receipts from Customers and Users | \$ 4,080,454 | \$ 16,305,702 | \$ 20,386,156 |
| Payments to Suppliers | (1,555,198) | (3,029,293) | (4,584,491) |
| Payments to Employees | (524,083) | (804,234) | (1,328,317) |
| Net Cash Provided by Operating Activities | <u>2,001,173</u> | <u>12,472,175</u> | <u>14,473,348</u> |
| Cash Flows from Non-Capital Financing Activities | | | |
| Transfers from Other Funds | 6,227 | - | 6,227 |
| Transfers to Other Funds | (1,620) | (5,859) | (7,479) |
| Interfund Loans (Repayments) | 1,923 | - | 1,923 |
| Operating Grants | 93,750 | 292,906 | 386,656 |
| Non-Operating Revenue | 175,534 | - | 175,534 |
| Net Cash Provided by Non-Capital Financing Activities | <u>275,814</u> | <u>287,047</u> | <u>562,861</u> |
| Cash Flows from Capital and Related Financing Activities | | | |
| Acquisition/Construction of Capital Assets | (60,152) | (1,311,570) | (1,371,722) |
| Principal Paid | (212,456) | (442,530) | (654,986) |
| Interest Paid | (31,088) | (130,200) | (161,288) |
| Capital Grants | - | 40,906 | 40,906 |
| Proceeds from Sale of Capital Assets | - | 13,875 | 13,875 |
| Net Cash (Used in) Capital and Related Financing Activities | <u>(303,696)</u> | <u>(1,829,519)</u> | <u>(2,133,215)</u> |
| Cash Flows from Investing Activities | | | |
| Interest Received | 198,386 | 384,694 | 583,080 |
| Net Cash Provided by Investing Activities | <u>198,386</u> | <u>384,694</u> | <u>583,080</u> |
| Net Increase in Cash and Cash Equivalents | 2,171,677 | 11,314,397 | 13,486,074 |
| Cash and Cash Equivalents, Beginning of Year | <u>9,487,707</u> | <u>16,435,525</u> | <u>25,923,232</u> |
| Cash and Cash Equivalents, End of Year | <u>\$ 11,659,384</u> | <u>\$ 27,749,922</u> | <u>\$ 39,409,306</u> |

See accompanying notes.

DESOTO COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

| | Business-Type Activities - Enterprise Funds | | |
|---|---|----------------------|----------------------|
| | Water/Sewer | | |
| | Landfill | Utility | Total |
| Cash and Cash Equivalents Classified as: | | | |
| Current Assets | \$ 9,049,980 | \$ 6,333,337 | \$ 15,383,317 |
| Current Assets - Restricted | 20,450 | 241,664 | 262,114 |
| Non-Current Assets - Restricted | 2,588,954 | 21,174,921 | 23,763,875 |
| Total Cash and Cash Equivalents | \$ 11,659,384 | \$ 27,749,922 | \$ 39,409,306 |
| Reconciliation of Operating (Loss) to Net | | | |
| Cash (Used In) Operating Activities: | | | |
| Operating Income (Loss) | \$ (5,812,629) | \$ (732,313) | \$ (6,544,942) |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities: | | | |
| Depreciation | 476,773 | 1,672,134 | 2,148,907 |
| Amortization | - | 40,000 | 40,000 |
| Pension Adjustments | 45,547 | 31,084 | 76,631 |
| OPEB Adjustments | 4,565 | 4,565 | 9,130 |
| Provision for Closure and Post-Closure Capital Fees | 7,293,695 | - | 7,293,695 |
| | - | 5,101,885 | 5,101,885 |
| Change in Assets and Liabilities: | | | |
| Decrease (Increase) in Accounts Receivable | (5,182) | 46,069 | 40,887 |
| Decrease (Increase) in Due from Other Governments | - | 383 | 383 |
| Decrease (Increase) in Inventories | - | (228,109) | (228,109) |
| Decrease (Increase) in Prepaids | (6,077) | (6,644) | (12,721) |
| Increase (Decrease) in Accounts Payable | (9,773) | 563,308 | 553,535 |
| Increase (Decrease) in Accrued Liabilities | 297 | 2,426 | 2,723 |
| Increase (Decrease) in Deposits | 3,000 | 5,070 | 8,070 |
| Increase (Decrease) in Unearned Revenue | - | 5,959,094 | 5,959,094 |
| Increase (Decrease) in Compensated Absences | 10,957 | 13,223 | 24,180 |
| Total Adjustments | 7,813,802 | 13,204,488 | 21,018,290 |
| Net Cash Provided by Operating Activities | \$ 2,001,173 | \$ 12,472,175 | \$ 14,473,348 |

See accompanying notes.

DESOTO COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2024

| | Custodial Funds |
|--|----------------------------|
| Assets | |
| Cash and Cash Equivalents | \$ 1,942,003 |
| Accounts Receivable | 31,607 |
| Due from Other Governments | 3,723 |
| Total Assets | 1,977,333 |
| Liabilities | |
| Due to Other Governments | 650,112 |
| Due to Individuals and Businesses | 55,242 |
| Due to Others | 9,000 |
| Deposits | 47,751 |
| Total Liabilities | 762,105 |
| Net Position | |
| Restricted for: | |
| Individuals, Businesses, and Other Governments | 1,215,228 |
| Total Net Position | \$ 1,215,228 |

See accompanying notes.

DESOTO COUNTY, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2024

| | Custodial Funds |
|---|----------------------------|
| Additions | |
| Fees/Fines Collected for Other Governments | \$ 4,913,691 |
| Deposits and Other Trust Activities | 2,209,173 |
| Property Taxes and Fees Collected for Local Governments | 18,493,057 |
| Tax Certificate Redemptions and Fees Collected for Business and Individuals | 7,750,098 |
| Cash Bonds Collected | 135,901 |
| Fines, Forfeitures, and Fees Collected | 36,323 |
| Evidence Monies Collected | 77,889 |
| Collections from Inmates | 560,636 |
| Interest Income | 11 |
| Total Additions | 34,176,779 |
| Deductions | |
| Fees/Fines Disbursed to Other Governments | 4,853,627 |
| Deposits and Other Trust Activities Disbursed | 2,504,203 |
| Property Taxes and Fees Disbursed to Local Governments | 18,493,057 |
| Tax Certificate Redemptions and Fees Disbursed to Business and Individuals | 7,750,098 |
| Cash Bonds Disbursed | 135,901 |
| Fines, Forfeitures, and Fees Disbursed | 39,471 |
| Evidence Monies Disbursed | 77,913 |
| Inmate Funds Disbursed | 559,509 |
| (Total Deductions) | (34,413,779) |
| Change in Fiduciary Net Position | (237,000) |
| Beginning Net Position | 1,452,228 |
| Ending Net Position | \$ 1,215,228 |

See accompanying notes.

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Note 1 - Summary of Significant Accounting Policies

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

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

A. Reporting Entity

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

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

Other governmental entities who serve all or part of the County's population include the City of Arcadia and the DeSoto County School Board. These entities are autonomous organizations with their own governmental powers and constituencies.

B. Government-Wide and Fund Financial Statements

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

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

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

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

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

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

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The financial transactions of the County are recorded in individual funds. Each fund is accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

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

The County reports the following major governmental funds:

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

The County reports the following major enterprise funds:

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

Additionally, the County reports the following fund types:

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

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

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

D. Budgetary Requirements

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

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

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

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

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

E. Property Taxes

Under Florida law, the assessment of all properties and the collection of all county, municipal, school board, and other property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of Florida regulating tax assessment are also designed to assure a consistent property valuation method statewide. Florida Statutes permit counties to levy property taxes at a rate of up to 10 mills. The tax millage rate for general operations of the County was 7.90480 mills for the fiscal year ended September 30, 2024. The tax millage rate for the law enforcement municipal service taxing unit was 2.4399 mills for the fiscal year ended September 30, 2024.

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

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

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

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

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

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

Key dates in the property tax cycle for the fiscal year ended September 30, 2024, were as follows:

| | |
|--|-------------------|
| Assessment Roll Certified | July 2023 |
| Beginning of Fiscal Year for Which Taxes Were Being Levied | October 2023 |
| Property Taxes Levied | October 2023 |
| Tax Bills Issued | November 1, 2023 |
| Property Taxes Due by: For Maximum Discount | November 30, 2023 |
| Delinquent After | March 31, 2024 |
| Tax Certificates (Liens) Sold on Unpaid Property Taxes | May 15, 2024 |

F. Interfund Transactions

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

G. Interfund Payables and Receivables

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

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H. Cash and Cash Equivalents

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

I. Investments

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

J. Inventories and Prepaids

Inventories are valued at cost, which approximates market value, using the first-in/first-out (FIFO) method. Prepaids represent payments made to vendors for services that will benefit beyond September 30, 2024. These payments are generally recorded as expenditures or expenses when consumed rather than when purchased.

K. Restricted Assets

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

L. Utility Receivables

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

M. Special Assessment Receivables

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

N. Capital Assets

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

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

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

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

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

O. Deferred Outflows/Deferred Inflows

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

P. Compensated Absences

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

Q. Landfill Closure Costs

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

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R. Long-Term Obligations

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

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

S. Leases

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

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

T. Subscription-Based Information Technology Arrangements (SBITAs)

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

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

U. OPEB

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

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V. Florida Retirement System

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

W. Unearned Revenues/Unavailable Revenues

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

X. Grant Revenues

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

Y. Fund Balance and Net Position

Government-Wide Statements

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

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

Proprietary Fund Statements

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

Governmental Fund Financial Statements

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

- *Non-Spendable Fund Balance*—Represents fund balance that is: (a) not in a spendable form such as prepaid items; or (b) legally or contractually required to be maintained intact such as an endowment.

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

Minimum Fund Balance Policy

The County’s fund balance policy states that “a minimum fund balance shall be established that may be provided for the purpose of paying expenses from October 1 of the ensuing fiscal year until the time when revenues for that year are expected to be available. This minimum fund balance shall accumulate to an amount which represents no less than two (2) months of operating and debt expenditures. Upon accumulation, this minimum fund balance shall be maintained; however, when possible, increase to a goal of three (3) months. Recognizing that the minimum of the two (2) months of operating and debt expenditures may not be accomplished immediately, the County Administrator will provide annually one-half of one percent of projected expenditures until the two (2) month target is reached. The minimum fund balance may not exceed 20 percent of the total revenues and balances of the budget.” The policy requirements have been met as of September 30, 2024.

Use of Available Equity

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

Z. New Accounting Pronouncement

During the fiscal year, the County adopted GASB Statement No. 100, *Accounting Changes and Error Corrections*. The statement enhances accounting and financial reporting requirements for accounting changes and error corrections. The statement defines accounting changes as: (a) changes in accounting principles, (b) changes in accounting estimates, or (c) changes to or within the financial reporting entity,

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each with its own financial reporting requirements. Disclosure requirements include description of accounting changes and error corrections and their quantitative effects on account balances. See Note 16 for further information regarding changes which were required to be disclosed under this standard.

Note 2 - Deposits/Investments

A. Deposits

At September 30, 2024, the carrying amount of the County's deposits, including agency funds, was \$76,446,813 (and \$19,610 in cash on hand). All of the County's public deposits are held in qualified public depositories pursuant to Florida Statutes, Chapter 280. Qualified public depositories are required to pledge collateral to the State Treasurer with a market value equal to 50% of the average daily balance of all public deposits in excess of any federal deposit insurance. In addition, to the extent that total public deposits exceed the total amount of the regulatory capital accounts of a bank or the regulatory net worth of a savings association, the required collateral shall have a market value equal to 125% of the deposits.

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

B. Restricted Cash

Following is a summary of restricted cash and cash equivalents at September 30, 2024:

| | Governmental Funds | Proprietary Funds |
|--|-------------------------------|------------------------------|
| Major Funds: | | |
| Landfill - Closure/Post-Closure | \$ - | \$ 2,588,954 |
| Landfill - Deposits | - | 20,450 |
| Water/Sewer Utility - Wastewater Impact Fees | - | 21,174,922 |
| Water/Sewer Utility - Deposits | - | 202,432 |
| Water/Sewer Utility - Accrued Interest | - | 39,231 |
| Special Revenue Fund - Court Fees Fund | <u>711,863</u> | <u>-</u> |
| Total | \$ 711,863 | \$ 24,025,989 |

Note 3 - Interfund Receivables, Payables, and Transfers

The composition of short-term interfund balances as of September 30, 2024, is as follows:

| | Due to Other Funds | Due from Other Funds | Purpose |
|---------------------------------|-----------------------|-------------------------|--|
| Governmental Funds | | | |
| General Fund (GF) | \$ 55,205 | \$ 608,979 | Receivables are primarily for grant expenditures. Payables were for excess fees and reimbursements. |
| County Transportation | 122,356 | - | Payables are for grant-related road projects. |
| Fire and EMS | - | 28,052 | Receivables are for excess tax collector fees. |
| Non-Major Special Revenue Funds | 43,726 | 20,927 | Payables are for on-going grant projects. Receivables are reimbursements for expenditures. |
| Non-Major Capital Project Funds | 442,897 | - | Payables are for on-going capital improvement projects. |
| Enterprise Funds | | | |
| Landfill | - | 6,226 | Receivables are for excess tax collector fees. |
| | <u>\$ 664,184</u> | <u>\$ 664,184</u> | |

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The composition of interfund advances as of September 30, 2024, is as follows:

| | Advances to Other Funds | Advances from Other Funds | Purpose |
|-------------------|-------------------------------|---------------------------------|--|
| General Fund (GF) | \$ 5,699,319 | \$ - | Loans to non-major special revenue funds for cash shortages. |
| Hurricane Fund | - | 5,668,671 | Loan to Hurricane for cash shortage. |
| Non-Major Funds | - | 30,648 | Loans from the General Fund for cash shortages. |
| | <u>\$ 5,699,319</u> | <u>\$ 5,699,319</u> | |

Interfund transfers consist of the following:

| | Transfers In | Transfers Out | Purpose |
|----------------------------|----------------------|----------------------|--|
| Governmental Funds | | | |
| General Fund | \$ 617,672 | \$ 11,153,573 | Transfers in were mainly from various grants and related programs. Transfers out were mainly to fund projects and operations across funds. |
| County Transportation | 2,745,863 | 68,826 | Transfers in are for funding transportation projects. Transfers out were primarily for debt service. |
| Fire and EMS | 3,406,039 | - | Transfers in were mainly to fund emergency services. |
| Hurricane | 2,637,235 | 18,284 | Transfers in were primarily related to grant activities. |
| Non-Major Special Revenue | 617,703 | 538,213 | Transfers out were primarily for reimbursements. Transfers in were primarily for program costs. |
| Non-Major Capital Projects | 1,755,666 | 30 | Transfers in were to fund on-going capital projects. |
| Enterprise Funds | | | |
| Landfill | 6,227 | 1,620 | Transfers in are from Constitutional Officers and transfers out are for program costs. |
| Water/Sewer Utility | - | 5,859 | Transfers out are for program costs. |
| | <u>\$ 11,786,405</u> | <u>\$ 11,786,405</u> | |

Note 4 - Other Receivables

Following is a summary of other receivables balances at September 30, 2024:

| | Accounts | Special Assessments | Notes | Lease | Total |
|---------------------------------|---------------------|------------------------|---------------------|-------------------|---------------------|
| Governmental Funds | | | | | |
| General Fund | \$ 687,085 | \$ - | \$ - | \$ 339,989 | \$ 1,027,074 |
| Fire and EMS | 1,460,661 | 1,472 | - | - | 1,462,133 |
| Non-Major Special Revenue | 2,710 | - | 9,558,884 | - | 9,561,594 |
| (Less Allowance) | (567,984) | - | (8,183,884) | - | (8,751,868) |
| Total Governmental Funds | <u>1,582,472</u> | <u>1,472</u> | <u>1,375,000</u> | <u>339,989</u> | <u>3,298,933</u> |
| Enterprise Funds | | | | | |
| Landfill | 111,282 | 147 | - | - | 111,429 |
| Water/Sewer Utility | 487,098 | - | - | - | 487,098 |
| (Less Allowance) | (12,416) | - | - | - | (12,416) |
| Total Enterprise Funds | <u>585,964</u> | <u>147</u> | <u>-</u> | <u>-</u> | <u>586,111</u> |
| Fiduciary Funds | <u>31,607</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>31,607</u> |
| Totals | <u>\$ 2,200,043</u> | <u>\$ 1,619</u> | <u>\$ 1,375,000</u> | <u>\$ 339,989</u> | <u>\$ 3,916,651</u> |

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The entire balance of notes receivable at September 30, 2024, is non-current. All other net receivables above are considered to be current.

Notes Receivable

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

Water/Sewer Utility Accounts Receivable

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

Lease Receivable

The County leases land and office space to third parties. As of September 30, 2024, the County's lease receivables were valued at \$339,989 and the deferred inflow of resources associated with these leases that will be recognized as revenue over the term of the leases is \$319,337. Included in revenue is lease revenue of \$19,755 and interest revenue from leases of \$8,988.

The lease receivables for Governmental Activities as of September 30, 2024, are as follows:

| | | |
|---|----|---------|
| Land Lease – annual lease payments totaling \$13,200 plus interest at a rate of 2.56%, maturing in 2052. | \$ | 333,771 |
| Office Space Lease – annual lease payments totaling \$10,692 plus interest at rates ranging of 0.92%, maturing in 2025. | \$ | 6,218 |

Note 5 - Capital Assets

A. Changes in Capital Assets

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

| | Beginning Balance 10/01/2023 | Additions | Transfers | Disposals | Ending Balance 9/30/2024 |
|--|------------------------------------|---------------------|--------------------|--------------------|--------------------------------|
| Governmental Activities | | | | | |
| Capital Assets, Not Depreciated/Amortized: | | | | | |
| Land and Easements | \$ 3,886,219 | \$ - | \$ - | \$ - | \$ 3,886,219 |
| Construction in Progress | 5,064,537 | 7,459,153 | (7,200,238) | - | 5,323,452 |
| Total Capital Assets, Not Depreciated/Amortized | 8,950,756 | 7,459,153 | (7,200,238) | - | 9,209,671 |
| Capital Assets, Depreciated/Amortized: | | | | | |
| Buildings and Improvements | 32,088,826 | 163,885 | - | - | 32,252,711 |
| Intangibles | 551,756 | - | - | - | 551,756 |
| Machinery and Equipment - Board | 16,452,966 | 3,037,884 | (15,367) | (1,059,989) | 18,415,494 |
| Machinery and Equipment - Sheriff | 8,447,216 | 974,596 | - | (457,562) | 8,964,250 |
| Right-to-Use Leased Equipment | 196,248 | - | - | - | 196,248 |
| Subscription Assets - Sheriff | 68,520 | - | - | - | 68,520 |
| Infrastructure | 56,609,483 | 186,563 | 7,200,238 | - | 63,996,284 |
| Total Capital Assets, Depreciated/Amortized | 114,415,015 | 4,362,928 | 7,184,871 | (1,517,551) | 124,445,263 |
| Less Accumulated Depreciation/Amortization for: | | | | | |
| Buildings and Improvements | (21,246,098) | (1,037,328) | - | - | (22,283,426) |
| Intangibles | (551,756) | - | - | - | (551,756) |
| Machinery and Equipment - Board | (10,373,318) | (1,094,006) | 13,446 | 988,436 | (10,465,442) |
| Machinery and Equipment - Sheriff | (5,042,923) | (968,538) | - | 446,339 | (5,565,122) |
| Right-to-Use Leased Equipment | (130,832) | (24,531) | - | - | (155,363) |
| Subscription Assets - Sheriff | (2,855) | (34,260) | - | - | (37,115) |
| Infrastructure | (20,079,264) | (2,152,668) | - | - | (22,231,932) |
| Total Accumulated Depreciation/Amortization | (57,427,046) | (5,311,331) | 13,446 | 1,434,775 | (61,290,156) |
| Total Capital Assets, Depreciated/Amortized | 56,987,969 | (948,403) | 7,198,317 | (82,776) | 63,155,107 |
| Governmental Activities Capital Assets | \$ 65,938,725 | \$ 6,510,750 | \$ (1,921) | \$ (82,776) | \$ 72,564,778 |

DESOTO COUNTY, FLORIDA
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The following is a summary of governmental activities depreciation expense by function:

| Depreciation/Amortization Expense by Function | |
|--|---------------------|
| Governmental Activities | |
| General Government | \$ 442,368 |
| Public Safety (Board) | 733,468 |
| Public Safety (Sheriff) | 1,002,798 |
| Physical Environment | 19,908 |
| Economic Environment | 333 |
| Transportation | 2,254,712 |
| Human Services | 7,494 |
| Culture/Recreation | 836,129 |
| Court Services | 14,121 |
| Total Depreciation Expense | |
| Governmental Activities | \$ 5,311,331 |

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

| | Beginning Balance 10/01/2023 | Additions | Transfers | Disposals | Ending Balance 9/30/2024 |
|--|------------------------------------|---------------------|--------------------|-------------------|--------------------------------|
| Landfill Fund | | | | | |
| Capital Assets, Not Depreciated: | | | | | |
| Land | \$ 768,683 | - | - | - | \$ 768,683 |
| Construction in Progress | - | 27,117 | - | - | 27,117 |
| Total Capital Assets, Not Depreciated | 768,683 | 27,117 | - | - | 795,800 |
| Capital Assets, Depreciated: | | | | | |
| Buildings and Improvements | 245,520 | - | - | - | 245,520 |
| Infrastructure | 10,638,588 | - | - | - | 10,638,588 |
| Intangibles | 48,471 | - | - | - | 48,471 |
| Machinery and Equipment | 2,188,318 | 33,035 | (5,589) | (14,177) | 2,201,587 |
| Right-to-Use Leased Equipment | - | 182,525 | - | - | 182,525 |
| Total Capital Assets, Depreciated | 13,120,897 | 215,560 | (5,589) | (14,177) | 13,316,691 |
| Less Accumulated Depreciation for: | | | | | |
| Buildings and Improvements | (206,661) | (9,818) | - | - | (216,479) |
| Infrastructure | (8,217,063) | (283,252) | - | - | (8,500,315) |
| Intangibles | (10,656) | (12,118) | - | - | (22,774) |
| Machinery and Equipment | (917,269) | (169,014) | 5,589 | 13,017 | (1,067,677) |
| Right-to-Use Leased Equipment | - | (2,571) | - | - | (2,571) |
| Total Accumulated Depreciation | (9,351,649) | (476,773) | 5,589 | 13,017 | (9,809,816) |
| Total Capital Assets, Depreciated | 3,769,248 | (261,213) | - | (1,160) | 3,506,875 |
| Landfill Capital Assets | \$ 4,537,931 | \$ (234,096) | \$ - | \$ (1,160) | \$ 4,302,675 |
| | | | | | |
| | Beginning Balance 10/01/2023 | Additions | Transfers | Disposals | Ending Balance 9/30/2024 |
| Water/Sewer Utility | | | | | |
| Capital Assets, Not Depreciated: | | | | | |
| Land and Easements | \$ 2,464,957 | - | - | - | \$ 2,464,957 |
| Construction in Progress | 4,015,703 | 938,101 | (4,015,739) | - | 938,065 |
| Total Capital Assets, Not Depreciated | 6,480,660 | 938,101 | (4,015,739) | - | 3,403,022 |
| Capital Assets, Depreciated: | | | | | |
| Buildings and Improvements | 646,783 | - | - | - | 646,783 |
| Infrastructure | 2,710,687 | - | - | (4,520) | 2,706,167 |
| Intangibles | 68,867 | 373,469 | 20,956 | (181,662) | 281,630 |
| Machinery and Equipment | 990,784 | - | - | - | 990,784 |
| Water Distribution System | 39,748,944 | - | 4,015,739 | - | 43,764,683 |
| Total Capital Assets, Depreciated | 44,166,065 | 373,469 | 4,036,695 | (186,182) | 48,390,047 |
| Less Accumulated Depreciation for: | | | | | |
| Buildings and Improvements | (571,183) | (34,066) | - | - | (605,249) |
| Infrastructure | (1,126,856) | (2,616) | - | 4,520 | (1,124,952) |
| Intangibles | (54,358) | (112,184) | (19,035) | 181,662 | (3,915) |
| Machinery and Equipment | (605,069) | (117,126) | - | - | (722,195) |
| Water Distribution System | (21,213,724) | (1,406,142) | - | - | (22,619,866) |
| Total Accumulated Depreciation | (23,571,190) | (1,672,134) | (19,035) | 186,182 | (25,076,177) |
| Total Capital Assets, Depreciated | 20,594,875 | (1,298,665) | 4,017,660 | - | 23,313,870 |
| Water/Sewer Utility Capital Assets | \$ 27,075,535 | \$ (360,564) | \$ 1,921 | \$ - | \$ 26,716,892 |

DESOTO COUNTY, FLORIDA
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The following is a summary of business-type activities depreciation expense by activity:

| Depreciation Expense by Activity | |
|---|---------------------|
| Business-Type Activities | |
| Landfill | \$ 476,773 |
| Water/Sewer Utility | 1,672,134 |
| Total Depreciation | |
| Expense Business-Type Activities | \$ 2,148,907 |

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

| | Governmental | Business-Type | Total |
|--|----------------------|----------------------|----------------------|
| Land and Easements | \$ 3,886,219 | \$ 3,233,640 | \$ 7,119,859 |
| Construction in Progress | 5,323,452 | 965,182 | 6,288,634 |
| Capital Assets - Non-Depreciable/Amortized | <u>\$ 9,209,671</u> | <u>\$ 4,198,822</u> | <u>\$ 13,408,493</u> |
| | | | |
| Buildings and Improvements | \$ 32,252,711 | \$ 892,303 | \$ 33,145,014 |
| Intangibles | 551,756 | 330,101 | 881,857 |
| Machinery and Equipment - Board | 18,415,494 | 3,192,371 | 21,607,865 |
| Machinery and Equipment - Sheriff | 8,964,250 | - | 8,964,250 |
| Infrastructure | 63,996,284 | 13,344,755 | 77,341,039 |
| Right-to-Use Leased Equipment | 196,248 | 182,525 | 378,773 |
| Subscription Assets - Sheriff | 68,520 | - | 68,520 |
| Water Distribution System | - | 43,764,683 | 43,764,683 |
| | <u>124,445,263</u> | <u>61,706,738</u> | <u>186,152,001</u> |
| (Less Accumulated Depreciation/Amortization) | (61,290,156) | (34,885,993) | (96,176,149) |
| Capital Assets - Depreciated/Amortized | <u>\$ 63,155,107</u> | <u>\$ 26,820,745</u> | <u>\$ 89,975,852</u> |

B. Commitments

The following is a summary of major construction commitments remaining at fiscal year-end:

| Project/Description | Contract Amount | Expended as of September 30, 2024 | Remaining Commitment |
|----------------------------|------------------------|--|-----------------------------|
| Wastewater Expansion | \$ 4,670,175 | \$ 3,409,397 | \$ 1,260,778 |
| Welles Sidewalk | 588,357 | 324,000 | 264,357 |
| Welles Avenue CR 760A | 456,024 | 553 | 455,471 |

