

2021

DeSoto County, Florida

Financial Statements and
Independent Auditor's Report

September 30, 2021

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

DESOTO COUNTY, FLORIDA

SEPTEMBER 30, 2021

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of DeSoto County, Florida (the County) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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INDEPENDENT AUDITOR'S REPORT

Opinions

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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 1 to the financial statements, the County adopted Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, during the year ended September 30, 2021, which resulted in a \$551,591 restatement of net position at October 1, 2020. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other 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 other supplementary information, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Chapter 10.550, *Rules of the Auditor General* of the State of Florida, and is also not a required part of the basic financial statements.

The other supplementary information and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such 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

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

INDEPENDENT AUDITOR'S REPORT

directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 June 30, 2022, 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.



June 30, 2022
Sarasota, Florida

**DESOTO COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

DeSoto County's (the County) Management's Discussion and Analysis (the MD&A) presents an overview of the County's financial activities for the fiscal year ended September 30, 2021. Please read it in conjunction with the County's financial statements following the MD&A.

Financial Highlights

- The assets (plus deferred outflows) of the County exceeded its liabilities (plus deferred inflows) at the close of fiscal 2021 by \$72.8 million (*net position*). This is net of a \$17.2 million deficit in unrestricted net position.
- At September 30, 2021, the County's governmental funds reported combined ending fund balances of \$24.1 million, an increase of \$5.5 million for the year.
- At September 30, 2021, unassigned fund balance for the General Fund was \$14.8 million, or 51.3% of total General Fund expenditures and other uses.
- Net capital assets decreased by \$274 thousand from the prior fiscal year.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

The *statement of activities* presents information showing how the County's net position changed during 2021. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

DESOTO COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

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

Fund Financial Statements

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

Governmental Funds

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

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

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

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

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

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MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

Proprietary Funds

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

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

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

Fiduciary Funds

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

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

Notes to the Financial Statements

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

Other Information

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

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

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets (plus deferred outflows) exceeded liabilities (plus deferred inflows) by \$72.8 million at the close of the year ended September 30, 2021. The County is able to report positive balances in net investment in capital assets and restricted net position for both

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MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

governmental and business-type activities. The County reports a positive unrestricted net position for business-type activities, but a deficit in unrestricted net position for governmental activities. Following is a summarized version of the statement of net position found in the financial section of this report, with comparative information for 2021:

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and Other Assets	\$ 32,067,183	\$ 22,574,529	\$ 14,587,306	\$ 10,856,743	\$ 46,654,489	\$ 33,431,272
Capital Assets (Net)	57,609,934	57,106,610	32,043,359	32,821,171	89,653,293	89,927,781
Total Assets	89,677,117	79,681,139	46,630,665	43,677,914	136,307,782	123,359,053
Deferred Outflows	9,224,150	14,800,216	500,503	716,448	9,724,653	15,516,664
Current and Other Liabilities	7,313,737	2,601,655	583,256	357,445	7,896,993	2,959,100
Long-Term Liabilities	26,598,099	59,625,694	15,928,717	17,100,140	42,526,816	76,725,834
Total Liabilities	33,911,836	62,227,349	16,511,973	17,457,585	50,423,809	79,684,934
Deferred Inflows	22,160,931	1,727,036	692,245	75,151	22,853,176	1,802,187
Net Position:						
Net Investment in Capital Assets	53,811,935	49,349,921	23,320,733	23,461,911	77,132,668	72,811,832
Restricted	8,244,365	8,447,024	4,582,723	2,630,146	12,827,088	11,077,170
Unrestricted	(19,227,800)	(27,269,975)	2,023,494	769,569	(17,204,306)	(26,500,406)
Total Net Position	\$ 42,828,500	\$ 30,526,970	\$ 29,926,950	\$ 26,861,626	\$ 72,755,450	\$ 57,388,596

A substantial portion of the County's net position (106.0%) reflects its net investments in capital assets (e.g., land, buildings, and equipment). The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position (17.6%) represents restricted resources that are subject to external restrictions on how they may be used. The remaining balance is a deficit in unrestricted net position.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

The following table is a summary of the information presented in the statement of activities found in the financial section of this report, with comparative information for 2021:

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
REVENUES						
Program Revenues:						
Charges for Services	\$ 16,111,149	\$ 10,544,545	\$ 8,726,131	\$ 6,666,630	\$ 24,837,280	\$ 17,211,175
Operating Grants and Contributions	7,160,327	4,883,360	154,728	146,114	7,315,055	5,029,474
Capital Grants and Contributions	4,258,494	5,602,522	240,550	-	4,499,044	5,602,522
General Revenues:						
Property Taxes	17,150,691	16,558,272	-	-	17,150,691	16,558,272
Other Taxes	11,651,579	10,328,329	-	-	11,651,579	10,328,329
Shared Revenues	5,848,179	5,156,855	-	-	5,848,179	5,156,855
Other	209,485	607,853	29,075	29,735	238,560	637,588
Total Revenues	62,389,904	53,681,736	9,150,484	6,842,479	71,540,388	60,524,215
EXPENSES						
General Government	13,065,589	10,085,115	-	-	13,065,589	10,085,115
Public Safety	20,668,936	24,180,083	-	-	20,668,936	24,180,083
Physical Environment	2,366,828	2,289,256	-	-	2,366,828	2,289,256
Transportation	4,558,013	4,745,842	-	-	4,558,013	4,745,842
Economic Environment	1,009,297	918,030	-	-	1,009,297	918,030
Human Services	3,765,003	1,872,567	-	-	3,765,003	1,872,567
Culture/Recreation	2,184,501	1,683,003	-	-	2,184,501	1,683,003
Court-Related	2,197,068	1,510,967	-	-	2,197,068	1,510,967
Interest on Long-Term Debt	268,406	340,130	-	-	268,406	340,130
Landfill	-	-	1,736,701	1,699,889	1,736,701	1,699,889
Water and Sewer Utility	-	-	4,353,192	4,798,064	4,353,192	4,798,064
Total Expenses	50,083,641	47,624,993	6,089,893	6,497,953	56,173,534	54,122,946
Excess Before Transfers	12,306,263	6,056,743	3,060,591	344,526	15,366,854	6,401,269
Transfers	(4,733)	(876)	4,733	876	-	-
Change in Net Position	12,301,530	6,055,867	3,065,324	345,402	15,366,854	6,401,269
Net Position, Beginning of Year	30,526,970	24,471,103	26,861,626	26,516,224	57,388,596	50,987,327
Net Position, End of Year	\$ 42,828,500	\$ 30,526,970	\$ 29,926,950	\$ 26,861,626	\$ 72,755,450	\$ 57,388,596

**DESOTO COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

Governmental Activities

Governmental activities increased the County's net position by \$12.3 million during 2021. Following is further detail of the revenues and expenses for governmental activities in 2021, compared to 2020:

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

	Expenses				Net Revenue (Cost) of Services	
	2021	% of Total	2020	% Change	2021	2020
Functions/Programs						
General Government	\$ 13,065,589	26.1%	\$ 10,085,115	29.6%	\$ (8,805,673)	\$ (5,382,742)
Public Safety	20,668,936	41.3%	24,180,083	-14.5%	(10,294,132)	(16,787,767)
Physical Environment	2,366,828	4.7%	2,289,256	3.4%	(362,133)	(363,278)
Transportation	4,558,013	9.1%	4,745,842	-4.0%	(915,696)	640,189
Economic Environment	1,009,297	2.0%	918,030	9.9%	(220,708)	(360,180)
Human Services	3,765,003	7.5%	1,872,567	101.1%	(2,718,509)	(1,496,666)
Culture/Recreation	2,184,501	4.4%	1,683,003	29.8%	(1,954,562)	(1,476,425)
Court-Related	2,197,068	4.4%	1,510,967	45.4%	3,788,355	(1,027,567)
Interest on Long-Term Debt	268,406	0.5%	340,130	-21.1%	(268,406)	(340,130)
	<u>\$ 50,083,641</u>	<u>100%</u>	<u>\$ 47,624,993</u>		<u>\$ (21,751,464)</u>	<u>\$ (26,594,566)</u>

Governmental Activities - Revenues by Source

Description	2021	% of Total	2020	% Change
Program Revenues:				
Charges for Services	\$ 16,111,149	25.8%	\$ 10,544,545	52.8%
Operating Grants and Contributions	7,160,327	11.5%	4,883,360	46.6%
Capital Grants and Contributions	4,258,494	6.8%	5,602,522	-24.0%
General Revenues:				
Property Tax	17,150,691	27.5%	16,558,272	3.6%
Small County Surcharge	2,896,986	4.6%	2,525,229	14.7%
Law Enforcement	4,124,202	6.6%	3,952,353	4.3%
Communications Service	140,578	0.2%	151,397	-7.1%
Tourist Development Surtax	84,009	0.1%	69,445	21.0%
Gas and Fuel Taxes	1,816,338	2.9%	-	100.0%
Franchise Fees	1,252,242	2.0%	2,360,809	-47.0%
Pari-Mutual Tax	1,337,224	2.1%	1,269,096	5.4%
State Shared Revenue	314,333	0.5%	314,333	0.0%
Local Shared Revenue	994,748	1.6%	846,996	17.4%
State Sales Tax	858,293	1.4%	858,293	0.0%
Miscellaneous	3,680,805	5.9%	3,137,233	17.3%
Gain on Disposal of Capital Assets	209,485	0.3%	341,333	-38.6%
	-	0.0%	266,520	100.0%
	<u>\$ 62,389,904</u>	<u>100%</u>	<u>\$ 53,681,736</u>	

During the year, two new special revenue funds were created, American Recovery Plan Act Fund and Sunny Breeze Lighting Fund. Revenues for governmental activities increased \$9.5 million from the prior year. The increase in revenues was mainly due to increases in program revenues including charges for services and operating grants and contributions. Expenses for governmental activities increased by \$2.5 million, mostly driven by expenses related to CARES Act funding.

