

HIGHLANDS COUNTY
FLORIDA

Comprehensive Annual Financial Report

FISCAL YEAR ENDED SEPTEMBER 30,

2024



A HIDDEN GEM OF
FESTIVALS, FUN AND
FLAVOR

HIGHLANDS COUNTY, FLORIDA

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

YEAR ENDED SEPTEMBER 30, 2024

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

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

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Introductory Section



CALADIUM FESTIVAL
LAKE PLACID, FLORIDA

INTRODUCTORY SECTION

**HIGHLANDS COUNTY, FLORIDA
PRINCIPAL OFFICIALS
YEAR ENDED SEPTEMBER 30, 2024**

BOARD OF COUNTY COMMISSIONERS

Chris Campbell
Chairperson
(District 5)

Kevin Roberts
(District 1)

Arlene Tuck
(District 4)

Scott Kirouac
(District 3)

Don Elwell
(District 2)

COUNTY ADMINISTRATOR

Laurie Hurner

**CLERK OF COURTS
and
CHIEF FINANCIAL OFFICER**

Jerome Kaszubowski

TAX COLLECTOR

Eric T. Zwyer

PROPERTY APPRAISER

C. Raymond McIntyre

SHERIFF

Paul Blackman

SUPERVISOR OF ELECTIONS

Karen Healy

COUNTY ATTORNEY

Sherry G. Sutphen
Roper, P.A.

**ACCOUNTING
AND FINANCE DIRECTOR**

Sally B. Hood

INDEPENDENT AUDITORS

CliftonLarsonAllen LLP



Jerome Kaszubowski

Clerk of Circuit Court & Comptroller
Highlands County, Florida

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

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

April 14, 2025

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

I am pleased to present to you the Annual Comprehensive Financial Report (ACFR) of Highlands County, Florida (County), for the fiscal year ended September 30, 2024.

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

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

REPORT FORMAT

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

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

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



County Profile

Highlands County is a non-charter county established under the Constitution and laws of the State of Florida. Established on April 23, 1921, from a segment of DeSoto County, Highlands County is Florida's 56th county. The County is in the south-central part of Florida and within proximity to all major attractions and ports. The County encompasses 1,018 square miles of the state's heartland. The resident population served is estimated to be approximately 107,614, which includes the unincorporated County and three municipalities - the City of Avon Park, the City of Sebring and the Town of Lake Placid. According to the Florida Legislature's Office of Economic and Demographic Research, Highlands County is Florida's 36th most populous county.

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

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

Economic Condition

Citrus and cattle operations, both beef and dairy, provide the primary source of economic activity within the County. Florida's citrus production in 2023-2024 was 20.2 million boxes, up 12% from the previous season. Highlands County ranked third in the State in citrus production with 2.79 million boxes of fruit. Florida's cattle inventory in 2023-2024 was 1,560,000 head, down 3% from the previous year. Highlands County ranked fourth in the State with approximately 74,000 head, on 244,003 acres of designated pastureland. The economic impact of the cattle industry is a significant driver in the market with livestock sales totaling \$25,953,000 for Highlands County (USDA, 2022 Census of Agriculture). There are approximately 389,622 acres of farmland in the county.

Tourism also plays a vital role in the local economy. With over 100 lakes, Highlands County is home to both recreational and tournament fishing, as well as recreational boating and skiing. The 12 Hours of Sebring endurance race, North America's longest running and most prestigious road race, provides a great opportunity for racing enthusiasts. The race, which is held annually in March at the Sebring International Raceway, celebrated 72 years of racing in 2024.

The local economy continued expanding in 2024. For the tenth consecutive year, overall property values improved, up 13.66% for the year. Building permits issued totaled 9,413, a 27.6% decrease for the fiscal year. Foreclosure cases were 142, an average increase of 9.2% from last fiscal year. The unemployment rate in Highlands County was 5.20% at fiscal-year end, an increase of 0.50% from the prior year.



Major Initiatives

During the 2023-2024 fiscal year, asset and infrastructure project expenditures were as follows:

<u>Description</u>		<u>Amount</u>
Avon Park Tax Collector Office Remodel	\$	297,881
Catfish Creek Road Bridge Rehabilitation		113,135
County Expansion Building		283,913
County Information Technology, Equipment and Software		173,446
County Jail Facility Expansion		854,331
Jack Weisser Boulevard Construction		250,617
Lake Istokpoga Parking Lot Expansion		261,430
Landfill Equipment		492,753
Landfill Expansion		1,314,806
Markland Lane Construction		121,652
North Sapphire Road Construction		103,446
Public Safety Equipment		1,034,073
Public Safety Vehicles		2,995,100
Road and Bridge Heavy Machinery		1,700,042
Road and Bridge Vehicles		358,193
Sebring Fuel Station		147,473
Traffic Operations Building		1,297,834
Water Quality and Drainage Study		503,685
West Kent Road Construction		<u>130,596</u>
Total	\$	<u><u>12,434,406</u></u>

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

Major Projects Scheduled for the Future

- **Memorial Drive Multiuse Path** – Highlands County was awarded a State of Florida Department of Transportation (FDOT) Local Agency Program (LAP) grant to construct an 8-foot-wide multiuse path along the right-of-way of Memorial Drive from Pompano Drive to Sebring Parkway in Sebring, FL, for an approximate distance of 7,500 linear feet. The total grant amount is \$1,520,457. The intent is for the design, construction and CEI services to be done by outside forces. This project has gone through several revisions of the design due to funding and site constraints. It is currently in the bid phase set for FDOT and Board approval in 2025.



- **Animal Services Building** – Highlands County has budgeted the amount of \$1,100,000 for the construction of a hurricane resistant addition to the existing Highlands County Sheriff's Office Animal Services unit operations building. Any septic, drainage and roadway improvements are also included. Construction on this project was delayed in fiscal year 2024.
- **Traffic Operations Building** – Highlands County has budgeted the amount of \$760,000 for the construction of a building for the Traffic Operations Division. Construction on this project was delayed in fiscal year 2024.
- **Beacon Avenue Widening** – Highlands County was awarded a State of Florida Department of Transportation (FDOT) Small County Outreach Program (SCOP) grant in the amount of \$1,496,161 for roadway improvements on Beacon Avenue from State Road 17 to Sebring Parkway (Phase III). The improvements include, but are not limited to, the design, construction, and construction engineering inspection (CEI) of the widening and resurfacing of Beacon Avenue, approximately 1 mile. The project is expected to be completed by June 2028.
- **County Road 64 Resurfacing** – Highlands County was awarded a State of Florida Department of Transportation (FDOT) Small County Road Assistance Program (SCRAP) grant in the amount of \$1,182,628 for roadway improvements on County Road 64 from S. Angelo Lake Rd to E. Butler Rd. The improvement included, but are not limited to, the design, construction, and construction engineering inspection (CEI) of the resurfacing of County Road 64, approximately 3.265 miles. The project is expected to be completed by June 2028.
- **Sebring Parkway Phase I Improvements (U.S. 27 to Scenic Highway)** – Highlands County was awarded a State of Florida Department of Transportation (FDOT) County Incentive Grant Program (CIGP) grant in the amount of \$694,725, for roadway improvements on Sebring Parkway from SR 25 (U.S. 27) to Scenic Highway. The improvement include, but are not limited to, the design, construction, and construction engineering inspection (CEI) of the milling and resurfacing of Sebring Parkway from U.S. 27 to Scenic Highway, approximately 6,811 feet. The project is expected to be completed by June 2028.
- **Sebring Parkway Phase I Improvements (Scenic Highway to Roundabout)** – Highlands County was awarded a State of Florida Department of Transportation (FDOT) County Incentive Grant Program (CIGP) grant in the amount of \$829,789, for roadway improvements on Sebring Parkway from Scenic Highway to the 90 degree curve. The improvements include, but are not limited to, the design, construction, and construction engineering inspection (CEI) of the milling and resurfacing of Sebring Parkway from Scenic Highway to the 90 degree curve, approximately 0.93 miles. The project is expected to be completed by June 2029.
- **Sebring Parkway Phase I Improvements (Roundabout to North Ridgewood Drive)** – Highlands County was awarded a State of Florida Department of Transportation (FDOT) County Incentive Grant Program (CIGP) grant in the amount of \$1,332,378, for roadway improvements on Sebring Parkway from 90 degree curve to North Ridgewood Drive. The improvements include, but are not limited to, the design, construction, and construction engineering inspection (CEI) of the milling and resurfacing of Sebring Parkway from 90 degree curve to North Ridgewood Drive, approximately 9,230 feet. The project is expected to be completed by June 2028.



Financial Information

The County operates on a fiscal year of October 1st to September 30th. The fiscal year 2023-2024 budget was adopted with a millage rate of 7.85, a 0.25 reduction from the fiscal year 2022-2023 millage rate.

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

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

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

Independent Audit. Section 218.39, Florida Statutes, requires that an annual financial audit of the accounts and records of the County be performed by an independent certified public accounting firm. This requirement has been accomplished for the fiscal year ended September 30, 2024, and the opinions of the independent auditors are included in the Financial Section of this report.

In addition to meeting the requirements set forth in the state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance), and *Rules of the Auditor General*, Chapter 10.550. The auditor's reports pertaining to the single audit are included in the Single Audit Section of this report.

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

Awards. The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to Highlands County for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2023. This was the 40th year that the County has received this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report satisfied both GAAP and applicable legal requirements.

The Certificate of Achievement is valid for a period of one (1) year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program requirements, and we will submit it to the GFOA to determine eligibility for another certificate for the fiscal year ending September 30, 2024.



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

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

Respectfully submitted,



Jerome Kaszubowski, CGCIO
Clerk of Courts



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





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Highlands County
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

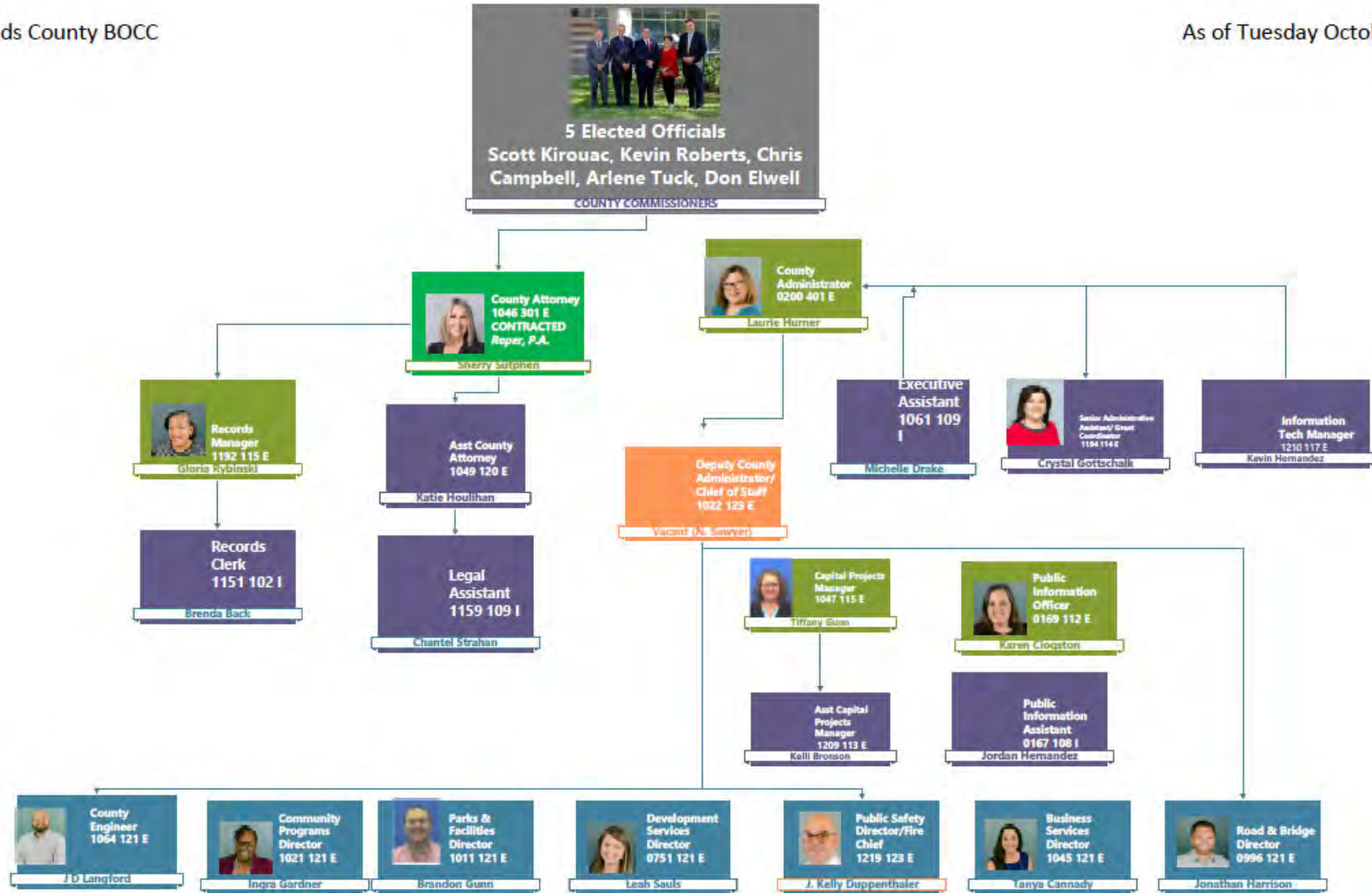
Christopher P. Morill

Executive Director/CEO

HIGHLANDS COUNTY, FLORIDA ORGANIZATIONAL CHART YEAR ENDED SEPTEMBER 30, 2024

Highlands County BOCC

As of Tuesday October 1, 2024



FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Board of County Commissioners
Highlands County, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Highlands County, Florida (the County), as of and for the year ended September 30, 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 and the respective budgetary comparison for the General Fund, County Transportation Trust Fund, and Local Infrastructure Surtax Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 14, 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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Sebring, Florida
April 14, 2025

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

The management of Highlands County (County) offers this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2024. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our Letter of Transmittal.

FINANCIAL HIGHLIGHTS

The following are key financial highlights for the fiscal year:

- Total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$346.1 million (net position). Of this amount, \$284.5 million was invested in capital assets and \$56.8 million was restricted by laws, grant agreements, debt covenants or for capital projects. The County had an unrestricted net position of \$4.8 million.
- Total net position increased by \$28.0 million or 8.8%. The net position of governmental activities increased \$25.3 million and business-type activities increased \$2.7 million.
- The fund balance in the General Fund was \$62.4 million, an increase of \$8.6 million from the previous year. The unassigned fund balance for the General Fund, which is available for use at the County's discretion, was \$58.5 million or 64.6% of total general fund expenditures.
- The governmental funds, in total, reported combined fund balances of \$131.9 million, an increase of \$19.7 million from the previous year. Of this amount, \$58.5 million was unassigned fund balance. The increase in fund balance was due in part to Tax and Assessment revenue increases as well as Net Change in Fair Value of Investments in the current year.
- Total assets increased by \$29.8 million or 6.5% and total liabilities decreased by \$1.0 million or 0.7%. The increase in total assets was due to the growth in Cash and Cash Equivalents, Investments as well as capital assets. The decrease in liabilities was due to the net pension liability. The County is required to report, as a liability, the County's proportionate share of the Florida Retirement System (FRS) Plan Net Pension Liability.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

The statement of net position presents information on the County's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

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

The government-wide financial statements distinguish functions of the County (known as the primary government) that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public safety, physical environment, transportation, economic environment, human services, culture and recreation and court related. The business-type activities of the County include solid waste and energy recovery.

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

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

Fund Financial Statements

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

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Highlands County maintains 53 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, the County Transportation Trust Fund, and the Local Government Infrastructure Surtax Fund, which are considered to be major funds. Data from the other 50 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Fund Financial Statements (Continued)

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

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

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

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

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

**HIGHLANDS COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
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GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$346.1 million (total net position) as of September 30, 2024. The County recognized an increase in its total net position of \$28.0 million, or 8.8%, from \$318.1 million in 2023 to \$346.1 million in 2024.

	Governmental Activities		Business-Type Activities		Total	
	2023	2024	2023	2024	2023	2024
Current and Other Assets	\$ 141,210,839	\$ 159,701,217	\$ 25,279,003	\$ 28,237,177	\$ 166,489,842	\$ 187,938,394
Capital Assets	277,160,121	284,660,297	11,043,118	11,850,677	288,203,239	296,510,974
Total Assets	418,370,960	444,361,514	36,322,121	40,087,854	454,693,081	484,449,368
Deferred Outflows of Resources	20,446,158	21,714,176	224,233	240,073	20,670,391	21,954,249
Long-Term Debt Outstanding	121,859,865	116,850,673	10,987,669	11,660,410	132,847,534	128,511,083
Other Liabilities	15,165,901	18,166,780	842,066	1,214,646	16,007,967	19,381,426
Total Liabilities	137,025,766	135,017,453	11,829,735	12,875,056	148,855,501	147,892,509
Deferred Inflows of Resources	8,265,160	12,296,486	136,323	181,148	8,401,483	12,477,634
Net Position:						
Net Investment in						
Capital Assets	264,189,739	272,625,981	11,044,457	11,847,832	275,234,196	284,473,813
Restricted	49,094,388	56,793,850	-	-	49,094,388	56,793,850
Unrestricted	(19,757,935)	(10,658,080)	13,535,839	15,423,891	(6,222,096)	4,765,811
Total Net Position	\$ 293,526,192	\$ 318,761,751	\$ 24,580,296	\$ 27,271,723	\$ 318,106,488	\$ 346,033,474

The largest portion of the County's net position, \$284 million, reflects its net investment in capital assets (e.g., land, buildings, improvements, infrastructure, machinery, and equipment), net of accumulated depreciation, reduced by outstanding related debt used to acquire those assets, plus capital-related deferred outflows of resources. These capital assets are used to provide services to citizens and therefore, are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, the resources required to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position, \$56.8 million, represents resources that are subject to external restrictions such as debt covenants, grantors, laws or regulations, or restrictions through enabling legislation on how they may be used.

The remaining balance is the unrestricted net position, which may be used to meet the County's ongoing obligations to citizens and creditors. As of September 30, 2024, the County's unrestricted net position was \$4.8 million. The change in the total unrestricted net position from (\$6.2) million at September 30, 2023 to \$4.8 million at September 30, 2024 was partially due to changes in net pension liability. The County is required to report, as a liability, the County's proportionate share of the Florida Retirement System (FRS) Plan Net Pension Liability.

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

	Governmental Activities		Business-Type Activities		Total	
	2023	2024	2023	2024	2023	2024
Revenues:						
Program Revenues:						
Charges for Services	\$ 34,169,582	\$ 34,772,505	\$ 13,529,051	\$ 13,608,547	\$ 47,698,633	\$ 48,381,052
Operating Grants and Contributions	13,813,608	6,736,388	157,543	93,750	13,971,151	6,830,138
Capital Grants and Contributions	4,126,322	624,633	-	-	4,126,322	624,633
General Revenues:						
Property Taxes	50,578,777	55,682,657	-	-	50,578,777	55,682,657
Other Taxes	22,424,681	22,238,618	-	-	22,424,681	22,238,618
Other	27,950,124	32,754,164	1,186,607	1,439,541	29,136,731	34,193,705
Total Revenues	153,063,094	152,808,965	14,873,201	15,141,838	167,936,295	167,950,803
Expenses:						
General Government	22,599,038	25,376,757	-	-	22,599,038	25,376,757
Public Safety	68,119,772	65,175,642	-	-	68,119,772	65,175,642
Physical Environment	2,030,825	2,242,954	-	-	2,030,825	2,242,954
Transportation	17,604,650	17,578,300	-	-	17,604,650	17,578,300
Economic Environment	4,213,158	3,250,887	-	-	4,213,158	3,250,887
Human Services	14,147,925	4,380,732	-	-	14,147,925	4,380,732
Culture and Recreation	3,980,638	3,168,479	-	-	3,980,638	3,168,479
Court Related	5,945,120	6,071,097	-	-	5,945,120	6,071,097
Interest on Long-Term Debt	428,000	441,876	-	-	428,000	441,876
Solid Waste	-	-	11,792,374	10,796,924	11,792,374	10,796,924
Energy Recovery	-	-	1,563,769	1,540,169	1,563,769	1,540,169
Total Expenses	139,069,126	127,686,724	13,356,143	12,337,093	152,425,269	140,023,817
Change in Net Position Before Transfers	13,993,968	25,122,241	1,517,058	2,804,745	15,511,026	27,926,986
Transfers	105,010	113,318	(105,010)	(113,318)	-	-
Change in Net Position	14,098,978	25,235,559	1,412,048	2,691,427	15,511,026	27,926,986
Net Position - Beginning	279,427,214	293,526,192	23,168,248	24,580,296	302,595,462	318,106,488
Net Position - Ending	<u>\$ 293,526,192</u>	<u>\$ 318,761,751</u>	<u>\$ 24,580,296</u>	<u>\$ 27,271,723</u>	<u>\$ 318,106,488</u>	<u>\$ 346,033,474</u>

Governmental Activities

The net position of governmental activities increased \$25.2 million.

- Overall, revenues related to governmental activities decreased \$0.2 million, or 0.2%.
- Charges for Services increased \$603 thousand, or 1.8%. Public Safety charges increased a net \$900 thousand due to increases in Law Enforcement Services (\$221,384), Ambulance Service (\$410,412), Fire Assessment (\$644,277) and decrease in Building Permits (\$416,651); General Government decreased \$141 thousand; Human Services increased \$132 thousand due to increase in other Human Service charges, and Court Related increased a net \$517 thousand. Economic Environment decreased \$69 thousand.

**HIGHLANDS COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
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- Operating Grants and Contributions decreased by \$7.1 million, or 51.2%. General Government funding decreased \$1.9 million due to American Rescue Plan Act funds (\$1.2 million) and General Gov't – IT (\$0.63 million), Public Safety funding decreased \$4.2 million due to Disaster Relief funding from FEMA, and Economic Environment decreased \$893 thousand due to decreased SHIP funding.
- Capital Grants and Contributions decreased by \$3.5 million, or 84.9%. Transportation funding decreased \$2.6 million while Public Safety funding decreased by \$810 thousand.
- Property Taxes increased \$5.1 million, or 10.1% due to a 10.7% increase in property tax values driven by increased local real estate market values.
- Other Taxes decreased \$186 thousand, or 0.8%. The County recognized a \$72 thousand decrease in local option sales tax, along with a \$162 thousand decrease in fuel taxes, and \$55 thousand increase in tourist development tax collections.
- Other general revenues increased \$4.8 million, or 17.2%. State shared revenues increased \$2.1 million, interest and investment earnings increased \$2.1 million, and gain on sale of capital assets and insurance recoveries increased \$187 thousand.
- Overall, expenses related to governmental activities decreased \$11.4 million, or 8.2%. Public Safety expenses decreased \$2.9 million, General Government expenses increased \$2.8 million, Human Services decreased \$9.8 million, and Culture and Recreation decreased \$0.8 million.
- Public Safety expenses decreased \$2.9 million, or 4.3%. The decrease is due to \$7.6 million of net pension liability expenses over the prior year, an increase of \$4.7 million of capital related items, \$493 thousand decrease of Long-Term Debt, and a \$275 thousand increase of OPEB charges as compared to the prior year.
- General Government expenses increased by \$2.8 million, or 12.3%. The increase is due to \$2.2 million of capital related items, a \$2.1 million increase in Employee Benefits, and \$2.4 million of net pension liability expenses over the prior year.
- Human Services expenses decreased by \$9.8 million, or 69.0%. The majority of the decrease is due to there were no Emergency/Disaster Relief expenses as in the prior year.

Business-Type Activities

The net position of business-type activities increased \$2.7 million.

- Overall, revenues related to business-type activities increased \$269 thousand, or 1.8%, and expenses decreased \$1.0 million, or 7.6%.
- Charges for Services increased \$79 thousand, or 0.6%. The sale of asphalt decreased total operating revenues by \$169 thousand as well as a \$8 thousand decrease of charges for services for the Energy Recovery facility. There was a \$386 thousand increase in revenues from the non-ad valorem assessment for solid waste collection due to an assessment increase and there was a \$158 thousand decrease for landfill tipping fees from the hauler and the public.
- Solid Waste expenses decreased \$1.0 million, or 8.4%. Personal Services decreased \$114 thousand, General & Administrative Expenditures decreased \$1.2 million, but Depreciation increased \$261 thousand.
- Energy Recovery expenses decreased \$24 thousand, or 1.5%. The decrease in Road Materials and Supplies was a direct result of the decrease in asphalt production.

**HIGHLANDS COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
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FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

The County's governmental funds reported combined ending fund balances of \$131.9 million. Approximately \$58.5 million of the combined fund balances constitutes the unassigned fund balance, which is available for spending at the government's discretion. The remainder of the balance is not available for new spending because it is non-spendable (\$1.5 million), restricted (\$68.4 million) or assigned (\$3.5 million). Significant restrictions include: restrictions for infrastructure and land acquisitions (\$27.4 million), restrictions for transportation related (\$5.1 million), restrictions for building department (\$5.5 million), restrictions for Tourist Development (\$4.6 million), and restrictions for Public Safety (\$13.8 million).

The General Fund is the chief operating fund of the County. In 2024 the County reduced its millage rate from 7.85 mills to 7.60 mills and still be able to continue to provide quality services to its citizens and minimize the need to dip into its fund balance for operational needs. At September 30, 2024, the General Fund's total fund balance was \$62.4 million of which \$58.5 million (93.8%) was unassigned fund balance. The unassigned fund balance increased by \$7.9 million. Ad Valorem Taxes increased \$5.1 million due to a 10.7% increase in property tax values driven by increased local real estate market values; State Shared Revenues increased \$2.7 million as a result of the county being a fiscally constrained county; and Interest and Investment Earnings increased \$1.2 million due to higher fund balances and interest rates. As a measure of the General Fund's liquidity, the total fund balance represents 68.9% of total General Fund expenditures.

The County Transportation Trust Fund accounts for the operation of the road and bridge department, which is funded by the County's share of state gasoline taxes and the sixth-cent local option gas tax. Gas Tax revenues continue to decline (\$162,570) due to more efficient vehicles as well as EV vehicles and Other Miscellaneous revenues declined \$151,309 due to less reimbursements from other funds. As of September 30, 2024, the total fund balance was \$2.2 million, compared to \$1.6 million in 2023. The increase in fund balance was due to financial assistance from the General Fund.

The Local Government Infrastructure Surtax Fund accounts for the one-cent local discretionary sales surtax that was approved by voters. As of September 30, 2024, the total fund balance was \$27.3 million, compared to \$18.2 million in 2023. The increase in fund balance was due to an increase in Other Financing Sources (\$5.3 million), specifically a project transfer from another fund (\$3.9 million), issuance of debt (\$653 thousand), and reduction in Transfers Out (\$750 thousand). In addition, expenditures were reduced \$566 thousand.

**HIGHLANDS COUNTY, FLORIDA
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FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (CONTINUED)

Proprietary Funds

The Solid Waste Fund reported a net position of \$24.4 million, which is an increase of \$2.8 million over prior year. Unrestricted net position totaled \$14.0 million, a \$1.9 million increase over prior year, and net investments in capital assets totaled \$10.3 million, a \$926 thousand increase over prior year. Operating Revenues increased \$240 thousand, or 2.0% and Operating Expenses decreased \$1.0 million or 8.7%. The change in revenues was primarily due to an increase in Special Assessments of \$386 thousand, but Landfill Fees decreased \$158 thousand. Miscellaneous revenues and sale of recyclable materials change was insignificant. The change in expenses was primarily due to decrease in Personal Services and General & Administrative Expenses of \$1.3 million while Depreciation increased \$260,922.

The Energy Recovery Fund reported a net position of \$2.8 million, which is a decrease of \$125 thousand over prior year. Unrestricted net position totaled \$1.3 million. This fund accounts for the operation of the County's Asphalt Plant which was constructed at the landfill site in order to use materials disposed at the landfill as production material for asphalt. The minimal change in total net position and unrestricted net position is due to asphalt sales nearly equaling production costs.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

- The actual net change in the fund balance of the General Fund compared to the final budget was a positive variance of \$32.2 million.
- General Fund revenues were \$11.4 million more than the final budget amounts. Net Change in Investment Fair Value revenues exceed budget by \$2.6 million and Intergovernmental revenues were \$5.2 million more than budget due to grant revenue exceeding anticipated receipts.
- Actual expenditures in the General Fund were \$19.6 million less than the final budget. Significant variations are summarized below:

**HIGHLANDS COUNTY, FLORIDA
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<u>General Fund Department</u>	<u>Positive Variance</u>	<u>Reason for Variance</u>
Emergency/Disaster Relief	\$8,399,952	Project expenditures will occur in future years
Ambulance Services	670,257	Repair & Maintenance, Attractive Property Unexpended
Tax Collector	509,596	Unexpended Appropriations
Sheriff	1,398,489	Unexpended Appropriations
County Planning & Devel.	471,354	Project appropriations not expended
Clerk to Board	159,571	Unexpended Appropriations
Detention and Correction	1,041,710	Unexpended Appropriations
Facilities Management	413,245	Project appropriations not expended
Supervisor of Election	259,309	Unexpended Appropriations
Local Emergency Management Agency	1,318,266	Project appropriations not expended.
Children's Advocacy Center	327,872	Project appropriations not expended in personal services and operating expenses.
Mental Health	299,616	Project appropriations not expended
Natural Resources	209,055	Appropriations for project not expended
Central Services	286,466	Unexpended Appropriations.

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 \$296.5 million (net of accumulated depreciation) compared to \$288.2 million for the prior year. This investment in capital assets includes land, buildings, improvements, machinery and equipment, parks, roads, highways, bridges, software, water control structures, and land use rights. Major capital asset events during the fiscal year included the following:

- Traffic Operations Building
- Fire/EMS Ambulance / Equipment
- IT Infrastructure Upgrades
- Road & Bridge Equipment / Vehicles
- Road Construction / Improvements

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	Governmental Activities		Business-Type Activities		Entity Total	
	2023	2024	2023	2024	2023	2024
Land	\$ 45,133,945	\$ 45,143,183	\$ 1,839,228	\$ 1,839,228	\$ 46,973,173	\$ 46,982,411
Infrastructure - Roads and Bridges	143,026,414	144,423,972	-	-	143,026,414	144,423,972
Land Use Rights	2,571,167	2,571,167	-	-	2,571,167	2,571,167
Infrastructure - Water Control Structures	9,495,612	9,514,420	-	-	9,495,612	9,514,420
Buildings	37,090,032	35,549,547	66,787	57,101	37,156,819	35,606,648
Improvements	5,976,110	5,567,504	2,594,367	2,349,013	8,570,477	7,916,517
Equipment	25,127,628	26,222,665	6,447,095	6,146,339	31,574,723	32,369,004
Computer Software	265,969	198,618	35,657	28,405	301,626	227,023
Construction in Progress	6,115,214	11,819,744	59,610	1,423,662	6,174,824	13,243,406
Right-to-Use Assets	140,947	309,035	374	-	141,321	309,035
Right-to-Use Software	2,217,083	3,340,442	-	6,929	2,217,083	3,347,371
Total	<u>\$ 277,160,121</u>	<u>\$ 284,660,297</u>	<u>\$ 11,043,118</u>	<u>\$ 11,850,677</u>	<u>\$ 288,203,239</u>	<u>\$ 296,510,974</u>

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

Infrastructure

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

- Road System - The County has established an overall minimum average condition level of "fair" which carries a rating between 51 and 75. The overall average condition of the County road system for fiscal year 2024 was 58.58, compared to 58.15 in 2023.
- Bridge System - It is the County's policy to maintain an overall minimum average sufficiency rating of not less than 60%. The overall average sufficiency rating of the County bridge system for fiscal year 2024 was 77.52, which was the same rating (77.52) in 2023.

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

- Road System – The County budgeted \$1.3 million for maintenance/preservation of its road system and expended \$1.3 million.
- Bridge System – The County budgeted \$150,000 for maintenance/preservation of its bridge system and expended \$41,980.

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

Long-Term Debt

**HIGHLANDS COUNTY, FLORIDA
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At September 30, 2024, the County had total debt outstanding of \$21.0 million compared, to \$23.6 million in the prior year. Of this amount, all \$21.0 million represents governmental activities loans payable and other obligations. The decrease in total outstanding debt is attributed to payments on existing debt.

	Governmental Activities	
	2023	2024
Direct Borrowings and Direct Placements	\$ 23,232,000	\$ 20,960,109
Total	<u>\$ 23,232,000</u>	<u>\$ 20,960,109</u>

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The following factors were considered in preparing the County's budget for the 2024 fiscal year. More information on economic factors is provided in the Statistical Section and the Transmittal Letter.

- Highlands County's population increased in 2024 by 1.65%, from 104,361 in 2023 to an estimated 106,087 in 2024 and is projected to see an increase in 2025. Additionally, all three municipalities showed population increases over the prior year according to the Office of Economic & Demographic Research.
- Highlands County's unemployment rate (October - September) averaged 4.8%, which was higher than the average for the State of Florida (3.2%) and the nation (3.9%).
- Highlands County has a diverse property tax base. The ten largest taxpayers in the County represent 3.84% of the assessed property values of all taxpayers.
- In 2024, the total taxable value of property increased 10.7% over prior year. This was the tenth increase in total taxable value that has been recognized since 2008.

**HIGHLANDS COUNTY, FLORIDA
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REQUESTS FOR INFORMATION

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

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

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

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

BASIC FINANCIAL STATEMENTS

**HIGHLANDS COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 89,034,909	\$ 15,630,626	\$ 104,665,535
Investments	57,575,283	3,000,000	60,575,283
Accounts Receivable - Net	3,179,188	150,680	3,329,868
Lease Receivable	635,726	20,296	656,022
Internal Balances	(123,922)	123,922	-
Due from Other Governmental Units	7,762,319	-	7,762,319
Inventory	404,702	463,495	868,197
Other Assets	29,301	-	29,301
Prepaid Items	1,139,353	74,735	1,214,088
Restricted Assets:			
Cash and Cash Equivalents	64,358	8,773,423	8,837,781
Capital Assets not Being Depreciated/Amortized	203,958,066	3,262,890	207,220,956
Capital Assets - Net of Accumulated Depreciation/Amortization	80,702,231	8,587,787	89,290,018
Total Assets	<u>444,361,514</u>	<u>40,087,854</u>	<u>484,449,368</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Items	21,171,441	225,749	21,397,190
OPEB Related Items	542,735	14,324	557,059
Total Deferred Outflows of Resources	<u>21,714,176</u>	<u>240,073</u>	<u>21,954,249</u>
LIABILITIES			
Vouchers Payable	3,461,270	1,008,504	4,469,774
Claims Payable	706,521	-	706,521
Contracts Payable - Retained Percentage	75,351	26,896	102,247
Due to Other Governmental Units	1,162,141	-	1,162,141
Due to Others	269,139	-	269,139
Accrued Interest Payable	115,003	-	115,003
Accrued Wages Payable	2,070,355	31,198	2,101,553
Deposits	83,819	148,048	231,867
Unearned Revenue	10,223,181	-	10,223,181
Noncurrent Liabilities:			
Due Within One Year:			
Notes Payable, Compensated Absences, Leases, SBITA, and Landfill Closure	5,249,517	104,255	5,353,772
Total OPEB Liability	92,346	-	92,346
Due in More than One Year:			
Notes Payable, Compensated Absences Leases, SBITA, and Landfill Closure	24,701,247	10,466,182	35,167,429
Net Pension Liability	85,315,579	1,048,162	86,363,741
Total OPEB Liability	1,491,984	41,811	1,533,795
Total Liabilities	<u>135,017,453</u>	<u>12,875,056</u>	<u>147,892,509</u>
DEFERRED INFLOWS OF RESOURCES			
Pension Related Items	11,142,667	144,481	11,287,148
OPEB Related Items	544,147	14,360	558,507
Lease Related Items	609,672	22,307	631,979
Total Deferred Inflows of Resources	<u>12,296,486</u>	<u>181,148</u>	<u>12,477,634</u>
NET POSITION			
Net Investment in Capital Assets	272,625,981	11,847,832	284,473,813
Restricted for:			
General Government	1,304,521	-	1,304,521
Public Safety	13,751,633	-	13,751,633
Infrastructure and Land Acquisition	27,480,454	-	27,480,454
Transportation	5,051,599	-	5,051,599
Economic Environment	42,524	-	42,524
Physical Environment	72,000	-	72,000
Community Programs	3,311,874	-	3,311,874
Conservation	549,903	-	549,903
Tourist Development	4,640,667	-	4,640,667
Istokpoga Marsh Watershed Maintenance	87,092	-	87,092
Culture and Recreation	501,583	-	501,583
Unrestricted	(10,658,080)	15,423,891	4,765,811
Total Net Position	<u>\$ 318,761,751</u>	<u>\$ 27,271,723</u>	<u>\$ 346,033,474</u>

See accompanying Notes to Financial Statements.

**HIGHLANDS COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2024**

Functions/Programs	Program Revenues				Net Revenue (Expense) and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	\$ 25,376,757	\$ 4,716,395	\$ 304,697	\$ -	\$ (20,355,665)	\$ -	\$ (20,355,665)
Public Safety	65,175,642	22,074,436	4,227,499	350,027	(38,523,680)	-	(38,523,680)
Physical Environment	2,242,954	176,607	333,084	12,652	(1,720,611)	-	(1,720,611)
Transportation	17,578,300	3,473,653	-	261,954	(13,842,693)	-	(13,842,693)
Economic Environment	3,250,887	267,678	934,977	-	(2,048,232)	-	(2,048,232)
Human Services	4,380,732	15,238	719,300	-	(3,646,194)	-	(3,646,194)
Culture and Recreation	3,168,479	344,050	191,831	-	(2,632,598)	-	(2,632,598)
Court Related	6,071,097	3,704,448	25,000	-	(2,341,649)	-	(2,341,649)
Debt Service:	-	-	-	-	-	-	-
Interest on Long-Term Debt	441,876	-	-	-	(441,876)	-	(441,876)
Total Governmental Activities	127,686,724	34,772,505	6,736,388	624,633	(85,553,198)	-	(85,553,198)
Business-Type Activities:							
Solid Waste	10,796,924	12,200,588	93,750	-	-	1,497,414	1,497,414
Energy Recovery	1,540,169	1,407,959	-	-	-	(132,210)	(132,210)
Total Business-Type Activities	12,337,093	13,608,547	93,750	-	-	1,365,204	1,365,204
Total Primary Government	<u>\$ 140,023,817</u>	<u>\$ 48,381,052</u>	<u>\$ 6,830,138</u>	<u>\$ 624,633</u>	(85,553,198)	1,365,204	(84,187,994)
GENERAL REVENUES							
Taxes:							
Property Taxes					55,682,657	-	55,682,657
Fuel Taxes					4,772,924	-	4,772,924
Sales Tax					14,972,541	-	14,972,541
Services Taxes					542,016	-	542,016
Other Taxes					1,951,137	-	1,951,137
Unrestricted State Shared Revenues					24,706,034	-	24,706,034
Net Change in Fair Value of Investments					6,674,827	1,428,716	8,103,543
Gain (Loss) on Sale of Capital Assets					422,327	10,825	433,152
Insurance Recoveries					384,984	-	384,984
Miscellaneous					565,992	-	565,992
Transfers					113,318	(113,318)	-
Total General Revenues					<u>110,788,757</u>	<u>1,326,223</u>	<u>112,114,980</u>
CHANGE IN NET POSITION					25,235,559	2,691,427	27,926,986
Net Position - October 1, 2023					<u>293,526,192</u>	<u>24,580,296</u>	<u>318,106,488</u>
NET POSITION - SEPTEMBER 30, 2024					<u>\$ 318,761,751</u>	<u>\$ 27,271,723</u>	<u>\$ 346,033,474</u>

See accompanying Notes to Financial Statements.

HIGHLANDS COUNTY, FLORIDA
BALANCE SHEET – GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

	General	County Transportation Trust	Local Government Infrastructure Surtax	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 37,233,563	\$ 1,280,785	\$ 14,424,108	\$ 27,690,740	\$ 80,629,196
Cash and Cash Equivalents - Restricted	64,358	-	-	-	64,358
Investments	33,257,207	-	10,820,238	13,497,838	57,575,283
Accounts Receivable - Net	2,706,083	-	51,494	390,586	3,148,163
Due from Other Funds	194,686	-	-	280,407	475,093
Due from Other Governmental Units	2,671,732	1,147,544	3,038,617	904,426	7,762,319
Lease Receivable	543,586	-	-	92,140	635,726
Other Assets	29,301	-	-	-	29,301
Advances to Other Funds	-	22,164	-	-	22,164
Prepaid Items	1,058,692	36,895	-	43,766	1,139,353
Inventory	404,702	-	-	-	404,702
Total Assets	<u>\$ 78,163,910</u>	<u>\$ 2,487,388</u>	<u>\$ 28,334,457</u>	<u>\$ 42,899,903</u>	<u>\$ 151,885,658</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Vouchers Payable	\$ 2,025,264	\$ 151,529	\$ 830,796	\$ 428,188	\$ 3,435,777
Accrued Wages Payable	1,684,522	164,493	-	221,340	2,070,355
Contracts Payable-Retained Percentage	-	-	75,351	-	75,351
Customer Deposits	64,358	11,909	-	7,552	83,819
Due to Other Governmental Units	569,207	3,337	126,301	463,296	1,162,141
Due to Other Funds	333,426	46	13,969	180,668	528,109
Due to Others	6,034	-	-	261,000	267,034
Advances from Other Funds	-	-	-	36,932	36,932
Unearned Revenue	8,658,916	-	-	1,000,983	9,659,899
Total Liabilities	<u>13,341,727</u>	<u>331,314</u>	<u>1,046,417</u>	<u>2,599,959</u>	<u>17,319,417</u>
Deferred Inflows of Resources:					
Unavailable Revenue:					
Intergovernmental	1,077,265	-	6,062	42,524	1,125,851
Charges for Services	852,286	-	-	46,357	898,643
Leases Related Items	521,987	-	-	87,685	609,672
Total Deferred Inflows of Resources	<u>2,451,538</u>	<u>-</u>	<u>6,062</u>	<u>176,566</u>	<u>2,634,166</u>
Fund Balances:					
Nonspendable	1,463,394	36,895	-	43,766	1,544,055
Restricted	-	1,010,455	27,281,978	40,106,308	68,398,741
Assigned	2,414,929	1,108,724	-	-	3,523,653
Unassigned	58,492,322	-	-	(26,696)	58,465,626
Total Fund Balances	<u>62,370,645</u>	<u>2,156,074</u>	<u>27,281,978</u>	<u>40,123,378</u>	<u>131,932,075</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 78,163,910</u>	<u>\$ 2,487,388</u>	<u>\$ 28,334,457</u>	<u>\$ 42,899,903</u>	<u>\$ 151,885,658</u>

See accompanying Notes to Financial Statements.

HIGHLANDS COUNTY, FLORIDA
RECONCILIATION OF FUND BALANCES FOR GOVERNMENTAL FUNDS TO
NET POSITION OF GOVERNMENTAL ACTIVITIES – GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

Fund Balances - Total Governmental Funds	\$ 131,932,075

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	284,660,297

Certain receivables are not available to pay current period expenditures and, therefore, are reported as deferred inflows of resources in the funds.	2,024,494

Long-term liabilities consisting of notes payable, leases, and SBITAs are not due and payable in the current period and, therefore, are not reported in the funds.	(23,758,327)

Accrued general long-term debt interest expense is not a financial use and, therefore, is not reported in the funds.	(115,003)

Net pension liability and related deferred outflows and inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.	(74,535,665)

Total other postemployment benefits liability and related deferred outflows and inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.	(1,585,742)

The assets and liabilities of the internal service funds, used by management to charge the costs of certain activities to individual funds, are included in governmental activities in the statement of net position.	<u>139,622</u>

Net Position of Governmental Activities	<u><u>\$ 318,761,751</u></u>

HIGHLANDS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2024

	General	County Transportation Trust	Local Government Infrastructure Surtax	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 56,154,211	\$ 4,843,386	\$ 14,972,541	\$ 1,891,820	\$ 77,861,958
Licenses and Permits	300	191,240	-	1,568,182	1,759,722
Intergovernmental	27,498,144	3,535,664	2,676,605	3,149,339	36,859,752
Charges for Services	13,931,779	251,488	-	3,336,848	17,520,115
Fines and Forfeitures	205,934	-	-	653,936	859,870
Assessments	-	-	-	8,266,459	8,266,459
Net Change in Fair Value of Investments	3,749,717	1,414	1,019,769	1,577,892	6,348,792
Miscellaneous	2,714,476	2,126,346	-	828,121	5,668,943
Total Revenues	104,254,561	10,949,538	18,668,915	21,272,597	155,145,611
EXPENDITURES					
Current:					
General Government	22,451,066	-	-	3,001	22,454,067
Public Safety	50,610,399	-	-	10,409,274	61,019,673
Physical Environment	1,793,267	-	-	133,193	1,926,460
Transportation	201,004	12,664,437	1,058,634	707,531	14,631,606
Economic Environment	2,397,207	-	-	2,033,045	4,430,252
Human Services	3,777,547	-	-	255,946	4,033,493
Culture and Recreation	2,309,738	-	128,302	137,017	2,575,057
Court Related	2,354,559	-	-	3,568,137	5,922,696
Capital Outlay	3,689,680	325,733	9,713,302	3,727,403	17,456,118
Debt Service:					
Principal Retirement	1,068,973	141,863	2,868,000	725,212	4,804,048
Interest and Fiscal Charges	93,491	5,450	263,690	97,251	459,882
Total Expenditures	90,746,931	13,137,483	14,031,928	21,797,010	139,713,352
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	13,507,630	(2,187,945)	4,636,987	(524,413)	15,432,259
OTHER FINANCING SOURCES (USES)					
Transfers In	316,123	2,411,500	3,853,415	2,433,256	9,014,294
Transfers Out	(7,752,769)	(90,212)	(81,469)	(976,526)	(8,900,976)
Leases	35,903	-	-	194,420	230,323
SBITA	1,815,385	324,612	-	374,239	2,514,236
Insurance Recoveries	331,688	53,296	-	-	384,984
Issuance of Debt	-	-	652,473	-	652,473
Sale of Surplus Assets	352,572	4,834	41,000	23,921	422,327
Total Other Financing Sources (Uses)	(4,901,098)	2,704,030	4,465,419	2,049,310	4,317,661
NET CHANGE IN FUND BALANCES	8,606,532	516,085	9,102,406	1,524,897	19,749,920
Fund Balances - October 1, 2023	53,764,113	1,639,989	18,179,572	38,598,481	112,182,155
FUND BALANCES - SEPTEMBER 30, 2024	<u>\$ 62,370,645</u>	<u>\$ 2,156,074</u>	<u>\$ 27,281,978</u>	<u>\$ 40,123,378</u>	<u>\$ 131,932,075</u>

See accompanying Notes to Financial Statements.

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

Net Change in Fund Balances - Total Governmental Funds \$ 19,749,920

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation or amortization expense. This is the amount by which net capital outlay exceeded depreciation and amortization in the current period. 10,177,458

In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus the change in net position differs from the change in fund balance by the cost of capital assets sold. (2,677,282)

Long-term liabilities are reported in the statement of net position but not in the governmental funds because they are not due and payable in the current period. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 1,403,777

Some revenues reported in the statement of activities will not be collected for several months after the fiscal year and, therefore, are not reported as revenue in the governmental funds. (3,463,713)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 18,006

Changes in net pension liability reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. 957,145

Changes in total other postemployment benefits liability reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. 125,502

Internal service funds are used by management to charge the costs of insurance to individual funds. The net cost of certain activities of internal service funds is reported with governmental activities. (1,055,254)

Change in Net Position of Governmental Activities \$ 25,235,559

HIGHLANDS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE – BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 54,533,765	\$ 54,533,765	\$ 56,154,211	\$ 1,620,446
Licenses and Permits	1,000	1,000	300	(700)
Intergovernmental	20,481,784	22,303,485	27,498,144	5,194,659
Charges for Services	11,700,299	12,327,493	13,931,779	1,604,286
Fines and Forfeitures	127,000	127,000	205,934	78,934
Net Change in Fair Value of Investments	1,150,000	1,150,000	3,749,717	2,599,717
Miscellaneous	2,255,796	2,362,128	2,714,476	352,348
Total Revenues	90,249,644	92,804,871	104,254,561	11,449,690
EXPENDITURES				
Current:				
General Government	23,953,936	24,975,235	22,451,066	2,524,169
Public Safety	53,545,430	55,359,004	50,610,399	4,748,605
Physical Environment	2,470,154	2,137,753	1,793,267	344,486
Transportation	201,004	201,004	201,004	-
Economic Environment	2,542,338	2,607,492	2,397,207	210,285
Human Services	3,973,675	4,325,905	3,777,547	548,358
Culture and Recreation	2,725,274	2,726,063	2,309,738	416,325
Court Related	2,169,945	2,393,735	2,354,559	39,176
Capital Outlay	1,101,822	14,504,575	3,689,680	10,814,895
Debt Service:				
Principal Retirement	-	1,072,397	1,068,973	3,424
Interest and Fiscal Charges	-	38,438	93,491	(55,053)
Total Debt Service	-	1,110,835	1,162,464	(51,629)
Total Expenditures	92,683,578	110,341,601	90,746,931	19,594,670
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,433,934)	(17,536,730)	13,507,630	31,044,360
OTHER FINANCING SOURCES (USES)				
Transfers In	327,017	327,017	316,123	(10,894)
Transfers Out	(1,904,630)	(8,343,800)	(7,752,769)	591,031
Leases	-	1,624,199	35,903	(1,588,296)
SBITAs	-	15,395	1,815,385	1,799,990
Insurance Recoveries	-	60,000	331,688	271,688
Sale of Surplus Assets	-	257,065	352,572	95,507
Total Other Financing Sources (Uses)	(1,577,613)	(6,060,124)	(4,901,098)	1,159,026
NET CHANGE IN FUND BALANCE	(4,011,547)	(23,596,854)	8,606,532	32,203,386
Fund Balances - October 1, 2023	4,011,547	23,596,854	53,764,113	30,167,259
FUND BALANCES - SEPTEMBER 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,370,645</u>	<u>\$ 62,370,645</u>

See accompanying Notes to Financial Statements.

HIGHLANDS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – COUNTY TRANSPORTATION TRUST FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 5,352,200	\$ 5,352,200	\$ 4,843,386	\$ (508,814)
Licenses and Permits	170,000	170,000	191,240	21,240
Intergovernmental	3,471,077	3,531,077	3,535,664	4,587
Charges for Services	235,000	235,000	251,488	16,488
Net Change in Fair Value of Investments	2,500	2,500	1,414	(1,086)
Miscellaneous	2,393,350	2,393,850	2,126,346	(267,504)
Total Revenues	11,624,127	11,684,627	10,949,538	(735,089)
EXPENDITURES				
Current:				
Transportation	13,750,952	14,050,396	12,664,437	1,385,959
Capital Outlay	41,366	495,188	325,733	169,455
Debt Service:				
Principal	-	145,686	141,863	3,823
Interest	-	-	5,450	(5,450)
Total Expenditures	13,792,318	14,691,270	13,137,483	1,553,787
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,168,191)	(3,006,643)	(2,187,945)	818,698
OTHER FINANCING SOURCES (USES)				
Transfers In	-	485,630	2,411,500	1,925,870
Transfers Out	(78,753)	(90,213)	(90,212)	1
SBITAs	-	324,616	324,612	(4)
Insurance Recoveries	-	-	53,296	53,296
Sale of Surplus Assets	-	-	4,834	4,834
Total Other Financing Sources (Uses)	(78,753)	720,033	2,704,030	1,983,997
NET CHANGE IN FUND BALANCE	(2,246,944)	(2,286,610)	516,085	2,802,695
Fund Balances - October 1, 2023	2,246,944	2,286,610	1,639,989	(646,621)
FUND BALANCES - SEPTEMBER 30, 2024	\$ -	\$ -	\$ 2,156,074	\$ 2,156,074

See accompanying Notes to Financial Statements.

HIGHLANDS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET
AND ACTUAL – LOCAL GOVERNMENT INFRASTRUCTURE SURTAX FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 17,250,000	\$ 17,250,000	\$ 14,972,541	\$ (2,277,459)
Intergovernmental	5,335,631	15,769,167	2,676,605	(13,092,562)
Net Change in Fair Value of Investments	392,000	392,000	1,019,769	627,769
Miscellaneous	-	300,000	-	(300,000)
Total Revenues	22,977,631	33,711,167	18,668,915	(15,042,252)
EXPENDITURES				
Current:				
Public Safety	124,400	-	-	-
Transportation	900,000	1,111,925	1,058,634	53,291
Culture and Recreation	-	715,823	128,302	587,521
Capital Outlay	28,880,640	51,750,977	9,713,302	42,037,675
Debt Service:				
Principal Retirement	2,868,000	2,868,000	2,868,000	-
Interest and Fiscal Charges	263,690	263,690	263,690	-
Total Expenditures	33,036,730	56,710,415	14,031,928	42,678,487
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(10,059,099)	(22,999,248)	4,636,987	27,636,235
OTHER FINANCING SOURCES (USES)				
Transfers In	-	5,260,932	3,853,415	(1,407,517)
Transfers Out	(81,474)	(81,474)	(81,469)	5
Issuance of Debt	-	-	652,473	652,473
Sale of Surplus Assets	-	41,000	41,000	-
Total Other Financing Sources (Uses)	(81,474)	5,220,458	4,465,419	(755,039)
NET CHANGE IN FUND BALANCE	(10,140,573)	(17,778,790)	9,102,406	26,881,196
Fund Balances - October 1, 2023	10,140,573	17,778,790	18,179,572	400,782
FUND BALANCES - SEPTEMBER 30, 2024	\$ -	\$ -	\$ 27,281,978	\$ 27,281,978

See accompanying Notes to Financial Statements.