Note 6 - Long-Term Debt

A. Schedule of Changes in Long-Term Debt

The County's outstanding long-term debt includes bonds payable, notes payable, installment purchases, leases, SBITAs, compensated absences, OPEB, net pension liability, and accrued landfill closure costs. The following is a schedule of changes in the County's long-term debt for the fiscal year ended September 30, 2024:

DESOTO COUNTY, FLORIDA
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| | Balance 9/30/23 | Additions | Reductions | Balance 9/30/24 | Due Within One Year | Long-Term Portion |
|--|----------------------|---------------------|-----------------------|----------------------|------------------------|----------------------|
| Governmental Activities | | | | | | |
| Installment Purchases* | \$ 513,306 | \$ 226,150 | \$ (157,668) | \$ 581,788 | \$ 153,348 | \$ 428,440 |
| Subscription-Based IT Arrangements - Sheriff | 33,720 | - | (33,720) | - | - | - |
| Leases Payable | 48,724 | - | (23,907) | 24,817 | 24,817 | - |
| Long-Term Debt - At Par | 595,750 | 226,150 | (215,295) | 606,605 | 178,165 | 428,440 |
| Other Long-Term Obligations | | | | | | |
| Other Postemployment Benefits Liability | 7,340,551 | 1,252,771 | (594,076) | 7,999,246 | 589,876 | 7,409,370 |
| Compensated Absences: | | | | | | |
| Board | 619,959 | 594,344 | (508,445) | 705,858 | 70,586 | 635,272 |
| Clerk | 49,260 | 34,758 | (43,360) | 40,658 | 4,066 | 36,592 |
| Property Appraiser | 40,338 | 30,954 | (21,590) | 49,702 | 4,970 | 44,732 |
| Sheriff | 628,638 | 118,257 | - | 746,895 | 74,690 | 672,205 |
| Supervisor | 2,500 | 6,300 | (8,300) | 500 | 500 | - |
| Tax Collector | 4,769 | 29,760 | (30,143) | 4,386 | 4,386 | - |
| Net Pension Liability | 35,111,166 | 269,865 | (409,280) | 34,971,751 | 24,438 | 34,947,313 |
| Governmental Activities Long-Term Liabilities | \$ 44,392,931 | \$ 2,563,159 | \$ (1,830,489) | \$ 45,125,601 | \$ 951,677 | \$ 44,173,924 |

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

| | Balance 9/30/23 | Additions | Reductions | Balance 9/30/24 | Due Within One Year | Long-Term Portion |
|---|----------------------|---------------------|---------------------|----------------------|------------------------|----------------------|
| Business-Type Activities | | | | | | |
| Bonds and Notes Payable: | | | | | | |
| Revenue Bonds | \$ 5,734,917 | \$ - | \$ (337,226) | \$ 5,397,691 | \$ 343,187 | \$ 5,054,504 |
| Notes Payable* | 1,368,647 | - | (105,304) | 1,263,343 | 107,730 | 1,155,613 |
| Leases Payable | - | 182,525 | (2,051) | 180,474 | 25,633 | 154,841 |
| Installment Purchases* | 967,695 | - | (210,405) | 757,290 | 195,022 | 562,268 |
| Total Long-Term Debt | 8,071,259 | 182,525 | (654,986) | 7,598,798 | 671,572 | 6,927,226 |
| Other Long-Term Obligations | | | | | | |
| Landfill Closure Costs | 11,040,692 | 7,293,695 | - | 18,334,387 | - | 18,334,387 |
| Other Postemployment Benefits Liability | 741,732 | 57,504 | - | 799,236 | 25,888 | 773,348 |
| Compensated Absences | 45,570 | 51,355 | (27,174) | 69,751 | 6,976 | 62,775 |
| Net Pension Liability | 951,497 | 57,218 | - | 1,008,715 | 662 | 1,008,053 |
| Business-Type Activities Long-Term Liabilities | \$ 20,850,750 | \$ 7,642,297 | \$ (682,160) | \$ 27,810,887 | \$ 705,098 | \$ 27,105,789 |

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

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

B. Governmental Debt Payable

Debt outstanding at September 30, 2024, consists of the following for governmental activities:

| Governmental Activities | Purpose of Issue | Loan Amount | Amount Outstanding | Interest Rate |
|--|------------------|-------------|--------------------|---------------|
| Installment Notes: | Various | | | |
| Lease to Own* | County | | | |
| (Matures 2027) | Equipment | \$ 631,150 | \$ 581,788 | 2.15% - 3.09% |
| Leases Payable: | Dominion | | | |
| Equipment Lease | Voting System | | | |
| (Matures 2025) | Equipment | 196,248 | 24,817 | 3.81% |
| Total Governmental Activities Notes Payable | | | \$ 606,605 | |

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

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

Bonds and notes/loans outstanding at September 30, 2024, consist of the following for business-type activities:

| Business-Type Activities | Purpose of Issue | Loan Amount | Amount Outstanding | Interest Rate |
|---|--|--------------------|---------------------------|----------------------|
| Revenue Bonds: | | | | |
| Water and Wastewater Refunding System Revenue Bond, Series 2022 (Matures 2038) | Refund the Outstanding U.S. Department of Agriculture Loan | \$ 7,080,000 | \$ 5,397,691 | 3.80% |
| Notes Payable: | | | | |
| State Revolving Fund Loans* (Matures 2035) | Wastewater System Improvements DP63904S | 2,900,528 | 1,263,343 | 2.29% |
| Leases Payable: | | | | |
| Equipment Lease (Matures 2030) | Wheel Loader | 182,525 | 180,474 | 7.49% |
| Installment Notes: | | | | |
| Caterpillar Financial* (Matures 2024-2029) | Compactor #2 | 824,316 | 662,539 | 3.63% |
| | Dozer | 199,747 | <u>94,751</u> | 3.63% |
| Total Business-Type Activities - Bonds and Notes Payable | | | <u>\$ 7,598,798</u> | |

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

The Water and Wastewater System Refunding Revenue Bond, Series 2022 (the 2022 Bond) is payable solely from and secured by a senior lien on, and pledge of, the net revenue of the water and wastewater systems, and is payable through 2038. A legislative appropriation of \$957,000 was awarded to the County in 2016 to offset the principal balances. The obligation was incurred to refund a prior obligation of the County. The total principal and interest remaining to be repaid on the bond is \$6,113,564. Debt service for 2024 was \$436,683. Pledged revenues of the water/wastewater system for 2024 were \$6,076,109. In the event of default, the lender has the right to take whatever legal actions are necessary to collect the amounts due.

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

The final maturity of SRF loan #DP63904S is in 2035. The total principal and interest remaining to be repaid on the loan is \$1,428,494. Debt service for 2024 was \$136,047. Pledged revenues of the water/wastewater system for 2024 were \$6,460,803.

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

Debt Service Requirements

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

| Fiscal Year | Governmental Activities | |
|-------------|-------------------------|------------------|
| | Direct Borrowings | |
| | Principal | Interest |
| 2025 | \$ 153,348 | \$ 24,372 |
| 2026 | 159,374 | 18,346 |
| 2027 | 165,682 | 12,038 |
| 2028 | 103,384 | 5,434 |
| | <u>\$ 581,788</u> | <u>\$ 60,190</u> |

| Fiscal Year | Business Type Activities | | | |
|-------------|--------------------------|-------------------|---------------------|-------------------|
| | Revenue Bonds | | Direct Borrowings | |
| | Principal | Interest | Principal | Interest |
| 2025 | \$ 343,187 | \$ 93,496 | \$ 302,752 | \$ 45,642 |
| 2026 | 349,254 | 87,429 | 212,874 | 38,000 |
| 2027 | 355,428 | 81,255 | 217,861 | 33,013 |
| 2028 | 361,711 | 74,972 | 222,966 | 27,908 |
| 2029 | 368,105 | 68,578 | 364,874 | 19,880 |
| 2030-2034 | 1,940,464 | 242,953 | 632,050 | 48,183 |
| 2035-2039 | 1,679,542 | 67,190 | 67,256 | 770 |
| | <u>\$ 5,397,691</u> | <u>\$ 715,873</u> | <u>\$ 2,020,633</u> | <u>\$ 213,396</u> |

C. Landfill Closure and Post-Closure Care Costs

The County has adopted a policy based on U.S. Environmental Protection Agency rules and in accordance with Florida law, to set aside funds for the closure and post-closure care costs of its current landfill. At September 30, 2024, the County had \$2,588,954 in restricted cash and investments in the landfill fund for these purposes. The shortfall between the escrow balance and the statutorily required amount to be set aside for closure is \$1,856,701.

Accounting rules require the recording of a liability for the estimated future costs (in current dollars) for all landfill closure and post-closure care costs attributable to the portion of the landfill capacity filled to-date (state laws require post-closure monitoring of closed landfills for thirty years). The County's estimate of future costs was based on their consulting engineer's report and the County's estimated remaining landfill capacity. As of September 30, 2024, the County has recognized \$18,334,387, or approximately 80% of the remaining estimated closure and post-closure care totaling \$22,958,830. The following table summarizes the estimated remaining closure costs and post-closure costs, and costs incurred through September 30, 2024, by zone:

DESOTO COUNTY, FLORIDA
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| Zone | Remaining Closure Costs | Remaining Post-Closure Costs | Remaining Total Costs | Percent Filled | Total Liability Relative to Costs | Closing Costs Paid To-Date | Remaining To Be Paid |
|------|-------------------------|------------------------------|-----------------------|----------------|-----------------------------------|----------------------------|----------------------|
| 1 | \$ - | \$ 2,617,084 | \$ 2,617,084 | 100.00% | \$ 2,617,084 | \$ - | \$ 2,617,084 |
| 2 | - | 2,209,982 | 2,209,982 | 100.00% | 2,209,982 | - | 2,209,982 |
| 3 | - | 3,024,186 | 3,024,186 | 100.00% | 3,024,186 | - | 3,024,186 |
| 4 | 3,631,588 | 4,245,492 | 7,877,080 | 97.20% | 7,656,522 | (716,331) | 6,940,191 |
| 5 | 2,868,691 | 4,361,807 | 7,230,498 | 49.00% | 3,542,944 | - | 3,542,944 |
| | <u>\$ 6,500,279</u> | <u>\$ 16,458,551</u> | <u>\$ 22,958,830</u> | 83.0% | <u>\$ 19,050,718</u> | <u>\$ (716,331)</u> | <u>\$ 18,334,387</u> |

The accrued closure and post-closure care costs are \$18,334,387 at September 30, 2024, and have been accrued as a liability on the statement of net position - proprietary funds of the landfill fund.

D. Lease Payable

The County is a lessee for an eight-year non-cancellable lease agreement of voting equipment through 2026. As of September 30, 2024, the value of the lease liability was \$24,817. The County is required to make annual principal and interest payments of \$25,764. The lease has an interest rate of 3.81%. The equipment originally had an eight-year estimated useful life, of which approximately one year remains. The value of the right-of-use asset as of the end of the fiscal year was \$196,248 and had accumulated depreciation of \$155,363.

During 2024, the County entered into a new agreement as a lessee for a Wheel Loader in the Landfill Fund. The lease is for a six-year non-cancellable agreement with monthly payments of \$3,190 and an interest rate of 7.49%. The equipment has an expected useful life approximating the lease term of six years. As of September 30, 2024, the value of the lease liability was \$180,474. The value of the right-of-use asset as of the end of the fiscal year was \$182,525 and had accumulated depreciation of \$2,571.

The future principal and interest lease payments as of September 30, 2024, were as follows:

| Fiscal Year | Governmental Activities | | Business-Type Activities | |
|-------------|-------------------------|---------------|--------------------------|------------------|
| | Direct Borrowings | | Direct Borrowings | |
| | Principal | Interest | Principal | Interest |
| 2025 | \$ 24,817 | \$ 947 | \$ 25,633 | \$ 12,649 |
| 2026 | - | - | 27,621 | 10,662 |
| 2027 | - | - | 29,762 | 8,521 |
| 2028 | - | - | 32,069 | 6,214 |
| 2029 | - | - | 34,555 | 3,727 |
| Thereafter | - | - | 30,834 | 1,509 |
| | <u>\$ 24,817</u> | <u>\$ 947</u> | <u>\$ 180,474</u> | <u>\$ 43,282</u> |

E. SBITAs Payable

In 2024, the County recognized payments of \$33,720 and \$1,080 for principal and interest, respectively, under a non-cancellable arrangement for data backup services. This obligation was fully retired in 2024.

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Note 7 - Restricted Net Position (Other Purposes)

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

| Governmental Activities | Other Purposes |
|--------------------------------------|-----------------------|
| Court-Related Services | \$ 802,449 |
| Debt Service | 4 |
| Street Lighting | 12,632 |
| Building Code Enforcements | 1,246,458 |
| Solid Waste Control Services | 1,072 |
| Total Governmental Activities | \$ 2,062,615 |

Note 8 - Retirement System

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

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

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

The County's pension expense totaled \$4,962,937 for the fiscal year ended September 30, 2024 (all plans). The County's deferred outflows for all plans totaled \$10,812,818, and the County's deferred inflows for all plans totaled \$3,934,023. The County's total net pension liability for all plans totaled \$35,980,466 for the fiscal year ended September 30, 2024.

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For the year ended September 30, 2024, the County's contributions to all plans totaled \$4,417,991. For further information of contributions by plan for each Constitutional Officer, see the schedule below:

| | Florida Retirement System | Health Insurance Subsidy | Investment Plan | Total |
|-------------------------------|--|-------------------------------------|------------------------|---------------------|
| Board of County Commissioners | \$ 1,806,422 | \$ 202,140 | \$ 40,449 | \$ 2,049,011 |
| Clerk of Circuit Court | 128,304 | 11,871 | 2,776 | 142,951 |
| Property Appraiser | 127,917 | 11,556 | 2,370 | 141,843 |
| Tax Collector | 66,294 | 10,077 | 7,969 | 84,340 |
| Sheriff | 1,632,376 | 128,904 | 159,254 | 1,920,534 |
| Supervisor of Elections | 75,825 | 3,389 | 98 | 79,312 |
| | <u>\$ 3,837,138</u> | <u>\$ 367,937</u> | <u>\$ 212,916</u> | <u>\$ 4,417,991</u> |

Payables to the Pension Plan. The County reported a payable of \$82,370 for the outstanding amount of contributions to the Plan required for the fiscal year ended September 30, 2024.

B. FRS Pension Plan

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

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

Employees enrolled in the FRS Pension Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the FRS Pension Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the FRS Pension Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Members of the FRS Pension Plan may include up to four years of credit for military service toward creditable service.

The FRS Pension Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Pension Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

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

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

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

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

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Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the County's 2023-24 fiscal year were as follows:

| Class | Year Ended June 30, 2024, Percent of Gross Salary | | Year Ended June 30, 2025, Percent of Gross Salary | |
|--|--|----------|--|----------|
| | Employee | Employer | Employee | Employer |
| FRS, Regular | 3.00 | 11.51 | 3.00 | 11.57 |
| FRS, Elected County Officers | 3.00 | 56.62 | 3.00 | 56.62 |
| FRS, Senior Management Service | 3.00 | 32.46 | 3.00 | 32.46 |
| FRS, Special Risk Regular | 3.00 | 30.61 | 3.00 | 30.73 |
| DROP - Applicable to Members from All of the Above Classes | 0.00 | 19.13 | 0.00 | 19.13 |
| FRS, Reemployment Retiree | (1) | (1) | (1) | (1) |

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

The County's contributions (employer only) to the Plan totaled \$4,307,272 for the fiscal year ended September 30, 2024.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2024, the County reported a liability of \$28,765,207 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The County's proportionate share of the net pension liability was based on the County's 2023-24 fiscal year contributions relative to the 2023-24 fiscal year contributions of all participating members. At June 30, 2024, the County's proportion was 0.07435809194%, which was an increase of 0.00286426069% from its proportion measured as of June 30, 2023.

For the year ended September 30, 2024, the County recognized pension expense of \$4,576,985 related to the Plan. At September 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to the FRS Plan from the following sources:

| Description | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------|-------------------------------|
| Employer Contributions After Measurement Date Difference Between Expected and Actual Experience | \$ 1,075,298 | \$ - |
| Changes of Assumptions | 2,906,058 | - |
| Changes in Proportion and Difference Between County Contributions and Proportionate Share of Contributions | 3,942,535 | - |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 2,028,598 | 933,492 |
| Total | <u>\$ 9,952,489</u> | <u>\$ 1,911,885</u> |

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The deferred outflows of resources related to pensions, totaling \$1,075,298, resulting from County contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Fiscal Year Ending | Amount |
|-----------------------|---------------------|
| 2025 | \$ (312,078) |
| 2026 | 4,962,396 |
| 2027 | 803,791 |
| 2028 | 265,298 |
| 2029 | 312,407 |
| Total | \$ 6,031,814 |

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

| | Net Pension Liability | Deferred Outflows of Resources | Deferred Inflows of Resources |
|-------------------------------|--------------------------|--------------------------------------|----------------------------------|
| Board of County Commissioners | \$ 12,132,582 | \$ 4,196,813 | \$ 1,072,079 |
| Clerk of Circuit Court | 949,605 | 296,967 | 119,166 |
| Property Appraiser | 933,369 | 310,386 | 101,472 |
| Tax Collector | 494,563 | 159,766 | 198,961 |
| Sheriff | 13,700,491 | 4,827,453 | 1,264,486 |
| Supervisor of Elections | 554,597 | 161,104 | 89,213 |
| | \$ 28,765,207 | \$ 9,952,489 | \$ 2,845,377 |

Actuarial Assumptions. The total pension liability in the July 1, 2024 actuarial valuation was determined using the individual entry age cost method and the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---|------------------------------------|
| Inflation | 2.40% |
| Salary Increases | 3.50% Average, Including Inflation |
| Discount Rate | 6.70% |
| Long-Term Expected Rate of Return, Net of Investment Expense | 6.70% |
| Municipal Bond Index | N/A |

Mortality rates were based on the PUB-2010 base tables, which vary by member category and sex, projected generationally with Scale MP-2021.

The actuarial assumptions used in the July 1, 2024 valuation, were based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2023.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below.

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Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

| Asset Class | Target Allocation (1) | Annual Arithmetic Return | Compound Annual (Geometric) Return | Standard Deviation |
|-----------------------|-----------------------|--------------------------|------------------------------------|--------------------|
| Cash | 1.0% | 3.3% | 3.3% | 1.1% |
| Fixed Income | 29.0% | 5.7% | 5.0% | 3.9% |
| Global Equity | 45.0% | 8.6% | 7.0% | 18.2% |
| Real Estate | 12.0% | 8.1% | 6.8% | 16.6% |
| Private Equity | 11.0% | 12.4% | 8.8% | 28.4% |
| Strategic Investments | 2.0% | 6.6% | 6.2% | 8.7% |
| Total | 100.0% | | | |

Assumed Inflation – Mean 2.4% 1.5%

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

Discount Rate. The discount rate used to measure the total pension liability was 6.7%. The Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The discount rate was 6.7% in the July 1, 2023 valuation.

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

| | 1% Decrease (5.70%) | Current Discount Rate (6.70%) | 1% Increase (7.70%) |
|---|---------------------|-------------------------------|---------------------|
| County’s Proportionate Share of the Net Pension Liability | \$ 50,596,992 | \$ 28,765,207 | \$ 10,476,457 |

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

C. HIS Pension Plan

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

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Benefits Provided. For the fiscal year ended September 30, 2024, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$7.50. Beginning July 1, 2023, the minimum payment is \$45 and the maximum payment is \$225 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state administered retirement systems must provide proof of eligible health insurance coverage, which may include Medicare.

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

The County's contributions to the HIS Plan totaled \$415,110 for the fiscal year ended September 30, 2024.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2024, the County reported a net pension liability of \$7,215,259 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The County's proportionate share of the net pension liability (HIS) was based on the County's 2023-24 fiscal year contributions relative to the total 2023-24 fiscal year contributions of all participating members. At June 30, 2024, the County's proportionate share was 0.0480985943%, which was an increase of 0.0004033937% from its proportionate share measured as of June 30, 2023.

For the fiscal year ended September 30, 2024, the County recognized pension expense of \$385,952 related to the HIS Plan. At September 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to the HIS Plan from the following sources:

| Description | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Employer Contributions After Measurement Date | \$ 103,322 | \$ - |
| Difference Between Expected and Actual | | |
| Experience | 69,668 | 13,854 |
| Changes of Assumptions | 127,693 | 854,194 |
| Changes in Proportion and Difference Between | | |
| County Contributions and Proportionate Share | | |
| Contributions | 559,646 | 217,989 |
| Net Difference Between Projected and Actual Earnings | | |
| on Pension Plan Investments | - | 2,609 |
| Total | \$ 860,329 | \$ 1,088,646 |

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The deferred outflows of resources related to pensions, totaling \$103,322, resulting from County contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Fiscal Year Ending | Amount |
|-----------------------|---------------------|
| 2025 | \$ (14,543) |
| 2026 | (68,782) |
| 2027 | (113,511) |
| 2028 | (66,779) |
| 2029 | (50,334) |
| Thereafter | (17,690) |
| Total | \$ (331,639) |

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

| | Net Pension Liability | Deferred Outflows of Resources | Deferred Inflows of Resources |
|-------------------------------|--------------------------|--------------------------------------|----------------------------------|
| Board of County Commissioners | \$ 3,545,482 | \$ 390,944 | \$ 557,119 |
| Clerk of Circuit Court | 248,517 | 23,372 | 45,915 |
| Property Appraiser | 235,648 | 24,492 | 30,239 |
| Tax Collector | 208,098 | 20,808 | 45,995 |
| Sheriff | 2,905,769 | 397,632 | 397,460 |
| Supervisor of Elections | 71,745 | 3,081 | 11,918 |
| | \$ 7,215,259 | \$ 860,329 | \$ 1,088,646 |

Actuarial Assumptions. The total pension liability in the July 1, 2024 actuarial valuation was determined using the individual entry age cost method and the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---|------------------------------------|
| Inflation | 2.40% |
| Salary Increases | 3.50% Average, Including Inflation |
| Discount Rate | 3.93% |
| Long-Term Expected Rate of Return, Net of Investment Expense | N/A |
| Municipal Bond Index | 3.93% |

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2021.

The actuarial assumptions used in the July 1, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2023.

Discount Rate. The discount rate used to measure the total pension liability was 3.93%. 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.

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Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate was 3.65% in the July 1, 2023 valuation.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 3.93%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.93%) or 1 percentage-point higher (4.93%) than the current rate:

| | 1% Decrease (2.93%) | Current Discount Rate (3.93%) | 1% Increase (4.93%) |
|--|---------------------------|--|---------------------------|
| County's Proportionate Share of the Net Pension Liability | \$ 8,213,645 | \$ 7,215,259 | \$ 6,386,437 |

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

D. FRS—Defined Contribution Pension Plan

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. County employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.) as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Allocations to the investment member's accounts (employer and employee) during the 2023-24 fiscal year were as follows:

| Class | Year Ended June 30, 2024 | | Year Ended June 30, 2025 | |
|--------------------------------------|-------------------------------|----------|-------------------------------|----------|
| | Percent of Gross Compensation | | Percent of Gross Compensation | |
| | Employee | Employer | Employee | Employer |
| FRS, Regular Class | 3.00 | 8.30 | 3.00 | 8.30 |
| FRS, Special Risk Class | 3.00 | 16.00 | 3.00 | 16.00 |
| FRS, Senior Management Service Class | 3.00 | 9.67 | 3.00 | 9.67 |
| FRS, Elected County Officers, Judges | 3.00 | 15.23 | 3.00 | 15.23 |
| FRS, Elected County Officers | 0.00 | 13.34 | 0.00 | 13.34 |

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For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended September 30, 2024, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the County.

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

Note 9 - OPEB Plan

A. Plan Description

The Desoto County's Retiree Health Care Plan (Plan) is a single-employer defined benefit postemployment health care plan that covers eligible retired employees of the County. The Plan, which is administered by the County, allows employees who retire and meet retirement eligibility requirements under one of the County's retirement plans to continue medical, dental, and life insurance coverage as a participant in the County's Plan. For purposes of applying Paragraph 4 under GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the Plan does not meet the requirements for an OPEB plan administered through a trust.

B. Benefit Provided

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

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C. Employees Covered by Benefit Terms

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

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

D. Total OPEB Liability

The County's total OPEB liability of \$8,798,482 was measured as of September 30, 2024, and was determined by an actuarial valuation as of October 1, 2022.

E. Actual Assumption and Other Inputs

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

| <u>Actuarial Cost Method</u> | <u>Entry Age Normal</u> |
|------------------------------|-------------------------|
| Inflation | 2.50% |
| Salary Increase Rate | Varies by Service |
| Discount Rate | 4.06% |
| Initial Trend Rate | 7.25% |
| Ultimate Trend Rate | 4.00% |
| Years to Ultimate | 52 |

All mortality rates were based on the Pub-2010 mortality tables with fully generational improvement using Scale MP-2018. Rates are based on those outlined in Milliman's July 1, 2023 FRS valuation report.

Mortality - Active Lives

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

Mortality - Inactive Healthy Lives

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

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

F. Discount Rate

Given the County's decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 4.06%. The high-quality municipal bond rate was based on the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices nearest the measurement date. The S&P Municipal 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard and Poor's Ratings Services, Aa2 by Moody's, or AA by Fitch. If there are multiple ratings, the lowest rating is used.

G. Changes in the Total OPEB Liability

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

| | |
|---|---------------------|
| Balance at September 30, 2023 | \$ 8,082,283 |
| Changes for the Year: | |
| Service Cost | 192,960 |
| Interest on the Total OPEB Liability | 388,811 |
| Difference Between Expected and Actual Experience | - |
| Changes in Assumptions or Other Inputs | 724,304 |
| Benefit Payments | <u>(589,876)</u> |
| Net Changes | 716,199 |
| Balance at September 30, 2024 | <u>\$ 8,798,482</u> |

Changes in assumptions reflect a change in the discount rate from 4.87% for the reporting period ended September 30, 2023, to 4.06% for the reporting period ended September 30, 2024.

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

The following table presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (3.06%) or 1 percentage-point higher (5.06%) than the current rate:

| | 1.00% Decrease 3.06% | Current Discount Rate 4.06% | 1.00% Increase 5.06% |
|----------------------|----------------------------|-----------------------------------|----------------------------|
| Total OPEB Liability | <u>\$ 9,847,840</u> | <u>\$ 8,798,482</u> | <u>\$ 7,918,313</u> |

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

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

| | 1.00% Decrease (3.00% - 6.25%) | Healthcare Cost Trend Rates (4.00% - 7.25%) | 1.00% Increase (5.00% - 8.25%) |
|----------------------|--------------------------------------|--|--------------------------------------|
| Total OPEB Liability | <u>\$ 7,725,497</u> | <u>\$ 8,798,482</u> | <u>\$ 10,094,361</u> |

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

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

For the fiscal year ended September 30, 2024, the County recognized OPEB expense of \$208,030. At September 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| Description | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Differences Between Expected and Actual Experience | \$ 77,239 | \$ 578,662 |
| Changes of Assumptions or Other Inputs | 1,537,563 | 3,444,014 |
| Total | \$ 1,614,802 | \$ 4,022,676 |

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

| For the Year Ending September 30, | Amortization |
|--------------------------------------|-----------------------|
| 2025 | \$ (377,937) |
| 2026 | (567,207) |
| 2027 | (922,023) |
| 2028 | (534,445) |
| 2029 | (109,734) |
| Thereafter | 103,472 |
| Total | \$ (2,407,874) |

Note 10 - Risk Management

The County is exposed to various risks of loss related to tort, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County is a member of a non-profit risk sharing pool with membership limited to Florida governmental entities. The pool charges its members premiums based upon claim history. The pool provides coverage for most insurable risks, including covering the County to the statutory limit for each workers' compensation claim, up to \$2,000,000 for each general liability claim, and at replacement cost for each property damage claim. As of September 30, 2024, settled claims have not exceeded the pool coverage in any of the past three years.