**DESOTO COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

Business-Type Activities

Business-type activities increased the County's net position by \$3.1 million in 2021 compared to an increase of \$345 thousand in 2020. This is mostly due to an increase in wastewater capital fees. Following is further detail of the business-type activities financial results for 2021, compared to 2020:

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

	2021			2020		
	Revenues	Expenses	Net	Revenues	Expenses	Net
Functions/Programs:						
Landfill	\$ 2,202,346	\$ 1,736,701	\$ 465,645	\$ 2,027,382	\$ 1,699,889	\$ 327,493
Water and Sewer	6,919,063	4,353,192	2,565,871	4,785,362	4,798,064	(12,702)
	<u>9,121,409</u>	<u>6,089,893</u>	<u>3,031,516</u>	<u>6,812,744</u>	<u>6,497,953</u>	<u>314,791</u>
General Revenues (Expenses)	29,075	-	29,075	29,735	-	29,735
Transfers	4,733	-	4,733	876	-	876
Net	<u>\$ 9,155,217</u>	<u>\$ 6,089,893</u>	<u>\$ 3,065,324</u>	<u>\$ 6,843,355</u>	<u>\$ 6,497,953</u>	<u>\$ 345,402</u>

Business-Type Activities - Revenues by Source

	2021	% of Total	2020	% of Total
Charges for Services	\$ 8,726,131	95.4%	\$ 6,666,630	97.8%
Operating Grants and Contributions	154,728	1.7%	146,114	2.1%
Capital Grants and Contributions	240,550	2.6%	-	0.0%
Miscellaneous	29,075	0.3%	876	0.1%
	<u>\$ 9,150,484</u>	<u>100.0%</u>	<u>\$ 6,813,620</u>	<u>100.0%</u>

Financial Analysis of the County's Funds

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

Governmental Funds

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

At the end of 2021, the County's governmental funds reported combined ending fund balances of \$24.1 million, an increase of \$5.5 million for the year. At the end of 2021, the County's governmental funds reported combined *restricted fund balances* of \$8.1 million. This represents amounts that can only be spent for specific purposes as stipulated by external resource providers or by enabling legislation. The

**DESOTO COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

County's governmental funds reported combined *assigned fund balances* of \$1.1 million. *Unassigned fund balances* totaled \$14.8 million and are available for spending. The remainder of the fund balances are *non-spendable* to indicate that they are not available for spending: 1) for prepaids and inventories (\$148 thousand); and 2) for advances to other funds (\$82 thousand).

The General Fund is the chief operating fund of the County. At the end of 2021, unassigned fund balance of the General Fund was \$14.8 million, while total fund balance reached \$16.0 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 51.3% of the total General Fund expenditures and other uses, while total fund balance represents 55.2% of the same amount. During 2021, the fund balance of the General Fund increased \$5.1 million as opposed to a decrease of \$9.0 million as originally budgeted due to effective cost control strategies.

The County Transportation Fund reported an increase in fund balance of \$1.4 million during 2021, resulting in an ending fund balance of \$1.3 million. The current year increase occurred due to a large receivable balance that was unavailable at 2020 year-end, and was received in 2021.

The Fire and EMS Fund reported a decrease in fund balance of \$1.7 million during 2021, compared to an increase of \$2.5 million in 2020. The fund balance is in a positive position of \$1.6 million at September 30, 2021. Revenues and expenditures were consistent from 2020 to 2021. The current year decrease occurred as a result of a smaller Transfer in than in prior year.

Proprietary Funds

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

The Landfill reported an increase in net position of \$488 thousand, as compared to an increase net position of \$347 thousand in 2020. This slight increase compared to prior year is attributable to an increase in charges for services in 2021.

The Water and Sewer Fund reported an increase in net position of \$2.6 million, as compared to a decrease net position of \$1 thousand in 2020. The current year increase was attributable to a large increase in licenses and permits, related to wastewater capital fees.

Unrestricted net position for proprietary funds are as follows:

Fund	Unrestricted Net Position (Deficit)	
	2021	2020
Landfill	\$ (618,194)	\$ (1,421,972)
Water and Sewer	2,641,688	2,191,541
Total	\$ 2,023,494	\$ 769,569

**DESOTO COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

General Fund Budgetary Highlights

A budget versus actual comparison of the operating results of the County's General Fund (excluding the County Officers) can be found in the Required Supplementary Information section of the report. Final budgeted revenues increased from the original budget by \$2.2 million, mostly related to tax revenues and intergovernmental revenues. As shown below, final budgeted expenditures and transfers out increased by \$607 thousand from the original budget, increasing budgeted reserves.

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Difference</u>
General Government	\$ 7,300,885	\$ 7,840,895	\$ 540,010
Public Safety	610,970	722,050	111,080
Physical Environment	442,754	451,729	8,975
Economic Environment	249,895	270,895	21,000
Human Services	1,816,206	1,793,267	(22,939)
Culture/Recreation	1,336,232	1,603,234	267,002
Capital Outlay	830,000	-	(830,000)
Debt Service	16,138	17,138	1,000
Reserves	8,149,166	8,081,872	(67,294)
Transfers Out	19,196,716	19,774,876	578,160
	<u>\$ 39,948,962</u>	<u>\$ 40,555,956</u>	<u>\$ 606,994</u>

The General Fund final actual revenues were \$107 thousand more than the final budget. As shown below, the General Fund actual expenditures and transfers out were \$7.6 million less than the final amended budget. The most significant factor was budgeted reserves of \$8.1 million that were not expended.

General Fund budgeted and actual expenditures and transfers out for 2021 were as follows:

	<u>Actual</u>	<u>Final Budget</u>	<u>Difference</u>
	<u>Expenditures</u>		
General Government	\$ 7,318,936	\$ 7,840,895	\$ 521,959
Public Safety	2,241,888	722,050	(1,519,838)
Physical Environment	380,045	451,729	71,684
Economic Environment	258,413	270,895	12,482
Human Services	1,549,886	1,793,267	243,381
Culture/Recreation	1,384,697	1,603,234	218,537
Debt Service	16,137	17,138	1,001
Reserves	-	8,081,872	8,081,872
Transfers Out	19,675,000	19,774,876	99,876
	<u>\$ 32,825,002</u>	<u>\$ 40,555,956</u>	<u>\$ 7,730,954</u>

DESOTO COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

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, 2021, amounted to \$89.7 million (net of accumulated depreciation and amortization). The total decrease in the County's investment in capital assets for the current fiscal year was \$274 thousand or 0.3%. Major capital asset events during 2021 included the following:

- Depreciation expense for governmental activities was \$4.2 million, an increase of \$130 thousand from the prior year. Capital asset additions were \$4.7 million.
- Depreciation expense for business-type activities was \$2.1 million, a decrease of \$36 thousand. Capital asset additions were \$1.3 million.

Following is a summary of the County's capital assets at the end of 2021 and 2020:

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land and Easements	\$ 3,395,579	\$ 3,395,579	\$ 2,475,856	\$ 3,244,539	\$ 5,871,435	\$ 6,640,118
Construction in Progress	775,624	462,935	1,865,436	50,866	2,641,060	513,801
Buildings and Improvements	31,369,256	31,369,256	1,092,173	1,363,548	32,461,429	32,732,804
Intangibles	551,756	551,756	55,324	55,324	607,080	607,080
Machinery and Equipment - Board	14,252,916	13,269,631	11,579,958	2,530,874	25,832,874	15,800,505
Machinery and Equipment - Sheriff	6,944,773	6,500,167	-	-	6,944,773	6,500,167
Infrastructure	50,997,506	48,856,747	4,581,129	13,077,901	55,578,635	61,934,648
Water Distribution System	-	-	41,161,460	41,161,460	41,161,460	41,161,460
	108,287,410	104,406,071	62,811,336	61,484,512	171,098,746	165,890,583
Less: Accumulated Depreciation	(50,677,476)	(47,299,461)	(30,767,977)	(28,663,341)	(81,445,453)	(75,962,802)
Capital Assets, Net	\$ 57,609,934	\$ 57,106,610	\$ 32,043,359	\$ 32,821,171	\$ 89,653,293	\$ 89,927,781

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

Long-Term Debt

The County's outstanding long-term debt consists primarily of revenue bonds/notes, other notes payable, and installment obligations. At the end of 2021, the County's governmental activities had a decrease of \$4.1 million in outstanding long-term debt, including the reduction of installment purchases totaling \$250 thousand, and scheduled principal payments of \$3.8 million. Business-type activities had a decrease of \$637 thousand in outstanding long-term debt. This was a result of scheduled principal payments.

Following is a summary of the County's long-term debt at the end of 2021 and 2020:

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenue Bonds	\$ -	\$ -	\$ 6,317,804	\$ 6,578,193	\$ 6,317,804	\$ 6,578,193
Revenue Notes	3,544,000	7,357,042	1,849,945	2,106,198	5,393,945	9,463,240
Installment Purchases	253,999	504,359	554,878	674,868	808,877	1,179,227
	\$ 3,797,999	\$ 7,861,401	\$ 8,722,627	\$ 9,359,259	\$ 12,520,626	\$ 17,220,660

**DESOTO COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

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

Economic Factors and Next Year's Budgets and Rates

The County's millage rate for general operations remained the same in 2022 as in 2021, at 8.5060 mills. The Law Enforcement M.S.T.U. increased in 2022 to 2.4399 mills, from 2.3000 mills in 2021. Budgets remained conservative with little activity in upcoming capital improvements. The 2022 general fund budget uses carry over surplus of \$1.1 million to balance.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

DESOTO COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	\$ 26,124,042	\$ 6,878,040	\$ 33,002,082
Restricted Cash and Cash Equivalents	528,463	7,280,523	7,808,986
Accounts Receivable, Net	713,748	412,940	1,126,688
Special Assessments Receivable	4,977	195	5,172
Notes Receivable	1,375,000	-	1,375,000
Internal Balances	66,031	(66,031)	-
Due from Other Governments	2,994,930	33,782	3,028,712
Due from Individuals	31,787	-	31,787
Inventories	99,146	45,181	144,327
Prepays	49,059	2,676	51,735
Deposits	80,000	-	80,000
Capital Assets - Non-Depreciated	4,171,203	4,341,292	8,512,495
Capital Assets - Depreciated, Net	53,438,731	27,702,067	81,140,798
Total Assets	89,677,117	46,630,665	136,307,782
Deferred Outflows of Resources			
Contractual Rights	-	160,000	160,000
Deferred Outflows Related to Pensions	6,493,924	159,294	6,653,218
Deferred Outflows Related to OPEB	2,730,226	181,209	2,911,435
Total Deferred Outflows of Resources	9,224,150	500,503	9,724,653
Total Assets and Deferred Outflows	98,901,267	47,131,168	146,032,435
Liabilities			
Vouchers Payable	2,099,820	359,829	2,459,649
Accrued Liabilities	465,050	102,415	567,465
Due to Other Governments	635,665	-	635,665
Deposits	13,257	121,012	134,269
Unearned Revenue	4,099,945	-	4,099,945
Long-Term Liabilities:			
Due Within One Year	2,845,581	878,251	3,723,832
Due in More Than One Year	23,752,518	15,050,466	38,802,984
Total Liabilities	33,911,836	16,511,973	50,423,809
Deferred Inflows of Resources			
Deferred Inflows Related to Pensions	19,607,939	539,482	20,147,421
Deferred Inflows Related to OPEB	2,552,992	152,763	2,705,755
Total Deferred Inflows of Resources	22,160,931	692,245	22,853,176
Total Liabilities and Deferred Inflows	56,072,767	17,204,218	73,276,985
Net Position			
Net Investment in Capital Assets	53,811,935	23,320,733	77,132,668
Restricted for:			
Capital Expansion Program	-	4,582,723	4,582,723
Transportation	1,300,900	-	1,300,900
Economic Development	2,469,680	-	2,469,680
Other Purposes	4,473,785	-	4,473,785
Unrestricted (Deficit)	(19,227,800)	2,023,494	(17,204,306)
Total Net Position	\$ 42,828,500	\$ 29,926,950	\$ 72,755,450

See accompanying notes.