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

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Solid Waste	Nonmajor Energy Recovery	Total	Internal Service Funds
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 14,764,304	\$ 866,322	\$ 15,630,626	\$ 8,405,713
Investments	3,000,000	-	3,000,000	-
Accounts Receivable - Net	149,966	714	150,680	31,025
Leases Receivable - Net	20,296	-	20,296	-
Due from Other Funds	53,019	-	53,019	-
Advances to Other Funds	14,768	-	14,768	-
Prepaid Items	74,735	-	74,735	-
Inventory	-	463,495	463,495	-
Total Current Assets	18,077,088	1,330,531	19,407,619	8,436,738
Noncurrent Assets:				
Restricted Cash and Cash Equivalents	8,773,423	-	8,773,423	-
Capital Assets:				
(Net of \$16,612,831 Accumulated Amortization and Depreciation)	10,347,701	1,502,976	11,850,677	-
Total Noncurrent Assets	19,121,124	1,502,976	20,624,100	-
Total Assets	37,198,212	2,833,507	40,031,719	8,436,738
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Items	225,749	-	225,749	-
OPEB Related Items	13,737	587	14,324	-
Total Deferred Outflows of Resources	239,486	587	240,073	-
LIABILITIES				
Current Liabilities:				
Vouchers Payable	1,003,248	5,256	1,008,504	25,493
Contracts Payable	26,896	-	26,896	-
Due to Other Funds	3	-	3	-
Accrued Interest Payable	-	-	-	-
Accrued Wages Payable	30,188	1,010	31,198	-
Due to Other Governmental Units	-	-	-	-
Due to Others	-	-	-	2,105
Unearned Revenue	-	-	-	563,282
Compensated Absences - Current Portion	15,783	111	15,894	-
Landfill Closure Liability - Current Portion	86,969	-	86,969	-
SBITAs Liability - Current Portion	1,392	-	1,392	-
Claims Payable	-	-	-	706,521
Total Current Liabilities	1,164,479	6,377	1,170,856	1,297,401

See accompanying Notes to Financial Statements.

HIGHLANDS COUNTY, FLORIDA
STATEMENT OF NET POSITION – PROPRIETARY FUNDS (CONTINUED)
SEPTEMBER 30, 2024

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Solid Waste	Nonmajor Energy Recovery	Total	Internal Service Funds
LIABILITIES (CONTINUED)				
Long-Term Liabilities:				
Payable from Restricted Assets:				
Customer Deposits	\$ 148,048	\$ -	\$ 148,048	\$ -
Landfill Closure Liability	8,625,375	-	8,625,375	-
Compensated Absences Payable	142,048	999	143,047	6,943,577
Total OPEB Liability	40,097	1,714	41,811	-
Landfill Closure Liability	1,696,307	-	1,696,307	-
SBITA Liability	1,453	-	1,453	-
Net Pension Liability	1,048,162	-	1,048,162	-
Total Long-Term Liabilities	<u>11,701,490</u>	<u>2,713</u>	<u>11,704,203</u>	<u>6,943,577</u>
 Total Liabilities	 12,865,969	 9,090	 12,875,059	 8,240,978
 DEFERRED INFLOWS OF RESOURCES				
Pension Related Items	144,481	-	144,481	-
OPEB Related Items	13,771	589	14,360	-
Leases	22,307	-	22,307	-
Total Deferred Inflows of Resources	<u>180,559</u>	<u>589</u>	<u>181,148</u>	<u>-</u>
 NET POSITION				
Net Investment in Capital Assets	10,344,856	1,502,976	11,847,832	-
Unrestricted	<u>14,046,314</u>	<u>1,321,439</u>	<u>15,367,753</u>	<u>195,760</u>
 Total Net Position	 <u>\$ 24,391,170</u>	 <u>\$ 2,824,415</u>	 27,215,585	 <u>\$ 195,760</u>
 Adjustment to Reflect Consolidation of Internal Service Fund Activities Related to Enterprise Funds			 <u>56,138</u>	
 Net Position of Business-Type Activities			 <u>\$ 27,271,723</u>	

See accompanying Notes to Financial Statements.

HIGHLANDS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION – PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2024

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Solid Waste	Nonmajor Energy Recovery	Total	Internal Service Funds
OPERATING REVENUES				
Charges for Services	\$ 3,524,754	\$ 1,391,262	\$ 4,916,016	\$ 21,287,020
Special Assessments	8,661,299	-	8,661,299	-
Sale of Recyclable Materials	2,539	-	2,539	-
Miscellaneous	11,996	16,697	28,693	-
Total Operating Revenues	12,200,588	1,407,959	13,608,547	21,287,020
OPERATING EXPENSES				
Personal Services	1,636,178	56,079	1,692,257	-
General and Administrative	8,136,048	1,362,811	9,498,859	8,032,844
Insurance and Claims	-	-	-	14,666,217
Depreciation and Amortization	989,315	122,846	1,112,161	-
Total Operating Expenses	10,761,541	1,541,736	12,303,277	22,699,061
OPERATING INCOME (LOSS)	1,439,047	(133,777)	1,305,270	(1,412,041)
NONOPERATING REVENUES (EXPENSES)				
Operating Grants	93,750	-	93,750	-
Net Change in Fair Value of Investments	1,420,230	8,486	1,428,716	322,995
Interest Expense	(24)	-	(24)	-
Insurance Recoveries	-	-	-	-
Gain (Loss) on Disposal of Capital Assets	10,825	-	10,825	-
Total Nonoperating Revenues (Expenses)	1,524,781	8,486	1,533,267	322,995
INCOME (LOSS) BEFORE TRANSFERS	2,963,828	(125,291)	2,838,537	(1,089,046)
Transfer Out	(113,318)	-	(113,318)	-
CHANGE IN NET POSITION	2,850,510	(125,291)	2,725,219	(1,089,046)
Net Position - October 1, 2023	21,540,660	2,949,706		1,284,806
NET POSITION - SEPTEMBER 30, 2024	<u>\$ 24,391,170</u>	<u>\$ 2,824,415</u>		<u>\$ 195,760</u>
Adjustment to Reflect Consolidation of Internal Service Fund Activities Related to Enterprise Funds			(33,792)	
Change in Net Position of Business-Type Activities			<u>\$ 2,691,427</u>	

See accompanying Notes to Financial Statements.

HIGHLANDS COUNTY, FLORIDA
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2024

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Solid Waste	Nonmajor Energy Recovery	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 12,247,644	\$ 1,391,197	\$ 13,638,841	\$ -
Cash Received from Internal Customers	-	-	-	21,298,908
Cash Payments for Personal Services	(1,595,465)	(56,493)	(1,651,958)	-
Cash Payments to Vendors	(7,044,999)	(1,301,543)	(8,346,542)	-
Cash Payments for Insurance Premiums and Claims	-	-	-	(16,059,280)
Cash Payments to Employees for Services	-	-	-	(6,143,286)
Customer Deposits	24,240	-	24,240	-
Insurance Recoveries	-	-	-	-
Other Miscellaneous Cash Received	2,539	16,697	19,236	-
Net Cash Provided (Used) by Operating Activities	3,633,959	49,858	3,683,817	(903,658)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Grant Funds Received	93,750	-	93,750	-
Payments Received on Advance to Other Funds	14,478	-	14,478	204
Repayment on Advance to Other Funds	-	-	-	(728)
Transfers to Other Funds	(113,318)	-	(113,318)	-
Net Cash Provided (Used) by Noncapital Financing Activities	(5,090)	-	(5,090)	(524)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from the Sale of Capital Assets	16,450	-	16,450	-
Acquisition of Capital Assets	(1,917,926)	2	(1,917,924)	-
Principal Payments on Borrowings	(4,960)	-	(4,960)	-
Interest Payments on Borrowings	(24)	-	(24)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,906,460)	2	(1,906,458)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of Investments	(3,500,000)	-	(3,500,000)	-
Sale of Investments	2,500,000	-	2,500,000	1,500,000
Investment Income	1,439,625	8,486	1,448,111	349,393
Net Cash Provided (Used) by Investing Activities	439,625	8,486	448,111	1,849,393
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,162,034	58,346	2,220,380	945,211
Cash and Cash Equivalents - October 1, 2023	21,375,693	807,976	22,183,669	7,460,502
CASH AND CASH EQUIVALENTS - SEPTEMBER 30, 2024	<u>\$ 23,537,727</u>	<u>\$ 866,322</u>	<u>\$ 24,404,049</u>	<u>\$ 8,405,713</u>

See accompanying Notes to Financial Statements.

HIGHLANDS COUNTY, FLORIDA
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2024

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Solid Waste	Nonmajor Energy Recovery	Total	Internal Service Funds
RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 1,439,047	\$ (133,777)	\$ 1,305,270	\$ (1,412,041)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation and Amortization	989,315	122,846	1,112,161	-
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:				
(Increase) Decrease in:				
Accounts Receivable	49,596	(65)	49,531	(28,403)
Leases Receivable	-	-	-	-
Inventory	-	118,994	118,994	-
Due from Other Funds	(5,291)	-	(5,291)	357
Prepaid Items	42,263	-	42,263	-
Deferred Outflows Related to Pensions	(16,320)	-	(16,320)	-
Deferred Outflows Related to OPEB	1,025	(545)	480	-
Increase (Decrease) in:				
Vouchers Payable	400,413	(57,421)	342,992	(3,373)
Accrued Wages Payable	5,342	(1,519)	3,823	-
Due to Other Funds	(10,676)	(279)	(10,955)	-
Due to Other Governmental Units	(136)	(26)	(162)	-
Claims Payable	-	-	-	39,688
Compensated Absences	52,543	1,110	53,653	460,180
Landfill Closure Liability	664,476	-	664,476	-
Unearned Revenues	-	-	-	39,934
Customer Deposits	24,240	-	24,240	-
Total OPEB Liability	18,331	828	19,159	-
Net Pension Liability	(65,321)	-	(65,321)	-
Deferred Inflows Related to Pensions	66,652	-	66,652	-
Deferred Inflows Related to OPEB	(21,540)	(288)	(21,828)	-
Total Adjustments	<u>2,194,912</u>	<u>183,635</u>	<u>2,378,547</u>	<u>508,383</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 3,633,959</u>	<u>\$ 49,858</u>	<u>\$ 3,683,817</u>	<u>\$ (903,658)</u>
NONCASH CAPITAL AND INVESTING ACTIVITIES				
Change in Fair Value of Investments	<u>\$ 22,834</u>	<u>\$ -</u>	<u>\$ 22,834</u>	<u>\$ -</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION CASH AND CASH EQUIVALENTS				
Total Cash and Cash Equivalents	\$ 23,537,727	\$ 866,322	\$ 24,404,049	\$ 8,405,713
Less: Restricted Cash and Investments	<u>8,773,423</u>	<u>-</u>	<u>8,773,423</u>	<u>-</u>
Total Unrestricted Cash and Cash Equivalents	<u>\$ 14,764,304</u>	<u>\$ 866,322</u>	<u>\$ 15,630,626</u>	<u>\$ 8,405,713</u>

See accompanying Notes to Financial Statements.

HIGHLANDS COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS
SEPTEMBER 30, 2024

	<u>Custodial Funds</u>
ASSETS	
Cash and Cash Equivalents	\$ 7,551,413
Due from Others	11,838
Due from Other Governmental Units	<u>5,094</u>
Total Assets	7,568,345
LIABILITIES	
Due to Others	350,792
Due to Other Governmental Units	<u>1,333,705</u>
Total Liabilities	<u>1,684,497</u>
NET POSITION	
Restricted for Other Governments and Individuals	<u><u>\$ 5,883,848</u></u>

See accompanying Notes to Financial Statements.

HIGHLANDS COUNTY, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS
YEAR ENDED SEPTEMBER 30, 2024

	<u>Custodial Funds</u>
ADDITIONS	
Tax, License, Fines, and Fees Collected for Other Governments and Individuals	\$ 103,050,624
DEDUCTIONS	
Tax, License, Fines, and Fees Disbursed to Other Governments and Individuals	<u>101,492,434</u>
CHANGE IN NET POSITION	1,558,190
Net Position - October 1, 2023	<u>4,325,658</u>
NET POSITION - SEPTEMBER 30, 2024	<u><u>\$ 5,883,848</u></u>

See accompanying Notes to Financial Statements.

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

Blended Component Units

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Blended Component Units (Continued)

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

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

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Blended Component Units (Continued)

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

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

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

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Blended Component Units (Continued)

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

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

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Blended Component Units (Continued)

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

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

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

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Blended Component Units (Continued)

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

B. Measurement Focus and Basis of Accounting

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

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

Government-Wide Financial Statements

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus and Basis of Accounting (Continued)

Government-Wide Financial Statements (Continued)

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

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

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

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

Fund Financial Statements

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus and Basis of Accounting (Continued)

Governmental Funds

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. Revenues susceptible to accrual are certain tax revenues, intergovernmental revenues, emergency medical services (EMS), and investment earnings. Major revenue sources not susceptible to accrual include charges for services (other than EMS), fines and forfeitures, and miscellaneous revenues. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

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

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

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

Proprietary Funds

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus and Basis of Accounting (Continued)

Proprietary Funds (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The operating revenues of the County's enterprise funds, the Solid Waste Disposal System and Energy Recovery System are charges for services to customers. Operating expenses of these operations include salaries, contractual services, materials and supplies, utilities, equipment rental and maintenance, administrative charges, and depreciation. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

Basis of Presentation

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus and Basis of Accounting (Continued)

Governmental Major Funds

General Fund

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

County Transportation Trust

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

Local Government Infrastructure Surtax

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

Proprietary Funds

Solid Waste

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

Energy Recovery (Nonmajor)

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

Other Fund Types

Internal Service Funds

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

Custodial Funds

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Budgets and Budgetary Accounting

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Budgets and Budgetary Accounting (Continued)

9. It is the Board's policy to amend the budget when unanticipated revenues and expenditures occur.
10. All appropriations lapse at the close of the fiscal year.
11. The Clerk's Court Services Fund does not budget for the excess of revenue over expenditures that is required to be returned to the state of Florida. For the year ending September 30, 2024, \$213,757 of revenue over expenditures returned to the state of Florida is included in total expenditures.

D. Reconciliation of Government-Wide and Fund Financial Statements

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

"Total fund balances" of the County's governmental funds, \$131,932,075, differs from "net position" of governmental activities, \$318,761,751, reported in the statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheet.

Capital Related Items

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

Cost of Capital Assets	\$ 398,875,519
Accumulated Depreciation/Amortization	<u>(114,215,222)</u>
Total Capital Assets	<u><u>\$ 284,660,297</u></u>

Receivable Transactions

Certain receivables are not available to pay current period expenditures, and therefore, are reported as deferred inflows of resources in the funds. Balances as of September 30, 2024, were:

Deferred Inflows of Resources	<u><u>\$ 2,024,494</u></u>

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Long-Term Debt Transactions

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the statement of net position. Balances as of September 30, 2024, were:

Notes Payable	\$ (20,960,109)
Leases	(138,032)
SBITAs	<u>(2,660,186)</u>
Total Long-Term Liabilities	<u><u>\$ (23,758,327)</u></u>

Accrued Interest

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

Accrued Interest on Notes Payable	<u><u>\$ (115,003)</u></u>

Pension Related Items

Net pension liability and related deferred outflows and inflows of resources are not due and payable in the current period, and accordingly, are not reported as fund liabilities. Accrued pension contributions included in the Compensated Absences Fund were adjusted to avoid duplication of the pension liability. Balances as of September 30, 2024, were:

Net Pension Liability	\$ (85,315,579)
Deferred Outflows of Resources - Pension Related	21,171,441
Deferred Inflows of Resources - Pension Related	(11,142,667)
Compensated Absences Adjustment	<u>751,140</u>
Total	<u><u>\$ (74,535,665)</u></u>

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Other Postemployment Benefits Related Items

Total other postemployment benefits (OPEB) liability and related deferred outflows and inflows of resources are not due and payable in the current period, and accordingly, are not reported as fund liabilities. Balances as of September 30, 2024 were:

Total OPEB Liability	\$ (1,584,330)
Deferred Outflows of Resources - OPEB Related	542,735
Deferred Inflows of Resources - OPEB Related	(544,147)
Total	<u><u>\$ (1,585,742)</u></u>

Internal Service Funds

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

Internal Service Funds	<u><u>\$ 139,622</u></u>

Elimination of Interfund Receivables/Payables

Interfund receivables, payables, and advances in the amount of \$497,257 between governmental funds were eliminated from the statement of net position.

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

The "net change in fund balances" for governmental funds, \$19,749,920 differs from the "change in net position" for governmental activities, \$25,235,559 reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Capital Related Items

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

Capital Outlay	\$ 20,031,413
Depreciation/Amortization Expense	<u>(9,853,955)</u>
Difference	<u>\$ 10,177,458</u>

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

Sale of Capital Assets	<u>\$ (2,677,282)</u>

Long-Term Debt Transactions

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

Issuance of Notes Payable and Leases	\$ (3,397,032)
Principal Repayments of Notes Payable and Leases	<u>4,800,809</u>
Net Adjustment	<u>\$ 1,403,777</u>

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Revenue Transactions

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

Intergovernmental Revenue	\$ (3,069,507)
Charges for Services	(394,206)
Total Adjustment	<u>\$ (3,463,713)</u>

Expense Transactions

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

Net Change in Interest Payable	<u>\$ 18,006</u>

Pension Related Items

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

Pension Expense	<u>\$ 957,145</u>

Other Postemployment Benefits Related Items

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

OPEB Expense	<u>\$ 125,502</u>

Internal Service Funds Net Cost

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

Internal Service Funds Change in Net Position	\$ (1,089,046)
Internal Service Funds Operating Loss	
Allocated to Business-Type Activities	33,792
Net Adjustment	<u>\$ (1,055,254)</u>

Transfers in and transfers out in the amount of \$8,900,976 between governmental funds were eliminated from the statement of activities.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash and Cash Equivalents

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

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

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

F. Investments

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Accounts Receivable

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

H. Interfund Transactions

Interfund transactions are accounted for in the following manner:

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

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

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

I. Inventories

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Prepaid Items

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

K. Property Tax

The County's property tax roll is as follows:

Valuation Date	January 1, 2024

Property Appraiser prepares the assessment roll with values as of January 1, 2024, submits this preliminary roll for approval by the Department of Revenue and notifies each taxing authority of their respective valuations.	July 1, 2024

Each taxing authority holds two required public hearings and adopts a budget and ad valorem tax millage rates for the coming year.	September 1, 2024

Property Appraiser certifies the assessment roll and all real and tangible personal property taxes are due and payable (levy date).	November 1, 2024

Tax Collector mails a notice of taxes to each property owner on the assessment roll. Taxes may be paid November 2024 through March 2025, with the following applicable discounts:

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

All unpaid taxes on real and tangible personal property become delinquent.	April 1, 2025

A list of unpaid tangible personal property taxes and a list of unpaid real property taxes are advertised.	April and May 2025

Tax certificates are sold on all real estate parcels with unpaid real property taxes (lien date).	June 1, 2025

A court order is obtained authorizing the seizure and sale of personal property if the taxpayer fails to pay the delinquent personal property taxes.	June 1, 2025

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Property Tax (Continued)

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

<u>Payment Due</u>	<u>Amount Due</u>	<u>Discount Percent</u>	<u>Discount Due Date</u>
First	25% of estimated tax	6.00	June 30, 2024
Second	25% of estimated tax	4.50	September 30, 2024
Third	25% of estimated tax plus 50% adjustment to actual tax	3.00	December 31, 2024
Fourth	25% of estimated tax plus 50% adjustment to actual tax	0.00	March 31, 2025

No accrual for the property tax levy becoming due in November 2024, is included in the accompanying financial statements since such taxes are collected to finance expenditures of the subsequent period. Property taxes receivable and a corresponding allowance for uncollectible property taxes are not included in the financial statements.

L. Capital Assets

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Capital Assets (Continued)

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

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

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Capital Assets (Continued)

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

M. Unearned Revenues

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

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

N. Pensions

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

O. Other Postemployment Benefits (OPEB)

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Deferred Outflows/Inflows of Resources

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

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

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

Q. Compensated Absences

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Landfill Closure Costs

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

S. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditure of funds are recorded to reserve that portion of the applicable appropriation, is employed in the Governmental Funds. Encumbrances are not the equivalent of expenditures; but rather represent a future commitment to purchase goods or services. Although encumbrances lapse at fiscal year-end, it is the County's intention to honor these encumbrances under authority provided in the subsequent year's budget. Encumbrances outstanding as of September 30, 2024, totaled \$11,308,782 made up of \$2,414,929 in the General Fund, \$174,438 from County Transportation Trust, \$5,926,162 from Local Government Infrastructure Surtax, and \$2,793,253 from nonmajor governmental funds.

T. Operating Subsidies and Grants

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

U. Self-Insurance

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

V. Eliminations

Eliminating entries were made between departments in the General Fund.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

W. Fund Balance

The classifications of fund balances are described as follows:

Nonspendable Fund Balance

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

Restricted Fund Balance

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

Committed Fund Balance

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

Assigned Fund Balance

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

Unassigned Fund Balance

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

X. Net Position

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

Y. Use of Estimates

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

Z. Subscription-Based Information Technology Arrangements (SBITAs)

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

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

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

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

Significant SBITA terms are disclosed in Note 21.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS

At September 30, 2024, the bank balances of the County's deposits totaled \$56,092,372.

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

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

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

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

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

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

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

Deposits	\$ 54,742,813
Petty Cash and Change Funds	28,730
Investments	126,858,469
Total	<u>\$ 181,630,012</u>
Statement of Net Position:	
Cash and Cash Equivalents	\$ 104,665,535
Investments	60,575,283
Restricted Cash and Cash Equivalents	8,837,781
Statement of Fiduciary Net Position - Custodial Funds:	
Cash and Cash Equivalents	7,551,413
Total	<u>\$ 181,630,012</u>

Investments

The County invested funds throughout the year with local government investment pools. At September 30, 2024, the County's investments consisted of the following:

Investment Type	Fair Value
Measured at Amortized Cost:	
Local Government Surplus Funds Trust Funds	
PRIME Fund	\$ 20,890,323
Florida Local Government Investment Trust -	
Day To Day Fund	16,572,307
Total Measured at Amortized Cost	<u>37,462,630</u>
Measured at NAV:	
Florida Local Government Investment Trust -	
Short-Term Bond Fund	112,149
Florida Surplus Asset Fund Trust - Stable NAV Fund	4,225,131
Florida Surplus Asset Fund Trust - Variable NAV Fund	128,686
Florida Cooperative Liquid Assets Securities System	17,558,938
Florida Public Assets for Liquidity Management	
Portfolio	27,036,487
Florida Public Assets for Liquidity Management	
Term Fund	20,000,000
Florida Fixed Income Trust	20,334,448
Total Measured at NAV	<u>89,395,839</u>
Total	<u>\$ 126,858,469</u>

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

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

Investments (Continued)

Florida PRIME

Florida PRIME is an investment pool administered by the State Board of Administration (SBA), under the regulatory oversight of the state of Florida. Investments in Florida PRIME are made pursuant to Chapter 125.31, Florida Statutes. The investments are not categorized because they are not evidenced by securities that exist in physical or book entry form. Throughout the year and as of September 30, 2024, Florida PRIME contained certain floating and adjustable-rate securities. These investments represented 27.9% of the Florida PRIME's portfolio at September 30, 2024.

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

The dollar weighted average days to maturity (WAM) of Florida PRIME as of September 30, 2024, was 39 days. Next interest rate reset dates for floating securities are used in the calculation of the WAM. The weighted average life (WAL) of the Florida PRIME at September 30, 2024, was 74 days.

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

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

As of September 30, 2024, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value.

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

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

Investments (Continued)

Florida Local Government Investment Trust

Florida Local Government Investment Trust (FLGIT) is a public entity investment trust organized under the laws of the state of Florida. At September 30, 2024, the County was invested in the Day to Day Fund and the Short-Term Bond Fund. There are no limits or restrictions on withdrawals.

FLGIT Day to Day Fund

At September 30, 2024, the average maturity in days was 10 days. The investments in the Day to Day Fund meet all of the necessary criteria to elect to measure all of the investments at amortized cost, as a cash equivalent.

FLGIT Short-Term Bond Fund

At September 30, 2024, the average maturity in years was 1.86 years. The FLGIT reports all share information at net asset value (NAV). The value of the County's position in the FLGIT external investment pool is the same as the value of the pool's shares.

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

Florida Surplus Asset Fund Trust

Florida Surplus Asset Fund Trust (FL SAFE) is a common law trust organized in 2007 under the laws of the state of Florida. The trust is administered by Prudent Man Advisors, Inc. and an elected five-member Board of Trustees. At September 30, 2024, the County was invested in the Stable NAV Fund and the Variable NAV Fund.

FL SAFE Stable NAV Fund

At September 30, 2024, the average maturity is not to exceed 30.02 days. The fund seeks, but does not guarantee, to maintain a constant NAV at \$1.00 per share. The value of the County's position in FL SAFE external investment pool is the same as the value of the pool's shares.

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

FL SAFE Variable NAV Fund

FL SAFE reports all share information at NAV. The value of the County's position in FL SAFE external investment pool is the same as the value of the pool's shares.

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

NOTE 2 CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (Continued)

Florida Surplus Asset Fund Trust (Continued)

FL SAFE Variable NAV Fund (Continued)

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

Florida Cooperative Liquid Assets Securities System

Florida Cooperative Liquid Assets Securities System (FLCLASS) is an independent local government investment pool. The trust is administered by Public Trust Advisors, LLC and an appointed Board of Trustees. FLCLASS is accounted for as a stable NAV investment pool, and operates like a money market mutual fund with each share valued at \$1.00. At September 30, 2024, the WAM in days was 30 days. Next interest rate reset dates for floating securities are used in the calculation of the WAM.

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

Florida Public Assets for Liquidity Management Fund

The Florida Public Assets for Liquidity Management Fund (FL PALM) is a common law trust organized under the laws of the state of Florida. FL PALM is directed by a Board of Trustees and an Advisory Committee. At September 30, 2024, the County was invested in the FL PALM Portfolio and FL PALM Term fund.

The FL PALM Portfolio seeks to maintain a stable NAV of \$1.00 per share. As of September 30, 2024, FL PALM Portfolio's WAM in days was 32 days.

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

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

Florida Fixed Income Trust

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

Investments in FL-FIT are measured at NAV. As of September 30, 2024, FL-FIT's WAM in days was 50 days.

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

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

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

Investments (Continued)

The fair value of investments in certain pooled funds is based in the investments' fair value measurements. Such fair value measurements are as follows at September 30, 2024:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Pooled Funds:				
FLGIT Short-Term Bond Fund	\$ 112,149	\$ -	Daily	1-3 Days
FL SAFE Stable NAV Fund	4,225,131	-	Daily	1 Day
FL SAFE Variable NAV Fund	128,686	-	Daily	1 Day
FLCLASS	17,558,938	-	Daily	1 Day
FL PALM Portfolio	27,036,487	-	Daily	1 Day
FL PALM Term	20,000,000	-	Daily	1 Day
FL-FIT	20,334,448	-	Daily	1 Day

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County has no policy on interest rate risk. Investments and related level of risk at September 30, 2024, were as follows:

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

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

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

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County has no policy on credit risk. Presented below is the actual rating as of September 30, 2024, for each type of investment:

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

NOTE 3 ACCOUNTS RECEIVABLE

Accounts receivable for the individual major and nonmajor and internal service funds in the aggregate consisted of the following at September 30, 2024:

	General	Local Government Infrastructure Surtax	Solid Waste	Nonmajor and Other Funds	Total
Emergency Medical Services	\$ 1,711,886	\$ -	\$ -	\$ -	\$ 1,711,886
Landfill Charges	-	-	131,066	-	131,066
Interest	499,492	51,494	18,900	63,110	632,996
Miscellaneous	791,862	-	-	359,215	1,151,077
Accounts Receivable, Gross	3,003,240	51,494	149,966	422,325	3,627,025
Allowance for Doubtful Accounts	(297,157)	-	-	-	(297,157)
Accounts Receivable, Net	<u>\$ 2,706,083</u>	<u>\$ 51,494</u>	<u>\$ 149,966</u>	<u>\$ 422,325</u>	<u>\$ 3,329,868</u>

Activity in Emergency Medical Services accounts receivable was as follows:

Balance - September 30, 2023	\$ 2,208,347
Billings	9,333,785
Less:	
Cash Receipts	(5,627,942)
Medical/Medicaid Adjustments	(2,474,856)
Sent to Collection	(1,721,399)
Other Adjustments	(6,049)
Balance - September 30, 2024	<u>\$ 1,711,886</u>

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

NOTE 4 CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities					
Capital Assets, Not Being Depreciated/Amortized:					
Land	\$ 45,133,945	\$ 9,238	\$ -	\$ -	\$ 45,143,183
Construction in Progress	6,115,214	5,848,396	-	(143,866)	11,819,744
Infrastructure	143,026,414	1,376,589	-	20,969	144,423,972
Land Use Rights, Permanent	2,571,167	-	-	-	2,571,167
Total Capital Assets, Not Being Depreciated/Amortized	196,846,740	7,234,223	-	(122,897)	203,958,066
Capital Assets, Being Depreciated/Amortized:					
Infrastructure	10,017,145	10,675	-	772,692	10,800,512
Buildings	76,292,271	563,952	-	425	76,856,648
Improvements Other Than Buildings	14,211,803	275,830	-	(758,911)	13,728,722
Machinery and Equipment	78,448,193	9,202,173	(6,144,181)	108,691	81,614,876
Computer Software	6,466,104	-	-	-	6,466,104
Total Capital Assets Being Depreciated/Amortized	185,435,516	10,052,630	(6,144,181)	122,897	189,466,862
Less: Accumulated Depreciation/Amortization for:					
Infrastructure	(521,533)	(255,507)	-	(509,052)	(1,286,092)
Buildings	(39,202,239)	(2,104,862)	-	-	(41,307,101)
Improvements Other Than Buildings	(8,235,693)	(434,577)	-	509,052	(8,161,218)
Machinery and Equipment	(53,320,565)	(5,544,947)	3,473,301	-	(55,392,211)
Computer Software	(6,200,135)	(67,351)	-	-	(6,267,486)
Total Accumulated Depreciation/Amortization	(107,480,165)	(8,407,244)	3,473,301	-	(112,414,108)
Total Capital Assets, Being Depreciated/ Amortized, Net	77,955,351	1,645,386	(2,670,880)	122,897	77,052,754
Right-to-Use Assets Being Depreciated/Amortized:					
Right-to-Use Assets	275,812	230,323	(81,423)	-	424,712
Less Accumulated Depreciation/Amortization for:					
Right-to-Use Assets	(134,865)	(62,235)	81,423	-	(115,677)
Total Right-to-Use Assets Being Depreciated/Amortized, Net	140,947	168,088	-	-	309,035
Subscription-Based Information Technology Arrangements Being Depreciated/Amortized:					
Subscription-Based Information Technology Arrangements	2,761,452	2,514,237	(249,810)	-	5,025,879
Less Accumulated Depreciation/Amortization for:					
Subscription-Based Information Technology Arrangements	(544,369)	(1,384,476)	243,408	-	(1,685,437)
Total Subscription-Based Information Technology Arrangements Being Depreciated/Amortized, Net	2,217,083	1,129,761	(6,402)	-	3,340,442
Governmental Activities Capital Assets, Net	<u>\$ 277,160,121</u>	<u>\$ 10,177,458</u>	<u>\$ (2,677,282)</u>	<u>\$ -</u>	<u>\$ 284,660,297</u>

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

NOTE 4 CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-Type Activities					
Capital Assets, Not Being Depreciated/Amortized:					
Land	\$ 1,839,228	\$ -	\$ -	\$ -	\$ 1,839,228
Construction in Progress	59,610	1,364,052	-	-	1,423,662
Total Capital Assets, Not Being Depreciated/Amortized	1,898,838	1,364,052	-	-	3,262,890
Capital Assets, Being Depreciated/Amortized:					
Buildings and Systems	696,881	-	-	-	696,881
Improvements Other Than Buildings	10,448,530	-	-	-	10,448,530
Machinery and Equipment	13,552,826	553,875	(95,175)	-	14,011,526
Computer Software	36,260	-	-	-	36,260
Total Capital Assets Being Depreciated/Amortized	24,734,497	553,875	(95,175)	-	25,193,197
Less: Accumulated Depreciation/Amortization for:					
Buildings and Systems	(630,094)	(9,686)	-	-	(639,780)
Improvements Other Than Buildings	(7,854,163)	(245,354)	-	-	(8,099,517)
Machinery and Equipment	(7,105,731)	(849,003)	89,547	-	(7,865,187)
Computer Software	(603)	(7,252)	-	-	(7,855)
Total Accumulated Depreciation/Amortization	(15,590,591)	(1,111,295)	89,547	-	(16,612,339)
Total Capital Assets, Being Depreciated/ Amortized, Net	9,143,906	(557,420)	(5,628)	-	8,580,858
Right-to-Use Assets Being Depreciated/Amortized:					
Right-to-Use Assets	9,366	-	(9,366)	-	-
Less Accumulated Depreciation/Amortization for:					
Right-to-Use Assets	(8,992)	(374)	9,366	-	-
Total Right-to-Use Assets Being Depreciated/Amortized, Net	374	(374)	-	-	-
Subscription-Based Information Technology Arrangements Being Depreciated/Amortized:					
Subscription-Based Information Technology Arrangements	-	7,421	-	-	7,421
Less Accumulated Depreciation/Amortization for:					
Subscription-Based Information Technology Arrangements	-	(492)	-	-	(492)
Total Subscription-Based Information Technology Arrangements Being Depreciated/Amortized, Net	-	6,929	-	-	6,929
Business-Type Activities Capital Assets, Net	\$ 11,043,118	\$ 813,187	\$ (5,628)	\$ -	\$ 11,850,677

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

NOTE 4 CAPITAL ASSETS (CONTINUED)

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

Governmental Activities:

General Government	\$ 2,057,690
Public Safety	5,060,573
Physical Environment	283,270
Transportation	1,670,476
Economic Environment	34,417
Human Services	108,821
Culture and Recreation	497,090
Court Related	141,618
Total Depreciation/Amortization Expense - Governmental Activities	<u>\$ 9,853,955</u>

Business-Type Activities:

Solid Waste	\$ 989,315
Energy Recovery	122,846
Total Depreciation/Amortization Expense - Business-Type Activities	<u>\$ 1,112,161</u>

NOTE 5 INTERFUND BALANCES

Interfund balances at September 30, 2024, consisted of the following amounts:

Due To/From Other Funds

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Major Funds:		
General Fund	\$ 194,686	\$ 333,426
County Transportation Trust	-	46
Local Government Infrastructure Surtax	-	13,969
Solid Waste Fund	53,019	3
Nonmajor Governmental Funds	280,407	180,668
Total	<u>\$ 528,112</u>	<u>\$ 528,112</u>

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

Advances

- In 2020, the Solid Waste Fund refinanced an advance to a nonmajor governmental fund for wastewater improvements in 2018, and additional costs not covered by the original loan. The outstanding balance as of September 30, 2024, was \$14,768.
- In 2021, the County Transportation Trust Fund advanced a nonmajor governmental fund money for improvements to a road. The outstanding balance as of September 30, 2024, was \$22,164.

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

NOTE 6 RESTRICTED ASSETS

Restricted assets include customer deposits and amounts required by Florida Administrative Code 62-701.630 to be deposited in escrow for landfill management. Total restricted assets as of September 30, 2024, were as follows:

	<u>Cash and Cash Equivalents</u>
Governmental Funds:	
General Fund:	
Customer Deposits	<u>\$ 64,358</u>
Enterprise Funds:	
Solid Waste:	
Customer Deposits	\$ 148,048
Landfill Closure	<u>8,625,375</u>
Total Enterprise Funds	<u>\$ 8,773,423</u>

NOTE 7 LONG-TERM LIABILITIES

The summary of changes in long-term debt for the fiscal year ended September 30, 2024, is as follows:

	<u>Balance September 30, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2024</u>	<u>Due Within One Year</u>
Governmental Activities:					
Notes Payable:					
Direct Placements	\$ 23,232,000		\$ (3,233,000)	\$ 19,999,000	\$ 3,285,000
Direct Borrowings	<u>411,543</u>	<u>652,473</u>	<u>(102,907)</u>	<u>961,109</u>	<u>102,879</u>
Total Notes Payable	23,643,543	652,473	(3,335,907)	20,960,109	3,387,879
Leases	143,454	230,323	(235,745)	138,032	55,661
SBITAs	1,375,107	2,514,236	(1,229,157)	2,660,186	1,186,733
Compensated Absences	<u>5,789,578</u>	<u>6,546,144</u>	<u>(6,143,285)</u>	<u>6,192,437</u>	<u>619,244</u>
Governmental Activity					
Long-Term Liabilities	<u>\$ 30,951,682</u>	<u>\$ 9,943,176</u>	<u>\$ (10,944,094)</u>	<u>\$ 29,950,764</u>	<u>\$ 5,249,517</u>
Business-Type Activities:					
Landfill Closure Liability	\$ 9,744,175	\$ 664,476	\$ -	\$ 10,408,651	\$ 86,969
Leases	384	-	(384)	-	-
SBITAs	-	7,421	(4,576)	2,845	1,392
Compensated Absences	<u>106,975</u>	<u>110,819</u>	<u>(58,853)</u>	<u>158,941</u>	<u>15,894</u>
Business-Type Activity					
Long-Term Liabilities	<u>\$ 9,851,534</u>	<u>\$ 782,716</u>	<u>\$ (63,813)</u>	<u>\$ 10,570,437</u>	<u>\$ 104,255</u>

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

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

Compensated Absences

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

The following notes payable were outstanding at September 30, 2024:

	<u>Remaining Principal Amount</u>
Governmental Activities Notes Payable:	
<u>Direct Placement</u> \$5,500,000 with a fixed interest rate equal to 2.08% dated September 19, 2019, with final payment due August 1, 2034. Interest payments are due on February 1 and August 1. Beginning August 1, 2021, principal payments ranging from \$350,000 to \$450,000 are due in annual installments until maturity date. Serviced from and secured by the County's Non-Ad Valorem Fire Assessment. The proceeds from the note are used for issuance expenses and the cost of the acquisition, construction, and equipping of fire safety equipment, vehicles, a fire station, and other infrastructure improvement projects located within the County. If any event of default shall occur, all indebtedness may become immediately due and payable to the lender.	\$ 4,085,000
<u>Direct Placement</u> \$21,614,000 with a fixed interest rate equal to 1.52% dated November 10, 2021, with final payment due November 1, 2033. Interest and principal payments beginning November 1, 2022, principal payments ranging from \$1,190,000 - \$2,960,000 are due in annual installments until maturity date. Serviced from and secured by the County's Sales Tax Revenues. The proceeds from the note are used for refunding of Infrastructure Sales Surtax Refunding Revenue Note, Series 2015 and finance and/or reimburse the costs of the project. If any event of default shall occur, all indebtedness may become immediately due and payable to the lender.	15,914,000
<u>Direct Borrowing</u> Direct borrowing from a financial institution for purchase of body cameras, with annual payments of \$102,867, including principal and interest at 0%, with a final payment due in October, 2027.	308,636

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

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

	Remaining Principal Amount
<u>Direct Borrowing (Continued)</u>	
State Revolving Fund (SRF) loan issued in the amount of \$1,750,000, of which \$652,473 has been drawn as of September 30, 2024. Principal and interest will be payable in equal semi-annual installments of \$89,250 until all amounts due have been fully repaid with the first repayment starting September 15, 2024, and an interest rate is 0.00%. The principal and interest is secured by pledged revenues. In the event of default, the repayment schedules may be accelerated or the financing rate may be increased on the unpaid principal to as much as 1.667 times the financing rate.	<u>\$ 652,473</u>
Total Governmental Activities Notes Payable	<u><u>\$ 20,960,109</u></u>

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

The annual debt service requirements to amortize all debts outstanding as of September 30, 2024, are as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>	
	<u>Direct Borrowings and</u>	
	<u>Direct Placements</u>	
	Principal	Interest
2025	\$ 3,387,879	\$ 304,706
2026	3,532,136	252,360
2027	1,767,136	212,916
2028	1,692,250	186,684
2029	1,720,250	159,970
2030-2034	8,860,458	382,942
Total	<u><u>\$ 20,960,109</u></u>	<u><u>\$ 1,499,578</u></u>

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

NOTE 8 LEASES

Lessee Arrangement

The County leases equipment as well as certain operating and office facilities for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2029.

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

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 55,661	\$ 3,529
2026	40,782	1,943
2027	30,171	873
2028	8,737	245
2029	2,681	29
Total Minimum Lease Payments	<u>\$ 138,032</u>	<u>\$ 6,619</u>

Lessor Arrangement

The County, acting as lessor, leases office space and cell towers under long-term, noncancelable lease agreements. The leases expire at various dates through 2035 and provide for renewal options ranging from three months to six years. During the year ended September 30, 2024, the County recognized \$222,167 and \$22,672 in lease revenue and interest revenue, respectively, pursuant to these contracts.

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

<u>Year Ending September 30,</u>	<u>Governmental and Business Type Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2025	\$ 226,958	\$ 16,209	\$ 243,167
2026	169,618	10,239	179,857
2027	138,350	5,780	144,130
2028	110,147	1,919	112,066
2029	2,577	423	3,000
2030-2035	8,372	626	8,998
Total Minimum Lease Payments	<u>\$ 656,022</u>	<u>\$ 35,196</u>	<u>\$ 691,218</u>

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

NOTE 9 GOVERNMENTAL FUND BALANCES

At September 30, 2024, the County's governmental fund balances were classified as follows:

	General	County Transportation Trust	Local Government Infrastructure Surtax	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Prepaid Items	\$ 1,058,692	\$ 36,895	\$ -	\$ 43,766	\$ 1,139,353
Inventories	404,702	-	-	-	404,702
Total Nonspendable	1,463,394	36,895	-	43,766	1,544,055
Restricted:					
General Government	-	-	-	595,398	595,398
Public Safety	-	-	-	11,702,323	11,702,323
Fire Districts	-	-	-	3,051,357	3,051,357
Inmate Welfare	-	-	-	2,237,833	2,237,833
Building Department	-	-	-	5,832,986	5,832,986
Istokpoga Marsh					
Watershed Maintenance	-	-	-	87,092	87,092
Physical Environment	-	-	-	72,000	72,000
Conservation	-	-	-	549,903	549,903
Tourist Development	-	-	-	4,628,494	4,628,494
Transportation	-	1,010,455	-	4,002,249	5,012,704
Housing Programs	-	-	-	3,144,191	3,144,191
Human Services	-	-	-	167,683	167,683
Culture and Recreation	-	-	-	501,583	501,583
Court Related	-	-	-	661,577	661,577
Court Facilities	-	-	-	21,319	21,319
Infrastructure and					
Land Acquisition	-	-	27,281,978	2,850,320	30,132,298
Total Restricted	-	1,010,455	27,281,978	40,106,308	68,398,741
Assigned:					
Subsequent Year					
Expenditures	2,414,929	-	-	-	2,414,929
Transportation	-	1,108,724	-	-	1,108,724
Total Assigned	2,414,929	1,108,724	-	-	3,523,653
Unassigned	58,492,322	-	-	(26,696)	58,465,626
Total Fund Balances	<u>\$ 62,370,645</u>	<u>\$ 2,156,074</u>	<u>\$ 27,281,978</u>	<u>\$ 40,123,378</u>	<u>\$ 131,932,075</u>

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

NOTE 10 PERSONNEL COMMITMENTS

Deferred Compensation Plan

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

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

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

NOTE 11 OTHER POSTEMPLOYMENT HEALTH CARE BENEFITS

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

Plan Description

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

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

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

NOTE 11 OTHER POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

Employees Covered by Benefit Terms

At September 30, 2024, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	15
Active Plan Members	785
Total	<u>800</u>

Total OPEB Liability

The County's Total OPEB liability was measured as of September 30, 2024, and was determined by an actuarial valuation as of November 1, 2024. The following table shows the County's total OPEB liability for the year ended September 30, 2024.

	Total OPEB Liability
Balances - October 1, 2023	<u>\$ 903,602</u>
Changes for the Year:	
Service Cost	47,501
Interest	40,919
Changes of Benefit Terms	132,475
Changes in Assumptions	15,380
Differences Between Expected and Actual Experience	580,985
Benefit Payments	<u>(94,721)</u>
Net Changes	<u>722,539</u>
Balances - September 30, 2024	<u><u>\$ 1,626,141</u></u>

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

Discount Rate Sensitivity

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

Description	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
OPEB Plan Discount Rate	2.88 %	3.88 %	4.88 %
Total OPEB Liability	\$ 1,252,565	\$ 1,626,141	\$ 1,863,580

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

NOTE 11 OTHER POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

Healthcare Trend Rate Sensitivity

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

Description	1% Decrease in Healthcare Cost Trend Rate	Healthcare Cost Trend Rate	1% Increase in Healthcare Cost Trend Rate
OPEB Plan Healthcare Cost Rate	2.92 %	3.92 %	4.92 %
Total OPEB Liability	\$ 1,713,400	\$ 1,626,141	\$ 1,416,648

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

For the year ended September 30, 2024, the County recognized OPEB expense of (\$32,932). In addition, the County reported deferred outflows and inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 536,294	\$ 406,940
Changes of Assumptions	20,765	151,567
Total	<u>\$ 557,059</u>	<u>\$ 558,507</u>

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

<u>Year Ending September 30,</u>	<u>Amount</u>
2025	\$ (286,538)
2026	(61,022)
2027	(64,303)
2028	43,419
2029	45,874
2030 and Thereafter	321,122

Actuarial Assumptions

The total OPEB liability in the November 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.60%
Healthcare Cost Trend Rates	3.92%

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

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

NOTE 11 OTHER POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

Actuarial Assumptions (Continued)

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

The discount rate used to measure the total OPEB liability 3.88%, based on yield for 20-year general obligation bond index.

The following changes have been made since the prior valuation:

- The trend table was updated to the latest model released by the Society of Actuaries.
- The discount rate was changed from 4.46% to 3.88%
- The mortality and disability decrements were updated to the latest assumptions used for the FRS valuation based on the 2023 FRS Experience Study.

NOTE 12 LANDFILL CLOSURE AND POST-CLOSURE CARE COST

Highlands County has four landfill sites which are comprised of a total of 10 cells, five of which are currently in operation. State and federal laws and regulations require the County to place a final cover on the five cells currently in use when they are closed and to perform maintenance and monitoring functions for all landfill sites for 30 years after closure. Landfill operations and landfill closure and post-closure care costs are accounted for in the Solid Waste Enterprise Fund. Although closure and post-closure care costs will be paid only near or after the date the landfill stops accepting waste, the County reports as a liability a portion of closure and post-closure care costs based on landfill capacity used as of the balance sheet date. The landfill closure and post-closure care liability of \$10,408,651 at September 30, 2024, represents the cumulative amount reported to date based on an average use of 61% of the total estimated capacity. The portion of the liability related to 2024 usage is an increase of \$664,476. It is estimated that an additional liability totaling \$6,796,185 for Arbuckle Creek Cells 1A, 1B, 3, C&D, and Agricultural Plastic will be recognized between the balance sheet date and the dates these cells will be filled to capacity in the years, 2024, 2031, and 2099, respectively. Actual costs may differ due to inflation, changes in technology, or changes in landfill laws and regulations.

The County is required by state and federal laws and regulations to make annual contributions to a landfill management escrow account to finance closure and post-closure care financial assurance requirements. The County is in compliance with these requirements at September 30, 2024, with cash and investments of \$10,408,651 held for these purposes. The County expects that future inflation costs will be paid from future contributions and interest earnings on these contributions. In the event closure escrows and interest earnings prove inadequate due to higher-than-expected inflation, changes in technology, or changes in laws or regulations, these costs may need to be financed by future landfill users or future tax revenue.

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

NOTE 13 MISCELLANEOUS REVENUE

Miscellaneous revenue included in the Governmental Funds for the fiscal year ended September 30, 2024, consists of the following:

	General	County Transportation Trust	Local Government Infrastructure Surtax	Other Governmental Funds
Interfund Services Rendered	\$ 1,383,970	\$ 2,060,059	\$ -	\$ 2,250
Commissions on Inmate Phone Calls and Commissary Sales Profits	-	-	-	163,240
Other	1,330,506	66,287	-	662,631
Total	<u>\$ 2,714,476</u>	<u>\$ 2,126,346</u>	<u>\$ -</u>	<u>\$ 828,121</u>

NOTE 14 MAJOR CUSTOMERS

A significant amount of the Solid Waste Fund revenue for 2024 is derived from one major customer as follows:

	Percentage of Total Revenue
Waste Connections, Inc.	5.73%

The Solid Waste Fund revenue is comprised of charges for services to residential and commercial customers and a special non-ad valorem assessment of \$173 per property owner.

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

NOTE 15 COMMITMENTS AND CONTINGENCIES

The County has entered into various contracts for design, construction, and other services as of September 30, 2024:

	Commitment
Asphalt Milling	\$ 38,298
Avon Park Tax Collector Office Remodel	738,184
Catfish Creek Road Bridge Rehabilitation	16,593
Clerk of Courts Remodel	13,000
Comprehensive Plan Evaluation and Appraisal	65,000
County Jail Facility Expansion	417,115
County-Wide Surveying	37,221
Courthouse Weatherproofing	97,199
Dispatch Console Upgrade	311,146
Emergency Operations Center Building Remodel	53,673
Enterprise Resource Planning (ERP) Software Upgrade	1,188,170
Fire Rescue Station 20, Spring Lake Airport	36,050
Florida Department of Environmental Protection Stormwater Permitting	14,180
Highlands County Comprehensive Vulnerability Assessment	340,000
Highlands County Drainage Study	914,248
Highlands County Solid Waste System Evaluation and Reporting	385,471
Judicial Court Remodel	4,000
Lake June-in-Winter Catfish Creek BMPs	36,382
Landfill Borrow Pit Expansion	6,669
Landfill Class I Expansion	13,769,072
New Animal Control Operation Building	1,360,161
New Sebring Fuel Station	160,517
New Traffic Operations Building	929,515
North Main Avenue Safety Improvements	41,190
Onsite Sewage Treatment Remediation Plan	4,820
Public Safety Radio and Communications Upgrade	6,172,147
Regional 911 GIS Database Management System Implementation	165,672
Road and Bridge Main Building Expansion	31,551
Road and Bridge Building Expansion (Unit 2)	458,915
Sebring Health Department Roof Replacement	5,000
Sports Marketing and Sales Services Consultant	249,500
USFA Softball and Pumpkin Smash Tournament Marketing and Event	21,148
Total	<u>\$ 28,081,807</u>

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

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

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

NOTE 16 RISK MANAGEMENT

Insurance Fund

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

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

Employee Benefit Fund

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

From October 1, 2001 through September 30, 2012, the County maintained private insurance for health insurance. Effective October 1, 2012, the County discontinued private insurance and re-established its self-insurance plan for group medical costs. The County maintained its self-insurance plan for health and dental costs for the fiscal year ended September 30, 2024.

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

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

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Incurred Claims</u>	<u>Payments</u>	<u>Ending Balance</u>
2023	\$ 819,427	\$ 9,875,540	\$ 10,026,510	\$ 668,457
2024	668,457	12,161,504	12,123,440	706,521

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

NOTE 17 DEFINED BENEFIT PENSION PLANS

Background

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

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

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

NOTE 17 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan

Plan Description

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

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

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

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

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

NOTE 17 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Benefits Provided

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

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

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

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

NOTE 17 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Contributions

The Florida Legislature establishes contribution rates for participating employers and employees. Effective July 1, 2011, all FRS Plan members (except those in DROP) are required to make 3% employee contributions on a pretax basis. The contribution rates attributable to the County, effective July 1, 2023, were applied to employee salaries as follows: regular employees 13.57%, special risk 32.67%, county elected officials 58.68%, senior management 34.52%, and DROP participants 21.13%. The County's contributions to the FRS Plan were \$10,079,445 for the year ended September 30, 2024.

Pension Costs

At September 30, 2024, the County reported a liability of \$67,911,144 for its proportionate share of the FRS 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 proportion of the net pension liability was based on the County's contributions received by FRS during the measurement period for employer payroll paid dates from July 1, 2023, through June 30, 2024, relative to the total employer contributions received from all of FRS's participating employers. At June 30, 2024, the County's proportion was 0.175550385%, which was an increase of 0.178015120% from its proportion measured as of June 30, 2023.

For the year ended September 30, 2024, the County recognized pension expense of \$9,504,097 for its proportionate share of FRS's pension expense. In addition, the County reported its proportionate share of FRS's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 6,860,849	\$ -
Changes of Assumptions	9,307,843	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(4,513,728)
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	1,553,213	(3,612,472)
County Contributions Subsequent to the Measurement Date	2,497,597	-
Total	<u>\$ 20,219,502</u>	<u>\$ (8,126,200)</u>

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

NOTE 17 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Pension Costs (Continued)

\$2,497,597 reported as deferred outflows of resources related to pensions resulting from County contributions to the FRS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2025	\$ (1,927,782)
2026	10,332,064
2027	703,277
2028	(83,100)
2029	571,246

Actuarial Assumptions

The total pension liability in the July 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40% Per Year
Salary Increases	3.50%, Average, Including Inflation
Investment Rate of Return	6.70%

Mortality rates were based on the PUB-2010 base table, varies by member category, and sex, projected generationally with Scale MP-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 assumption of 6.70 percent used in GASB discount rate calculations consists of two building block components: 1) a long-term average annual inflation assumption of 2.40 percent as adopted in October 2024 by the FRS Actuarial Assumption Conference; and 2) an inferred real (in excess of inflation) return of 4.20 percent. Geometrically combining those building blocks using the formula $(1 + .024) \times (1 + .042) - 1$ generates an expected nominal return of 6.70 percent. In the opinion of the FRS consulting actuary, both building block components and the overall 6.70 percent return assumption were determined to be reasonable and appropriate per Actuarial Standards of Practice. The 6.70 percent reported investment return assumption is the same as the investment return assumption chosen by the 2023 FRS Actuarial Assumption Conference for funding policy purposes.