Note 11 - Fund Balance and Net Position Deficits

The following funds had deficit fund balances as of September 30, 2024:

| Fund Name | Deficit Amounts |
|---------------------------|--------------------|
| Major Funds | |
| Major Governmental Funds: | |
| Hurricane Fund | \$ 5,133,558 |
| Major Enterprise Funds: | |
| Landfill | 3,958,852 |
| Non-Major Funds | |
| Special Revenue Funds: | |
| LIHEAP | 680 |

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

| Fund Name | Deficit Amounts |
|-------------------------|--------------------|
| Kings Crossing Lighting | \$ 4,947 |
| Golden Melody Lighting | 7,012 |
| Lake Suzy Lighting | 410 |
| Spring Lakes Lighting | 1,197 |
| Sunny Breeze Lighting | 1,811 |
| Emergency Management | 1,552 |
| Capital Projects: | |
| CDBG Projects | 501,153 |

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

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

A. Water Supplier

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

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

The contracts require all customers to pay for all committed water through the Authority’s annual budget process, which reflects the budgetary needs of the Authority every year. The contract does also have a provision for customers who exceed their allocation; a conservation rate will be charged to all customers exceeding their allocation, and a corresponding credit is given to the customers who do not use their full allocation. The conservation rate is adopted annually by a rate resolution. During 2024, the County’s water purchases from the Authority were \$931,544 for base charges and \$385,100 for variable water use charges. The agreement also anticipates an expansion of the current water supply system to accommodate its customers’ anticipated increased needs.

Additional amounts paid to the Authority in 2024 included an annual membership fee of \$64,926 and special assessment fee of \$13,945. Because the Authority’s facility is located in the County, the County received \$796,000 in payments in lieu of property taxes in the general fund.

B. Water Contractual Rights

In 2007, the County acquired the contractual rights to a maximum flow capacity of 3.1 million gallons per day from a newly constructed potable water transmission pipeline owned by the Authority. The term of the contract extends for as long as the County continues to receive water from the Authority. The cost of

**DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

the contractual rights was \$800,000, approximating the allocable cost of the pipeline, and is reported as a deferred outflow on the statement of net position of the water/sewer utility fund, to be amortized over twenty years, beginning in 2007. Amortization expense was \$40,000 for 2024, and the unamortized balance is \$40,000 at September 30, 2024.

Note 13 - Related-Party – Steven Hickox

District 5 Commissioner to the County, Steven Hickox, has an ownership interest in "Copy Life," a company from which the County procures copying services. For the fiscal year ended September 30, 2024, the County incurred expenses totaling \$17,521 for these services. The County has determined that these transactions do not materially affect the financial position or operations of the County.

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

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

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

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

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

- (1) Each year is reduced by \$50,000. 2025 will be the last year.
- (2) If the City implements a municipal services benefit unit for fire suppression and/or a municipal services taxing unit for EMS equivalent to the County's fees, then the City may use the amount collected less any property assessor/tax collector's fees to reduce the payment due each year.

During 2007, the City initiated a special assessment for fire services within the City limits and added the City to the County-wide MSTU millage for EMS. No payments were made to the County in fiscal year 2024.

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Note 15 - Other Commitments and Contingencies

A. Litigation

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

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

B. Grants

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

Note 16 - Changes Within the Reporting Entity

A. Sheriff

The Sheriff made a change to report activity for communications in the general fund, instead of the previously reported major governmental fund. This represents a change within the reporting entity, but did not have an effect on the beginning fund balance of governmental funds or the net position for governmental activities appearing in the government-wide statements of the County.

B. Clerk

The Clerk made a change to report activity for the Documentary Stamp and Intangible Tax Fund as a custodial fund in the current year, whereas it was reported as a major special revenue fund in the prior year. This represents a change within the reporting entity, but did not have an effect on the beginning fund balance of governmental funds or the net position for governmental activities appearing in the government-wide statements of the County, as there was no beginning or ending fund balance, and subsequently net position, in that fund.

REQUIRED SUPPLEMENTARY INFORMATION

DESOTO COUNTY, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND - BOARD ONLY
 FOR THE YEAR ENDED SEPTEMBER 30, 2024

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|------------------|----------------|-------------------|-------------------------------|
| | Original | Final | | Positive (Negative) |
| Revenues | | | | |
| Taxes | \$ 29,462,454 | \$ 30,569,699 | \$ 30,666,278 | \$ 96,579 |
| Permits and Fees | 1,781,100 | 1,892,518 | 1,897,736 | 5,218 |
| Intergovernmental Revenues | 8,759,882 | 9,617,631 | 8,406,881 | (1,210,750) |
| Charges for Services | 964,687 | 996,709 | 506,833 | (489,876) |
| Fines and Forfeitures | 10,125 | 95,088 | 95,088 | - |
| Miscellaneous Revenues | 675,266 | 1,165,921 | 1,057,575 | (108,346) |
| Less: 4% Reduction | (912,056) | - | - | - |
| Total Revenues | 40,741,458 | 44,337,566 | 42,630,391 | (1,707,175) |
| Expenditures | | | | |
| Current: | | | | |
| General Government | 11,321,030 | 11,802,734 | 10,547,630 | 1,255,104 |
| Public Safety | 2,326,319 | 3,337,186 | 2,211,229 | 1,125,957 |
| Physical Environment | 605,851 | 629,851 | 503,740 | 126,111 |
| Economic Environment | 245,332 | 32,632 | 25,118 | 7,514 |
| Human Services | 2,052,162 | 2,092,570 | 1,814,263 | 278,307 |
| Culture and Recreation | 2,658,813 | 2,713,453 | 2,237,079 | 476,374 |
| Debt Service: | | | | |
| Principal Retirement | 23,907 | 23,907 | 23,907 | - |
| Interest and Fiscal Charges | 1,857 | 1,857 | 1,857 | - |
| (Total Expenditures) | (19,235,271) | (20,634,190) | (17,364,823) | 3,269,367 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 21,506,187 | 23,703,376 | 25,265,568 | 1,562,192 |
| Other Financing Sources (Uses) | | | | |
| Transfers In | 1,093,569 | 1,475,641 | 1,481,250 | 5,609 |
| Transfers (Out) | (27,503,926) | (29,484,269) | (29,033,331) | 450,938 |
| Insurance Proceeds | - | 62,817 | 62,817 | - |
| Total Other Financing Sources (Uses) | (26,410,357) | (27,945,811) | (27,489,264) | 456,547 |
| Net Change in Fund Balances | \$ (4,904,170) | \$ (4,242,435) | \$ (2,223,696) | \$ 2,018,739 |

DESOTO COUNTY, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 COUNTY TRANSPORTATION FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2024

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|-----------------------|---------------------|---------------------|-------------------------------|
| | Original | Final | | Positive (Negative) |
| Revenues | | | | |
| Taxes | \$ 1,234,140 | \$ 1,446,616 | \$ 1,459,247 | \$ 12,631 |
| Permits and Fees | 50,400 | 43,053 | 43,054 | 1 |
| Intergovernmental Revenues | 3,627,509 | 11,667,794 | 5,815,163 | (5,852,631) |
| Charges for Services | 42,500 | 46,817 | 47,492 | 675 |
| Miscellaneous Revenues | 22,000 | 86,176 | 87,405 | 1,229 |
| Total Revenues | <u>4,976,549</u> | <u>13,290,456</u> | <u>7,452,361</u> | <u>(5,838,095)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Transportation | 9,353,862 | 16,064,894 | 9,026,130 | 7,038,764 |
| Debt Service: | | | | |
| Principal Retirement | 185,039 | 157,669 | 157,668 | 1 |
| Interest and Fiscal Charges | 23,381 | 20,054 | 20,052 | 2 |
| (Total Expenditures) | <u>(9,562,282)</u> | <u>(16,242,617)</u> | <u>(9,203,850)</u> | <u>7,038,767</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(4,585,733)</u> | <u>(2,952,161)</u> | <u>(1,751,489)</u> | <u>1,200,672</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers In | 2,640,287 | 2,740,287 | 2,745,863 | 5,576 |
| Transfers (Out) | - | (63,250) | (68,826) | (5,576) |
| Lease Financing | 412,350 | 412,350 | 226,150 | (186,200) |
| Insurance Proceeds | - | 35,914 | 35,914 | - |
| Total Other Financing Sources (Uses) | <u>3,052,637</u> | <u>3,125,301</u> | <u>2,939,101</u> | <u>(186,200)</u> |
| Net Change in Fund Balances | <u>\$ (1,533,096)</u> | <u>\$ 173,140</u> | <u>\$ 1,187,612</u> | <u>\$ 1,014,472</u> |

DESOTO COUNTY, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 FIRE AND EMS FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2024

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|------------------|--------------|-------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Taxes | \$ 500 | \$ - | \$ - | \$ - |
| Special Assessments | 3,091,991 | 3,018,718 | 3,018,718 | - |
| Permits and Fees | 14,000 | 17,547 | 17,597 | 50 |
| Intergovernmental Revenues | 64,480 | 144,088 | 269,770 | 125,682 |
| Charges for Services | 1,165,000 | 1,656,785 | 1,567,375 | (89,410) |
| Miscellaneous Revenues | 33,410 | 53,132 | 54,519 | 1,387 |
| Less: 4% Reduction | (82,901) | - | - | - |
| Total Revenues | 4,286,480 | 4,890,270 | 4,927,979 | 37,709 |
| Expenditures | | | | |
| Current: | | | | |
| General Government | 89,513 | 90,361 | 90,373 | (12) |
| Public Safety | 8,224,982 | 8,295,541 | 7,556,183 | 739,358 |
| (Total Expenditures) | (8,314,495) | (8,385,902) | (7,646,556) | 739,346 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (4,028,015) | (3,495,632) | (2,718,577) | 777,055 |
| Other Financing Sources (Uses) | | | | |
| Transfers In | 3,420,974 | 3,392,923 | 3,406,039 | 13,116 |
| Total Other Financing Sources (Uses) | 3,420,974 | 3,392,923 | 3,406,039 | 13,116 |
| Net Change in Fund Balance | \$ (607,041) | \$ (102,709) | \$ 687,462 | \$ 790,171 |

DESOTO COUNTY, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 HURRICANE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2024

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|---------------------|----------------------|---------------------|-------------------------------|
| | Original | Final | | Positive (Negative) |
| Revenues | | | | |
| Intergovernmental Revenues | \$ 23,375,998 | \$ 42,376,427 | \$ 23,002,185 | \$ (19,374,242) |
| Miscellaneous Revenues | - | 98,000 | 112,085 | 14,085 |
| Total Revenues | <u>23,375,998</u> | <u>42,474,427</u> | <u>23,114,270</u> | <u>(19,360,157)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Public Safety | - | 6,461,346 | 812,100 | 5,649,246 |
| Physical Environment | 24,750,998 | 25,049,491 | 21,770,331 | 3,279,160 |
| Transportation | - | 95,723 | 19,145 | 76,578 |
| Debt Service: | | | | |
| Principal Repayment | - | 3,995,377 | - | 3,995,377 |
| (Total Expenditures) | <u>(24,750,998)</u> | <u>(35,601,937)</u> | <u>(22,601,576)</u> | <u>(13,000,361)</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | | | | |
| | <u>(1,375,000)</u> | <u>6,872,490</u> | <u>512,694</u> | <u>(6,359,796)</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers In | 1,375,000 | 2,643,099 | 2,637,235 | (5,864) |
| Transfers (Out) | - | (17,313) | (18,284) | (971) |
| Loan Proceeds | - | 10,250,000 | - | (10,250,000) |
| Insurance Proceeds | - | 207,759 | 207,759 | - |
| Total Other Financing Sources (Uses) | <u>1,375,000</u> | <u>13,083,545</u> | <u>2,826,710</u> | <u>(10,256,835)</u> |
| Net Change in Fund Balance | <u>\$ -</u> | <u>\$ 19,956,035</u> | <u>\$ 3,339,404</u> | <u>\$ (16,616,631)</u> |

DESOTO COUNTY, FLORIDA
SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OTHER
POSTEMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS
SEPTEMBER 30, 2024

| | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|---|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| Total OPEB Liability | | | | | | | |
| Service Cost | \$ 192,960 | \$ 196,535 | \$ 309,225 | \$ 406,909 | \$ 318,150 | \$ 231,144 | \$ 275,269 |
| Interest | 388,811 | 421,593 | 304,553 | 319,628 | 450,300 | 459,010 | 403,256 |
| Differences Between Expected and Actual Experience | - | (620,635) | - | (315,815) | - | 540,661 | - |
| Changes of Assumptions or Other Inputs | 724,304 | (871,801) | (2,972,984) | (2,397,207) | 2,483,671 | 1,449,759 | (760,615) |
| Benefit Payments | (589,876) | (604,789) | (602,828) | (666,242) | (666,208) | (593,228) | (432,554) |
| Net Change in Total OPEB Liability | 716,199 | (1,479,097) | (2,962,034) | (2,652,727) | 2,585,913 | 2,087,346 | (514,644) |
| Total OPEB Liability - Beginning | 8,082,283 | 9,561,380 | 12,523,414 | 15,176,141 | 12,590,228 | 10,502,882 | 11,017,526 |
| Total OPEB Liability - Ending | \$ 8,798,482 | \$ 8,082,283 | \$ 9,561,380 | \$ 12,523,414 | \$ 15,176,141 | \$ 12,590,228 | \$ 10,502,882 |
| Covered-Employee Payroll | \$ 20,768,628 | \$ 17,621,271 | \$ 16,475,637 | \$ 15,306,498 | \$ 15,763,626 | \$ 15,201,683 | \$ 13,287,982 |
| Total OPEB Liability as a Percentage of Covered-Employee Payroll | 42.36% | 45.87% | 58.03% | 81.82% | 96.27% | 82.82% | 79.04% |

Notes to the Schedule:

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

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

DESOTO COUNTY, FLORIDA
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2024

Note 1 - Change of Assumptions

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

- 2024: 4.06%
- 2023: 4.87%
- 2022: 4.77%
- 2021: 2.43%
- 2020: 2.14%
- 2019: 3.58%
- 2018: 4.18%

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

FLORIDA RETIREMENT SYSTEM PENSION PLAN

| Year Ended June 30, | County's Proportion of the FRS Net Pension Plan | County's Proportion Share of the FRS Net Pension Plan Liability | County's Covered Payroll (FYE June 30) | County's Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered Payroll | FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability |
|--------------------------------|--|--|---|---|---|
| 2015 | 0.068445798% | \$ 8,840,692 | \$ 13,896,326 | 63.62% | 92.00% |
| 2016 | 0.072780821% | 18,377,214 | 13,755,262 | 133.60% | 84.88% |
| 2017 | 0.068892068% | 20,377,811 | 13,792,933 | 147.74% | 83.89% |
| 2018 | 0.068222159% | 20,548,868 | 13,702,518 | 149.96% | 84.26% |
| 2019 | 0.073663617% | 25,368,724 | 14,671,101 | 172.92% | 82.61% |
| 2020 | 0.072702936% | 31,510,524 | 15,336,406 | 205.46% | 78.85% |
| 2021 | 0.065540197% | 4,950,817 | 15,306,023 | 32.35% | 96.40% |
| 2022 | 0.066715252% | 24,823,435 | 16,475,637 | 150.67% | 82.89% |
| 2023 | 0.071493831% | 28,488,029 | 18,964,768 | 150.22% | 82.38% |
| 2024 | 0.074358092% | 28,765,207 | 20,384,782 | 141.11% | 83.70% |

HEALTH INSURANCE SUBSIDY PENSION PLAN

| Year Ended June 30, | County's Proportion of the HIS Net Pension Plan | County's Proportion Share of the HIS Net Pension Plan Liability | County's Covered Payroll (FYE June 30) | County's Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered Payroll | HIS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability |
|--------------------------------|--|--|---|---|---|
| 2015 | 0.045689870% | \$ 4,659,647 | \$ 13,896,326 | 33.53% | 0.50% |
| 2016 | 0.044548858% | 5,191,985 | 13,755,262 | 37.75% | 0.97% |
| 2017 | 0.042596933% | 4,554,661 | 13,792,933 | 33.02% | 1.64% |
| 2018 | 0.042844910% | 4,534,709 | 13,702,518 | 33.09% | 2.15% |
| 2019 | 0.045273084% | 5,065,605 | 14,671,101 | 34.53% | 2.63% |
| 2020 | 0.043756153% | 5,342,555 | 15,336,406 | 34.84% | 3.00% |
| 2021 | 0.043196287% | 5,298,674 | 15,306,023 | 34.62% | 3.56% |
| 2022 | 0.045136412% | 4,780,667 | 16,475,637 | 29.02% | 4.81% |
| 2023 | 0.047695201% | 7,574,634 | 18,964,768 | 39.94% | 4.12% |
| 2024 | 0.048098594% | 7,215,259 | 20,384,782 | 35.40% | 4.80% |

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

FLORIDA RETIREMENT SYSTEM PENSION PLAN

| Year Ended September 30, | Contractually Required Contribution | FRS Contribution in Relation to the Contractually Required Contributions | FRS Contribution Deficiency (Excess) | County's Covered Payroll (FYE September 30) | FRS Contributions as a Percentage of Covered Payroll |
|-----------------------------|---|---|---|---|--|
| 2015 | \$ 1,698,148 | \$ (1,698,148) | \$ - | \$ 13,924,080 | 12.20% |
| 2016 | 1,872,281 | (1,872,281) | - | 14,062,496 | 13.31% |
| 2017 | 1,739,517 | (1,739,517) | - | 13,585,897 | 12.80% |
| 2018 | 2,042,211 | (2,042,211) | - | 14,070,350 | 14.51% |
| 2019 | 2,325,496 | (2,325,496) | - | 14,757,482 | 15.76% |
| 2020 | 2,432,476 | (2,432,476) | - | 15,232,007 | 15.97% |
| 2021 | 2,595,076 | (2,595,076) | - | 15,616,439 | 16.62% |
| 2022 | 2,883,167 | (2,883,167) | - | 16,513,808 | 17.46% |
| 2023 | 3,637,795 | (3,637,795) | - | 19,435,114 | 18.72% |
| 2024 | 3,837,138 | (3,837,138) | - | 20,768,268 | 18.48% |

HEALTH INSURANCE SUBSIDY PENSION PLAN

| Year Ended September 30, | Contractually Required Contribution | HIS Contribution in Relation to the Contractually Required Contribution | HIS Contribution Deficiency (Excess) | County's Covered Payroll (FYE September 30) | HIS Contributions as a Percentage of Covered Payroll |
|-----------------------------|---|--|---|---|--|
| 2015 | \$ 188,729 | \$ (188,729) | \$ - | \$ 13,924,080 | 1.36% |
| 2016 | 233,588 | (233,588) | - | 14,062,496 | 1.66% |
| 2017 | 221,018 | (221,018) | - | 13,585,897 | 1.63% |
| 2018 | 237,438 | (237,438) | - | 14,070,350 | 1.69% |
| 2019 | 252,718 | (252,718) | - | 14,757,482 | 1.71% |
| 2020 | 251,984 | (251,984) | - | 15,232,007 | 1.65% |
| 2021 | 259,199 | (259,199) | - | 15,616,439 | 1.66% |
| 2022 | 273,686 | (273,686) | - | 16,513,808 | 1.66% |
| 2023 | 338,056 | (338,056) | - | 19,435,114 | 1.74% |
| 2024 | 415,110 | (415,110) | - | 20,768,268 | 2.00% |

DESOTO COUNTY, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2024

Note 1 - Changes in Benefits and Assumptions – Florida Retirement System (FRS) and Health Insurance Subsidy (HIS) Pension Plans – 2024

Changes in benefit terms from the year ended June 30, 2023 to June 30, 2024:

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

Changes in assumptions from the year ended June 30, 2023 to June 30, 2024:

- **FRS:** The expected average salary increase rate increased from 3.25% to 3.50%
- **HIS:** The municipal rate and the discount rate used to determine total pension liability increased from 3.65% to 3.93%. The expected average salary increase rate increased from 3.25% to 3.50%

Note 2 - Changes in Benefits and Assumptions – Florida Retirement System (FRS) and Health Insurance Subsidy (HIS) Pension Plans – 2023

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

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

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

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

SUPPLEMENTARY INFORMATION

**DESOTO COUNTY, FLORIDA
COMBINING BALANCE SHEET
GENERAL FUND BY CATEGORY
SEPTEMBER 30, 2024**

| | Board of County Commissioners | Clerk of the Courts | Property Appraiser |
|---|--|--------------------------------|-------------------------------|
| Assets | | | |
| Cash and Cash Equivalents | \$ 16,459,107 | \$ 337,705 | \$ 161,682 |
| Accounts Receivable, Net | 687,085 | - | - |
| Lease Receivable | 339,989 | - | - |
| Due from Other Funds | 1,472,557 | - | - |
| Due from Other Governments | 1,781,910 | 19,549 | - |
| Due from Individuals and Businesses | - | - | - |
| Inventories | 11,876 | - | - |
| Prepays | 85,791 | - | - |
| Deposits | 80,000 | - | - |
| Advances to Other Funds | 5,699,319 | - | - |
| Total Assets | 26,617,634 | 357,254 | 161,682 |
| Liabilities | | | |
| Vouchers Payable | 1,653,272 | 672 | 13,960 |
| Accrued Liabilities | 107,769 | 75 | - |
| Due to Other Funds | - | 29,095 | 145,830 |
| Due to Other Governments | 3,554 | 324,847 | 1,892 |
| Deposits | 17,455 | - | - |
| Unearned Revenue | - | - | - |
| Total Liabilities | 1,782,050 | 354,689 | 161,682 |
| Deferred Inflows | | | |
| Unavailable Revenues | 520,000 | 2,565 | - |
| Lease Related | 319,337 | - | - |
| Total Deferred Inflows | 839,337 | 2,565 | - |
| Fund Balances | | | |
| Non-Spendable: | | | |
| Prepays | 97,667 | - | - |
| Advances | 5,699,319 | - | - |
| Assigned for Budget Carryforward | 3,911,361 | - | - |
| Unassigned | 14,287,900 | - | - |
| Total Fund Balances | 23,996,247 | - | - |
| Total Liabilities, Deferred Inflows, and Fund Balances | \$ 26,617,634 | \$ 357,254 | \$ 161,682 |

| <u>Sheriff</u> | <u>Supervisor of Elections</u> | <u>Tax Collector</u> | <u>Eliminating Entries</u> | <u>Total General Fund</u> |
|---------------------|--------------------------------|----------------------|----------------------------|---------------------------|
| \$ 1,190,882 | \$ 21,133 | \$ 339,653 | \$ - | \$ 18,510,162 |
| - | - | - | - | 687,085 |
| - | - | - | - | 339,989 |
| - | - | - | (863,578) | 608,979 |
| 9,000 | - | 18,241 | - | 1,828,700 |
| 53,583 | - | - | - | 53,583 |
| - | - | - | - | 11,876 |
| - | 13,493 | - | - | 99,284 |
| - | - | - | - | 80,000 |
| - | - | - | - | 5,699,319 |
| <u>1,253,465</u> | <u>34,626</u> | <u>357,894</u> | <u>(863,578)</u> | <u>27,918,977</u> |
| 189,423 | 15,504 | - | - | 1,872,831 |
| 455,106 | - | - | - | 562,950 |
| 436,511 | 5,629 | 301,718 | (863,578) | 55,205 |
| - | - | 9,527 | - | 339,820 |
| - | - | - | - | 17,455 |
| <u>172,425</u> | <u>-</u> | <u>28,408</u> | <u>-</u> | <u>200,833</u> |
| <u>1,253,465</u> | <u>21,133</u> | <u>339,653</u> | <u>(863,578)</u> | <u>3,049,094</u> |
| - | - | 18,241 | - | 540,806 |
| - | - | - | - | 319,337 |
| - | - | <u>18,241</u> | - | <u>860,143</u> |
| - | 13,493 | - | - | 111,160 |
| - | - | - | - | 5,699,319 |
| - | - | - | - | 3,911,361 |
| - | - | - | - | 14,287,900 |
| - | <u>13,493</u> | - | - | <u>24,009,740</u> |
| <u>\$ 1,253,465</u> | <u>\$ 34,626</u> | <u>\$ 357,894</u> | <u>\$ (863,578)</u> | <u>\$ 27,918,977</u> |