DESOTO COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General Government	\$ 13,065,589	\$ 3,551,380	\$ 719,286	\$ -	\$ (8,794,923)	\$ -	\$ (8,794,923)
Public Safety	20,668,936	5,421,456	4,926,274	27,074	(10,294,132)	-	(10,294,132)
Physical Environment	2,366,828	1,967,548	37,147	-	(362,133)	-	(362,133)
Transportation	4,558,013	116,780	(415)	3,525,952	(915,696)	-	(915,696)
Economic Environment	1,009,297	-	788,589	-	(220,708)	-	(220,708)
Human Services	3,765,003	23,259	373,343	649,892	(2,718,509)	-	(2,718,509)
Culture and Recreation	2,184,501	118,197	56,166	55,576	(1,954,562)	-	(1,954,562)
Court-Related	2,197,068	4,912,529	259,937	-	2,975,398	-	2,975,398
Interest on Long-Term Debt	268,406	-	-	-	(268,406)	-	(268,406)
Total Governmental Activities	50,083,641	16,111,149	7,160,327	4,258,494	(22,553,671)	-	(22,553,671)
Business-Type Activities							
Landfill	1,736,701	2,102,970	99,376	-	-	465,645	465,645
Water and Sewer	4,353,192	6,623,161	55,352	240,550	-	2,565,871	2,565,871
Total Business-Type Activities	6,089,893	8,726,131	154,728	240,550	-	3,031,516	3,031,516
Total	\$ 56,173,534	\$ 24,837,280	\$ 7,315,055	\$ 4,499,044	(22,553,671)	3,031,516	(19,522,155)
General Revenues							
Taxes:							
					17,150,691	-	17,150,691
					2,896,986	-	2,896,986
					4,124,202	-	4,124,202
					140,578	-	140,578
					84,009	-	84,009
					1,816,338	-	1,816,338
					1,252,242	-	1,252,242
					1,337,224	-	1,337,224
Inter-Governmental Revenue:							
					314,333	-	314,333
					994,748	-	994,748
					858,293	-	858,293
					3,680,805	-	3,680,805
					209,485	29,075	238,560
					(4,733)	4,733	-
					34,855,201	33,808	34,889,009
					12,301,530	3,065,324	15,366,854
					30,526,970	26,861,626	57,388,596
					\$ 42,828,500	\$ 29,926,950	\$ 72,755,450

See accompanying notes.

DESOTO COUNTY, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	<u>General</u>	<u>County Transportation</u>	<u>Fire and EMS</u>
Assets			
Cash and Cash Equivalents	\$ 14,724,884	\$ 1,931,771	\$ 1,753,866
Restricted Cash and Cash Equivalents	-	-	-
Accounts Receivable, Net	287,188	3,573	422,941
Special Assessments Receivable	-	-	3,726
Notes Receivable, Net	-	-	-
Due from Other Funds	1,133,368	-	43,764
Due from Other Governments	1,201,253	985,814	2,370
Due from Individuals	20,547	-	-
Inventories	16,027	83,119	-
Prepays	38,490	2,054	-
Deposits	80,000	-	-
Advances to Other Funds	6,057	-	-
Total Assets	<u>17,507,814</u>	<u>3,006,331</u>	<u>2,226,667</u>
Liabilities			
Vouchers Payable	909,927	527,142	194,860
Retainage Payable	-	16,021	-
Accrued Liabilities	298,466	20,104	59,371
Due to Other Funds	82,804	563,309	-
Due to Other Governments	204,471	429,647	144
Deposits	7,935	-	-
Unearned Revenues	20,420	-	38,130
Advances from Other Funds	-	-	-
Total Liabilities	<u>1,524,023</u>	<u>1,556,223</u>	<u>292,505</u>
Deferred Inflows			
Unavailable Revenues	<u>23,803</u>	<u>149,208</u>	<u>298,666</u>
Fund Balances (Deficits)			
Non-Spendable:			
Prepays and Inventories	54,517	85,173	-
Advances to Other Funds	6,057	-	-
Restricted for:			
Transportation	-	1,215,727	-
Economic Development	-	-	-
Public Assistance Programs	-	-	-
Streetlighting	-	-	-
Public Safety	-	-	1,635,496
Court-Related Services	-	-	-
Solid Waste Control Services	-	-	-
Debt Service	-	-	-
Building Code Enforcement	-	-	-
Assigned for:			
Budget Carryforward	1,057,228	-	-
Unassigned (Deficit)	14,842,186	-	-
Total Fund Balances	<u>15,959,988</u>	<u>1,300,900</u>	<u>1,635,496</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 17,507,814</u>	<u>\$ 3,006,331</u>	<u>\$ 2,226,667</u>

See accompanying notes.

Non-Major Governmental Funds	Total Governmental Funds
\$ 7,713,521	\$ 26,124,042
528,463	528,463
46	713,748
1,251	4,977
1,375,000	1,375,000
31,297	1,208,429
805,493	2,994,930
11,240	31,787
-	99,146
8,515	49,059
-	80,000
75,774	81,831
<u>10,550,600</u>	<u>33,291,412</u>
451,870	2,083,799
-	16,021
33,301	411,242
572,059	1,218,172
1,403	635,665
5,322	13,257
4,041,395	4,099,945
6,057	6,057
<u>5,111,407</u>	<u>8,484,158</u>
<u>188,882</u>	<u>660,559</u>
8,515	148,205
75,774	81,831
-	1,215,727
2,469,680	2,469,680
3,441	3,441
9,672	9,672
1,560,249	3,195,745
684,426	684,426
1,640	1,640
3	3
488,672	488,672
-	1,057,228
(51,761)	14,790,425
<u>5,250,311</u>	<u>24,146,695</u>
<u>\$ 10,550,600</u>	<u>\$ 33,291,412</u>

See accompanying notes.

DESOTO COUNTY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2021

Total Fund Balances of Governmental Funds		\$ 24,146,695
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:		
Revenues are deferred in governmental funds when both the measurable and available criteria are not met under the modified accrual basis of accounting. Under the full accrual basis of accounting, these revenues would be recognized when earned regardless of when they are received.		660,559
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$108,287,410, and the accumulated depreciation is \$50,677,476.		57,609,934
Net pension liabilities and related deferred outflows and inflows of resources are not due or available in the current period and, therefore, are not recognized in the governmental funds:		
Deferred Outflows	6,493,924	
Deferred Inflows	(19,607,939)	
Net Pension Liability	(9,949,084)	(23,063,099)
Long-term liabilities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position. Long-term liabilities at year-end consist of:		
Notes Payable	(3,544,000)	
FEMA Long-Term Payable	(167,911)	
Installment Purchase Obligations	(253,999)	
Interest Payable	(53,808)	
Compensated Absences	(1,069,374)	(5,089,092)
The other postemployment benefits liability is not recorded in the fund financial statements because it does not utilize current resources:		
Other Postemployment Benefit Liability	(11,613,731)	
Deferred Outflows	2,730,226	
Deferred Inflows	(2,552,992)	(11,436,497)
Total Net Position of Governmental Activities		\$ 42,828,500

See accompanying notes.

DESOTO COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>General</u>	<u>County Transportation</u>	<u>Fire and EMS</u>
Revenues			
Taxes	\$ 24,312,457	\$ 1,252,242	\$ -
Special Assessments	-	-	2,919,243
Permits and Fees	1,426,708	41,536	28,067
Intergovernmental Revenues	6,648,293	4,470,971	110,823
Charges for Services	3,815,579	43,238	1,069,369
Fines and Forfeitures	46,714	-	-
Miscellaneous Revenues	389,583	32,006	26,141
Total Revenues	<u>36,639,334</u>	<u>5,839,993</u>	<u>4,153,643</u>
Expenditures			
Current:			
General Government	9,879,467	-	87,019
Public Safety	14,328,009	-	5,430,121
Physical Environment	380,045	-	-
Transportation	-	5,399,321	-
Economic Environment	258,413	-	-
Human Services	1,549,886	-	-
Culture and Recreation	1,384,697	-	-
Court-Related	1,115,603	-	-
Debt Service:			
Principal Retirement	15,407	154,027	80,925
Interest and Fiscal Charges	730	7,718	7,737
(Total Expenditures)	<u>(28,912,257)</u>	<u>(5,561,066)</u>	<u>(5,605,802)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>7,727,077</u>	<u>278,927</u>	<u>(1,452,159)</u>
Other Financing Sources (Uses)			
Transfers In	4,264,318	2,808,541	50,964
Transfers (Out)	(6,760,419)	(1,642,956)	(260,013)
Distributions of Excess Commissions	(142,363)	-	-
Insurance Proceeds	739	458	-
Total Other Financing Sources (Uses)	<u>(2,637,725)</u>	<u>1,166,043</u>	<u>(209,049)</u>
Net Change in Fund Balances	5,089,352	1,444,970	(1,661,208)
Fund Balances (Deficits), Beginning of Year	<u>10,870,636</u>	<u>(144,070)</u>	<u>3,296,704</u>
Fund Balances, End of Year	<u>\$ 15,959,988</u>	<u>\$ 1,300,900</u>	<u>\$ 1,635,496</u>

See accompanying notes.