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

NOTE 17 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Actuarial Assumptions (Continued)

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

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0 %	3.3 %	3.3 %	1.1 %
Fixed Income	29.0	5.7	5.6	3.9
Global Equity	45.0	8.6	7.0	18.2
Real Estate (Property)	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 %

Discount Rate

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

Pension Liability Sensitivity

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

Description	1% Decrease	Current Discount Rate	1% Increase in Discount Rate
FRS Plan Discount Rate	5.70%	6.70%	7.70%
County's Proportionate Share of the FRS Plan Net Pension Liability	\$ 119,453,326	\$ 67,911,144	\$ 24,733,636

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

NOTE 17 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Pension Plan Fiduciary Net Position

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

Retiree Health Insurance Subsidy Program

Plan Description

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

Benefits Provided

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

Contributions

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2024, the contribution rate was 2.0% of payroll pursuant to section 112.363, Florida Statutes. The County contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled. The County's contributions to the HIS Plan were \$1,058,668 for the year ended September 30, 2024.

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

NOTE 17 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Pension Costs

At September 30, 2024, the County reported a liability of \$18,452,597 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 proportion of the net pension liability was based on the County's contributions received during the measurement period for employer payroll paid dates from July 1, 2023 through June 30, 2024, relative to the total employer contributions received from all participating employers. At June 30, 2024, the County's proportion was 0.123009304%, which was an decrease of 0.004230832% from its proportion measured as of June 30, 2023.

For the year ended September 30, 2024, the County recognized pension expense of \$721,595 for its proportionate share of HIS's pension expense. In addition, the County reported its proportionate share of HIS's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 178,172	\$ (35,432)
Changes in Actuarial Assumptions	326,568	(2,184,551)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(6,674)
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	407,784	(934,291)
County Contributions Subsequent to the Measurement Date	265,164	-
Total	<u>\$ 1,177,688</u>	<u>\$ (3,160,948)</u>

\$265,164 reported as deferred outflows of resources related to pensions resulting from County contributions to the FRS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2025	\$ (318,500)
2026	(428,610)
2027	(625,148)
2028	(480,615)
2029	(308,614)
Thereafter	(86,937)

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

NOTE 17 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Actuarial Assumptions

The total pension liability in the July 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40% per year
Salary Increases	3.50%, Average, Including Inflation
Municipal Bond Rate	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 the current year and 3.65% in the prior year for the HIS Plan. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the FRS Actuarial Assumption Conference. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Pension Liability Sensitivity

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

Description	1% Decrease	Current Discount Rate	1% Increase in Discount Rate
HIS Plan Discount Rate	2.93%	3.93%	4.93%
County's Proportionate Share of the HIS Plan Net Pension Liability	\$ 21,005,910	\$ 18,452,597	\$ 16,332,935

Pension Plan Fiduciary Net Position

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

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

NOTE 17 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Summary

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

Description	FRS Plan	HIS Plan	Total
Net Pension Liability	\$ 67,911,144	\$ 18,452,597	\$ 86,363,741
Deferred Outflows of Resources			
Related to Pensions	20,219,502	1,177,688	21,397,190
Deferred Inflows of Resources			
Related to Pensions	8,126,200	3,160,948	11,287,148
Pension Expense	9,504,097	721,595	10,225,692

NOTE 18 DEFINED CONTRIBUTION PLAN

FRS Investment Plan

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

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

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

NOTE 18 DEFINED CONTRIBUTION PLAN (CONTINUED)

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 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 rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan or remain in the Investment Plan and rely upon that account balance for retirement income.

The County's Investment Plan pension expense totaled \$1,922,322 for the year ended September 30, 2024. Employee contributions to the Investment Plan totaled \$290,994 for the year ended September 30, 2024.

NOTE 19 FUND BALANCE DEFICIT

Special Revenue Funds

Oak Manor Avenue Road Paving Fund

The fund balance deficit of \$26,696 is a result of road paving costs. The \$34,900 advance from the Transportation Trust Fund in October 2020 is being paid back with the assessments collected from this district.

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

NOTE 20 INTERFUND TRANSFERS

Transfers for the year ended September 30, 2024, consisted of the following:

Transfers to the General Fund from:

Nonmajor Governmental Funds	\$ 202,805
Solid Waste Fund	113,318
Total	<u>316,123</u>

Transfers to the County Transportation Trust Fund from:

General Fund	<u>2,411,500</u>
Total	<u>2,411,500</u>

Transfers to Local Government Infrastructure Surtax Fund from:

General Fund	3,709,835
County Transportation Trust	11,460
Nonmajor Governmental Funds	132,120
Total	<u>3,853,415</u>

Transfers to Nonmajor Governmental Funds from:

General Fund	1,631,434
County Transportation Trust	78,752
Local Government Infrastructure Surtax Fund	81,469
Other Nonmajor Governmental Funds	641,601
Total	<u>2,433,256</u>

Total Interfund Transfers	<u><u>\$ 9,014,294</u></u>

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

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

NOTE 21 SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

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

During the year ended September 30, 2024, the County entered into SBITAs in the amount of \$2,518,110. During the year ended September 30, 2024, the County's principal payments on SBITAs totaled \$1,230,188.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 1,188,125	\$ 75,543	\$ 1,263,668
2026	995,289	26,380	1,021,669
2027	479,617	4,894	484,511
Total Minimum Subscription Payments	<u>\$ 2,663,031</u>	<u>\$ 106,817</u>	<u>\$ 2,769,848</u>

**HIGHLANDS COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
MODIFIED APPROACH FOR INFRASTRUCTURE ASSETS
SEPTEMBER 30, 2024**

**Condition Rating of Highlands County
Roadway System**

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

	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>
Road System	57.55	58.15	58.34

Comparison of Estimated to Actual Maintenance/Preservation

	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>
Budgeted	\$ 5,686,498	\$ 2,809,287	\$ 2,994,877	\$ 1,875,665	\$ 1,279,925
Actual	5,504,681	2,274,131	2,585,458	1,752,761	1,267,127

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

**Condition Rating of Highlands County
Bridge System**

Overall Average Sufficiency Rating

	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>
Bridge System	77.52	77.52	77.52

Comparison of Estimated to Actual Maintenance/Preservation

	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>
Budgeted	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
Actual	35,808	67,617	30,108	24,558	41,980

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

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

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service Cost	\$ 47,501	\$ 47,318	\$ 86,748	\$ 80,827	\$ 140,238	\$ 113,559	\$ 115,422
Interest	40,919	37,591	31,728	33,784	74,630	91,062	82,736
Changes of Benefit Terms	132,475	-	-	-	-	-	-
Difference Between Expected and Actual Experience	580,985	-	(501,137)	-	(1,202,118)	-	-
Changes of Assumptions	15,380	(14,725)	(145,206)	19,707	(414,877)	196,258	(58,668)
Benefit Payments	(94,721)	(41,841)	(91,249)	(83,562)	131,938	(129,355)	(122,205)
Net Change in Total OPEB Liability	722,539	28,343	(619,116)	50,756	(1,270,189)	271,524	17,285
Total OPEB Liability - Beginning	903,602	875,258	1,494,368	1,443,612	2,713,801	2,442,277	2,424,992
Total OPEB Liability - Ending	<u>\$ 1,626,141</u>	<u>\$ 903,601</u>	<u>\$ 875,252</u>	<u>\$ 1,494,368</u>	<u>\$ 1,443,612</u>	<u>\$ 2,713,801</u>	<u>\$ 2,442,277</u>
Covered Employee Payroll	\$ 46,211,879	\$ 42,824,463	\$ 47,773,230	\$ 46,048,436	\$ 44,799,904	\$ 43,213,012	\$ 39,987,348
Total OPEB Liability as a percentage of the Covered Employee Payroll	3.52%	2.11%	1.83%	3.25%	3.22%	6.28%	6.11%

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

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

Notes to Schedule:

The OPEB plan is not administered through a trust.

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

For the measurement date September 30, 2024, the amount reported as changes in assumptions resulted from the following:

- The trend table was updated to the latest model released by the Society of Actuaries.
- The discount rate was changed from 4.63% to 3.88%.

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

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

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

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

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

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

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

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

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

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

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

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

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
County's Proportion of the Net Pension Liability	0.175550385%	0.178015120%	0.176378059%	0.178540495%	0.197170451%	0.191369337%	0.185889216%	0.188036873%	0.183000953%	0.173515439%
County's Proportionate Share of the Net Pension Liability	\$ 67,911,144	\$ 70,933,286	\$ 65,626,811	\$ 13,486,705	\$ 85,456,581	\$ 65,904,936	\$ 55,990,794	\$ 55,620,044	\$ 46,207,883	\$ 22,411,845
County's Covered Payroll	45,625,408	\$ 43,045,573	\$ 47,036,514	\$ 44,552,783	\$ 44,798,121	\$ 42,283,674	\$ 39,890,912	\$ 39,037,082	\$ 36,239,309	\$ 35,581,960
County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	148.85%	164.79%	139.52%	30.27%	190.76%	155.86%	140.36%	142.48%	127.51%	62.99%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%

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

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 10,079,445	\$ 8,820,977	\$ 7,704,869	\$ 7,025,442	\$ 6,583,862	\$ 6,157,860	\$ 5,451,120	\$ 4,824,979	\$ 4,743,244	\$ 4,232,805
Contributions in Relation to the Contractually Required Contribution	<u>(10,079,445)</u>	<u>(8,820,977)</u>	<u>(7,704,869)</u>	<u>(7,025,442)</u>	<u>(6,583,862)</u>	<u>(6,157,860)</u>	<u>(5,451,120)</u>	<u>(4,824,979)</u>	<u>(4,743,244)</u>	<u>(4,232,805)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll	\$ 46,211,879	\$ 42,824,463	\$ 47,773,270	\$ 46,048,436	\$ 44,799,904	\$ 43,213,012	\$ 39,987,348	\$ 39,019,305	\$ 37,331,763	\$ 35,431,913
Contributions as a Percentage of Covered Payroll	21.81%	20.60%	16.13%	15.26%	14.70%	14.25%	13.63%	12.37%	12.71%	11.95%

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

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
County's Proportion of the Net Pension Liability	0.123009304%	0.127240136%	0.128278686%	0.128158209%	0.128544136%	0.125879122%	0.121886584%	0.122329734%	0.117095796%	0.117233715%
County's Proportionate Share of the Net Pension Liability	\$ 18,452,597	\$ 20,207,431	\$ 13,586,762	\$ 15,720,531	\$ 15,695,030	\$ 14,084,614	\$ 12,900,612	\$ 13,080,059	\$ 13,647,029	\$ 11,955,994
County's Covered Payroll	\$ 45,625,408	\$ 43,045,573	\$ 47,036,514	\$ 45,552,783	\$ 44,798,121	\$ 42,283,674	\$ 39,890,912	\$ 39,037,082	\$ 36,239,309	\$ 35,581,960
County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	40.44%	46.94%	28.89%	34.51%	35.04%	33.31%	32.34%	33.51%	37.66%	33.60%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	4.12%	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

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

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 1,058,668	\$ 879,980	\$ 786,903	\$ 762,194	\$ 740,270	\$ 715,780	\$ 660,671	\$ 646,964	\$ 622,318	\$ 481,791
Contributions in Relation to the Contractually Required Contribution	<u>(1,058,668)</u>	<u>(879,980)</u>	<u>(786,903)</u>	<u>(762,194)</u>	<u>(740,270)</u>	<u>(715,780)</u>	<u>(660,671)</u>	<u>(646,964)</u>	<u>(622,318)</u>	<u>(481,791)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u></u>	<u></u>	<u></u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll	\$ 46,211,879	\$ 42,824,463	\$ 47,773,270	\$ 46,048,436	\$ 44,799,904	\$ 43,213,012	\$ 39,987,348	\$ 39,019,305	\$ 37,331,763	\$ 35,431,913
Contributions as a Percentage of Covered Payroll	2.29%	2.05%	1.65%	1.66%	1.65%	1.66%	1.65%	1.66%	1.67%	1.36%

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

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 54,533,765	\$ 54,533,765	\$ 56,154,211	\$ 1,620,446
Licenses and Permits	1,000	1,000	300	(700)
Intergovernmental	20,481,784	22,303,485	27,498,144	5,194,659
Charges for Services	11,700,299	12,327,493	13,931,779	1,604,286
Fines and Forfeitures	127,000	127,000	205,934	78,934
Net Change in Fair Value of Investments	1,150,000	1,150,000	3,749,717	2,599,717
Miscellaneous	2,255,796	2,362,128	2,714,476	352,348
Total Revenues	90,249,644	92,804,871	104,254,561	11,449,690
EXPENDITURES				
Current:				
General Government:				
Board of County Commissioners	556,202	592,652	574,497	18,155
County Administrator	797,029	804,003	802,457	1,546
Business Services	362,400	268,976	267,485	1,491
Clerk to Board-Financial and Administration	3,902,739	3,826,844	3,609,360	217,484
County Audits-CPA	213,039	252,169	243,456	8,713
Office of Management and Budget	340,225	327,005	296,752	30,253
Human Resources	452,130	457,909	440,527	17,382
Non-Ad Valorem Assessments	118,257	124,419	121,437	2,982
Public Information	137,904	165,305	112,898	52,407
Central Services	2,172,356	2,638,356	2,426,569	211,787
Property Appraiser	3,634,636	3,675,062	3,482,499	192,563
Tax Collector	4,270,725	4,270,725	3,761,129	509,596
Supervisor of Elections	1,651,241	1,673,475	1,414,166	259,309
Purchasing	418,491	415,617	320,304	95,313
County Attorney	528,080	631,515	614,864	16,651
County Planning and Development	769,805	1,093,030	621,676	471,354
Development Services	197,630	200,010	198,143	1,867
Clerk to Board - Other General Government Services	1,077,678	1,066,426	1,064,355	2,071
Facilities Management	2,353,369	2,491,737	2,078,492	413,245
Total General Government	23,953,936	24,975,235	22,451,066	2,524,169
Public Safety:				
Sheriff	23,115,288	27,986,469	26,752,288	1,234,181
Division of Forestry	34,580	34,580	34,579	1
County Jail Maintenance	795,246	-	-	-
Detention and Correction	12,502,560	14,516,104	13,474,394	1,041,710
Detention Medical	997,460	-	-	-
Detention and Corrections Other	153,312	-	-	-
Law Enforcement Maintenance	285,841	-	-	-
Law Enforcement Other	4,955,512	-	-	-
Zoning Department	567,054	558,227	438,367	119,860
Local Emergency Management Agency	831,182	2,102,455	784,189	1,318,266
Communications Program	70,269	85,269	76,579	8,690
Information Technology	80,933	80,933	80,933	-
Community Safety	103,060	102,709	77,169	25,540
Ambulance Services	8,081,648	8,628,393	7,958,136	670,257

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – GENERAL FUND (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2024

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
EXPENDITURES (CONTINUED)				
Current (Continued):				
Public Safety (Continued):				
Medical Examiner	\$ 491,530	\$ 491,530	\$ 489,302	\$ 2,228
Children's Advocacy Center	479,955	772,335	444,463	327,872
Total Public Safety	53,545,430	55,359,004	50,610,399	4,748,605
Physical Environment:				
County Extension	365,786	373,326	365,586	7,740
Natural Resources	481,007	558,708	448,515	110,193
Aquatic Plant Program	689,877	682,774	620,895	61,879
Nuisance Abatement	51,800	115,375	99,435	15,940
Critical Infrastructure	881,684	407,570	258,836	148,734
Total Physical Environment	2,470,154	2,137,753	1,793,267	344,486
Transportation:				
Avon Park Airport	22,089	22,089	22,089	-
Avon Park Southside	178,915	178,915	178,915	-
Total Transportation	201,004	201,004	201,004	-
Economic Environment:				
Office of Economic Development	396,067	476,389	389,215	87,174
Community Redevelopment - Sebring	726,771	726,771	726,771	-
Community Redevelopment - Avon Park	428,885	428,885	428,885	-
Community Redevelopment - Lake Placid	166,202	166,202	166,202	-
Sebring Regional Airport/Industrial Park	441,001	441,001	441,001	-
Veteran Service Office	283,412	268,244	245,133	23,111
Community Housing Program	100,000	100,000	-	100,000
Total Economic Environment	2,542,338	2,607,492	2,397,207	210,285
Human Services:				
Health Care Responsibility Act	100,000	95,000	13,554	81,446
Health Unit	256,535	256,560	256,560	-
Mental Health	712,577	912,193	612,577	299,616
Public Assistance Programs	93,920	93,793	69,105	24,688
State County Assistance Program	1,897,348	1,897,348	1,886,675	10,673
Human Services - Project Hope	50,000	50,000	50,000	-
Children's Services Council	30,000	30,000	30,000	-
Transportation for Disadvantaged	203,480	206,480	206,038	442
Community Program Services	37,180	36,519	23,457	13,062
Community Programs	151,189	160,477	158,216	2,261
Healthy Families Grant	441,446	457,140	456,939	201
Emergency/Disaster Relief	-	130,395	14,426	115,969
Total Human Services	3,973,675	4,325,905	3,777,547	548,358
Culture and Recreation:				
Library - Avon Park	195,364	197,532	193,579	3,953
Library - Sebring	451,432	449,908	393,538	56,370
Library - Lake Placid	233,819	238,533	219,140	19,393
Libraries - Countywide	108,706	108,445	98,942	9,503
Recreation Department	375,000	375,000	375,000	-

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – GENERAL FUND (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2024

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
EXPENDITURES (CONTINUED)				
Current (Continued):				
Culture and Recreation (Continued):				
Parks Department	\$ 990,492	\$ 987,322	\$ 706,130	\$ 281,192
Sports Complex	237,966	235,584	219,456	16,128
Historic District Site Survey	3,866	5,245	480	4,765
Heartland Library Cooperative	128,629	128,494	103,473	25,021
Total Culture and Recreation	2,725,274	2,726,063	2,309,738	416,325
Court Related:				
Court General Administration:				
Circuit Court Administration	10,682	15,682	11,183	4,499
State Attorney	19,196	19,196	18,285	911
Public Defender	8,700	8,700	3,424	5,276
Law Library	62,468	44,611	42,930	1,681
Misdemeanor Probation	141,680	166,680	155,360	11,320
Circuit Court Criminal:				
Pre-Trial Release	165,704	154,337	154,328	9
Circuit Court Family:				
Pro Se Services	47,827	76,852	76,842	10
Circuit Court Juvenile:				
Circuit Court Juvenile Guardian Ad Litem	3,789	13,089	9,046	4,043
Court General Operations:				
General Operations Courthouse Security	1,463,769	1,350,194	1,350,194	-
General Operations Courthouse Facilities	246,130	544,394	532,967	11,427
Total Court Related	2,169,945	2,393,735	2,354,559	39,176
Capital Outlay	1,101,822	14,504,575	3,689,680	10,814,895
Debt Service:				
Principal Retirement	-	1,072,397	1,068,973	3,424
Interest and Fiscal Charges	-	38,438	93,491	(55,053)
Total Debt Service	-	1,110,835	1,162,464	(51,629)
Total Expenditures	92,683,578	110,341,601	90,746,931	8,779,775
EXCESS (DEFICIENCY) OF REVENUES UNDER EXPENDITURES	(2,433,934)	(17,536,730)	13,507,630	31,044,360
OTHER FINANCING SOURCES (USES)				
Transfers In	327,017	327,017	316,123	(10,894)
Transfers Out	(1,904,630)	(8,343,800)	(7,752,769)	591,031
Leases	-	1,624,199	35,903	(1,588,296)
SBITAs	-	15,395	1,815,385	1,799,990
Insurance Recoveries	-	60,000	331,688	271,688
Sale of Surplus Properties	-	257,065	352,572	95,507
Total Other Financing Sources (Uses)	(1,577,613)	(6,060,124)	(4,901,098)	1,159,026
NET CHANGE IN FUND BALANCE	(4,011,547)	(23,596,854)	8,606,532	21,388,491
Fund Balances - October 1, 2023	4,011,547	23,596,854	53,764,113	30,167,259
FUND BALANCES - SEPTEMBER 30, 2024	\$ -	\$ -	\$ 62,370,645	\$ 51,555,750

**HIGHLANDS COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS**

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**HIGHLANDS COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS**

SPECIAL REVENUE FUNDS (CONTINUED)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**HIGHLANDS COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS**

SPECIAL REVENUE FUNDS (CONTINUED)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**HIGHLANDS COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS**

SPECIAL REVENUE FUNDS (CONTINUED)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**HIGHLANDS COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS**

CAPITAL PROJECTS FUND

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

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

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

**HIGHLANDS COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024**

	Special Revenue Funds								
	Lake Placid Sun-N-Lake Estates Fire District	DeSoto City Special Benefit Fire District	Orange Villa Special Benefit District	Placid Lakes Special Benefit District	Sebring Country Estates Special Benefit District	Avon Park Estates Special Benefit District	Highlands Lakes Special Tax District	Highlands Park Special Benefit Fire District	Istokpoga Marsh Watershed Improve- ment District
ASSETS									
Cash and Cash Equivalents	\$ -	\$ -	\$ 540	\$ 197,841	\$ 45,097	\$ 163,017	\$ -	\$ -	\$ 1,090,345
Investments	-	-	-	203,663	-	1,226,409	-	-	-
Accounts Receivable - Net	-	-	1	239	48	172	-	-	54
Lease Receivable	-	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	14	1,582	273	1,499	-	-	-
Due from Other Governmental Units	-	-	-	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 555</u>	<u>\$ 403,325</u>	<u>\$ 45,418</u>	<u>\$ 1,391,097</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,090,399</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
Liabilities:									
Vouchers Payable	\$ -	\$ -	\$ 314	\$ 12,590	\$ 3,900	\$ 656	\$ -	\$ -	\$ 3,307
Accrued Wages Payable	-	-	-	-	-	-	-	-	-
Customer Deposits	-	-	-	900	-	-	-	-	-
Due to Other Governmental Units	-	-	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-	-	-
Due to Others	-	-	-	-	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	1,000,000
Total Liabilities	-	-	314	13,490	3,900	656	-	-	1,003,307
Deferred Inflows of Resources:									
Unavailable Revenue:									
Intergovernmental	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	-	-
Fund Balances:									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	241	389,835	41,518	1,390,441	-	-	87,092
Unassigned	-	-	-	-	-	-	-	-	-
Total Fund Balances	-	-	241	389,835	41,518	1,390,441	-	-	87,092
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 555</u>	<u>\$ 403,325</u>	<u>\$ 45,418</u>	<u>\$ 1,391,097</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,090,399</u>

**HIGHLANDS COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
SEPTEMBER 30, 2024**

	Special Revenue Funds									
	Highlands Park Estates Improve- ment Trust	Leisure Lakes Special Benefit Fire District	Sebring Hills Special Benefit District	Red Hill Farms Improve- ment District	E911 Emergency Operations	Hospital District	Orange Blossom Estates Special Benefit District	Sun-N-Lakes of Lake Placid Recreation District	Conservation Trust	Intergov- ernmental Radio Communi- cations
ASSETS										
Cash and Cash Equivalents	\$ -	\$ -	\$ 41,164	\$ 181,637	\$ 16,585	\$ 178,300	\$ 172	\$ 143,991	\$ 244,168	\$ -
Investments	-	-	-	-	-	-	-	-	305,495	-
Accounts Receivable - Net	-	-	43	182	-	204	-	170	239	145
Lease Receivable	-	-	-	-	-	-	-	-	-	92,140
Due from Other Funds	-	-	123	613	128,174	-	-	3,812	-	3,800
Due from Other Governmental Units	-	-	-	-	119,731	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,330</u>	<u>\$ 182,432</u>	<u>\$ 264,490</u>	<u>\$ 178,504</u>	<u>\$ 172</u>	<u>\$ 147,973</u>	<u>\$ 549,902</u>	<u>\$ 96,085</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES										
Liabilities:										
Vouchers Payable	\$ -	\$ -	\$ 3,766	\$ -	\$ -	\$ 10,821	\$ 23	\$ 5,025	\$ -	\$ -
Accrued Wages Payable	-	-	-	-	-	-	-	-	-	-
Customer Deposits	-	-	-	-	-	-	-	4,681	-	-
Due to Other Governmental Units	-	-	-	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-	-	-	7,094
Due to Others	-	-	-	-	-	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-	983
Total Liabilities	<u>-</u>	<u>-</u>	<u>3,766</u>	<u>-</u>	<u>-</u>	<u>10,821</u>	<u>23</u>	<u>9,706</u>	<u>-</u>	<u>8,077</u>
Deferred Inflows of Resources:										
Unavailable Revenue:										
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	43,597	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	87,685
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,597</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>87,685</u>
Fund Balances:										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	37,564	182,432	220,893	167,683	149	138,267	549,902	323
Unassigned	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>37,564</u>	<u>182,432</u>	<u>220,893</u>	<u>167,683</u>	<u>149</u>	<u>138,267</u>	<u>549,902</u>	<u>323</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,330</u>	<u>\$ 182,432</u>	<u>\$ 264,490</u>	<u>\$ 178,504</u>	<u>\$ 172</u>	<u>\$ 147,973</u>	<u>\$ 549,902</u>	<u>\$ 96,085</u>

**HIGHLANDS COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
SEPTEMBER 30, 2024**

	Special Revenue Funds									
	Sebring Acres Special Benefit District	Orange Blossom (Unit 12) Special Benefit District	Lake Haven Estates Special Benefit District	Lorida Special Benefit Fire District	Lake Placid Special Benefit Fire District	Law Enforcement Education	Building Code Enforcement	Florida Boating Improvement	Special Law Enforcement Trust	Highway Park Special Benefit District
ASSETS										
Cash and Cash Equivalents	\$ 149,134	\$ 189	\$ 31,532	\$ -	\$ 434,147	\$ 361,673	\$ 2,853,053	\$ 360,496	\$ 358,372	\$ 35,444
Investments	-	-	-	-	-	-	3,000,000	-	-	-
Accounts Receivable - Net	207	-	32	-	-	360	16,827	358	363	37
Lease Receivable	-	-	-	-	-	-	-	-	-	-
Due from Other Funds	61	-	28	-	-	1,452	-	2,461	-	87
Due from Other Governmental Units	-	-	-	-	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 149,402</u>	<u>\$ 189</u>	<u>\$ 31,592</u>	<u>\$ -</u>	<u>\$ 434,147</u>	<u>\$ 363,485</u>	<u>\$ 5,869,880</u>	<u>\$ 363,315</u>	<u>\$ 358,735</u>	<u>\$ 35,568</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES										
Liabilities:										
Vouchers Payable	\$ 888	\$ -	\$ 1,954	\$ -	\$ -	\$ -	\$ 6,366	\$ -	\$ -	\$ 604
Accrued Wages Payable	-	-	-	-	-	-	20,030	-	-	-
Customer Deposits	-	-	-	-	-	-	-	-	-	-
Due to Other Governmental Units	-	-	-	-	-	-	10,441	-	-	-
Due to Other Funds	-	-	-	-	-	-	57	-	-	-
Due to Others	-	-	-	-	-	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-	-
Total Liabilities	<u>888</u>	<u>-</u>	<u>1,954</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,894</u>	<u>-</u>	<u>-</u>	<u>604</u>
Deferred Inflows of Resources:										
Unavailable Revenue:										
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	148,514	189	29,638	-	434,147	363,485	5,832,986	363,315	358,735	34,964
Unassigned	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	<u>148,514</u>	<u>189</u>	<u>29,638</u>	<u>-</u>	<u>434,147</u>	<u>363,485</u>	<u>5,832,986</u>	<u>363,315</u>	<u>358,735</u>	<u>34,964</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 149,402</u>	<u>\$ 189</u>	<u>\$ 31,592</u>	<u>\$ -</u>	<u>\$ 434,147</u>	<u>\$ 363,485</u>	<u>\$ 5,869,880</u>	<u>\$ 363,315</u>	<u>\$ 358,735</u>	<u>\$ 35,568</u>

**HIGHLANDS COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
SEPTEMBER 30, 2024**

	Special Revenue Funds								
	Affordable Housing Assistance Trust	Sun-N-Lakes 1 - 20 Improvement Trust	Highlands Park Estates Special Benefit District	West Sebring Special Benefit Fire District	Driver Education Safety Trust	Tourist Development Trust	Industrial Development Agency	Domestic Violence Training	Fire Inspection and Safety
ASSETS									
Cash and Cash Equivalents	\$ 2,724,426	\$ -	\$ 129,894	\$ -	\$ 89,912	\$ 4,489,094	\$ 1,098	\$ 143,181	\$ 111,016
Investments	-	-	-	-	-	-	-	-	-
Accounts Receivable - Net	16	-	144	-	87	1,123	1	143	116
Lease Receivable	-	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	1,204	-	1,868	-	-	319	-
Due from Other Governmental Units	424,703	-	-	-	-	242,890	-	-	-
Prepaid Items	-	-	-	-	-	12,173	-	-	-
Total Assets	<u>\$ 3,149,145</u>	<u>\$ -</u>	<u>\$ 131,242</u>	<u>\$ -</u>	<u>\$ 91,867</u>	<u>\$ 4,745,280</u>	<u>\$ 1,099</u>	<u>\$ 143,643</u>	<u>\$ 111,132</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
Liabilities:									
Vouchers Payable	\$ 2,291	\$ -	\$ 1,280	\$ -	\$ -	\$ 55,567	\$ -	\$ -	\$ 75,494
Accrued Wages Payable	2,975	-	-	-	-	1,266	-	-	467
Customer Deposits	-	-	1,971	-	-	-	-	-	-
Due to Other Governmental Units	244	-	-	-	-	-	-	-	-
Due to Other Funds	3	-	-	-	-	231	-	-	-
Due to Others	-	-	-	-	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-
Total Liabilities	<u>5,513</u>	<u>-</u>	<u>3,251</u>	<u>-</u>	<u>-</u>	<u>57,064</u>	<u>-</u>	<u>-</u>	<u>75,961</u>
Deferred Inflows of Resources:									
Unavailable Revenue:									
Intergovernmental	-	-	-	-	-	42,524	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,524</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:									
Nonspendable	-	-	-	-	-	12,173	-	-	-
Restricted	3,143,632	-	127,991	-	91,867	4,633,519	1,099	143,643	35,171
Unassigned	-	-	-	-	-	-	-	-	-
Total Fund Balances	<u>3,143,632</u>	<u>-</u>	<u>127,991</u>	<u>-</u>	<u>91,867</u>	<u>4,645,692</u>	<u>1,099</u>	<u>143,643</u>	<u>35,171</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 3,149,145</u>	<u>\$ -</u>	<u>\$ 131,242</u>	<u>\$ -</u>	<u>\$ 91,867</u>	<u>\$ 4,745,280</u>	<u>\$ 1,099</u>	<u>\$ 143,643</u>	<u>\$ 111,132</u>

**HIGHLANDS COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
SEPTEMBER 30, 2024**

	Special Revenue Funds								
	Venus Special Benefit Fire District	Sebring Parkway Maintenance	State Court Facilities Trust	Innovations and Supplemental Courts Funding Trust	Crime Prevention	Court Tech 28.24(12)(e)1	Court	Home Initiatives Partnership	Placid Lakes Special Benefit Fire District
ASSETS									
Cash and Cash Equivalents	\$ -	\$ 1,595,632	\$ 16,307	\$ 34,404	\$ 161,027	\$ 287,028	\$ 373,462	\$ 558	\$ -
Investments	-	-	-	-	-	-	-	-	-
Accounts Receivable - Net	-	480	8	52	159	26	3,516	1	-
Lease Receivable	-	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	11,619	6,040	19,125	19,642	-	-	-
Due from Other Governmental Units	-	27,574	-	-	-	-	62,966	-	-
Prepaid Items	-	2,000	5,386	-	-	20,841	-	-	-
	<u>-</u>	<u>2,000</u>	<u>5,386</u>	<u>-</u>	<u>-</u>	<u>20,841</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ -</u>	<u>\$ 1,625,686</u>	<u>\$ 33,320</u>	<u>\$ 40,496</u>	<u>\$ 180,311</u>	<u>\$ 327,537</u>	<u>\$ 439,944</u>	<u>\$ 559</u>	<u>\$ -</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
Liabilities:									
Vouchers Payable	\$ -	\$ 4,888	\$ 5,380	\$ 20,344	\$ -	\$ 33,208	\$ 368	\$ -	\$ -
Accrued Wages Payable	-	-	1,236	-	-	3,632	9,864	-	-
Customer Deposits	-	-	-	-	-	-	-	-	-
Due to Other Governmental Units	-	22	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	168,712	-	-
Due to Others	-	-	-	-	-	-	261,000	-	-
Advances from Other Funds	-	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>4,910</u>	<u>6,616</u>	<u>20,344</u>	<u>-</u>	<u>36,840</u>	<u>439,944</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:									
Unavailable Revenue:									
Intergovernmental	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:									
Nonspendable	-	2,000	5,386	-	-	20,841	-	-	-
Restricted	-	1,618,776	21,318	20,152	180,311	269,856	-	559	-
Unassigned	-	-	-	-	-	-	-	-	-
Total Fund Balances	<u>-</u>	<u>1,620,776</u>	<u>26,704</u>	<u>20,152</u>	<u>180,311</u>	<u>290,697</u>	<u>-</u>	<u>559</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ -</u>	<u>\$ 1,625,686</u>	<u>\$ 33,320</u>	<u>\$ 40,496</u>	<u>\$ 180,311</u>	<u>\$ 327,537</u>	<u>\$ 439,944</u>	<u>\$ 559</u>	<u>\$ -</u>

**HIGHLANDS COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
SEPTEMBER 30, 2024**

	Special Revenue Funds							
	Oak Manor Avenue Road Paving District	Public Records Modernization Trust	Teen Court Operations	Court Related Technology Modernization Trust	Court Services	Homeowner's Foreclosure Education	Community Donations	Inmate Welfare
ASSETS								
Cash and Cash Equivalents	\$ -	\$ 593,544	\$ 8,798	\$ 367,727	\$ 435,981	\$ 1,226	\$ 168,143	\$ 1,919,298
Investments	-	-	-	-	-	-	-	-
Accounts Receivable - Net	-	632	11	341	582	-	-	320,000
Lease Receivable	-	-	-	-	-	-	-	-
Due from Other Funds	27	-	-	-	-	-	-	-
Due from Other Governmental Units	-	-	-	-	23,802	-	-	-
Prepaid Items	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 27</u>	<u>\$ 594,176</u>	<u>\$ 8,809</u>	<u>\$ 368,068</u>	<u>\$ 460,365</u>	<u>\$ 1,226</u>	<u>\$ 168,143</u>	<u>\$ 2,239,298</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
Liabilities:								
Vouchers Payable	\$ -	\$ -	\$ 288	\$ -	\$ 7,342	\$ -	\$ -	\$ 452
Accrued Wages Payable	-	-	687	4,185	72,825	-	-	1,013
Customer Deposits	-	-	-	-	-	-	-	-
Due to Other Governmental Units	-	-	-	150	380,198	-	-	-
Due to Other Funds	4,559	-	-	-	-	-	-	-
Due to Others	-	-	-	-	-	-	-	-
Advances from Other Funds	22,164	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-
Total Liabilities	<u>26,723</u>	<u>-</u>	<u>975</u>	<u>4,335</u>	<u>460,365</u>	<u>-</u>	<u>-</u>	<u>1,465</u>
Deferred Inflows of Resources:								
Unavailable Revenue:								
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	594,176	7,834	363,733	-	1,226	168,143	2,237,833
Unassigned	(26,696)	-	-	-	-	-	-	-
Total Fund Balances	<u>(26,696)</u>	<u>594,176</u>	<u>7,834</u>	<u>363,733</u>	<u>-</u>	<u>1,226</u>	<u>168,143</u>	<u>2,237,833</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 27</u>	<u>\$ 594,176</u>	<u>\$ 8,809</u>	<u>\$ 368,068</u>	<u>\$ 460,365</u>	<u>\$ 1,226</u>	<u>\$ 168,143</u>	<u>\$ 2,239,298</u>

**HIGHLANDS COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
SEPTEMBER 30, 2024**

	Capital Projects Fund				
	Thunderbird Hill Waste Water Special Benefit District	Highlands County Fire Protection Special Benefit District	HCISSR Construction	HCPIRN Construction	Total All Nonmajor Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 80,457	\$ 2,764,738	\$ 3,877,360	\$ 429,532	\$ 27,690,740
Investments	-	-	6,352,231	2,410,040	13,497,838
Accounts Receivable - Net	82	4,831	27,807	10,747	390,586
Lease Receivable	-	-	-	-	92,140
Due from Other Funds	104	76,480	-	-	280,407
Due from Other Governmental Units	-	2,760	-	-	904,426
Prepaid Items	-	3,366	-	-	43,766
Total Assets	<u>\$ 80,643</u>	<u>\$ 2,852,175</u>	<u>\$ 10,257,398</u>	<u>\$ 2,850,319</u>	<u>\$ 42,899,903</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Vouchers Payable	\$ -	\$ 53,428	\$ 117,644	\$ -	\$ 428,188
Accrued Wages Payable	-	103,160	-	-	221,340
Customer Deposits	-	-	-	-	7,552
Due to Other Governmental Units	-	72,241	-	-	463,296
Due to Other Funds	-	12	-	-	180,668
Due to Others	-	-	-	-	261,000
Advances from Other Funds	14,768	-	-	-	36,932
Unearned Revenue	-	-	-	-	1,000,983
Total Liabilities	<u>14,768</u>	<u>228,841</u>	<u>117,644</u>	<u>-</u>	<u>2,599,959</u>
Deferred Inflows of Resources:					
Unavailable Revenue:					
Intergovernmental	-	-	-	-	42,524
Charges for Services	-	2,760	-	-	46,357
Leases	-	-	-	-	87,685
Total Deferred Inflows of Resources	<u>-</u>	<u>2,760</u>	<u>-</u>	<u>-</u>	<u>176,566</u>
Fund Balances:					
Nonspendable	-	3,366	-	-	43,766
Restricted	65,875	2,617,208	10,139,754	2,850,319	40,106,308
Unassigned	-	-	-	-	(26,696)
Total Fund Balances	<u>65,875</u>	<u>2,620,574</u>	<u>10,139,754</u>	<u>2,850,319</u>	<u>40,123,378</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 80,643</u>	<u>\$ 2,852,175</u>	<u>\$ 10,257,398</u>	<u>\$ 2,850,319</u>	<u>\$ 42,899,903</u>

HIGHLANDS COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2024

	Special Revenue Funds								
	Lake Placid Sun-N-Lake Estates Fire District	DeSoto City Special Benefit Fire District	Orange Villa Special Benefit District	Placid Lakes Special Benefit District	Sebring Country Estates Special Benefit District	Avon Park Estates Special Benefit District	Highlands Lakes Special Tax District	Highlands Park Special Benefit Fire District	Istokpoga Marsh Watershed Improve- ment District
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	330	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-	-	-	-
Assessments	6,011	-	2,345	251,496	21,544	91,123	446	332	-
Net Change in Fair Value of Investments	-	-	14	9,372	745	41,528	-	-	46,686
Miscellaneous	-	-	-	620	-	-	-	-	26,568
Total Revenues	6,011	-	2,359	261,818	22,289	132,651	446	332	73,254
EXPENDITURES									
Current:									
General Government	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-
Physical Environment	-	-	-	-	-	-	-	-	110,756
Transportation	-	-	2,102	242,073	27,375	122,485	-	-	-
Economic Environment	-	-	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-	-
Court Related	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal Retirement	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
Total Expenditures	-	-	2,102	242,073	27,375	122,485	-	-	110,756
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	6,011	-	257	19,745	(5,086)	10,166	446	332	(37,502)
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	(50,815)	(39,112)	-	-	-	-	(2,818)	(68,427)	-
Leases	-	-	-	-	-	-	-	-	-
SBITA	-	-	-	-	-	-	-	-	-
Sale of Surplus Assets	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(50,815)	(39,112)	-	-	-	-	(2,818)	(68,427)	-
NET CHANGE IN FUND BALANCE	(44,804)	(39,112)	257	19,745	(5,086)	10,166	(2,372)	(68,095)	(37,502)
Fund Balances - October 1, 2023	44,804	39,112	(16)	370,090	46,604	1,380,275	2,372	68,095	124,594
FUND BALANCES - SEPTEMBER 30, 2024	\$ -	\$ -	\$ 241	\$ 389,835	\$ 41,518	\$ 1,390,441	\$ -	\$ -	\$ 87,092

HIGHLANDS COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2024

	Highlands Park Estates Improve- ment Trust	Leisure Lakes Special Benefit Fire District	Sebring Hills Special Benefit District	Red Hill Farms Improve- ment District	E911 Emergency Operations	Hospital District	Orange Blossom Estates Special Benefit District	Sun-N-Lakes of Lake Placid Recreation District	Conserva- tion Trust	Intergov- ernmental Radio Communi- cations
REVENUES										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	966,118	260,000	-	-	6,500	-
Charges for Services	-	-	-	-	475,346	-	-	782	131,640	49,137
Fines and Forfeitures	-	-	-	-	-	-	-	-	-	-
Assessments	-	942	20,206	7,024	-	-	-	185,243	-	-
Net Change in Fair Value of Investments	-	-	679	2,485	-	3,136	294	2,366	11,033	2,954
Miscellaneous	-	-	-	-	-	-	-	410	-	47,735
Total Revenues	-	942	20,885	9,509	1,441,464	263,136	294	188,801	149,173	99,826
EXPENDITURES										
Current:										
General Government	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	1,254,394	-	-	-	-	405,203
Physical Environment	-	-	-	-	-	-	-	-	20,737	-
Transportation	-	-	25,147	680	-	-	23,767	-	-	-
Economic Environment	-	-	-	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	255,946	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	133,116	-	-
Court Related	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	11,965	-	-
Debt Service:										
Principal Retirement	-	-	-	-	71,250	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-
Total Expenditures	-	-	25,147	680	1,325,644	255,946	23,767	145,081	20,737	405,203
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	942	(4,262)	8,829	115,820	7,190	(23,473)	43,720	128,436	(305,377)
OTHER FINANCING SOURCES (USES)										
Transfers In	-	-	-	-	761,750	-	-	-	-	301,102
Transfers Out	(64,427)	(132,204)	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-
SBITA	-	-	-	-	-	-	-	-	-	-
Sale of Surplus Assets	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(64,427)	(132,204)	-	-	761,750	-	-	-	-	301,102
NET CHANGE IN FUND BALANCE	(64,427)	(131,262)	(4,262)	8,829	877,570	7,190	(23,473)	43,720	128,436	(4,275)
Fund Balances - October 1, 2023	64,427	131,262	41,826	173,603	(656,677)	160,493	23,622	94,547	421,466	4,598
FUND BALANCES - SEPTEMBER 30, 2024	\$ -	\$ -	\$ 37,564	\$ 182,432	\$ 220,893	\$ 167,683	\$ 149	\$ 138,267	\$ 549,902	\$ 323

HIGHLANDS COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2024

	Special Revenue Funds									
	Sebring Acres Special Benefit District	Orange Blossom (Unit 12) Special Benefit District	Lake Haven Estates Special Benefit District	Lorida Special Benefit Fire District	Lake Placid Special Benefit Fire District	Law Enforcement Education	Building Code Enforce- ment	Florida Boating Improve- ment	Special Law Enforce- ment Trust	Highway Park Special Benefit District
REVENUES										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-	1,567,282	-	-	-
Intergovernmental	-	-	-	-	-	-	-	34,242	80,392	-
Charges for Services	-	-	-	-	-	21,080	256,742	-	-	-
Fines and Forfeitures	-	-	-	-	-	-	-	-	-	-
Assessments	9,996	-	10,661	596	82	-	-	-	-	6,808
Net Change in Fair Value of Investments	2,940	108	477	-	932	4,848	256,178	4,782	4,704	514
Miscellaneous	-	-	-	-	-	-	6,763	-	-	-
Total Revenues	12,936	108	11,138	596	1,014	25,928	2,086,965	39,024	85,096	7,322
EXPENDITURES										
Current:										
General Government	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	302	-	1,412,072	-	24,292	-
Physical Environment	-	-	-	-	-	-	-	-	-	-
Transportation	64,414	8,750	11,831	-	-	-	-	-	-	8,086
Economic Environment	-	-	-	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	3,900	-	-
Court Related	-	-	-	-	-	-	-	-	-	-
Capital Outlay	6,061	-	-	-	-	-	143,418	-	-	-
Debt Service:										
Principal Retirement	-	-	-	-	-	-	20,193	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	771	-	-	-
Total Expenditures	70,475	8,750	11,831	-	302	-	1,576,454	3,900	24,292	8,086
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(57,539)	(8,642)	(693)	596	712	25,928	510,511	35,124	60,804	(764)
OTHER FINANCING SOURCES (USES)										
Transfers In	-	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	(4,026)	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-
SBITA	-	-	-	-	-	-	54,922	-	-	-
Sale of Surplus Assets	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	(4,026)	-	-	54,922	-	-	-
NET CHANGE IN FUND BALANCE	(57,539)	(8,642)	(693)	(3,430)	712	25,928	565,433	35,124	60,804	(764)
Fund Balances - October 1, 2023	206,053	8,831	30,331	3,430	433,435	337,557	5,267,553	328,191	297,931	35,728
FUND BALANCES - SEPTEMBER 30, 2024	\$ 148,514	\$ 189	\$ 29,638	\$ -	\$ 434,147	\$ 363,485	\$ 5,832,986	\$ 363,315	\$ 358,735	\$ 34,964

HIGHLANDS COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2024

	Special Revenue Funds								
	Affordable Housing Assistance Trust	Sun-N-Lakes 1 - 20 Improvement Trust	Highlands Park Estates Special Benefit District	West Sebring Special Benefit Fire District	Driver Education Safety Trust	Tourist Development Trust	Industrial Development Agency	Domestic Violence Training	Fire Inspection and Safety
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,891,820	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-	-	-	900
Intergovernmental	794,441	-	-	-	-	-	-	-	-
Charges for Services	267,678	-	590	-	27,088	-	-	5,255	9,265
Fines and Forfeitures	-	-	-	-	-	-	-	-	-
Assessments	-	-	64,403	14,468	-	-	-	-	-
Net Change in Fair Value of Investments	114,555	-	2,019	-	1,249	169,760	15	1,942	1,771
Miscellaneous	-	-	123	-	-	-	-	-	-
Total Revenues	1,176,674	-	67,135	14,468	28,337	2,061,580	15	7,197	11,936
EXPENDITURES									
Current:									
General Government	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	25,325	-	-	-	37,886
Physical Environment	-	-	-	-	-	-	-	-	-
Transportation	-	-	58,045	-	-	-	-	-	-
Economic Environment	913,530	-	-	-	-	1,119,515	-	-	-
Human Services	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-	-
Court Related	-	-	-	-	-	-	-	-	-
Capital Outlay	28,777	-	-	-	-	296,073	-	-	75,398
Debt Service:									
Principal Retirement	1,325	-	-	-	-	1,276	-	-	-
Interest and Fiscal Charges	21	-	-	-	-	18	-	-	-
Total Expenditures	943,653	-	58,045	-	25,325	1,416,882	-	-	113,284
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	233,021	-	9,090	14,468	3,012	644,698	15	7,197	(101,348)
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	(62,730)	-	(110,206)	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-
SBITA	3,547	-	-	-	-	3,474	-	-	-
Sale of Surplus Assets	-	-	-	-	-	5	-	-	-
Total Other Financing Sources (Uses)	3,547	(62,730)	-	(110,206)	-	3,479	-	-	-
NET CHANGE IN FUND BALANCE	236,568	(62,730)	9,090	(95,738)	3,012	648,177	15	7,197	(101,348)
Fund Balances - October 1, 2023	2,907,064	62,730	118,901	95,738	88,855	3,997,515	1,084	136,446	136,519
FUND BALANCES - SEPTEMBER 30, 2024	\$ 3,143,632	\$ -	\$ 127,991	\$ -	\$ 91,867	\$ 4,645,692	\$ 1,099	\$ 143,643	\$ 35,171

HIGHLANDS COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2024

	Special Revenue Funds								
	Venus Special Benefit Fire District	Sebring Parkway Maintenance	State Court Facilities Trust	Innovations and Supplemental Courts Funding Trust	Crime Prevention	Court Tech 28.24(12)(e)1	Court Services	Home Initiatives Partnership	Placid Lakes Special Benefit Fire District
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-	-	-	-
Intergovernmental	-	56,181	-	-	-	25,000	472,400	-	-
Charges for Services	-	-	166,276	69,788	31,656	213,186	-	-	-
Fines and Forfeitures	-	-	-	-	483	-	-	-	-
Assessments	-	-	-	-	-	-	-	-	53
Net Change in Fair Value of Investments	-	49,004	58	549	1,977	500	2,577	8	-
Miscellaneous	-	-	-	-	-	-	-	-	-
Total Revenues	-	105,185	166,334	70,337	34,116	238,686	474,977	8	53
EXPENDITURES									
Current:									
General Government	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	47,922	-	-	-	-
Physical Environment	-	-	-	-	-	-	-	-	-
Transportation	-	112,364	-	-	-	-	-	-	-
Economic Environment	-	-	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-	-
Court Related	-	-	200,295	98,554	-	480,975	274,451	-	-
Capital Outlay	-	-	68,722	-	-	56,148	3,684	-	-
Debt Service:									
Principal Retirement	-	-	9,160	-	-	5,939	-	-	-
Interest and Fiscal Charges	-	-	120	-	-	81	-	-	-
Total Expenditures	-	112,364	278,297	98,554	47,922	543,143	278,135	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(7,179)	(111,963)	(28,217)	(13,806)	(304,457)	196,842	8	53
OTHER FINANCING SOURCES (USES)									
Transfers In	-	160,226	79,851	45,683	-	443,048	-	-	-
Transfers Out	(47,256)	-	(16,633)	(17,464)	-	-	(168,712)	-	(747)
Leases	-	-	-	-	-	-	3,685	-	-
SBITA	-	-	68,722	-	-	44,366	-	-	-
Sale of Surplus Assets	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(47,256)	160,226	131,940	28,219	-	487,414	(165,027)	-	(747)
NET CHANGE IN FUND BALANCE	(47,256)	153,047	19,977	2	(13,806)	182,957	31,815	8	(694)
Fund Balances - October 1, 2023	47,256	1,467,729	6,727	20,150	194,117	107,740	(31,815)	551	694
FUND BALANCES - SEPTEMBER 30, 2024	\$ -	\$ 1,620,776	\$ 26,704	\$ 20,152	\$ 180,311	\$ 290,697	\$ -	\$ 559	\$ -

HIGHLANDS COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2024

	Special Revenue Funds								
	Oak Manor Avenue Road Paving	Public Records Modernization Trust	Teen Court Operations	Court Related Technology Modernization Trust	Court Services	Homeowner's Foreclosure Education	Community Donations	Inmate Welfare	Impact Fee Parks and Recreation Avon Park
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	451,305	-	-	-	-
Charges for Services	-	71,769	19,100	213,422	1,306,521	197	-	-	-
Fines and Forfeitures	-	-	-	-	653,453	-	-	-	-
Assessments	4,385	-	-	-	-	-	-	-	-
Net Change in Fair Value of Investments	-	10,250	207	3,958	19,480	16	-	-	-
Miscellaneous	-	23,000	-	9,250	1,845	-	46,317	663,240	-
Total Revenues	4,385	105,019	19,307	226,630	2,432,604	213	46,317	663,240	-
EXPENDITURES									
Current:									
General Government	-	3,001	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	32,644	249,546	-
Physical Environment	-	-	-	-	-	-	-	-	-
Transportation	412	-	-	-	-	-	-	-	-
Economic Environment	-	-	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-	1
Court Related	-	-	27,737	113,283	2,372,842	-	-	-	-
Capital Outlay	-	-	-	-	33,456	-	-	180,000	-
Debt Service:									
Principal Retirement	-	-	-	-	8,872	-	-	180,000	-
Interest and Fiscal Charges	765	-	-	-	783	-	-	-	-
Total Expenditures	1,177	3,001	27,737	113,283	2,415,953	-	32,644	609,546	1
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	3,208	102,018	(8,430)	113,347	16,651	213	13,673	53,694	(1)
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	(4,963)
Leases	-	-	-	-	10,735	-	-	180,000	-
SBITA	-	-	-	-	-	-	-	-	-
Sale of Surplus Assets	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	10,735	-	-	180,000	(4,963)
NET CHANGE IN FUND BALANCE	3,208	102,018	(8,430)	113,347	27,386	213	13,673	233,694	(4,964)
Fund Balances - October 1, 2023	(29,904)	492,158	16,264	250,386	(27,386)	1,013	154,470	2,004,139	4,964
FUND BALANCES - SEPTEMBER 30, 2024	\$ (26,696)	\$ 594,176	\$ 7,834	\$ 363,733	\$ -	\$ 1,226	\$ 168,143	\$ 2,237,833	\$ -