DESOTO COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

| | <u>Board of County Commissioners</u> | <u>Clerk of the Courts</u> | <u>Property Appraiser</u> |
|--|--|--------------------------------|-------------------------------|
| Revenues | | | |
| Taxes | \$ 30,666,278 | \$ - | \$ - |
| Permits and Fees | 1,897,736 | - | - |
| Intergovernmental Revenues | 8,406,881 | 340,465 | - |
| Charges for Services | 506,833 | 1,035,856 | 1,460,082 |
| Fines and Forfeitures | 95,088 | - | - |
| Miscellaneous Revenues | 1,057,575 | 27,363 | 1,861 |
| Total Revenues | <u>42,630,391</u> | <u>1,403,684</u> | <u>1,461,943</u> |
| Expenditures | | | |
| Current: | | | |
| General Government | 10,547,630 | 344,412 | 1,316,113 |
| Public Safety | 2,211,229 | - | - |
| Physical Environment | 503,740 | - | - |
| Economic Environment | 25,118 | - | - |
| Human Services | 1,814,263 | - | - |
| Culture and Recreation | 2,237,079 | - | - |
| Court-Related | - | 917,628 | - |
| Debt Service: | | | |
| Principal Retirement | 23,907 | - | - |
| Interest and Fiscal Charges | 1,857 | - | - |
| (Total Expenditures) | <u>(17,364,823)</u> | <u>(1,262,040)</u> | <u>(1,316,113)</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>25,265,568</u> | <u>141,644</u> | <u>145,830</u> |
| Other Financing Sources (Uses) | | | |
| Transfers In | 1,481,250 | 140,678 | - |
| Transfers (Out) | (29,033,331) | (29,095) | (145,830) |
| Distribution of Excess Commissions | - | (253,227) | - |
| Insurance Proceeds | 62,817 | - | - |
| Total Other Financing Sources (Uses) | <u>(27,489,264)</u> | <u>(141,644)</u> | <u>(145,830)</u> |
| Net Change in Fund Balances | (2,223,696) | - | - |
| Fund Balances, Beginning of Year | 26,219,943 | - | - |
| Fund Balances, End of Year | <u>\$ 23,996,247</u> | <u>\$ -</u> | <u>\$ -</u> |

| <u>Sheriff</u> | <u>Supervisor of Elections</u> | <u>Tax Collector</u> | <u>Eliminating Entries</u> | <u>Total General Fund</u> |
|---------------------|--------------------------------|----------------------|----------------------------|---------------------------|
| \$ - | \$ - | \$ - | \$ - | \$ 30,666,278 |
| - | - | - | - | 1,897,736 |
| 664,278 | - | - | - | 9,411,624 |
| 50,095 | 1,436 | 1,295,584 | - | 4,349,886 |
| - | - | 136,663 | - | 231,751 |
| 90,678 | 3 | 1,565 | - | 1,179,045 |
| <u>805,051</u> | <u>1,439</u> | <u>1,433,812</u> | <u>-</u> | <u>47,736,320</u> |
| - | 523,556 | 1,132,094 | - | 13,863,805 |
| 17,054,263 | - | - | - | 19,265,492 |
| - | - | - | - | 503,740 |
| - | - | - | - | 25,118 |
| - | - | - | - | 1,814,263 |
| - | - | - | - | 2,237,079 |
| 553,470 | - | - | - | 1,471,098 |
| 33,720 | - | - | - | 57,627 |
| - | - | - | - | 1,857 |
| <u>(17,641,453)</u> | <u>(523,556)</u> | <u>(1,132,094)</u> | <u>-</u> | <u>(39,240,079)</u> |
| <u>(16,836,402)</u> | <u>(522,117)</u> | <u>301,718</u> | <u>-</u> | <u>8,496,241</u> |
| 17,272,913 | 521,372 | - | (18,798,541) | 617,672 |
| (436,511) | (5,629) | (301,718) | 18,798,541 | (11,153,573) |
| - | - | - | - | (253,227) |
| - | - | - | - | 62,817 |
| <u>16,836,402</u> | <u>515,743</u> | <u>(301,718)</u> | <u>-</u> | <u>(10,726,311)</u> |
| - | (6,374) | - | - | (2,230,070) |
| - | 19,867 | - | - | 26,239,810 |
| <u>\$ -</u> | <u>\$ 13,493</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 24,009,740</u> |

DESOTO COUNTY, FLORIDA
 COMBINING BALANCE SHEET
 ALL NON-MAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2024

| | Special Revenue | | | | |
|--|-----------------|-------------------------------|-------------------------|----------------------------|------------------------------|
| | LIHEAP | Kings Crossing Lighting | Peace River Lighting | Ogden Acres Lighting | Golden Melody Lighting |
| Assets | | | | | |
| Cash and Cash Equivalents | \$ - | \$ - | \$ 3,917 | \$ 1,289 | \$ - |
| Restricted Cash and Cash Equivalents | - | - | - | - | - |
| Accounts Receivable | - | - | - | - | - |
| Notes Receivable | - | - | - | - | - |
| Due from Other Funds | - | 236 | 17 | 19 | 65 |
| Due from Other Governments | 4,146 | - | - | - | - |
| Due from Individuals and Businesses | - | - | - | - | - |
| Prepaids | - | - | - | - | - |
| Total Assets | <u>4,146</u> | <u>236</u> | <u>3,934</u> | <u>1,318</u> | <u>65</u> |
| Liabilities | | | | | |
| Vouchers Payable | 1,543 | 2,222 | 120 | 157 | 654 |
| Construction Retainage Payable | - | - | - | - | - |
| Accrued Liabilities | - | - | - | - | - |
| Due to Other Funds | - | - | - | - | - |
| Deposits | - | - | - | - | - |
| Unearned Revenue | - | - | - | - | - |
| Advances from Other Funds | 3,283 | 2,961 | - | - | 6,423 |
| Total Liabilities | <u>4,826</u> | <u>5,183</u> | <u>120</u> | <u>157</u> | <u>7,077</u> |
| Deferred Inflows | | | | | |
| Unavailable Revenues | - | - | - | - | - |
| Fund Balances (Deficits) | | | | | |
| Non-Spendable: | | | | | |
| Prepaids | - | - | - | - | - |
| Restricted for: | | | | | |
| Economic Development | - | - | - | - | - |
| Streetlighting | - | - | 3,814 | 1,151 | - |
| Public Safety | - | - | - | - | - |
| Court-Related Services | - | - | - | - | - |
| Solid Waste Control Services | - | - | - | - | - |
| Debt Service | - | - | - | - | - |
| Building Code Enforcements | - | - | - | - | - |
| Assigned for: | | | | | |
| Construction Projects | - | - | - | - | - |
| Unassigned (Deficit) | (680) | (4,947) | - | - | (7,012) |
| Total Fund Balances (Deficits) | <u>(680)</u> | <u>(4,947)</u> | <u>3,814</u> | <u>1,151</u> | <u>(7,012)</u> |
| Total Liabilities, Deferred Inflows, and Fund Balances (Deficits) | <u>\$ 4,146</u> | <u>\$ 236</u> | <u>\$ 3,934</u> | <u>\$ 1,308</u> | <u>\$ 65</u> |

| Special Revenue | | | | | | |
|-------------------------|--------------------|-----------------------|-----------------------|-------------------|----------------------|-------------------------|
| Harlem Heights Lighting | Lake Suzy Lighting | Spring Lakes Lighting | Sunny Breeze Lighting | E-911 Services | Emergency Management | Tourist Development Tax |
| \$ 7,837 | \$ 266 | \$ - | \$ - | \$ 291,027 | \$ - | \$ 277,836 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 28 | 86 | 36 | 11 | - | - | - |
| - | - | - | - | 42,667 | 25,545 | 21,263 |
| - | - | - | - | - | - | - |
| - | - | - | - | 8,688 | 171 | - |
| <u>7,865</u> | <u>352</u> | <u>36</u> | <u>11</u> | <u>342,312</u> | <u>25,716</u> | <u>299,099</u> |
| 198 | 762 | 333 | 147 | 32 | 7,558 | 896 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | 4,848 | 667 |
| - | - | - | - | - | 3,639 | - |
| - | - | - | - | - | - | - |
| - | - | 900 | 1,675 | - | - | - |
| <u>198</u> | <u>762</u> | <u>1,233</u> | <u>1,822</u> | <u>32</u> | <u>16,045</u> | <u>1,563</u> |
| - | - | - | - | - | 11,223 | - |
| - | - | - | - | 1,688 | 171 | - |
| - | - | - | - | - | - | 297,536 |
| 7,667 | - | - | - | - | - | - |
| - | - | - | - | 333,662 | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | (410) | (1,197) | (1,811) | - | (1,723) | - |
| <u>7,667</u> | <u>(410)</u> | <u>(1,197)</u> | <u>(1,811)</u> | <u>342,350</u> | <u>(1,552)</u> | <u>297,536</u> |
| <u>\$ 7,865</u> | <u>\$ 352</u> | <u>\$ 36</u> | <u>\$ 11</u> | <u>\$ 342,382</u> | <u>\$ 25,716</u> | <u>\$ 299,099</u> |

**DESOTO COUNTY, FLORIDA
COMBINING BALANCE SHEET
ALL NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024**

| | Special Revenue | | | | |
|--|-----------------|---------------------------|---------------------|---------------------|-------------------|
| | Mosquito | Curbside | Building | SHIP | Indigent |
| | Control | Solid Waste Collection | | | Health Trust |
| Assets | | | | | |
| Cash and Cash Equivalents | \$ - | \$ - | \$ 1,281,324 | \$ 2,796,853 | \$ - |
| Restricted Cash and Cash Equivalents | - | - | - | - | - |
| Accounts Receivable | - | - | - | - | - |
| Notes Receivable | - | - | - | 1,375,000 | - |
| Due from Other Funds | - | 20,429 | - | - | - |
| Due from Other Governments | - | - | - | - | 457,167 |
| Due from Individuals and Businesses | - | - | - | - | - |
| Prepays | - | - | 19,428 | - | - |
| Total Assets | <u>-</u> | <u>20,429</u> | <u>1,300,752</u> | <u>4,171,853</u> | <u>457,167</u> |
| Liabilities | | | | | |
| Vouchers Payable | - | - | 22,025 | 2,327 | 457,167 |
| Construction Retainage Payable | - | - | - | - | - |
| Accrued Liabilities | - | - | 10,879 | - | - |
| Due to Other Funds | - | - | - | 40,087 | - |
| Deposits | - | 3,951 | 1,962 | - | - |
| Unearned Revenue | - | - | - | 350,000 | - |
| Advances from Other Funds | - | 15,406 | - | - | - |
| Total Liabilities | <u>-</u> | <u>19,357</u> | <u>34,866</u> | <u>392,414</u> | <u>457,167</u> |
| Deferred Inflows | | | | | |
| Unavailable Revenues | - | - | - | - | - |
| Fund Balances (Deficits) | | | | | |
| Non-Spendable: | | | | | |
| Prepays | - | - | 19,428 | - | - |
| Restricted for: | | | | | |
| Economic Development | - | - | - | 3,779,439 | - |
| Streetlighting | - | - | - | - | - |
| Public Safety | - | - | - | - | - |
| Court-Related Services | - | - | - | - | - |
| Solid Waste Control Services | - | 1,072 | - | - | - |
| Debt Service | - | - | - | - | - |
| Building Code Enforcements | - | - | 1,246,458 | - | - |
| Assigned for: | | | | | |
| Construction Projects | - | - | - | - | - |
| Unassigned (Deficit) | - | - | - | - | - |
| Total Fund Balances (Deficits) | <u>-</u> | <u>1,072</u> | <u>1,265,886</u> | <u>3,779,439</u> | <u>-</u> |
| Total Liabilities, Deferred Inflows, and Fund Balances (Deficits) | <u>\$ -</u> | <u>\$ 20,429</u> | <u>\$ 1,300,752</u> | <u>\$ 4,171,853</u> | <u>\$ 457,167</u> |

| Special Revenue | | | | | | |
|-------------------|-----------------------|------------------------|------------------------------|-------------------|-------------------------|---------------------------------------|
| Court Fees | Law Enforcement Trust | Sheriff Inmate Welfare | Sheriff Voluntary Extra Duty | Sheriff Education | Sheriff Victim Advocate | Clerk of Courts Records Modernization |
| \$ - | \$ 64,344 | \$ 434,293 | \$ - | \$ 16,994 | \$ 1,189 | \$ 111,117 |
| 711,863 | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 22,708 | 2,767 | - | - | - | - | - |
| - | - | 14,819 | 805 | 310 | - | - |
| 62,017 | - | - | - | - | - | - |
| <u>796,588</u> | <u>67,111</u> | <u>449,112</u> | <u>805</u> | <u>17,304</u> | <u>1,189</u> | <u>111,117</u> |
| 42,250 | - | 1,458 | - | - | - | - |
| - | - | - | - | - | - | - |
| 989 | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| <u>43,239</u> | <u>-</u> | <u>1,458</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| - | - | - | - | - | - | - |
| 62,017 | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 691,332 | 67,111 | 447,654 | 805 | 17,304 | 1,189 | 111,117 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| <u>753,349</u> | <u>67,111</u> | <u>447,654</u> | <u>805</u> | <u>17,304</u> | <u>1,189</u> | <u>111,117</u> |
| <u>\$ 796,588</u> | <u>\$ 67,111</u> | <u>\$ 449,112</u> | <u>\$ 805</u> | <u>\$ 17,304</u> | <u>\$ 1,189</u> | <u>\$ 111,117</u> |

DESOTO COUNTY, FLORIDA
COMBINING BALANCE SHEET
ALL NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

| | Debt Service | | Capital Projects | | Total Non-Major Governmental Funds |
|--|-------------------------|--------------------------|---------------------|-------------------|--|
| | Debt Service Fund | Construction Projects | Special Projects | CDBG Projects | |
| | | | | | |
| Assets | | | | | |
| Cash and Cash Equivalents | \$ 4 | \$ 3,420,299 | \$ 864,778 | \$ - | \$ 9,573,367 |
| Restricted Cash and Cash Equivalents | - | - | - | - | 711,863 |
| Accounts Receivable | - | - | 2,710 | - | 2,710 |
| Notes Receivable | - | - | - | - | 1,375,000 |
| Due from Other Funds | - | - | - | - | 20,927 |
| Due from Other Governments | - | - | 516,115 | 474,172 | 1,566,550 |
| Due from Individuals and Businesses | - | - | - | - | 15,934 |
| Prepays | - | - | - | - | 90,304 |
| Total Assets | 4 | 3,420,299 | 1,383,603 | 474,172 | 13,356,655 |
| Liabilities | | | | | |
| Vouchers Payable | - | 8,464 | 155,469 | 58,256 | 762,038 |
| Construction Retainage Payable | - | - | 7,882 | - | 7,882 |
| Accrued Liabilities | - | - | - | - | 17,383 |
| Due to Other Funds | - | - | - | 442,897 | 486,623 |
| Deposits | - | - | - | - | 5,913 |
| Unearned Revenue | - | 1,009,777 | 625,000 | - | 1,984,777 |
| Advances from Other Funds | - | - | - | - | 30,648 |
| Total Liabilities | - | 1,018,241 | 788,351 | 501,153 | 3,295,264 |
| Deferred Inflows | | | | | |
| Unavailable Revenues | - | - | 323,736 | 474,172 | 809,131 |
| Fund Balances (Deficits) | | | | | |
| Non-Spendable: | | | | | |
| Prepays | - | - | - | - | 90,304 |
| Restricted for: | | | | | |
| Economic Development | - | - | - | - | 4,076,975 |
| Streetlighting | - | - | - | - | 12,632 |
| Public Safety | - | - | - | - | 867,725 |
| Court-Related Services | - | - | - | - | 802,449 |
| Solid Waste Control Services | - | - | - | - | 1,072 |
| Debt Service | 4 | - | - | - | 4 |
| Building Code Enforcements | - | - | - | - | 1,246,458 |
| Assigned for: | | | | | |
| Construction Projects | - | 2,402,058 | 271,516 | - | 2,673,574 |
| Unassigned (Deficit) | - | - | - | (501,153) | (518,933) |
| Total Fund Balances (Deficits) | 4 | 2,402,058 | 271,516 | (501,153) | 9,252,260 |
| Total Liabilities, Deferred Inflows, and Fund Balances (Deficits) | \$ 4 | \$ 3,420,299 | \$ 1,383,603 | \$ 474,172 | \$ 13,356,655 |

DESOTO COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
ALL NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

| | Special Revenue | | | | |
|--|------------------|-------------------------------|-------------------------|----------------------------|------------------------------|
| | LHEAP | Kings Crossing Lighting | Peace River Lighting | Ogden Acres Lighting | Golden Melody Lighting |
| Revenues | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - |
| Special Assessments | - | 25,341 | 1,804 | 2,017 | 6,983 |
| Licenses and Permits | - | - | - | - | - |
| Intergovernmental Revenues | 197,784 | - | - | - | - |
| Charges for Services | - | - | - | - | - |
| Fines and Forfeitures | - | - | - | - | - |
| Miscellaneous Revenues | - | 109 | 109 | - | - |
| Total Revenues | 197,784 | 25,450 | 1,913 | 2,017 | 6,983 |
| Expenditures | | | | | |
| Current: | | | | | |
| General Government | - | 760 | 54 | 82 | 210 |
| Public Safety | - | - | - | - | - |
| Physical Environment | - | 27,847 | 1,529 | 62 | 8,147 |
| Transportation | - | - | - | - | - |
| Economic Environment | - | - | - | 1,898 | - |
| Human Services | 160,958 | - | - | - | - |
| Culture and Recreation | - | - | - | - | - |
| Court-Related | - | - | - | - | - |
| (Total Expenditures) | (160,958) | (28,607) | (1,583) | (2,042) | (8,357) |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 36,826 | (3,157) | 330 | (25) | (1,374) |
| Other Financing Sources (Uses) | | | | | |
| Transfers In | - | 236 | 17 | 19 | 65 |
| Transfers (Out) | (37,878) | - | - | - | - |
| Insurance Proceeds | - | - | - | - | - |
| Total Other Financing Sources (Uses) | (37,878) | 236 | 17 | 19 | 65 |
| Net Change in Fund Balances | (1,052) | (2,921) | 347 | (6) | (1,309) |
| Fund Balances (Deficits), Beginning of Year | 372 | (2,026) | 3,467 | 1,157 | (5,703) |
| Fund Balances (Deficits), End of Year | \$ (680) | \$ (4,947) | \$ 3,814 | \$ 1,151 | \$ (7,012) |

| Special Revenue | | | | | | |
|-------------------------|--------------------|-----------------------|-----------------------|-------------------|----------------------|-------------------------|
| Harlem Heights Lighting | Lake Suzy Lighting | Spring Lakes Lighting | Sunny Breeze Lighting | E-911 Services | Emergency Management | Tourist Development Tax |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 170,923 |
| 3,215 | 9,204 | 3,845 | 1,187 | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | 251,052 | 178,678 | - |
| - | - | - | - | 58,248 | - | - |
| - | - | - | - | - | - | - |
| 120 | 51 | - | - | 5,242 | - | 4,494 |
| <u>3,335</u> | <u>9,255</u> | <u>3,845</u> | <u>1,187</u> | <u>314,542</u> | <u>178,678</u> | <u>175,417</u> |
| 92 | 276 | 115 | 47 | - | - | - |
| - | - | - | - | 175,336 | 321,689 | 2,866 |
| 2,512 | 9,601 | 4,183 | 1,680 | - | 11,000 | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | 109,024 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| <u>(2,604)</u> | <u>(9,877)</u> | <u>(4,298)</u> | <u>(1,727)</u> | <u>(175,336)</u> | <u>(332,689)</u> | <u>(111,890)</u> |
| 731 | (622) | (453) | (540) | 139,206 | (154,011) | 63,527 |
| 28 | 86 | 36 | - | - | 181,357 | - |
| - | - | - | - | (60,271) | (9,903) | - |
| - | - | - | - | - | - | - |
| <u>28</u> | <u>86</u> | <u>36</u> | <u>-</u> | <u>(60,271)</u> | <u>171,454</u> | <u>-</u> |
| 759 | (536) | (417) | (540) | 78,935 | 17,443 | 63,527 |
| 6,908 | 126 | (780) | (1,271) | 263,415 | (18,995) | 234,009 |
| <u>\$ 7,667</u> | <u>\$ (410)</u> | <u>\$ (1,197)</u> | <u>\$ (1,811)</u> | <u>\$ 342,350</u> | <u>\$ (1,552)</u> | <u>\$ 297,536</u> |

DESOTO COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
ALL NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

| | Special Revenue | | | | |
|--|---------------------|---------------------------------------|---------------------|---------------------|-----------------------------|
| | Mosquito Control | Curbside Solid Waste Collection | Building Fund | SHIP | Indigent Health Trust |
| Revenues | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ 2,585,778 |
| Special Assessments | - | - | - | - | - |
| Licenses and Permits | - | - | 711,491 | - | - |
| Intergovernmental Revenues | 37,749 | - | - | 1,239,889 | - |
| Charges for Services | - | 2,222,367 | 2,160 | - | - |
| Fines and Forfeitures | - | - | - | - | - |
| Miscellaneous Revenues | - | 8,027 | 31,614 | 199,654 | - |
| Total Revenues | 37,749 | 2,230,394 | 745,265 | 1,439,543 | 2,585,778 |
| Expenditures | | | | | |
| Current: | | | | | |
| General Government | - | 65,808 | - | - | - |
| Public Safety | 476 | - | 710,804 | - | - |
| Physical Environment | - | 2,313,207 | - | - | - |
| Transportation | - | - | - | - | - |
| Economic Environment | - | - | 3,024 | 1,508,920 | - |
| Human Services | 51,710 | - | - | - | 2,585,778 |
| Culture and Recreation | - | - | - | - | - |
| Court-Related | - | - | - | - | - |
| (Total Expenditures) | (52,186) | (2,379,015) | (713,828) | (1,508,920) | (2,585,778) |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (14,437) | (148,621) | 31,437 | (69,377) | - |
| Other Financing Sources (Uses) | | | | | |
| Transfers In | 14,437 | 178,216 | - | - | - |
| Transfers (Out) | - | (30,419) | - | (116,619) | - |
| Insurance Proceeds | - | - | 209 | - | - |
| Total Other Financing Sources (Uses) | 14,437 | 147,797 | 209 | (116,619) | - |
| Net Change in Fund Balances | - | (824) | 31,646 | (185,996) | - |
| Fund Balances (Deficits), Beginning of Year | - | 1,896 | 1,234,240 | 3,965,435 | - |
| Fund Balances (Deficits), End of Year | \$ - | \$ 1,072 | \$ 1,265,886 | \$ 3,779,439 | \$ - |

| Court Fees | Law Enforcement Trust | Sheriff Inmate Welfare | Special Revenue Sheriff Voluntary Extra Duty | Sheriff Education | Sheriff Victim Advocate | Clerk of Courts Records Modernization |
|-------------------|-----------------------|------------------------|--|-------------------|-------------------------|---------------------------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | 2,095 | - | - | - | - | - |
| 215,164 | - | 203,458 | 60,505 | 4,043 | - | 1,130,935 |
| 77,044 | 43,250 | - | - | - | - | - |
| - | 2,223 | 3,920 | 2 | 3 | - | 22 |
| <u>292,208</u> | <u>47,568</u> | <u>207,378</u> | <u>60,507</u> | <u>4,046</u> | <u>-</u> | <u>1,130,957</u> |
| 2,075 | - | - | - | - | - | 60,032 |
| 113 | - | 177,898 | 60,280 | 4,180 | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 222,242 | - | - | - | - | - | 1,076,141 |
| <u>(224,430)</u> | <u>-</u> | <u>(177,898)</u> | <u>(60,280)</u> | <u>(4,180)</u> | <u>-</u> | <u>(1,136,173)</u> |
| 67,778 | 47,568 | 29,480 | 227 | (134) | - | (5,216) |
| 243,206 | - | - | - | - | - | - |
| (151,427) | (122,114) | - | (9,582) | - | - | - |
| - | - | - | - | - | - | - |
| <u>91,779</u> | <u>(122,114)</u> | <u>-</u> | <u>(9,582)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| 159,557 | (74,546) | 29,480 | (9,355) | (134) | - | (5,216) |
| 593,792 | 141,657 | 418,174 | 10,160 | 17,438 | 1,189 | 116,333 |
| <u>\$ 753,349</u> | <u>\$ 67,111</u> | <u>\$ 447,654</u> | <u>\$ 805</u> | <u>\$ 17,304</u> | <u>\$ 1,189</u> | <u>\$ 111,117</u> |

DESOTO COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
ALL NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

| | Debt Service | | Capital Projects | | Total Non-Major Governmental Funds |
|--|-------------------------|--------------------------|---------------------|---------------------|--|
| | Debt Service Fund | Construction Projects | Special Projects | CDBG Projects | |
| Revenues | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ 2,756,701 |
| Special Assessments | - | - | - | - | 53,596 |
| Licenses and Permits | - | - | - | - | 711,491 |
| Intergovernmental Revenues | - | 190,223 | 192,379 | - | 2,289,849 |
| Charges for Services | - | - | - | - | 3,896,880 |
| Fines and Forfeitures | - | - | - | - | 120,294 |
| Miscellaneous Revenues | - | 5,524 | 2,017 | - | 263,131 |
| Total Revenues | - | 195,747 | 194,396 | - | 10,091,942 |
| Expenditures | | | | | |
| Current: | | | | | |
| General Government | - | 3,147 | 355,788 | - | 488,486 |
| Public Safety | - | 126,047 | - | - | 1,579,689 |
| Physical Environment | - | - | - | - | 2,379,768 |
| Transportation | - | - | - | 581 | 581 |
| Economic Environment | - | - | - | - | 1,622,866 |
| Human Services | - | - | - | - | 2,798,446 |
| Culture and Recreation | - | 64,177 | 173,530 | 473,592 | 711,299 |
| Court-Related | - | - | - | - | 1,298,383 |
| (Total Expenditures) | - | (193,371) | (529,318) | (474,173) | (10,879,518) |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | 2,376 | (334,922) | (474,173) | (787,576) |
| Other Financing Sources (Uses) | | | | | |
| Transfers In | - | 1,375,000 | 380,666 | - | 2,373,369 |
| Transfers (Out) | - | - | (30) | - | (538,243) |
| Insurance Proceeds | - | - | - | - | 209 |
| Total Other Financing Sources (Uses) | - | 1,375,000 | 380,636 | - | 1,835,335 |
| Net Change in Fund Balances | - | 1,377,376 | 45,714 | (474,173) | 1,047,759 |
| Fund Balances (Deficits), Beginning of Year | 4 | 1,024,682 | 225,802 | (26,980) | 8,204,501 |
| Fund Balances (Deficits), End of Year | \$ 4 | \$ 2,402,058 | \$ 271,516 | \$ (501,153) | \$ 9,252,260 |

DESOTO COUNTY, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
SEPTEMBER 30, 2024

| | Board of County Commissioners | | Sheriff | | |
|--|-------------------------------------|-------------------|----------------------------------|---------------------------|-------------------------|
| | Emergency Support Fund | Cash Bond Fund | Individual Depositors Fund | Other Suspense Fund | Inmate Trust Fund |
| | | | | | |
| Assets | | | | | |
| Cash and Cash Equivalents | \$ 2,303 | \$ 9,362 | \$ 10,872 | \$ 4,161 | \$ 45,603 |
| Accounts Receivable | - | - | - | - | - |
| Due from Other Governments | - | - | 185 | 3,538 | - |
| Total Assets | <u>2,303</u> | <u>9,362</u> | <u>11,057</u> | <u>7,699</u> | <u>45,603</u> |
| Liabilities | | | | | |
| Due to Other Governments | - | - | - | - | - |
| Due to Individuals and Businesses | - | 6,350 | 3,396 | 4,157 | 36,715 |
| Due to Others | - | 3,000 | 3,000 | 3,000 | - |
| Deposits | - | - | - | - | - |
| Total Liabilities | <u>-</u> | <u>9,350</u> | <u>6,396</u> | <u>7,157</u> | <u>36,715</u> |
| Net Position | | | | | |
| Restricted for Individuals, Businesses, and Other Governments | 2,303 | 12 | 4,661 | 542 | 8,888 |
| Total Net Position | <u>\$ 2,303</u> | <u>\$ 12</u> | <u>\$ 4,661</u> | <u>\$ 542</u> | <u>\$ 8,888</u> |

| Clerk of the Courts | | | | | Tax Collector | |
|----------------------------|-----------------------|--------------------------------|-------------------------------------|--------------------------|--------------------------|---------------------|
| Registry of Court Funds | Special Trust Fund | Fine and Forfeiture Fund | Documentary | | Tax Collector Fund | Totals |
| | | | Stamp and Intangible Tax Fund | Child Support Fund | | |
| \$ 496,688 | \$ 702,134 | \$ - | \$ - | \$ 4,624 | \$ 666,256 | \$ 1,942,003 |
| - | - | - | - | - | 31,607 | 31,607 |
| - | - | - | - | - | - | 3,723 |
| <u>496,688</u> | <u>702,134</u> | <u>-</u> | <u>-</u> | <u>4,624</u> | <u>697,863</u> | <u>1,977,333</u> |
| - | - | - | - | - | 650,112 | 650,112 |
| - | - | - | - | 4,624 | - | 55,242 |
| - | - | - | - | - | - | 9,000 |
| - | - | - | - | - | 47,751 | 47,751 |
| - | - | - | - | 4,624 | 697,863 | 762,105 |
| 496,688 | 702,134 | - | - | - | - | 1,215,228 |
| <u>\$ 496,688</u> | <u>\$ 702,134</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,215,228</u> |