Non-Major Governmental Funds	Total Governmental Funds
\$ 1,900,347	\$ 27,465,046
52,629	2,971,872
599,498	2,095,809
5,854,680	17,084,767
7,033,242	11,961,428
126,519	173,233
473,019	920,749
<u>16,039,934</u>	<u>62,672,904</u>
3,815,768	13,782,254
2,300,897	22,059,027
2,021,416	2,401,461
-	5,399,321
748,801	1,007,214
2,162,073	3,711,959
82,128	1,466,825
1,098,087	2,213,690
4,498,903	4,749,262
201,611	217,796
<u>(16,929,684)</u>	<u>(57,008,809)</u>
<u>(889,750)</u>	<u>5,664,095</u>
5,863,673	12,987,496
(4,328,841)	(12,992,229)
-	(142,363)
-	1,197
<u>1,534,832</u>	<u>(145,899)</u>
645,082	5,518,196
4,605,229	18,628,499
<u>\$ 5,250,311</u>	<u>\$ 24,146,695</u>

See accompanying notes.

DESOTO COUNTY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Net Change in Fund Balances - Total Governmental Funds \$ 5,518,196

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

Governmental funds report capital purchases as expenditures.

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

Capital Asset Purchases	\$ 4,042,215	
Capital Asset Donations	649,892	
Capital Asset Disposals	(30,205)	
Depreciation Expense	<u>(4,158,578)</u>	503,324

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

Principal Paid	<u>4,749,262</u>	4,749,262
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Amortization is not recognized in the governmental fund statements, but is reported as an expense in the statement of activities.

Refunding Loss - Amortization		(104,712)
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Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. Adjustments are as follows:

Accrued Interest	54,102	
Other Postemployment Benefits	(167,487)	
Pension Adjustments	2,654,319	
Compensated Absences	<u>(113,748)</u>	2,427,186

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

(791,726)

Change in Net Position of Governmental Activities \$ 12,301,530

See accompanying notes.

DESOTO COUNTY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2021

	Business-Type Activities - Enterprise Funds		
	Landfill	Water/Sewer Utility	Total
Assets			
Current Assets:			
Cash and Cash Equivalents	\$ 3,594,304	\$ 3,283,736	\$ 6,878,040
Accounts Receivable, Net	88,295	324,645	412,940
Assessments Receivable	195	-	195
Due from Other Funds	9,743	-	9,743
Due from Other Governments	-	33,782	33,782
Inventories	-	45,181	45,181
Prepays	2,676	-	2,676
Restricted Assets:			
Cash and Cash Equivalents	7,450	202,422	209,872
Total Current Assets	3,702,663	3,889,766	7,592,429
Non-Current Assets:			
Restricted Assets:			
Cash and Cash Equivalents	2,487,928	4,582,723	7,070,651
Capital Assets - Non-Depreciated	768,683	3,572,609	4,341,292
Capital Assets - Depreciated, Net	3,859,566	23,842,501	27,702,067
Total Non-Current Assets	7,116,177	31,997,833	39,114,010
Total Assets	10,818,840	35,887,599	46,706,439
Deferred Outflows of Resources			
Contractual Rights	-	160,000	160,000
Deferred Outflows Related to Pensions	77,637	81,657	159,294
Deferred Outflows related to OPEB	92,565	88,644	181,209
Total Deferred Outflows of Resources	170,202	330,301	500,503
Liabilities			
Current Liabilities:			
Vouchers and Contracts Payable	19,079	340,750	359,829
Accrued Liabilities	6,308	7,247	13,555
Accrued Interest	-	88,860	88,860
Deposits	7,450	113,562	121,012
Accrued Compensated Absences	2,324	2,391	4,715
Notes Payable	304,282	261,198	565,480
Bonds Payable	-	270,377	270,377
Net Pension Liability	373	520	893
Other Postemployment Benefits	18,393	18,393	36,786
Total Current Liabilities	358,209	1,103,298	1,461,507
Non-Current Liabilities:			
Accrued Compensated Absences	20,920	21,516	42,436
Notes Payable	250,596	1,588,747	1,839,343
Bonds Payable	-	6,047,426	6,047,426
Net Pension Liability	146,039	153,475	299,514
Other Postemployment Benefits	401,008	471,892	872,900
Accrued Landfill Closure/Post-Closure Costs	5,948,847	-	5,948,847
Advances from Other Funds	75,774	-	75,774
Total Non-Current Liabilities	6,843,184	8,283,056	15,126,240
Total Liabilities	7,201,393	9,386,354	16,587,747
Deferred Inflows of Resources			
Deferred Inflows Related to Pensions	262,932	276,550	539,482
Deferred Inflows Related to OPEB	69,540	83,223	152,763
Total Deferred Inflows of Resources	332,472	359,773	692,245
Net Position			
Net Investment in Capital Assets	4,073,371	19,247,362	23,320,733
Restricted for:			
Capital Expansion Program	-	4,582,723	4,582,723
Unrestricted (Deficit)	(618,194)	2,641,688	2,023,494
Total Net Position	\$ 3,455,177	\$ 26,471,773	\$ 29,926,950

See accompanying notes.

DESOTO COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Business-Type Activities - Enterprise Funds		
	Landfill	Water/Sewer	
		Utility	Total
Operating Revenues			
Charges for Services	\$ 1,407,152	\$ 3,985,757	\$ 5,392,909
Special Assessments	648,584	-	648,584
Licenses and Permits	-	2,564,430	2,564,430
Miscellaneous Operating Revenues	47,234	72,974	120,208
Total Operating Revenues	2,102,970	6,623,161	8,726,131
Operating Expenses			
Purchased Water	-	739,871	739,871
Personnel Services	524,346	533,855	1,058,201
Contracted Services	141,794	227,772	369,566
Supplies and Materials	40,947	130,444	171,391
Repairs and Maintenance	126,146	378,765	504,911
Other Services and Charges	97,365	152,711	250,076
Utilities	8,036	187,744	195,780
Depreciation	444,921	1,671,272	2,116,193
Amortization	-	40,000	40,000
Provision for Closure and Long-Term Care	326,671	-	326,671
(Total Operating Expenses)	(1,710,226)	(4,062,434)	(5,772,660)
Operating Income	392,744	2,560,727	2,953,471
Non-Operating Revenues (Expenses)			
Operating Grants	99,376	55,352	154,728
Interest Income	13,637	15,090	28,727
Interest Expense	(26,475)	(288,092)	(314,567)
Gain (Loss) on Disposal of Capital Assets	-	(2,666)	(2,666)
Other Nonoperating Revenues	-	348	348
Total Non-Operating Revenues (Expenses)	86,538	(219,968)	(133,430)
Income Before Transfers and Contributions	479,282	2,340,759	2,820,041
Operating Transfers			
Operating Transfers In	9,743	-	9,743
Operating Transfers (Out)	(1,175)	(3,835)	(5,010)
Total Operating Transfers	8,568	(3,835)	4,733
Capital Contributions			
Capital Grants	-	240,550	240,550
Total Capital Contributions	-	240,550	240,550
Changes in Net Position	487,850	2,577,474	3,065,324
Net Position, Beginning of Year	2,967,327	23,894,299	26,861,626
Total Net Position, End of Year	\$ 3,455,177	\$ 26,471,773	\$ 29,926,950

See accompanying notes.

DESOTO COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Business-Type Activities - Enterprise Funds		
	Landfill	Water/Sewer Utility	Total
Cash Flows from Operating Activities			
Receipts from Customers and Users	\$ 2,092,914	\$ 6,697,633	\$ 8,790,547
Payments to Suppliers	(406,994)	(1,606,261)	(2,013,255)
Payments to Employees	(507,391)	(634,084)	(1,141,475)
Net Cash Provided by Operating Activities	<u>1,178,529</u>	<u>4,457,288</u>	<u>5,635,817</u>
Cash Flows from Non-Capital			
Financing Activities			
Transfers from Other Funds	9,743	-	9,743
Transfers to Other Funds	(1,175)	(3,835)	(5,010)
Interfund Loans (Repayments)	(48,732)	6,300	(42,432)
Operating Grants	99,376	55,352	154,728
Non-Operating Revenue	-	348	348
Net Cash Provided by Non-Capital			
Financing Activities	<u>59,212</u>	<u>58,165</u>	<u>117,377</u>
Cash Flows from Capital and Related			
Financing Activities			
Acquisition/Construction of Capital Assets	(9,002)	(1,340,933)	(1,349,935)
Capital Grants	-	240,480	240,480
Principal Paid	(119,990)	(516,643)	(636,633)
Interest Paid	(26,475)	(291,915)	(318,390)
Proceeds from Sale of Capital Assets	-	8,888	8,888
Net Cash (Used in) Capital and			
Related Financing Activities	<u>(155,467)</u>	<u>(1,900,123)</u>	<u>(2,055,590)</u>
Cash Flows from Investing Activities			
Interest Received	13,637	15,090	28,727
Net Cash Provided by Investing Activities	<u>13,637</u>	<u>15,090</u>	<u>28,727</u>
Net Increase in Cash and Cash Equivalents	1,095,911	2,630,420	3,726,331
Cash and Cash Equivalents, Beginning of Year	4,993,771	5,438,461	10,432,232
Cash and Cash Equivalents, End of Year	<u>\$ 6,089,682</u>	<u>\$ 8,068,881</u>	<u>\$ 14,158,563</u>

See accompanying notes.

DESOTO COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Business-Type Activities - Enterprise Funds		
	Landfill	Water/Sewer Utility	Total
Cash and Cash Equivalents Classified as:			
Current Assets	\$ 3,594,304	\$ 3,283,736	\$ 6,878,040
Current Assets - Restricted	7,450	202,422	209,872
Non-Current Assets - Restricted	2,487,928	4,582,723	7,070,651
Total Cash and Cash Equivalents	\$ 6,089,682	\$ 8,068,881	\$ 14,158,563
Reconciliation of Operating Income to Net			
Cash Provided by Operating Activities:			
Operating Income	\$ 392,744	\$ 2,560,727	\$ 2,953,471
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	444,921	1,671,272	2,116,193
Amortization	-	40,000	40,000
Pension Adjustments	(3,200)	(117,307)	(120,507)
OPEB Adjustments	21,918	27,397	49,315
Provision for Closure and Post-Closure	326,671	-	326,671
Change in Assets and Liabilities:			
Decrease (Increase) in Accounts Receivable	(9,556)	47,122	37,566
Decrease (Increase) in Due from Other Governments	-	35	35
Decrease (Increase) in Prepaids	669	-	669
Increase (Decrease) in Accounts Payable	6,625	211,011	217,636
Increase (Decrease) in Accrued Liabilities	(4,989)	(9,863)	(14,852)
Increase (Decrease) in Deposits	(500)	27,350	26,850
Increase (Decrease) in Compensated Absences	3,226	(456)	2,770
Total Adjustments	785,785	1,896,561	2,682,346
Net Cash Provided by Operating Activities	\$ 1,178,529	\$ 4,457,288	\$ 5,635,817

See accompanying notes.