HIGHLANDS COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2024

	Special Revenue Funds		Capital Projects Funds		
	Thunderbird Hill Waste Water Special Benefit District	Highlands County Fire Protection Special Benefit District	HCISSR Construction	HCPIRN Construction	Total All Nonmajor Governmental Funds
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,891,820
Licenses and Permits	-	-	-	-	1,568,182
Intergovernmental	-	2,760	-	-	3,149,339
Charges for Services	-	-	-	-	3,336,848
Fines and Forfeitures	-	-	-	-	653,936
Assessments	18,399	7,549,896	-	-	8,266,459
Net Change in Fair Value of Investments	1,160	212,060	494,727	93,275	1,577,892
Miscellaneous	-	2,250	-	-	828,121
Total Revenues	19,559	7,766,966	494,727	93,275	21,272,597
EXPENDITURES					
Current:					
General Government	-	-	-	-	3,001
Public Safety	-	6,919,688	-	-	10,409,274
Physical Environment	1,700	-	-	-	133,193
Transportation	-	-	-	-	707,531
Economic Environment	-	-	-	-	2,033,045
Human Services	-	-	-	-	255,946
Culture and Recreation	-	-	-	-	137,017
Court Related	-	-	-	-	3,568,137
Capital Outlay	-	1,969,370	854,330	1	3,727,403
Debt Service:					
Principal Retirement	-	427,197	-	-	725,212
Interest and Fiscal Charges	585	94,107	-	-	97,251
Total Expenditures	2,285	9,410,362	854,330	1	21,797,010
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	17,274	(1,643,396)	(359,603)	93,274	(524,413)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	455,610	-	185,986	2,433,256
Transfers Out	-	(185,986)	-	-	(976,526)
Leases	-	-	-	-	194,420
SBITA	-	199,208	-	-	374,239
Sale of Surplus Assets	-	23,916	-	-	23,921
Total Other Financing Sources (Uses)	-	492,748	-	185,986	2,049,310
NET CHANGE IN FUND BALANCE	17,274	(1,150,648)	(359,603)	279,260	1,524,897
Fund Balances - October 1, 2023	48,601	3,771,222	10,499,357	2,571,059	38,598,481
FUND BALANCES - SEPTEMBER 30, 2024	\$ 65,875	\$ 2,620,574	\$ 10,139,754	\$ 2,850,319	\$ 40,123,378

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LAKE PLACID SUN-N-LAKE ESTATES FIRE DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ -	\$ -	\$ 6,011	\$ 6,011
Total Revenues	-	-	6,011	6,011
EXPENDITURES				
Current:				
Public Safety	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	6,011	6,011
OTHER FINANCING SOURCES				
Transfer Out	-	(50,814)	(50,815)	(1)
NET CHANGE IN FUND BALANCE	-	(50,814)	(44,804)	6,010
Fund Balances - October 1, 2023	-	50,814	44,804	(6,010)
FUND BALANCES - SEPTEMBER 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DESOTO CITY SPECIAL BENEFIT FIRE DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Net Change in Fair Value of Investments	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current:				
Public Safety	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	(39,112)	(39,112)	
NET CHANGES IN FUND BALANCE	-	(39,112)	(39,112)	
Fund Balances - October 1, 2023	-	39,112	39,112	-
FUND BALANCES - SEPTEMBER 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ORANGE VILLA SPECIAL BENEFIT DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ 1,850	\$ 1,850	\$ 2,345	\$ 495
Net Change in Fair Value of Investments	-	-	14	14
Total Revenues	1,850	1,850	2,359	509
EXPENDITURES				
Current:				
Transportation	2,280	2,280	2,102	178
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(430)	(430)	257	687
Fund Balances - October 1, 2023	430	430	(16)	(446)
FUND BALANCES - SEPTEMBER 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 241</u>	<u>\$ 241</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PLACID LAKES SPECIAL BENEFIT DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 500	\$ 500	\$ 330	\$ (170)
Assessments	162,336	162,336	251,496	89,160
Net Change in Fair Value of Investments	10,200	10,200	9,372	(828)
Miscellaneous	600	600	620	20
Total Revenues	173,636	173,636	261,818	88,182
EXPENDITURES				
Current:				
Transportation	284,943	284,943	242,073	42,870
Capital Outlay	107,000	107,000	-	107,000
Total Expenditures	391,943	391,943	242,073	149,870
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(218,307)	(218,307)	19,745	238,052
Fund Balances - October 1, 2023	218,307	218,307	370,090	151,783
FUND BALANCES - SEPTEMBER 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 389,835</u>	<u>\$ 389,835</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SEBRING COUNTRY ESTATES SPECIAL BENEFIT DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ 19,630	\$ 19,630	\$ 21,544	\$ 1,914
Net Change in Fair Value of Investments	1,100	1,100	745	(355)
Total Revenues	20,730	20,730	22,289	1,559
EXPENDITURES				
Current:				
Transportation	29,660	29,660	27,375	2,285
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(8,930)	(8,930)	(5,086)	3,844
Fund Balances - October 1, 2023	8,930	8,930	46,604	37,674
FUND BALANCES - SEPTEMBER 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,518</u>	<u>\$ 41,518</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
AVON PARK ESTATES SPECIAL BENEFIT DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ 86,716	\$ 90,216	\$ 91,123	\$ 907
Net Change in Fair Value of Investments	17,000	17,000	41,528	24,528
Total Revenues	103,716	107,216	132,651	25,435
EXPENDITURES				
Current:				
Transportation	243,650	122,541	122,485	56
Capital Outlay	50,000	500,000	-	500,000
Total Expenditures	293,650	622,541	122,485	500,056
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(189,934)	(515,325)	10,166	525,491
Fund Balances - October 1, 2023	189,934	515,325	1,380,275	864,950
FUND BALANCES - SEPTEMBER 30, 2024	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,390,441</u></u>	<u><u>\$ 1,390,441</u></u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HIGHLANDS LAKES SPECIAL TAX DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ -	\$ -	\$ 446	\$ 446
Total Revenues	-	-	446	446
EXPENDITURES				
Current:				
Public Safety	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	446	446
OTHER FINANCING SOURCES				
Transfer Out	-	(2,817)	(2,818)	(1)
NET CHANGE IN FUND BALANCE	-	(2,817)	(2,372)	445
Fund Balances - October 1, 2023	-	2,817	2,372	(445)
FUND BALANCES - SEPTEMBER 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HIGHLANDS PARK SPECIAL BENEFIT FIRE DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ -	\$ -	\$ 332	\$ 332
Total Revenues	-	-	332	332
EXPENDITURES				
Current:				
Public Safety	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	332	332
OTHER FINANCING SOURCES				
Transfer Out	-	(68,427)	(68,427)	-
NET CHANGE IN FUND BALANCE	-	(68,427)	(68,095)	332
Fund Balances - October 1, 2023	-	68,427	68,095	(332)
FUND BALANCES - SEPTEMBER 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ISTOKPOGA MARSH WATERSHED IMPROVEMENT DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 4,417,577	\$ 4,436,887	\$ -	\$ (4,436,887)
Assessments	143,625	143,625	-	(143,625)
Net Change in Fair Value of Investments	22,000	22,000	46,686	24,686
Miscellaneous	-	-	26,568	26,568
Total Revenues	4,583,202	4,602,512	73,254	(4,529,258)
EXPENDITURES				
Current:				
Physical Environment	189,938	189,938	110,756	79,182
Capital Outlay	4,627,577	4,651,635	-	4,651,635
Total Expenditures	4,817,515	4,841,573	110,756	4,730,817
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(234,313)	(239,061)	(37,502)	201,559
Fund Balances - October 1, 2023	234,313	239,061	124,594	(114,467)
FUND BALANCES - SEPTEMBER 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87,092</u>	<u>\$ 87,092</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HIGHLANDS PARK ESTATES IMPROVEMENT TRUST FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Net Change in Fair Value of Investments	\$ 1,250	\$ 1,250	\$ -	\$ (1,250)
EXPENDITURES				
Current:				
Transportation	10,500	-	-	-
Capital Outlay	54,750	-	-	-
Total Expenditures	65,250	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(64,000)	1,250	-	(1,250)
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	(64,427)	(64,427)	
NET CHANGES IN FUND BALANCE	(64,000.00)	(63,177)	(64,427)	
Fund Balances - October 1, 2023	64,000	63,177	64,427	1,250
FUND BALANCES - SEPTEMBER 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LEISURE LAKES SPECIAL BENEFIT FIRE DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ -	\$ -	\$ 942	\$ 942
Total Revenues	-	-	942	942
EXPENDITURES				
Current:				
Public Safety:	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	942	942
OTHER FINANCING SOURCES				
Transfer Out	-	132,204	(132,204)	(264,408)
NET CHANGE IN FUND BALANCE	-	132,204	(131,262)	(263,466)
Fund Balances - October 1, 2023	-	(132,204)	131,262	263,466
FUND BALANCES - SEPTEMBER 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SEBRING HILLS SPECIAL BENEFIT DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ 20,000	\$ 20,000	\$ 20,206	\$ 206
Net Change in Fair Value of Investments	1,000	1,000	679	(321)
Total Revenues	21,000	21,000	20,885	(115)
EXPENDITURES				
Current:				
Transportation	26,800	26,800	25,147	1,653
Total Expenditures	26,800	26,800	25,147	1,653
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(5,800)	(5,800)	(4,262)	1,538
Fund Balances - October 1, 2023	5,800	5,800	41,826	36,026
FUND BALANCES - SEPTEMBER 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,564</u>	<u>\$ 37,564</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
RED HILL FARMS IMPROVEMENT DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ 6,355	\$ 6,355	\$ 7,024	\$ 669
Net Change in Fair Value of Investments	2,500	2,500	2,485	(15)
Total Revenues	8,855	8,855	9,509	654
EXPENDITURES				
Current:				
Transportation	8,855	8,855	680	8,175
EXCESS OF REVENUES OVER EXPENDITURES	-	-	8,829	8,829
Fund Balances - October 1, 2023	-	-	173,603	173,603
FUND BALANCES - SEPTEMBER 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 182,432</u>	<u>\$ 182,432</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
E911 EMERGENCY OPERATIONS FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 106,850	\$ 966,118	\$ 859,268
Charges for Services	457,000	457,000	475,346	18,346
Total Revenues	457,000	563,850	1,441,464	877,614
EXPENDITURES				
Current:				
Public Safety	1,400,499	1,648,242	1,254,394	393,848
Capital Outlay	-	6,850	-	6,850
Debt Services				
Principal	-	71,250	71,250	
Total Expenditures	1,400,499	1,726,342	1,325,644	400,698
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(943,499)	(1,162,492)	115,820	(1,278,312)
OTHER FINANCING SOURCES				
Transfers In	943,499	953,170	761,750	(191,420)
Total Other Financing Sources	943,499	953,170	761,750	(191,420)
NET CHANGE IN FUND BALANCE	-	(209,322)	877,570	(1,086,892)
Fund Balances - October 1, 2023	-	209,322	(656,677)	(865,999)
FUND BALANCES - SEPTEMBER 30, 2024	\$ -	\$ -	\$ 220,893	\$ (220,893)

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HOSPITAL DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 260,000	\$ 298,000	\$ 260,000	\$ (38,000)
Net Change in Fair Value of Investments	-	-	3,136	3,136
Total Revenues	260,000	298,000	263,136	(34,864)
EXPENDITURES				
Current:				
Human Services	260,000	455,921	255,946	199,975
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(157,921)	7,190	165,111
Fund Balances - October 1, 2023	-	157,921	160,493	2,572
FUND BALANCES - SEPTEMBER 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 167,683</u>	<u>\$ 167,683</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ORANGE BLOSSOM ESTATES SPECIAL BENEFIT DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Net Change in Fair Value of Investments	\$ 300	\$ 300	\$ 294	\$ (6)
EXPENDITURES				
Current:				
Transportation	23,800	23,800	23,767	33
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(23,500)	(23,500)	(23,473)	27
Fund Balances - October 1, 2023	23,500	23,500	23,622	122
FUND BALANCES - SEPTEMBER 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 149</u>	<u>\$ 149</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SUN-N-LAKES OF LAKE PLACID RECREATION DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ -	\$ -	\$ 782	\$ 782
Assessments	175,370	175,370	185,243	9,873
Net Change in Fair Value of Investments	1,500	1,500	2,366	866
Miscellaneous	500	500	410	(90)
Total Revenues	177,370	177,370	188,801	11,431
EXPENDITURES				
Current:				
Culture and Recreation	126,205	155,719	133,116	22,603
Capital Outlay	32,000	44,000	11,965	32,035
Total Expenditures	158,205	199,719	145,081	54,638
EXCESS OF REVENUES OVER EXPENDITURES	19,165	(22,349)	43,720	66,069
Fund Balances - October 1, 2023	(19,165)	22,349	94,547	72,198
FUND BALANCES - SEPTEMBER 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 138,267</u>	<u>\$ 138,267</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CONSERVATION TRUST FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 6,500	\$ 6,500	\$ -
Charges for Services	39,684	-	131,640	131,640
Net Change in Fair Value of Investments	3,091	481	11,033	10,552
Total Revenues	42,775	6,981	149,173	142,192
EXPENDITURES				
Current:				
Physical Environment	42,775	22,178	20,737	1,441
Capital Outlay	36,790	6,500	-	(6,500)
Total Expenditures	79,565	28,678	20,737	1,441
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(36,790)	(21,697)	128,436	150,133
Fund Balances - October 1, 2023	36,790	21,697	421,466	399,769
FUND BALANCES - SEPTEMBER 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 549,902</u>	<u>\$ 549,902</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
INTERGOVERNMENTAL RADIO COMMUNICATIONS FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 52,500	\$ 52,500	\$ 49,137	\$ (3,363)
Net Change in Fair Value of Investments	-	-	2,954	2,954
Miscellaneous	52,500	52,500	47,735	(4,765)
Total Revenues	105,000	105,000	99,826	(5,174)
EXPENDITURES				
Current:				
Public Safety	405,204	405,204	405,203	1
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(300,204)	(300,204)	(305,377)	(5,173)
OTHER FINANCING SOURCES				
Transfers In	300,204	300,204	301,102	898
NET CHANGE IN FUND BALANCE	-	-	(4,275)	(4,275)
Fund Balances - October 1, 2023	-	-	4,598	4,598
FUND BALANCES - SEPTEMBER 30, 2024	\$ -	\$ -	\$ 323	\$ 323

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SEBRING ACRES SPECIAL BENEFIT DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ 9,643	\$ 9,643	\$ 9,996	\$ 353
Net Change in Fair Value of Investments	3,750	3,750	2,940	(810)
Total Revenues	13,393	13,393	12,936	(457)
EXPENDITURES:				
Current:				
Transportation	74,900	74,900	64,414	10,486
Capital Outlay	-	60,000	6,061	53,939
Total Expenditures	74,900	134,900	70,475	64,425
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(61,507)	(121,507)	(57,539)	63,968
Fund Balances - October 1, 2023	61,507	121,507	206,053	84,546
FUND BALANCES - SEPTEMBER 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 148,514</u>	<u>\$ 148,514</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ORANGE BLOSSOM (UNIT 12) SPECIAL BENEFIT DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Net Change in Fair Value of Investments	\$ 150	\$ 150	\$ 108	\$ (42)
EXPENDITURES				
Current:				
Transportation	8,750	-	8,750	(8,750)
Capital Outlay	-	8,750	-	8,750
Total Expenditures	8,750	8,750	8,750	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(8,600)	(8,600)	(8,642)	(42)
Fund Balances - October 1, 2023	8,600	8,600	8,831	231
FUND BALANCES - SEPTEMBER 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 189</u>	<u>\$ 189</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LAKE HAVEN ESTATES SPECIAL BENEFIT DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ 10,464	\$ 10,464	\$ 10,661	\$ 197
Net Change in Fair Value of Investments	650	650	477	(173)
Total Revenues	11,114	11,114	11,138	24
EXPENDITURES				
Current:				
Transportation	14,540	14,540	11,831	2,709
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,426)	(3,426)	(693)	2,733
Fund Balances - October 1, 2023	3,426	3,426	30,331	26,905
FUND BALANCES - SEPTEMBER 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,638</u>	<u>\$ 29,638</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LORIDA SPECIAL BENEFIT FIRE DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ -	\$ -	\$ 596	\$ 596
Total Revenues	-	-	596	596
EXPENDITURES				
Current:				
Public Safety	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	596	596
OTHER FINANCING SOURCES				
Transfer Out	-	(4,026)	(4,026)	-
NET CHANGE IN FUND BALANCE	-	(4,026)	(3,430)	596
Fund Balances - October 1, 2023	-	4,026	3,430	(596)
FUND BALANCES - SEPTEMBER 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LAKE PLACID SPECIAL BENEFIT FIRE DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ -	\$ -	\$ 82	\$ 82
Net Change in Fair Value of Investments	-	-	932	932
Total Revenues	-	-	1,014	1,014
EXPENDITURES				
Current:				
Public Safety	-	-	302	(302)
Capital Outlay	404,812	421,900	-	421,900
Total Expenditures	404,812	421,900	302	421,598
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(404,812)	(421,900)	712	422,612
OTHER FINANCING SOURCES				
Transfer In	-	18,819	-	(18,819)
NET CHANGE IN FUND BALANCE	(404,812)	(403,081)	712	(18,819)
Fund Balances - October 1, 2023	404,812	403,081	433,435	30,354
FUND BALANCES - SEPTEMBER 30, 2024	\$ -	\$ -	\$ 434,147	\$ 452,966

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LAW ENFORCEMENT EDUCATION FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ -	\$ -	\$ 21,080	\$ 21,080
Net Change in Fair Value of Investments	-	-	4,848	4,848
Total Revenues	-	-	25,928	25,928
EXPENDITURES				
Current:				
Public Safety	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	25,928	25,928
Fund Balances - October 1, 2023	-	-	337,557	337,557
FUND BALANCES - SEPTEMBER 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 363,485</u>	<u>\$ 363,485</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
BUILDING CODE ENFORCEMENT
YEAR ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Licenses and Permits	\$ 1,817,500	\$ 1,817,500	\$ 1,567,282	\$ (250,218)
Charges for Services	251,000	251,000	256,742	5,742
Net Change in Fair Value of Investments	110,000	110,000	256,178	146,178
Miscellaneous	4,000	4,000	6,763	2,763
Total Revenues	2,182,500	2,182,500	2,086,965	(95,535)
EXPENDITURES				
Current:				
Public Safety:	1,690,376	1,680,422	1,412,072	268,350
Capital Outlay	126,716	2,826,975	143,418	2,683,557
Debt Service:				
Principal Retirement	-	20,964	20,193	771
Interest	-	-	771	(771)
Total Expenditures	1,817,092	4,528,361	1,576,454	2,951,907
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	365,408	(2,345,861)	510,511	2,856,372
OTHER FINANCING SOURCES				
SBITAs	-	54,923	54,922	(1)
NET CHANGE IN FUND BALANCE	365,408	(2,290,938)	565,433	2,856,371
Fund Balances - October 1, 2023	(365,408)	2,290,938	5,267,553	2,976,615
FUND BALANCES - SEPTEMBER 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,832,986</u>	<u>\$ 5,832,986</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FLORIDA BOATING IMPROVEMENT FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 37,000	\$ 37,000	\$ 34,242	\$ (2,758)
Net Change in Fair Value of Investments	6,300	6,300	4,782	(1,518)
Total Revenues	43,300	43,300	39,024	(4,276)
EXPENDITURES				
Current:				
Culture and Recreation	-	12,137	3,900	8,237
Capital Outlay	48,000	48,000	-	48,000
Total Expenditures	48,000	60,137	3,900	56,237
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,700)	(16,837)	35,124	51,961
OTHER FINANCING SOURCES				
Transfer Out	-	(40,000)	-	40,000
NET CHANGE IN FUND BALANCE	(4,700)	(56,837)	35,124	91,961
Fund Balances - October 1, 2023	4,700	56,837	328,191	271,354
FUND BALANCES - SEPTEMBER 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 363,315</u>	<u>\$ 363,315</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SPECIAL LAW ENFORCEMENT TRUST FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 80,392	\$ 80,392
Net Change in Fair Value of Investments	-	-	4,704	4,704
Total Revenues	-	-	85,096	85,096
EXPENDITURES				
Current:				
Public Safety	-	107,000	24,292	82,708
Capital Outlay	-	187,000	-	187,000
Total Expenditures	-	294,000	24,292	269,708
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(294,000)	60,804	354,804
Fund Balances - October 1, 2023	-	294,000	297,931	3,931
FUND BALANCES - SEPTEMBER 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 358,735</u>	<u>\$ 358,735</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HIGHWAY PARK SPECIAL BENEFIT DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ 6,192	\$ 6,192	\$ 6,808	\$ 616
Net Change in Fair Value of Investments	700	700	514	(186)
Total Revenues	6,892	6,892	7,322	430
EXPENDITURES				
Current:				
Transportation	10,043	10,043	8,086	1,957
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,151)	(3,151)	(764)	2,387
Fund Balances - October 1, 2023	3,151	3,151	35,728	32,577
FUND BALANCES - SEPTEMBER 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,964</u>	<u>\$ 34,964</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
AFFORDABLE HOUSING ASSISTANCE TRUST FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 794,441	\$ 794,441
Charges for Services	-	-	267,678	267,678
Net Change in Fair Value of Investments	-	-	114,555	114,555
Total Revenues	-	-	1,176,674	1,176,674
EXPENDITURES				
Current:				
Economic Environment	810,518	2,106,337	913,530	1,192,807
Capital Outlay	-	30,473	28,777	1,696
Debt Service:				
Principal Retirement	-	1,325	1,325	-
Interest	-	21	21	-
Total Expenditures	810,518	2,138,156	943,653	1,194,503
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(810,518)	(2,138,156)	233,021	2,371,177
OTHER FINANCING SOURCES (USES)				
SBITA	-	3,548	3,547	1
NET CHANGE IN FUND BALANCE	(810,518)	(2,134,608)	236,568	2,371,178
Fund Balances - October 1, 2023	810,518	2,134,608	2,907,064	772,456
FUND BALANCES - SEPTEMBER 30, 2024	\$ -	\$ -	\$ 3,143,632	\$ 3,143,634

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SUN-N-LAKES 1 - 20 IMPROVEMENT TRUST
YEAR ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Net Change in Fair Value of Investments	\$ 1,250	\$ 1,250	\$ -	\$ (1,250)
EXPENDITURES				
Current:				
Transportation	62,500	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(61,250)	1,250	-	(1,250)
OTHER FINANCING SOURCES				
Transfer Out	-	(62,730)	(62,730)	-
NET CHANGE IN FUND BALANCE	(61,250)	(61,480)	(62,730)	-
Fund Balances - October 1, 2023	61,250	61,480	62,730	1,250
FUND BALANCES - SEPTEMBER 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HIGHLANDS PARK ESTATES SPECIAL BENEFIT DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 1,000	\$ 1,000	\$ 590	\$ (410)
Assessments	61,190	61,190	64,403	3,213
Net Change in Fair Value of Investments	2,750	2,750	2,019	(731)
Miscellaneous	-	-	123	123
Total Revenues	64,940	64,940	67,135	2,195
EXPENDITURES				
Current:				
Transportation:	50,508	70,508	58,045	12,463
Capital Outlay	70,000	70,000	-	70,000
Total Expenditures	120,508	140,508	58,045	82,463
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(55,568)	(75,568)	9,090	84,658
Fund Balances - October 1, 2023	55,568	75,568	118,901	43,333
FUND BALANCES - SEPTEMBER 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 127,991</u>	<u>\$ 127,991</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
WEST SEBRING SPECIAL BENEFIT FIRE DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ -	\$ 14,468	\$ 14,468	\$ -
Total Revenues	-	14,468	14,468	-
EXPENDITURES				
Current:				
Public Safety	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	14,468	14,468	-
OTHER FINANCING SOURCES				
Transfers Out	-	(110,205)	(110,206)	(1)
NET CHANGE IN FUND BALANCE	-	(95,737)	(95,738)	(1)
Fund Balances - October 1, 2023	-	95,737	95,738	1
FUND BALANCES - SEPTEMBER 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DRIVER EDUCATION SAFETY TRUST FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 26,300	\$ 26,300	\$ 27,088	\$ 788
Net Change in Fair Value of Investments	1,500	1,500	1,249	(251)
Total Revenues	27,800	27,800	28,337	537
EXPENDITURES				
Current:				
Public Safety:	30,000	30,000	25,325	4,675
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,200)	(2,200)	3,012	5,212
Fund Balances - October 1, 2023	2,200	2,200	88,855	86,655
FUND BALANCES - SEPTEMBER 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 91,867</u>	<u>\$ 91,867</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TOURIST DEVELOPMENT FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,880,000	\$ 1,880,000	\$ 1,891,820	\$ 11,820
Intergovernmental	36,000	66,929	-	(66,929)
Net Change in Fair Value of Investments	-	-	169,760	169,760
Total Revenues	1,916,000	1,946,929	2,061,580	114,651
EXPENDITURES				
Current:				
Economic Environment:	1,338,005	1,445,770	1,119,515	326,255
Capital Outlay	794,740	843,214	296,073	547,141
Debt Service:				
Principal	-	1,294	1,276	18
Interest	-	-	18	(18)
Total Expenditures	2,132,745	2,290,278	1,416,882	873,396
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(216,745)	(343,349)	644,698	988,047
OTHER FINANCING SOURCES				
Transfer In	-	40,000	-	(40,000)
Transfer Out	(200,000)	(200,000)	-	200,000
Sale of Surplus Asset	-	-	5	5
SBITA	-	3,475	3,474	(1)
Total Other Financing Sources	(200,000)	(156,525)	3,479	160,004
NET CHANGE IN FUND BALANCE	(416,745)	(499,874)	648,177	1,148,051
Fund Balances - October 1, 2023	416,745	499,874	3,997,515	3,497,641
FUND BALANCES - SEPTEMBER 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,645,692</u>	<u>\$ 4,645,692</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
INDUSTRIAL DEVELOPMENT AGENCY FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Net Change in Fair Value of Investments	\$ -	\$ -	\$ 15	\$ 15
EXPENDITURES				
Current:				
Economic Environment:	-	-	-	-
Total Expenditures	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	-	-	15	15
Fund Balances - October 1, 2023	-	-	1,084	1,084
FUND BALANCES - SEPTEMBER 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,099</u>	<u>\$ 1,099</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DOMESTIC VIOLENCE TRAINING FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ -	\$ -	\$ 5,255	\$ 5,255
Net Change in Fair Value of Investments	-	-	1,942	1,942
Total Revenues	-	-	7,197	7,197
EXPENDITURES				
Current:				
Public Safety	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	-	-	7,197	7,197
Fund Balances - October 1, 2023	-	-	136,446	136,446
FUND BALANCES - SEPTEMBER 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 143,643</u>	<u>\$ 143,643</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FIRE INSPECTION AND SAFETY
YEAR ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Licenses and Permits	\$ 1,200	\$ 1,200	\$ 900	\$ (300)
Charges for Services	22,500	22,500	9,265	(13,235)
Net Change in Fair Value of Investments	3,000	3,000	1,771	(1,229)
Total Revenues	26,700	26,700	11,936	(14,764)
EXPENDITURES				
Current:				
Public Safety	92,993	92,993	37,886	55,107
Capital Outlay	85,000	85,000	75,398	9,602
Total Expenditures	177,993	177,993	113,284	64,709
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(151,293)	(151,293)	(101,348)	49,945
Fund Balances - October 1, 2023	151,293	151,293	136,519	(14,774)
FUND BALANCES - SEPTEMBER 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,171</u>	<u>\$ 35,171</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
VENUS SPECIAL BENEFIT FIRE DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Net Change in Fair Value of Investments	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current:				
Public Safety	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES				
Transfer Out	-	(47,256)	(47,256)	-
NET CHANGE IN FUND BALANCE	-	(47,256)	(47,256)	-
Fund Balances - October 1, 2023	-	47,256	47,256	-
FUND BALANCES - SEPTEMBER 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SEBRING PARKWAY MAINTENANCE FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 78,753	\$ 78,753	\$ 56,181	\$ (22,572)
Net Change in Fair Value of Investments	-	-	49,004	49,004
Total Revenues	78,753	78,753	105,185	26,432
EXPENDITURES				
Current:				
Transportation	238,980	238,980	112,364	126,616
Total Expenditures	238,980	238,980	112,364	126,616
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(160,227)	(160,227)	(7,179)	153,048
OTHER FINANCING SOURCES				
Transfers In	160,227	160,227	160,226	(1)
Transfers Out	-	1,428,446	-	(1,428,446)
Total Other Financing Sources (Uses)	160,227	1,588,673	160,226	(1,428,447)
NET CHANGE IN FUND BALANCE	-	1,428,446	153,047	(1,275,399)
Fund Balances - October 1, 2023	-	(1,428,446)	1,467,729	2,896,175
FUND BALANCES - SEPTEMBER 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,620,776</u>	<u>\$ 1,620,776</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STATE COURT FACILITIES TRUST FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 162,388	\$ 162,388	\$ 166,276	\$ 3,888
Net Change in Fair Value of Investments	-	-	58	58
Total Revenues	162,388	162,388	166,334	3,946
EXPENDITURES				
Current:				
Court Related	305,090	297,576	200,295	97,281
Capital Outlay	-	68,723	68,722	1
Debt Service:				
Principal	-	9,189	9,160	29
Interest	-	-	120	(120)
Total Expenditures	305,090	375,488	278,297	97,191
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(142,702)	(213,100)	(111,963)	101,137
OTHER FINANCING SOURCES (USES)				
Transfers In	159,702	159,702	79,851	(79,851)
Transfers Out	(17,000)	(17,000)	(16,633)	367
Sale of Surplus Assets	-	-	-	-
SBITA	-	68,723	68,722	(1)
Total Other Financing Sources (Uses)	142,702	211,425	131,940	(79,485)
NET CHANGE IN FUND BALANCE	-	(1,675)	19,977	21,652
Fund Balances - October 1, 2023	-	1,675	6,727	5,052
FUND BALANCES - SEPTEMBER 30, 2024	\$ -	\$ -	\$ 26,704	\$ 26,704

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
INNOVATIONS AND SUPPLEMENTAL COURTS FUNDING TRUST FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 73,600	\$ 73,600	\$ 69,788	\$ (3,812)
Net Change in Fair Value of Investments	600	600	549	(51)
Total Revenues	74,200	74,200	70,337	(3,863)
EXPENDITURES				
Current:				
Court Related	111,950	111,950	98,554	13,396
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(37,750)	(37,750)	(28,217)	9,533
OTHER FINANCING SOURCES (USES)				
Transfers In	61,550	61,550	45,683	(15,867)
Transfers Out	(36,800)	(36,800)	(17,464)	19,336
Total Other Financing Sources (Uses)	24,750	24,750	28,219	3,469
NET CHANGE IN FUND BALANCE	(13,000)	(13,000)	2	13,002
Fund Balances - October 1, 2023	13,000	13,000	20,150	7,150
FUND BALANCES - SEPTEMBER 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,152</u>	<u>\$ 20,152</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CRIME PREVENTION FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 33,010	\$ 33,010	\$ 31,656	\$ (1,354)
Fines and Forfeitures	-	-	483	483
Net Change in Fair Value of Investments	2,400	2,400	1,977	(423)
Total Revenues	35,410	35,410	34,116	(1,294)
EXPENDITURES				
Current:				
Public Safety	62,824	64,502	47,922	16,580
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(27,414)	(29,092)	(13,806)	15,286
Fund Balances - October 1, 2023	27,414	29,092	194,117	165,025
FUND BALANCES - SEPTEMBER 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 180,311</u>	<u>\$ 180,311</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COURT TECH 28.24(12)(e)1 FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 25,000	\$ 25,000	\$ 25,000	\$ -
Charges for Services	188,500	188,500	213,186	24,686
Net Change in Fair Value of Investments	500	500	500	-
Total Revenues	214,000	214,000	238,686	24,686
EXPENDITURES				
Current:				
Court Related	608,419	648,594	480,975	167,619
Capital Outlay	75,978	85,345	56,148	29,197
Debt Service:				
Principal Retirement	-	6,023	5,939	84
Interest	-	-	81	(81)
Total Expenditures	684,397	739,962	543,143	196,819
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(470,397)	(525,962)	(304,457)	221,505
OTHER FINANCING SOURCES (USES)				
Transfers In	365,897	377,095	443,048	65,953
SBITA	-	44,367	44,366	(1)
Total Other Financing Sources (Uses)	365,897	421,462	487,414	65,952
NET CHANGE IN FUND BALANCE	(104,500)	(104,500)	182,957	287,457
Fund Balances - October 1, 2023	104,500	104,500	107,740	3,240
FUND BALANCES - SEPTEMBER 30, 2024	\$ -	\$ -	\$ 290,697	\$ 290,697

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HOME INITIATIVES PARTNERSHIP FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Net Change in Fair Value of Investments	\$ -	\$ -	\$ 8	\$ 8
EXPENDITURES				
Current:				
Economic Environment	482	482	-	482
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(482)	(482)	8	490
Fund Balances - October 1, 2023	482	482	551	69
FUND BALANCES - SEPTEMBER 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 559</u>	<u>\$ 559</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PLACID LAKES SPECIAL BENEFIT FIRE DISTRICT FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ -	\$ -	\$ 53	\$ 53
Total Revenues	-	-	53	53
EXPENDITURES				
Current:				
Public Safety	-	-	-	-
Total Expenditures	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	53	53
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	(746)	(747)	(1)
NET CHANGE IN FUND BALANCE	-	(746)	(694)	52
Fund Balances - October 1, 2023	-	746	694	(52)
FUND BALANCES - SEPTEMBER 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
OAK MANOR AVENUE ROAD PAVING FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ 4,275	\$ 4,275	\$ 4,385	\$ 110
EXPENDITURES				
Current:				
Transportation	450	450	412	38
Debt Service:				
Principal Retirement	3,230	3,230	-	3,230
Interest	862	862	765	97
Total Expenditures	4,542	4,542	1,177	3,365
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(267)	(267)	3,208	3,475
Fund Balances - October 1, 2023	267	267	(29,904)	(30,171)
FUND BALANCES - SEPTEMBER 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (26,696)</u>	<u>\$ (26,696)</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COURT SERVICES FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 232,550	\$ 379,185	\$ 451,305	\$ 72,120
Charges for Services	1,209,000	1,209,000	1,306,521	97,521
Fines and Forfeitures	637,800	637,800	653,453	15,653
Net Change in Fair Value of Investments	19,560	19,560	19,480	(80)
Miscellaneous	-	-	1,845	1,845
Total Revenues	2,098,910	2,245,545	2,432,604	187,059
EXPENDITURES				
Current:				
Court Related	2,098,910	2,213,163	2,372,842	(159,679)
Capital Outlay	-	33,462	33,456	6
Debt Service				
Principal	-	8,872	8,872	-
Interest	-	783	783	-
Total Expenditures	2,098,910	2,256,280	2,415,953	(159,673)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(10,735)	16,651	27,386
OTHER FINANCING SOURCES (USES)				
Lease	-	10,735	10,735	-
Total Other Financing Uses	-	10,735	10,735	-
NET CHANGE IN FUND BALANCE	-	-	27,386	27,386
Fund Balances - October 1, 2023	-	-	(27,386)	(27,386)
FUND BALANCES - SEPTEMBER 30, 2024	\$ -	\$ -	\$ -	\$ -

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
IMPACT FEE - PARKS AND RECREATION - AVON PARK
YEAR ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Net Change in Fair Value of Investments	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current:				
Culture and Recreation	-	-	1	(1)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(1)	(1)
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	(4,963)	(4,963)	-
NET CHANGE IN FUND BALANCE	-	(4,963)	(4,964)	-
Fund Balances - October 1, 2023	-	4,963	4,964	1
FUND BALANCES - SEPTEMBER 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
THUNDERBIRD HILL WASTE WATER SPECIAL BENEFIT DISTRICT
YEAR ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ 17,100	\$ 17,100	\$ 18,399	\$ 1,299
Net Change in Fair Value of Investments	1,250	1,250	1,160	(90)
Total Revenues	18,350	18,350	19,559	1,209
EXPENDITURES				
Current:				
Physical Environment	1,720	1,720	1,700	20
Debt Service:				
Principal Retirement	14,479	14,479	-	14,479
Interest	585	585	585	-
Total Expenditures	16,784	16,784	2,285	14,499
EXCESS OF REVENUES OVER EXPENDITURES	1,566	1,566	17,274	15,708
Fund Balances - October 1, 2023	(1,566)	(1,566)	48,601	50,167
FUND BALANCES - SEPTEMBER 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,875</u>	<u>\$ 65,875</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HIGHLANDS COUNTY FIRE PROTECTION SPECIAL BENEFIT DISTRICT
YEAR ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 3,000,000	\$ 2,760	\$ (2,997,240)
Assessments	7,329,720	7,329,720	7,549,896	220,176
Net Change in Fair Value of Investments	242,000	242,000	212,060	(29,940)
Miscellaneous Revenue	-	-	2,250	2,250
Total Revenues	7,571,720	10,571,720	7,766,966	(2,804,754)
EXPENDITURES				
Current:				
Public Safety	7,232,148	7,290,198	6,919,688	370,510
Capital Outlay	6,096	5,518,015	1,969,370	3,548,645
Debt Service:				
Principal Retirement	365,000	428,743	427,197	1,546
Interest	92,560	92,560	94,107	(1,547)
Total Expenditures	7,695,804	13,329,516	9,410,362	3,919,154
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(124,084)	(2,757,796)	(1,643,396)	1,114,400
OTHER FINANCING SOURCES (USES)				
Transfer In	92,178	506,279	455,610	(50,669)
Transfer Out	-	-	(185,986)	(185,986)
Sale of Surplus Assets	-	-	23,916	23,916
SBITA	-	199,208	199,208	-
Total Other Financing Sources (Uses)	92,178	705,487	492,748	(212,739)
NET CHANGE IN FUND BALANCE	(31,906)	(2,052,309)	(1,150,648)	901,661
Fund Balances - October 1, 2023	31,906	2,052,309	3,771,222	1,718,913
FUND BALANCES - SEPTEMBER 30, 2024	\$ -	\$ -	\$ 2,620,574	\$ 2,620,574

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET
AND ACTUAL – HIGHLANDS COUNTY INFRASTRUCTURE SALES SURTAX
REFUNDING REVENUE NOTE (HCISSR CONSTRUCTION) FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Net Change in Fair Value of Investments	\$ -	\$ -	\$ 494,727	\$ 494,727
EXPENDITURES				
Capital Outlay	-	9,942,770	854,330	9,088,440
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(9,942,770)	(359,603)	9,583,167
Fund Balances - October 1, 2023	-	9,942,770	10,499,357	556,587
FUND BALANCES - SEPTEMBER 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,139,754</u>	<u>\$ 10,139,754</u>

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET
AND ACTUAL – HIGHLANDS COUNTY PUBLIC IMPROVEMENT REVENUE
NOTE (HCPIN CONSTRUCTION) FUND
YEAR ENDED SEPTEMBER 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Net Change in Fair Value of Investments	\$ -	\$ -	\$ 93,275	\$ 93,275
Total Revenues	-	-	93,275	93,275
EXPENDITURES				
Current:				
Public Safety	200	-	-	-
Capital Outlay	2,200,000	2,329,958	1	2,329,957
Total Expenditures	2,200,200	2,329,958	1	2,329,957
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,200,200)</u>	<u>(2,329,958)</u>	<u>93,274</u>	<u>2,423,232</u>
OTHER FINANCING SOURCES (USES)				
Transfer In	-	-	185,986	(185,986)
Transfer Out	-	(18,819)	-	(18,819)
NET CHANGE IN FUND BALANCE	<u>(2,200,200)</u>	<u>(2,348,777)</u>	<u>279,260</u>	<u>2,404,413</u>
Fund Balances - October 1, 2023	<u>2,200,200</u>	<u>2,348,777</u>	<u>2,571,059</u>	<u>222,282</u>
FUND BALANCES - SEPTEMBER 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,850,319</u>	<u>\$ 2,626,695</u>

**HIGHLANDS COUNTY, FLORIDA
INTERNAL SERVICE FUNDS**

The Internal Service Funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the Board and to other governmental units on a cost reimbursement basis. The Board maintains the following Internal Service Funds:

Employee Benefit - To account for employer, employee, and retiree contributions to the County's health and dental plans and the payment of health and dental expenses.

Insurance - To account for activity related to property, general liability, public officials and employment practices liability, automobile, crime, and worker's compensation needs of County departments and elected officials.

Compensated Absences - To account for accumulated leave credits, which will be paid to employees upon termination of employment.

HIGHLANDS COUNTY, FLORIDA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2024

	Employee Benefit Fund	Insurance Fund	Compensated Absences Fund	Total
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 1,394,487	\$ 64,905	\$ 6,946,321	\$ 8,405,713
Investments	-	-	-	-
Accounts Receivable	29,812	10	1,203	31,025
Total Assets	1,424,299	64,915	6,947,524	8,436,738
LIABILITIES				
Current Liabilities:				
Vouchers Payable	21,546	-	3,947	25,493
Claims Payable	706,521	-	-	706,521
Due to Others	-	2,105	-	2,105
Unearned Revenues	563,282	-	-	563,282
Total Current Liabilities	1,291,349	2,105	3,947	1,297,401
Noncurrent Liabilities:				
Compensated Absences	-	-	6,943,577	6,943,577
Total Liabilities	1,291,349	2,105	6,947,524	8,240,978
NET POSITION				
Unrestricted	132,950	62,810	-	195,760
Total Net Position	\$ 132,950	\$ 62,810	\$ -	\$ 195,760

HIGHLANDS COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED SEPTEMBER 30, 2024

	Employee Benefit Fund	Insurance Fund	Compensated Absences Fund	Total
OPERATING REVENUES				
Charges for Services	\$ 12,412,253	\$ 2,516,754	\$ 6,358,013	\$ 21,287,020
Total Operating Revenues	12,412,253	2,516,754	6,358,013	21,287,020
OPERATING EXPENSES				
General and Administrative	1,429,378	-	6,603,466	8,032,844
Insurance and Claims	12,161,504	2,504,713	-	14,666,217
Total Operating Expenses	13,590,882	2,504,713	6,603,466	22,699,061
OPERATING INCOME (LOSS)	(1,178,629)	12,041	(245,453)	(1,412,041)
NONOPERATING REVENUES				
Net Change in Fair Value of Investments	77,532	10	245,453	322,995
CHANGE IN NET POSITION	(1,101,097)	12,051	-	(1,089,046)
Net Position - October 1, 2023	1,234,047	50,759	-	1,284,806
NET POSITION - SEPTEMBER 30, 2024	<u>\$ 132,950</u>	<u>\$ 62,810</u>	<u>\$ -</u>	<u>\$ 195,760</u>

**HIGHLANDS COUNTY, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED SEPTEMBER 30, 2024**

	Employee Benefit Fund	Insurance Fund	Compensated Absences Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Internal Customers	\$ 12,423,794	\$ 2,517,101	\$ 6,358,013	\$ 21,298,908
Cash Payments for Insurance Premiums and Claims	(13,554,946)	(2,504,334)	-	(16,059,280)
Cash Payments to Employees for Services	-	-	(6,143,286)	(6,143,286)
Net Cash Provided (Used) by Operating Activities	(1,131,152)	12,767	214,727	(903,658)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Repayment on Advance to Other Funds	-	-	(728)	(728)
Receipt on Advance from Other Funds	-	-	204	204
Net Cash Provided (Used) by Noncapital Financing Activities	-	-	(524)	(524)
CASH FLOWS FROM INVESTING ACTIVITIES				
Sale of Investments	1,000,000	-	500,000	1,500,000
Investment Income	101,298	10	248,085	349,393
Net Cash Provided (Used) by Investing Activities	1,101,298	10	748,085	1,849,393
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(29,854)	12,777	962,288	945,211
Cash and Cash Equivalents - October 1, 2023	1,424,341	52,128	5,984,033	7,460,502
CASH AND CASH EQUIVALENTS - SEPTEMBER 30, 2024	<u>\$ 1,394,487</u>	<u>\$ 64,905</u>	<u>\$ 6,946,321</u>	<u>\$ 8,405,713</u>
RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (1,178,629)	\$ 12,041	\$ (245,453)	\$ (1,412,041)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Changes in Assets and Liabilities:				
(Increase) Decrease in:				
Accounts Receivable	(28,393)	(10)	-	(28,403)
Due from Other Funds	-	357	-	357
Increase (Decrease) in:				
Vouchers Payable	(2,128)	(1,245)	-	(3,373)
Claims Payable	38,064	1,624	-	39,688
Compensated Absences	-	-	460,180	460,180
Unearned Revenues	39,934	-	-	39,934
Total Adjustments	47,477	726	460,180	508,383
Net Cash Provided (Used) by Operating Activities	<u>\$ (1,131,152)</u>	<u>\$ 12,767</u>	<u>\$ 214,727</u>	<u>\$ (903,658)</u>

HIGHLANDS COUNTY, FLORIDA FIDUCIARY FUNDS DESCRIPTIONS

These funds account for assets held by the County in a fiduciary capacity for individuals, private organizations, and/or other governmental units.

The County maintains the following Fiduciary Funds:

Custodial Funds

Sheriff's Inmates - To account for monies collected from inmates who have money in their possession at the time of their arrest and/or monies deposited on their behalf while incarcerated.

Sheriff's Cash Bonds - To account for cash appearance bonds collected by the Sheriff on behalf of other governments. These funds are disbursed weekly.

Sheriff's Unclaimed Evidence - To account for monies seized by law enforcement. These funds are maintained until final determination by Florida Statute or the court.

Sheriff's Individual Depositor - To account for fees charged to serve civil process. Fees are collected and held until service is completed and then remitted to other entities or individuals.

Sheriff's Suspense - To account for fees and court ordered payments collected for various agencies. These funds are remitted to other governmental agencies.

Tax Collector's Tag Agency - To account for motor vehicle and vessel registrations, title transfer fees, drivers' license transactions, sales tax, birth certificate fees, and concealed weapons licensing fees remitted to the state of Florida.

Tax Collector's Tax and License - To account for the collection of ad valorem and non-ad valorem taxes, tangible personal property taxes and hunting and fishing licenses remitted to various taxing agencies and the state of Florida.

Tax Collector's Tax Redemption - To account for collection of redeemed tax certificates issued in connection with delinquent ad valorem and non-ad valorem taxes and remittance to certificate holders.

Clerk's Child Support - To account for child support and/or alimony payments collected by the Clerk and remitted to the appropriate recipients.

Clerk's Suspense - To account for documentary stamp fees and recording fees, jury and witness payments and fines, and forfeitures collected through the court system and remitted to other governmental agencies.

Board's Agency Escrow - To account for the collection of funds held in escrow by the Board.

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

	Sheriff's Inmates	Sheriff's Cash Bond	Sheriff's Unclaimed Evidence	Sheriff's Individual Depositors	Sheriff's Suspense	Tax Collector's Tag Agency	Tax Collector's Tax and License	Tax Collector's Tax Redemption	Clerk's Child Support	Clerk's Suspense	Board's Agency Escrow	Total
ASSETS												
Cash and Cash Equivalents	\$ 11,162	\$ -	\$ 1,206	\$ 418	\$ 26,316	\$ 192,191	\$ 878,991	\$ 181,612	\$ 300	\$ 6,043,885	\$ 215,332	\$ 7,551,413
Due from Others	3,504	-	-	-	-	10	-	-	2	8,106	216	11,838
Due from Other Governmental Units	-	-	-	-	713	-	-	-	-	4,381	-	5,094
Total Assets	14,666	-	1,206	418	27,029	192,201	878,991	181,612	302	6,056,372	215,548	7,568,345
LIABILITIES												
Due to Others	12,312	-	-	418	4,505	-	141,535	181,612	-	10,410	-	350,792
Due to Other Governmental Units	-	-	-	-	22,524	192,201	737,456	-	302	381,222	-	1,333,705
Deposits	-	-	-	-	-	-	-	-	-	-	-	-
Tax Deed Surplus	-	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	12,312	-	-	418	27,029	192,201	878,991	181,612	302	391,632	-	1,684,497
NET POSITION												
Restricted for Other Governments and Individuals	<u>\$ 2,354</u>	<u>\$ -</u>	<u>\$ 1,206</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,664,740</u>	<u>\$ 215,548</u>	<u>\$ 5,883,848</u>

HIGHLANDS COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS - CUSTODIAL FUNDS
YEAR ENDED SEPTEMBER 30, 2024

	Sheriff's Inmates	Sheriff's Cash Bond	Sheriff's Unclaimed Evidence	Sheriff's Individual Depositors	Sheriff's Suspense	Tax Collector's Tag Agency	Tax Collector's Tax and License	Tax Collector's Tax Redemption	Clerk's Child Support	Clerk's Suspense	Board's Agency Escrow	Total
ADDITIONS												
Tax, License, Fines, and Fees Collected for Other Governments and Individuals	\$ 258,301	\$ 20,196	\$ 92,092	\$ -	\$ 45,222	\$ 13,629,680	\$ 61,404,266	\$ 6,005,759	\$ 127,821	\$ 21,464,603	\$ 2,684	\$ 103,050,624
DEDUCTIONS												
Tax, License, Fines, and Fees Disbursed to Other Governments and Individuals	260,035	20,196	92,092	-	45,222	13,629,680	61,404,266	6,005,759	127,906	19,907,278	-	101,492,434
CHANGE IN NET POSITION	(1,734)	-	-	-	-	-	-	-	(85)	1,557,325	2,684	1,558,190
Net Position - October 1, 2023	4,088	-	1,206	-	-	-	-	-	85	4,107,415	212,864	4,325,658
NET POSITION - SEPTEMBER 30, 2024	<u>\$ 2,354</u>	<u>\$ -</u>	<u>\$ 1,206</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,664,740</u>	<u>\$ 215,548</u>	<u>\$ 5,883,848</u>

Statistical Section



BLUEBERRY FESTIVAL
AVON PARK, FLORIDA

HIGHLANDS COUNTY, FLORIDA STATISTICAL SECTION

This section of the County's Comprehensive Annual Financial Report represents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the County's overall financial health.

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Financial Trends

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

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These schedules offer demographic and economic indicators to help the reader understand the environment which the County's financial activities take place.

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Sources: Unless otherwise noted, the information contained in the schedules in this Statistical Section are derived from the comprehensive annual financial reports for the relevant year.

**HIGHLANDS COUNTY, FLORIDA
NET POSITION BY COMPONENTS
LAST TEN FISCAL YEARS
(IN THOUSANDS)**

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
GOVERNMENTAL ACTIVITIES										
Net Investment in Capital Assets	\$ 272,626	\$ 264,190	\$ 253,124	\$ 243,879	\$ 231,232	\$ 225,367	\$ 213,827	\$ 206,255	\$ 197,479	\$ 194,776
Restricted	56,794	49,094	42,753	36,721	34,914	40,883	42,707	40,820	47,025	56,267
Unrestricted	(10,658)	(19,758)	(16,450)	(34,850)	(49,770)	(41,387)	(44,686)	(30,211)	(25,408)	(33,080)
Total Governmental Activities										
Net Position	<u>\$ 318,762</u>	<u>\$ 293,526</u>	<u>\$ 279,427</u>	<u>\$ 245,750</u>	<u>\$ 216,376</u>	<u>\$ 224,863</u>	<u>\$ 211,848</u>	<u>\$ 216,864</u>	<u>\$ 219,096</u>	<u>\$ 217,963</u>
BUSINESS-TYPE ACTIVITIES										
Net Investment in Capital Assets	\$ 11,848	\$ 11,045	\$ 10,021	\$ 9,072	\$ 8,684	\$ 8,758	\$ 9,369	\$ 9,153	\$ 9,393	\$ 9,369
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	15,424	13,536	13,147	11,858	10,935	10,118	9,002	7,650	5,609	5,378
Total Business-Type Activities										
Net Position	<u>\$ 27,272</u>	<u>\$ 24,580</u>	<u>\$ 23,168</u>	<u>\$ 20,930</u>	<u>\$ 19,619</u>	<u>\$ 18,876</u>	<u>\$ 18,371</u>	<u>\$ 16,803</u>	<u>\$ 15,002</u>	<u>\$ 14,747</u>
PRIMARY GOVERNMENT										
Net Investment in Capital Assets	\$ 284,474	\$ 275,234	\$ 263,145	\$ 252,951	\$ 239,916	\$ 234,125	\$ 223,196	\$ 215,408	\$ 206,872	\$ 204,145
Restricted	56,794	49,094	42,753	36,721	34,914	40,883	42,707	40,820	47,025	56,267
Unrestricted	4,766	(6,222)	(3,303)	(22,992)	(38,835)	(31,269)	(35,684)	(22,561)	(19,799)	(27,702)
Total Primary Government										
Net Position	<u>\$ 346,034</u>	<u>\$ 318,107</u>	<u>\$ 302,596</u>	<u>\$ 266,680</u>	<u>\$ 235,995</u>	<u>\$ 243,739</u>	<u>\$ 230,219</u>	<u>\$ 233,667</u>	<u>\$ 234,098</u>	<u>\$ 232,710</u>

*GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, was implemented in 2015.