DESOTO COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

| | Board of County Commissioners | | Sheriff | | |
|--|-------------------------------------|-------------------|----------------------------------|---------------------------|-------------------------|
| | Emergency Support Fund | Cash Bond Fund | Individual Depositors Fund | Other Suspense Fund | Inmate Trust Fund |
| | Additions | | | | |
| Fees/Fines Collected for Other Governments | \$ - | \$ - | \$ - | \$ - | \$ - |
| Deposits and Other Trust Activities | 20,707 | - | - | - | - |
| Property Taxes and Fees Collected for Local Governments | - | - | - | - | - |
| Tax Certificate Redemptions and Fees Collected for Businesses and Individuals | - | - | - | - | - |
| Cash Bond Collected | - | 135,901 | - | - | - |
| Fines, Forfeitures, and Fees Collected | - | - | 36,323 | - | - |
| Evidence Monies Collected | - | - | - | 77,889 | - |
| Collections from Inmates | - | - | - | - | 560,636 |
| Interest Income | - | 2 | 2 | 2 | 5 |
| Total Additions | <u>20,707</u> | <u>135,903</u> | <u>36,325</u> | <u>77,891</u> | <u>560,641</u> |
| Deductions | | | | | |
| Fees/Fines Disbursed to Other Governments | - | - | - | - | - |
| Deposits and Other Trust Activities Disbursed | 18,404 | - | - | - | - |
| Property Taxes and Fees Disbursed to Local Governments | - | - | - | - | - |
| Tax Certificate Redemptions and Fees Disbursed to Businesses and Individuals | - | - | - | - | - |
| Cash Bonds Disbursed | - | 135,901 | - | - | - |
| Fines, Forfeitures, and Fees Disbursed | - | - | 39,471 | - | - |
| Evidence Monies Disbursed | - | - | - | 77,913 | - |
| Inmate Funds Disbursed | - | - | - | - | 559,509 |
| Total Deductions | <u>18,404</u> | <u>135,901</u> | <u>39,471</u> | <u>77,913</u> | <u>559,509</u> |
| Changes in Fiduciary Net Position | <u>2,303</u> | <u>2</u> | <u>(3,146)</u> | <u>(22)</u> | <u>1,132</u> |
| Beginning Net Position | <u>-</u> | <u>10</u> | <u>7,807</u> | <u>564</u> | <u>7,756</u> |
| Ending Net Position | <u>\$ 2,303</u> | <u>\$ 12</u> | <u>\$ 4,661</u> | <u>\$ 542</u> | <u>\$ 8,888</u> |

| Clerk of the Courts | | | | | Tax Collector | | |
|----------------------------|-----------------------|--------------------------------|-------------------------------------|--------------------------|--------------------------|------------------------|---------------------|
| Registry of Court Funds | Special Trust Fund | Fine and Forfeiture Fund | Documentary | | Tax Collector Fund | Eliminating Entries | Totals |
| | | | Stamp and Intangible Tax Fund | Child Support Fund | | | |
| \$ - | \$ 473,407 | \$ 1,266,113 | \$ 3,174,171 | \$ - | \$ - | \$ - | \$ 4,913,691 |
| 1,572,156 | 278,885 | - | - | 337,425 | - | - | 2,209,173 |
| - | - | - | - | - | 48,253,940 | (29,760,883) | 18,493,057 |
| - | - | - | - | - | 7,767,453 | (17,355) | 7,750,098 |
| - | - | - | - | - | - | - | 135,901 |
| - | - | - | - | - | - | - | 36,323 |
| - | - | - | - | - | - | - | 77,889 |
| - | - | - | - | - | - | - | 560,636 |
| - | - | - | - | - | - | - | 11 |
| <u>1,572,156</u> | <u>752,292</u> | <u>1,266,113</u> | <u>3,174,171</u> | <u>337,425</u> | <u>56,021,393</u> | <u>(29,778,238)</u> | <u>34,176,779</u> |
| - | 413,343 | 1,266,113 | 3,174,171 | - | - | - | 4,853,627 |
| 1,965,572 | 182,802 | - | - | 337,425 | - | - | 2,504,203 |
| - | - | - | - | - | 48,253,940 | (29,760,883) | 18,493,057 |
| - | - | - | - | - | 7,767,453 | (17,355) | 7,750,098 |
| - | - | - | - | - | - | - | 135,901 |
| - | - | - | - | - | - | - | 39,471 |
| - | - | - | - | - | - | - | 77,913 |
| - | - | - | - | - | - | - | 559,509 |
| <u>1,965,572</u> | <u>596,145</u> | <u>1,266,113</u> | <u>3,174,171</u> | <u>337,425</u> | <u>56,021,393</u> | <u>(29,778,238)</u> | <u>34,413,779</u> |
| <u>(393,416)</u> | <u>156,147</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(237,000)</u> |
| <u>890,104</u> | <u>545,987</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,452,228</u> |
| <u>\$ 496,688</u> | <u>\$ 702,134</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,215,228</u> |

COMPLIANCE SECTION

DESOTO COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2024

| Grantor/Pass-Through Agency | AI/CSFA Number | Contract/ Grant Number | Grant Expenditures |
|--|-------------------|-----------------------------|-----------------------|
| Expenditures of Federal Awards | | | |
| U.S. Department of Agriculture | | | |
| Emergency Watershed Protection Program - EWP-5078 * | 10.923 | EWP5078 | \$ 16,626,710 |
| Total U.S. Department of Agriculture | | | <u>16,626,710</u> |
| U.S. Department of Housing and Urban Development | | | |
| Passed Through Florida Department of Commerce: | | | |
| Community Development Block Grants - CR769 Bridge | 14.228 | MT040 | 219,937 |
| Community Development Block Grants - King & Baker | 14.228 | MT041 | 254,235 |
| Community Development Block Grants - Care Act DMS Generator | 14.228 | I0167 | 1,260 |
| Total U.S. Department of Housing and Urban Development | | | <u>475,432</u> |
| U.S. Department of Justice | | | |
| Passed Through Florida Department of Law Enforcement: | | | |
| Bulletproof Vest Partnership Program | 16.607 | Unknown | 2,095 |
| Total U.S. Department of Justice | | | <u>2,095</u> |
| U.S. Department of Transportation, Federal Transit Administration | | | |
| Passed Through Florida Department of Transportation: | | | |
| Highway Planning and Construction | 20.205 | FPN 438103-1-38/58-01 | 312,777 |
| Highway Planning and Construction | 20.205 | FPN 438105-1-38/58-01 | 437,869 |
| Highway Planning and Construction | 20.205 | FPN 437099-1-38/58/68/62-01 | 19,715 |
| Total U.S. Department of Transportation, Federal Transit Administration | | | <u>770,361</u> |
| U.S. Department of Treasury | | | |
| Passed Through Florida Division of Emergency Management: | | | |
| COVID-19: Coronavirus State and Local Fiscal Recovery Funds - American Rescue Plan Act * | 21.027 | Unknown | 1,426,078 |
| Total U.S. Department of Treasury | | | <u>1,426,078</u> |
| U.S. Department of Health and Human Services | | | |
| Passed Through Florida Department of Revenue: | | | |
| Child Support Services - Reimbursement | 93.563 | COC14 | 50,970 |
| Passed Through Florida Department of Commerce: | | | |
| Low Income Household Water Assistance Program | 93.499 | E2001-41281, 41311 | 26,250 |
| Low-Income Home Energy Assistance Program | 93.568 | E2001-39716, 40028, 40238 | 171,534 |
| Total U.S. Department of Health and Human Services | | | <u>248,754</u> |
| U.S. Department of Homeland Security, | | | |
| Federal Emergency Management Agency (FEMA) | | | |
| Passed Through Florida Division of Emergency Management: | | | |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters)* | 97.036 | DR-4337-FL | 2,684,809 |
| Hazard Mitigation Grant - FDEM-EXT OFFICE | 97.039 | H0911 | 147,497 |
| Emergency Management Performance Grants | 97.042 | G0247/G0450 | 57,741 |
| Total U.S. Department of Homeland Security, FEMA | | | <u>2,890,047</u> |
| Total Expenditures of Federal Awards | | | <u>\$ 22,439,477</u> |

DESOTO COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2024

| Grantor/Pass-Through Agency | AI/CSFA Number | Contract/ Grant Number | Grant Expenditures |
|--|-------------------|---------------------------|-----------------------|
| Florida Department of Agriculture and Consumer Services | | | |
| Expenditures of State Financial Assistance | | | |
| Florida Executive Office of the Governor | | | |
| Emergency Management Programs | 31.063 | A0247 | \$ 92,038 |
| Emergency Management Programs | 31.063 | A0379 | 11,223 |
| | | | <u>103,261</u> |
| Hurricane Loss Mitigation Program | 31.066 | 80188 | 191,933 |
| Total Florida Executive Office of the Governor | | | <u>295,194</u> |
| Florida Department of Environmental Protection | | | |
| Resilient Florida Program - Comprehensive Vulnerability Assessment Including Arcadia | 37.098 | 23PLN109 | 20,000 |
| Small County Consolidated Grants | 37.012 | SC405 | 93,750 |
| Statewide Water Quality Restoration Projects - Peace River Basin Treatment | 37.039 | LPR0021 | 58,518 |
| Total Florida Department of Environmental Protection | | | <u>172,268</u> |
| Florida Department of Commerce | | | |
| Growth Management Implementation | 40.024 | P0484 | 30,000 |
| Total Florida Department of Commerce | | | <u>30,000</u> |
| Florida Housing Finance Corporation | | | |
| State Housing Initiatives Partnership Program ** | 40.901 | Unknown | 890,882 |
| State Housing Initiatives Partnership Program - Disaster ** | 40.901 | Unknown | 10,940 |
| State Housing Initiatives Partnership Program - HHRP ** | 40.901 | Unknown | 723,717 |
| Total Florida Housing Finance Corporation | | | <u>1,625,539</u> |
| Florida Department of Agriculture and Consumer Services | | | |
| Mosquito Control | 42.003 | 30633 | 37,748 |
| Total Florida Department of Agriculture and Consumer Services | | | <u>37,748</u> |
| Florida Department of State, Division of Library and Information Services | | | |
| State Aid to Libraries | 45.030 | 24-ST-13 | 49,208 |
| Total Florida Department of State, Division of Library and Information Services | | | <u>49,208</u> |
| Florida Department of State Acquisition | | | |
| Acquisition, Restoration of Historic Properties - Courthouse Restoration | 45.032 | 23.H.SC.100.026 | 465,663 |
| Total Florida Department of State Acquisition | | | <u>465,663</u> |
| Florida Department of Transportation | | | |
| Small County Outreach Program - SW Welles ** | 55.009 | 446390 1 54 01 G2611 | 6,112 |
| Small County Outreach Program - CR760A Hawthorne ** | 55.009 | 443437 2 54 01 G2581 | 1,241 |
| Small County Outreach Program - SW Hull Avenue ** | 55.009 | 438576 1 54 01 G1215 | 2,378,867 |
| Small County Outreach Program - Bridge Scour SE Airport ** | 55.009 | 443436 2 54 01 G2580 | 436,293 |
| Small County Outreach Program - SE Hargrave** | 55.009 | 453435 1 54 01 G2U97 | 81,765 |
| Small County Outreach Program - SW Reynolds Road ** | 55.009 | 445074 1 54 01 G2C57 | 828,176 |
| | | | <u>3,732,454</u> |
| Small County Road Assistance Program - NE Cubit's AVE | 55.016 | 453403 1 54 01 G2u52 | 134,587 |
| Total Florida Department of Transportation | | | <u>3,867,041</u> |
| Florida Department of Law Enforcement | | | |
| Law Enforcement Salary Assistance For Fiscally Constrained Counties | 71.067 | SV005 | 396,305 |
| Law Enforcement Salary Assistance For Fiscally Constrained Counties | 71.067 | ME005 | 130,499 |
| Total Florida Department of Law Enforcement | | | <u>526,804</u> |
| Florida Department of Management Services | | | |
| E911 State Grant Program | 72.002 | S24-23-08-10 | 9,552 |
| Total Florida Department of Management Services | | | <u>9,552</u> |
| Florida Fish and Wildlife Commission | | | |
| Florida Boating Improvement Program | 77.006 | 23099 | 174,980 |
| Total Florida Fish and Wildlife Commission | | | <u>174,980</u> |
| Total Expenditures of State Financial Assistance | | | <u>\$ 7,253,997</u> |

* Denotes major federal awards program.

** Denotes major state financial assistance project.

DESOTO COUNTY, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Note 1 - General

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

The County reporting entity is defined in Note 1 to the County's financial statements for the year ended September 30, 2024. All federal awards and state financial assistance received directly from federal or state agencies, as well as federal awards and state financial assistance passed through other governmental agencies, are included in the schedule.

Note 2 - Basis of Accounting

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

Note 3 - Contingencies

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

Note 4 - Expenditures and Program Income

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

Note 5 - Indirect Costs

DeSoto County Board of County Commissioners did not elect to use the 10% de minimis cost rate in 2024 as covered in 2 CFR 200.414.

Note 6 - Disaster Public Assistance

Disaster funding received from the FEMA Public Assistance Program (AL 97.036) is based on Project Worksheets (PWs) that outline the eligible expenses and the scope of the project. Expenditures recorded on this schedule are contingent on when funds are obligated and approved, and the County has incurred eligible expenditures. The schedule includes \$2,684,809 of eligible expenditures that were incurred in prior years.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of DeSoto County, Florida (the County), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 30, 2025.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2024-01 and 2024-02 that we consider to be significant deficiencies.

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DeSoto County, Florida

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

Report on Compliance and Other Matters

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

County's Response to Findings

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

Purpose of this Report

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

Purvis Gray

June 30, 2025
Sarasota, Florida

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

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

Report on Compliance for Each Major Federal Program/State Project

Opinion on Each Major Federal Program/State Project

We have audited DeSoto County, Florida's (the County) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement*, and the requirements described in the Florida Department of Financial Services' *State Projects Compliance Supplement*, that could have a direct and material effect on each of the County's major federal programs and state projects for the year ended September 30, 2024. The County's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program/State Project

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

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

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

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a federal program 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 that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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

Purvis Gray

June 30, 2025
Sarasota, Florida

**DESOTO COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARD PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Part A - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of Auditor's Report Issued Unmodified

Internal Control Over Financial Reporting:

Material weakness(es) identified? No
Significant deficiency(ies) identified? Yes

Non-compliance material to financial statements noted? No

Federal Awards and State Financial Assistance Projects

Internal Control Over Major Programs:

Material weakness(es) identified? No
Significant deficiency(ies) identified? No

Type of Auditor's Report Issued on Compliance for Major Programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with CFR 200.516(a) or Chapter 10.557 for local government entities? No

Identification of Major Programs/Projects:

Federal Program or Cluster

U.S. Department of Agriculture
Emergency Watershed Protection Program AL No. 10.923

U.S. Department of The Treasury
Passed Through Florida Emergency Management
COVID-19 – Coronavirus State and Local Fiscal Recovery Finds –
American Rescue Plan Act AL No. 21.027

DESOTO COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARD PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

State Financial Assistance Projects

| | |
|---|-----------------|
| Florida Housing Finance Corporation | |
| State Housing Initiatives Partnership Program | CSFA No. 40.901 |
| Florida Department of Transportation | |
| Small County Outreach Program | CSFA No. 55.009 |
| Dollar threshold used to distinguish between Type A and Type B programs - Federal Programs: | \$750,000 |
| Dollar threshold used to distinguish between Type A and Type B programs - State Programs: | \$750,000 |
| Auditee qualified as low-risk auditee pursuant to the Uniform Guidance? | No |

PART B - FINDINGS - FINANCIAL STATEMENT AUDIT

■ **2024-01 – Timeliness of Financial Close and Reporting (Significant Deficiency)**

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

Effect – At the commencement of final fieldwork, all significant audit areas should be completed in order to limit the need for a large volume of subsequent journal entries. This reduces the chance of errors and allows management to perform an effective review of final amounts prior to commencement of the audit.

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

■ **2024-02 – Inventory Management (Significant Deficiency)**

Condition – During the audit, we performed an inventory observation that identified differences between recorded and actual inventory balances in both the Water and Sewer and County Transportation Fund. Additionally, for the Water and Sewer Fund, deviations of inventory cost from County policy were identified along with the identification of a previously unreported inventory location.

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

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

DESOTO COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARD PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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

- No matters are reported

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

- No matters are reported

PART E - OTHER ISSUES

Management has provided their summary schedule of prior audit findings on page 107 in response to the prior year findings required to be reported under the *Federal* and *Florida Single Audit Acts*.

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

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

We have examined DeSoto County, Florida's (the County) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the fiscal year ended September 30, 2024, as required by Section 10.566(10)(a), *Rules of the Auditor General*. Management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

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

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

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

In our opinion, the County complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the fiscal year ended September 30, 2024.

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

Purvis Gray

June 30, 2025
Sarasota, Florida

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

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

We have examined DeSoto County, Florida's (the County) compliance with Section 365.172(10), Florida Statutes, *Authorized Expenditures of E911 Fee*, and Section 365.173(2)(d), Florida Statutes, *Distribution and Use of (E911) Funds*, during the fiscal year ended September 30, 2024. Management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

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

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

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

In our opinion, the County complied, in all material respects, with the requirements of Section 365.172(10), Florida Statutes, *Authorized Expenditures of E911 Fee*, and Section 365.173(2)(d), Florida Statutes, *Distribution and Use of (E911) Funds*, during the fiscal year ended September 30, 2024.

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

Purvis Gray

June 30, 2025
Sarasota, Florida

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MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of DeSoto County, Florida (the County) as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated June 30, 2025.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance), and Chapter 10.550, *Rules of the Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control Over Compliance Required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*; Schedule of Findings and Questioned Costs; and Independent Accountant's Reports on an examination conducted in accordance with American Institute of Public Accountants *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated June 30, 2025, 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. The table below has been provided to identify both prior audit findings that were corrected during the year and those that have continued to be reported during the year.

| Tabulation of Uncorrected Audit Findings | | |
|--|---------------------------------|---------------------------------|
| 2023-2024 Fiscal Year Finding # | 2022-2023 Fiscal Year Finding # | 2021-2022 Fiscal Year Finding # |
| 2024-01 | 2023-01 | 2022-01 |
| 2024-02 | 2023-02 | N/A |
| N/A | 2023-03 | N/A |
| N/A | 2023-04 | N/A |
| N/A | 2023-05 | N/A |

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MANAGEMENT LETTER

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The County has disclosed this information in Note 1 of the financial statements and there were no component units.

Financial Condition and Management

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

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

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations other than those reported on the schedule of findings and questioned costs.

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.A, *Rules of the Auditor General*, a PACE program, authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did not operate within the County's geographical boundaries during the fiscal year under audit.

Additional Matters

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

Purpose of this Letter

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

Purvis Gray

June 30, 2025
Sarasota, Florida

DeSoto County



Board of County Commissioners Administrative Services Department

201 East Oak Street, Suite 205
Arcadia, Florida 34266

(863) 993-4587
(863) 993-4643 fax
www.desotobocc.com

June 30, 2025

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

Re: 2024 Audit – Management Response Letter

2024-01 – Timeliness of Financial Close and Reporting

We acknowledge the delay in finalizing several key financial areas at the commencement of audit fieldwork, which led to a series of post-closing adjustments and a subsequent delay in the issuance of the audited financial statements. This deficiency was primarily due to resource constraints and competing priorities at year-end. Management has already begun reviewing the financial close process and is implementing the following corrective actions:

- A revised year-end close calendar will be developed and implemented with stricter internal deadlines and clearer task ownership.
- Additional staff training will be provided to ensure accurate and timely recording of complex transactions.
- Management will conduct interim closings and financial reviews on a quarterly basis to reduce the volume of adjustments required at year-end.

We are committed to improving the efficiency and timeliness of the financial reporting process and to meeting all statutory deadlines going forward.

2024-02 – Inventory Management

We recognize the issues identified with inventory management within the Water and Sewer, and County Transportation Fund, including untimely inventory counts and deviation from the County's valuation policy. To address this, management has initiated a full review of current inventory procedures and is implementing the following corrective measures:

- An updated inventory procedure is being developed to clearly define roles, timelines, and valuation methods in accordance with County policy and best practices.
- A physical inventory count schedule will be implemented and monitored to ensure that counts are performed at least annually and more frequently for high-activity locations.
- The Water and Sewer, and County Transportation Department will coordinate with the Finance Department to ensure inventory values are reviewed and reconciled.
- Inventory tracking systems are being implemented for accuracy and, if necessary, system enhancements or staff retraining will be initiated.

We are confident that these actions will strengthen internal controls over inventory and support the timely and accurate reporting of inventory balances.

We take these audit findings seriously and are fully committed to enhancing our financial operations and internal control framework. We thank you for your continued partnership and support as we implement these improvements.

Sincerely,

DESOTO COUNTY, FLORIDA

Peter Danao

Peter Danao, Finance Director

DeSoto County



Board of County Commissioners Administrative Services Department

201 East Oak Street, Suite 205
Arcadia, Florida 34266

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FEDERAL PROGRAMS AND STATE PROJECTS For the Fiscal Year Ended September 30, 2024

PRIOR AUDIT FINDINGS and QUESTIONED COSTS – MAJOR FEDERAL PROGRAMS

| Finding Number | Prior Audit Finding |
|----------------|--|
| 2023-04 | <p>Preparation of Schedule of Expenditures of Federal Awards (Material Weakness)</p> <p>Condition – The Schedule of Expenditures of Federal Awards provided during the audit incorrectly omitted the activity for two grant programs, resulting in a material understatement of expenditures of federal awards.</p> <p>Auditor's Recommendation: We recommend management review the process of preparing the Schedule of Expenditures of Federal Awards and implement additional controls to ensure that all expenditures are included.</p> <p>Current Status: The finding was corrected in fiscal year 2024.</p> |

PRIOR AUDIT FINDINGS and QUESTIONED COSTS – MAJOR STATE PROJECTS

| Finding Number | Prior Audit Finding |
|----------------|---|
| 2023-05 | <p>Preparation of Schedule of Expenditures of State Financial Assistance (Significant Deficiency)</p> <p>Condition – The Schedule of Expenditures of State Financial Assistance provided during the audit incorrectly omitted the activity for two grant projects, resulting in an understatement of expenditures of state financial assistance.</p> <p>Auditor's Recommendation: We recommend management review the process of preparing the Schedule of Expenditures of State Financial Assistance and implement additional controls to ensure that all expenditures are included.</p> <p>Current Status: The finding was corrected in fiscal year 2024.</p> |

AFFIDAVIT

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

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

FURTHER AFFIANT SAYETH NAUGHT.

Peter Danao
Peter Danao

STATE OF FLORIDA
COUNTY OF DESOTO

SWORN TO AND SUBSCRIBED before me this 24 day of June, 2025.

[Signature]
NOTARY PUBLIC
Print Name Lesyani Martinez

Personally known or produced identification _____

Type of identification produced: _____

My Commission Expires:

05/14/2027



CLERK OF THE
CIRCUIT COURT

2024

DeSoto County, Florida
Clerk of the Circuit and County Courts
Financial Statements and
Independent Auditor's Report
September 30, 2024

PURVIS GRAY
CERTIFIED PUBLIC ACCOUNTANTS

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

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

SEPTEMBER 30, 2024

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the DeSoto County, Florida Clerk of the Circuit and County Courts (the Clerk) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Clerk's financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of each major fund and the aggregate remaining fund information of the Clerk as of September 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida (the Rules). In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position, only for that portion of each major fund and the aggregate remaining fund information of DeSoto County, Florida that is attributable to the Clerk. They do not purport to, and do not, present fairly the financial position of DeSoto County, Florida as of September 30, 2024, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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INDEPENDENT AUDITOR'S REPORT

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

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

INDEPENDENT AUDITOR'S REPORT

Required Supplementary Information

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

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2025, on our consideration of the Clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Clerk's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk's internal control over financial reporting and compliance.

Purvis Gray

January 28, 2025
Sarasota, Florida

FINANCIAL STATEMENTS

DESOTO COUNTY, FLORIDA
 CLERK OF THE CIRCUIT AND COUNTY COURTS
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2024

| | Major Funds | | |
|---|-------------------|---------------------------------|--------------------------------|
| | General Fund | Public Records Trust Fund | Total Governmental Funds |
| Assets | | | |
| Cash and Cash Equivalents | \$ 337,705 | \$ 111,117 | \$ 448,822 |
| Due from Other Governments | 19,549 | - | 19,549 |
| Total Assets | <u>357,254</u> | <u>111,117</u> | <u>468,371</u> |
| Liabilities, Deferred Inflows, and Fund Balances | | | |
| Liabilities | | | |
| Accounts Payable | 672 | - | 672 |
| Accrued Payroll and Payroll Taxes | 75 | - | 75 |
| Due to Board of County Commissioners | 29,095 | - | 29,095 |
| Due to Other Governments | 324,847 | - | 324,847 |
| Total Liabilities | <u>354,689</u> | <u>-</u> | <u>354,689</u> |
| Deferred Inflows | | | |
| Unavailable Revenues | 2,565 | - | 2,565 |
| Total Deferred Inflows | <u>2,565</u> | <u>-</u> | <u>2,565</u> |
| Fund Balances | | | |
| Restricted for: | | | |
| Records Modernization | - | 111,117 | 111,117 |
| Total Fund Balances | <u>-</u> | <u>111,117</u> | <u>111,117</u> |
| Total Liabilities, Deferred Inflows, and Fund Balances | <u>\$ 357,254</u> | <u>\$ 111,117</u> | <u>\$ 468,371</u> |

See accompanying notes.