DESOTO COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2021

	<u>Custodial Funds</u>
Assets	
Cash and Cash Equivalents	\$ 1,692,126
Accounts Receivable	26,392
Due from Other Governments	5,854
Total Assets	<u><u>1,724,372</u></u>
Liabilities	
Due to Other Governments	657,684
Due to Individuals and Businesses	9,993
Deposits	76,672
Total Liabilities	<u><u>744,349</u></u>
Net Position	
Restricted for:	
Individuals, Businesses, and Other Governments	980,023
Total Net Position	<u><u>\$ 980,023</u></u>

See accompanying notes.

DESOTO COUNTY, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
SEPTEMBER 30, 2021

	Custodial Funds
Additions	
Fees/Fines Collected for Other Governments	\$ 1,700,753
Deposits and Other Trust Activities	1,594,701
Property Taxes and Fees Collected for Local Governments	19,655,607
Tax Certificate Redemptions and Fees Collected for Business and Individuals	5,322,222
Cash Bonds Collected	97,568
Fines, Forfeitures, and Fees Collected	36,311
Evidence Monies Collected	55,239
Collections from Inmates	411,846
Interest Income	198
Total Additions	28,874,445
Deductions	
Fees/Fines Disbursed to Other Governments	1,664,477
Deposits and Other Trust Activities Disbursed	1,206,377
Property Taxes and Fees Disbursed to Local Governments	19,655,607
Tax Certificate Redemptions and Fees Disbursed to Business and Individuals	5,322,222
Cash Bonds Disbursed	97,568
Fines, Forfeitures, and Fees Disbursed	36,311
Evidence Monies Disbursed	55,239
Inmate Funds Disbursed	408,212
Total Deductions	28,446,013
Change in Fiduciary Net Position	428,432
Beginning Net Position	-
Prior Period Adjustment	551,591
Beginning Net Position, Restated	551,591
Ending Net Position	\$ 980,023

See accompanying notes.

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 1 - Summary of Significant Accounting Policies

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

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

A. Reporting Entity

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

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

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

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and inter-governmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The statement of activities demonstrates the degree to which the direct expenses and indirect costs of a given function, or segment, are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses are those costs that are allocated to functions and activities in accordance with the County's adopted indirect cost allocation plan. The Expenses column includes both direct and indirect expenses. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

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

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

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

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

The County reports the following major governmental funds:

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

The County reports the following major enterprise funds:

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

Additionally, the County reports the following fund types:

- *Special Revenue Funds* account for the proceeds of specific revenue sources that are legally restricted or committed for specified purposes.
- A *Debt Service Fund* accounts for the accumulation of resources for, and the payment of, governmental long-term debt principal and interest.

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

- *Capital Projects Funds* account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).
- *Custodial Funds* are fiduciary funds that are custodial in nature and include those activities that are not derived from the government's own source revenue. They are excluded from the government-wide financial statements.

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

D. Budgetary Requirements

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

- On or before July 15 of each year, or within 15 days after the receipt of certified taxable property values from the Property Appraiser, whichever occurs last, management presents to the Board a proposed budget for the fiscal year commencing the following October 1. Pursuant to the provisions of Section 129.01, Florida Statutes, the proposed budget as submitted contains balanced statements of estimated revenues (including unexpended fund balances to be carried forward) and proposed appropriations for all funds of the County, except fiduciary funds.
- Following a preliminary review of the proposed budgets by the Board, whose members make such changes as are deemed necessary (provided that the proposed budget for each fund remains balanced), the Board causes a notice of proposed property taxes to be mailed to each County property taxpayer. Included in the notice is a statement of the Board's intent to hold a public hearing to consider adoption of the tentative millage rates and budgets, as well as a comparison of the taxpayer's proposed property tax bill with the actual tax bill of the preceding year.
- Following successful completion of the above-referenced public hearings, the Board advertises and subsequently conducts a second public hearing to finally adopt a millage rate and budget for each of the taxing entities under their jurisdiction. These public hearings are ordinarily held prior to October 1 each year. If, however, for some reason the Board is unable to finally adopt a budget prior to October 1, state law permits the re-adoption by resolution of the budget of the preceding year as an interim measure.
- Adoption and execution of the budgets are governed in accordance with applicable provisions of Florida Statutes. The budget is legally enacted by resolution.

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

- Formal budgetary integration at the object level is used as a management control device for all governmental funds of the County for which annual budgets are adopted. The level at which expenditures may not legally exceed appropriations is the functional level for the County's general fund (e.g., general government, public safety), the fund level for other Board funds, and for the Constitutional Officers.

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

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

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

E. Property Taxes

Under Florida law, the assessment of all properties and the collection of all county, municipal, school board, and other property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of Florida regulating tax assessment are also designed to assure a consistent property valuation method statewide. Florida Statutes permit counties to levy property taxes at a rate of up to 10 mills. The tax millage rate for general operations of the County was 8.5060 mills for fiscal year ended September 30, 2021.

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

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

**DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

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

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

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

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

Key dates in the property tax cycle for the fiscal year ended September 30, 2021, were as follows:

Assessment Roll Certified	July 2020
Beginning of Fiscal Year for Which Taxes were Being Levied	October 2020
Property Taxes Levied	October 2020
Tax Bills Issued	November 1, 2020
Property Taxes Due by: For Maximum Discount	November 30, 2020
Delinquent After	March 31, 2021
Tax Certificates (Liens) Sold on Unpaid Property Taxes	May 15, 2021

F. Interfund Transactions

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

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

G. Interfund Payables and Receivables

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

H. Cash and Cash Equivalents

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

I. Investments

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

J. Inventories and Prepaids

Inventories are valued at cost, which approximates market value, using the first-in/first-out (FIFO) method. Prepaids represent payments made to vendors for services that will benefit beyond September 30, 2021. These payments are generally recorded as expenditures or expenses when consumed rather than when purchased.

K. Restricted Assets

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

L. Utility Receivables

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

M. Special Assessment Receivables

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

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N. Capital Assets

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

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

Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value on the date contributed. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed, when required.

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

Buildings and Improvements	10-50 Years
Landfill and Water/Sewer Structures	10-50 Years
Machinery, Equipment, and Vehicles	2-20 Years
Infrastructure	10-50 Years

O. Deferred Outflows/Deferred Inflows

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

P. Compensated Absences

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

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Q. Landfill Closure Costs

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

R. Long-Term Obligations

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

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

S. Other Postemployment Benefits

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

T. Unearned Revenues/Unavailable Revenues

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

U. Grant Revenues

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

V. Fund Balance and Net Position

Government-Wide Statements

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

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

Proprietary Fund Statements

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

Governmental Fund Financial Statements

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

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

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Minimum Fund Balance Policy

The County’s fund balance policy states that “the reserve for contingencies will be maintained at a level not less than five percent (5%) of the general fund budget. Recognizing that the minimum of the five percent (5%) target may not be accomplished immediately, the County Administrator will provide annually one-half of one percent of the projected expenditures until the five percent (5%) target is reached. If the reserve for contingencies falls below 50% of the minimum level, the reserves will be re-established over a three-year fiscal period.” The policy requirements have been met as of September 30, 2021.

Use of Available Equity

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

New Accounting Pronouncement

Effective October 1, 2020, the Board adopted GASB Statement No. 84, *Fiduciary Activities*. This statement addresses accounting and reporting for fiduciary funds; changes standards for recognizing liabilities, revenues, expenses, and net position in fiduciary funds; and changes the classification of fiduciary funds based on criteria established in the statement. Furthermore, the statement also establishes reporting for the statement of changes in fiduciary net position, which is included in the financial statements alongside the statement of fiduciary net position.

As of September 30, 2020, the Board had two agency funds. After implementing the statement, the flexible spending fund is reported as a part of the combined general fund, and the indigent health trust is reported as a non-major special revenue fund. Specifics for the changes of the Desoto County Tax Collector, Clerk of the Circuit Court, and Sheriff’s Office are included in their respective audit reports.

GASB Statement No. 84 requires that changes adopted to conform to the provisions of the statement be applied retroactively. The Clerk and the Sheriff have restated the beginning net positions as necessary in the statement of fiduciary net position as a result of implementation:

Agency Funds Net Position, as of October 1, 2020	\$ -
Restatement Due to Implementation of GASB Statement No. 84	<u>551,591</u>
Custodial Funds Net Position, as Restated, as of October 1, 2020	<u>\$ 551,591</u>

Note 2 - Deposits/Investments

A. Deposits

At September 30, 2021, the carrying amount of the County’s deposits was \$42,496,539 (and \$6,655 in cash on hand). All of the County’s public deposits are held in qualified public depositories pursuant to Florida Statutes, Chapter 280. Qualified public depositories are required to pledge collateral to the State Treasurer with a market value equal to 50% of the average daily balance of all public deposits

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in excess of any federal deposit insurance. In addition, to the extent that total public deposits exceed the total amount of the regulatory capital accounts of a bank or the regulatory net worth of a savings association, the required collateral shall have a market value equal to 125% of the deposits.

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

B. Investments

The Board's investment policy (adopted based upon the requirements established by Florida Statutes) and bond resolutions authorize the Board to invest in U.S. Treasury obligations, obligations unconditionally guaranteed by the U.S. government, time deposits and savings deposits of banks organized under the laws of the State of Florida or the United States and operating in Florida, specific obligations of U.S. government agencies, repurchase agreements, high-grade commercial paper, bankers' acceptances, state and local government obligations, and Florida PRIME.