HIGHLANDS COUNTY, FLORIDA

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

		Fiscal Year									
		2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
EXPENSES											
Governmental Activities:											
General Government	\$	25,376,757	\$ 22,599,038	\$ 21,865,689	\$ 21,188,678	\$ 20,865,488	\$ 20,874,168	\$ 18,519,219	\$ 17,632,374	\$ 15,875,786	\$ 13,531,358
Public Safety		65,175,642	68,119,772	55,919,431	43,208,028	59,515,863	56,939,713	59,326,852	48,236,789	41,971,815	37,704,396
Physical Environment		2,242,954	2,030,825	1,680,317	1,068,965	1,250,441	1,178,231	1,864,091	1,276,317	1,688,061	1,038,196
Transportation		17,578,300	17,604,650	16,212,205	14,905,826	18,631,875	14,508,911	13,459,205	13,339,901	13,152,319	13,178,891
Economic Environment		3,250,887	4,213,158	3,166,655	2,977,572	3,266,775	3,704,233	3,508,116	2,716,539	2,713,202	3,227,914
Human Services		4,380,732	14,147,925	4,955,460	18,607,574	7,664,991	3,639,034	3,682,396	3,844,649	3,838,641	4,803,440
Culture and Recreation		3,168,479	3,980,638	3,193,504	3,042,138	3,542,238	2,894,053	2,988,164	3,241,983	3,041,505	2,991,401
Court Related		6,071,097	5,945,120	5,312,924	4,822,945	5,387,500	5,215,689	4,782,597	4,508,844	4,286,136	4,325,815
Debt Service:											
Interest on Long-Term Debt		441,876	428,000	436,499	413,615	462,290	452,226	479,532	526,214	576,318	447,348
Total Governmental Activities Expenses		127,686,724	139,069,126	112,742,684	110,235,341	120,587,461	109,406,258	108,610,172	95,323,610	87,143,783	81,248,759
Business-Type Activities:											
Solid Waste		10,796,924	11,792,374	9,258,245	8,615,200	8,904,617	9,019,161	8,258,598	7,911,813	8,229,484	7,839,954
Energy Recovery		1,540,169	1,563,769	2,669,422	2,926,822	4,739,577	2,067,795	1,286,705	2,182,353	2,190,260	2,037,100
Total Business-Type Activities Expenses		12,337,093	13,356,143	11,927,667	11,542,022	13,644,194	11,086,956	9,545,303	10,094,166	10,419,744	9,877,054
Total Primary Government Expenses	\$	140,023,817	\$ 152,425,269	\$ 124,670,351	\$ 121,777,363	\$ 134,231,655	\$ 120,493,214	\$ 118,155,475	\$ 105,417,776	\$ 97,563,527	\$ 91,125,813
PROGRAM REVENUES											
Governmental Activities:											
Charges for Services:											
General Government	\$	4,716,395	\$ 4,560,840	\$ 4,479,244	\$ 4,718,317	\$ 4,029,731	\$ 3,611,736	\$ 3,491,884	\$ 3,388,476	\$ 3,232,991	\$ 3,430,390
Public Safety		22,074,436	20,805,949	19,804,087	17,417,929	13,796,529	14,611,053	10,201,333	9,109,107	8,455,014	9,093,968
Physical Environment		176,607	251,108	259,002	306,658	286,800	223,291	209,208	203,253	190,111	188,619
Transportation		3,473,653	3,551,401	3,499,680	2,641,294	2,453,038	3,778,828	2,960,748	2,541,604	2,532,117	2,263,685
Economic Environment		267,678	336,687	429,466	345,273	192,294	218,340	234,972	190,647	133,273	91,339
Human Services		15,238	1,066,771	19,069	20,196	21,113	22,944	32,040	56,356	78,134	104,571
Culture and Recreation		344,050	311,139	224,642	190,729	160,345	198,047	205,665	205,127	231,252	255,352
Court Related		3,704,448	3,285,687	3,147,946	3,260,991	2,505,424	2,582,473	2,770,345	2,551,261	2,395,544	2,733,165
Operating Grants and Contributions:											
General Government		304,697	2,227,097	11,458,327	177,111	346,919	89,915	97,665	119,917	154,809	169,073
Public Safety		4,227,499	8,440,730	534,034	651,756	319,850	13,637,806	918,640	484,767	471,626	429,685
Physical Environment		333,084	285,499	332,200	366,376	320,161	269,695	320,313	322,895	442,290	234,827
Transportation		-	-	-	-	-	-	23,995	6,419	2,052	181,443
Economic Environment		934,977	1,778,911	1,068,257	756,005	454,711	1,363,228	738,802	408,358	826,494	1,103,227
Human Services		719,300	755,921	652,759	15,731,780	4,521,721	646,931	739,927	534,043	667,781	1,934,767
Culture and Recreation		191,831	288,501	205,424	217,880	207,999	194,621	241,801	193,493	207,941	258,164
Court Related		25,000	36,949	35,932	23,983	20,000	15,000	15,000	-	-	-

**HIGHLANDS COUNTY, FLORIDA
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
PROGRAM REVENUES										
(CONTINUED)										
Governmental Activities (Continued):										
Capital Grants and Contributions:										
General Government	\$ -	\$ -	\$ -	\$ -	\$ 60,657	\$ 167,864	\$ 98,063	\$ 60,657	\$ 60,657	\$ -
Public Safety	350,027	1,160,006	303,268	156,012	481,644	446,895	38,756	86,077	400,886	21,466
Physical Environment	12,652	17,348	-	25,905	5,660,798	870,117	872,809	711,535	329,100	158,408
Transportation	261,954	2,948,968	5,593,047	8,134,378	454,091	809,475	2,151,471	2,899,663	696,326	795,084
Economic Environment	-	-	-	-	-	-	-	-	-	-
Human Services	-	-	-	-	39,871	956,079	606,301	-	-	-
Culture and Recreation	-	-	10,000	-	-	-	-	-	3,115	15,707
Court Related	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities										
Program Revenues	42,133,526	52,109,512	52,056,384	55,142,573	36,333,696	44,714,338	26,969,738	24,073,655	21,511,513	23,462,940
Business-Type Activities:										
Charges for Services:										
Solid Waste	12,200,588	11,960,861	11,327,521	9,670,526	9,342,369	9,043,194	9,704,626	9,282,253	8,245,581	8,026,002
Energy Recovery	1,407,959	1,568,190	2,536,351	2,921,291	4,998,541	2,093,557	1,236,046	2,377,919	2,223,189	2,151,518
Operating Grants and Contributions:										
Solid Waste	93,750	157,543	29,957	158,379	26,280	90,909	90,909	90,909	90,909	90,910
Energy Recovery	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions:										
Solid Waste	-	-	-	-	-	-	-	-	-	-
Energy Recovery	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities										
Program Revenues	13,702,297	13,686,594	13,893,829	12,750,196	14,367,190	11,227,660	11,031,581	11,751,081	10,559,679	10,268,430
Total Primary Government										
Program Revenues	<u>\$ 55,835,823</u>	<u>\$ 65,796,106</u>	<u>\$ 65,950,213</u>	<u>\$ 67,892,769</u>	<u>\$ 50,700,886</u>	<u>\$ 55,941,998</u>	<u>\$ 38,001,319</u>	<u>\$ 35,824,736</u>	<u>\$ 32,071,192</u>	<u>\$ 33,731,370</u>
NET REVENUE (EXPENSE)										
Governmental Activities	\$ (85,553,198)	\$ (86,959,614)	\$ (60,686,300)	\$ (55,092,768)	\$ (84,253,765)	\$ (64,691,920)	\$ (81,640,434)	\$ (71,249,955)	\$ (65,632,270)	\$ (57,785,819)
Business-Type Activities	1,365,204	330,451	1,966,162	1,208,174	722,996	140,704	1,486,278	1,656,915	139,935	391,376
Total Primary Governmental										
Net Expense	<u>\$ (84,187,994)</u>	<u>\$ (86,629,163)</u>	<u>\$ (58,720,138)</u>	<u>\$ (53,884,594)</u>	<u>\$ (83,530,769)</u>	<u>\$ (64,551,216)</u>	<u>\$ (80,154,156)</u>	<u>\$ (69,593,040)</u>	<u>\$ (65,492,335)</u>	<u>\$ (57,394,443)</u>

**HIGHLANDS COUNTY, FLORIDA
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities:										
Taxes:										
Property Taxes	\$ 55,682,657	\$ 50,578,777	\$ 47,203,470	\$ 44,385,911	\$ 41,984,688	\$ 39,979,150	\$ 39,565,159	\$ 38,462,928	\$ 37,278,775	\$ 36,998,413
Fuel Taxes	4,772,924	4,934,488	4,814,901	4,697,783	4,296,818	4,554,036	4,662,245	4,544,584	4,587,791	4,571,124
Sales Tax	14,972,541	15,044,472	13,829,396	11,634,496	9,952,249	9,766,712	9,811,985	9,072,162	9,128,971	8,646,977
Services Taxes	542,016	549,756	542,369	535,916	557,115	574,650	623,216	724,573	675,705	702,695
Other Taxes	1,951,137	1,895,965	1,588,064	1,200,802	913,665	1,064,256	560,188	482,936	481,072	453,063
State Shared Revenues	24,706,034	22,637,741	18,633,100	16,520,077	15,003,122	15,434,257	15,205,276	14,506,012	13,810,350	13,389,606
Net Change in Fair Value of Investments	6,674,827	4,611,006	1,975,240	1,088,320	948,096	1,274,929	892,708	662,365	451,282	456,608
Gain on Sale of Capital Assets	422,327	354,024	5,103,450	3,322,823	826,358	952,383	145,545	77,368	43,112	230,677
Insurance Recoveries	384,984	275,918	252,951	269,543	74,416	752,218	-	-	-	-
Miscellaneous	565,992	71,435	313,754	705,410	915,547	3,261,481	1,993,965	485,539	308,519	360,970
Transfers	113,318	105,010	106,585	105,872	294,798	92,916	226,063	-	-	-
Total Governmental Activities	110,788,757	101,058,592	94,363,280	84,466,953	75,766,872	77,706,988	73,686,350	69,018,467	66,765,577	65,810,133
Business-Type Activities:										
Net Change in Fair Value of Investments	1,428,716	1,171,982	263,986	150,383	276,307	450,023	243,064	143,822	59,744	46,870
Gain (Loss) on Sale of Capital Assets	10,825	-	7,162	32,669	15,000	2,888	5	-	55,000	1,951
Insurance Recoveries	-	14,625	107,416	25,392	23,552	4,382	-	-	-	-
Transfers	(113,318)	(105,010)	(106,585)	(105,872)	(294,798)	(92,916)	(226,063)	-	-	-
Total Business-Type Activities	1,326,223	1,081,597	271,979	102,572	20,061	364,377	17,006	143,822	114,744	48,821
Total Primary Government	\$ 112,114,980	\$ 102,140,189	\$ 94,635,259	\$ 84,569,525	\$ 75,786,933	\$ 78,071,365	\$ 73,703,356	\$ 69,162,289	\$ 66,880,321	\$ 65,858,954
CHANGE IN NET POSITION										
Government Activities	\$ 25,235,559	\$ 14,098,978	\$ 33,676,980	\$ 29,374,185	\$ (8,486,893)	\$ 13,015,068	\$ (7,954,084)	\$ (2,231,488)	\$ 1,133,307	\$ 8,024,314
Business-Type Activities	2,691,427	1,412,048	2,238,141	1,310,746	743,057	505,081	1,503,284	1,800,737	254,679	440,197
Total Primary Government	\$ 27,926,986	\$ 15,511,026	\$ 30,684,931	\$ 30,684,931	\$ (7,743,836)	\$ 13,520,149	\$ (6,450,800)	\$ (430,751)	\$ 1,387,986	\$ 8,464,511

**HIGHLANDS COUNTY, FLORIDA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
GENERAL FUND										
Nonspendable	\$ 1,463,394	\$ 1,388,489	\$ 1,297,795	\$ 1,249,038	\$ 1,345,428	\$ 1,688,633	\$ 1,254,682	\$ 1,271,683	\$ 1,090,109	\$ 898,522
Assigned	2,414,929	1,809,332	3,387,198	468,434	518,151	357,689	392,559	5,395,581	478,468	536,116
Unassigned	58,492,322	50,566,292	41,553,938	25,909,864	17,524,589	17,133,264	4,946,829	11,207,433	17,965,879	18,007,274
	<u>58,492,322</u>	<u>50,566,292</u>	<u>41,553,938</u>	<u>25,909,864</u>	<u>17,524,589</u>	<u>17,133,264</u>	<u>4,946,829</u>	<u>11,207,433</u>	<u>17,965,879</u>	<u>18,007,274</u>
Total General Fund	<u>\$ 62,370,645</u>	<u>\$ 53,764,113</u>	<u>\$ 46,238,931</u>	<u>\$ 27,627,336</u>	<u>\$ 19,388,168</u>	<u>\$ 19,179,586</u>	<u>\$ 6,594,070</u>	<u>\$ 17,874,697</u>	<u>\$ 19,534,456</u>	<u>\$ 19,441,912</u>
ALL OTHER GOVERNMENTAL FUNDS										
Nonspendable	\$ 80,661	\$ 1,414,339	\$ 583,052	\$ 1,386,989	\$ 1,743,945	\$ 138,111	\$ 43,171	\$ 129,818	\$ 58,043	\$ 78,576
Restricted	68,398,741	56,640,777	49,328,284	33,686,376	35,798,233	44,362,820	41,575,220	40,740,308	46,180,218	55,617,654
Assigned	1,108,724	1,108,724	1,108,725	1,108,725	1,131,596	1,131,596	1,131,596	1,131,596	1,131,596	1,209,272
Unassigned	(26,696)	(745,798)	(44,332)	(36,100)	(2,409)	(5,465,323)	(5,285,444)	(3,502,628)	(449,481)	(94,077)
	<u>(26,696)</u>	<u>(745,798)</u>	<u>(44,332)</u>	<u>(36,100)</u>	<u>(2,409)</u>	<u>(5,465,323)</u>	<u>(5,285,444)</u>	<u>(3,502,628)</u>	<u>(449,481)</u>	<u>(94,077)</u>
Total All Other Governmental Funds	<u>\$ 69,561,430</u>	<u>\$ 58,418,042</u>	<u>\$ 50,975,729</u>	<u>\$ 36,145,990</u>	<u>\$ 38,671,365</u>	<u>\$ 40,167,204</u>	<u>\$ 37,464,543</u>	<u>\$ 38,499,094</u>	<u>\$ 46,920,376</u>	<u>\$ 56,811,425</u>

HIGHLANDS COUNTY, FLORIDA

CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
REVENUES										
Taxes	\$ 77,861,958	\$ 72,946,323	\$ 67,928,829	\$ 62,404,912	\$ 57,650,705	\$ 55,887,727	\$ 55,172,719	\$ 53,234,947	\$ 52,101,154	\$ 51,319,790
Licenses and Permits	1,759,722	2,145,403	2,216,196	1,455,417	1,037,516	1,001,754	1,465,721	773,153	768,201	670,995
Intergovernmental	36,859,752	42,736,434	39,157,533	40,845,539	31,496,711	34,817,945	22,550,893	21,205,397	18,627,084	19,987,878
Charges for Services	17,520,115	16,502,686	15,208,670	14,299,662	11,369,540	11,944,323	10,893,391	10,219,318	9,464,472	10,046,027
Fines and Forfeitures	859,870	737,638	703,974	934,692	617,376	597,206	613,473	483,845	659,069	853,718
Assessments	8,266,459	7,715,846	6,992,757	6,492,597	5,910,454	5,432,424	2,222,840	2,236,688	2,151,722	2,167,235
Net Change in Fair Value of Investments	6,348,792	4,366,745	1,906,914	1,043,670	863,974	1,129,691	782,659	610,260	429,176	432,068
Miscellaneous	5,668,943	5,372,076	5,572,802	4,476,390	3,887,094	6,117,091	4,505,545	4,163,763	3,800,801	3,990,201
Total Revenues	<u>155,145,611</u>	<u>152,523,151</u>	<u>139,687,675</u>	<u>131,952,879</u>	<u>112,833,370</u>	<u>116,928,161</u>	<u>98,207,241</u>	<u>92,927,371</u>	<u>88,001,679</u>	<u>89,467,912</u>
EXPENDITURES										
Current:										
General Government	22,454,067	21,594,420	19,261,121	18,887,873	19,137,605	19,504,745	17,298,385	16,382,937	15,820,668	15,320,898
Public Safety	61,019,673	63,602,577	55,736,834	51,033,560	51,272,109	48,686,528	55,424,348	46,488,455	49,112,058	37,532,165
Physical Environment	1,926,460	1,822,263	1,665,981	1,220,904	1,662,450	3,256,902	3,807,540	5,951,756	1,652,101	1,419,943
Transportation	14,631,606	21,606,390	25,448,864	25,572,993	21,371,636	19,273,642	17,015,511	17,543,571	14,340,234	14,656,785
Economic Environment	4,430,252	4,074,817	3,113,222	2,998,436	3,091,151	3,548,911	3,413,605	2,663,981	2,646,019	3,058,180
Human Services	4,033,493	14,052,410	4,886,156	18,591,572	7,387,680	3,596,614	3,571,908	3,682,639	3,830,092	4,746,714
Culture and Recreation	2,575,057	3,480,792	2,889,392	2,826,716	3,057,918	2,770,798	2,661,198	2,915,249	2,719,949	2,576,017
Court Related	5,922,696	5,369,781	5,200,966	5,124,632	4,674,599	4,608,530	4,460,416	4,186,800	4,453,875	4,373,657
Capital Outlay	17,456,118									
Debt Service:										
Principal Retirement	4,804,048	4,527,661	14,806,776	3,160,611	3,174,345	2,821,386	2,609,352	2,658,400	2,648,293	9,867,709
Interest	<u>459,882</u>	<u>446,984</u>	<u>421,672</u>	<u>438,304</u>	<u>486,706</u>	<u>439,671</u>	<u>486,219</u>	<u>534,624</u>	<u>576,895</u>	<u>342,527</u>
Total Expenditures	<u>139,713,352</u>	<u>140,578,095</u>	<u>133,430,984</u>	<u>129,855,601</u>	<u>115,316,199</u>	<u>108,507,727</u>	<u>110,748,482</u>	<u>103,008,412</u>	<u>97,800,184</u>	<u>93,894,595</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	15,432,259	11,945,056	6,256,691	2,097,278	(2,482,829)	8,420,434	(12,541,241)	(10,081,041)	(9,798,505)	(4,426,683)
OTHER FINANCING SOURCES (USES)										
Transfers In	9,014,294	2,481,770	3,926,826	2,275,907	3,130,908	1,320,536	1,569,934	1,636,066	1,121,712	1,186,440
Transfers Out	(8,900,976)	(2,376,760)	(3,820,241)	(2,170,035)	(2,836,110)	(1,227,620)	(1,343,871)	(1,636,066)	(1,121,712)	(1,186,440)
Insurance Recoveries	384,984	275,918	252,951	261,580	74,416	752,217	-	-	-	-
Leases	230,323	22,619	107,657	-	-	-	-	-	-	-
SBITAs	2,514,236	1,750,458	-	-	-	-	-	-	-	-
Finance Purchase Agreement	-	514,410	-	-	-	-	-	-	-	-
Sale of Surplus Asset	422,327	354,024	5,103,450	-	-	-	-	-	-	-
Issuance of Debt	<u>652,473</u>	<u>-</u>	<u>21,614,000</u>	<u>3,249,063</u>	<u>826,358</u>	<u>6,022,610</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,600,000</u>
Total Other Financing Sources (Uses)	<u>4,317,661</u>	<u>3,022,439</u>	<u>27,184,643</u>	<u>3,616,515</u>	<u>1,195,572</u>	<u>6,867,743</u>	<u>226,063</u>	<u>-</u>	<u>-</u>	<u>23,600,000</u>
NET CHANGE IN FUND BALANCES	<u>\$ 19,749,920</u>	<u>\$ 14,967,495</u>	<u>\$ 33,441,334</u>	<u>\$ 5,713,793</u>	<u>\$ (1,287,257)</u>	<u>\$ 15,288,177</u>	<u>\$ (12,315,178)</u>	<u>\$ (10,081,041)</u>	<u>\$ (9,798,505)</u>	<u>\$ 19,173,317</u>
Debt Service as a Percentage of Noncapital Expenditures	4.40%	3.28%	3.28%	3.53%	3.51%	3.19%	3.73%	4.01%	3.51%	4.08%

**HIGHLANDS COUNTY, FLORIDA
TAXABLE VALUE AND ACTUAL VALUE OF PROPERTY
LAST TEN FISCAL YEARS**

Fiscal Year	Real Property (Assessed Value ^a)				Assessed Value ^a of Personal Property	Less: Allowable Exemptions	Total Taxable Value ^b	Total Direct Tax Rate ^c
	Residential Property	Agriculture	Commercial Property	Other				
2024	\$ 8,921,952,797	\$ 3,324,284,852	\$ 1,393,519,370	\$ 1,489,116,473	\$ 871,608,941	\$ 8,696,910,086	\$ 7,303,572,347	7.8500
2023	7,378,784,648	726,210,696	1,154,010,560	1,375,364,329	786,993,610	4,995,742,593	6,425,621,250	8.1000
2022	5,642,324,541	637,605,236	981,888,091	1,176,614,848	780,614,312	3,529,006,961	5,690,040,067	8.5500
2021	5,069,210,600	641,097,786	949,233,771	1,130,867,590	752,606,707	3,207,042,444	5,335,974,010	8.5500
2020	4,696,604,547	630,636,086	945,504,608	1,116,687,337	688,218,384	3,025,622,319	5,052,028,643	8.5500
2019	4,420,651,377	571,111,854	940,284,611	1,091,717,986	686,246,734	2,873,692,500	4,836,320,062	8.5500
2018	4,185,031,437	683,819,126	909,541,660	1,069,894,445	688,743,734	2,775,178,889	4,761,851,513	8.5500
2017	3,908,190,237	733,151,871	899,474,589	1,059,389,125	668,544,116	2,637,549,375	4,631,200,563	8.5500
2016	3,521,950,986	722,088,198	879,493,681	1,041,600,090	667,761,606	2,329,575,367	4,503,319,194	8.5500
2015	3,430,182,769	734,356,228	872,987,089	1,024,869,481	675,833,516	2,272,404,297	4,465,824,786	8.5500

Source: Highlands County Property Appraiser.

Notes:

^a Assessed value is determined by the Highlands County Property Appraiser on January 1 of each year at 100% of fair market value, as required by Section 192.042, Florida Statutes.

^b Taxable values are based on the assessed value after deducting allowable statutory exemptions.

^c Per \$1,000 of value.

**HIGHLANDS COUNTY, FLORIDA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
(PER \$1,000 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS**

Fiscal Year	Direct Rates		Overlapping Rates ^a						Total Overlapping Rates	Total Countywide
	General Government	Total Direct Rate	School District	South Florida Water District	Southwest Florida Water District	City of Avon Park	City of Sebring	Town of Lake Placid		
2024	7.8500	7.8500	5.4370	0.2301	0.2043	4.3681	6.3184	3.1000	19.6579	27.5079
2023	8.1000	8.1000	5.5510	0.2301	0.2260	4.3681	5.8184	3.1500	19.3436	27.4436
2022	8.5500	8.5500	5.8790	0.2572	0.2535	2.2400	5.8184	3.2500	17.6981	26.2481
2021	8.5500	8.5500	6.0750	0.2675	0.2669	1.0000	5.3184	3.3250	16.2528	24.8028
2020	8.5500	8.5500	6.1200	0.2795	0.2801	0.3000	5.3184	3.5000	15.7980	24.3480
2019	8.5500	8.5500	6.3220	0.2936	0.2955	0.3000	5.3184	3.6500	16.1795	24.7295
2018	8.5500	8.5500	6.5420	0.3100	0.3131	0.3000	5.3184	3.6500	16.4335	24.9835
2017	8.5500	8.5500	7.1850	0.3551	0.3488	0.3000	4.8184	3.6500	16.6573	25.2073
2016	8.5500	8.5500	7.1850	0.3551	0.3488	0.3000	4.8184	3.6500	16.6573	25.2073
2015	8.5500	8.5500	7.2780	0.3842	0.3658	0.3000	4.9900	3.6500	16.9680	25.5180

Source: Highlands County Property Appraiser.

Notes:

The County's basic property tax rate may be increased only by a majority vote of the Board of County Commissioners.

^a Overlapping rates are those of local and county governments that apply to property owners within Highlands County. Not all overlapping rates apply to all Highlands County property owners.

**HIGHLANDS COUNTY, FLORIDA
PRINCIPAL PROPERTY TAX PAYERS
CURRENT FISCAL YEAR AND NINE YEARS PRIOR**

Taxpayer	Type of Business	Fiscal Year 2024			Fiscal Year 2015		
		Assessed Value ^a	Rank	Percentage of Total County Assessed Value	Assessed Value	Rank	Percentage of Total County Assessed Value
Duke Energy f/k/a Progress Energy	Electric Utility	\$ 203,616,686	1	1.27%	\$ 125,679,300	1	1.87%
Tanglewood Investors Limited	Real Estate	70,088,847	2	0.44%	39,877,997	6	0.59%
FLA Gas Transmission Co	Gas System	69,255,187	3	0.43%	78,071,840	2	1.16%
Sebring Airport Authority	Industrial/Entertainment	59,146,895	4	0.37%	57,231,137	3	0.85%
Glades Electric Coop Inc	Electric Utility	52,117,587	5	0.33%	38,342,100	7	0.57%
Gulfstream Natural Gas Sys LLC	Gas System	42,497,958	6	0.27%	46,676,580	4	0.69%
Sun Comm Acquisitions LLC	Real Estate	32,019,123	7	0.20%	-	-	0.00%
Lykes Bros Inc	Cattle & Citrus	31,957,073	8	0.20%	45,689,213	5	0.68%
Highlands County Hospital	Hospital	27,383,862	9	0.17%	21,454,700	10	0.32%
ARC - Sebring LLC	Non-Profit	26,180,331	10	0.16%	25,456,752	8	0.38%
Embarq-Florida Inc.	Telephone Services	-		0.00%	25,009,940	9	0.37%
Total Assessed Value of Ten Largest Taxpayers		614,263,549		3.84%	503,489,559		7.48%
Total Assessed Value of All Other Taxpayers		15,386,218,884		96.16%	6,234,739,524		92.52%
Total Assessed Value of All Taxpayers		<u>\$ 16,000,482,433</u>		<u>100.00%</u>	<u>\$ 6,738,229,083</u>		<u>100.00%</u>

Source: Highlands County Property Appraiser.

Note: The assessed value includes real and personal property.

**HIGHLANDS COUNTY, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year	Taxes Levied for the Fiscal Year ^a (Original Levy)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years ^b	Total Collections to Date ^b	
		Amount ^b	Percentage of Original Levy		Amount	Percentage of Original Levy
2024	\$ 57,333,132	N/A	N/A	N/A	N/A	N/A
2023	52,047,603	N/A	N/A	N/A	N/A	N/A
2022	48,651,459	N/A	N/A	N/A	N/A	N/A
2021	45,622,580	N/A	N/A	N/A	N/A	N/A
2020	43,194,901	N/A	N/A	N/A	N/A	N/A
2019	41,350,592	N/A	N/A	N/A	N/A	N/A
2018	40,713,868	N/A	N/A	N/A	N/A	N/A
2017	39,596,821	38,268,827	96.65%	-	38,268,827	96.65%
2016	38,503,428	37,129,634	96.43%	78,509	37,208,143	96.64%
2015	38,168,421	36,841,599	96.52%	82,693	36,924,293	96.74%

Source: Highlands County Property Appraiser.

Notes:

^a Property taxes become due and payable on November 1 of each year. A 4% discount is allowed if taxes are paid in November, with the discount declining by 1% each month thereafter. Accordingly, taxes collected will never be 100% of the tax levy. Taxes become delinquent on April 1 of each year and tax certificates for the full amount of any unpaid taxes must be sold no later than June 1 of each year.

Property taxes receivable and a corresponding reserve for uncollectible property taxes are not included in the financial statements as there are no delinquent taxes as of September 30, 2023.

Information regarding the Original Levy was obtained from the Property Appraiser.

^b Information was obtained from the Tax Collector's Recapitulation of the Tax Roll report. Data not available since 2017.

**HIGHLANDS COUNTY, FLORIDA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities					Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita	Personal Income	Population
	General Obligation Bonds	Notes Payable	Revenue Certificates	SBITAs	Leases	Notes Payable	Leases ^a	SBITAs					
2024	\$ -	\$ 20,960,109	\$ -	\$ 2,660,186	\$ 138,032	\$ -	\$ -	\$ 2,845	\$ 23,761,172	N/A	N/A	N/A	N/A
2023	-	23,643,543	-	1,375,107	143,454	-	384		25,162,488	18.89%	\$ 234	\$ 4,754,078	107,614
2022	-	26,419,000	-	-	203,421	-	4,930		26,627,351	22.02%	252	4,419,585	105,618
2021	-	19,553,596	-	-	-	-	-		19,553,596	17.44%	189	4,306,675	103,296
2020	-	22,714,207	-	-	-	-	-		22,714,207	14.08%	224	3,962,441	101,222
2019	-	25,042,643	-	-	845,909	-	-		25,888,551	15.21%	256	3,646,058	101,061
2018	-	21,008,750	-	-	1,678,578	-	-		22,687,328	13.50%	226	3,451,815	100,189
2017	-	22,404,315	-	-	2,892,365	60,596	-		25,357,276	11.52%	253	3,422,997	100,094
2016	-	23,768,018	15,000	-	4,172,062	296,472	97,790		28,349,342	10.14%	287	3,266,766	98,886
2015	-	25,085,303	30,000	-	5,488,070	522,271	192,879		31,318,523	16.94%	321	3,175,079	97,582

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

^a The County implemented GASB Statement 96, *Leases*, in fiscal year 2022.

^a The County implemented GASB Statement 96, *Leases*, in fiscal year 2023.

**HIGHLANDS COUNTY, FLORIDA
OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
SEPTEMBER 30, 2024**

	Debt Outstanding	Estimated Percentage Applicable ^a	Estimated Share of Overlapping Debt
Direct Debt			
Notes Payable	\$ 20,960,109	100%	\$ 20,960,109
SBITA/Leases (b)	2,798,218	100%	2,798,218
Total Direct Debt	<u>23,758,327</u>		<u>23,758,327</u>
Overlapping Debt			
Highlands County School Board:			
Bonds Payable	2,600,000	100%	2,600,000
Certificates of Participation	27,720,000	100%	27,720,000
City of Sebring:			
Loans and Notes Payable	6,821,852	13%	912,132
Leases (b)	18,442	13%	2,466
South Florida Water Management District:			
Certificates of Participation	<u>289,895,000</u>	13%	<u>38,761,106</u>
Total Overlapping Debt	<u>327,055,294</u>		<u>69,995,704</u>
Total Direct and Overlapping Debt	<u><u>\$ 350,813,621</u></u>		<u><u>\$ 93,754,031</u></u>

Source: Debt outstanding data provided by each respective agency.

Notes:

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Highlands County. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt of each overlapping government.

^a The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the taxable assessed value that is within the government's boundaries and dividing it by the County's total taxable assessed value.

^b The County implemented GASB Statement 87, *Leases*, in fiscal year 2022. County implemented GASB Statement 96, *SBITAs*, in fiscal year 2023.

**HIGHLANDS COUNTY, FLORIDA
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS**

Fiscal Year	Infrastructure Sales Surtax Pledged Revenue Coverage					Coverage
	Infrastructure Sales Surtax Revenue	Debt Service Requirements				
		Principal	Interest	Total		
2024	\$ 14,972,541	\$ 2,868,000	\$ 263,690	\$ 3,131,690	4.78	
2023	15,044,472	2,832,000	307,010	3,139,010	4.79	
2022	13,829,396	2,740,000	299,416	3,039,416	4.55	
2021	11,634,496	2,685,000	313,711	2,998,711	3.88	
2020	9,952,249	2,200,744	361,928	2,562,672	3.88	
2019	9,766,713	1,725,366	399,322	2,124,688	4.60	
2018	9,811,985	1,383,363	426,446	1,809,809	5.42	
2017	9,072,162	1,351,833	450,352	1,802,185	5.03	
2016	9,128,971	1,295,755	465,995	1,761,750	5.18	
2015	8,646,980	1,550,112	200,478	1,750,590	4.94	

Notes:

Details regarding the County's outstanding debt can be found in the notes to the financial statements.

The Infrastructure Sales Surtax Revenue Notes are serviced from and secured by designated revenues derived from the County's share of the one cent local discretionary infrastructure sales surtax.

**HIGHLANDS COUNTY, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

<u>Year</u>	<u>Population^a</u>	<u>Total Personal Income^a (in thousands)</u>	<u>Per Capita Personal Income^a</u>	<u>Public School Enrollment^b</u>	<u>Unemployment Rate^c</u>
2024	-	\$ -	\$ -	12,037	5.20%
2023	107,614	4,754,078	44,177	12,127	4.70%
2022	105,618	4,419,585	41,845	12,314	4.10%
2021	103,296	4,296,843	41,568	12,119	5.40%
2020	101,222	3,964,116	39,163	12,047	8.90%
2019	101,061	3,669,412	36,309	11,993	4.50%
2018	100,189	3,442,686	34,362	12,308	4.90%
2017	100,094	3,416,070	34,129	12,513	6.00%
2016	98,886	3,262,575	32,993	12,296	6.90%
2015	97,582	3,169,640	32,482	12,481	7.50%

Notes:

^a Information was provided by the U.S. Department of Commerce, Bureau of Economic Analysis.

^b Information was provided by the Highlands County School Board.

^c Information was provided by the Florida Research and Economic Information Database.

**HIGHLANDS COUNTY, FLORIDA
PRINCIPAL EMPLOYERS
CURRENT FISCAL YEAR AND NINE YEARS PRIOR**

Employer	2024			2015		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Highlands County School Board	1,867	1	5.31%	1,608	1	4.87%
Advent Health (fka Florida Hospital)	1,771	2	5.04%	1,100	2	3.33%
Wal-Mart	773	3	2.20%	736	3	2.23%
Publix	530	4	1.51%	-	-	0.00%
South Florida State College	461	5	1.31%	-	-	0.00%
Highlands County Board of County Commissioners	396	6	1.13%	355	6	1.08%
Sebring International Raceway LLC	372	7	1.06%	400	5	1.21%
Highlands Regional Medical Center	363	8	1.03%	400	5	1.21%
Highlands County Sheriff's Office	347	9	0.99%	325	7	0.98%
On Site Ag Services Inc.	292	10	0.83%	250	9	0.76%
Costa Farms LLC	-	-	0.00%	250	9	0.76%
Alan Jay Automotive	-	-	0.00%	285	8	0.86%
Agero f/d/a Cross Country Automotive Services	-	-	0.00%	500	4	1.52%
The Palms of Sebring	-	-	0.00%	250	10	0.76%
Total	<u>7,172</u>		<u>20.41%</u>	<u>6,459</u>		<u>19.57%</u>
Labor Force Employed	35,129			32,997		

Source: Top Employee information was provided by the Highlands County Economic Development Commission. Labor force employee numbers were obtained from the Florida Research and Economic Database.

HIGHLANDS COUNTY, FLORIDA

FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS

Function	Full-Time Equivalent Employees as of September 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
GENERAL GOVERNMENT										
Legislative	5	5	5	5	5	5	5	5	5	5
Executive	6	3	3	4	5	5	4	4	5	6
Financial and Administrative	133	139	139	133	135	129	124	124	116	119
Comprehensive Planning	11	6	6	5	4	4	5	5	5	6
Other General Government	33	24	27	28	24	26	26	24	27	27
PUBLIC SAFETY										
Law Enforcement	234	238	228	237	243	243	244	232	220	216
Fire Control	6	42	40	36	29	32	16	13	14	16
Detention / Correction	103	98	105	107	112	111	110	106	108	104
Protective Inspection	20	20	18	18	17	18	16	13	16	15
Emergency and Disaster	4	6	6	6	9	7	4	5	4	6
Ambulance and Rescue	15	57	62	62	69	65	63	66	61	57
Other Public Safety	7	5	5	5	6	5	3	3	3	2
PHYSICAL ENVIRONMENT										
Water Utility Services	22	22	18	16	17	19	16	21	19	20
Conservation and Rescue	10	11	18	14	13	16	14	13	14	14
Flood Control/ Stormwater	1	1	-	-	-	-	-	-	-	-
Other Physical Environment	1	1	-	-	-	-	-	-	-	-
TRANSPORTATION										
Road and Street Facilities	119	119	114	120	107	120	120	112	113	107
Other Transportation	2	2	-	-	-	-	-	-	-	-
ECONOMIC ENVIRONMENT										
Housing	3	2	2	1	1	1	1	1	1	1
Veteran Services	4	3	4	4	3	3	3	3	3	3
Other	4	4	3	3	3	3	3	3	2	1
HUMAN SERVICES										
Health	-	-	3	8	6	8	8	8	8	8
Welfare	7	7	1	1	1	1	1	1	7	9
Other Human Services	1	1	-	-	-	1	1	1	-	-
CULTURE AND RECREATION										
Libraries	20	19	20	20	19	16	16	14	16	18
Parks and Recreation	13	15	15	16	17	16	17	18	18	18
COURT RELATED										
Court General Administration	18	25	25	23	21	19	23	21	22	14
Circuit Court Criminal	16	9	6	5	4	4	5	5	6	6
Circuit Court Civil	3	2	4	4	4	4	3	3	4	4
Circuit Court Family	8	8	8	10	9	10	8	9	9	9
Circuit Court Juvenile	3	3	5	5	4	5	3	3	3	2
Court General Operations	5	6	7	6	6	9	9	8	7	16
County Court Traffic	5	5	4	6	4	6	6	6	7	7
Total	842	908	901	908	897	911	877	850	843	836

HIGHLANDS COUNTY, FLORIDA OPERATING INDICATORS BY FUNCTION

Function / Program	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
GENERAL GOVERNMENT										
New Hires	122	117	93	68	52	89	66	46	46	50
Purchase Orders Issued	1,516	1,578	1,676	1,693	1,687	1,681	1,708	1,910	1,518	1,629
Comp Plan Amendments	13	16	14	19	10	7	5	7	15	13
IT Work Orders Completed	14,000	15,011	18,122	17,317	17,050	15,636	17,676	14,636	8,917	9,778
IT Users Served	700	689	689	689	650	650	650	650	650	650
PUBLIC SAFETY										
Emergency Medical Services:										
Emergency 911 Call Volume:										
Fire/Rescue Calls	22,741	24,406	20,600	29,813	19,292	20,629	****	****	****	****
EMS Calls	****	****	****	****	****	****	17,089	17,365	16,546	15,696
Fire Department Calls	****	****	****	****	****	****	3,914	11,002	9,337	8,174
Average EMS Response Time (in Minutes)	8	8	9	8	7	7	7	7	8	8
Air Medical Service (Number of Flights)	113	139	3	143	188	212	135	116	104	108
Sheriff:										
Arrests Made	1,986	2,111	*****	2,099	2,054	3,570	3,699	3,258	4,474	5,489
Traffic Citations Issued	2,894	3,988	3,986	4,376	2,466	3,888	2,040	2,116	2,349	3,244
Detentions and Correction:										
Jail Average Daily Population	531	472	462	453	397	460	417	423	379	387
Building Department:										
Permits Issued	9,413	13,001	13,847	9,080	7,014	6,820	11,339	5,598	5,407	4,745
Inspections Performed	24,102	30,840	27,793	17,585	13,216	14,431	19,685	9,430	7,527	7,527
Zoning Department:										
Code Enforcement Complaints Received	1,520	1,423	2,144	1,282	2,691	2,142	1,975	2,818	2,222	1,552
Code Enforcement Inspections Performed	2,786	3,125	3,824	5,617	5,329	3,623	3,347	4,219	4,106	4,050
PHYSICAL ENVIRONMENT										
Recycled Waste (Tons)	510	462	147	389	2,200	3,366	5,528	3,614	2,391	2,563
Landfill Waste:										
Residential Household Waste (Tons)	51,422	51,908	49,693	45,497	44,450	37,960	37,954	37,575	39,411	37,609
Commercial Waste (Tons)	51,797	48,786	44,667	42,158	39,285	36,506	38,443	30,975	28,238	26,856
TRANSPORTATION										
Miles of Road Constructed	0.05	4.87	0.08	0.29	4.31	-	-	0.10	-	0.31
Miles of Road Reconstructs	7.90	2.64	4.66	0.13	132.42	0.06	-	1.10	1.54	1.38
Miles of Road Resurfaced	4.80	14.53	24.78	35.01	67.00	22.39	8.09	30.81	31.30	34.95

**HIGHLANDS COUNTY, FLORIDA
OPERATING INDICATORS BY FUNCTION (CONTINUED)**

Function / Program	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
ECONOMIC ENVIRONMENT										
Down Payment Assistance Loan Program	***	***	***	***	***	***	***	***	***	***
Veterans' Services:										
In Office Visits	4,677	2,676	2,222	1,600	1,400	4,905	5,043	5,291	***	5,032
Phone Calls Received	14,031	8,994	11,191	12,292	12,300	10,503	7,990	7,264	***	19,200
Home Visits	3	-	-	-	-	5	5	12	***	3
Transportation Trips	-	-	-	-	125	250	242	242	***	89
Presentations	44	33	27	25	40	52	29	30	***	110
HUMAN SERVICES										
Animal Services:										
Number of Complaints Received *	5,039	5,794	4,759	5,216	4,486	5,603	5,373	2,994	7,359	8,553
Number of Impoundments *	2,710	3,053	2,684	2,955	2,678	3,531	3,035	1,726	3,316	3,547
Animals Reclaimed *	276	296	395	292	243	268	285	118	340	412
Animals Adopted *	246	210	161	214	185	329	434	139	451	601
Animals Donated to Humane Society *	1,505	1,448	1,087	1,335	1,240	1,323	1,046	420	1,277	***
Animals Euthanized *	633	542	771	806	731	1,225	1,038	616	1,146	1,441
Wildlife Relocated	***	***	***	***	***	52	***	***	***	***
Transportation Trips for Disadvantaged Persons	61,657	60,936	62,396	52,560	64,316	74,525	72,219	78,334	92,039	100,123
CULTURE AND RECREATION										
Library Operations:										
Registered Borrowers in Highlands County	99,376	93,273	93,757	91,143	89,250	88,030	20,409	18,736	20,218	19,846
Library Visitors	187,716	176,460	149,740	118,467	136,564	233,161	248,481	269,095	284,480	287,573
Items Circulated:										
Adult	226,661	163,468	169,209	175,345	172,284	233,352	281,953	295,853	354,156	305,349
Children	120,864	104,178	90,936	77,895	68,059	111,532	104,319	122,681	123,069	119,176
Adult Programs:										
Number of Programs	214	119	3	17	95	159	247	510	414	392
Number of Attendees	1,190	669	17	150	1,198	2,202	2,263	4,187	2,766	3,259
Children's Programs:										
Number of Programs	487	402	244	109	117	229	205	226	287	195
Number of Attendees	19,806	11,963	4,774	1,980	3,262	3,124	2,681	3,242	3,736	3,120
Volunteer Hours	4,064	4,835	3,844	3,621	2,825	5,164	6,058	5,435	5,425	5,204
Library Webpage Visits	145,530	148,532	145,548	145,745	186,041	230,313	919,587	1,087,095	1,226,146	***
Public Internet Usage (Hours)	15,146	14,969	14,842	23,222	10,702	33,962	194,178	105,715	25,165	35,341
Park Rentals:										
H. L. Bishop	96	51	73	28	29	61	64	32	49	52
Boat Ramps Maintained	37	37	38	38	38	38	38	38	38	38

**HIGHLANDS COUNTY, FLORIDA
OPERATING INDICATORS BY FUNCTION (CONTINUED)**

Function / Program	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
COURT RELATED										
Cases in Court	24,903	30,629	21,336	13,864	15,948	26,955	27,557	26,840	26,967	29,806
Individuals thru Security	93,036	93,713	66,822	54,355	52,611	106,396	100,996	124,283	111,171	125,991

Sources: Information was obtained from various County departments.

* For 2017 these numbers represent the time period of April 2017 through September 2017. Information for the remainder of the fiscal year is not available due to a transition of Animal Services to the Sheriff's Office.

** Methodology for calculating number of IT Users changed in 2014.

*** Information not available.

**** As of January 1, 2019, all EMS and Fire calls became combined into Fire/Rescue calls

*****Information unavailable as a result of the May 27, 2022 Highlands County Sheriff's Office ransomware attack.

HIGHLANDS COUNTY, FLORIDA CAPITAL ASSETS BY FUNCTION

Function / Program	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
GENERAL GOVERNMENT										
IT Networked Buildings	60	58	54	54	54	54	46	42	43	43
PUBLIC SAFETY										
EMS Vehicles:										
Ambulances	12	9	11	12	14	12	13	15	14	12
Jaws	16	18	14	17	17	2	2	1	2	2
Administrative	9	5	14	7	7	6	5	3	3	2
Paid/Volunteer Fire Stations:	19	15	17	17	17	17	17	17	17	*
Sheriff:										
Stations	1	1	1	1	1	1	1	1	1	1
Sub-Stations	2	3	3	3	3	3	3	4	4	3
Patrol Vehicles	161	154	167	165	144	144	129	110	97	103
Command Center	2	2	2	2	1	1	1	1	3	3
Special Operations Vehicle	2	2	2	2	3	3	2	4	4	3
Aircraft	0	-	-	-	1	1	1	1	1	1
Watercraft	3	3	3	3	3	3	3	3	3	3
Correction Facility Capacity	504	504	504	504	504	504	504	504	504	504
TRANSPORTATION										
Miles of County Road:										
Paved	944.99	341	938	938	1,003	999	998	998	998	1,010
Unpaved	176.7	184	189	189	194	198	200	197	197	217
Number of Airports	2	2	2	2	2	2	2	3	3	3
CULTURE AND RECREATION										
Number of County Libraries	3	3	3	3	3	3	3	3	3	3
Library Books	242,894	230,668	225,960	222,189	257,241	253,678	245,326	233,238	206,601	236,135
Library Audio Materials	16,682	7,598	7,224	7,451	9,888	9,652	*	9,252	17,941	18,284
Library Video Materials	23,695	24,405	23,482	23,129	32,537	28,380	12,519	26,637	20,886	22,555
Number of County Boat Ramps	37	37	38	38	38	38	38	38	38	38
Number of County Parks	45	45	45	45	45	45	45	45	45	45
Parks with Playgrounds	5	5	5	4	4	4	4	4	4	4
Parks with Baseball/Softball Fields	10	10	10	10	10	10	10	10	10	10
Park Acreage (Estimated):										
Developed	31	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465
Undeveloped	1,466.23	30.67	30.67	30.67	30.67	30.67	30.67	30.67	30.67	30.67

Sources: Information was obtained from various County departments.

* Information not available

Compliance Section



CAROUSEL OF LIGHTS
SEBRING, FLORIDA

**HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2024**

Federal / State Agency Federal Program / State Project	Assistance Listing Number	Grant Contract Number	Amounts Passed Through To Subrecipients	Expenditures
FEDERAL AWARDS				
U.S. Department of Justice				
Direct Programs				
State Criminal Alien Assistance Program	16.606		\$ -	\$ 27,648
State Criminal Alien Assistance Program	16.606		-	45,098
State Criminal Alien Assistance Program	16.606		-	16,698
State Criminal Alien Assistance Program	16.606		-	7,645
State Criminal Alien Assistance Program	16.606		-	20,080
State Criminal Alien Assistance Program	16.606		-	39,294
State Criminal Alien Assistance Program	16.606		-	22,286
Total State Criminal Alien Assistance Program			-	178,749
Pass-Through from Florida Department of Law Enforcement:				
JAG Program				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-22-GG-00656-MUMU (R7202)	-	60,958
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-22-GG-02685-JAGX	-	19,572
Total Edward Byrne Memorial Justice Assistance Grant Program			-	80,530
Pass-Through from Florida Department of Law Enforcement:				
Residential Substance Abuse Treatment for State Prisoners	16.593	15PBJA-22-GG-00465-RSAT	99,983	99,983
Pass-Through from Florida Attorney General:				
Crime Victim Assistance	16.575	VOCA-C-2023-HCSO-00252	-	85,800
Crime Victim Assistance	16.575	VOCA-C-2023-HCSO-00252	-	38,465
Total Crime Victim Assistance			-	124,265
Total U.S. Department of Justice			99,983	483,527
U.S. Department of Treasury				
Direct Programs				
Local Assistance and Tribal Consistency Fund	21.032	1505-0276	-	14,632
Pass-Through from Florida Division of Emergency Management:				
American Rescue Plan Act	21.027	1505-0271	-	187,818
Total U.S. Department of Treasury			-	202,450
U.S. Department of Transportation				
Pass-Through from Florida Department of Transportation:				
Highway Planning and Construction	20.205	435067-1-3/58/68-01	-	(9,979)
Highway Planning and Construction	20.205	441739-1-38/58/68-01	-	10,675
Highway Planning and Construction	20.205	441923-1-38-01	-	22,485
Total Highway Planning and Construction Cluster			-	23,181
Total U.S. Department of Transportation			-	23,181
U.S. Department of Health and Human Services				
Pass-Through from Ounce of Prevention Fund of Florida, Inc.:				
Promoting Safe and Stable Families	93.556	20-25-42	-	38,884
Promoting Safe and Stable Families	93.556	20-25-42	-	7,681
Total Promoting Safe and Stable Families			-	46,565

See accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2024

Federal / State Agency Federal Program / State Project	Assistance Listing Number	Grant Contract Number	Amounts Passed Through To Subrecipients	Expenditures
FEDERAL AWARDS				
U.S. Department of Health and Human Services (Continued)				
TANF Cluster:				
Pass-Through from Ounce of Prevention Fund of Florida, Inc.:				
Temporary Assistance for Needy Families	93.558	20-25-42	\$ -	\$ 71,185
Temporary Assistance for Needy Families	93.558	20-25-42	-	26,576
Total Temporary Assistance for Needy Families Cluster			-	97,761
Pass-Through U.S. Agency for Children and Families and Office of Child Support Enforcement, Florida Department of Revenue:				
Child Support Enforcement	93.563	COC28	-	440,585
Total U.S. Department of Health and Human Services			-	584,911
Department of Homeland Security				
Pass-Through from Florida Division of Emergency Management:				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Z2891	-	2,437,587
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Z0581	-	52,668
Total Disaster Grants - Public Assistance (Presidentially Declared Disasters)			-	2,490,255
Emergency Management Performance Grants	97.042	G0384	-	59,517
Total U.S. Department of Health and Human Services			-	2,549,772
Total Expenditures of Federal Awards			\$ 99,983	\$ 3,843,841

See accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2024

Federal / State Agency Federal Program / State Project	CSFA Number	Grant Contract Number	Amounts Passed Through To Subrecipients	Expenditures
STATE FINANCIAL ASSISTANCE				
Florida Department of Economic Opportunity				
Community Planning Technical Assistance	40.024	P0481	\$ -	\$ 40,000
Total Florida Department of Economic Opportunity			-	40,000
Florida Department of Environmental Protection				
Resilient Florida Programs	37.098	23PLN116	-	30,000
Small County Consolidated Waste Grants	37.012	SC415	-	93,750
Wastewater Treatment Facility Construction	37.077	21099	-	652,473
Total Florida Department of Environmental Protection			-	776,223
Florida Department of State & Secretary of State				
State Aid to Libraries	45.030	18-ST-16	-	196,215
Total Florida Department of State & Secretary of State			-	196,215
Florida Executive Office of the Governor				
Emergency Management Programs	31.063	A0344	-	75,417
Emergency Management Programs	31.063	A0433	-	47,733
Total Emergency Management Programs			-	123,150
Emergency Management Projects	31.067	T0299	-	2,243
Total Florida Executive Office of the Governor			-	125,393
Florida Housing Finance Corporation				
State Housing Initiatives Partnership (SHIP) Program	40.901	N/A	-	733,431
Total Florida Housing Finance Corporation			-	733,431
Florida Department of Transportation				
County Incentive Grant Program	55.008	445042-1-54-01	-	1,053
County Incentive Grant Program	55.008	446319-1-54-01	-	649
County Incentive Grant Program	55.008	446319-2-54-01	-	564
Total County Incentive Grant Program			-	2,266
Small County Outreach Program	55.009	445071-1-54-01	-	32,707
Small County Outreach Program	55.009	445073-1-54-01/02	-	5,969
Small County Outreach Program	55.009	446391-1-54-01	-	113,135
Total Small County Outreach Program			-	151,811

See accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2024

Federal / State Agency Federal Program / State Project	CSFA Number	Contract Number	Through To Subrecipients	Expenditures
STATE FINANCIAL ASSISTANCE (CONTINUED)				
Florida Department of Transportation (Continued)				
Small County Road Assistance Program	55.016	436642-1-54-01/02	\$ -	\$ (42,187)
Small County Road Assistance Program	55.016	442469-1-54-01	-	57,365
Small County Road Assistance Program	55.016	445063-1-54-01	-	7,274
Total Small County Road Assistance Program			-	22,452
Total Florida Department of Transportation			-	176,529
Florida Department of Children and Families				
Pass-Through from Florida Network for Children's Advocacy Centers, Inc.:				
Florida Network Children's Advocacy Center	60.124	23-24-DCF-CAC-23	-	4,508
Florida Network Children's Advocacy Center	60.124	24-25-DCF-CAC-23	-	381
Total Florida Department of Children and Families			-	4,889
Florida Department of Health				
Emergency Medical Services Matching Grant	64.003	M0007	-	5,105
Total Florida Department of Health			-	5,105
Florida Department of Law Enforcement				
Law Enforcement Salary Assistance for Fiscally Constrained Counties	71.067	5V015	-	932,988
Law Enforcement Salary Assistance for Fiscally Constrained Counties	71.067	ME015	-	310,996
Total Law Enforcement Salary Assistance for Fiscally Constrained Counties			-	1,243,984
Total Florida Department of Law Enforcement			-	1,243,984
Florida Department of Highway Safety and Motor Vehicles				
Child Abuse Prevention and Intervention License Plate Project	76.067	21-22-LPVC-CAC-23		1,000
Child Abuse Prevention and Intervention License Plate Project	76.067	22-23-LPVC-CAC-23		1,275
Child Abuse Prevention and Intervention License Plate Project	76.067	23-24-LPVC-CAC-23	-	1,982
Total Child Abuse Prevention and Intervention License Plate Project			-	4,257
Florida Network of Children's Advocacy Center Voluntary Contribution	55.016	22-23-LPVC-CAC-23	-	700
Florida Network of Children's Advocacy Center Voluntary Contribution	55.016	23-24-LPVC-CAC-23	-	625
Total Florida Network of Children's Advocacy Center Voluntary Contribution			-	1,325
Total Florida Department of Highway Safety and Motor Vehicles			-	5,582
Florida Fish and Wildlife Conservation Commission				
Florida Boating Improvement Program	77.006	19044	-	36,000
Total Florida Fish and Wildlife Conservation Commission			-	36,000
Florida Department of Management Services				
Prepaid Next Generation 911 (NG911) State Grant Program	72.003	S23-23-05-03	-	43,650
Total Florida Department of Management Services			-	43,650

See accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2024

Federal / State Agency Federal Program / State Project	CSFA Number	Contract Number	Through To Subrecipients	Expenditures
STATE FINANCIAL ASSISTANCE (CONTINUED)				
Florida Department of Legal Affairs and Attorney General				
FL Network of Children's Advocacy Centers	41.031	23/24-GR-CAC23	\$ -	\$ 66,617
FL Network of Children's Advocacy Centers	41.031	24/25-BTG-CAC23	-	622
FL Network of Children's Advocacy Centers	41.031	24/25-GR-CAC23	-	19,140
Total FL Network of Children's Advocacy Centers			-	86,379
Total Florida Department of Legal Affairs and Attorney General			-	86,379
Florida State Court System				
FL Network of Children's Advocacy Centers	22.016	CAC23	-	4,825
Total FL Network of Children's Advocacy Centers			-	4,825
FL Network of Children's Advocacy Centers			-	
Total Florida State Court System			-	4,825
Florida Department of Education				
Guardian Program	48.140	96U-90210-4D001	-	164,308
Total Guardian Program			-	164,308
Total Florida Department of Education			-	164,308
Total State Financial Assistance			\$ -	\$ 3,642,513

See accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

HIGHLANDS COUNTY, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
SEPTEMBER 30, 2024

NOTE 1 BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) includes the federal awards and state financial assistance activity of Highlands County, Florida (County) under programs of the federal government and state of Florida for the year ended September 30, 2024. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and Chapter 69I-5, Rules of the Florida Department of Financial Services. Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting for awards and financial assistance recorded in governmental funds and the accrual basis of accounting for awards and financial assistance recorded in the proprietary funds, which are described in Note 1 to the County's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 INDIRECT COST RATE

The County has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

HIGHLANDS COUNTY, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE (CONTINUED)
SEPTEMBER 30, 2024

NOTE 4 OUNCE OF PREVENTION MATCH

In addition to the amounts listed on the Schedule, the County received additional funding from the state of Florida as a match for certain federal programs. The amounts listed below represent the funding provided by the state of Florida as a match to the specified federal programs.