DESOTO COUNTY, FLORIDA
 CLERK OF THE CIRCUIT AND COUNTY COURTS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2024

| | Major Funds | | |
|--|--------------------|-----------------------|-----------------------|
| | General | Public | Total |
| | Fund | Records Trust Fund | Governmental Funds |
| Revenues | | | |
| Intergovernmental Revenues | \$ 340,465 | \$ - | \$ 340,465 |
| Charges for Services | 1,035,856 | 1,130,935 | 2,166,791 |
| Interest | 27,363 | 22 | 27,385 |
| Total Revenues | <u>1,403,684</u> | <u>1,130,957</u> | <u>2,534,641</u> |
| Expenditures | | | |
| Current: | | | |
| General Government: | | | |
| Personnel Services | 297,084 | - | 297,084 |
| Operating Expenditures | 47,328 | 60,032 | 107,360 |
| Court-Related Services: | | | |
| Personnel Services | 793,250 | - | 793,250 |
| Operating Expenditures | 124,378 | 1,076,141 | 1,200,519 |
| (Total Expenditures) | <u>(1,262,040)</u> | <u>(1,136,173)</u> | <u>(2,398,213)</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>141,644</u> | <u>(5,216)</u> | <u>136,428</u> |
| Other Financing Sources (Uses) | | | |
| Reversion to the State of Florida | (253,227) | - | (253,227) |
| Transfers in from DeSoto County | | | |
| Board of County Commissioners | 140,678 | - | 140,678 |
| Transfers (out) to DeSoto County | | | |
| Board of County Commissioners | (29,095) | - | (29,095) |
| Total Other Financing Sources (Uses) | <u>(141,644)</u> | <u>-</u> | <u>(141,644)</u> |
| Net Change in Fund Balances | - | (5,216) | (5,216) |
| Fund Balance, Beginning of Year | <u>-</u> | <u>116,333</u> | <u>116,333</u> |
| Fund Balance, End of Year | <u>\$ -</u> | <u>\$ 111,117</u> | <u>\$ 111,117</u> |

See accompanying notes.

DESOTO COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2024

| | <u>Total Custodial Funds</u> |
|---|----------------------------------|
| Assets | |
| Cash | \$ 1,203,446 |
| Total Assets | <u>1,203,446</u> |
| | |
| Liabilities and Net Position | |
| | |
| Liabilities | |
| Due to Individuals and Businesses | 4,624 |
| Total Liabilities | <u>4,624</u> |
| | |
| Net Position | |
| Restricted for Individuals and Businesses | 1,198,822 |
| Total Net Position | <u>1,198,822</u> |
| | |
| Total Liabilities and Net Position | <u>\$ 1,203,446</u> |

See accompanying notes.

DESOTO COUNTY, FLORIDA
 CLERK OF THE CIRCUIT AND COUNTY COURTS
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 SEPTEMBER 30, 2024

| | Total Custodial Funds |
|---|----------------------------------|
| Additions | |
| Fees/Fines Collected for Other Governments | \$ 4,913,691 |
| Deposits and Other Trust Activities | 2,188,466 |
| Total Additions | 7,102,157 |
| Deductions | |
| Fees/Fines Disbursed to Other Governments | 4,853,627 |
| Deposits and Other Trust Activities Disbursed | 2,485,799 |
| (Total Deductions) | (7,339,426) |
| Change in Net Position | (237,269) |
| Net Position, Beginning of Year | 1,436,091 |
| Net Position, End of Year | \$ 1,198,822 |

See accompanying notes.

DESOTO COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Note 1 - Summary of Significant Accounting Policies

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

Reporting Entity

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

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

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

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

Basis of Presentation

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

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

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

The Clerk reports the following major governmental funds:

■ **Governmental Funds**

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

DESOTO COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

- **Public Records Trust Fund**—is a special revenue fund used to account for recording fees, licenses, and investment income on the money restricted for record modernization. Revenues from the operational, clerical, and administrative functions of the Clerk’s court activities are also accounted for here.

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

■ **Fiduciary Funds**

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

Funding of Clerk Activities

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

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

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

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

Basis of Accounting

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

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

DESOTO COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Measurement Focus

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

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

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

Budgetary Requirement

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

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

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

Supplemental Funding and Return of “Excess Fees”

The operations of the Clerk are approved and primarily funded from fees and charges authorized under Florida Statutes and supplemental appropriations from the CCOC or the Board. For non-court activities, the supplemental funding from the Board is recorded as transfers in on the accompanying statement of revenues, expenditures, and changes in fund balance. Any excess of revenues and transfers in over expenditures for non-court activities (including child support activities) for the year ended September 30 are reported as transfers out and due to the Board and are payable by October 31.

For court activities, the supplemental funding from the CCOC is recorded as intergovernmental revenue on the accompanying statement of revenues, expenditures, and changes in fund balance. The amount returned, if any, is recorded as reversion to the State of Florida under other financing sources (uses). For

DESOTO COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

the period October 1, 2023 through September 30, 2024, the amount recorded as due to other governments includes \$64,206 of September 2024 revenues that can be retained to fund 2025 expenditures, as well as \$260,641, which is due to the state.

Deferred Inflows/Unavailable Revenues

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

Fund Balances

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

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

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

**DESOTO COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

Compensated Absences

All full-time employees of the Clerk are entitled to leave with pay. The employees may accumulate unused leave up to a maximum based on their years of service as follows:

| <u>Service Years</u> | <u>Maximum Accumulation (Hours)</u> |
|----------------------|-------------------------------------|
| 1 | 80 |
| 2-5 | 200 |
| 6-10 | 250 |
| 11-15 | 300 |
| 16+ | 400 |

Employees leaving the office in good standing may be entitled to receive compensation subject to funding availability, at the Clerk’s discretion and at the percentage of the Clerk’s discretion. The Clerk does not, nor is legally required to, accumulate financial resources for these unmatured obligations. Accordingly, the liability for compensated absences is not reported in the governmental funds but rather is reported in the basic financial statements of the County.

Use of Estimates

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

Note 2 - Cash and Investments

At year-end, the carrying amount of the Clerk’s deposits was \$1,650,388 (\$446,942 in governmental funds and \$1,203,446 in fiduciary funds). All of the Clerk’s public deposits are held in qualified public depositories (QPDs) pursuant to Florida Statutes, Chapter 280. Under this Chapter, each QPD is required to pledge collateral to the State Treasurer against the public deposits. In the event of default by a QPD, all claims for public deposits would be satisfied by the State Treasurer from the proceeds of federal deposit insurance, pledged collateral of the QPD in default and, if necessary, assessments against other QPDs of the same type as the depositor in default.

In addition to cash deposits, the Clerk maintains cash on hand for the purpose of making change on transactions. At September 30, 2024, the Clerk held \$1,880 in cash on hand.

Investments

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

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

**DESOTO COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

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

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

Note 3 - Capital Assets

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

Note 4 - Compensated Absences

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

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

| Balance October 1, 2023 | Additions | Retirements | Balance September 30, 2024 | Due Within One Year |
|-------------------------------|-----------|-------------|----------------------------------|---------------------------|
| \$ 49,260 | \$ 34,758 | \$ (43,360) | \$ 40,658 | \$ 4,066 |

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

Note 5 - Florida Retirement System (FRS) Pension Benefits

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

Note 6 - Postemployment Benefits Other Than Pensions

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

**DESOTO COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

Note 7 - Risk Management

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

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

Note 8 - Litigation and Contingencies

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

Note 9 - Change in Reporting Entity

In the current year, the Documentary Stamp and Intangible Tax Fund is reported as custodial fund after being reported as a major special revenue fund in the prior year. This fund no longer meets the criteria to be recognized as a special revenue fund, and is reported as a custodial fund in the current year. There was no beginning fund balance to restate as of September 30, 2023, so there were no adjustments made to the financial statements due to this change in reporting entity.

REQUIRED SUPPLEMENTARY INFORMATION

DESOTO COUNTY, FLORIDA
 CLERK OF THE CIRCUIT AND COUNTY COURTS
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2024

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|--|--------------------|--------------------|--------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental Revenues | \$ 292,945 | \$ 411,514 | \$ 340,465 | \$ (71,049) |
| Charges for Services: | | | | |
| Court Activities | 608,821 | 608,821 | 663,315 | 54,494 |
| Non-Court Activities | 205,000 | 205,000 | 372,541 | 167,541 |
| Interest | - | - | 27,363 | 27,363 |
| Total Revenues | <u>1,106,766</u> | <u>1,225,335</u> | <u>1,403,684</u> | <u>178,349</u> |
| Expenditures | | | | |
| Board Budget: | | | | |
| General Government: | | | | |
| Personnel Services | 285,053 | 285,053 | 297,084 | (12,031) |
| Operating Expenditures | 45,000 | 60,625 | 47,328 | 13,297 |
| State Budget: | | | | |
| Court-Related Services: | | | | |
| Personnel Services | 782,165 | 900,734 | 793,250 | 107,484 |
| Operating Expenditures | 72,178 | 72,178 | 124,378 | (52,200) |
| Capital Outlay | 47,423 | 47,423 | - | 47,423 |
| (Total Expenditures) | <u>(1,231,819)</u> | <u>(1,366,013)</u> | <u>(1,262,040)</u> | <u>103,973</u> |
| (Deficiency) Excess of Revenues (Under) Over Expenditures | <u>(125,053)</u> | <u>(140,678)</u> | <u>141,644</u> | <u>282,322</u> |
| Other Financing Sources (Uses) | | | | |
| Reversion to the State of Florida | - | - | (253,227) | (253,227) |
| Transfers in from DeSoto County | | | | |
| Board of County Commissioners | 125,053 | 140,678 | 140,678 | - |
| Transfers (out) to DeSoto County | | | | |
| Board of County Commissioners | - | - | (29,095) | (29,095) |
| Total Other Financing Sources (Uses) | <u>125,053</u> | <u>140,678</u> | <u>(141,644)</u> | <u>(282,322)</u> |
| Net Change in Fund Balance | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

**DESOTO COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2024**

Note 1 - Budgetary Information

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

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

SUPPLEMENTARY INFORMATION

DESOTO COUNTY, FLORIDA
 CLERK OF THE CIRCUIT AND COUNTY COURTS
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 SEPTEMBER 30, 2024

| | Registry of Court Fund | Special Trust Fund | Fine and Forfeiture Fund | Documentary Stamp and Intangible Tax Fund | Child Support Fund | Total Custodial Funds |
|--|---------------------------|-----------------------|--------------------------------|--|-----------------------|--------------------------|
| Assets | | | | | | |
| Cash | \$ 496,688 | \$ 702,134 | \$ - | \$ - | \$ 4,624 | \$ 1,203,446 |
| Total Assets | <u>496,688</u> | <u>702,134</u> | <u>-</u> | <u>-</u> | <u>4,624</u> | <u>1,203,446</u> |
| Liabilities and Net Position | | | | | | |
| Liabilities | | | | | | |
| Due to Individuals and Businesses | - | - | - | - | 4,624 | 4,624 |
| Total Liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>4,624</u> | <u>4,624</u> |
| Net Position | | | | | | |
| Restricted for: Individuals and Businesses | 496,688 | 702,134 | - | - | - | 1,198,822 |
| Total Liabilities and Net Position | <u>\$ 496,688</u> | <u>\$ 702,134</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,624</u> | <u>\$ 1,203,446</u> |

DESOTO COUNTY, FLORIDA
 CLERK OF THE CIRCUIT AND COUNTY COURTS
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 SEPTEMBER 30, 2024

| | Registry of Court Fund | Special Trust Fund | Fine and Forfeiture Fund | Documentary Stamp and Intangible Tax Fund | Child Support Fund | Total Custodial Funds |
|--|---------------------------|-----------------------|--------------------------------|--|-----------------------|--------------------------|
| Additions | | | | | | |
| Fees/Fines Collected for Other Governments | \$ - | \$ 473,407 | \$ 1,266,113 | \$ 3,174,171 | \$ - | \$ 4,913,691 |
| Deposits and Other Trust Activities | 1,572,156 | 278,885 | - | - | 337,425 | 2,188,466 |
| Total Additions | <u>1,572,156</u> | <u>752,292</u> | <u>1,266,113</u> | <u>3,174,171</u> | <u>337,425</u> | <u>7,102,157</u> |
| Deductions | | | | | | |
| Fees/Fines Disbursed to Other Governments | - | 413,343 | 1,266,113 | 3,174,171 | - | 4,853,627 |
| Deposits and Other Trust Activities Disbursed | 1,965,572 | 182,802 | - | - | 337,425 | 2,485,799 |
| (Total Deductions) | <u>(1,965,572)</u> | <u>(596,145)</u> | <u>(1,266,113)</u> | <u>(3,174,171)</u> | <u>(337,425)</u> | <u>(7,339,426)</u> |
| Change in Net Position | (393,416) | 156,147 | - | - | - | (237,269) |
| Net Position, Beginning of Year | 890,104 | 545,987 | - | - | - | 1,436,091 |
| Net Position, End of Year | <u>\$ 496,688</u> | <u>\$ 702,134</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,198,822</u> |

OTHER REPORTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the DeSoto County, Florida Clerk of the Circuit and County Courts (the Clerk) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Clerk's financial statements, and have issued our report thereon dated January 28, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

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

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

the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Purvis Gray

January 28, 2025
Sarasota, Florida

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

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

We have examined the DeSoto County, Florida Clerk of the Circuit and County Courts' (the Clerk) compliance with Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2024. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination.

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

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

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

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements during the fiscal year ended September 30, 2024.

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

Purvis Gray

January 28, 2025
Sarasota, Florida

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

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

We have examined the DeSoto County, Florida Clerk of the Circuit and County Courts' (the Clerk) compliance with Sections 28.35 and 28.36, Florida Statutes, during the fiscal year ended September 30, 2024. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination.

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

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

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

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements during the fiscal year ended September 30, 2024.

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

Purvis Gray

January 28, 2025
Sarasota, Florida

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

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

We have examined the DeSoto County, Florida Clerk of the Circuit and County Courts' (the Clerk) compliance with Section 61.181, Florida Statutes, during the fiscal year ended September 30, 2024. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination.

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

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

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

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements during the fiscal year ended September 30, 2024.

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

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January 28, 2025
Sarasota, Florida

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MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of each major fund and the aggregate remaining fund information of the DeSoto County, Florida Clerk of the Circuit and County Courts (the Clerk) as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated January 28, 2025.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Reports on an examination conducted in accordance with the American Institute of Certified Public Accountants *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated January 28, 2025, 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. The Clerk was established by the Constitution of the State of Florida, Article VIII, Section 1(d). The Clerk does not have any component units.

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

MANAGEMENT LETTER

Financial Management

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

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

Purpose of this Letter

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

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

Purvis Gray

January 28, 2025
Sarasota, Florida

SHERIFF

2024

DeSoto County, Florida
Sheriff

Financial Statements and
Independent Auditor's Report

September 30, 2024

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

**SHERIFF
DESOTO COUNTY, FLORIDA**

SEPTEMBER 30, 2024

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INDEPENDENT AUDITOR'S REPORT

Honorable James Potter
Sheriff
DeSoto County, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the DeSoto County, Florida Sheriff (the Sheriff) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Sheriff's financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of each major fund and the aggregate remaining fund information of the Sheriff as of September 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida (the Rules). In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund and the aggregate remaining fund information, only for that portion of DeSoto County, Florida that is attributable to the Sheriff. They do not purport to, and do not, present fairly the financial position of DeSoto County, Florida as of September 30, 2024, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

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Members of American and Florida Institutes of Certified Public Accountants

Honorable James Potter
Sheriff
DeSoto County, Florida

INDEPENDENT AUDITOR'S REPORT

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

Honorable James Potter
Sheriff
DeSoto County, Florida

INDEPENDENT AUDITOR'S REPORT

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's financial statements. The accompanying combining statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements are fairly stated in all material respects in relation to the 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 January 29, 2025, 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.

Purvis Gray

January 29, 2025
Sarasota, Florida

FINANCIAL STATEMENTS

DESOTO COUNTY, FLORIDA
SHERIFF
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

| | Major Funds | | | Total Governmental Funds |
|--|---------------------|---------------------------|------------------------------------|--------------------------------|
| | General Fund | Inmate Welfare Fund | Non-Major Governmental Funds | |
| Assets | | | | |
| Cash | \$ 1,190,882 | \$ 434,293 | \$ 18,183 | \$ 1,643,358 |
| Due from Other Funds | 9,000 | - | - | 9,000 |
| Due from Individuals and Businesses | 53,583 | 14,819 | 1,115 | 69,517 |
| Total Assets | <u>1,253,465</u> | <u>449,112</u> | <u>19,298</u> | <u>1,721,875</u> |
| Liabilities and Fund Balances | | | | |
| Liabilities | | | | |
| Vouchers Payable | 189,423 | 1,458 | - | 190,881 |
| Accrued Liabilities | 455,106 | - | - | 455,106 |
| Unearned Revenue | 172,425 | - | - | 172,425 |
| Due to Board of County Commissioners | 436,511 | - | - | 436,511 |
| Total Liabilities | <u>1,253,465</u> | <u>1,458</u> | <u>-</u> | <u>1,254,923</u> |
| Fund Balances | | | | |
| Restricted for: | | | | |
| Inmate Benefits | - | 447,654 | - | 447,654 |
| Education and Training | - | - | 17,304 | 17,304 |
| Voluntary Extra Duty | - | - | 805 | 805 |
| Victim Advocate | - | - | 1,189 | 1,189 |
| Total Fund Balances | <u>-</u> | <u>447,654</u> | <u>19,298</u> | <u>466,952</u> |
| Total Liabilities and Fund Balances | <u>\$ 1,253,465</u> | <u>\$ 449,112</u> | <u>\$ 19,298</u> | <u>\$ 1,721,875</u> |

See accompanying notes.

**DESOTO COUNTY, FLORIDA
SHERIFF
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

| | <u>Major Funds</u> | | | <u>Total Governmental Funds</u> |
|--|-------------------------|------------------------------------|---|---|
| | <u>General Fund</u> | <u>Inmate Welfare Fund</u> | <u>Non-Major Governmental Funds</u> | |
| Revenues | | | | |
| Intergovernmental | \$ 664,278 | \$ - | \$ - | \$ 664,278 |
| Charges for Services | 50,095 | 203,458 | 64,548 | 318,101 |
| Miscellaneous Income | 90,678 | 3,920 | 5 | 94,603 |
| Total Revenues | <u>805,051</u> | <u>207,378</u> | <u>64,553</u> | <u>1,076,982</u> |
| Expenditures | | | | |
| Current: | | | | |
| Public Safety - Law Enforcement: | | | | |
| Personnel Services | 7,813,223 | - | 60,280 | 7,873,503 |
| Operating Expenditures | 1,362,719 | - | 4,180 | 1,366,899 |
| Capital Outlay | 826,971 | - | - | 826,971 |
| Debt Service - Principal | 11,009 | - | - | 11,009 |
| Public Safety - Corrections: | | | | |
| Personnel Services | 3,727,924 | - | - | 3,727,924 |
| Operating Expenditures | 1,765,728 | 177,898 | - | 1,943,626 |
| Capital Outlay | 68,669 | - | - | 68,669 |
| Debt Service - Principal | 11,708 | - | - | 11,708 |
| Public Safety - Communications: | | | | |
| Personnel Services | 1,148,859 | - | - | 1,148,859 |
| Operating Expenditures | 280,578 | - | - | 280,578 |
| Debt Service - Principal | 12,083 | - | - | 12,083 |
| Public Safety - E 911 Coordinators: | | | | |
| Personnel Services | 58,512 | - | - | 58,512 |
| Court Services: | | | | |
| Courthouse Security: | | | | |
| Personnel Services | 520,708 | - | - | 520,708 |
| Operating Expenditures | 32,762 | - | - | 32,762 |
| (Total Expenditures) | <u>(17,641,453)</u> | <u>(177,898)</u> | <u>(64,460)</u> | <u>(17,883,811)</u> |
| (Deficiency) Excess of Revenues (Under) Over Expenditures | <u>(16,836,402)</u> | <u>29,480</u> | <u>93</u> | <u>(16,806,829)</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers from Board of County Commissioners: | | | | |
| Primary Allocation | 16,644,711 | - | - | 16,644,711 |
| Supplemental Funding | 618,620 | - | - | 618,620 |
| Transfers to Board of County Commissioners | (436,511) | - | - | (436,511) |
| Transfers from Other Funds | 9,582 | - | (9,582) | - |
| Total Other Financing Sources (Uses) | <u>16,836,402</u> | <u>-</u> | <u>(9,582)</u> | <u>16,826,820</u> |
| Net Change in Fund Balances | - | 29,480 | (9,489) | 19,991 |
| Fund Balances, Beginning of Year | - | 418,174 | 28,787 | 446,961 |
| Fund Balances, End of Year | <u>\$ -</u> | <u>\$ 447,654</u> | <u>\$ 19,298</u> | <u>\$ 466,952</u> |

See accompanying notes.

DESOTO COUNTY, FLORIDA
SHERIFF
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2024

| | Custodial Funds |
|---|----------------------------|
| Assets | |
| Cash | \$ 69,998 |
| Due from Others | 3,723 |
| Total Assets | 73,721 |
| Liabilities | |
| Due to Others | 50,618 |
| Due to Other Funds | 9,000 |
| Total Liabilities | 59,618 |
| Net Position | |
| Restricted for Individuals, Organizations, and Other Governments | 14,103 |
| Total Net Position | 14,103 |
| Total Liabilities and Net Position | \$ 73,721 |

See accompanying notes.

DESOTO COUNTY, FLORIDA
SHERIFF
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

| | Custodial Funds |
|---|----------------------------|
| Additions | |
| Cash Bonds Collected | \$ 135,901 |
| Fines, Forfeitures, and Fees Collected | 36,323 |
| Evidence Monies Collected | 77,889 |
| Collections from Inmates | 560,636 |
| Miscellaneous Income | 11 |
| Total Additions | 810,760 |
| Deductions | |
| Cash Bonds Disbursed | 135,901 |
| Fines, Forfeitures, and Fees Disbursed | 39,471 |
| Evidence Monies Disbursed | 77,913 |
| Inmate Funds Disbursed | 559,509 |
| Total Deductions | 812,794 |
| Change in Fiduciary Net Position | (2,034) |
| Beginning Net Position | 16,137 |
| Ending Net Position | \$ 14,103 |

See accompanying notes.

DESOTO COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Note 1 - Summary of Significant Accounting Policies

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

Reporting Entity

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

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

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

Basis of Presentation

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

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

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

The Sheriff reports the following major governmental funds:

■ **Governmental Fund Types**

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

DESOTO COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

- **Inmate Welfare Fund**—a special revenue fund—is used to account for the proceeds from the commissary and pay phone sources that are restricted for inmate benefits.

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

- **Governmental Fund Types**
 - **Special Revenue Funds**—special revenue funds account for the proceeds of specific revenue sources that are restricted for specified purposes.
- **Fiduciary Fund Types**
 - **Custodial Funds**—custodial funds are fiduciary funds, which are used to account for assets received and held by the Sheriff in the capacity of a trustee or as an agent for individuals, governmental agencies, and other public organizations.

Basis of Accounting

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

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

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

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

Measurement Focus

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

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

DESOTO COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

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

Budgetary Process

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

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

Capital Assets

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

Compensated Absences

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

Appropriations from the Board and Refund of "Excess Fees"

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

DESOTO COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

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

Deferred Inflows

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

Fund Balances

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

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

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

DESOTO COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Use of Estimates

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

New Accounting Pronouncement

For the year ended September 30, 2024, the Sheriff implemented Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections*. This pronouncement prescribes accounting and financial reporting for each category of accounting change and error correction. Statement No. 100 addresses how accounting changes and error corrections should be displayed in financial statements, disclosed in notes, and presented in required supplementary information and supplementary information.

Change Within the Reporting Entity

The Sheriff made a change to report activity for communications in the general fund, instead of the previously reported major governmental fund. This represents a change within the reporting entity, the result of which had no effect on the beginning fund balance of the governmental funds, nor the net position for governmental activities appearing in the government-wide statements of the County.

Note 2 - Cash and Cash Equivalents

Deposits

At year-end, the carrying amount of the Sheriff's deposits was \$1,713,356 (\$1,643,358 in governmental funds and \$69,998 in custodial funds), and the bank balance was \$1,786,190. The Sheriff's bank deposits are held in qualified public depositories (QPDs) pursuant to Chapter 280, Florida Statutes. Under this Chapter, each QPD is required to pledge collateral to the State Treasurer against the public deposits. In the event of default by a QPD, all claims for public deposits would be satisfied by the State Treasurer from the proceeds of federal deposit insurance, pledged collateral of the QPD in default and, if necessary, assessments against other QPDs of the same type as the depositor in default.

Investments

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

- The Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the *Florida Interlocal Cooperation Act of 1969*, as provided in Florida Statute 163.01.
- Securities and Exchange Commission registered money market funds with the highest credit rating from a nationally recognized rating agency.
- Interest-bearing time deposits or savings accounts in QPDs.
- Direct obligations of the United States Treasury.

**DESOTO COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

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

Note 3 - Capital Assets

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

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

| | <u>Cost</u> | <u>Accumulated Depreciation/ Amortization</u> | <u>Capital Asset, Net</u> |
|--|---------------------|---|-------------------------------|
| Beginning Balance | \$ 8,819,433 | \$ (5,045,778) | \$ 3,773,655 |
| Capital Additions | 974,596 | - | 974,596 |
| Depreciation/Amortization (Disposals) | - | (968,539) | (968,539) |
| | <u>(457,562)</u> | <u>446,339</u> | <u>(11,223)</u> |
| Ending Balance | <u>\$ 9,336,467</u> | <u>\$ (5,567,978)</u> | <u>\$ 3,768,489</u> |

The Sheriff routinely trades in assets when purchasing new assets. The remaining book value of the assets traded in is added to the value of the new asset. Additionally, the Board contributed capital assets to the Sheriff in the form of radios to enhance the operational capabilities of the Sheriff. Following is a reconciliation of 2024 capital asset additions above to capital outlay on the accompanying statement of revenues, expenditures, and changes in fund balance:

| | <u>2024</u> |
|--|-------------------|
| Capital Outlay | \$ 895,640 |
| Net Book Value of Trade-Ins and Donations | <u>78,956</u> |
| Total Capital Additions, Including SBITA and Lease Assets (Above) | <u>\$ 974,596</u> |

Note 4 - Compensated Absences

Note 1 describes the policy for accrual and payment of vacation and sick leave. Following is a summary of changes in the compensated absences liability during fiscal year 2024:

| | |
|--------------------------|-------------------|
| Beginning Balance | \$ 628,638 |
| Net Increase | <u>118,257</u> |
| Ending Balance | <u>\$ 746,895</u> |

DESOTO COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

The portion of the above compensated absences liability estimated to be paid during the next year (current portion) is \$74,690.

Note 5 - Florida Retirement System (FRS) Pension Benefits

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

Note 6 - Postemployment Benefits Other Than Pensions

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

Note 7 - SBITAs

The Sheriff has one right-to-use subscription through 2025 based on a two-year non-cancellable agreement, which is required to be recognized under GASB Statement No. 96. The subscription asset has a balance of \$68,520. The asset is required to be amortized over the term of the contract, as that is considered to be the useful life of the asset. The accumulated amortization as of September 30, 2024, was \$37,115 and approximately 1 year remains on the contract. There is a related subscription liability described further below.

As mentioned above, the Sheriff has one subscription through 2025. The Sheriff is required to make annual principal and interest payments of \$34,800. The SBITA is discounted using a rate of 3.16%, which is based on the incremental borrowing rate calculated by the Sheriff. As of September 30, 2024, the value of the subscription liability was \$0.