Florida Statute 218.415(15) authorizes the Constitutional Officers to invest surplus public funds in the Florida PRIME fund administered by the SBA; Securities and Exchange Commission (SEC) registered money market funds with the highest credit quality rating from a nationally recognized rating agency; savings accounts and certificates of deposit, in state-certified, qualified public depositories; direct obligations of the U.S. Treasury such as U.S. Treasury notes, bills, and bonds; and direct obligations of federal agencies and instrumentalities such as bonds, notes, and discount notes of the Federal Home Loan Mortgage Association, Federal National Mortgage Association, Federal Farm Credit, and Student Loan Marketing Association. Several of the Constitutional Officers have adopted investment policies in accordance with the Florida Statute and also authorized investment in repurchase agreements.

Florida PRIME is a local government investment pool administered by the Florida SBA and managed by professional money managers. Florida PRIME invests exclusively in short-term, high-quality fixed income securities rated in the highest short-term rating category by one or more nationally recognized statistical rating agencies, or securities of comparable quality. The County's investment in this pool is through shares owned in the fund and not the underlying investments. Florida PRIME is considered a stable value investment pool. The account balances approximate fair value, and balances are available for immediate withdrawal. The weighted average maturity of Florida PRIME at September 30, 2021, is 49 days. Florida PRIME has a Standard & Poor's rating of AAAM. The pool was not exposed to foreign currency risk during the year.

C. Other Risk Disclosures

The County's and County Officers' investment policies broadly address exposure to interest rate changes, custodial credit risk, concentration risk, and quality credit risk. The following items discuss the County's exposure to various risks in primarily the fixed-rate portions of their investment portfolios:

- *Credit Quality*—In addition to specifying permitted investments, County policies require those investments to be of a specified minimum quality, as identified below:

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- Commercial Paper—U.S. corporations having a rating of at least two out of three of the following:
 - ▶ A-1 by Standard & Poor’s
 - ▶ P-1 by Moody’s
 - ▶ F-1 by Fitch Investors
 - Bankers’ Acceptances—which are eligible for purchase by the Federal Reserve Banks and have a letter of credit rating of A or better.
 - Tax-Exempt Obligations of the State of Florida or any of its various political subdivisions—rated A+ or better by Standard & Poor’s.
- *Interest Rate Risk*—The County does not own any fixed-rate investments, nor owned any fixed-rate investments during 2021. The County’s policy identifies *safety of capital* as the highest priority in the handling of investments for the County. All other investment objectives are secondary to the safety of capital. The policy anticipates that a liquidity base of approximately two months of anticipated disbursements, excluding debt reserves, will be kept in relatively short-term investments. Beyond that, portfolio composition and maturities are left to the discretion of the County Administrator, as the Chief Financial Officer, within the limitations of the policy.
 - *Custodial Credit Risk*—For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. For County deposits, the County and Officers are under no obligation to secure additional custodianship or collateral beyond the provisions set forth in Chapter 280 (discussed above), except in the case of repurchase agreements. For repurchase agreements, the County policy requires use of the Bond Market Association’s Master Repurchase Agreement, with specified terms. For other investments, County and Officer policies require a prequalification process when selecting investment management and custodial services, and require independent third-party custodians. Certificates of deposit, if purchased, would be physically held by the County.
 - *Concentration of Credit Risk*—The County’s policies mitigate concentration of credit risk by diversifying the investment portfolio so that the potential losses on individual securities will be minimized. The policies require diversification to prevent an overconcentration of assets in a specific maturity, issuer, instrument, dealer, or bank through which financial instruments are purchased and sold. Following are the maximum permitted percentages of investments in specific instruments:

Certificates of Deposit	20%
Commercial Paper	30%
Qualified Bankers’ Acceptances	30%
Florida Tax Exempt Obligations	20%
Local Government Surplus Funds Trust Fund	No Limit

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D. Restricted Cash

Following is a summary of restricted cash and cash equivalents at September 30, 2021:

	<u>Governmental Funds</u>	<u>Proprietary Funds</u>
Major Funds:		
Landfill - Closure/Post-Closure	\$ -	\$ 2,487,928
Landfill - Deposits	-	7,450
Water/Sewer Utility - Wastewater Impact Fees	-	4,582,723
Water/Sewer Utility - Deposits	-	113,562
Water/Sewer Utility - Accrued Interest	-	88,860
Special Revenue Fund - Court Fees Fund	<u>528,463</u>	<u>-</u>
Total	<u>\$ 528,463</u>	<u>\$ 7,280,523</u>

Note 3 - Interfund Receivables, Payables, and Transfers

The composition of short-term interfund balances as of September 30, 2021, is as follows:

	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>	<u>Purpose</u>
Governmental Funds			
General Fund (GF)	\$ 82,804	\$ 1,133,368	Receivables are primarily to cover fund cash shortages in other funds (\$821,550) and for Officer excess fees (\$311,818). Payables are for Officer excess fees.
County Transportation	563,309	-	Payables are to GF for cash shortages.
Fire and EMS	-	43,764	Receivables are for Officer excess fees.
Non-Major Special Revenue	572,059	31,297	Receivables are for Officer excess fees. Payables are to GF for cash shortage loan (\$498,997) and for Officer excess fees (\$73,062).
Enterprise Funds			
Landfill	-	9,743	Receivables are for Officer excess fees.
	<u>\$ 1,218,172</u>	<u>\$ 1,218,172</u>	

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The composition of interfund advances as of September 30, 2021, is as follows:

	Advances to Other Funds	Advances from Other Funds	Purpose
General Fund (GF)	\$ 6,057	\$ -	Loan for cash shortage to debt service and Golden Melody Lighting.
Non-Major Debt Service (DS)	75,774	-	Loan to Landfill for debt service early payment; loan to DS for cash shortage.
Non-Major Golden Melody Lighting	-	6,057	Loan to Golden Melody Lighting for cash shortage.
Landfill	-	75,774	Loan for debt service early payment.
	<u>\$ 81,831</u>	<u>\$ 81,831</u>	

Interfund transfers consist of the following:

	Transfers In	Transfers (Out)	Purpose
Governmental Funds			
General Fund (GF)	\$ 4,264,318	\$ 6,760,419	Transfers in are from Officer excess fees (\$311,818) and administrative costs paid by other funds (\$3,952,500). Transfers out are to cover various programs in other funds (\$4,231,972), debt service (\$2,445,643), and for Officer funding (\$82,804).
County Transportation	2,808,541	1,642,956	Transfers in are for funding transportation projects. Transfers out are to DS fund for debt payment (\$1,624,970) and various project costs (\$17,986)
Fire and EMS	50,964	260,013	Transfers in are for funding of emergency response projects (\$7,200) and from Officer excess fees (\$43,764). Transfers out are to DS fund for debt payment.
Non-Major Special Revenue	1,498,048	4,328,841	Transfers in are for administration costs and program costs (\$1,468,750), and from Officer excess fees (\$29,298). Transfers out are primarily for GF administrative costs (\$249,658), for funding various programs (\$2,611,941), and for Officer excess fees (\$1,467,242).
Non-Major Debt Service (DS)	4,330,625	-	Transfers in are to cover debt service payments.
Non-Major Capital Projects	35,000	-	Transfers in are for program costs (\$35,000).
Enterprise Funds			
Landfill	9,743	1,175	Transfers in are from Officer excess fees (\$9,473).
Water/Sewer Utility	-	3,835	Transfers out are for program costs (\$5,010).
	<u>\$ 12,997,239</u>	<u>\$ 12,997,239</u>	

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Note 4 - Other Receivables

Following is a summary of other receivables balances at September 30, 2021:

	<u>Accounts</u>	<u>Special Assessments</u>	<u>Notes</u>	<u>Total</u>
Governmental Funds				
General Fund	\$ 287,188	\$ -	\$ -	\$ 287,188
County Transportation	3,573	-	-	3,573
Fire and EMS	422,941	3,726	-	426,667
Non-Major Special Revenue (Less Allowance)	46	1,251	8,868,738	8,870,035
	-	-	<u>(7,493,738)</u>	<u>(7,493,738)</u>
Total Governmental Funds	<u>713,748</u>	<u>4,977</u>	<u>1,375,000</u>	<u>2,093,725</u>
Enterprise Funds				
Landfill	88,295	195	-	88,490
Water/Sewer Utility (Less Allowance)	336,870	-	-	336,870
	<u>(12,225)</u>	-	-	<u>(12,225)</u>
Total Enterprise Funds	<u>412,940</u>	<u>195</u>	<u>-</u>	<u>413,135</u>
Fiduciary Funds				
	<u>26,392</u>	<u>-</u>	<u>-</u>	<u>26,392</u>
Totals	<u>\$ 1,153,080</u>	<u>\$ 5,172</u>	<u>\$ 1,375,000</u>	<u>\$ 2,533,252</u>

The entire balance of notes receivable at September 30, 2021, is non-current. All other net receivables above are considered to be current.

Notes Receivable

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

Water/Sewer Utility Accounts Receivable

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

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Note 5 - Capital Assets

Changes in Capital Assets

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

	Beginning Balance 10/01/2020	Additions	Transfers	Disposals	Ending Balance 9/30/2021
Governmental Activities					
Capital Assets, Not Depreciated:					
Land and Easements	\$ 3,395,579	\$ -	\$ -	\$ -	\$ 3,395,579
Construction in Progress	462,935	2,453,448	(2,140,759)	-	775,624
Total Capital Assets, Not Depreciated	<u>3,858,514</u>	<u>2,453,448</u>	<u>(2,140,759)</u>	<u>-</u>	<u>4,171,203</u>
Capital Assets, Depreciated:					
Buildings and Improvements	31,369,256	-	-	-	31,369,256
Intangibles	551,756	-	-	-	551,756
Machinery and Equipment - Board	13,269,631	1,435,413	-	(452,128)	14,252,916
Machinery and Equipment - Sheriff	6,500,167	803,246	-	(358,640)	6,944,773
Infrastructure	48,856,747	-	2,140,759	-	50,997,506
Total Capital Assets, Depreciated	<u>100,547,557</u>	<u>2,238,659</u>	<u>2,140,759</u>	<u>(810,768)</u>	<u>104,116,207</u>
Less Accumulated Depreciation for:					
Buildings and Improvements	(18,078,241)	(1,062,804)	-	-	(19,141,045)
Intangibles	(546,357)	-	-	-	(546,357)
Machinery and Equipment - Board	(10,357,822)	(676,269)	-	450,847	(10,583,244)
Machinery and Equipment - Sheriff	(3,908,322)	(649,344)	-	329,716	(4,227,950)
Infrastructure	(14,408,719)	(1,770,161)	-	-	(16,178,880)
Total Accumulated Depreciation	<u>(47,299,461)</u>	<u>(4,158,578)</u>	<u>-</u>	<u>780,563</u>	<u>(50,677,476)</u>
Total Capital Assets, Depreciated	<u>53,248,096</u>	<u>(1,919,919)</u>	<u>2,140,759</u>	<u>(30,205)</u>	<u>53,438,731</u>
Governmental Activities Capital Assets	<u>\$ 57,106,610</u>	<u>\$ 533,529</u>	<u>\$ -</u>	<u>\$ (30,205)</u>	<u>\$ 57,609,934</u>