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Expenditures
State Matching Monies			
Pass-Through from Ounce of Prevention Fund of Florida, Inc.:			
Promoting Safe and Stable Families	93.556	20-25-42	\$ 38,884
Promoting Safe and Stable Families	93.556	20-25-42	<u>7,681</u>
Total Promoting Safe and Stable Families			46,565
TANF Cluster:			
Pass-Through from Ounce of Prevention Fund of Florida, Inc.:			
Temporary Assistance for Needy Families	93.558	20-25-42	71,185
Temporary Assistance for Needy Families	93.558	20-25-42	<u>26,576</u>
Total Temporary Assistance for Needy Families Cluster			<u>97,761</u>
Total State Matching Monies			<u>\$ 144,326</u>

NOTE 5 LOANS OUTSTANDING

The county has the following loan balance outstanding at September 30, 2024.

Program Title	CSFA Number	Amount Outstanding
Florida Department of Environmental Protection		
Wastewater Treatment Facility Construction	37.077	\$ 652,473

NOTE 6 DISASTER GRANTS – PUBLIC ASSISTANCE (PRESIDENTIALLY DECLARED DISASTERS) (97.036)

After a presidentially declared disaster, FEMA provides Disaster Grants — Public Assistance (Presidentially Declared Disasters) (Assistance Listing 97.036) to reimburse eligible costs associated with debris removal, emergency protective measures and the repair, restoration, reconstruction or replacement of public facilities or infrastructure damaged or destroyed. Reimbursements are provided in the form of cost-shared grants. Hurricane Irma (FEMA-4337-DR) made landfall in Highlands County on September 10, 2017. All the \$52,668 reported on the Schedule for grant ZOOOI was incurred in fiscal years 2023 through 2025. Hurricane Ian (FEMA4673-DR) made landfall in Highlands County on September 28, 2022. All the \$2,437,587 reported on the Schedule for grant Z2967 was incurred in fiscal year 2023.



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

Board of County Commissioners
Highlands County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Highlands County, Florida (the County), as of and for the year ended September 30, 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 April 14, 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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

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

We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

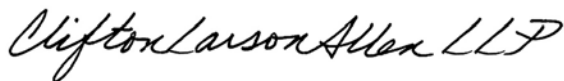
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

Highlands County's Response to Findings

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

Purpose of this Report

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

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Sebring, Florida
April 14, 2025



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

Board of County Commissioners
Highlands County, Florida

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

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

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

Basis for Opinion on Each Major Federal Program and State Project

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-002, to be a material weakness.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Sebring, Florida
April 14, 2025

**HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL PROGRAMS AND STATE PROJECTS
YEAR ENDED SEPTEMBER 30, 2024**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? x yes _____ none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes x no

Identification of Major Federal Programs

Assistance Listing Number(s)

97.036

Name of Federal Program or Cluster

Disaster Grants - Public Assistance
(Presidentially Declared Disasters)

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

_____ yes x no

**HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL PROGRAMS AND STATE PROJECTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2024**

Section I – Summary of Auditors' Results (Continued)

State Financial Assistance

1. Internal control over state projects:

- Material weakness(es) identified? x yes no
- Significant deficiency(ies) identified? yes x none reported

2. Type of auditors' report issued on compliance for state projects:

Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with Chapter 10.557, Rules of the Auditor General?

 x yes no

Identification of Major State Projects

CSFA Number(s)

37.077
45.030
71.067

Name of State Project

Wastewater Treatment Facility Construction
State Aid to Libraries
Law Enforcement Salary Assistance for Fiscally
Constrained Counties

Dollar threshold used to distinguish between Type A and Type B state projects:

\$ 750,000

**HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL PROGRAMS AND STATE PROJECTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2024**

Section II – Financial Statement Findings

2024-001 – Schedule of Expenditures of Federal Awards and State Financial Assistance

Type of Finding:

- Significant Deficiency in Internal Control Over Financial Reporting

Condition: Our audit procedures identified errors of \$164,308 in the Schedule of Expenditures of Federal Awards and State Financial Assistance (Schedule).

Criteria or Specific Requirement: Section 200.508 Part B, 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) requires an auditee to "prepare appropriate financial statements, including the Schedule of Expenditures of Federal Awards." Chapter 69I-5.003, Rules of the Florida Department of Financial Services contains a similar requirement. The Schedule, while not part of the basic financial statements, is audited in relation to the basic financial statements, in accordance with the requirements of the Uniform Guidance and Chapter 69I-5.

Effect: The errors resulted in the County underreporting State expenditures on the Schedule provided for audit in the amount of \$164,308. The change in expenditures required auditors to update the major program planning documentation and include additional documentation over the completeness of the Schedule of Federal Awards and State Financial Assistance (Schedule).

Cause: Schedule of Expenditures of Federal Awards and State Financial Assistance (Schedule) data is accumulated based on project numbers for which the county didn't have one reported in their financial system. Lack of communication between the county's accounting personnel and related constitutional officers in regards to state grant agreements in place.

Repeat Finding: No

Recommendation: We recommend establishing improved tracking procedures for all grants received by the County, with particular focus on those received by the Constitutional Officers. This will enhance communication between grant managers and the County's accounting department.

Views of Responsible Officials and Planned Corrective Action: We will improve tracking procedures for all grants received as recommended moving forward from April 4, 2025.

**HIGHLANDS COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL PROGRAMS AND STATE PROJECTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2024**

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

Section IV – Findings and Questioned Costs – Major State Projects

2024-002 – Reporting

State agency: Florida Department of Law Enforcement

State program title: Law Enforcement Salary Assistance for Fiscally Constrained Counties

CFSA Number: 71.067

Award Period: July 1, 2023 - June 30, 2024, and July 1, 2024 - June 30, 2025

Type of Finding:

- Material Weakness in Internal Control over Compliance

Criteria or specific requirement: The County should maintain effective internal controls over its state grants. Continuous evaluation and monitoring of the internal controls in place allows for reasonable assurance that state award compliance is achieved.

Condition: Quarterly reports submitted to the grantor were not reviewed by a member of management to ensure the accuracy and completeness of the data.

Questioned costs: None.

Context: Two of the four quarterly reports for the year were tested as part of the audit. One of which did not undergo a review and approval process prior to submission to FDLE.

Cause: Review procedures were not established for grant reporting.

Effect: A lack of review could cause undetected errors to be reported to the grantor.

Repeat Finding: Yes.

Recommendation: We recommend all reports submitted to grantors be reviewed by knowledgeable personnel before submittal. A copy of the review, approval, approval date, and submittal date should be maintained as evidence.

Views of responsible officials: The Highlands County Sheriff's Office have been following this recommendation since our FY 2022-23 audit on or around March 6, 2024. The finding has been resolved going forward.

**HIGHLANDS COUNTY BOARD OF COUNTY COMMISSIONERS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED SEPTEMBER 30, 2024**

Department of the Treasury

Highlands County Board of County Commissioners respectfully submits the following summary schedule of prior audit findings for the year ended September 30, 2024.

Audit period: October 1, 2022-September 30, 2023

The finding from the prior audit's schedule of findings and questioned costs is discussed below.

FINDINGS—FINANCIAL STATEMENT AUDIT

There were no financial statement findings in the prior year.

FINDINGS— STATE PROJECT AUDITS

2023-001 Reporting

Condition: Quarterly reports submitted to the grantor were not reviewed by a member of management to ensure the accuracy and completeness of the data.

Repeat Finding in 2024: Yes

Action Taken in Response to finding: The Highlands County Sheriff's Office has established and will maintain effective internal controls over its state/federal grants. All reports will be reviewed by a member of management to ensure the accuracy and completeness of the data being submitted. A copy of the review, approval, approval date, and submittal date will be maintained as evidence.

If the Department of Treasury has questions regarding this schedule, please call Tanya Cannady at (863) 402-6842.



MANAGEMENT LETTER

Board of County Commissioners
Highlands County, Florida

Report on the Financial Statements

We have audited the financial statements of Highlands County, Florida (County), as of and for the fiscal year ended September 30, 2024 and have issued our report thereon dated April 14, 2025.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control Over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated April 14, 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. Finding 2024-002 was also reported in the prior year.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. See Note 1 to the Financial Statements.

Financial Condition and Management

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

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

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

Property Assessed Clean Energy (PACE) Programs

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

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Specific Information (for a dependent special district or an independent special district, or a local government entity that includes the information of a dependent special district)

The information required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, is included in Attachment A to this letter.

Specific Information (for an independent special district that imposes ad valorem special taxes)

There are no special districts included in the reporting entity that are imposing ad valorem taxes and are required to report under Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)8, Rules of the Auditor General.

Specific Information (for an independent special district that imposes non-ad valorem special assessments)

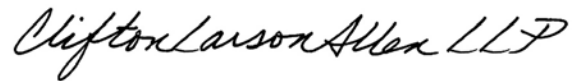
The information required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)9, Rules of the Auditor General, is included in Attachment A to this letter.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or 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, Federal and other granting agencies, the Board of County Commissioners, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Sebring, Florida
April 14, 2025

Management Letter

Special District Specific Information

YEAR ENDED SEPTEMBER 30, 2024

Special District	The total number of district employees compensated in the last pay period of the district's fiscal year as:	The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as:	All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as:	All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as:	Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as (provide list):	The rate or rates of non-ad valorem special assessments imposed by the District as:	The total amount of special assessments collected by or on behalf of the district as:	The total amount of outstanding bonds issued by the district and the terms of such bonds as:
Lake Placid Sun-N-Lake Estates Fire District	0	0	\$ -	\$ -	- N/A	\$	6,011.47	0
Orange Villa Special Benefit District	0	0	\$ -	\$ -	- \$48.00/Per home site	\$	2,344.87	0
Placid Lakes Special Benefit District	1 FTE @ 33.75%	6	\$ 19,118.21	\$ 125,337.77	- \$20.00/lot or fraction thereof	\$	251,495.70	0
					\$18.00/Improved lot			
Sebring Country Estates Special Benefit District	0	0	\$ -	\$ -	- \$6.00/Unimproved lot	\$	21,544.40	0
Avon Park Estates Special Benefit District	0	1	\$ -	\$ 8,749.24	- \$40.00/Lot or fraction thereof	\$	91,122.60	0
Highlands Lakes Special Tax District	0	0	\$ -	\$ -	- N/A	\$	445.85	0
Highlands Park Special Benefit Fire District	0	0	\$ -	\$ -	- N/A	\$	331.81	0
Istokpoga Marsh Watershed Improvement District	0	4	\$ -	\$ 60,188.80	- \$0.00/Acre or fraction thereof	\$	-	0
Leisure Lakes Special Benefit Fire District	0	0	\$ -	\$ -	- N/A	\$	942.17	0
					\$23.00/per home/or Business improved lot			
Sebring Hills Special Benefit District	0	0	\$ -	\$ -	- \$3.00/Vacant lot	\$	20,206.10	0
Red Hill Farms Improvement District	0	0	\$ -	\$ -	- \$15.00/Lot or fraction thereof	\$	7,023.15	0
Sun-N-Lakes of Lake Placid Recreation District	1 FTE @ 33.75%	11	\$ 19,118.21	\$ 87,238.26	- \$25.00/Per Parcel	\$	185,243.15	0
Sebring Acres Special Benefit District	0	0	\$ -	\$ -	- \$50.00/Lot or fraction thereof	\$	9,996.34	0
					\$20.00/Improved lot			
Lake Haven Estates Special Benefit District	0	0	\$ -	\$ -	- \$5.00/Unimproved lot or fraction thereof	\$	10,660.89	0
Lorida Special Benefit Fire District	0	0	\$ -	\$ -	- N/A	\$	596.83	0
Lake Placid Special Benefit Fire District	0	0	\$ -	\$ -	- N/A	\$	82.38	0
Highlands Park Estates Special Benefit District	1 FTE @ 22.50%	7	\$ 13,039.66	\$ 33,816.33	- \$10.00/Lot or fraction thereof	\$	64,403.43	0
West Sebring Special Benefit Fire District	0	0	\$ -	\$ -	- N/A	\$	14,467.62	0
Placid Lakes Special Benefit Fire District	0	0	\$ -	\$ -	- N/A	\$	52.63	0
					\$1.4631/Per front foot of County maintained road frontage			
Oak Manor Avenue Road Paving District	0	0	\$ -	\$ -	- \$6.448/Per front foot of non County maintained road frontage	\$	4,384.65	0
					\$40.00/Improved/Residential			
Thunderbird Hill Wastewater Special Benefit District	0	\$	\$ -	\$ -	- \$20.00/Unimproved lot/tract or fraction thereof	\$	18,399.18	0
					\$40.00/Rental MH Park			
					\$0.05610/Dwelling s.f.			
					\$0.08414/Commercial s.f.			
					\$0.07209/Industrial/Warehouse use s.f.			
					\$0.08414/Institutional s.f.			
Highlands County Fire Protection Special Benefit EMS dept (General Fd)	87 EE but 43.01 EE when considering salary splits with	30	\$ 2,946,159.90	\$ 647,985.38	- \$28.84/Parcel	\$	7,549,896.22	4,085,000.00
					\$20.00/Improved lot or fraction thereof			
Highway Park Special Benefit District	0	0	\$ -	\$ -	- \$5.00/Unimproved lot or fraction thereof	\$	6,808.19	0



INDEPENDENT ACCOUNTANTS' REPORT

Board of County Commissioners and the Florida Auditor General
Highlands County, Florida

We have examined Highlands County, Florida's (County) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds and Section 365.172(10) and 365.173(2)(d), Florida Statutes, regarding emergency communications number E911 system fund during the year ended September 30, 2024. Management of the County is responsible for the County's compliance with the specified requirements. Our responsibility is to express an opinion on the County's compliance with the specified requirements based on our examination.

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

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

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

In our opinion, the County complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds and Section 365.172(10) and 365.173(2)(d), Florida Statutes, regarding emergency communications number E911 system fund during the year ended September 30, 2024.

This report is intended solely for the information and use of the County and the Auditor General, State of Florida and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

Sebring, Florida
April 14, 2025

**HIGHLANDS COUNTY, FLORIDA
CORRECTIVE ACTION PLAN
YEAR ENDED SEPTEMBER 30, 2024**

Florida Department of Law Enforcement

Highlands County, Florida respectfully submits the following corrective action plan for the year ended September 30, 2024.

Audit period: October 1, 2023 through September 30, 2024

The finding from the schedule of findings and questioned costs is discussed below. The finding is numbered consistently with the number assigned in the schedule.

FINDINGS—FINANCIAL STATEMENT AUDIT

SIGNIFICANT DEFICIENCY

2024-001 Schedule of Expenditures of Federal Awards and State Financial Assistance

Recommendation: We recommend establishing improved tracking procedures for all grants received by the County, with particular focus on those received by the Constitutional Officers. This will enhance communication between grant managers and the County's accounting department.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: We will improve tracking procedures for all grants received as recommended moving forward from April 4, 2025.

Name(s) of the contact person(s) responsible for corrective action: Michael Halloran, Business Administrator HCSO

Planned completion date for corrective action plan: April 4, 2025

FINDINGS—STATE AWARD PROGRAMS AUDITS

Florida Department of Law Enforcement

2024-002 Law Enforcement Salary Assistance for Fiscally Constrained Counties – ALN 71.067

Recommendation: We recommend all reports submitted to grantors be reviewed by knowledgeable personnel before submittal. A copy of the review, approval, approval date, and submittal date should be maintained as evidence.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: We have been following this recommendation since our FY 2022-23 audit on or around March 6, 2024.

The 2024-02 Law Enforcement Salary Assistance for Fiscally Constrained Counties -ALN 71.067

Name(s) of the contact person(s) responsible for corrective action: Michael Halloran, Business Administrator HCSO

Planned completion date for corrective action plan: On or around March 6, 2024

If the Florida Department of Law Enforcement has questions regarding this plan, please call Tanya Cannady at (863) 402-6842.

**HIGHLANDS COUNTY BOARD OF COUNTY COMMISSIONERS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED SEPTEMBER 30, 2024**

Department of the Treasury

Highlands County Board of County Commissioners respectfully submits the following summary schedule of prior audit findings for the year ended September 30, 2024.

Audit period: October 1, 2022-September 30, 2023

The finding from the prior audit's schedule of findings and questioned costs is discussed below.

FINDINGS—FINANCIAL STATEMENT AUDIT

There were no financial statement findings in the prior year.

FINDINGS— STATE PROJECT AUDITS

2023-001 Reporting

Condition: Quarterly reports submitted to the grantor were not reviewed by a member of management to ensure the accuracy and completeness of the data.

Repeat Finding in 2024: Yes

Action Taken in Response to finding: The Highlands County Sheriff's Office has established and will maintain effective internal controls over its state/federal grants. All reports will be reviewed by a member of management to ensure the accuracy and completeness of the data being submitted. A copy of the review, approval, approval date, and submittal date will be maintained as evidence.

If the Department of Treasury has questions regarding this schedule, please call Tanya Cannady at (863) 402-6842.

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA**

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL REPORTS**

YEAR ENDED SEPTEMBER 30, 2024



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**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
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INDEPENDENT AUDITORS' REPORT

Honorable Jerome Kaszubowski
Clerk of Courts
Highlands County, Florida

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Emphasis of Matter

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

Responsibilities of Management for the Financial Statements

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Honorable Jerome Kaszubowski
Clerk of Courts
Highlands County, Florida

Required Supplementary Information

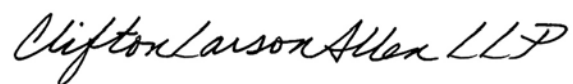
Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 7, 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 Clerk's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Sebring, Florida
April 7, 2025

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024**

	General	Court	Public Records Modernization Trust	Court Related Technology Modernization Trust	Court Services	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Cash and Cash Equivalents	\$ 632,059	\$ 373,462	\$ 593,544	\$ 367,727	\$ 435,981	\$ 10,024	\$ 2,412,797
Accounts Receivable	597	3,516	632	341	582	12	5,680
Due from Constitutional Officers	67,455	-	-	-	-	-	67,455
Due from Other Governmental Units	-	62,966	-	-	23,802	-	86,768
Prepaid Items	59,114	-	-	-	-	-	59,114
Total Assets	<u>\$ 759,225</u>	<u>\$ 439,944</u>	<u>\$ 594,176</u>	<u>\$ 368,068</u>	<u>\$ 460,365</u>	<u>\$ 10,036</u>	<u>\$ 2,631,814</u>
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Vouchers Payable	\$ 178,639	\$ 369	\$ -	\$ -	\$ 7,342	\$ 288	\$ 186,638
Due to Other Governmental Units	5,239	-	-	150	380,198	-	385,587
Due to Others	2,625	260,999	-	-	-	-	263,624
Due to Constitutional Officers	414,450	168,712	-	-	-	-	583,162
Accrued Payroll and Related Liabilities	144,336	9,864	-	4,188	72,825	686	231,899
Total Liabilities	<u>745,289</u>	<u>439,944</u>	<u>-</u>	<u>4,338</u>	<u>460,365</u>	<u>974</u>	<u>1,650,910</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue:							
Intergovernmental	13,936	-	-	-	-	-	13,936
FUND BALANCES							
Nonspendable	59,114	-	-	-	-	-	59,114
Restricted	-	-	594,176	363,730	-	9,062	966,968
Unassigned	(59,114)	-	-	-	-	-	(59,114)
Total Fund Balances	<u>-</u>	<u>-</u>	<u>594,176</u>	<u>363,730</u>	<u>-</u>	<u>9,062</u>	<u>966,968</u>
Total Liabilities and Fund Balances	<u>\$ 759,225</u>	<u>\$ 439,944</u>	<u>\$ 594,176</u>	<u>\$ 368,068</u>	<u>\$ 460,365</u>	<u>\$ 10,036</u>	<u>\$ 2,631,814</u>

See accompanying Notes to Financial Statements.

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2024**

	General	Court	Public Records Modernization Trust	Court Related Technology Modernization Trust	Court Services	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES							
Intergovernmental:							
Appropriation from Board of County Commissioners	\$ 5,317,606	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,317,606
Miscellaneous Revenues:							
Recording Fees	-	-	71,769	199,929	-	-	271,698
Intergovernmental	-	472,400	-	-	451,305	-	923,705
Court Related Service Charge	-	-	-	13,493	1,306,521	19,296	1,339,310
Fines and Forfeitures	-	-	-	-	653,453	-	653,453
Interest Earnings	-	2,577	10,251	3,958	19,480	221	36,487
Other Miscellaneous Revenues	58,000	-	23,000	9,250	1,845	-	92,095
Total Revenues	5,375,606	474,977	105,020	226,630	2,432,604	19,517	8,634,354
EXPENDITURES							
Current:							
General Government:							
Personal Services	3,807,486	-	-	-	-	-	3,807,486
Operating Expenditures	960,360	-	3,004	-	-	-	963,364
Total General Government	4,767,846	-	3,004	-	-	-	4,770,850
Court Related:							
Personal Services	213,463	248,955	-	29,787	2,072,952	19,817	2,584,974
Operating Expenditures	20,720	24,516	-	83,496	86,132	7,920	222,784
Total Court Related	234,183	273,471	-	113,283	2,159,084	27,737	2,807,758
Capital Outlay	153,961	3,685	-	-	33,456	-	191,102
Debt Service:							
Principal	56,692	874	-	-	8,872	-	66,438
Interest	3,290	105	-	-	783	-	4,178
Total Debt Service	59,982	979	-	-	9,655	-	70,616
Total Expenditures	5,215,972	278,135	3,004	113,283	2,202,195	27,737	7,840,326
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	159,634	196,842	102,016	113,347	230,409	(8,220)	794,028
OTHER FINANCING SOURCES (USES)							
Unexpended Budget Balance Reverting to Board of County Commissioners	(163,343)	(168,712)	-	-	-	-	(332,055)
Distribution of Excess Fees to State of Florida	-	-	-	-	(213,757)	-	(213,757)
Leases	3,709	3,685	-	-	10,735	-	18,129
Total Other Financing Sources (Uses)	(159,634)	(165,027)	-	-	(203,022)	-	(527,683)
NET CHANGE IN FUND BALANCE	-	31,815	102,016	113,347	27,387	(8,220)	266,345
Fund Balance - Beginning of Year	-	(31,815)	492,160	250,383	(27,387)	17,282	700,623
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ 594,176	\$ 363,730	\$ -	\$ 9,062	\$ 966,968

See accompanying Notes to Financial Statements.

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2024**

	Budget		Actual	Variance - Favorable (Unfavorable)
	Original	Final		
REVENUES				
Intergovernmental:				
Appropriation from Board of County Commissioners	\$ 5,342,606	\$ 5,342,606	\$ 5,317,606	\$ (25,000)
Miscellaneous Revenues:				
Other Miscellaneous Revenues	-	58,000	58,000	-
Total Revenues	5,342,606	5,400,606	5,375,606	(25,000)
EXPENDITURES				
General Government:				
Personal Services	4,011,044	3,964,053	3,807,486	156,567
Operating Expenditures	969,373	965,428	960,360	5,068
Total General Government	4,980,417	4,929,481	4,767,846	161,635
Court Related:				
Personal Services	241,381	215,141	213,463	1,678
Operating Expenditures	59,618	45,738	20,720	25,018
Total Court Related	300,999	260,879	234,183	26,696
Capital Outlay	61,190	153,889	153,961	(72)
Debt Service:				
Principal Payments	-	56,773	56,692	81
Interest Payments	-	3,294	3,290	4
Total Debt Service	-	60,067	59,982	85
Total Expenditures	5,342,606	5,404,316	5,215,972	188,344
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(3,710)	159,634	163,344
OTHER FINANCING SOURCES (USES)				
Unexpended Budget Balance Reverting to Board of County Commissioners	-	-	(163,343)	(163,343)
Leases	-	3,710	3,709	(1)
Total Other Financing Sources (Uses)	-	3,710	(159,634)	(163,344)
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
COURT SERVICES FUND
YEAR ENDED SEPTEMBER 30, 2024**

	Budget		Actual	Variance - Favorable (Unfavorable)
	Original	Final		
REVENUES				
Miscellaneous Revenues:				
Intergovernmental	\$ 232,550	\$ 379,185	\$ 451,305	\$ 72,120
Court Related Service Charge	1,209,000	1,209,000	1,306,521	97,521
Fines and Forfeitures	637,800	637,800	653,453	15,653
Interest Earnings	19,560	19,560	19,480	(80)
Other Miscellaneous Revenue	-	-	1,845	1,845
Total Revenues	2,098,910	2,245,545	2,432,604	187,059
EXPENDITURES				
Court Related:				
Personal Services	2,058,022	2,127,002	2,072,952	54,050
Operating Expenditures	40,888	86,161	86,132	29
Total Court Related	2,098,910	2,213,163	2,159,084	54,079
Capital Outlay	-	33,462	33,456	6
Debt Service				
Principal	-	8,872	8,872	-
Interest	-	783	783	-
Total Debt Service	-	9,655	9,655	-
Total Expenditures	2,098,910	2,256,280	2,202,195	54,085
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(10,735)	230,409	241,144
OTHER FINANCING SOURCES (USES)				
Distribution of Excess Fees to				
State of Florida	-	-	(213,757)	(213,757)
Leases	-	10,735	10,735	-
Total Other Financing Sources (Uses)	-	10,735	(203,022)	(213,757)
NET CHANGE IN FUND BALANCE	-	-	27,387	27,387
Fund Balance - Beginning of Year	-	-	(27,387)	(27,387)
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2024**

	Internal Service Fund
	<u>Compensated Absences</u>
ASSETS	
Cash and Cash Equivalents	\$ 447,906
Accounts Receivable	<u>418</u>
Total Assets	<u>448,324</u>
LIABILITIES	
Due to Constitutional Officers	3,066
Accrued Compensated Absences Payable	<u>445,258</u>
Total Liabilities	<u>448,324</u>
NET POSITION	
Unrestricted	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED SEPTEMBER 30, 2024**

	Internal Service Fund
	<u>Compensated Absences</u>
OPERATING REVENUES	
Charges for Services	\$ 499,821
OPERATING EXPENSES	
Compensated Absences Expense	<u>502,909</u>
OPERATING LOSS	(3,088)
NONOPERATING REVENUES	
Net Change in Fair Value of Investments	<u>3,088</u>
CHANGE IN NET POSITION	-
Net Position - Beginning of Year	<u>-</u>
NET POSITION - END OF YEAR	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED SEPTEMBER 30, 2024**

	Internal Service Fund Compensated Absences
CASH FLOW FROM OPERATING ACTIVITIES	
Charges for Services	\$ 499,821
Cash Paid to Employees for Services	(507,258)
Net Cash Used by Operating Activities	<u>(7,437)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Receipt from Other Constitutional Officers	204
Net Cash Provided by Noncapital Financing Activities	<u>204</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Income	3,067
Net Cash Provided by Investing Activities	<u>3,067</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(4,166)
Cash and Cash Equivalents - Beginning of Year	<u>452,072</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 447,906</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating Loss	\$ (3,088)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Changes in Assets and Liabilities:	
Decrease in Compensated Absences	(4,349)
Net Cash Used by Operating Activities	<u><u>\$ (7,437)</u></u>

See accompanying Notes to Financial Statements.

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2024**

	<u>Custodial Funds</u>
ASSETS	
Cash and Cash Equivalents	\$ 6,044,185
Due from Others	8,108
Due from Other Governmental Units	<u>4,381</u>
Total Assets	<u>6,056,674</u>
LIABILITIES	
Due to Others	10,410
Due to Other Governmental Units	<u>381,524</u>
Total Liabilities	<u>391,934</u>
NET POSITION	
Restricted for Other Governments and Individuals	<u><u>\$ 5,664,740</u></u>

See accompanying Notes to Financial Statements.

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2024**

	<u>Custodial Funds</u>
ADDITIONS	
Fines and Fees Collected for Other Governments and Individuals	<u>\$ 21,592,424</u>
Total Additions	<u>21,592,424</u>
DEDUCTIONS	
Fines and Fees Disbursed to Other Governments and Individuals	<u>20,035,184</u>
Total Deductions	<u>20,035,184</u>
CHANGE IN NET POSITION	1,557,240
Net Position - Beginning of Year	<u>4,107,500</u>
NET POSITION - END OF YEAR	<u><u>\$ 5,664,740</u></u>

See accompanying Notes to Financial Statements.

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Highlands County is a noncharter County established on April 3, 1921, under the laws of the state of Florida, Chapter 8513. The Clerk of Courts (the Clerk) is one of six constitutional officers elected to serve within the County and receives a significant portion of its revenue from the Board of County Commissioners, Highlands County, Florida. The Clerk's financial statements include only the funds of the Clerk's office. There are no separate legal entities (component units) for which the Clerk is to be financially accountable.

The Clerk is elected every four years to serve as Clerk of the Circuit Court as well as the County Courts. In addition, the Clerk is the ex-officio Clerk to the Board of County Commissioners of Highlands County (the Board). As Clerk to the Board, the Clerk is the auditor, recorder, and custodian of all County funds.

The Clerk is a budget officer in that noncourt functions of the Clerk are funded by revenues that are received from the Board in the form of an appropriation. The Clerk is required to submit to the Board excess revenues over expenditures as of September 30 of each year for the noncourt related budget.

Court related fees collected by the Clerk in carrying out his duties are used to fund the court functions of the Clerk of Courts. Excess fees are remitted per Sections 28.36 and 28.37, Florida Statutes.

The accompanying summary of significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies, as presented, should be viewed as an integral part of the financial statements. The following is a summary of the more significant policies:

A. Basis of Presentation

These financial statements have been prepared for the purpose of complying with Section 218.39(2), Florida Statutes, and Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*, which allow the Clerk to only present fund financial statements. These financial statements present only the portion of the funds of Highlands County, Florida that are attributable to the Clerk. They are not intended to present fairly the financial position and results of operations of Highlands County, Florida in conformity with accounting principles generally accepted in the United States of America (GAAP).

B. Fund Accounting

The accounts of the Clerk are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Fund Accounting (Continued)

The purpose of the Clerk's various funds is as follows:

Major Governmental Funds

General Fund

The General Fund is used to account for all revenues and expenditures applicable to the general operations of the Clerk of the Courts that are not required either legally or by GAAP to be accounted for in another fund.

Court Fund

The Court Fund is a special revenue fund used to account for the Child Support Enforcement grant activity, which is restricted by the grantor, and bond estreature activity.

Public Records Modernization Trust Fund

The Public Records Modernization Trust Fund is a special revenue fund used to account for the additional service charges on recorded instruments used exclusively for modernizing the official recordkeeping systems in the Clerk's office per Section 28.24(12)(d), Florida Statutes.

Court Related Technology Modernization Trust Fund

The Court Related Technology Modernization Trust Fund is a special revenue fund used to account for the recording fees used exclusively to fund court related technology information needs for the Clerk of Courts per Section 28.24(12)(e), Florida Statutes.

Court Services Fund

The Court Services Fund is a special revenue fund used to account for court-related filing fees, service charges, fines, court costs, appropriations, and expenses of the Clerk as mandated by Section 28.35, Florida Statutes.

Nonmajor Governmental Funds

Teen Court Fund

The Teen Court Fund is a special revenue fund used to account for assessment of mandatory court costs for the operation and administration of the Highlands County Court Program per Section 938.19, Florida Statutes.

Homeowner's Foreclosure Education Fund

The Homeowner's Foreclosure Education Fund is a special revenue fund used to account for funds for the purpose of educating the public as to the rights of homeowners regarding foreclosure proceedings.

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Fund Accounting (Continued)

Proprietary Fund

Internal Service Fund

The Internal Service Fund is used to account for the accumulation of funded compensated absences.

Fiduciary Funds

Custodial Funds

Custodial Funds are used to account for assets held by a government in a fiduciary capacity for individuals, private organizations or other governments.

C. Capital Assets

All capital assets purchased, which include equipment and intangible software, are recorded as expenditures in the governmental funds at the time of purchase. The Board holds legal title for the capital assets used in the operation of the Clerk and is accountable for them under Florida Law. The Clerk notifies the Board of capital assets purchased and the original cost is recorded in the capital asset records of Highlands County as a whole. The Clerk may not dispose of any capital assets in his custody. The Clerk is to notify the Board of any unused or obsolete assets, and it is the Board's responsibility to dispose of these assets in accordance with the various Florida Statutes.

Governmental Funds

Governmental funds are accounted for using a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported unassigned fund balances (net current assets) are considered a measure of "available, spendable, or appropriable resources." Governmental Funds operating statements present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Proprietary Fund

The Internal Service Fund is accounted for on a cost of services measurement focus which is referred to as a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of the fund are included in the statement of net position. Proprietary fund operating statements present increases (revenues) and decreases (expenses) in net position.

Custodial Funds

The custodial funds use the economic resources measurement focus.

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting

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

All governmental funds are accounted for using the modified accrual basis of accounting. Under this method, revenue is recognized when it becomes measurable and available as net current assets. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Clerk considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on long-term debt which is recognized when due.

The accrual basis of accounting is utilized by the fiduciary funds and proprietary fund. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

E. Budgets and Budgetary Data

The following are the procedures followed in establishing the budget for the Clerk's office.

The Clerk is required to prepare two budgets. One budget relates to the Clerk's court related functions and is filed with the Clerks of Court Operations Corporation (CCOC). The other budget relates to the requirement of the Clerk as Clerk to the Board and is filed with the Board. Annual appropriated budgets for the General Fund and Court Services Fund are adopted on a basis consistent with GAAP.

Clerk to the Board Budget

1. On or before June 1 of each year, the Clerk submits to the Board a tentative budget for the ensuing fiscal year.
2. Within 15 days after certification of the ad valorem tax roll by the Property Appraiser, the County Budget Officer submits to the Board a proposed county-wide operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
3. By Board resolution, a tentative budget is submitted to the public. Public hearings are held to obtain taxpayers' comments.
4. Within 20 days after adoption of the tentative budget, a final budget is submitted for review and adoption at a final public hearing.

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgets and Budgetary Data (Continued)

Clerk to the Board Budget (Continued)

5. Prior to, or on, September 30, the County's operating budget is legally enacted through passage of a resolution.
6. The Clerk receives his budgeted revenues from the Board in monthly installments beginning in October.
7. Section 129.07, Florida Statutes, provides that only expenditures in excess of total fund budgets are unlawful. However, because the Clerk acts on all budget changes between departments, this becomes the level of control.
8. Formal budgetary integration is employed as a management control device during the year for all Governmental Funds.
9. All appropriations lapse at the close of the fiscal year.

Annual appropriated budgets for the General Fund and Court Services Fund are adopted on a basis consistent with GAAP. The Court Fund, Public Records Modernization Trust Fund, Court Related Technology Modernization Trust Fund, Teen Court Fund, and Homeowner's Foreclosure Education Fund are not legally required to have budgets.

F. Cash and Cash Equivalents

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

G. Investments

The Clerk invests surplus public funds in accordance with Section 218.415, Florida Statutes.

H. Compensated Absences

Employees of the Clerk earn paid-time-off in varying amounts. Upon retirement, death, resignation, or separation in good standing employees are eligible to receive payment, at their current rates of pay, up to 100% of accumulated paid-time-off based on years of service. However, employees having less than one year of service will not be paid for any accumulated paid-time-off. Employees of the Clerk are limited to no more than 400 hours of paid time-off carryover at year-end.

In governmental funds, only the amounts that normally would be liquidated with expendable available financial resources are accrued as current year expenditures. Paid-time-off for the Clerk's employees have been fully funded and are recorded as expenditures in the governmental funds.

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Fund Balance

The classifications of fund balances are described as follows:

- **Nonspendable fund balance** – Amounts that cannot be spent because they are either not in spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact.
- **Restricted fund balance** – Amounts that can be spent only for specific purposes because of constraints imposed by external providers (such as grantors, bondholders, and higher levels of government), or imposed by constitutional provisions or enabling legislation. The Clerk is reporting restricted fund balances in the Public Records Modernization Trust Fund, Court Related Technology Modernization Trust Fund, Teen Court Fund, and Homeowner's Foreclosure Education Fund.
- **Committed fund balance** – Amounts that can be spent only for specific purposes determined by a formal action of the Clerk's highest level of decision-making authority.
- **Assigned fund balance** – Amounts the Clerk intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.
- **Unassigned fund balance** – Amounts that are available for any purpose; these amounts can be reported only in the Clerk's General Fund. Unassigned fund balance may also include a negative balance for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

When both restricted and unrestricted resources are available for use, it is the Clerk's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available. The Board adopted a fund balance policy for the county as a whole. The Clerk does not have a separate fund balance policy.

J. Unexpended Budget Balance Reverting to Board of County Commissioners

Section 218.36(2), Florida Statutes, requires that any excess of revenues over expenditures in the General Fund held by the Clerk at the end of each fiscal year for noncourt functions shall be remitted to the Board. Therefore, the excess of revenues over expenditures in the General Fund and Court Fund at the end of each fiscal year is reflected as unexpended budget balance reverting to the Board on the statement of revenues, expenditures, and changes in fund balance, and the related liability is included in due to constitutional officers.

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Use of Estimates

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

L. Other Postemployment Benefit Obligations

In accordance with Section 112.0801, Florida Statutes, the Clerk participates with the County in offering retiring employees the opportunity to continue in the County's health insurance plan. The participating retirees pay 100% of the premium cost applicable to an active employee. The liability and expense for other postemployment benefits, calculated in accordance with Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, are reported in the financial statements of the County.

NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS,

At September 30, 2024, the bank balance of the Clerk's deposits consisted of the following:

Deposits	<u>\$ 8,023,171</u>

The entire amount of the demand deposits are deposited in the state of Florida qualified depository and, therefore, is fully collateralized.

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Clerk's monies must be deposited in banks designated as qualified public depositories by the Chief Financial Officer, Florida Department of Financial Services. Therefore, the Clerk's total deposits are insured by the Federal Depository Insurance Corporation and collateralized by the Bureau of Collateral Management, Division of Treasury, and Florida Department of Financial Services. The law requires the Chief Financial Officer to ensure that funds are entirely collateralized throughout the fiscal year.

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

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

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

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

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

The Clerk invests funds throughout the year with Florida PRIME, an investment pool administered by the State Board of Administration, under the regulatory oversight of the state of Florida. Investments in Florida PRIME are made pursuant to Chapter 125.31, Florida Statutes. The investments are not categorized because they are not evidenced by securities that exist in physical or book entry form. Throughout the year and as of September 30, 2024, Florida PRIME contained certain floating and adjustable-rate securities which were indexed based on the prime rate and/or one and three-month LIBOR rates. These investments represented 27.90% of Florida PRIME's portfolio at September 30, 2024.

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

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Clerk's investment policy limits the maximum duration of the overall portfolio to one year.

The dollar weighted average days to maturity (WAM) of Florida PRIME as of September 30, 2024, was 39 days. Next interest rate reset dates for floating securities are used in the calculation of the WAM. The weighted average life (WAL) of the Florida PRIME at September 30, 2024 was 74 days.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Clerk's investment policy limits investments to specified credit ratings for authorized investments. Investments in Florida PRIME must carry an "AAAm" rating from Standard and Poor's.

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

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

Credit Risk (Continued)

On September 30, 2024, Standard and Poor's Ratings Services assigned the Florida PRIME an "AAAm" principal stability funding rating.

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

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

As of September 30, 2024, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value.

A reconciliation to amounts shown on the balance sheet, statement of net position, and statement of fiduciary net position is as follows:

Deposits	\$ 7,899,002
Petty Cash and Change in Funds	8,100
Florida PRIME	997,786
Total	<u>\$ 8,904,888</u>
Balance Sheet - Governmental Funds:	
Cash and Cash Equivalents	\$ 2,412,797
Statement of Net Position - Proprietary Fund:	
Cash and Cash Equivalents	447,906
Statement of Fiduciary Net Position - Custodial Funds:	
Cash and Cash Equivalents	6,044,185
Total Cash, Cash Equivalents, and Investments	<u>\$ 8,904,888</u>

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 3 PERSONNEL COMMITMENTS

Employees of the Clerk earn paid-time-off in varying amounts. In the event of retirement or termination of employment, an employee is paid for a portion of paid-time-off credits unused.

The following shows the change in compensated absences for the fiscal year ended September 30, 2024:

Accrued Compensated Absences - September 30, 2023	\$ 449,607
Leave Earned by Employees	502,909
Payments to Employees	(507,258)
Accrued Compensated Absences - September 30, 2024	<u>\$ 445,258</u>

NOTE 4 PENSION PLANS

Background

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

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

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 4 PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan

A. Plan Description

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

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

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

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

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 4 PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

B. Benefits Provided

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

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

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

Retiree Health Insurance Subsidy Program

A. Plan Description

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

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 4 PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

B. Benefits Provided

For the fiscal year ended June 30, 2024, eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$45 and a maximum HIS payment of \$225 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

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

FRS Investment Plan

A. Plan Description

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

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

Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members.

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 4 PENSION PLANS (CONTINUED)

FRS Investment Plan (Continued)

B. Benefits Provided

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

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

C. Contributions

Participating employer contributions are based upon statewide rates established by the state of Florida. The Clerk's contributions made to the plans during the years ended September 30, 2024, 2023, and 2022 were \$796,863, \$732,246, and \$657,735 respectively, equal to the actuarially determined contribution requirements for each year.

Additional information about pension plans can be found in the County's annual comprehensive financial report.

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 5 LEASES

The Clerk leases assets for various terms under certain agreements that meet the definition of a lease under GASB Statement No. 87 – *Leases*. Detailed information about the Clerk's leases can be found in the Highlands County Annual Comprehensive Financial Report.

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

During the year ended September 30, 2024, the Clerk entered into leases in the amount of \$18,129. During the year ended September 30, 2024, the Clerk's principal and interest payments on leases totaled \$27,009 and \$1,747, respectively.

NOTE 6 SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The Clerk has entered into subscription-based information technology arrangements (SBITAs) for various terms under certain agreements that meet the definition under GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Detailed information about the Clerk's SBITAs can be found in the Highlands County Annual Comprehensive Financial Report.

SBITAs entered into by the Clerk are included as other financing sources and capital outlay expenditures in the statement of revenues, expenditures, and changes in fund balance in the year of inception. Payments made in accordance with the contract terms are reported as debt service expenditures in the statement of revenues, expenditures, and changes in fund balance as they are incurred.

During the year ended September 30, 2024, the Clerk did not enter any new SBITAs. During the year ended September 30, 2024, the Clerk's principal and interest payments on SBITAs totaled \$39,429 and \$2,431, respectively.

NOTE 7 RELATED PARTY TRANSACTIONS

Transactions with the Board and the Constitutional Officers of Highlands County, Florida, for the year ended September 30, 2024 were as follows:

Budget Appropriation

The General Fund of the Clerk received payments from the Board in the amount of \$5,317,606 for the year ended September 30, 2024. The amounts payable to the Board at September 30, 2024 for excess fees and other items were \$414,450.

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 7 RELATED PARTY TRANSACTIONS (CONTINUED)

Court Fund

The Board provides certain indirect costs for Child Support Enforcement Grant activities. The excess of revenues over expenditures is remitted to the Board at fiscal year-end. The amounts payable to the Board at September 30, 2024 for excess fees were \$168,712.

Various Services

The Board provides various services to the Clerk. The charges for these services for the fiscal year ended September 30, 2024 amounted to \$891,199.

The Clerk provides information technology support, communication and freight services, and other miscellaneous services to the Board and other constitutional officers. The Clerk received \$58,000 for these services for the fiscal year ended September 30, 2024.

NOTE 8 RISK MANAGEMENT

The Clerk is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County is a member of Preferred Governmental Insurance Trust (PGIT), a governmental insurance carrier. PGIT administers insurance activities relating to property, general liability, public official's and employment practices liability, automobile, crime, and worker compensation. The County is liable for deductibles on certain coverage. Transactions related to activities involving PGIT are presented in the statements of Highlands County as a whole.

NOTE 9 CAPITAL ASSETS

The Clerk's capital assets include furniture, equipment, computer equipment, vehicles, software, and SBITA. The Clerk, pursuant to Florida Statutes, records no capital assets for which the Clerk is custodian. The threshold for capitalizing all capital assets, except software, is \$5,000. The threshold for capitalizing software is \$15,000 for internally generated software and \$25,000 for purchased software. Capital assets are recorded at cost or estimated historical cost. Contributed assets are recorded at estimated acquisition value at the time received. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets as follows:

<u>Assets</u>	<u>Years</u>
Operating Machinery and Equipment	4 to 20
Software - Internally Generated	3 to 10
Software - Purchased	3 to 10

Detailed information concerning capital assets is recorded and reported in the government-wide financial statements of the County.

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 9 CAPITAL ASSETS (CONTINUED)

The following is a summary of the changes in capital assets for which the Clerk is custodian during fiscal year 2024:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
IT Equipment in Development	\$ -	\$ 55,779	\$ -	\$ 55,779
Capital Assets, Being Depreciated and Amortized:				
Equipment	5,745,187	134,499	(3,645,640)	2,234,046
Computer Software	1,443,320	-	-	1,443,320
Subtotal	<u>7,188,507</u>	<u>134,499</u>	<u>(3,645,640)</u>	<u>3,677,366</u>
Less: Accumulated Depreciation and Amortization:				
Equipment	2,957,231	161,751	(1,316,555)	1,802,427
Computer Software	1,420,012	21,130	-	1,441,142
Subtotal	<u>4,377,243</u>	<u>182,881</u>	<u>(1,316,555)</u>	<u>3,243,569</u>
Total Capital Assets, Being Depreciation and Amortized, Net	2,811,264	(48,382)	(2,329,085)	433,797
Right-to-Use Lease Assets:				
Equipment	88,625	18,129	(1,891)	104,863
Less: Accumulated Amortization:				
Equipment	<u>36,527</u>	<u>27,464</u>	<u>(1,891)</u>	<u>62,100</u>
Total Right-to-Use Lease Assets, Net	52,098	(9,335)	-	42,763
Subscription-Based Information Technology Arrangement Assets	130,401	-	(25,357)	105,044
Less: Accumulated Amortization:				
Subscription-Based Information Technology Arrangements	<u>48,705</u>	<u>39,378</u>	<u>(25,357)</u>	<u>62,726</u>
Total Subscription-Based Information Technology Arrangement Assets, Net	<u>81,696</u>	<u>(39,378)</u>	<u>-</u>	<u>42,318</u>
Total Governmental Activities Capital Assets, Net	<u>\$ 2,945,058</u>	<u>\$ (41,316)</u>	<u>\$ (2,329,085)</u>	<u>\$ 574,657</u>

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024**

	Teen Court	Homeowner's Foreclosure Education	Total Nonmajor Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 8,798	1,226	\$ 10,024
Accounts Receivable	<u>11</u>	<u>1</u>	<u>12</u>
Total Assets	<u><u>\$ 8,809</u></u>	<u><u>\$ 1,227</u></u>	<u><u>\$ 10,036</u></u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Vouchers Payable	\$ 288	\$ -	\$ 288
Accrued Payroll and Related Liabilities	<u>686</u>	<u>-</u>	<u>686</u>
Total Liabilities	974	-	974
FUND BALANCES			
Restricted	<u>7,835</u>	<u>1,227</u>	<u>9,062</u>
Total Liabilities and Fund Balances	<u><u>\$ 8,809</u></u>	<u><u>\$ 1,227</u></u>	<u><u>\$ 10,036</u></u>

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2024**

	Teen Court	Homeowner's Foreclosure Education	Total Nonmajor Governmental Funds
REVENUES			
Miscellaneous Revenues:			
Court Related Service Charge	\$ 19,100	\$ 196	\$ 19,296
Interest Earnings	207	14	221
Total Revenues	<u>19,307</u>	<u>210</u>	<u>19,517</u>
EXPENDITURES			
Court Related:			
Personal Services	19,817	-	19,817
Operating Expenditures	7,920	-	7,920
Total Expenditures	<u>27,737</u>	<u>-</u>	<u>27,737</u>
NET CHANGE IN FUND BALANCE	(8,430)	210	(8,220)
Fund Balances - Beginning of Year	<u>16,265</u>	<u>1,017</u>	<u>17,282</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 7,835</u></u>	<u><u>\$ 1,227</u></u>	<u><u>\$ 9,062</u></u>

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
FIDUCIARY FUND DESCRIPTIONS
YEAR ENDED SEPTEMBER 30, 2024**

The Clerk maintains the following Custodial Funds:

Child Support – To account for child support and/or alimony payments collected by the Clerk and remitted to the appropriate recipients.

Suspense – Used by the Clerk to account for documentary stamp and recording fees, jury and witness payments, and fines and forfeitures collected through the court system and remitted to other governmental agencies.

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS – CUSTODIAL FUNDS
SEPTEMBER 30, 2024**

	Custodial Funds		Total Custodial Funds
	Child Support	Suspense	
ASSETS			
Cash and Cash Equivalents	\$ 300	\$ 6,043,885	\$ 6,044,185
Due from Others	2	8,106	8,108
Due from Other Governmental Units	-	4,381	4,381
Total Assets	302	6,056,372	6,056,674
LIABILITIES			
Due to Others	-	10,410	10,410
Due to Other Governmental Units	302	381,222	381,524
Total Liabilities	302	391,632	391,934
NET POSITION			
Restricted for Other Governments and Individuals	\$ -	\$ 5,664,740	\$ 5,664,740

**CLERK OF COURTS
HIGHLANDS COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS – CUSTODIAL FUNDS
YEAR ENDED SEPTEMBER 30, 2024**

	Custodial Funds		Total Custodial Funds
	Child Support	Suspense	
ADDITIONS			
Fines and Fees Collected for Other Governments and Individuals	\$ 127,821	\$ 21,464,603	\$ 21,592,424
Total Additions	127,821	21,464,603	21,592,424
DEDUCTIONS			
Fines and Fees Disbursed to Other Governments and Individuals	127,906	19,907,278	20,035,184
Total Deductions	127,906	19,907,278	20,035,184
CHANGE IN NET POSITION	(85)	1,557,325	1,557,240
Net Position - Beginning of Year	85	4,107,415	4,107,500
NET POSITION - END OF YEAR	<u>\$ -</u>	<u>\$ 5,664,740</u>	<u>\$ 5,664,740</u>



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

Honorable Jerome Kaszubowski
Clerk of Courts
Highlands County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the Clerk of Courts of Highlands County, Florida (the Clerk), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements, and have issued our report thereon dated April 7, 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

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

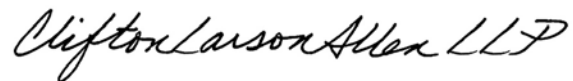
Honorable Jerome Kaszubowski
Clerk of Courts
Highlands County, Florida

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Sebring, Florida
April 7, 2025



MANAGEMENT LETTER

Honorable Jerome Kaszubowski
Clerk of Courts
Highlands County, Florida

Report on the Financial Statements

We have audited the financial statements of the Clerk of Courts of Highlands County, Florida (the Clerk), as of and for the year ended September 30, 2024 and have issued our report thereon dated April 7, 2025.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated April 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. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4, Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. See Note 1 in the notes to the financial statements.