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

Note 8 - Risk Management

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

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

DESOTO COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

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

Note 9 - Litigation

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

REQUIRED SUPPLEMENTARY INFORMATION

DESOTO COUNTY, FLORIDA
SHERIFF
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|---------------------|---------------------|---------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$ 510,319 | \$ 510,319 | \$ 664,278 | \$ 153,959 |
| Charges for Services | 60,113 | 60,113 | 50,095 | (10,018) |
| Miscellaneous Income | - | - | 90,678 | 90,678 |
| Total Revenues | <u>570,432</u> | <u>570,432</u> | <u>805,051</u> | <u>234,619</u> |
| Expenditures | | | | |
| Current: | | | | |
| Personnel Services | 13,766,213 | 13,914,130 | 13,269,226 | 644,904 |
| Operating Expenditures | 3,495,033 | 3,698,058 | 3,441,787 | 256,271 |
| Capital Outlay | 251,000 | 270,153 | 895,640 | (625,487) |
| Debt Service - Principal | - | - | 34,800 | (34,800) |
| Reserves | 5,000 | 5,000 | - | 5,000 |
| (Total Expenditures) | <u>(17,517,246)</u> | <u>(17,887,341)</u> | <u>(17,641,453)</u> | <u>245,888</u> |
| (Deficiency) Excess of Revenues (Under) Over Expenditures | <u>(16,946,814)</u> | <u>(17,316,909)</u> | <u>(16,836,402)</u> | <u>480,507</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers from Board of County Commissioners: | | | | |
| Primary Allocation | 16,555,318 | 16,644,711 | 16,644,711 | - |
| Supplemental Funding | 391,496 | 672,198 | 618,620 | (53,578) |
| Transfers to Board of County Commissioners | - | - | (436,511) | (436,511) |
| Transfers from Other Funds | - | - | 9,582 | 9,582 |
| Total Other Financing Sources (Uses) | <u>16,946,814</u> | <u>17,316,909</u> | <u>16,836,402</u> | <u>(480,507)</u> |
| Net Change in Fund Balance | - | - | - | - |
| Fund Balance, Beginning of Year | - | - | - | - |
| Fund Balance, End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

DESOTO COUNTY, FLORIDA
SHERIFF
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
INMATE WELFARE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|-------------------|-------------------|-------------------|-------------------------------|
| | Original | Final | | Positive (Negative) |
| Revenues | | | | |
| Charges for Services | \$ 183,000 | \$ 183,000 | \$ 203,458 | \$ 20,458 |
| Interest Income | 84 | 84 | 120 | 36 |
| Miscellaneous Income | 4,000 | 4,000 | 3,800 | (200) |
| Total Revenues | <u>187,084</u> | <u>187,084</u> | <u>207,378</u> | <u>20,294</u> |
| Expenditures | | | | |
| Current: | | | | |
| Public Safety - Corrections: | | | | |
| Operating Expenditures | 231,979 | 231,979 | 177,898 | 54,081 |
| (Total Expenditures) | <u>(231,979)</u> | <u>(231,979)</u> | <u>(177,898)</u> | <u>54,081</u> |
| (Deficiency) Excess of Revenues (Under) Over Expenditures | <u>(44,895)</u> | <u>(44,895)</u> | <u>29,480</u> | <u>74,375</u> |
| Net Change in Fund Balance | (44,895) | (44,895) | 29,480 | 74,375 |
| Fund Balance, Beginning of Year | <u>406,314</u> | <u>406,314</u> | <u>418,174</u> | <u>11,860</u> |
| Fund Balance, End of Year | <u>\$ 361,419</u> | <u>\$ 361,419</u> | <u>\$ 447,654</u> | <u>\$ 86,235</u> |

DESOTO COUNTY, FLORIDA
SHERIFF
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2024

Note 1 - Budgetary Information

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

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

SUPPLEMENTARY INFORMATION

DESOTO COUNTY, FLORIDA
SHERIFF
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

| | Education Fund | Voluntary Extra Duty Fund | Victim Advocate Fund | Total Non-Major Governmental Funds |
|--|-------------------|---------------------------------|----------------------------|---|
| Assets | | | | |
| Cash | \$ 16,994 | \$ - | \$ 1,189 | \$ 18,183 |
| Due from Individuals and Businesses | 310 | 805 | - | 1,115 |
| Total Assets | <u>17,304</u> | <u>805</u> | <u>1,189</u> | <u>19,298</u> |
| Liabilities | | | | |
| Accrued Liabilities | - | - | - | - |
| Total Liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances | | | | |
| Restricted for: | | | | |
| Education and Training | 17,304 | - | - | 17,304 |
| Voluntary Extra Duty | - | 805 | - | 805 |
| Victim Advocate | - | - | 1,189 | 1,189 |
| Total Fund Balances | <u>17,304</u> | <u>805</u> | <u>1,189</u> | <u>19,298</u> |
| Total Liabilities and Fund Balances | <u>\$ 17,304</u> | <u>\$ 805</u> | <u>\$ 1,189</u> | <u>\$ 19,298</u> |

**DESOTO COUNTY, FLORIDA
SHERIFF
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

| | Education Fund | Voluntary Extra Duty Fund | Victim Advocate Fund | Total Non-Major Governmental Funds |
|---|-------------------|---------------------------------|----------------------------|---|
| Revenues | | | | |
| Charges for Services | \$ 4,043 | \$ 60,505 | \$ - | \$ 64,548 |
| Miscellaneous Income | 3 | 2 | - | 5 |
| Total Revenues | <u>4,046</u> | <u>60,507</u> | <u>-</u> | <u>64,553</u> |
| Expenditures | | | | |
| Current: | | | | |
| Public Safety - Law Enforcement: | | | | |
| Personnel Expenditures | - | 60,280 | - | 60,280 |
| Operating Expenditures | 4,180 | - | - | 4,180 |
| (Total Expenditures) | <u>(4,180)</u> | <u>(60,280)</u> | <u>-</u> | <u>(64,460)</u> |
| Other Financing Sources (Uses) | | | | |
| Operating Transfers Out | - | (9,582) | - | (9,582) |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>(9,582)</u> | <u>-</u> | <u>(9,582)</u> |
| Net Change in Fund Balances | (134) | (9,355) | - | (9,489) |
| Fund Balances, Beginning of Year | <u>17,438</u> | <u>10,160</u> | <u>1,189</u> | <u>28,787</u> |
| Fund Balances, End of Year | <u>\$ 17,304</u> | <u>\$ 805</u> | <u>\$ 1,189</u> | <u>\$ 19,298</u> |

DESOTO COUNTY, FLORIDA
SHERIFF
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
SEPTEMBER 30, 2024

| | Cash Bond Fund | Individual Depositors Fund | Other Suspense Fund | Inmate Trust Fund | Total Custodial Funds |
|--|-------------------|----------------------------------|---------------------------|-------------------------|-----------------------------|
| Assets | | | | | |
| Cash | \$ 9,362 | \$ 10,872 | \$ 4,161 | \$ 45,603 | \$ 69,998 |
| Due from Others | - | 185 | 3,538 | - | 3,723 |
| Total Assets | <u>9,362</u> | <u>11,057</u> | <u>7,699</u> | <u>45,603</u> | <u>73,721</u> |
| Liabilities | | | | | |
| Due to Others | 6,350 | 3,396 | 4,157 | 36,715 | 50,618 |
| Due to Other Funds | 3,000 | 3,000 | 3,000 | - | 9,000 |
| Total Liabilities | <u>9,350</u> | <u>6,396</u> | <u>7,157</u> | <u>36,715</u> | <u>59,618</u> |
| Net Position | | | | | |
| Restricted for Individuals, Organizations, and Other Governments | 12 | 4,661 | 542 | 8,888 | 14,103 |
| Total Net Position | <u>12</u> | <u>4,661</u> | <u>542</u> | <u>8,888</u> | <u>14,103</u> |
| Total Liabilities and Net Position | <u>\$ 9,362</u> | <u>\$ 11,057</u> | <u>\$ 7,699</u> | <u>\$ 45,603</u> | <u>\$ 73,721</u> |

DESOTO COUNTY, FLORIDA
SHERIFF
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

| | Cash Bond Fund | Individual Depositors Fund | Other Suspense Fund | Inmate Trust Fund | Total Custodial Funds |
|---|-------------------|----------------------------------|---------------------------|-------------------------|-----------------------------|
| Additions | | | | | |
| Cash Bonds Collected | \$ 135,901 | \$ - | \$ - | \$ - | \$ 135,901 |
| Fines, Forfeitures, and Fees Collected | - | 36,323 | - | - | 36,323 |
| Evidence Monies Collected | - | - | 77,889 | - | 77,889 |
| Collections from Inmates | - | - | - | 560,636 | 560,636 |
| Miscellaneous Income | 2 | 2 | 2 | 5 | 11 |
| Total Additions | <u>135,903</u> | <u>36,325</u> | <u>77,891</u> | <u>560,641</u> | <u>810,760</u> |
| Deductions | | | | | |
| Cash Bonds Disbursed | 135,901 | - | - | - | 135,901 |
| Fines, Forfeitures, and Fees Disbursed | - | 39,471 | - | - | 39,471 |
| Evidence Monies Disbursed | - | - | 77,913 | - | 77,913 |
| Inmate Funds Disbursed | - | - | - | 559,509 | 559,509 |
| Total Deductions | <u>135,901</u> | <u>39,471</u> | <u>77,913</u> | <u>559,509</u> | <u>812,794</u> |
| Change in Net Position | 2 | (3,146) | (22) | 1,132 | (2,034) |
| Beginning Net Position | <u>10</u> | <u>7,807</u> | <u>564</u> | <u>7,756</u> | <u>16,137</u> |
| Ending Net Position | <u>\$ 12</u> | <u>\$ 4,661</u> | <u>\$ 542</u> | <u>\$ 8,888</u> | <u>\$ 14,103</u> |

OTHER REPORTS

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

Honorable James Potter
Sheriff
DeSoto County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the DeSoto County, Florida Sheriff (the Sheriff) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Sheriff's financial statements, and have issued our report thereon dated January 29, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

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Honorable James Potter
Sheriff
DeSoto County, Florida

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

the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Purvis Gray

January 29, 2025
Sarasota, Florida

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

Honorable James Potter
Sheriff
DeSoto County, Florida

We have examined the DeSoto County, Florida Sheriff's (the Sheriff's) compliance with Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2024, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the Sheriff's compliance with those requirements. Our responsibility is to express an opinion on the Sheriff's compliance based on our examination.

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

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

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

In our opinion, the Sheriff complied, in all material respects, with the aforementioned requirements during the fiscal year ended September 30, 2024.

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

Purvis Gray

January 29, 2025
Sarasota, Florida

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MANAGEMENT LETTER

Honorable James Potter
Sheriff
DeSoto County, Florida

Report on the Financial Statements

We have audited the financial statements of each major fund and the aggregate remaining fund information of the DeSoto County, Florida Sheriff (the Sheriff) as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated January 29, 2025.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with the American Institute of Certified Public Accountants *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated January 29, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Management

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

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Honorable James Potter
Sheriff
DeSoto County, Florida

MANAGEMENT LETTER

Additional Matters

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

Purpose of this Letter

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

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

Purvis Gray

January 29, 2025
Sarasota, Florida

TAX COLLECTOR

2024

DeSoto County, Florida
Tax Collector

Financial Statements and
Independent Auditor's Report

September 30, 2024

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CERTIFIED PUBLIC ACCOUNTANTS

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

**TAX COLLECTOR
DESOTO COUNTY, FLORIDA**

SEPTEMBER 30, 2024

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INDEPENDENT AUDITOR'S REPORT

Honorable Susan D. Pooley
Tax Collector
DeSoto County, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the general fund (major fund) and the aggregate remaining fund information of the DeSoto County, Florida Tax Collector (the Tax Collector) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Tax Collector's financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund (major fund) and the aggregate remaining fund information of the Tax Collector as of September 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter – Incomplete Presentation

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida (the Rules). In conformity with the Rules, the accompanying financial statements are intended to present the financial position, and changes in financial position, only for that portion of the general fund and the aggregate remaining fund information of DeSoto County, Florida that is attributable to the Tax Collector. They do not purport to, and do not, present fairly the financial position of DeSoto County, Florida as of September 30, 2024, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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INDEPENDENT AUDITOR'S REPORT

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

Honorable Susan D. Pooley
Tax Collector
DeSoto County, Florida

INDEPENDENT AUDITOR'S REPORT

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

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 7, 2025, 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.

Purvis Gray

January 7, 2025
Sarasota, Florida

FINANCIAL STATEMENTS

DESOTO COUNTY, FLORIDA
TAX COLLECTOR
BALANCE SHEET
GENERAL FUND (MAJOR FUND)
SEPTEMBER 30, 2024

| | |
|--|------------------------------|
| Assets | |
| Cash and Cash Equivalents | \$ 339,653 |
| Due from Other Governments | <u>18,241</u> |
| Total Assets | <u><u>357,894</u></u> |
| Liabilities, Deferred Inflows, and Fund Balance | |
| Liabilities | |
| Due to Board of County Commissioners | 301,718 |
| Due to Other Governments | 9,527 |
| Unearned Revenue | <u>28,408</u> |
| Total Liabilities | <u>339,653</u> |
| Deferred Inflows of Resources | |
| Unavailable Revenue | <u>18,241</u> |
| Total Deferred Inflows of Resources | <u>18,241</u> |
| Fund Balance | <u>-</u> |
| Total Liabilities, Deferred Inflows, and Fund Balance | <u><u>\$ 357,894</u></u> |

See accompanying notes.

DESOTO COUNTY, FLORIDA
TAX COLLECTOR
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND (MAJOR FUND)
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Revenues

| | |
|-------------------------------|-------------------------|
| Commissions and Fees: | |
| Board of County Commissioners | \$ 971,877 |
| Other Governmental Units | 323,707 |
| Delinquent Tax Fees | 115,499 |
| Other Taxing Districts | 21,164 |
| Miscellaneous | <u>1,565</u> |
| Total Revenues | <u><u>1,433,812</u></u> |

Expenditures

| | |
|-----------------------------|---------------------------|
| Current: | |
| General Government: | |
| Personnel Services | 886,212 |
| Operating Expenditures | 132,571 |
| Capital Outlay | <u>113,311</u> |
| (Total Expenditures) | <u><u>(1,132,094)</u></u> |

| | |
|---|----------------|
| Excess of Revenues Over Expenditures | <u>301,718</u> |
|---|----------------|

Other Financing Sources (Uses)

| | |
|--|-------------------------|
| Distribution of Excess Commissions to DeSoto County, Florida, Board of County Commissioners | <u>(301,718)</u> |
| Total Other Financing Sources (Uses) | <u><u>(301,718)</u></u> |

| | |
|-----------------------------------|---|
| Net Change in Fund Balance | - |
|-----------------------------------|---|

| | |
|--|----------|
| Fund Balance, Beginning of Year | <u>-</u> |
|--|----------|

| | |
|----------------------------------|--------------------|
| Fund Balance, End of Year | <u><u>\$ -</u></u> |
|----------------------------------|--------------------|

See accompanying notes.

DESOTO COUNTY, FLORIDA
TAX COLLECTOR
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2024

| | Custodial Fund |
|---|-----------------------|
| Assets | |
| Cash and Cash Equivalents | \$ 666,256 |
| Accounts Receivable | 31,607 |
| Total Assets | 697,863 |
| Liabilities | |
| Due to Other Governments | 650,112 |
| Escrow Deposits | 47,751 |
| Total Liabilities | 697,863 |
| Net Position | - |
| Total Liabilities and Net Position | \$ 697,863 |

See accompanying notes.

DESOTO COUNTY, FLORIDA
TAX COLLECTOR
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2024

| | Custodial Fund |
|---|-----------------------|
| Additions | |
| Property Taxes Collected for: | |
| Board of County Commissioners | \$ 29,760,883 |
| Other Taxing Agencies | 18,493,057 |
| Tax Certificate Redemptions: | |
| Board of County Commissioners | 17,355 |
| Individual Certificate Holders | 2,090,078 |
| Licenses and Fees Collected for Other Governments | 5,660,020 |
| Total Additions | 56,021,393 |
| Deductions | |
| Disbursements of Property Taxes to: | |
| Board of County Commissioners | 29,760,883 |
| Other Taxing Agencies | 18,493,057 |
| Disbursements of Tax Certificate Redemptions to: | |
| Board of County Commissioners | 17,355 |
| Other Taxing Agencies | 2,090,078 |
| Disbursements of Licenses and Fees to Other Governments | 5,660,020 |
| Total Deductions | (56,021,393) |
| Change in Net Position | - |
| Net Position, Beginning of Year | - |
| Net Position, End of Year | \$ - |

See accompanying notes.

DESOTO COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Note 1 - Summary of Significant Accounting Policies

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

Reporting Entity

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

The DeSoto County, Florida Tax Collector (the Tax Collector) is an elected constitutional officer of the County as provided for by the Constitution of the State of Florida. Pursuant to Chapter 195.087, Florida Statutes, the Tax Collector's budget is submitted annually to the Florida Department of Revenue for approval and a copy is forwarded to the Board for coordination with the Board's budget. Any excess revenues received over expenditures made are remitted at year-end to the taxing districts.

As provided in Florida Statutes, the Tax Collector periodically notifies the Board and other governmental agencies of the commissions and fees due to the Tax Collector. By statute, commissions and fees attributable to the school board are paid by the Board.

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

Basis of Presentation

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

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

The Tax Collector reports the following major governmental fund:

- **General Fund**—a governmental fund—is used to account for all revenues and expenditures applicable to the general operations of the Tax Collector that are not required, either legally or by GAAP, to be accounted for in another fund.

DESOTO COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

In addition, the Tax Collector also reports the following other fund type:

- **Custodial Fund**—a fiduciary fund—is used to account for assets held by the Tax Collector as a custodian for other governments. The custodial fund is used primarily for the following:
 - To account for the collection of certain state taxes and fees, including motor vehicle registration fees, and the subsequent remittance of those fees (less commission) to the State of Florida.
 - To account for the collection and distribution of local taxes and licenses, including real and personal property taxes.

Basis of Accounting

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

Governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures of the current period. Expenditures are recorded when the liability is incurred, except for accumulated sick and vacation pay, which are not recorded until paid. Fiduciary funds are accounted for using the accrual basis of accounting.

Charges for services on the collection of property taxes are recognized as revenue in the fiscal year for which taxes are levied, provided they are collected within 30 days after the end of the fiscal year (if not, they are deferred). Certain other miscellaneous revenues are recorded as revenues when received because they are generally not measurable until actually received. Investment revenues are recorded as earned.

Measurement Focus

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

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

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

Budgetary Requirement

Expenditures are controlled by appropriations in accordance with the budget requirements set forth in Florida Statutes.

DESOTO COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

A budget is legally adopted for the general fund and is on a basis consistent with GAAP. Budgetary control is at the expenditure classification level (personnel services, operating expenditures, and capital outlay). Budgetary changes within expenditure classification are made at the discretion of the Tax Collector. Amendments between expenditure classifications must be notified to the State of Florida Department of Revenue.

Property Tax Collections

Chapter 197, Florida Statutes, governs property tax collection.

Current Taxes

All property taxes become due and payable on November 1 and are delinquent on April 1 of the following year. Discounts of 4%, 3%, 2%, and 1% are allowed for early payment in November through February, respectively.

Unpaid Taxes—Sale of Tax Certificates

The Tax Collector advertises, as required by Florida Statutes, then sells tax certificates on all real property for unpaid taxes. Certificates not purchased are issued to the County. Any person owning real property upon which a tax certificate has been sold may redeem the certificate by paying the Tax Collector the face amount of the tax certificate plus interest and other costs.

Tax Deeds

The owner of a tax certificate may, after two years of the taxes being delinquent (after April 1), file an application for tax deed sale. The County, as a certificate owner, may exercise similar procedures two years after taxes have been delinquent (after April 1). Tax deeds are issued to the highest bidder for the property, which is sold at public auction. The Clerk of the Circuit Court administers these sales.

Compensated Absences

All full-time employees of the Tax Collector are entitled to annual vacation and sick leave with pay. Employees must use all vacation time earned within the fiscal year with the allowance for 24 hours of carry-over to the next fiscal year. Sick leave is accrued without limitation. The amount of vested compensated absences payable under the Tax Collector's vacation policy is reported as a liability in the statement of net position in the County's financial statements. That liability includes earned but unused vacation, as well as the *Federal Insurance Contribution Act* taxes related thereto. After six months of service, vacation time is paid out hour-for-hour upon separation from employment. Non-vested amounts are not considered to be significant.

Refund of "Excess Fees"

Florida Statutes provide that the excess of the Tax Collector's fee revenue over expenditures is to be distributed to each governmental agency in the same proportion as the fees paid by each governmental agency bear to total fee income of the office. The amount of undistributed excess fees at the end of the fiscal year is reported as amounts due to the Board of County Commissioners and due to other taxing agencies.

The County pays a major portion of the fees collected by the Tax Collector. The payments by the County are recorded as operating expenditures in the financial statements of the County, and as charges for services revenue in the financial statements of the Tax Collector. Repayments to the County are recorded as other financing uses (transfers out) in the financial statements of the Tax Collector and as other financing sources (transfers in) in the financial statements of the County.

DESOTO COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Deferred Inflows of Resources

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

Unearned Revenue

Unearned revenue represents the portion of biennial service fees attributable to future years.

Use of Estimates

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

Note 2 - Cash and Investments

Cash

At year-end, the carrying amount of the Tax Collector's deposits was \$1,000,709 (\$334,453 in governmental funds and \$666,256 in fiduciary funds). All of the Tax Collector's public deposits are held in qualified public depositories (QPDs) pursuant to Florida Statutes, Chapter 280. Under this Chapter, each QPD is required to pledge collateral to the State Treasurer against the public deposits. In the event of default by a QPD, all claims for public deposits would be satisfied by the State Treasurer from the proceeds of federal deposit insurance, pledged collateral of the QPD in default and, if necessary, assessments against other QPDs of the same type as the depositor in default.

In addition to cash deposits, the Tax Collector maintains cash on hand for the purpose of making change on transactions. At September 30, 2024, the Tax Collector held \$5,200 in cash on hand.

Investments

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

- The Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the *Florida Interlocal Cooperation Act of 1969*, as provided in Florida Statute 163.01.
- Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
- Interest-bearing time deposits or savings accounts in QPDs.
- Direct obligations of the United States Treasury.

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

**DESOTO COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

Note 3 - Capital Assets

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

Note 4 - Compensated Absences

Note 1 describes the policy for accrual and payment of vacation and sick leave.

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

| | Balance October 1, 2023 | Additions | Retirements | Balance September 30, 2024 | Due Within One Year |
|----------------------|-------------------------------|-----------|-------------|----------------------------------|---------------------------|
| Compensated Absences | \$ 4,769 | \$ 29,760 | \$ (30,143) | \$ 4,386 | \$ 4,386 |

These liabilities are not reported on the fund statements for the Tax Collector but rather on the financial statements of the County.

Note 5 - Florida Retirement System (FRS) Pension Benefits

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

Note 6 - Postemployment Benefits Other Than Pensions

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

Note 7 - Risk Management

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

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

**DESOTO COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

Note 8 - Litigation

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

REQUIRED SUPPLEMENTARY INFORMATION

DESOTO COUNTY, FLORIDA
TAX COLLECTOR
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND (MAJOR FUND)
FOR THE YEAR ENDED SEPTEMBER 30, 2024

| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|---|--------------------|--------------------|--------------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Commissions and Fees: | | | | |
| Board of County Commissioners | \$ 872,000 | \$ 872,000 | \$ 971,877 | \$ 99,877 |
| Other Governmental Units | 315,310 | 315,310 | 323,707 | 8,397 |
| Delinquent Tax Fees | 100,000 | 100,000 | 115,499 | 15,499 |
| Other Taxing Districts | 28,000 | 28,000 | 21,164 | (6,836) |
| Miscellaneous | 500 | 500 | 1,565 | 1,065 |
| Total Revenues | <u>1,315,810</u> | <u>1,315,810</u> | <u>1,433,812</u> | <u>118,002</u> |
| Expenditures | | | | |
| Current: | | | | |
| General Government: | | | | |
| Personnel Services | 910,046 | 934,330 | 886,212 | 48,118 |
| Operating Expenditures | 163,678 | 162,622 | 132,571 | 30,051 |
| Capital Outlay | 64,668 | 113,524 | 113,311 | 213 |
| (Total Expenditures) | <u>(1,138,392)</u> | <u>(1,210,476)</u> | <u>(1,132,094)</u> | <u>78,382</u> |
| Excess of Revenues Over Expenditures | <u>177,418</u> | <u>105,334</u> | <u>301,718</u> | <u>196,384</u> |
| Other Financing Sources (Uses) | | | | |
| Distribution of Excess Commissions to DeSoto County, Florida, Board of County Commissioners | <u>(177,418)</u> | <u>(105,334)</u> | <u>(301,718)</u> | <u>(196,384)</u> |
| Total Other Financing Sources (Uses) | <u>(177,418)</u> | <u>(105,334)</u> | <u>(301,718)</u> | <u>(196,384)</u> |
| Net Change in Fund Balance | - | - | - | - |
| Fund Balance, Beginning of Year | - | - | - | - |
| Fund Balance, End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

OTHER REPORTS

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

Honorable Susan D. Pooley
Tax Collector
DeSoto County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the general fund and the aggregate remaining fund information of the DeSoto County, Florida Tax Collector (the Tax Collector) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Tax Collector's financial statements, and have issued our report thereon dated January 7, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

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Honorable Susan D. Pooley
Tax Collector
DeSoto County, Florida

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Purvis Gray

January 7, 2025
Sarasota, Florida

PURVIS GRAY

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

Honorable Susan D. Pooley
Tax Collector
DeSoto County, Florida

We have examined the DeSoto County, Florida Tax Collector's (the Tax Collector) compliance with Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2024. Management is responsible for the Tax Collector's compliance with those requirements. Our responsibility is to express an opinion on the Tax Collector's compliance based on our examination.

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

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

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

In our opinion, the Tax Collector complied, in all material respects, with the aforementioned requirements during the fiscal year ended September 30, 2024.