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

Depreciation Expense by Function	
Governmental Activities	
General Government	\$ 309,379
Public Safety (Board)	656,636
Public Safety (Sheriff)	649,344
Physical Environment	18,615
Economic Environment	72
Transportation	1,643,932
Human Services	38,685
Culture/Recreation	803,963
Court Services	37,952
Total Depreciation Expense	
Governmental Activities	<u>\$ 4,158,578</u>

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

	Beginning Balance 10/01/2020	Additions	Transfers	Disposals	Ending Balance 9/30/2021
Landfill Fund					
Capital Assets, Not Depreciated:					
Construction in Progress	\$ 768,683	\$ -	\$ -	\$ -	\$ 768,683
Total Capital Assets, Not Depreciated	<u>768,683</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>768,683</u>
Capital Assets, Depreciated:					
Buildings and Improvements	516,894	-	(271,374)	-	245,520
Machinery and Equipment	10,367,214	-	271,374	-	10,638,588
Infrastructure	1,861,441	9,001	-	-	1,870,442
Total Capital Assets, Depreciated	<u>12,745,549</u>	<u>9,001</u>	<u>-</u>	<u>-</u>	<u>12,754,550</u>
Less Accumulated Depreciation for:					
Buildings and Improvements	(178,641)	(8,384)	-	-	(187,025)
Machinery and Equipment	(7,367,277)	(153,254)	-	-	(7,520,531)
Infrastructure	(904,145)	(283,283)	-	-	(1,187,428)
Total Accumulated Depreciation	<u>(8,450,063)</u>	<u>(444,921)</u>	<u>-</u>	<u>-</u>	<u>(8,894,984)</u>
Total Capital Assets, Depreciated	<u>4,295,486</u>	<u>(435,920)</u>	<u>-</u>	<u>-</u>	<u>3,859,566</u>
Landfill Capital Assets	<u>\$ 5,064,169</u>	<u>\$ (435,920)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,628,249</u>
	Beginning Balance 10/01/2020	Additions	Transfers	Disposals	Ending Balance 9/30/2021
Water/Sewer Utility					
Capital Assets, Not Depreciated:					
Land and Easements	\$ 2,475,856	\$ -	\$ -	\$ -	\$ 2,475,856
Construction in Progress	50,866	1,045,887	-	-	1,096,753
Total Capital Assets, Not Depreciated	<u>2,526,722</u>	<u>1,045,887</u>	<u>-</u>	<u>-</u>	<u>3,572,609</u>
Capital Assets, Depreciated:					
Buildings and Improvements	846,653	-	-	-	846,653
Intangibles	55,324	-	-	-	55,324
Machinery and Equipment	669,432	286,158	-	(14,220)	941,370
Infrastructure	2,710,687	-	-	-	2,710,687
Water Distribution System	41,161,460	-	-	-	41,161,460
Total Capital Assets, Depreciated	<u>45,443,556</u>	<u>286,158</u>	<u>-</u>	<u>(14,220)</u>	<u>45,715,494</u>
Less Accumulated Depreciation for:					
Buildings and Improvements	(618,885)	(44,060)	-	-	(662,945)
Intangibles	(52,512)	(750)	-	-	(53,262)
Machinery and Equipment	(525,794)	(59,877)	-	11,554	(574,117)
Infrastructure	(759,471)	(122,462)	-	-	(881,933)
Water Distribution System	(18,256,613)	(1,444,123)	-	-	(19,700,736)
Total Accumulated Depreciation	<u>(20,213,275)</u>	<u>(1,671,272)</u>	<u>-</u>	<u>11,554</u>	<u>(21,872,993)</u>
Total Capital Assets, Depreciated	<u>25,230,281</u>	<u>(1,385,114)</u>	<u>-</u>	<u>(2,666)</u>	<u>23,842,501</u>
Water/Sewer Utility Capital Assets	<u>\$ 27,757,003</u>	<u>\$ (339,227)</u>	<u>\$ -</u>	<u>\$ (2,666)</u>	<u>\$ 27,415,110</u>

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

Depreciation Expense by Activity	
Business-Type Activities	
Landfill	\$ 444,921
Water/Sewer Utility	<u>1,671,272</u>
Total Depreciation Expense	
Business-Type Activities	<u>\$ 2,116,193</u>

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

	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>
Land and Easements	\$ 3,395,579	\$ 2,475,856	\$ 5,871,435
Construction in Progress	775,624	1,865,436	2,641,060
Capital Assets - Non-Depreciable	<u>\$ 4,171,203</u>	<u>\$ 4,341,292</u>	<u>\$ 8,512,495</u>
Buildings and Improvements	\$ 31,369,256	\$ 1,092,173	\$ 32,461,429
Intangibles	551,756	55,324	607,080
Machinery and Equipment - Board	14,252,916	11,579,958	25,832,874
Machinery and Equipment - Sheriff	6,944,773	-	6,944,773
Infrastructure	50,997,506	4,581,129	55,578,635
Water Distribution System	-	41,161,460	41,161,460
	<u>104,116,207</u>	<u>58,470,044</u>	<u>162,586,251</u>
(Less Accumulated Depreciation)	<u>(50,677,476)</u>	<u>(30,767,977)</u>	<u>(81,445,453)</u>
Capital Assets - Depreciable	<u>\$ 53,438,731</u>	<u>\$ 27,702,067</u>	<u>\$ 81,140,798</u>

Note 6 - Long-Term Debt

A. Schedule of Changes in Long-Term Debt

The County's outstanding long-term debt includes bonds payable, loans payable, capital leases, compensated absences, other postemployment benefits, net pension liability, and accrued landfill closure costs. The following is a schedule of changes in the County's long-term debt for the fiscal year ended September 30, 2021:

	<u>Balance</u> <u>9/30/20</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>9/30/21</u>	<u>Due Within</u> <u>One Year</u>	<u>Long-Term</u> <u>Portion</u>
Governmental Activities						
Notes Payable:						
Revenue Note, Series 2010	\$ 4,685,000	\$ -	\$ (1,515,000)	\$ 3,170,000	\$ 1,565,000	\$ 1,605,000
Sales Tax Refunding						
Revenue Note, Series 2012	617,000	-	(243,000)	374,000	248,000	126,000
Arcadia Bank Note 2016A*	919,857	-	(919,857)	-	-	-
Arcadia Bank Note 2016B*	414,629	-	(414,629)	-	-	-
Arcadia Bank Note 2017*	720,556	-	(720,556)	-	-	-
Installment Purchases*	504,359	-	(250,360)	253,999	167,995	86,004
Long-Term Debt - At Par	<u>7,861,401</u>	<u>-</u>	<u>(4,063,402)</u>	<u>3,797,999</u>	<u>1,980,995</u>	<u>1,817,004</u>
Other Long-Term Obligations:						
Other Postemployment						
Benefits Liability	14,157,330	649,080	(3,192,679)	11,613,731	629,456	10,984,275
FEMA Long-Term Payable	853,771	-	(685,860)	167,911	100,000	67,911
Compensated Absences:						
Board	448,370	389,971	(372,423)	465,918	46,592	419,326
Clerk	46,984	31,110	(26,280)	51,814	4,335	47,479
Property Appraiser	34,883	19,281	(22,064)	32,100	3,210	28,890
Sheriff	411,424	94,074	-	505,498	50,550	454,948
Supervisor	7,200	6,000	(6,100)	7,100	710	6,390
Tax Collector	6,765	17,623	(17,444)	6,944	3,926	3,018
Net Pension Liability	35,797,566	10,923,426	(36,771,908)	9,949,084	25,807	9,923,277
Governmental Activities						
Long-Term Liabilities	<u>\$ 59,625,694</u>	<u>\$ 12,130,565</u>	<u>\$ (45,158,160)</u>	<u>\$ 26,598,099</u>	<u>\$ 2,845,581</u>	<u>\$ 23,752,519</u>

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

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	Balance 9/30/20	Additions	Reductions	Balance 9/30/21	Due Within One Year	Long-Term Portion
Business-Type Activities						
Bonds and Notes Payable:						
Revenue Bonds	\$ 6,578,193	\$ -	\$ (260,390)	\$ 6,317,803	\$ 270,377	\$ 6,047,426
Notes Payable*	2,106,198	-	(256,253)	1,849,945	261,198	1,588,747
Installment Purchases*	674,868	-	(119,990)	554,878	304,282	250,596
Total Long-Term Debt	<u>9,359,259</u>	-	<u>(636,633)</u>	<u>8,722,626</u>	<u>835,857</u>	<u>7,886,769</u>
Other Long-Term Obligations:						
Landfill Closure Costs	5,622,176	326,671	-	5,948,847	-	5,948,847
Other Postemployment Benefits Liability	1,018,811	77,463	(186,588)	909,686	36,786	872,900
Compensated Absences	44,381	32,431	(29,661)	47,151	4,715	42,436
Net Pension Liability	1,055,513	322,381	(1,077,488)	300,407	893	299,514
Business-Type Activities Long-Term Liabilities	<u>\$ 17,100,140</u>	<u>\$ 758,946</u>	<u>\$ (1,930,370)</u>	<u>\$ 15,928,717</u>	<u>\$ 878,251</u>	<u>\$ 15,050,466</u>

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

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

B. Bonds and Notes Payable

Bonds and notes outstanding at September 30, 2021, consist of the following for governmental activities:

	Purpose of Issue	Loan Amount	Amount Outstanding	Interest Rate
Governmental Activities				
Revenue Notes:				
Capital Improvement Refunding Note Series 2010 (Matures 2022)	Refunding of Series 2002 Capital Improvement Revenue Bonds	\$ 15,450,000	\$ 3,170,000	2.80%
Sales Tax Refunding Revenue Note Series 2012 (Matures 2022)	Purchase Fire Truck and Refinance Notes	2,280,000	374,000	2.15%
Installment Notes:				
Lease to Own* (Matures 2022 - 2023)	Various County Equipment	1,118,548	<u>253,999</u>	2.95% - 4.50%
Total Governmental Activities Notes Payable			<u>\$ 3,797,999</u>	

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

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

The Capital Improvement Refunding Revenue Note, Series 2010 is secured by a pledge of all legally available non-ad valorem revenues of the County, excluding enterprise fund revenues. This note was reissued May 9, 2018. The total principal and interest remaining to be repaid on the bonds is \$3,259,320. Debt service for 2021 was \$1,624,970. Pledged revenues for 2021 (BOCC general fund only) were \$20,524,840.