Honorable Jerome Kaszubowski
Clerk of Courts
Highlands County, Florida

Financial Management

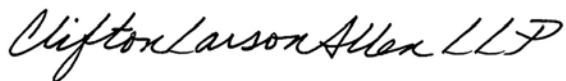
Section 10.554(1)(i)2, Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

Section 10.554(1)(i)3, Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or 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, federal and other granting agencies, and the Clerk and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Sebring, Florida
April 7, 2025



INDEPENDENT ACCOUNTANTS' REPORT

Honorable Jerome Kaszubowski, Clerk of Courts
and the Florida Auditor General
Highlands County, Florida

We have examined the Clerk of Courts of Highlands County, Florida's (the Clerk) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds; Section 61.181, Florida Statutes, regarding clerk of the courts alimony and child support payments, and Sections 28.35 and 28.36, Florida Statutes, regarding clerks of court performance standards and budgets, during the year ended September 30, 2024. Management of the Clerk is responsible for the Clerk's compliance with the specified requirements. Our responsibility is to express an opinion on the Clerk's compliance with the specified requirements based on our examination.

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

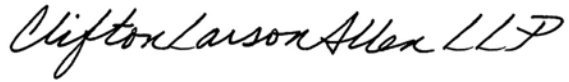
We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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

In our opinion, the Clerk complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds; Section 61.181, Florida Statutes, regarding clerks of the courts alimony and child support payments; and Sections 28.35 and 28.36, Florida Statutes, regarding clerks of the courts performance standards and budgets during the year ended September 30, 2024.

Honorable Jerome Kaszubowski
Clerk of Courts
Highlands County, Florida

This report is intended solely for the information and use of the Clerk and the Auditor General, state of Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Sebring, Florida
April 7, 2025

**PROPERTY APPRAISER
HIGHLANDS COUNTY, FLORIDA**

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL REPORTS**

YEAR ENDED SEPTEMBER 30, 2024



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**PROPERTY APPRIASER
HIGHLANDS COUNTY, FLORIDA
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YEAR ENDED SEPTEMBER 30, 2024**

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INDEPENDENT AUDITORS' REPORT

Honorable C. Raymond McIntyre
Property Appraiser
Highlands County, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the major fund and the remaining fund information of the Property Appraiser of Highlands County, Florida (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 basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and the remaining fund information of the Property Appraiser as of September 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof, and budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 1, the financial statements of the Property Appraiser referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the financial statements are intended to present the financial position, the changes in financial position, and, where applicable, cash flows of only that portion of the major fund and the remaining fund information of Highlands County that is attributable to the transactions of the Property Appraiser. They do not purport to, and do not, present fairly the financial position of Highlands County as of September 30, 2024, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Honorable C. Raymond McIntyre
Property Appraiser
Highlands County, Florida

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statement are not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Sebring, Florida
January 15, 2025

**PROPERTY APPRAISER
HIGHLANDS COUNTY, FLORIDA
BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2024**

ASSETS

Cash and Cash Equivalents	\$ 288,034
Accounts Receivable	65
Prepaid Items	<u>9,166</u>
Total Assets	<u><u>\$ 297,265</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Vouchers Payable	\$ 28,354
Accrued Wages Payable	73,386
Due to Other Governmental Units	2,791
Due to Constitutional Officers	502
Due to Board of County Commissioners	<u>192,232</u>
Total Liabilities	297,265

FUND BALANCE

Nonspendable	9,166
Unassigned	<u>(9,166)</u>
Total Fund Balance	<u>-</u>
Total Liabilities and Fund Balance	<u><u>\$ 297,265</u></u>

See accompanying Notes to Financial Statements.

**PROPERTY APPRIASER
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2024**

	Budget		Actual	Variance - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental:				
Appropriations from Board of County Commissioners	\$ 3,610,319	\$ 3,620,169	\$ 3,620,169	\$ -
South Florida Water Management District	7,457	7,457	7,457	-
Southwest Florida Water Management District	43,678	43,678	43,678	-
Total Intergovernmental Revenues	3,661,454	3,671,304	3,671,304	-
Miscellaneous Revenues:				
Interest Earnings	-	-	740	740
Miscellaneous Revenues	-	-	975	975
Total Miscellaneous Revenues	-	-	1,715	1,715
Total Revenues	3,661,454	3,671,304	3,673,019	1,715
EXPENDITURES				
General Government:				
Financial and Administrative:				
Personal Services	2,735,171	2,753,641	2,753,637	4
Operating Expenditures	882,283	845,580	674,803	170,777
Capital Outlay	44,000	75,819	54,059	21,760
Debt Service:				
Principal	-	25,773	25,667	106
Interest	-	2,310	2,416	(106)
Total Expenditures	3,661,454	3,703,123	3,510,582	192,541
EXCESS OF REVENUES OVER EXPENDITURES	-	(31,819)	162,437	194,256
OTHER FINANCING SOURCES (USES)				
Leases	-	16,424	16,424	-
Subscription Based Information Technology Arrangements	-	15,395	15,395	-
Transfer of Excess Fees	-	-	(194,256)	(194,256)
Total Other Financing Sources (Uses)	-	31,819	(162,437)	(194,256)
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - October 1, 2023	-	-	-	-
FUND BALANCE - SEPTEMBER 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**PROPERTY APPRAISER
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2024**

	Internal Service Fund
	<u>Compensated Absences</u>
ASSETS	
Cash and Cash Equivalents	\$ 458,609
LIABILITIES	
Accrued Compensated Absences Payable	<u>458,609</u>
NET POSITION	
Unrestricted	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

**PROPERTY APPRAISER
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED SEPTEMBER 30, 2024**

	Internal Service Fund <u>Compensated Absences</u>
OPERATING REVENUES	
Charges for Services	\$ 282,242
OPERATING EXPENSES	
Compensated Absences Expense	<u>289,047</u>
OPERATING LOSS	(6,805)
NONOPERATING REVENUES	
Net Change in Fair Value of Investments	<u>6,805</u>
CHANGE IN NET POSITION	-
Net Position - October 1, 2023	<u>-</u>
NET POSITION - SEPTEMBER 30, 2024	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

**PROPERTY APPRAISER
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF CASH FLOWS – PROPRIETARY FUND
YEAR ENDED SEPTEMBER 30, 2024**

	Internal Service Fund Compensated Absences
CASH FLOWS FROM OPERATING ACTIVITIES	
Charges for Services	\$ 282,242
Cash Paid to Employees for Services	<u>(291,447)</u>
Net Cash Used by Operating Activities	(9,205)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	<u>6,805</u>
Net Cash Provided by Investing Activities	<u>6,805</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,400)
Cash and Cash Equivalents - October 1, 2023	<u>461,009</u>
CASH AND CASH EQUIVALENTS - SEPTEMBER 30, 2024	<u><u>\$ 458,609</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating Loss	\$ (6,805)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Changes in Assets and Liabilities:	
Decrease in Compensated Absences	<u>(2,400)</u>
Net Cash Used by Operating Activities	<u><u>\$ (9,205)</u></u>

See accompanying Notes to Financial Statements.

**PROPERTY APPRAISER
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Highlands County is a noncharter county established April 23, 1921, under the laws of Florida 1921, Chapter 8513. The Property Appraiser of Highlands County, Florida (Property Appraiser) is one of six constitutional officers elected to serve within the county and receives a significant portion of its revenue from the Board of County Commissioners (the Board), Highlands County, Florida. The Property Appraiser's financial statements include only the funds of the Property Appraiser's office. There are no separate legal entities (component units) for which the Property Appraiser is financially accountable.

The Property Appraiser is elected every four years to serve as the official appraiser of property within the county as it relates to the ad valorem tax rolls. The Property Appraiser is responsible for ensuring that all property is included on the tax rolls, that the fair value of the property is correctly reflected in the rolls, and that the proper millage rate has been applied to the recorded property values. In addition, the Property Appraiser is responsible to ensure that all taxable tangible personal property is properly reflected on the tax rolls.

The Property Appraiser is a "fee" officer, in that operating revenues are received based upon the services rendered to the various taxing governmental units within the county. The Property Appraiser receives the majority of his operating revenues from the Board of County Commissioners in the form of an appropriation. The balance of fees in excess of expenditures remaining at September 30 are divided among the various taxing governmental units in the same proportion as that particular unit's payments to the Property Appraiser during the year relates to the total payments from all taxing governmental units.

The accompanying summary of significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies, as presented, should be viewed as an integral part of the financial statements. The following is a summary of the more significant policies:

Basis of Presentation

These financial statements have been prepared for the purpose of complying with Section 218.39(2), Florida Statutes, and Chapter 10.550, Rules of the Auditor General – Local Governmental Entity Audits, which allows the Property Appraiser to only present fund financial statements. These financial statements present only the portion of the funds of Highlands County, Florida that are attributable to the Property Appraiser. They are not intended to present fairly the financial position and results of operations of Highlands County, Florida in conformity with accounting principles generally accepted in the United States of America.

**PROPERTY APPRAISER
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting

The accounts of the Property Appraiser are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The purpose of the Property Appraiser's various funds is as follows:

Governmental Funds

General Fund – The General Fund is the general operating fund of the Property Appraiser. It is used to account for all financial resources not required to be accounted for in another fund. Intergovernmental revenues and fees are recorded in this fund. Expenditures for general governmental services are paid through this fund.

Proprietary Funds

Internal Service Fund – The Internal Service Fund is used to account for the accumulation of funded compensated absences.

Capital Assets

All capital assets purchased are recorded as expenditures in the General Fund at the time of purchase. The Board holds legal title for the capital assets used in the operation of the Property Appraiser and is accountable for them under Florida Law. The Property Appraiser notifies the Board of capital assets purchased and the original cost is recorded in the capital assets records of Highlands County as a whole. The Property Appraiser may not dispose of any capital assets in his custody. The Property Appraiser is to notify the Board of any unused or obsolete assets and it is the Boards' responsibility to dispose of these assets in accordance with the various Florida Statutes.

Measurement Focus

Governmental Fund – The General Fund is accounted for using a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on the balance sheet. The reported unassigned fund balance (net current assets) is considered a measure of "available, spendable, or appropriable resources." Governmental fund operating statements present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

**PROPERTY APPRAISER
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus (Continued)

Proprietary Fund – The Internal Service Fund is accounted for on a cost of services measurement focus which is referred to as a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of the fund are included in the statement of net position. Proprietary Fund operating statements present increases (revenues) and decreases (expenses) in net position.

Basis of Accounting

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

Governmental Funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they become measurable and available as net current assets. Revenues are considered to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due.

The accrual basis of accounting is utilized by Proprietary Funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods. The operating revenues of the Property Appraiser consist of charges to other funds for compensated absences. Operating expenses include compensated absences earned. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Budgets and Budgetary Data

The following are the procedures followed in establishing the budget for the Property Appraiser's office:

1. On or before June 1 of each year, the Property Appraiser submits an annual budget for the operations of his office to the state of Florida, Department of Revenue (the Department). A copy of his budget is also furnished to the Board of County Commissioners. After his budget has been reviewed and approved by the Department, it becomes his operating budget for the ensuing fiscal year.
2. The Property Appraiser's operating budget can only be amended after written approval has been received from the Department.

**PROPERTY APPRAISER
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Data (Continued)

3. Florida Statutes provide that it is unlawful to make expenditures that exceed the total amount budgeted for each fund. The Department of Revenue approves all transfers between appropriation categories, and this becomes the level of control for budgetary considerations.
4. Formal budgetary integration is employed as a management control device during the year for the governmental funds.
5. Annual appropriated budget for the General Fund is legally adopted on a basis consistent with accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents

The Property Appraiser considers the following as cash and cash equivalents:

1. Cash on hand, demand deposits; and
2. Deposits in the Local Government Surplus Funds Trust Fund (Florida Prime) under the management of the State Board of Administration.

Investments

The Property Appraiser invests surplus public funds in accordance with Section 218.415, Florida Statutes.

Compensated Absences

Employees of the Property Appraiser earn annual and sick leave in varying amounts. Upon retirement, death, resignation, or separation in good standing, employees are eligible to receive payment at their current rate of pay for 100% of accumulated annual leave.

There is no limit on the amount of sick leave that can be accumulated by employees of the Property Appraiser. The limit of lump-sum reimbursements of sick leave credits is based on years of continuous service. Employees of the Property Appraiser with 10 or more years of continuous service are fully vested for sick leave. Upon termination of employment, these employees are eligible to receive payment for accumulated sick leave up to 500 hours at their current rate of pay.

The vested liability for accrued compensated absences has been budgeted for and fully funded by the General Fund.

Fund Balance

The classifications of fund balances are described as follows:

**PROPERTY APPRAISER
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance (Continued)

Nonspendable Fund Balance – Amounts that cannot be spent because they are either not in spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact.

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

Committed Fund Balance – Amounts that can be spent only for specific purposes determined by a formal action of the Property Appraiser's highest level of decision-making authority.

Assigned Fund Balance – Amounts the Property Appraiser intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.

Unassigned Fund Balance – Amounts that are available for any purpose; these amounts can be reported only in the Property Appraiser's General Fund.

When both restricted and unrestricted resources are available for use, it is the Property Appraiser's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available. The Board adopted a fund balance policy for the county as a whole. The Property Appraiser does not have a separate fund balance policy as any unexpended fund balance is returned to the Board and other taxing units each year.

Use of Estimates

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

Other Postemployment Benefit Obligations

In accordance with Section 112.0801, Florida Statutes, the Property Appraiser participates with the County in offering retiring employees the opportunity to continue in the county's health insurance plan. The participating retirees pay 100% of the premium cost applicable to an active employee. The liability and expense for other postemployment benefits, calculated in accordance with Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, are reported in the financial statements of the County.

**PROPERTY APPRAISER
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2024**

NOTE 2 CASH AND CASH EQUIVALENTS

At September 30, 2024, the bank balance of the Property Appraiser's deposits were \$832,499. The entire amount of the demand deposits is deposited in a state of Florida qualified depository and, therefore, is fully collateralized.

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

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

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

**PROPERTY APPRAISER
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2024**

NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)

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

The Property Appraiser invests funds throughout the year with Florida PRIME, an investment pool administered by the State Board of Administration, under the regulatory oversight of the state of Florida. Investments in Florida PRIME are made pursuant to Chapter 125.31, Florida Statutes. The investments are not categorized because they are not evidenced by securities that exist in physical or book entry form. Throughout the year and as of September 30, 2024, Florida PRIME contained certain floating and adjustable rate securities which were indexed based on the prime rate and/or one and three-month LIBOR rates. These investments represented 27.9% of Florida Prime's portfolio at September 30, 2024.

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

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

The dollar weighted-average days to maturity (WAM) of Florida PRIME as of September 30, 2024 was 39 days. Next interest rate reset dates for floating securities are used in the calculation of the WAM. The weighted average life (WAL) of the Florida PRIME at September 30, 2024 was 74 days.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investments in Florida PRIME must carry an "AAAm" rating from Standard and Poor's.

On September 30, 2024, Standard and Poor's Ratings Services assigned the Florida PRIME an "AAAm" principal stability funding rating.

**PROPERTY APPRAISER
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2024**

NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)

Credit Risk (Continued)

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

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

As of September 30, 2024, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value.

A reconciliation to amounts shown on the balance sheet and statement of net position is as follows:

Demand Deposits	\$ 732,773
Petty Cash and Change Funds	100
Florida PRIME	13,770
Total	<u>\$ 746,643</u>
Balance Sheet - General Fund:	
Cash and Cash Equivalents	\$ 288,034
Statement of Net Position - Proprietary Fund:	
Cash and Cash Equivalents	458,609
Total Cash and Cash Equivalents	<u>\$ 746,643</u>

**PROPERTY APPRAISER
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2024**

NOTE 3 PERSONNEL COMMITMENTS

Employees of the Property Appraiser earn annual leave and sick leave in varying amounts. In the event of retirement or termination of employment, an employee is paid for vested accumulated unused credits. The cash benefit of compensated absences is determined by multiplying the employee's current wage rate by the number of hours of unused credits.

The following shows the change in compensated absences for the fiscal year ended September 30, 2024:

Compensated Absences - September 30, 2023	\$ 461,009
Leave Earned by Employees	289,047
Payments to Employees	<u>(291,447)</u>
Compensated Absences - September 30, 2024	<u><u>\$ 458,609</u></u>

NOTE 4 PENSION PLANS

Background

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

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

**PROPERTY APPRAISER
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2024**

NOTE 4 PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan

Plan Description

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

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

Benefits Provided

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

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

**PROPERTY APPRAISER
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2024**

NOTE 4 PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Benefits Provided (Continued)

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

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

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

Retiree Health Insurance Subsidy Program

Plan Description

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

Benefits Provided

For the fiscal year ended June 30, 2024, eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$45 and a maximum HIS payment of \$225 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

**PROPERTY APPRAISER
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2024**

NOTE 4 PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Benefits Provided (Continued)

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

FRS Investment Plan

Plan Description

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Property Appraiser employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan.

Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members.

Benefits Provided

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 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 Property Appraiser.

**PROPERTY APPRAISER
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2024**

NOTE 4 PENSION PLANS (CONTINUED)

FRS Investment Plan (Continued)

Benefits Provided (Continued)

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

Contributions

Participating employer contributions are based upon statewide rates established by the state of Florida. The Property Appraiser's contributions made to the plans during the years ended September 30, 2024, 2023, and 2022 were \$423,034, \$373,593, and \$333,911 respectively, equal to the actuarially determined contribution requirements for each year.

Additional information about pension plans can be found in the county's annual comprehensive financial report.

NOTE 5 RELATED PARTY TRANSACTIONS

Transactions with the Highlands County Board of Commissioners and the Constitutional Officers of Highlands County, Florida, for the year ended September 30, 2024, were as follows:

Budget Appropriation – The General Fund of the Property Appraiser received revenue from the Board of County Commissioners in the amount of \$3,620,169 for the year ended September 30, 2024. Excess fees and other amounts payable to the Board at September 30, 2024 were \$192,232.

Various Services – The Board of County Commissioners provides various services to the Property Appraiser. The charges for these services for the fiscal year ended September 30, 2024 amounted to \$364,072.

**PROPERTY APPRAISER
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2024**

NOTE 6 RISK MANAGEMENT

The Property Appraiser is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The county is a member of Preferred Governmental Insurance Trust (PGIT), a governmental insurance carrier. PGIT administers insurance activities relating to property, general liability, public official's and employment practices liability, automobile, crime, and workers' compensation. The county is liable for deductibles on certain coverage. Transactions related to activities related to PGIT are presented in the statements of Highlands County as a whole. There were no settlements in excess of the insurance coverage in any of the three prior fiscal years.

NOTE 7 CAPITAL ASSETS

The Property Appraiser's capital assets include furniture, equipment, computer equipment, vehicles, and software. The Property Appraiser, pursuant to Florida Statutes, records no capital assets for which the Property Appraiser is custodian. The threshold for capitalizing all capital assets, except software, is \$5,000. The threshold for capitalizing software is \$15,000 for internally generated software and \$25,000 for purchased software. Capital assets are recorded at cost. Contributed assets are recorded at estimated acquisition value at the time received. Contributed assets are recorded at estimated fair value at the time received. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets as follows:

Machinery and Equipment	4 to 20 Years
Software - Internally Generated	3 to 10 Years
Software - Purchased/Leased	3 to 10 Years

**PROPERTY APPRAISER
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2024**

NOTE 7 CAPITAL ASSETS (CONTINUED)

Detailed information concerning capital assets is recorded and reported in the government-wide financial statements of the county. The following is a summary of the changes in capital assets for which the Property Appraiser is custodian during fiscal year 2024:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Governmental Activities:				
Capital Assets, Being Depreciated and Amortized:				
Machinery and Equipment	\$ 640,605	\$ 22,240	\$ (18,220)	\$ 644,625
Computer Software	2,791,399	-	-	2,791,399
Total Capital Assets, Being Depreciated	3,432,004	22,240	(18,220)	3,436,024
Less: Accumulated Depreciation and Amortization:				
Machinery and Equipment	589,065	20,705	(18,220)	591,550
Computer Software	2,791,399	-	-	2,791,399
Total Accumulated Depreciation and Amortization	3,380,464	20,705	(18,220)	3,382,949
Total Capital Assets, Being Depreciated and Amortized, Net	51,540	1,535	-	53,075
Right-to-Use Lease Assets:				
Equipment	115,841	16,424	(8,185)	124,080
Total Right-to-Use Lease Assets	115,841	16,424	(8,185)	124,080
Less Accumulated Amortization:				
Equipment	30,472	22,973	(8,185)	45,260
Total Accumulated Amortization	30,472	22,973	(8,185)	45,260
Total Right-to-Use Lease Assets, Net	85,369	(6,549)	-	78,820
Subscription Based Information Technology Arrangement Assets:				
Subscription Based Information Technology Arrangements	9,188	15,395	(9,188)	15,395
Less Accumulated Amortization:				
Subscription Based Information Technology Arrangements	3,186	3,410	(6,003)	593
Total Subscription Based Information Technology Arrangement Assets, Net	6,002	11,985	(3,185)	14,802
Total Governmental Activities Capital Assets, Net	\$ 142,911	\$ 6,971	\$ (3,185)	\$ 146,697

**PROPERTY APPRAISER
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2024**

NOTE 8 LEASES

The Property Appraiser leases assets for various terms under certain agreements that meet the definition of a lease under GASB Statement No. 87 – Leases. Detailed information about the Property Appraiser's leases can be found in the Highlands County Annual Comprehensive Financial Report.

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

During the year ended September 30, 2024, the Property Appraiser entered into a lease in the amount of \$16,424. The principal and interest payments on leases totaled \$22,385 and \$2,177, respectively.

NOTE 9 SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The Property Appraiser has entered into subscription-based information technology arrangements (SBITAs) for various terms under certain agreements that meet the definition under GASB Statement No. 96, Subscription-Based Information Technology Agreements. Detailed information about the Property Appraiser's SBITAs can be found in the Highlands County county-wide financial statements.

SBITAs entered into by the Property Appraiser are included as other financing sources and capital outlay expenditures in the statement of revenues, expenditures, and changes in fund balance in the year of inception. Payments made in accordance with the contract terms are reported as debt service expenditures in the statement of revenues, expenditures, and changes in fund balance as they are incurred.

During the year ended September 30, 2024, the Property Appraiser entered into a SBITA in the amount of \$15,395. The principal and interest payments on SBITA totaled \$3,282 and \$239, respectively.



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

Honorable C. Raymond McIntyre
Property Appraiser
Highlands County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the major fund and the remaining fund information of the Property Appraiser of Highlands County, Florida (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 basic financial statements, and have issued our report thereon dated January 15, 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Property Appraiser's internal control. Accordingly, we do not express an opinion on the effectiveness of the Property Appraiser's internal control.

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

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

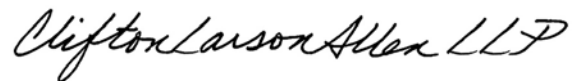
Honorable C. Raymond McIntyre
Property Appraiser
Highlands County, Florida

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Sebring, Florida
January 15, 2025



MANAGEMENT LETTER

Honorable C. Raymond McIntyre
Property Appraiser
Highlands County, Florida

Report on the Financial Statements

We have audited the financial statements of the Property Appraiser of Highlands County, Florida (Property Appraiser), as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated January 15, 2025.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated January 15, 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. See Note 1 to the financial statements.

Honorable C. Raymond McIntyre
Property Appraiser
Highlands County, Florida

Financial Management

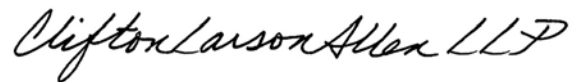
Section 10.554(1)(i)2, *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate noncompliance with provisions of contracts or grant agreements, or 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, Federal and other granting agencies, the Property Appraiser and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Sebring, Florida
January 15, 2025



INDEPENDENT ACCOUNTANTS' REPORT

Honorable C. Raymond McIntyre, Property Appraiser
and the Florida Auditor General
Highlands County, Florida

We have examined the Property Appraiser of Highlands County, Florida's (Property Appraiser) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds, during the year ended September 30, 2024. Management of the Property Appraiser is responsible for the Property Appraiser's compliance with the specified requirements. Our responsibility is to express an opinion on the Property Appraiser's compliance with the specified requirements based on our examination.

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

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

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

In our opinion, the Property Appraiser complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2024.

This report is intended solely for the information and use of the Property Appraiser and the Auditor General, state of Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

Sebring, Florida
January 15, 2025

**SHERIFF
HIGHLANDS COUNTY, FLORIDA**

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL REPORTS**

YEAR ENDED SEPTEMBER 30, 2024



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**SHERIFF
HIGHLANDS COUNTY, FLORIDA
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YEAR ENDED SEPTEMBER 30, 2024**

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INDEPENDENT AUDITORS' REPORT

The Honorable Paul Blackman
Sheriff
Highlands County, Florida

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Emphasis of Matter

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

Responsibilities of Management for the Financial Statements

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

The Honorable Paul Blackman
Sheriff
Highlands County, Florida

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Sebring, Florida
February 26, 2025

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024**

	General Fund	Inmate Welfare Fund	Nonmajor Community Donation Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 3,762,299	\$ 1,919,298	\$ 168,143	\$ 5,849,740
Accounts Receivable	57,435	320,000	-	377,435
Prepaid Items	581,983	-	-	581,983
Total Assets	<u>\$ 4,401,717</u>	<u>\$ 2,239,298</u>	<u>\$ 168,143</u>	<u>\$ 6,809,158</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Vouchers Payable	\$ 592,845	\$ 452	\$ -	\$ 593,297
Accrued Wages Payable	1,048,446	1,013	-	1,049,459
Due to Board of County Commissioners	2,760,426	-	-	2,760,426
Total Liabilities	<u>4,401,717</u>	<u>1,465</u>	<u>-</u>	<u>4,403,182</u>
FUND BALANCE				
Nonspendable	581,983	-	-	581,983
Restricted for Inmate Welfare		2,237,833	-	2,237,833
Restricted for Law Enforcement Programs	-	-	168,143	168,143
Unassigned	(581,983)	-	-	(581,983)
Total Fund Balance	<u>-</u>	<u>2,237,833</u>	<u>168,143</u>	<u>2,405,976</u>
Total Liabilities and Fund Balance	<u>\$ 4,401,717</u>	<u>\$ 2,239,298</u>	<u>\$ 168,143</u>	<u>\$ 6,809,158</u>

See accompanying Notes to Financial Statements.

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2024**

	General Fund	Inmate Welfare Fund	Nonmajor Community Donation Fund	Total Governmental Funds
REVENUES				
Intergovernmental:				
Appropriation from Board of County Commissioners	\$ 46,989,496	\$ -	\$ -	\$ 46,989,496
Other Governments	164,308	-	-	164,308
Miscellaneous Revenues:				
Commissary Sales	-	163,240	-	163,240
Miscellaneous Revenues	-	500,000	46,317	546,317
Total Revenues	<u>47,153,804</u>	<u>663,240</u>	<u>46,317</u>	<u>47,863,361</u>
EXPENDITURES				
Current:				
Court Related:				
Courthouse Security:				
Personal Services	1,339,913	-	-	1,339,913
Operating Expenditures	10,281	-	-	10,281
Total Court Related	<u>1,350,194</u>	<u>-</u>	<u>-</u>	<u>1,350,194</u>
Public Safety:				
Law Enforcement:				
Personal Services	24,235,237	-	-	24,235,237
Operating Expenditures	3,659,329	-	32,644	3,691,973
Total Law Enforcement	<u>27,894,566</u>	<u>-</u>	<u>32,644</u>	<u>27,927,210</u>
Corrections and Detention:				
Personal Services	10,450,237	36,004	-	10,486,241
Operating Expenditures	3,009,380	213,542	-	3,222,922
Total Corrections and Detention	<u>13,459,617</u>	<u>249,546</u>	<u>-</u>	<u>13,709,163</u>
Capital Outlay	1,218,986	180,000	-	1,398,986
Debt Service:				
Principal	495,843	180,000	-	675,843
Interest	32,834	-	-	32,834
Total Expenditures	<u>44,452,040</u>	<u>609,546</u>	<u>32,644</u>	<u>45,094,230</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>2,701,764</u>	<u>53,694</u>	<u>13,673</u>	<u>2,769,131</u>
OTHER FINANCING SOURCES (USES)				
Leases	-	180,000	-	180,000
Unexpended Budget Balance Reverting to Board of County Commissioners	(2,701,764)	-	-	(2,701,764)
Total Other Financing Sources (Uses)	<u>(2,701,764)</u>	<u>180,000</u>	<u>-</u>	<u>(2,521,764)</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>233,694</u>	<u>13,673</u>	<u>247,367</u>
Fund Balance - October 1, 2023	<u>-</u>	<u>2,004,139</u>	<u>154,470</u>	<u>2,158,609</u>
FUND BALANCE - SEPTEMBER 30, 2024	<u><u>\$ -</u></u>	<u><u>\$ 2,237,833</u></u>	<u><u>\$ 168,143</u></u>	<u><u>\$ 2,405,976</u></u>

See accompanying Notes to Financial Statements.

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2024**

	General Fund			Variance -
	Budget		Actual	Positive
	Original	Final		(Negative)
REVENUES				
Intergovernmental:				
Appropriation from Board of County Commissioners	\$ 37,111,118	\$ 47,178,802	\$ 46,989,496	\$ (189,306)
Other Governments	-	-	164,308	164,308
Total Revenues	37,111,118	47,178,802	47,153,804	(24,998)
EXPENDITURES				
Current:				
Court Related:				
Courthouse Security:				
Personal Services	1,452,970	1,339,913	1,339,913	-
Operating Expenditures	10,799	10,281	10,281	-
Total Court Related	1,463,769	1,350,194	1,350,194	-
Public Safety:				
Law Enforcement:				
Personal Services	19,534,129	25,345,922	24,235,237	1,110,685
Operating Expenditures	3,310,660	4,204,526	3,659,329	545,197
Total Law Enforcement	22,844,789	29,550,448	27,894,566	1,655,882
Corrections and Detention:				
Personal Services	11,955,477	11,467,784	10,450,237	1,017,547
Operating Expenditures	817,583	3,048,320	3,009,380	38,940
Total Corrections and Detention	12,773,060	14,516,104	13,459,617	1,056,487
Capital Outlay	29,500	1,248,151	1,218,986	29,165
Debt Service:				
Principal	-	481,071	495,843	(14,772)
Interest	-	32,834	32,834	-
Total Expenditures	37,111,118	47,178,802	44,452,040	2,726,762
EXCESS OF REVENUES OVER EXPENDITURES	-	-	2,701,764	2,701,764
OTHER FINANCING SOURCES (USES)				
Unexpended Budget Balance Reverting to Board of County Commissioners	-	-	(2,701,764)	(2,701,764)
Total Other Financing Sources (Uses)	-	-	(2,701,764)	(2,701,764)
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - October 1, 2023	-	-	-	-
FUND BALANCE - SEPTEMBER 30, 2024	\$ -	\$ -	\$ -	\$ -

See accompanying Notes to Financial Statements.

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2024**

	Internal Service Fund
	<u>Compensated Absences</u>
ASSETS	
Cash and Cash Equivalents	\$ 3,978,482
LIABILITIES	
Accrued Compensated Absences Payable	<u>3,978,482</u>
Total Liabilities	<u>3,978,482</u>
NET POSITION	
Unrestricted	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

SHERIFF
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED SEPTEMBER 30, 2024

	Internal Service Fund <u>Compensated Absences</u>
OPERATING REVENUES	
Charges for Services	\$ 3,384,495
OPERATING EXPENSES	
Compensated Absences Expense	<u>3,532,447</u>
OPERATING LOSS	(147,952)
NONOPERATING REVENUES	
Investment Earnings	<u>147,952</u>
CHANGE IN NET POSITION	-
Net Position - October 1, 2023	<u>-</u>
NET POSITION - SEPTEMBER 30, 2024	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED SEPTEMBER 30, 2024**

	Internal Service Fund <u>Compensated Absences</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Charges for Services	\$ 3,384,495
Cash Paid to Employees for Services	<u>(3,245,892)</u>
Net Cash Provided by Operating Activities	138,603
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Income	<u>147,952</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	286,555
Cash and Cash Equivalents - October 1, 2023	<u>3,691,927</u>
CASH AND CASH EQUIVALENTS - SEPTEMBER 30, 2024	<u><u>\$ 3,978,482</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Loss	\$ (147,952)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Increase in Compensated Absences	<u>286,555</u>
Net Cash Provided by Operating Activities	<u><u>\$ 138,603</u></u>

See accompanying Notes to Financial Statements.

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

	Custodial Funds
ASSETS	
Cash and Cash Equivalents	\$ 39,102
Due from Other Governmental Units	713
Due from Others	3,504
Total Assets	<u>43,319</u>
LIABILITIES	
Due to Others	17,235
Due to Other Governmental Units	22,524
Total Liabilities	<u>39,759</u>
NET POSITION	
Restricted for Individuals, Organizations, and Other Governments	<u><u>\$ 3,560</u></u>

See accompanying Notes to Financial Statements.

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2024**

	<u>Custodial Funds</u>
ADDITIONS	
Collections from Individuals	\$ 415,811
DEDUCTIONS	
Payments to Other Governments, Entities, and Individuals	<u>417,545</u>
CHANGE IN NET POSITION	(1,734)
Net Position - Beginning of Year	<u>5,294</u>
NET POSITION - END OF YEAR	<u><u>\$ 3,560</u></u>

See accompanying Notes to Financial Statements.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Highlands County is a noncharter County established April 23, 1921 under the laws of Florida 1921, Chapter 8513. The Sheriff of Highlands County, Florida (the Sheriff) is one of six constitutional officers elected to serve within the County and receives a significant portion of his revenue from the Board of County Commissioners, Highlands County, Florida. The Sheriff's financial statements include only the funds of the Sheriff's office. There are no separate legal entities (component units) for which the Sheriff is financially accountable.

The Sheriff is elected every four years to serve as the Keeper of the Peace for Highlands County.

The Sheriff is a "budget" officer in that all of the Sheriff's operating revenues are received from the Board of County Commissioners (the Board) in the form of an appropriation. Any fees collected by the office in carrying out duties as Sheriff, except for reimbursements for overtime incurred while assisting other federal and state agencies, are remitted to the Board at the end of each month. The Sheriff is also required to submit back to the Board any excess revenues over expenditures as of September 30 of each year.

The accompanying summary of significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies, as presented, should be viewed as an integral part of the financial statements. The following is a summary of the more significant policies:

Basis of Presentation

These financial statements have been prepared for the purpose of complying with Section 218.39(2), Florida Statutes, and Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*, which allows the Sheriff to present only fund financial statements. These financial statements present only the portion of the funds of Highlands County, Florida that are attributable to the Sheriff. They are not intended to present fairly the financial position and results of operations of Highlands County, Florida in conformity with accounting principles generally accepted in the United States of America.

Fund Accounting

The accounts of the Sheriff are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting (Continued)

The purpose of the Sheriff's various funds is as follows:

Major Governmental Funds

General Fund – The General Fund is the general operating fund of the Sheriff. The majority of the Sheriff's day-to-day operations are accounted for in this fund. It is used to account for all financial resources not required to be accounted for in another fund. Appropriations received from the Board are recorded in this fund. Expenditures for general government services are paid through this fund.

Inmate Welfare Fund – The Inmate Welfare Fund is a special revenue fund used to account for the profits earned from telephone services and commissary services operated within the County jail. Profits are earned from sales of products such as candy and toothpaste to the inmates. Profits from these sales can only be spent for the benefit of the inmates.

Nonmajor Governmental Fund

Community Donations Fund – The Community Donations Fund is a special revenue fund used to account for public donations received by the Sheriff's office for specific purposes.

Proprietary Fund

Internal Service Fund – The Internal Service Fund is used to account for the accumulation of funded compensated absences.

Fiduciary Funds

Custodial Funds – Custodial Funds are used to account for assets held by a government in a fiduciary capacity for individuals, private organizations or other governments.

Capital Assets

All capital assets purchased are recorded as expenditures in the governmental funds at the time of purchase. Capital assets used by the Sheriff are capitalized in the basic financial statements of the County rather than in the governmental funds of the Sheriff. Capital assets are valued at historical cost or estimated historical cost if actual is not available. Donated capital assets are recorded at acquisition value at the date of donation. The Sheriff maintains custodial responsibility for the capital assets used by his office.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus

Governmental Funds – The governmental funds are accounted for using a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. The reported unassigned fund balances (net current assets) are considered a measure of “available, spendable, or appropriable resources.” Governmental fund operating statements present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Proprietary Fund – The Internal Service Fund is accounted for on a cost of services measurement focus which is referred to as a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of the fund are included in the statement of net position. Proprietary Fund operating statements present increases (revenues) and decreases (expenses) in net position.

The Custodial funds use the economic resources measurement focus.

Basis of Accounting

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

Governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they become measurable and available as net current assets. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Sheriff considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on long-term debt which is recognized when due.

The accrual basis of accounting is utilized by the fiduciary fund and proprietary fund. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods. The operating revenues of the internal service fund consist of charges to other funds for compensated absences. Operating expenses include compensated absences earned. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Data

The following are the procedures followed in establishing the budget for the Sheriff's office:

1. On or before June 1 of each year, the Sheriff submits to the Board a tentative budget for the ensuing fiscal year.
2. Within 15 days after certification of the ad valorem tax roll by the Property Appraiser, the County Budget Officer submits to the Board a proposed county-wide operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
3. By Board resolution, a tentative budget is submitted to the public. Public hearings are held to obtain taxpayers' comments.
4. Within 20 days after adoption of the tentative budget, a final budget is submitted for review and adoption at a final public hearing.
5. Prior to, or on, September 30, the County's operating budget is legally enacted through passage of a resolution.
6. If the Board adopts a budget that includes amendments, modifications, increases, or reductions to the Sheriff's proposed budget, they must provide the Sheriff written notice of the changes.
7. The Sheriff receives budgeted revenues from the Board in installments. One twelfth of the budget is received in all months except January and September. One sixth of the budget is received in January, and no appropriation is received in September.
8. Section 129.07, Florida statutes, provides that only expenditures in excess of total fund budgets are unlawful. However, because the Sheriff acts on all budget changes between departments, this becomes the level of control.
9. Formal budgetary integration is employed as a management control device during the year for the General Fund. A budget is not legally adopted for the Inmate Welfare Fund or the Community Donations Fund.
10. Annual appropriated budgets for the General Fund are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).
11. All appropriations lapse at the close of the fiscal year.

Cash and Cash Equivalents

The Sheriff considers the following as cash and cash equivalents:

1. Cash on hand, demand deposits; and
2. Deposits in the Local Government Surplus Funds Trust Fund (Florida PRIME) under the management of the State Board of Administration.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

The Sheriff invests surplus public funds in accordance with Section 218.415, Florida statutes.

Prepaid Items

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

Compensated Absences

Employees of the Sheriff earn annual and sick leave in varying amounts. Upon retirement, death, resignation or separation in good standing, employees are eligible to receive payment for accumulated annual and sick leave. Annual leave will be paid out 100% at the current rate of pay. There is no limit on the amount of sick leave that can be accumulated by an employee. Sick leave will be paid out at varying rates based on years of service and minimum balances, and payout is capped at 2,080 hours.

Annual and sick leave credits for the Sheriff's Office employees have been fully funded and are recorded as an expense in the Internal Service Fund. No liability has been recorded for the nonvesting accumulating rights to receive sick leave pay benefits.

Fund Balance

The classifications of fund balances are described as follows:

Nonspendable Fund Balance – Amounts that cannot be spent because they are either not in spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact.

Restricted Fund Balance – Amounts that can be spent only for specific purposes because of constraints imposed by external providers (such as grantors, bondholders, and higher levels of government), or imposed by constitutional provisions or enabling legislation. The Sheriff is reporting restricted fund balances in the Inmate Welfare fund and Community Donations fund.

Committed Fund Balance – Amounts that can be spent only for specific purposes determined by a formal action of the Sheriff's highest level of decision-making authority.

Assigned Fund Balance – Amounts the Sheriff intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance (Continued)

When both restricted and unrestricted resources are available for use, it is the Sheriff's policy to first apply restricted resources when an expenditure is incurred for purposes for which both restricted and unrestricted assets are available. The Board adopted a fund balance policy for the county as a whole. The Sheriff does not have a separate fund balance policy.

Unexpended Budget Balance Reverting to Board of County Commissioners

Chapter 218, Florida statutes, requires that any excess of revenues over expenditures in the General Fund held by the Sheriff at the end of each fiscal year shall be remitted to the Board. Therefore, the excess of revenues over expenditures in the General Fund at the end of each fiscal year is reflected as unexpended budget balance reverting to the Board on the statement of revenues, expenditures and changes in fund balance, and the related liability is included in due to the Board.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make use of estimates that affect reported amounts in the financial statements. Actual results could differ from estimates.

Other Postemployment Benefit Obligations

In accordance with Section 112.0801, Florida statutes, the Sheriff participates with the County in offering retiring employees the opportunity to continue in the County's health insurance plan. The participating retirees pay 100% of the premium cost applicable to an active employee. The liability and expense for other postemployment benefits, calculated in accordance with Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, are reported in the financial statements of the County.

NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS

At September 30, 2024, the bank balance of the Sheriff's deposits were \$8,108,405. The entire amount of the demand deposits is deposited in a state of Florida qualified depository and, therefore, is fully collateralized.

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

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

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

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

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

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

The Sheriff invests funds throughout the year with Florida PRIME, an investment pool administered by the State Board of Administration, under the regulatory oversight of the state of Florida. Investments in Florida PRIME are made pursuant to Chapter 125.31, Florida statutes. The investments are not categorized because they are not evidenced by securities that exist in physical or book entry form. Throughout the year and as of September 30, 2024, Florida PRIME contained certain floating and adjustable rate securities which were indexed based on the prime rate. These investments represented 27.9% of Florida PRIME's portfolio at September 30, 2024.

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

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Sheriff has no policy on interest rate risk.

The dollar weighted-average days to maturity (WAM) of Florida PRIME as of September 30, 2024 was 39 days. Next interest rate reset dates for floating securities are used in the calculation of the WAM. The weighted-average life (WAL) of the Florida PRIME at September 30, 2024 was 74 days.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Sheriff's investment policy limits investments to specified credit ratings for authorized investments. Investments in Florida PRIME must carry an "AAAm" rating from Standard and Poor's.

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

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

Credit Risk (Continued)

On September 30, 2024, Standard and Poor's Ratings Services assigned the Florida PRIME an "AAAm" principal stability funding rating.

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

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

As of September 30, 2024, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value.

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

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

Credit Risk (Continued)

A reconciliation to amounts shown on the balance sheet, statement of net position, and statement of fiduciary net position is as follows:

Demand Deposits	\$ 7,114,501
Petty Cash and Change Fund	900
Florida PRIME	<u>2,751,923</u>
Total	<u><u>\$ 9,867,324</u></u>
Balance Sheet:	
Cash and Cash Equivalents	\$ 5,849,740
Statement of Net Position:	
Cash and Cash Equivalents	3,978,482
Statement of Fiduciary Net Position:	
Cash and Cash Equivalents	<u>39,102</u>
Total Cash and Cash Equivalents	<u><u>\$ 9,867,324</u></u>

NOTE 3 PERSONNEL COMMITMENTS

Employees of the Sheriff earn annual leave and sick leave in varying amounts. In the event of retirement or termination of employment, an employee is paid for accumulated leave credits unused. Employees may be paid for accumulated sick leave benefits at varying amounts based on years of service. The cash benefit of these compensated absences is determined by multiplying the employee's current wage rate by the number of unused credits.

The following shows the change in compensated absences for the fiscal year ended September 30, 2024:

Compensated Absences - September 30, 2023	\$ 3,691,927
Leave Earned by Employees	3,532,447
Payments to Employees	<u>(3,245,892)</u>
Compensated Absences - September 30, 2024	<u><u>\$ 3,978,482</u></u>

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

NOTE 4 PENSION PLANS

Background

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

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

Florida Retirement System Pension Plan

Plan Description

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

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

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

NOTE 4 PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Plan Description (Continued)

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

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

Benefits Provided

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

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

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

NOTE 4 PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Benefits Provided (Continued)

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

Retiree Health Insurance Subsidy Program

Plan Description

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

Benefits Provided

For the fiscal year ended June 30, 2024, eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$45 and a maximum HIS payment of \$225 per month, pursuant to Section 112.363, Florida statutes. To be eligible to receive a HIS Plan benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

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

FRS investment Plan

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

As provided in Section 121.4501, Florida statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. The Sheriff's employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan.

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

NOTE 4 PENSION PLANS (CONTINUED)

FRS Investment Plan (Continued)

Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members.

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

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

Contributions

Participating employer contributions are based upon statewide rates established by the state of Florida. The Sheriff's contributions made to the plans during the years ended September 30, 2024, 2023, and 2022 were \$6,285,315, and \$5,455,016, and \$4,542,013, respectively, equal to the actuarially determined contribution requirements for each year.

Additional information about pension plans can be found in the County's annual comprehensive financial report.

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

NOTE 5 DEFINED CONTRIBUTION PLAN

401(a) Discretionary Contribution Plan

The Sheriff maintains a defined contribution retirement plan for governmental entities, the Highlands County Sheriff's Office 401(a) Discretionary Contribution Plan. The Sheriff is the plan administrator. The plan was organized pursuant to Internal Revenue Code Section 401(a) by declaration of the Sheriff.

Employees working in the telecommunications and nursing areas are generally eligible to participate in the plan. The Sheriff determines the contribution rate. The contribution rate for the year ended September 30, 2024 was 3%. There were no employee contributions to the plan. Contributions to the plan for fiscal years ended September 30, 2024, 2023, and 2022 were \$47,102, \$42,306, and \$41,610, respectively.

NOTE 6 RELATED PARTY TRANSACTIONS

Transactions with the Highlands County Board of Commissioners and the Constitutional Officers of Highlands County, Florida for the year ended September 30, 2024 were as follows:

Budget Appropriation

The General Fund of the Sheriff received revenues from the Board of County Commissioners in the amount of \$46,989,496 for the year ended September 30, 2024. Amounts payable to the Board at September 30, 2024 for excess fees was \$2,701,764. Additionally, the Sheriff received other miscellaneous fees of \$58,662 which were payable to the Board of County Commissioners at September 30, 2024.

Various Goods and Services

The Board of County Commissioners provides various goods, services, and employee benefits to the Sheriff. The charges for these goods, services, and employee benefits for the fiscal year ended September 30, 2024 amounted to \$3,208,827.

NOTE 7 RISK MANAGEMENT

The Sheriff is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Sheriff is a member of the Florida Sheriffs Risk Management Fund and participates in the following programs: Florida Sheriffs' Self-Insurance Program, Florida Sheriffs' Workers' Compensation Self Insurance Program, and the Sheriffs' Automobile Risk Program, governmental insurance carriers. These agencies administer insurance activities relating to property, general liability, public official's and employment practices liability, automobile, crime, and workers' compensation. The Sheriff is liable for deductibles on certain coverage. There have been no settlements which have exceeded insurance coverage in the past three years.

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

NOTE 8 CAPITAL ASSETS

The Sheriff's capital assets include furniture, equipment, computer equipment, vehicles, and software. The threshold for capitalizing all capital assets, except software, is \$5,000. The threshold for capitalizing software is \$15,000 for internally generated software and \$25,000 for purchased software. Capital assets are recorded at cost or estimated historical cost. Contributed assets are recorded at estimated acquisition value at the time received. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets as follows:

<u>Assets</u>	<u>Years</u>
Leasehold Improvements	3 to 40
Machinery and Equipment	4 to 20
Software – Internally Generated	3 to 10
Software – Purchased/Leased	3 to 10

Detailed information concerning capital assets is recorded and reported in the government-wide financial statement of the County.

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

NOTE 8 CAPITAL ASSETS (CONTINUED)

The following is a summary of the changes in capital assets for which the Sheriff is custodian during fiscal year 2024:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Capital Assets, Being Depreciated and Amortized:				
Buildings	\$ -	\$ 33,822	\$ -	\$ 33,822
Machinery, Equipment, and Vehicles	16,373,813	1,754,157	(424,602)	17,703,368
Leasehold Improvements	7,366	-	-	7,366
Computer Software	657,943	-	-	657,943
Total Capital Assets, Being Depreciated	17,039,122	1,787,979	(424,602)	18,402,499
Less: Accumulated Depreciation and Amortization:				
Machinery, Equipment, and Vehicles	11,126,786	1,547,619	(383,100)	12,291,305
Leasehold Improvements	4,419	1,473	-	5,892
Computer Software	415,281	46,221	-	461,502
Total Accumulated Depreciation and Amortization	11,546,486	1,595,313	(383,100)	12,758,699
Total Capital Assets, Being Depreciated and Amortized, Net	5,492,636	192,666	(41,502)	5,643,800
Right-to-Use Lease Assets:				
Equipment	2,854	180,000	(2,854)	180,000
Total Right-to-Use Lease Assets	2,854	180,000	(2,854)	180,000
Less Accumulated Amortization:				
Equipment	2,212	5,989	(2,854)	5,347
Total Accumulated Amortization	2,212	5,989	(2,854)	5,347
Total Right-to-Use Lease Assets, Net	642	174,011	-	174,653
Subscription Based Information Technology Arrangement Assets				
Subscription Based Information Technology Arrangements	1,961,980	-	(2,587)	1,959,393
Less Accumulated Amortization:				
Subscription Based Information Technology Arrangements	286,819	474,489	(2,587)	758,721
Total Subscription Based Information Technology Arrangement Assets, Net	1,675,161	(474,489)	-	1,200,672
Total Governmental Activities Capital Assets, Net	\$ 7,168,439	\$ (107,812)	\$ (41,502)	\$ 7,019,125

NOTE 9 COMMITMENTS AND CONTINGENCIES

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

The Sheriff is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of legal counsel for the Sheriff, the resolution of these matters will not have a materially adverse effect on the financial condition of the Sheriff.

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

NOTE 10 LONG-TERM DEBT

The summary of changes in long-term debt for fiscal year ended September 30, 2024 is as follows:

	Balance October 1, 2023	Additions	Reductions	Balance September 30, 2024	Due Within One Year
Direct Borrowing-					
Notes Payable	\$ 411,543	\$ -	\$ (102,907)	\$ 308,636	\$ 102,879
Leases Payable	655	180,000	(180,655)	-	-
SBITA Payable	985,443	-	(390,201)	595,242	189,951
Total	<u>\$ 1,397,641</u>	<u>\$ 180,000</u>	<u>\$ (673,763)</u>	<u>\$ 903,878</u>	<u>\$ 292,830</u>

Notes Payable

Notes payable at September 30, 2024 consisted of the following:

<u>Description</u>	<u>Amount</u>
Direct borrowing from a financial institution for purchase of body cameras, with annual payments of \$102,879, including principal and interest at 0%, with a final payment due in July 2027.	<u>\$ 308,636</u>
Total	308,636
Less: Current Portion	<u>(102,879)</u>
Long-Term Portion	<u>\$ 205,757</u>

Annual debt service requirements as of September 30, 2024 for notes payable are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>
2025	\$ 102,879
2026	102,879
2027	102,878
Total	<u>\$ 308,636</u>

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

NOTE 11 LEASES

The Sheriff leases assets for various terms under certain agreements that meet the definition of a lease under GASB Statement No. 87 – *Leases*. Detailed information about the Sheriff's leases can be found in the Highlands County Annual Comprehensive Financial Report.

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

During the year the Sheriff entered into a Lease agreement totaling \$180,000. During the year ended September 30, 2024, the Sheriff's principal and interest payments on leases totaled \$180,655 and \$1, respectively.

NOTE 12 SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The Sheriff has entered into subscription based-information technology arrangements (SBITAs) for various terms under certain agreements that meet the definition under GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Detailed information about the Sheriff's SBITAs can be found in the Highlands County Annual Comprehensive Financial Report.

SBITAs entered into by the Sheriff are included as other financing sources and capital outlay expenditures in the statement of revenues, expenditures, and changes in fund balance in the year of inception. Payments made in accordance with the contract terms are reported as debt service expenditures in the statement of revenues, expenditures, and changes in fund balance as they are incurred.

There were no new SBITAs entered into during the year ended September 30, 2024, for the Sheriff. During the year ended September 30, 2024, the Sheriff's principal and interest payments on SBITAs totaled \$390,201 and \$34,914, respectively. Future interest and principal payments are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 189,951	\$ 21,551
2026	198,291	13,211
2027	207,000	4,502
Total	<u>\$ 595,242</u>	<u>\$ 39,264</u>

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
CUSTODIAL FUNDS DESCRIPTIONS
YEAR ENDED SEPTEMBER 30, 2024**

These funds are used to account for assets held by the Sheriff as a custodian for individuals, other governmental units, and/or other funds.

Custodial Funds:

Inmates – To account for monies collected from inmates who have money in their possession at the time of their arrest and/or monies deposited on their behalf while incarcerated.

Cash Bond – To account for cash appearance bonds collected by the Sheriff on behalf of other governments. These funds are disbursed weekly.

Unclaimed Evidence – To account for monies seized by law enforcement. These funds are maintained until final determination by Florida Statute or the court.

Individual Depositors – To account for fees charged to serve civil process. Fees are collected and held until service is completed and then remitted to other entities or individuals.

Suspense – To account for fees and court ordered payments collected for various agencies. These funds are remitted to other governmental agencies.