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

Purvis Gray

January 7, 2025
Sarasota, Florida

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MANAGEMENT LETTER

Honorable Susan D. Pooley
Tax Collector
DeSoto County, Florida

Report on the Financial Statements

We have audited the financial statements of the general fund and the aggregate remaining fund information of the DeSoto County, Florida Tax Collector (the Tax Collector) as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated January 7, 2025.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with American Institute of Certified Public Accountants *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated January 7, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Management

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

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Honorable Susan D. Pooley
Tax Collector
DeSoto County, Florida

MANAGEMENT LETTER

Additional Matters

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

Purpose of this Letter

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

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

Purvis Gray

January 7, 2025
Sarasota, Florida

PROPERTY APPRAISER

2024

DeSoto County, Florida
Property Appraiser

Financial Statements and
Independent Auditor's Report

September 30, 2024

PURVIS GRAY
CERTIFIED PUBLIC ACCOUNTANTS

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

**PROPERTY APPRAISER
DESOTO COUNTY, FLORIDA**

SEPTEMBER 30, 2024

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INDEPENDENT AUDITOR'S REPORT

Honorable David A. Williams, CFA
Property Appraiser
DeSoto County, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the general fund (major fund) of the DeSoto County, Florida Property Appraiser (the Property Appraiser) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Property Appraiser's financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the general fund (major fund) of the Property Appraiser as of September 30, 2024, and the changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter – Incomplete Presentation

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida (the Rules). In conformity with the Rules, the accompanying financial statements are intended to present the financial position, changes in financial position, and budgetary comparisons of the general fund (major fund), only for that portion of the general fund of DeSoto County, Florida that is attributable to the Property Appraiser. They do not purport to, and do not, present fairly the financial position of DeSoto County, Florida as of September 30, 2024, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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INDEPENDENT AUDITOR'S REPORT

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Property Appraiser's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Property Appraiser's ability to continue as a going concern for a reasonable period of time.

Honorable David A. Williams, CFA
Property Appraiser
DeSoto County, Florida

INDEPENDENT AUDITOR'S REPORT

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

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2025, 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.

Purvis Gray

January 20, 2025
Sarasota, Florida

FINANCIAL STATEMENTS

DESOTO COUNTY, FLORIDA
PROPERTY APPRAISER
BALANCE SHEET
GENERAL FUND (MAJOR FUND)
SEPTEMBER 30, 2024

| | |
|--|-------------------|
| Assets | |
| Cash | \$ 161,682 |
| Total Assets | <u>161,682</u> |
| | |
| Liabilities and Fund Balance | |
| | |
| Liabilities | |
| Accounts Payable and Accrued Expenses | 13,960 |
| Due to DeSoto County Board of County Commissioners | 145,830 |
| Due to Other Governments | <u>1,892</u> |
| Total Liabilities | <u>161,682</u> |
| | |
| Fund Balance | <u>-</u> |
| | |
| Total Liabilities and Fund Balance | <u>\$ 161,682</u> |

See accompanying notes.

DESOTO COUNTY, FLORIDA
PROPERTY APPRAISER
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND (MAJOR FUND)
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Revenues

Charges for Services:

| | |
|---|--------------|
| DeSoto County Board of County Commissioners | \$ 1,443,245 |
| Other Taxing Agencies | 16,837 |
| Interest Income | 1,097 |
| Miscellaneous | 764 |

| | |
|-----------------------|-----------|
| Total Revenues | 1,461,943 |
|-----------------------|-----------|

Expenditures

Current:

| | |
|------------------------|-----------|
| General Government: | |
| Personnel Services | 1,006,405 |
| Operating Expenditures | 272,925 |
| Capital Outlay | 36,783 |

| | |
|-----------------------------|-------------|
| (Total Expenditures) | (1,316,113) |
|-----------------------------|-------------|

| | |
|---|---------|
| Excess of Revenues Over Expenditures | 145,830 |
|---|---------|

Other Financing Sources (Uses)

Distribution of Excess Appropriations to DeSoto County

| | |
|-------------------------------|-----------|
| Board of County Commissioners | (145,830) |
|-------------------------------|-----------|

| | |
|---|-----------|
| Total Other Financing Sources (Uses) | (145,830) |
|---|-----------|

| | |
|-----------------------------------|---|
| Net Change in Fund Balance | - |
|-----------------------------------|---|

| | |
|--|---|
| Fund Balance, Beginning of Year | - |
|--|---|

| | |
|----------------------------------|------|
| Fund Balance, End of Year | \$ - |
|----------------------------------|------|

See accompanying notes.

DESOTO COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Note 1 - Summary of Significant Accounting Policies

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

Reporting Entity

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

The DeSoto County, Florida Property Appraiser (the Property Appraiser) is an elected constitutional officer of the County as provided for by the Constitution of the State of Florida, Article VIII, Section 1(d). The Property Appraiser is part of the primary government of the County. Pursuant to the Florida Statutes, the Property Appraiser's budget is submitted annually to the Florida Department of Revenue, Division of Ad Valorem Tax, for approval, and a copy is forwarded to the Board.

Fees earned by the Property Appraiser (equal to the amount of the amended budget) are billed quarterly to the Board and other governmental agencies in proportion to prior year taxes levied, or in the case of non-ad valorem districts, by other reasonable methods. By statute, fees attributable to municipalities and school boards are paid by the Board.

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

Basis of Presentation

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

The financial transactions of the Property Appraiser are recorded in one individual fund. This fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures.

The Property Appraiser reports the following fund type:

- **Governmental Fund**
 - **Major Fund**
 - ▶ **General Fund**—the general fund is the general operating fund of the Property Appraiser. It is used to account for all financial resources.

DESOTO COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Basis of Accounting

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

Governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures of the current period. Expenditures are recorded when the liability is incurred, except for accumulated sick and vacation pay, which are not recorded until paid.

Charges for services on the assessment of property are recognized as revenue in the fiscal year earned, provided they are collected within 30 days after the end of the fiscal year (if not, they are deferred). Certain other miscellaneous revenues are recorded as revenues when received because they are generally not measurable until actually received. Interest income is recorded as earned.

Measurement Focus

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

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

Refund of "Excess Fees"

Florida Statutes provide that the excess of the Property Appraiser's fee revenue over expenditures is to be distributed to each governmental agency in the same proportion as the fees paid by each governmental agency. The amount of undistributed excess fees at the end of the fiscal year is reported as amounts due to the Board and other governmental agencies.

The County pays a major portion of the fees collected by the Property Appraiser. The payments by the County are recorded as operating expenditures in the financial statements of the County, and as charges for services revenues in the financial statements of the Property Appraiser. Repayments to the County are recorded as other financing uses (transfers out) in the financial statements of the Property Appraiser and as other financing sources (transfers in) in the financial statements of the County.

Compensated Absences

The full-time employees of the Property Appraiser are entitled to annual vacation and sick leave with pay. The employees may accumulate unused vacation leave up to a maximum of 225 hours and can accumulate sick leave with no limit. The employees are encouraged to use their annual leave in the year that it is earned. The Property Appraiser records compensated absences as expenditures when the leave is used by the employees.

**DESOTO COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

Use of Estimates

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

Note 2 - Cash and Investments

Cash

At year-end, the carrying amount of the Property Appraiser's deposits was \$161,582. All of the Property Appraiser's public deposits are held in qualified public depositories (QPDs) pursuant to Florida Statutes, Chapter 280. Under this Chapter, each QPD is required to pledge collateral to the State Treasurer against the public deposits. In the event of default by a QPD, all claims for public deposits would be satisfied by the State Treasurer from the proceeds of federal deposit insurance, pledged collateral of the QPD in default and, if necessary, assessments against other QPDs of the same type as the depositor in default.

In addition to cash deposits, the Property Appraiser maintains cash on hand for the purpose of making change on transactions. At September 30, 2024, the Property Appraiser held \$100 in cash on hand.

Investments

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

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

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

Note 3 - Capital Assets

The tangible personal property used by the Property Appraiser is reported as capital assets in the statement of net position in the County's financial statements. Upon acquisition, such assets are recorded as expenditures in the general fund of the Property Appraiser and capitalized at cost in the capital asset accounts of the County. The Property Appraiser maintains custodial responsibility for the capital assets used by his office.

**DESOTO COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

Note 4 - Compensated Absences

The amount of compensated absences payable under the Property Appraiser’s annual leave and sick leave policy is reported as a liability in the statement of net position in the County’s financial statements. That liability includes earned but unused vacation, as well as payroll taxes related thereto. Annual vacation is accrued based on length of employment. After six months of service, annual vacation is paid out hour-for-hour upon separation from employment.

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

| | Balance October 1, 2023 | Additions | Retirements | Balance September 30, 2024 | Due Within One Year |
|----------------------|-------------------------------|-----------|-------------|----------------------------------|---------------------------|
| Compensated Absences | \$ 40,338 | \$ 30,954 | \$ (21,590) | \$ 49,702 | \$ 4,970 |

Note 5 - Florida Retirement System (FRS) Pension Benefits

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

Note 6 - Postemployment Benefits Other Than Pensions

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

Note 7 - Risk Management

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

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

Note 8 - Litigation

From time to time, there are lawsuits pending against the Property Appraiser. These usually deal with the valuation and assessment of real properties in the County and the denial of exemptions. The Property Appraiser and legal counsel are of the opinion that the outcome of these lawsuits will not have a material adverse effect on the financial position of the Property Appraiser.

REQUIRED SUPPLEMENTARY INFORMATION

DESOTO COUNTY, FLORIDA
PROPERTY APPRAISER
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND (MAJOR FUND)
FOR THE YEAR ENDED SEPTEMBER 30, 2024

| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|--|--------------------|--------------------|--------------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Charges for Services: | | | | |
| DeSoto County Board of County Commissioners | \$ 1,422,238 | \$ 1,438,763 | \$ 1,443,245 | \$ 4,482 |
| Other Taxing Agencies | 18,680 | 19,198 | 16,837 | (2,361) |
| Interest Income | - | - | 1,097 | 1,097 |
| Miscellaneous | - | - | 764 | 764 |
| Total Revenues | <u>1,440,918</u> | <u>1,457,961</u> | <u>1,461,943</u> | <u>3,982</u> |
| Expenditures | | | | |
| Current: | | | | |
| General Government: | | | | |
| Personnel Services | 1,088,329 | 1,100,427 | 1,006,405 | 94,022 |
| Operating Expenditures | 287,189 | 274,884 | 272,925 | 1,959 |
| Capital Outlay | 5,400 | 42,400 | 36,783 | 5,617 |
| Reserve | 60,000 | 40,250 | - | 40,250 |
| (Total Expenditures) | <u>(1,440,918)</u> | <u>(1,457,961)</u> | <u>(1,316,113)</u> | <u>141,848</u> |
| Excess of Revenues Over Expenditures | <u>-</u> | <u>-</u> | <u>145,830</u> | <u>145,830</u> |
| Other Financing Sources (Uses) | | | | |
| Distribution of Excess Appropriations to DeSoto County Board of County Commissioners | - | - | (145,830) | (145,830) |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>(145,830)</u> | <u>(145,830)</u> |
| Net Change in Fund Balance | - | - | - | - |
| Fund Balance, Beginning of Year | - | - | - | - |
| Fund Balance, End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

OTHER REPORTS

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

Honorable David A. Williams, CFA
Property Appraiser
DeSoto County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the general fund (major fund) of the DeSoto County, Florida Property Appraiser (the Property Appraiser) as of and for the year ended September 30, 2024, and the related notes to the financial statements, and have issued our report thereon dated January 20, 2025.

Report on Internal Control Over Financial Reporting

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

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

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Honorable David A. Williams, CFA
Property Appraiser
DeSoto County, Florida

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Purvis Gray

January 20, 2025
Sarasota, Florida

PURVIS GRAY

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

Honorable David A. Williams, CFA
Property Appraiser
DeSoto County, Florida

We have examined the DeSoto County, Florida Property Appraiser's (the Property Appraiser) compliance with Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2024. Management is responsible for the Property Appraiser's compliance with those requirements. Our responsibility is to express an opinion on the Property Appraiser's compliance based on our examination.

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

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

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

In our opinion, the Property Appraiser complied, in all material respects, with the aforementioned requirements during the fiscal year ended September 30, 2024.

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

Purvis Gray

January 20, 2025
Sarasota, Florida

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MANAGEMENT LETTER

Honorable David A. Williams, CFA
Property Appraiser
DeSoto County, Florida

Report on the Financial Statements

We have audited the financial statements of the general fund (major fund) of the DeSoto County, Florida Property Appraiser (the Property Appraiser) as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated January 20, 2025.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with the American Institute of Certified Public Accountants *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated January 20, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

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Honorable David A. Williams, CFA
Property Appraiser
DeSoto County, Florida

MANAGEMENT LETTER

Financial Management

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

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

Purpose of this Letter

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

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

Purvis Gray

January 20, 2025
Sarasota, Florida

SUPERVISOR OF
ELECTIONS

2024

DeSoto County, Florida
Supervisor of Elections

Financial Statements and
Independent Auditor's Report

September 30, 2024

PURVIS GRAY
CERTIFIED PUBLIC ACCOUNTANTS

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

**SUPERVISOR OF ELECTIONS
DESOTO COUNTY, FLORIDA**

SEPTEMBER 30, 2024

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INDEPENDENT AUDITOR'S REPORT

Honorable Mark F. Negley
Supervisor of Elections
DeSoto County, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the general fund (major fund) of the DeSoto County, Florida Supervisor of Elections (the Supervisor of Elections) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the general fund (major fund) of the Supervisor of Elections as of September 30, 2024, and the changes in financial position, of the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter – Incomplete Presentation

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida (the Rules). In conformity with the Rules, the accompanying financial statements are intended to present the financial position, changes in financial position, and budgetary comparisons of the general fund (major fund), only for that portion of the general fund of DeSoto County, Florida that is attributable to the Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of DeSoto County, Florida as of September 30, 2024, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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INDEPENDENT AUDITOR'S REPORT

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Supervisor of Elections' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions, or events, considered in the aggregate, that raise substantial doubt about the Supervisor of Elections' ability to continue as a going concern for a reasonable period of time.

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

Honorable Mark F. Negley
Supervisor of Elections
DeSoto County, Florida

INDEPENDENT AUDITOR'S REPORT

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 2, 2025, on our consideration of the Supervisor of Elections' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Supervisor of Elections' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Supervisor of Elections' internal control over financial reporting and compliance.

Purvis Gray

January 2, 2025
Sarasota, Florida

FINANCIAL STATEMENTS

DESOTO COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
BALANCE SHEET
GENERAL FUND (MAJOR FUND)
SEPTEMBER 30, 2024

| | |
|---|----------------------|
| Assets | |
| Cash | \$ 21,133 |
| Prepaid Items | 13,493 |
| Total Assets | <u>34,626</u> |
| Liabilities and Fund Balance | |
| Liabilities | |
| Accounts Payable and Accrued Expenses | 15,504 |
| Due to Board of County Commissioners | 5,629 |
| Total Liabilities | <u>21,133</u> |
| Fund Balance | |
| Non-Spendable | 13,493 |
| Total Fund Balance | <u>13,493</u> |
| Total Liabilities and Fund Balance | <u>\$ 34,626</u> |

See accompanying notes.

DESOTO COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
GENERAL FUND (MAJOR FUND)
FOR THE YEAR ENDED SEPTEMBER 30, 2024

| | |
|---|------------------|
| Revenues | |
| Charges for Services | \$ 1,436 |
| Interest Income | 3 |
| Total Revenues | <u>1,439</u> |
| | |
| Expenditures | |
| Current: | |
| General Government: | |
| Personnel Services | 330,260 |
| Operating Expenditures | 193,296 |
| (Total Expenditures) | <u>(523,556)</u> |
| | |
| (Deficiency) of Revenues (Under) Expenditures | <u>(522,117)</u> |
| | |
| Other Financing Sources (Uses) | |
| Transfers in from DeSoto County, Board of County Commissioners | 521,372 |
| Transfers out to DeSoto County, Board of County Commissioners | (5,629) |
| Total Other Financing Sources (Uses) | <u>515,743</u> |
| | |
| Net Change in Fund Balance | (6,374) |
| | |
| Fund Balance, Beginning of Year | <u>19,867</u> |
| | |
| Fund Balance, End of Year | <u>\$ 13,493</u> |

See accompanying notes.

DESOTO COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Note 1 - Summary of Significant Accounting Policies

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

Reporting Entity

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

The DeSoto County, Florida Supervisor of Elections (the Supervisor of Elections) is an elected constitutional officer of the County as provided for by the Constitution of the State of Florida, Article VIII, Section 1(d), and is a part of the primary government of the County. Pursuant to Chapter 129, Florida Statutes, the Supervisor of Elections' budget is submitted annually to the Board for approval. The Board distributes the funds necessary to operate the Supervisor of Elections' office on a monthly basis. Any excess of appropriations received from the Board over actual expenditures for the fiscal year is required to be returned to the Board within 31 days after the close of the fiscal year.

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

Basis of Presentation

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

The financial transactions of the Supervisor of Elections are recorded in one individual fund. This fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures.

The Supervisor of Elections reports the following fund type:

- **Governmental Fund**
 - **Major Fund**
 - ▶ **General Fund**—the general fund is the general operating fund of the Supervisor of Elections. It is used to account for all financial resources.

Basis of Accounting

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

**DESOTO COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

Governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures for the current period. Expenditures are recorded when the liability is incurred, except for accumulated sick and vacation pay, which is not recorded until paid.

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

Measurement Focus

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

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

Prepaid Items

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

Return of "Excess Fees"

The County funds a major portion of the operating budget of the Supervisor of Elections (net of grants and miscellaneous receipts). The payments by the County to fund the operations of the Supervisor of Elections are recorded as transfers out in the basic financial statements of the County, and as other financing sources in the financial statements of the Supervisor of Elections. Any excess of revenues and transfers in over expenditures for the year ended September 30 are reported as transfers out and due to the Board and are payable by October 31. Repayments to the County are recorded as other financing uses (transfers out) in the financial statements of the Supervisor of Elections and as other financing sources (transfers in) in the basic financial statements of the County. The amount of undistributed excess appropriations at the end of the fiscal year, if any, is reported as amounts due to the Board.

Excess of Expenditures over Appropriations

For the fiscal year ended September 30, 2024, the Supervisor of Elections' expenditures exceeded the appropriations by \$2,184, and there was no budget amendment filed.

Compensated Absences

The full-time employee of the Supervisor of Elections is entitled to annual vacation and sick leave with pay. The employee may accumulate unused vacation leave up to a maximum of 200 hours and can accumulate sick leave with no limit. The employee is encouraged to use their annual leave in the year that it is earned. The Supervisor of Elections records compensated absences as expenditures when the leave is used by the employee.

DESOTO COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Fund Balances

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

- **Non-Spendable**—This component of fund balance consists of amounts that cannot be spent because: (a) they are not expected to be converted to cash, or (b) they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The Supervisor of Elections has a non-spendable fund balance of \$13,493 as of September 30, 2024.
- **Restricted**—This component of fund balance consists of amounts that are constrained either: (a) externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments), or (b) by law through constitutional provisions or enabling legislation. The Supervisor of Elections does not have any restricted fund balances as of September 30, 2024.
- **Committed**—This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (e.g., policy) of the Supervisor of Elections. These committed amounts cannot be used for any other purpose unless the Supervisor of Elections removes or changes the specified use by taking the same type of action (e.g., policy) employed to constrain those amounts. The Supervisor of Elections does not have any committed fund balances as of September 30, 2024.
- **Assigned**—This component of fund balance consists of amounts that are constrained by a less-than-formal action of the organization’s governing authority, or by an individual or body to whom the governing authority has delegated this responsibility. The Supervisor of Elections has not delegated the responsibility to assign fund balances to any individual or body.
- **Unassigned**—This classification is used for: (a) negative unrestricted fund balances in any governmental fund, or (b) fund balances within the general fund that are not restricted, committed, or assigned.

When both restricted and unrestricted resources are available for use, it is the Supervisor of Elections’ policy to use restricted resources first, then unrestricted resources (committed, assigned, and unassigned) as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use, it is the Supervisor of Elections’ policy to use committed resources first, then assigned, and then unassigned as needed.

Use of Estimates

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

**DESOTO COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

Note 2 - Cash and Investments

At year-end, the carrying amount of the Supervisor of Elections' deposits was \$21,133. All of the Supervisor of Elections' public deposits are held in qualified public depositories (QPDs) pursuant to Florida Statutes, Chapter 280. Under this Chapter, each QPD is required to pledge collateral to the State Treasurer against public deposits. In the event of default by a QPD, all claims for public deposits would be satisfied by the State Treasurer from the proceeds of federal deposit insurance, pledged collateral of the QPD in default and, if necessary, assessments against other QPDs of the same type of depositor in default.

The Supervisor of Elections maintained no cash on hand at September 30, 2024.

Investments

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

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

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

Note 3 - Capital Assets

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

Note 4 - Compensated Absences

The amount of vested compensated absences payable under the Supervisor of Elections' annual leave policy is reported as a liability in the statement of net position in the County's basic financial statements. That liability includes earned but unused vacation, as well as payroll taxes related thereto. The change in compensated absences during fiscal year 2024 is as follows:

**DESOTO COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

| | | |
|--------------------------|--|---------------|
| Beginning Balance | | \$ 2,500 |
| Increases | | 6,300 |
| Decreases | | (8,300) |
| Ending Balance | | <u>\$ 500</u> |

Upon termination of employment, employees with more than ten years of service can receive payment for half of their accumulated sick leave. Non-vested amounts are not considered to be significant. The portion of the compensated absences liability estimated to be paid during the next year (current portion) is \$500.

Note 5 - Florida Retirement System (FRS) Pension Benefits

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

Note 6 - Postemployment Benefits Other Than Pensions

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

Note 7 - Risk Management

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

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

Note 8 - Litigation

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

REQUIRED SUPPLEMENTARY INFORMATION

DESOTO COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND (MAJOR FUND)
FOR THE YEAR ENDED SEPTEMBER 30, 2024

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|------------------|------------------|-------------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Charges for Services | \$ - | \$ - | \$ 1,436 | \$ 1,436 |
| Interest Income | - | - | 3 | 3 |
| Total Revenues | <u>-</u> | <u>-</u> | <u>1,439</u> | <u>1,439</u> |
| Expenditures | | | | |
| Current: | | | | |
| General Government: | | | | |
| Personnel Services | 320,741 | 333,301 | 330,260 | 3,041 |
| Operating Expenditures | 188,071 | 188,071 | 193,296 | (5,225) |
| (Total Expenditures) | <u>(508,812)</u> | <u>(521,372)</u> | <u>(523,556)</u> | <u>(2,184)</u> |
| (Deficiency) of Revenues | | | | |
| (Under) Expenditures | <u>(508,812)</u> | <u>(521,372)</u> | <u>(522,117)</u> | <u>(745)</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers in from DeSoto County, Board of County Commissioners | 508,812 | 521,372 | 521,372 | - |
| Transfers out to DeSoto County, Board of County Commissioners | - | - | (5,629) | (5,629) |
| Total Other Financing Sources (Uses) | <u>508,812</u> | <u>521,372</u> | <u>515,743</u> | <u>(5,629)</u> |
| Net Change in Fund Balance | - | - | (6,374) | (6,374) |
| Fund Balance, Beginning of Year | - | - | 19,867 | 19,867 |
| Fund Balance, End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 13,493</u> | <u>\$ 13,493</u> |

See accompanying note.

DESOTO COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2024

Note 1 - Budgetary Requirement

On or before June 1 of each year, the DeSoto County, Florida Supervisor of Elections (the Supervisor of Elections) submits a tentative budget for the ensuing fiscal year to the DeSoto County Board of County Commissioners (the Board). The budget is adopted in the same manner as the budget of the Board.

A budget is legally adopted only for the general fund and is on a basis consistent with accounting principles generally accepted in the United States of America. Budgetary control is exercised at the fund level; net expenditures cannot exceed the budgeted appropriation from the Board, as amended. Budgetary changes within the fund can be made at the discretion of the Supervisor of Elections. Amendments to increase the Board appropriation must be submitted to the Board.

In accordance with Florida Statute 129.201, the Supervisor of Elections' budget, as approved by the County Commission, is included in the general county budget and is subject to the same provisions of laws as the County's annual budget. As such, the Supervisor of Elections' budget must regulate its expenditures, and funds may not be expended except pursuant to the adopted budget. As of September 30, 2024, the Supervisor of Elections' expenditures exceeded the amended budget by \$2,184.

OTHER REPORTS

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

Honorable Mark F. Negley
Supervisor of Elections
DeSoto County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the general fund (major fund) of the DeSoto County, Florida Supervisor of Elections (the Supervisor of Elections) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' financial statements, and have issued our report thereon dated January 2, 2025.

Report on Internal Control Over Financial Reporting

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

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

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Honorable Mark F. Negley
Supervisor of Elections
DeSoto County, Florida

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Purvis Gray

January 2, 2025
Sarasota, Florida

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

Honorable Mark F. Negley
Supervisor of Elections
DeSoto County, Florida

We have examined the DeSoto County, Florida Supervisor of Elections' (the Supervisor of Elections) compliance with Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2024. Management is responsible for the Supervisor of Elections' compliance with those requirements. Our responsibility is to express an opinion on the Supervisor of Elections' compliance based on our examination.

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

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

Our examination does not provide a legal determination on the Supervisor of Elections' compliance with specified requirements.

In our opinion, the Supervisor of Elections complied, in all material respects, with the aforementioned requirements during the fiscal year ended September 30, 2024.

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

Purvis Gray

January 2, 2025
Sarasota, Florida

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MANAGEMENT LETTER

Honorable Mark F. Negley
Supervisor of Elections
DeSoto County, Florida

Report on the Financial Statements

We have audited the financial statements of the general fund (major fund) of the DeSoto County, Florida Supervisor of Elections (the Supervisor of Elections) as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated January 2, 2025.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with American Institute of Certified Public Accountants *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated January 2, 2025, 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. The Supervisor of Elections was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Supervisor of Elections.

CERTIFIED PUBLIC ACCOUNTANTS

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Members of American and Florida Institutes of Certified Public Accountants

Honorable Mark F. Negley
Supervisor of Elections
DeSoto County, Florida

MANAGEMENT LETTER

Financial Management

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate non-compliance with provisions of contracts or grant agreements, or fraud, waste, or abuse, that has occurred or is likely to have occurred, that has an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we noted the following:

■ 2024-01 Expenditures in Excess of Appropriations

Florida Statute Section 129.06 requires all expenditures of the Supervisor of Elections to be within the adopted budget, as amended. As of September 30, 2024, the Supervisor of Elections exceeded the amended budget by \$2,184. Therefore, the Supervisor of Elections is not in compliance with the aforementioned Florida Statute. We recommend that the Supervisor of Elections implement a process to review expenditures and monitor the budget on a timely basis, and communicate with the Board of County Commissioners if unanticipated expenditures will be incurred.

Purpose of this Letter

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

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

Purvis Gray

January 2, 2025
Sarasota, Florida



MARK F. NEGLEY
SUPERVISOR OF ELECTIONS

DeSoto County, Florida

January 29, 2024

Purvis, Gray & Company
5001 Lakewood Ranch Blvd
Suite 101
Sarasota, FL 34240

Dear Sirs,

We have received and reviewed your audit of the financial statements of the DeSoto County Supervisor of Elections for the year ended September 30, 2024.

Current Year Findings:

2024-01 Expenditures in Excess of Appropriations

Supervisor of Elections Response:

We do acknowledge the matter disclosed on page seventeen of your management letter and agree with the recommendations of the auditors.

2024-01 In the current fiscal and beyond, the Supervisor of Elections office will implement a process to review expenditures and monitor the budget on a timely basis, and communicate with the Board of County Commissioners if unanticipated expenditures will be incurred.

Sincerely,

Mark F. Negley
Supervisor of Elections

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