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS – CUSTODIAL FUNDS
SEPTEMBER 30, 2024**

	Custodial Funds					Total Custodial Funds
	Inmates	Cash Bond	Unclaimed Evidence	Individual Depositors	Suspense	
ASSETS						
Cash and Cash Equivalents	\$ 11,162	\$ -	\$ 1,206	\$ 418	\$ 26,316	\$ 39,102
Due from Other Governmental Units	-	-	-	-	713	713
Due from Others	3,504	-	-	-	-	3,504
Total Assets	14,666	-	1,206	418	27,029	43,319
LIABILITIES						
Due to Others	12,312	-	-	418	4,505	17,235
Due to Other Governmental Units	-	-	-	-	22,524	22,524
Total Liabilities	12,312	-	-	418	27,029	39,759
NET POSITION						
Restricted for Individuals, Organizations, and Other Governments	\$ 2,354	\$ -	\$ 1,206	\$ -	\$ -	\$ 3,560

**SHERIFF
HIGHLANDS COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS – CUSTODIAL FUNDS
YEAR ENDED SEPTEMBER 30, 2024**

	Custodial Funds					Total Custodial Funds
	Inmates	Cash Bond	Unclaimed Evidence	Individual Depositors	Suspense	
ADDITIONS						
Collections from Individuals	\$ 258,301	\$ 20,196	\$ 92,092	\$ -	\$ 45,222	\$ 415,811
Total Additions	258,301	20,196	92,092	-	45,222	415,811
DEDUCTIONS						
Payments to Other Governments, Entities, and Individuals	260,035	20,196	92,092	-	45,222	417,545
Total Deductions	260,035	20,196	92,092	-	45,222	417,545
CHANGE IN NET POSITION	(1,734)	-	-	-	-	(1,734)
Net Position - Beginning of Year	4,088	-	1,206	-	-	5,294
NET POSITION - END OF YEAR	<u>\$ 2,354</u>	<u>\$ -</u>	<u>\$ 1,206</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,560</u>



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

The Honorable Paul Blackman
Sheriff
Highlands County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the Sheriff of Highlands County, Florida (the Sheriff), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements, and have issued our report thereon dated February 26, 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 entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

The Honorable Paul Blackman
Sheriff
Highlands County, Florida

Report on Compliance and Other Matters

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

Purpose of this Report

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Sebring, Florida
February 26, 2025



MANAGEMENT LETTER

The Honorable Paul Blackman
Sheriff
Highlands County, Florida

Report on the Financial Statements

We have audited the financial statements of the Sheriff of Highlands County, Florida (the Sheriff), as of and for the fiscal year ended September 30, 2024 and have issued our report thereon dated February 26, 2025.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated February 26, 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. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report.

The Honorable Paul Blackman
Sheriff
Highlands County, Florida

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. See Note 1 to the financial statements.

Financial Management

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

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or 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, Federal and other granting agencies, the Sheriff and applicable management and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Sebring, Florida
February 26, 2025



INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Paul Blackman, Sheriff
and the Florida Auditor General
Highlands County, Florida

We have examined the Sheriff of Highlands County, Florida's (Sheriff) compliance with Section 218.415, Florida statutes, regarding the investment of public funds, during the year ended September 30, 2024. Management of the Sheriff is responsible for the Sheriff's compliance with the specified requirements. Our responsibility is to express an opinion on the Sheriff's compliance with the specified requirements based on our examination.

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

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

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

In our opinion, the Sheriff complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2024.

This report is intended solely for the information and use of the Sheriff and the Auditor General, state of Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Sebring, Florida
February 26, 2025

**SUPERVISOR OF ELECTIONS
HIGHLANDS COUNTY, FLORIDA**

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL REPORTS**

YEAR ENDED SEPTEMBER 30, 2024



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**SUPERVISOR OF ELECTIONS
HIGHLANDS COUNTY, FLORIDA
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INDEPENDENT AUDITORS' REPORT

The Honorable Karen Healy
Supervisor of Elections
Highlands County, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the major fund and the remaining fund information of the Supervisor of Elections of Highlands County, Florida (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' basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and the remaining fund information of the Supervisor of Elections as of September 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 1, the financial statements of the Supervisor of Elections referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the financial statements are intended to present the financial position, the changes in financial position, and, where applicable, cash flows of only that portion of the major fund and the remaining fund information of Highlands County that is attributable to the transactions of the Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of Highlands County as of September 30, 2024, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Supervisor of Elections' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

The Honorable Karen Healy
Supervisor of Elections
Highlands County, Florida

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 9, 2025, on our consideration of the Supervisor of Election's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Supervisor of Election's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Supervisor of Election's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Sebring, Florida
January 9, 2025

**SUPERVISOR OF ELECTIONS
HIGHLANDS COUNTY, FLORIDA
BALANCE SHEET – GENERAL FUND
SEPTEMBER 30, 2024**

ASSETS

Cash and Cash Equivalents	\$ 323,819
Prepaid Items	<u>1,668</u>
Total Assets	<u><u>\$ 325,487</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts Payable	\$ 24,535
Due to Other Constitutional Officers	19,992
Due to Board of County Commissioners	266,972
Accrued Wages	<u>13,988</u>
Total Liabilities	325,487

FUND BALANCE

Nonspendable	1,668
Unassigned	<u>(1,668)</u>
Total Fund Balance	<u>-</u>
Total Liabilities and Fund Balance	<u><u>\$ 325,487</u></u>

See accompanying Notes to Financial Statements.

**SUPERVISOR OF ELECTIONS
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2024**

	Budget			Variance Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental:				
Appropriation from Board of County Commissioners	\$ 1,657,741	\$ 1,671,362	\$ 1,664,862	\$ (6,500)
Intergovernmental	-	1,612	1,612	-
Miscellaneous Revenue	-	7,000	7,000	-
Total Revenues	<u>1,657,741</u>	<u>1,679,974</u>	<u>1,673,474</u>	<u>(6,500)</u>
EXPENDITURES				
General Government:				
Financial and Administrative:				
Personal Services	1,109,905	1,130,883	1,014,385	116,498
Operating Expenditures	<u>547,836</u>	<u>549,091</u>	<u>392,780</u>	<u>156,311</u>
Total Expenditures	<u>1,657,741</u>	<u>1,679,974</u>	<u>1,407,165</u>	<u>272,809</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	266,309	266,309
OTHER FINANCING USES				
Unexpended Budget Balance Reverting to Board of County Commissioners	<u>-</u>	<u>-</u>	<u>(266,309)</u>	<u>(266,309)</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - October 1, 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - SEPTEMBER 30, 2024	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

**SUPERVISOR OF ELECTIONS
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF NET POSITION – PROPRIETARY FUND
SEPTEMBER 30, 2024**

	Internal Service Fund
	<u>Compensated Absences</u>
ASSETS	
Cash and Cash Equivalents	\$ 50,586
LIABILITIES	
Accrued Compensated Absences Payable	49,705
Due to Other Constitutional Officers	<u>881</u>
Total Liabilities	50,586
NET POSITION	
Unrestricted	<u>-</u>
Total Net Position	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

**SUPERVISOR OF ELECTIONS
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED SEPTEMBER 30, 2024**

	Internal Service Fund <u>Compensated Absences</u>
OPERATING REVENUES	
Charges for Services	\$ 49,988
OPERATING EXPENSES	
Compensated Absences Expense	<u>49,988</u>
CHANGE IN NET POSITION	-
Net Position - October 1, 2023	<u>-</u>
NET POSITION - SEPTEMBER 30, 2024	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

**SUPERVISOR OF ELECTIONS
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF CASH FLOWS – PROPRIETARY FUND
YEAR ENDED SEPTEMBER 30, 2024**

	Internal Service Fund Compensated Absences
CASH FLOWS FROM OPERATING ACTIVITIES	
Charges for Services	\$ 49,988
Cash Paid to Employees for Services	(36,371)
Net Cash Provided by Operating Activities	<u>13,617</u>
CASH FLOWS FROM NONCAPITAL RELATED FINANCING ACTIVITIES	
Transfer to Other Constitutional Officers	(728)
CASH FLOWS FROM INVESTING ACTIVITIES	
Receipts of Interest	<u>881</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	13,770
Cash and Cash Equivalents - October 1, 2023	<u>36,816</u>
CASH AND CASH EQUIVALENTS - SEPTEMBER 30, 2024	<u><u>\$ 50,586</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Adjustments to Reconcile Operating Income to Net Cash	
Provided by Operating Activities:	
Changes in Assets and Liabilities:	
Increase in Compensated Absences	<u>\$ 13,617</u>
Net Cash Provided by Operating Activities	<u><u>\$ 13,617</u></u>

See accompanying Notes to Financial Statements.

**SUPERVISOR OF ELECTIONS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Highlands County is a noncharter county established on April 23, 1921 under the laws of the state of Florida 1921, Chapter 8513. The Supervisor of Elections of Highlands County, Florida (Supervisor of Elections) is one of six constitutional officers elected to serve within the county and receives a significant portion of its revenue from the Board of County Commissioners, Highlands County, Florida. The Supervisor of Elections' financial statements include only the funds of the Supervisor of Elections' office. There are no separate legal entities (component units) for which the Supervisor of Elections is financially accountable.

The Supervisor of Elections is elected every four years to serve as the official responsible for registering eligible voters within the county, conducting elections within the county, receiving qualifying fees for public office, and tabulating results of votes cast during elections.

The Supervisor of Elections is a "budget" officer in that all of the Supervisor of Elections' operating revenues are received from the Board of County Commissioners (the Board) in the form of an appropriation. Any fees collected by the Supervisor of Elections in carrying out her duties are remitted to the Board at the end of each month. The Supervisor of Elections is also required to submit back to the Board any excess revenues over expenditures as of September 30 of each year.

The accompanying summary of significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies, as presented, should be viewed as an integral part of the financial statements. The following is a summary of the more significant policies:

Basis of Presentation

These financial statements have been prepared for the purpose of complying with Section 218.39(2), Florida Statutes, and Chapter 10.550, Rules of the Auditor General – Local Governmental Entity Audits, which allows the Supervisor of Elections to only present fund financial statements. These financial statements present only the portion of the funds of Highlands County, Florida that are attributable to the Supervisor of Elections. They are not intended to present fairly the financial position and results of operations of Highlands County, Florida in conformity with accounting principles generally accepted in the United States of America (GAAP).

Fund Accounting

The accounts of the Supervisor of Elections are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

**SUPERVISOR OF ELECTIONS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting (Continued)

The purpose of the Supervisor of Elections' various funds are as follows:

Governmental Funds

General Fund – The General Fund is the general operating fund of the Supervisor of Elections. The majority of the Supervisor of Elections' day-to-day operations are accounted for in this fund. It is used to account for all financial resources not required to be accounted for in another fund. Appropriations received from the Board are recorded in this fund. Expenditures for general governmental services are paid for through this fund.

Proprietary Funds

Internal Service Fund – The Internal Service Fund is used to account for the accumulation of funded compensated absences.

Capital Assets

All capital assets purchased, which include equipment and intangible software, are recorded as expenditures in the General Fund at the time of purchase. The Board holds legal title for the capital assets used in the operations of the Supervisor of Elections and is accountable for them under Florida Law. The Supervisor of Elections notifies the Board of capital assets purchased and the original cost is recorded in the capital asset records of Highlands County as a whole. The Supervisor of Elections may not dispose of any capital assets in her custody. The Supervisor of Elections is to notify the Board of any unused or obsolete assets and it is the Board's responsibility to dispose of these assets in accordance with the various Florida Statutes.

Measurement Focus

Governmental Fund – The General Fund is accounted for using a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on the balance sheet. The reported unassigned fund balance (net current assets) is considered a measure of "available, spendable, or appropriable resources". Governmental fund operating statements present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Proprietary Fund – The Internal Service Fund is accounted for on a cost of services measurement focus which is referred to as a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of the fund are included on the balance sheet. Proprietary Fund type operating statements present increases (revenues) and decreases (expenses) in net position.

Basis of Accounting

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

**SUPERVISOR OF ELECTIONS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

Governmental Funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they become measurable and available as net current assets. For this purpose, revenues are available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due.

The accrual basis of accounting is utilized by Proprietary Funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods. The operating revenues of the internal service fund consist of charges to other funds for compensated absences. Operating expenses include compensated absences earned. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Budgets and Budgetary Data

The following are the procedures followed in establishing the budget for the Supervisor of Elections' office:

1. On or before June 1 of each year, the Supervisor of Elections shall submit to the Board of County Commissioners a tentative budget for the ensuing fiscal year.
2. Within 15 days after certification of the ad valorem tax roll by the Property Appraiser, the County Budget Officer submits to the Board a proposed County-wide operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
3. By Board resolution, a tentative budget is submitted to the public. Public hearings are held to obtain taxpayers' comments.
4. Within 20 days after adoption of the tentative budget, a final budget is submitted for review and adoption at a final public hearing.
5. Prior to, or on, September 30, the county's operating budget is legally enacted through passage of a resolution.
6. The Supervisor of Elections receives her budgeted revenues from the Board in monthly installments beginning in October.
7. Section 129.07, Florida Statutes, provides that only expenditures in excess of total fund budgets are unlawful. The Supervisor of Elections' annual budget is monitored at varying levels of classification detail.
8. Formal budgetary integration is employed as a management control device during the year for the governmental funds.

**SUPERVISOR OF ELECTIONS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Data (Continued)

9. Annual appropriated budgets for the General Fund are legally adopted on a basis consistent with GAAP.
10. All appropriations lapse at the close of the fiscal year.

Cash and Cash Equivalents

The Supervisor of Elections considers the following as cash and cash equivalents:

1. Cash on hand, demand deposits; and
2. Deposits in the Local Government Surplus Funds Trust Fund (Florida PRIME) under the management of the State Board of Administration.

Investments

The Supervisor of Elections invests surplus public funds in accordance with Section 218.415, Florida Statutes.

Compensated Absences

Employees of the Supervisor of Elections earn annual and sick leave in varying amounts. Upon retirement, death, resignation, or separation in good standing, employees are eligible to receive 100% of accumulated annual leave, up to 240 hours, at their current rates of pay.

There is no limit on the amount of sick leave that can be accumulated by employees of the Supervisor of Elections. Upon separation of service, up to 1,040 hours of sick leave will be paid out at varying rates based on years of continuous service, at the current rate of pay.

Annual and sick leave credits for the Supervisor of Elections employees have been fully funded and are recorded as an expense in the Internal Service Fund.

Fund Balance

The classifications of fund balances are described as follows:

Nonspendable Fund Balance – Amounts that cannot be spent because they are either not in spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact.

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

Committed Fund Balance – Amounts that can be spent only for specific purposes determined by a formal action of the Supervisor of Elections' highest level of decision-making authority.

**SUPERVISOR OF ELECTIONS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance (Continued)

Assigned Fund Balance – Amounts the Supervisor of Elections intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.

Unassigned Fund Balance – Amounts that are available for any purpose; these amounts can be reported only in the Supervisor of Elections' General Fund.

When both restricted and unrestricted resources are available for use, it is the Supervisor of Elections' policy to first apply restricted resources when expenditures are incurred for purposes for which both restricted and unrestricted assets are available. The Board of County Commissioners adopted a fund balance policy for the county as a whole. The Supervisor of Elections does not have a separate fund balance policy as any unexpended fund balance is returned to the Board of County Commissioners each year.

Unexpended Budget Balance Reverting to Board of County Commissioners

Section 218.36(2), Florida Statutes, requires that any excess of revenues over expenditures in the General Fund held by the Supervisor of Elections at the end of each fiscal year shall be remitted to the Board of County Commissioners. Therefore, the excess of revenues over expenditures in the General Fund at the end of each fiscal year is reflected as unexpended budget balance reverting to Board of County Commissioners on the statement of revenues, expenditures and changes in fund balance, and the related liability is included in due to Board of County Commissioners.

Use of Estimates

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

Other Postemployment Benefit Obligations

In accordance with Section 112.0801, Florida Statutes, the Supervisor of Elections participates with the county in offering retiring employees the opportunity to continue in the County's health insurance plan. The participating retirees pay 100% of the premium cost applicable to an active employee. The liability and expense for other postemployment benefits, calculated in accordance with Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, are reported in the financial statements of the County.

**SUPERVISOR OF ELECTIONS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 2 CASH AND CASH EQUIVALENTS

At September 30, 2024, the bank balance of the Supervisor of Elections' deposits were \$357,689. The entire amount of the demand deposits is deposited in a state of Florida qualified depository and, therefore, is fully collateralized.

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

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

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

**SUPERVISOR OF ELECTIONS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)

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

The Supervisor of Elections invests funds throughout the year with Florida PRIME, an investment pool administered by the State Board of Administration, under the regulatory oversight of the state of Florida. Investments in Florida PRIME are made pursuant to Chapter 125.31, Florida Statutes. The investments are not categorized because they are not evidenced by securities that exist in physical or book entry form. Throughout the year and as of September 30, 2024, Florida PRIME contained certain floating and adjustable rate securities which were indexed based on the prime rate and/or one and three-month LIBOR rates. These investments represented 27.90% of Florida PRIME's portfolio at September 30, 2024.

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

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

The dollar weighted-average days to maturity (WAM) of Florida PRIME as of September 30, 2024 was 39 days. Next interest rate reset dates for floating securities are used in the calculation of the WAM. The weighted-average life (WAL) of the Florida PRIME at September 30, 2024 was 74 days.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Supervisor of Elections' investment policy limits investments to specified credit ratings for authorized investments. Investments in Florida PRIME must carry an "AAAm" rating from Standard and Poor's.

On September 30, 2024, Standard and Poor's Ratings Services assigned the Florida PRIME an AAAM principal stability funding rating.

**SUPERVISOR OF ELECTIONS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)

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

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

As of September 30, 2024, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value.

A reconciliation to amounts shown on the balance sheet and statement of net position is as follows:

Demand Deposits	\$ 352,715
Petty Cash and Change Funds	150
Florida PRIME	<u>21,540</u>
Total	<u><u>\$ 374,405</u></u>
Balance Sheet - General Fund:	
Cash and Cash Equivalents	\$ 323,819
Statement of Net Position - Proprietary Fund:	
Cash and Cash Equivalents	<u>50,586</u>
Total Cash and Cash Equivalents	<u><u>\$ 374,405</u></u>

**SUPERVISOR OF ELECTIONS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 3 PERSONNEL COMMITMENTS

Employees of the Supervisor of Elections earn annual leave and sick leave in varying amounts. In the event of retirement or termination of employment, an employee is paid for accumulated unused credits. The cash benefit of compensated absences is determined by multiplying the employee's current wage rate by the number of hours of unused credits.

The following shows the change in compensated absences for the fiscal year ended September 30, 2024:

Compensated Absences - September 30, 2023	\$ 36,088
Leave Earned by Employees	49,988
Payments to Employees	<u>(36,371)</u>
Compensated Absences - September 30, 2024	<u>\$ 49,705</u>

The Supervisor of Elections is obligated to make available to retired employees the option to maintain coverage with the county group health insurance plan. The Supervisor of Elections incurs no cost for this as the retired employee makes monthly payments to the county for this insurance.

NOTE 4 PENSION PLAN

Background

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

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

**SUPERVISOR OF ELECTIONS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 4 PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan

Plan Description

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

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

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

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

**SUPERVISOR OF ELECTIONS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 4 PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Benefits Provided

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

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

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

Retiree Health Insurance Subsidy Program

Plan Description

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

Benefits Provided

For the fiscal year ended June 30, 2024, eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$45 and a maximum HIS payment of \$225 per month, pursuant to Section 112.363, Florida statutes. To be eligible to receive a HIS Plan benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

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

**SUPERVISOR OF ELECTIONS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 4 PENSION PLANS (CONTINUED)

FRS Investment Plan

Plan Description

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Supervisor of Elections employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan.

Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members.

Benefits Provided

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 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 Supervisor of Elections.

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

**SUPERVISOR OF ELECTIONS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 4 PENSION PLANS (CONTINUED)

Contributions

Participating employer contributions are based upon statewide rates established by the state of Florida. The Supervisor of Election's contributions made to the plans during the years ended September 30, 2024, 2023, and 2022 were \$154,328, \$137,112, and \$107,931, respectively, equal to the actuarially determined contribution requirements for each year.

Additional information about pension plans can be found in the county's annual comprehensive financial report.

NOTE 5 RELATED PARTY TRANSACTIONS

Transactions with the Highlands County Board of Commissioners and the Constitutional Officers of Highlands County, Florida, for the fiscal year ended September 30, 2024 were as follows:

Budget Appropriation

The General Fund of the Supervisor of Elections received appropriations from the Board of County Commissioners in the amount of \$1,664,862 for the fiscal year ended September 30, 2024. Excess fees and other amounts payable to the Board at September 30, 2024 were \$266,972.

Various Services

The Board of County Commissioners provides various services to the Supervisor of Elections. The charges for these services for the fiscal year ended September 30, 2024 amounted to \$87,186.

The Clerk of Courts provides various services to the Supervisor of Elections. The charges for these services for the fiscal year ended September 30, 2024 amounted to \$58,000. Amounts payable to the Clerk of Courts at September 30, 2024 were \$19,992.

NOTE 6 RISK MANAGEMENT

The Supervisor of Elections is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The county is a member of Preferred Governmental Insurance Trust (PGIT), a governmental insurance carrier. PGIT administers insurance activities relating to property, general liability, public official's and employment practices liability, automobile, crime, and workers' compensation. The county is liable for deductibles on certain coverage. Transactions related to activities involving PGIT are presented in the statements of Highlands County as a whole. There were no settlements in excess of the insurance coverage in any of the three prior fiscal years.

**SUPERVISOR OF ELECTIONS
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 7 CAPITAL ASSETS

The Supervisor of Elections' capital assets include furniture, equipment, voter equipment, computer equipment, vehicles, and software. The Supervisor of Elections, pursuant to Florida Statutes, records no capital assets for which the Supervisor of Elections is custodian. The threshold for capitalizing all capital assets, except software, is \$5,000. The threshold for capitalizing software is \$15,000 for internally generated software and \$25,000 for purchased software. Capital assets are recorded at cost or estimated historical cost. Contributed assets are recorded at estimated acquisition value at the time received. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets as follows:

Machinery and Equipment	4 to 20 Years
Software – Internally Generated	3 to 10 Years
Software – Purchased/Leased	3 to 10 Years

Detailed information concerning capital assets is recorded and reported in the government-wide financial statements of the county.

The following is a summary of the changes in capital assets for which the Supervisor of Elections is custodian during the fiscal year 2024:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Governmental Activities:				
Capital Assets, Being Depreciated and Amortized:				
Equipment	\$ 891,849	\$ -	\$ -	\$ 891,849
Software	31,914	-	-	31,914
Total Capital Assets, Being Depreciated	923,763	-	-	923,763
Less: Accumulated Depreciation and Amortization:				
Equipment	519,200	110,712	-	629,912
Software	31,914	-	-	31,914
Total Accumulated Depreciation and Amortization	551,114	110,712	-	661,826
Total Capital Assets, Being Depreciated and Amortized, Net	<u>\$ 372,649</u>	<u>\$ (110,712)</u>	<u>\$ -</u>	<u>\$ 261,937</u>

NOTE 8 COMMITMENTS AND CONTINGENCIES

The Supervisor of Elections is named as a defendant in several lawsuits related to conducting elections in Highlands County, Florida. As of September 30, 2024, based on management's opinion, it does not appear the Supervisor of Elections' assets will be affected and, consequently, no provision has been made for any liability that might arise from these claims.



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

The Honorable Karen Healy
Supervisor of Elections
Highlands County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the major fund and the remaining fund information of the Supervisor of Elections of Highlands County, Florida (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' basic financial statements, and have issued our report thereon dated January 9, 2025.

Report on Internal Control Over Financing Reporting

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

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

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

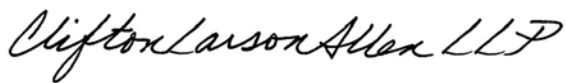
The Honorable Karen Healy
Supervisor of Elections
Highlands County, Florida

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Sebring, Florida
January 9, 2025



MANAGEMENT LETTER

The Honorable Karen Healy
Supervisor of Elections
Highlands County, Florida

Report on the Financial Statements

We have audited the financial statements of the Supervisor of Elections of Highlands County, Florida (Supervisor of Elections), as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated January 9, 2025.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated January 9, 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 in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. See Note 1 to the financial statements.

The Honorable Karen Healy
Supervisor of Elections
Highlands County, Florida

Financial Management

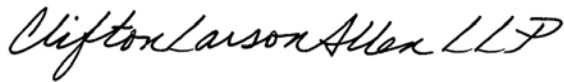
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or 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, Federal and other granting agencies, the Supervisor of Elections, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Sebring, Florida
January 9, 2025



INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Karen Healy, Supervisor of Elections
and the Florida Auditor General
Highlands County, Florida

We have examined the Supervisor of Elections of Highlands County, Florida's (Supervisor of Elections) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2024. Management of the Supervisor of Elections is responsible for the Supervisor of Elections' compliance with the specified requirements. Our responsibility is to express an opinion on the Supervisor of Elections' compliance with the specified requirements based on our examination.

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

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

Our examination does not provide a legal determination on the Supervisor of Elections' compliance with specified requirements.

In our opinion, the Supervisor of Elections complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2024.

This report is intended solely for the information and use of the Supervisor of Elections and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

CliftonLarsonAllen LLP

Sebring, Florida
January 9, 2025

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA**

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL REPORTS**

YEAR ENDED SEPTEMBER 30, 2024



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**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
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YEAR ENDED SEPTEMBER 30, 2024**

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INDEPENDENT AUDITORS' REPORT

Honorable Eric T. Zwyer
Tax Collector
Highlands County, Florida

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and the aggregate remaining fund information of the Tax Collector, as of September 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 1, the financial statements of the Tax Collector referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the state of Florida. In conformity with the Rules, the financial statements are intended to present the financial position, the changes in financial position, and, where applicable, cash flows of only that portion of the major fund and the aggregate remaining fund information of Highlands County that is attributable to the transactions of the Tax Collector. They do not purport to, and do not, present fairly the financial position as of September 30, 2024, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

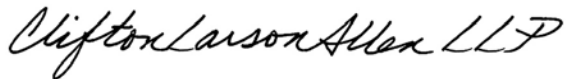
Honorable Eric T. Zwayer
Tax Collector
Highlands County, Florida

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 14, 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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Sebring, Florida
April 14, 2025

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
BALANCE SHEET – GENERAL FUND
SEPTEMBER 30, 2024**

	<u>General Fund</u>
ASSETS	
Cash and Cash Equivalents	\$ 1,813,862
Accounts Receivable, Net	8,048
Inventory	2,242
Prepaid Items	<u>10,914</u>
Total Assets	<u><u>\$ 1,835,066</u></u>
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Vouchers Payable	\$ 39,735
Due to Other Governmental Units	22,067
Due to Board of County Commissioners	1,688,795
Due to Others	919
Accrued Wages Payable	<u>83,550</u>
Total Liabilities	<u>1,835,066</u>
FUND BALANCE	
Nonspendable	13,156
Unassigned	<u>(13,156)</u>
Total Fund Balance	<u>-</u>
Total Liabilities and Fund Balance	<u><u>\$ 1,835,066</u></u>

See accompanying Notes to Financial Statements.

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2024**

	<u>General Fund</u>
REVENUES	
Charges for Services:	
Commissions from:	
Board of County Commissioners	\$ 2,369,822
South Florida Water Management District	4,415
Southwest Florida Water Management District	25,335
Other Taxing Districts	326,963
Other Fees	<u>1,514,933</u>
Total Charges for Services	4,241,468
Miscellaneous Revenues:	
Investment Earnings	85,661
Other Miscellaneous Revenues	<u>349,533</u>
Total Miscellaneous Revenues	<u>435,194</u>
 Total Revenues	 4,676,662
EXPENDITURES	
General Government:	
Financial and Administrative:	
Personal Services	2,996,452
Operating Expenditures	652,884
Capital Outlay	250,919
Debt Service:	
Principal	102,855
Interest	<u>663</u>
Total Expenditures	<u>4,003,773</u>
 EXCESS OF REVENUES OVER EXPENDITURES	 672,889
 OTHER FINANCING SOURCES (USES)	
Leases	15,770
Subscription-Based Information Technology Arrangement	195,850
Transfer of Excess Fees	<u>(884,509)</u>
Total Other Financing Sources (Uses)	<u>(672,889)</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 to Financial Statements.

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - (NON-GAAP) BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2024**

	Budget		Actual	Variance with Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services:				
Commissions from:				
Board of County Commissioners	\$ 2,264,488	\$ 2,264,488	\$ 2,369,822	\$ 105,334
South Florida Water Management District	3,988	3,988	4,415	427
Southwest Florida Water Management District	23,292	23,292	25,335	2,043
Other Taxing Districts	305,797	305,797	326,963	21,166
Other Fees	1,426,560	1,426,560	1,514,933	88,373
Total Charges for Services	4,024,125	4,024,125	4,241,468	217,343
Miscellaneous Revenues:				
Investment Earnings	55,000	55,000	85,661	30,661
Other Miscellaneous Revenues	41,245	41,245	45,338	4,093
Total Miscellaneous Revenues	96,245	96,245	130,999	34,754
Total Revenues	4,120,370	4,120,370	4,372,467	252,097
EXPENDITURES				
General Government:				
Financial and Administrative:				
Personal Services	3,432,056	3,432,056	2,996,452	435,604
Operating Expenditures	630,472	588,172	452,207	135,965
Capital Outlay	0.00	42,300	39,299	3,001
Total Expenditures	4,062,528	4,062,528	3,487,958	574,570
EXCESS OF REVENUES OVER EXPENDITURES	57,842	57,842	884,509	826,667
OTHER FINANCING SOURCES (USES)				
Transfer of Excess Fees	-	-	(884,509)	(884,509)
Unbudgeted Excess Fees	(57,842)	(57,842)	-	57,842
Total Other Financing Uses	(57,842)	(57,842)	(884,509)	(826,667)
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ -	\$ -

See accompanying Notes to Financial Statements.

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF NET POSITION – PROPRIETARY FUND
SEPTEMBER 30, 2024**

	Internal Service Fund
	<u>Compensated Absences</u>
ASSETS	
Cash and Cash Equivalents	\$ 77,928
LIABILITIES	
Accrued Compensated Absences Payable	<u>77,928</u>
NET POSITION	
Unrestricted	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION – PROPRIETARY FUND
YEAR ENDED SEPTEMBER 30, 2024**

	Internal Service Fund <u>Compensated Absences</u>
OPERATING REVENUES	
Charges for Services	\$ 239,668
OPERATING EXPENSES	
Compensated Absence Expense	<u>242,879</u>
OPERATING LOSS	(3,211)
NONOPERATING REVENUES	
Investment Earnings	<u>3,211</u>
CHANGE IN NET POSITION	-
Net Position - Beginning of Year	<u>-</u>
NET POSITION - END OF YEAR	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF CASH FLOWS – PROPRIETARY FUND
YEAR ENDED SEPTEMBER 30, 2024**

	Internal Service Fund Compensated Absences
CASH FLOWS FROM OPERATING ACTIVITIES	
Charges for Services	\$ 239,668
Cash Paid to Employees for Services	<u>(234,273)</u>
Net Cash Provided by Operating Activities	5,395
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	<u>3,211</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	8,606
Cash and Cash Equivalents - Beginning of Year	<u>69,322</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 77,928</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Loss	\$ (3,211)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Changes in Assets and Liabilities:	
Increase in Compensated Absences	<u>8,606</u>
Net Cash Provided by Operating Activities	<u><u>\$ 5,395</u></u>

See accompanying Notes to Financial Statements.

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS
SEPTEMBER 30, 2024**

	Custodial Funds
ASSETS	
Cash and Cash Equivalents	\$ 1,252,794
Due from Others	10
Total Assets	<u>1,252,804</u>
LIABILITIES	
Due to Other Governmental Units	929,657
Due to Others	323,147
Total Liabilities	<u>1,252,804</u>
NET POSITION	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS
YEAR ENDED SEPTEMBER 30, 2024**

	<u>Custodial Funds</u>
ADDITIONS	
Tax, License, and Fee Collections	\$ 81,039,705
DEDUCTIONS	
Payments to State Agencies	13,629,680
Payments to Other Governments	61,404,266
Payments to Others	<u>6,005,759</u>
Total Deductions	<u>81,039,705</u>
CHANGE IN NET POSITION	-
Net Position - Beginning of Year	<u>-</u>
NET POSITION - END OF YEAR	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Highlands County is a noncharter County established April 23, 1921 under the Constitution and Laws of the state of Florida, 1921, Chapter 8513. The Tax Collector of Highlands County, Florida (the Tax Collector) is one of six constitutional officers elected to serve within the County and receives a significant portion of his revenue through the fees and commissions that are generated by the Tax Collector's office pursuant to the provisions of Section 192.091, Florida Statutes. These financial statements include only the funds of the Tax Collector and are not meant to represent Highlands County, Florida. There are no separate legal entities (component units) for which the Tax Collector is financially accountable.

The Tax Collector is elected every four years to serve as the public official charged with the responsibility for collecting and disbursing ad valorem taxes, non-ad valorem taxes, and tangible taxes for the County as well as various other taxes and licenses. Additional duties of the Tax Collector include motor vehicle, mobile home, vessel and drivers' license registrations, hunting and fishing licenses, yard sale permits, certified copies of birth certificates, and concealed weapons licensing processing.

The Tax Collector is a "fee" officer in that operating revenues are received based upon the services rendered. The balance of fees in excess of expenditures remaining at September 30 is divided among the various taxing units in the same proportion as that particular unit's payments to the Tax Collector during the year bear to the total payments received from all taxing units.

The accompanying summary of significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies, as presented, should be viewed as an integral part of the financial statements. The following is a summary of the more significant policies:

Basis of Presentation

These financial statements have been prepared for the purpose of complying with Section 218.39(2), Florida Statutes, and Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*, which allows the Tax Collector to present only fund financial statements. These financial statements present only the portion of the funds of Highlands County, Florida that are attributable to the Tax Collector. They are not intended to present fairly the financial position and results of operations of Highlands County, Florida in conformity with accounting principles generally accepted in the United States of America (GAAP).

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting

The accounts of the Tax Collector are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The purpose of the Tax Collector's various funds is as follows:

Governmental Fund

General Fund – The General Fund is the general operating fund of the Tax Collector. The majority of the Tax Collector's day-to-day operating costs are accounted for in this fund. It is used to account for all financial resources not required to be accounted for in another fund. Fees from the collection of general property taxes, licenses, and certain other intergovernmental revenues are recorded in this fund. Expenditures for general governmental services are paid through this fund.

Proprietary Fund

Internal Service Fund – The Internal Service Fund is used to account for the accumulation of funded compensated absences.

Fiduciary Funds

Custodial Funds – Custodial Funds are used to account for assets held by a government in a fiduciary capacity for individuals, private organizations or other governments.

Capital Assets

All capital assets purchased, which include furniture, equipment, computer equipment, and vehicles, are recorded as expenditures in the General Fund at the time of purchase. The Board holds legal title for the capital assets used in the operations of the Tax Collector and is accountable for them under Florida Law. The Tax Collector notifies the Board of County Commissioners of capital assets purchased and the original cost is recorded in the capital asset records of the Board of County Commissioners. The Tax Collector may not dispose of any capital assets in his custody. The Tax Collector is to notify the Board of County Commissioners of any unused or obsolete assets, and it is the Board of County Commissioners' responsibility to dispose of these assets in accordance with the various Florida Statutes.

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus

Governmental Fund – The General Fund is presented using the flow of current financial resources measurement focus. This means that only current assets and current liabilities are generally included on the balance sheet. Their reported unassigned fund balances (net current assets) are considered a measure of “available, spendable, or appropriable resources.” Governmental fund operating statements present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Proprietary Fund – The Internal Service Fund is accounted for on a cost of services measurement focus which is referred to as a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of the fund are included in the statement of net position. Proprietary Fund operating statements present increases (revenues) and decreases (expenses) in net position.

The Custodial funds use the economic resources measurement focus.

Basis of Accounting

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

Governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they become measurable and available as net current assets. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Tax Collector considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due.

The accrual basis of accounting is utilized by the fiduciary fund and proprietary fund. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Data

The following are the procedures followed in establishing the budget for the Tax Collector's office:

1. On or before August 1 of each year, the Tax Collector submits an annual budget for the operations of the office to the state of Florida, Department of Revenue, Property Tax Administration (Department). A copy of the budget is also furnished to the Board of County Commissioners. After the budget has been reviewed and approved by the Department, it becomes the operating budget for the ensuing fiscal year.
2. The Tax Collector's operating budget can only be amended after written approval has been received from the Department.
3. Florida Statutes provide that it is unlawful to make expenditures that exceed the total amount budgeted for each fund. The Department of Revenue approves all transfers between appropriation categories, and this becomes the level of control for budgetary considerations.
4. Formal budgetary integration is employed as a management control device during the year for all Governmental Funds.
5. The Tax Collector's budget is prepared under a budgetary basis of accounting that differs from generally accepted accounting principles (GAAP). Certain revenues, expenditures, and other financing sources and uses related to Leases and SBITA are not recognized under the budgetary basis of accounting; however, these items have been recognized under GAAP.

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Data (Continued)

A reconciliation of revenues, expenditures, and other financing uses on a budgetary basis to a GAAP is as follows:

Total Revenues - Budgetary Basis	\$ 4,372,467
Charges for Services Not Budgeted	304,195
Total Revenues - GAAP Basis	<u>\$ 4,676,662</u>
Total Expenditures - Budgetary Basis	\$ 3,487,958
Expenditures not Budgeted:	
Capital Outlay Related to Lease and SBITA	211,620
Principal Payments Related to Lease and SBITA	102,855
Interest Payments Related to Lease and SBITA Agreement	663
Operating Expenditures not Budgeted	200,677
Total Expenditures - GAAP Basis	<u>\$ 4,003,773</u>
Total Other Financing Uses - Budgetary Basis	\$ (884,509)
Other Financing Sources Not Budgeted:	
Leases	15,770
SBITA	195,850
Total Other Financing Uses - GAAP Basis	<u>\$ (672,889)</u>

Cash and Cash Equivalents

Cash and cash equivalents is cash on hand as well as demand deposits and investments in local government investment pools with original maturities of three months or less from the date of acquisition.

The Tax Collector maintains a pooled bank account where cash resources of several funds are consolidated for investment purposes. This account represents the amount owned by each fund. This practice gives the Tax Collector the ability to maximize the yield on the short-term investment of cash, increasing interest earnings accordingly.

Interest earned on pooled investments is allocated to the participating funds.

Investments

The Tax Collector invests surplus public funds in accordance with Section 218.415, Florida Statutes.

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items using the consumption method. Under the consumption method, services paid for in advance are reported as an asset until the period in which the services are actually consumed.

Compensated Absences

Employees of the Tax Collector earn paid time off in varying amounts. Paid time off credits earned in excess of 400 hours which are not used by the close of business on December 31 of each calendar year shall be canceled. Upon terminal separation from the Tax Collector's office, employees having one year of satisfactory, continuous and creditable service are eligible to receive payment for paid time off up to 400 hours at their current rate of pay. The limit of lump-sum reimbursements of paid time off credits is based on years of service.

Fund Balance

The classifications of fund balances are described as follows:

Nonspendable Fund Balance – Amounts that cannot be spent because they are either not in spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact.

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

Committed Fund Balance – Amounts that can be spent only for specific purposes determined by a formal action of the Tax Collector's highest level of decision-making authority.

Assigned Fund Balance – Amounts the Tax Collector intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.

Unassigned Fund Balance – Amounts that are available for any purpose; positive amounts can be reported only in the Tax Collector's General Fund.

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance (Continued)

When both restricted and unrestricted resources are available for use, it is the Tax Collector's policy to first apply restricted resources when an expenditure is incurred for purposes for which both restricted and unrestricted assets are available. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Tax Collector considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds. The Board of County Commissioners adopted a fund balance policy for the county as a whole. The Tax Collector does not have a separate fund balance policy because, by Florida Statute, the Tax Collector must return any excess fees at year-end.

Unexpended Budget Balance Reverting to Board of County Commissioners

Section 218.36(2), Florida Statutes, requires that any excess of revenues over expenditures in the General Fund (excess fees) held by the Tax Collector at the end of each fiscal year be distributed to each governmental unit in the same proportion as the fees paid by the governmental unit bear to the total fee income of the office. Therefore, the excess of revenues over expenditures in the General Fund at the end of each fiscal year is reflected as a transfer of excess fees on the statement of revenues, expenditures and changes in fund balance, and the related liability is recorded as due to the Board of County Commissioners and other governmental units.

Use of Estimates

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

Other Postemployment Benefit Obligations

In accordance with Section 112.0801, Florida Statutes, the Tax Collector participates with the County in offering retiring employees the opportunity to continue in the County's health insurance plan. The participating retirees pay 100% of the premium cost applicable to an active employee. The liability and expense for other postemployment benefits, calculated in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, are reported in the financial statements of the County.

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 2 CASH AND CASH EQUIVALENTS

At year-end, the bank balance of the Tax Collector's deposits were \$652,066. The entire amount of the demand deposits is deposited in a state of Florida qualified depository and, therefore, is fully collateralized.

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

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

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

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

The Tax Collector invests funds throughout the year with the following local government investment pools:

Florida Surplus Asset Trust Fund

Florida Surplus Asset Fund Trust (FL SAFE) is a common law trust organized in 2007 under the laws of the state of Florida. The trust is administered by Prudent Man Advisors, Inc. and an elected five-member Board of Trustees. At September 30, 2024, the Tax Collector was invested in the Stable NAV Fund.

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 3 CASH AND CASH EQUIVALENTS (CONTINUED)

Florida Surplus Asset Trust Fund (Continued)

At September 30, 2024, the weighted average maturity of the Stable NAV Fund is 60 days or less. The fund seeks, but does not guarantee, to maintain a constant NAV at \$1.00 per share. The value of the County's position in FL SAFE external investment pool is the same as the value of the pool's shares.

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

Florida Cooperative Liquid Assets Securities System

Florida Cooperative Liquid Assets Securities System (FLCLASS) is an independent local government investment pool. The trust is administered by Public Trust Advisors, LLC and an appointed Board of Trustees. FLCLASS is accounted for as a stable NAV investment pool and operates like a money market fund with each share valued at \$1. At September 30, 2024, the WAM in days was 31 days. Next interest rate reset dates for floating securities are used in the calculation of the WAM.

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

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investments in FLCLASS carry an "AAAm" rating from Standard and Poor's.

A reconciliation to amounts shown on the balance sheet, statement of net position, and statement of fiduciary net position is as follows:

Demand Deposits	\$ 804,481
Petty Cash and Change Funds	12,750
Florida SAFE	199,540
Florida Cooperative Liquid Assets Securities System (FLCLASS)	<u>2,127,813</u>
Total	<u><u>\$ 3,144,584</u></u>
Balance Sheet - General Fund:	
Cash and Cash Equivalents	\$ 1,813,862
Statement of Net Position - Proprietary Fund:	
Cash and Cash Equivalents	77,928
Statement of Fiduciary Net Position - Custodial Funds:	
Cash and Cash Equivalents	<u>1,252,794</u>
Total Cash and Cash Equivalents	<u><u>\$ 3,144,584</u></u>

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 3 PERSONNEL COMMITMENTS

Employees of the Tax Collector earn paid time off in varying amounts. In the event of retirement or termination of employment, an employee is paid for accumulated paid time off credits unused based on years of service. The cash benefit of these compensated absences is determined by multiplying the employee's current wage rate by the number of unused credits.

The following shows the change in compensated absences for the fiscal year ended September 30, 2024:

Compensated Absences - September 30, 2023	\$ 69,322
Increase in Leave Earned by Employees	242,879
Payments to Employees	<u>(234,273)</u>
Compensated Absences - September 30, 2024	<u><u>\$ 77,928</u></u>

NOTE 4 PENSION PLANS

Background

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

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

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 4 PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan

Plan Description

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

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

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

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

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 4 PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Benefits Provided

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

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

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

Retiree Health Insurance Subsidy Program

Plan Description

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

Benefits Provided

For the fiscal year ended June 30, 2024, eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$45 and a maximum HIS payment of \$225 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

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

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 4 PENSION PLANS (CONTINUED)

FRS Investment Plan

Plan Description

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. The Tax Collector's employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan.

Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members.

Benefits Provided

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 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 Tax Collector.

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 4 PENSION PLANS (CONTINUED)

FRS Investment Plan (Continued)

Benefits Provided (Continued)

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

Contributions

Participating employer contributions are based upon statewide rates established by the state of Florida. The Tax Collector's contributions made to the plans during the years ended September 30, 2024, 2023, and 2022 were \$404,775, \$345,626, and \$297,432, respectively, equal to the actuarially determined contribution requirements for each year.

Additional information about pension plans can be found in the County's annual comprehensive financial report.

NOTE 5 RELATED PARTY TRANSACTIONS

Transactions with the Highlands County Board of Commissioners and the Constitutional Officers of Highlands County, Florida for the year ended September 30, 2024 were as follows:

Charges for Services

The General Fund of the Tax Collector received revenue from the Board of County Commissioners in the amount of \$2,369,822 for the year ended September 30, 2024. Excess fees payable to the Board at September 30, 2024 was \$862,442. Additionally, taxes and fees payable to the Board at September 30, 2024 were \$826,353.

Various Services

The Board of County Commissioners provides various services to the Tax Collector. The charges for these services for the fiscal year ended September 30, 2024 amounted to \$445,535.

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 6 RISK MANAGEMENT

The Tax Collector is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County is a member of Preferred Governmental Insurance Trust (PGIT), a governmental insurance carrier. PGIT administers insurance activities relating to property, general liability, public official's and employment practices liability, automobile, crime, and worker compensation. The County is liable for deductibles on certain coverage. Transactions related to activities related to PGIT are presented in the statements of Highlands County as a whole. There were no settlements in excess of the insurance coverage in any of the three prior fiscal years.

NOTE 7 CAPITAL ASSETS

The Tax Collector's capital assets include furniture, equipment, computer equipment, and vehicles. The Tax Collector, pursuant to Florida Statutes, records no capital assets for which the Tax Collector is custodian. The threshold for capitalizing all capital assets except software is \$5,000. The threshold for capitalizing software is \$15,000 for internally generated software and \$25,000 for purchased software. Capital assets are recorded at cost or estimated historical cost. Contributed assets are recorded at estimated acquisition value at the time received. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets as follows:

Machinery and Equipment	4 to 20 Years
Software – Internally Generated	3 to 10 Years
Software – Purchase	3 to 10 Years

Detailed information concerning capital assets is recorded and reported in the government-wide financial statements of the County. The following is a summary of the changes in capital assets for which the Tax Collector was custodian during fiscal year 2024:

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 7 CAPITAL ASSETS (CONTINUED)

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Capital Assets, Being Depreciated and Amortized:				
Equipment	\$ 261,878	\$ 42,299	\$ (37,884)	\$ 266,293
Total Capital Assets, Being Depreciated	261,878	42,299	(37,884)	266,293
Less: Accumulated Depreciation:				
Equipment	254,357	5,455	(37,884)	221,928
Total Accumulated Depreciation	254,357	5,455	(37,884)	221,928
Total Capital Assets, Being Depreciated, Net	7,521	36,844	-	44,365
Right-to-Use Lease Assets:				
Equipment	-	15,770	-	15,770
Total Right-to-Use Lease Assets	-	15,770	-	15,770
Less Accumulated Amortization:				
Equipment	-	3,069	-	3,069
Total Accumulated Amortization	-	3,069	-	3,069
Total Right-to-Use Lease Assets, Net	-	12,701	-	12,701
Subscription-Based Information Technology Arrangement Assets				
Subscription-Based Information Technology Arrangements	-	195,850	-	195,850
Less Accumulated Amortization:				
Subscription-Based Information Technology Arrangements	-	56,082	-	56,082
Total Subscription-Based Information Technology Arrangement Assets, Net	-	139,768	-	139,768
Total Governmental Activities Capital Assets, Net	\$ 7,521	\$ 189,313	\$ -	\$ 196,834

NOTE 8 LEASES

The Tax Collector leases assets for various terms under certain agreements that meet the definition of a lease under GASB Statement No. 87 – *Leases*. Detailed information about the Tax Collector’s leases can be found in the Highlands County Annual Comprehensive Financial Report.

Leases entered into by the Tax Collector are included as other financing sources and capital outlay expenditures in the statement of revenues, expenditures, and changes in fund.

Balance in the year of inception. Payments made in accordance with the lease terms are reported as debt service expenditures in the statement of revenues, expenditures, and changes in fund balance as they are incurred.

During the year, the Tax Collector entered into a lease in the amount of \$15,770. Total principal and interest payments on leases totaled \$2,888 and \$630, respectively.

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 9 SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The Tax Collector has entered into subscription based-information technology arrangements (SBITAs) for various terms under certain agreements that meet the definition under GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Detailed information about the Tax Collector's SBITAs can be found in the Highlands County Annual Comprehensive Financial Report.

SBITAs entered into by the Tax Collector are included as other financing sources and capital outlay expenditures in the statement of revenues, expenditures, and changes in fund balance in the year of inception. Payments made in accordance with the contract terms are reported as debt service expenditures in the statement of revenues, expenditures, and changes in fund balance as they are incurred.

During the year, the Tax Collector entered into a new SBITA in the amount of \$195,850. During the year ended September 30, 2024, the Tax Collector's principal and interest payments on SBITAs totaled \$99,967 and \$33, respectively.

NOTE 10 COMMITMENTS AND CONTINGENCIES

The Tax Collector is named as a defendant in several lawsuits concerning assessment and collection of prior years' ad valorem taxes on real and personal property located in Highlands County, Florida. The outcome of these matters turns upon disputed questions of property classifications and tax values. As of September 30, 2024, based on management's opinion, it does not appear the Tax Collector's assets will be affected and, consequently, no provision has been made for any liability that might arise from these claims.

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
CUSTODIAL FUNDS DESCRIPTIONS
YEAR ENDED SEPTEMBER 30, 2024**

The Tax Collector maintains the following Custodial Funds:

Custodial Funds

Tag – Used by the Tax Collector to account for motor vehicle and vessel registrations, title transfer fees, drivers' license transactions, sales tax, birth certificate fees, and concealed weapons licensing fees remitted to the state of Florida.

Tax and License – Used by the Tax Collector to account for the collection of ad valorem and non-ad valorem taxes, tangible personal property taxes and hunting and fishing licenses remitted to various taxing agencies and the state of Florida.

Tax Redemption – Used by the Tax Collector to account for collection of redeemed tax certificates issued in connection with delinquent ad valorem and non-ad valorem taxes and remittance to certificate holders.

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS
SEPTEMBER 30, 2024**

	Custodial Funds			Total Custodial Funds
	Tag	Tax and License	Tax Redemption	
ASSETS				
Cash and Cash Equivalents	\$ 192,191	\$ 878,991	\$ 181,612	\$ 1,252,794
Due from Others	10	-	-	10
Total Assets	192,201	878,991	181,612	1,252,804
LIABILITIES				
Due to Other Governmental Units	192,201	737,456	-	929,657
Due to Others	-	141,535	181,612	323,147
Total Liabilities	192,201	878,991	181,612	1,252,804
NET POSITION	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**TAX COLLECTOR
HIGHLANDS COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS
YEAR ENDED SEPTEMBER 30, 2024**

	Custodial Funds			Total Custodial Funds
	Tag	Tax and License	Tax Redemption	
ADDITIONS				
Tax, License, and Fee Collections	\$ 13,629,680	\$ 61,404,266	\$ 6,005,759	\$ 81,039,705
DEDUCTIONS				
Payments to State Agencies	13,629,680	-	-	13,629,680
Payments to Other Governments	-	61,404,266	-	61,404,266
Payments to Others	-	-	6,005,759	6,005,759
Total Deductions	<u>13,629,680</u>	<u>61,404,266</u>	<u>6,005,759</u>	<u>81,039,705</u>
CHANGE IN NET POSITION	-	-	-	-
Net Position - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>



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

Honorable Eric T. Zwayer
Tax Collector
Highlands County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the major fund and the aggregate remaining fund information of the Tax Collector of Highlands County, Florida (the Tax Collector), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Tax Collector's basic financial statements, and have issued our report thereon dated April 14, 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 Tax Collector's internal control.

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

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

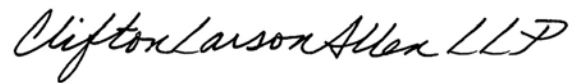
Honorable Eric T. Zwayer
Highlands County Tax Collector

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Sebring, Florida
April 14, 2025



MANAGEMENT LETTER

Honorable Eric T. Zwayer
Highlands County Tax Collector
Highlands County, Florida

Report on the Financial Statements

We have audited the financial statements of the Tax Collector of Highlands County, Florida (the Tax Collector), as of and for the fiscal year ended September 30, 2024 and have issued our report thereon dated April 14, 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 Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated April 14, 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 recommendations in the preceding annual financial report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. Information regarding the specific legal authority for the entity is contained in Note 1 to the Financial Statements.

Honorable Eric T. Zwyer
Highlands County Tax Collector

Financial Management

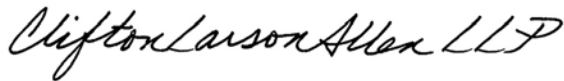
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or fraud, waste or abuse, that have 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, Federal and other granting agencies, the Tax Collector and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Sebring, Florida
April 14, 2025



INDEPENDENT ACCOUNTANTS' REPORT

Honorable Eric T. Zwyer
Highlands County Tax Collector
Highlands County, Florida

We have examined the Tax Collector of Highlands County, Florida (the Tax Collector)'s compliance with Section 218.415, Florida Statutes, regarding the investment of public funds, during the year ended September 30, 2024. Management of the Tax Collector is responsible for the Tax Collector's compliance with the specified requirements. Our responsibility is to express an opinion on the Tax Collector's compliance with the specified requirements based on our examination.

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

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

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

In our opinion, the Tax Collector complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2024.

This report is intended solely for the information and use of the Tax Collector and the Auditor General, state of Florida and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

Sebring, Florida
April 14, 2025