In the event of default, the lender has the right to take whatever legal actions necessary to collect the amount due and the interest rate will change to the higher of:

- JP Morgan Chase Bank’s Prime Rate
- 4% plus 2.5% plus the quotient of (a) the London Interbank Offered Rate on the immediately preceding business day for dollar deposits with a maturity equal to one-month, divided by (b) one minus the “reserve requirement” applicable to dollar deposits in the London interbank market with a maturity equal to one month.

The Sales Tax Refunding Revenue Note, Series 2012 is secured by a pledge of certain sales tax revenues (pari-mutuel replacement program) with a backup covenant of non-ad valorem revenues of the County. The total principal and interest remaining to be repaid on the bonds is \$382,073. Debt service for 2021 was \$254,965. Pledged revenues for 2021 were \$314,333. In the event of default, the lender has the right to take whatever legal action necessary to collect the amounts due and may declare the entire debt remaining unpaid immediately due and payable.

Bonds and notes/loans outstanding at September 30, 2021, consist of the following for business-type activities:

	<u>Purpose of Issue</u>	<u>Loan Amount</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>
Business-Type Activities				
Revenue Bonds:				
Water and Wastewater Refunding System Revenue Bond, Series 2018 (Matures 2038)	Refund the Outstanding U.S. Department of Agriculture Loan	\$ 7,080,000	\$ 6,317,803	3.80%
Notes Payable:				
State Revolving Fund Loans* (Matures 2035)	Wastewater System Improvements DP63904S	2,900,528	1,572,197	2.29%
(Matures 2030)	DW140230	1,795,946	277,748	1.69%
Installment Notes:				
Caterpillar Financial* (Matures 2022-2024)	Compactor	625,288	263,117	2.45%
	Wheel Loader	154,581	119,835	7.66%
	Dozer	199,747	<u>171,926</u>	3.63%
Total Business-Type Activities - Bonds and Notes Payable			<u><u>\$ 8,722,626</u></u>	

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

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The Water and Wastewater System Refunding Revenue Bond, Series 2018 (the 2018 Bond) was issued by the County to the Seacoast Bank Loan, and provides for level annual debt service over the life of the bond. The proceeds from the issuance of the 2018 Bond were used to refund the outstanding principal balance of the County’s Water and Wastewater System Revenue Bonds, Series 2005, and to finance the costs of certain capital improvements to the County’s water and wastewater system. The bond and the interest thereon are payable solely from and secured by a senior lien on, and pledge of, the net revenue of the water and wastewater systems, and are payable through 2038. The total principal and interest remaining to be repaid on the bond is \$8,634,463. Debt service for 2021 was \$507,910. Pledged revenues of the water/wastewater system for 2021 were \$4,195,979. In the event of default, the lender has the right to take whatever legal actions necessary to collect the amounts due.

The State Revolving Fund (SRF) Loans – Direct Borrowings are through the Florida Department of Environmental Protection and provide for level semiannual debt service over the life of the loan. The loans are secured by a junior lien on, and pledge of, the gross revenues of the water/wastewater systems (including interest income), after payment of operation and maintenance expenses, and certain other future senior debt. The final maturity of SRF loan #DP63904S is in 2035. The total principal and interest remaining to be repaid on the loan is \$1,836,635. Debt service for 2021 was \$136,047. Pledged revenues of the water/wastewater system for 2021 were \$4,211,069.

The final maturity of SRF loan #DW140230 is in 2023. The total principal and interest remaining to be repaid on the loan is \$283,060. Debt service for 2021 was \$164,600. A legislative appropriation of \$957,000 was awarded to the County in 2016 to offset the principal balances.

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

Debt Service Requirements

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

Fiscal Year	Governmental Activities			
	Revenue Bonds		Direct Borrowings	
	Principal	Interest	Principal	Interest
2022	\$ 1,813,000	\$ 73,569	\$ 167,995	\$ 6,969
2023	1,731,000	23,823	86,004	2,658
	<u>\$ 3,544,000</u>	<u>\$ 97,392</u>	<u>\$ 253,999</u>	<u>\$ 9,627</u>

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Fiscal Year	Business-Type Activities			
	Revenue Bond		Direct Borrowings	
	Principal	Interest	Principal	Interest
2022	\$ 270,377	\$ 237,532	\$ 565,480	\$ 55,956
2023	280,749	227,160	263,477	46,635
2024	291,519	216,390	217,775	38,334
2025	302,702	205,207	202,480	31,086
2026	314,314	193,595	110,211	25,836
2027-2031	1,761,953	777,595	590,317	89,918
2032-2036	2,126,847	412,701	455,083	21,080
2037-2041	969,343	46,478	-	-
	<u>\$ 6,317,804</u>	<u>\$ 2,316,658</u>	<u>\$ 2,404,823</u>	<u>\$ 308,845</u>

C. Other Long-Term Obligations

FEMA Long-Term Payable

In 2018, the County made the determination to record a long-term liability to the Federal Emergency Management Agency (FEMA) resulting from Hurricane Charley disputed reimbursements that were previously made to the County. The County received notification from FEMA that it has exhausted all possible appeals. During 2020, the County entered into a three-year repayment agreement with FEMA. The outstanding liability owed to FEMA as of September 30, 2021 is \$167,911.

D. Landfill Closure and Post-Closure Care Costs

The County has adopted a policy based on U.S. Environmental Protection Agency rules and in accordance with Florida law, to set aside funds for the closure and post-closure care costs of its current landfill. At September 30, 2021, the County had \$2,487,928 in restricted cash and investments in the landfill fund for these purposes. Of that amount, \$1,405,875 is required by statute to be set aside for closure.

Accounting rules require the recording of a liability for the estimated future costs (in current dollars) for *all* landfill closure and post-closure care costs attributable to the portion of the landfill capacity filled to-date (state laws require post-closure monitoring of closed landfills for thirty years). The County's estimate of future costs was based on their consulting engineer's report and the County's estimated remaining landfill capacity. As of September 30, 2021, the County has recognized \$5,948,847, or approximately 63% of the remaining estimated closure and post-closure care totaling \$9,397,593. The following table summarizes the estimated remaining closure costs and post-closure costs, and costs incurred through September 30, 2021, by zone:

Zone	Remaining Closure Costs	Remaining Post-Closure Costs	Remaining Total Costs	Percent Filled	Total Liability Relative to Costs	Closing Costs Paid To-Date	Remaining To Be Paid
1	\$ -	\$ 974,076	\$ 974,076	100%	\$ 974,076	\$ -	\$ 974,076
2	-	822,553	822,553	100%	822,553	-	822,553
3	-	1,125,599	1,125,599	100%	1,125,599	-	1,125,599
4	1,827,859	1,580,168	3,408,027	97.20%	3,312,602	(716,331)	2,596,271
5	1,443,876	1,623,462	3,067,338	14.03%	430,348	-	430,348
	<u>\$ 3,271,735</u>	<u>\$ 6,125,858</u>	<u>\$ 9,397,593</u>	<u>70.9%</u>	<u>\$ 6,665,178</u>	<u>\$ (716,331)</u>	<u>\$ 5,948,847</u>

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The accrued closure and post-closure care costs are \$5,948,847 at September 30, 2021, and have been accrued as a liability on the statement of net position - proprietary funds of the landfill fund.

Note 7 - Restricted Net Position (Other Purposes)

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

Governmental Activities	Other Purposes
Court-Related Services	\$ 684,726
Public Safety:	
Law Enforcement	419,013
Fire and EMS	1,934,162
E911 Services	495,176
Emergency and Disaster Relief	429,068
Street Lighting	9,672
Public Assistance Programs	3,441
Building Code Enforcements	496,887
Solid Waste Control Services	1,640
Total Governmental Activities	<u>\$ 4,473,785</u>

Note 8 - Retirement System

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

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

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

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The County’s pension expense totaled \$79,446 for the fiscal year ended September 30, 2021 (all plans). The County’s deferred outflows for all plans totaled \$6,653,218, and the County’s deferred inflows for all plans totaled \$20,147,421. The County’s total net pension liability for all plans totaled \$10,249,492 for the fiscal year ended September 30, 2021.

For the year ended September 30, 2021, the County’s contributions to all plans totaled \$3,077,935. For further information of contributions by plan for each Constitutional Officer, see the schedule below:

	Florida Retirement System	Health Insurance Subsidy	Investment Plan	Total
Board of County Commissioners	\$ 1,063,083	\$ 125,062	\$ 129,302	\$ 1,317,447
Clerk of Circuit Court	97,645	9,909	1,781	109,335
Property Appraiser	90,113	8,618	2,387	101,118
Tax Collector	58,892	7,867	3,402	70,161
Sheriff	1,224,636	104,738	86,521	1,415,895
Supervisor of Elections	60,707	3,005	267	63,979
	<u>\$ 2,595,076</u>	<u>\$ 259,199</u>	<u>\$ 223,660</u>	<u>\$ 3,077,935</u>

Payables to the Pension Plan. The County reported a payable of \$31,858 for the outstanding amount of contributions to the Plan required for the fiscal year ended September 30, 2021.

B. FRS Pension Plan

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

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

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

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

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

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

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

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011,

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there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the County's 2020-21 fiscal year were as follows:

<u>Class</u>	<u>Year Ended June 30, 2021,</u> <u>Percent of Gross Salary</u>		<u>Year Ended June 30, 2022,</u> <u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer</u>	<u>Employee</u>	<u>Employer</u>
FRS, Regular	3.00	8.28	3.00	9.10
FRS, Elected County Officers	3.00	47.46	3.00	49.70
FRS, Senior Management Service	3.00	25.57	3.00	27.29
FRS, Special Risk Regular	3.00	22.73	3.00	24.17
DROP - Applicable to Members from All of the Above Classes	0.00	15.32	0.00	16.68
FRS, Reemployment Retiree	(1)	(1)	(1)	(1)

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

The County's contributions (employer only) to the Plan totaled \$2,595,076 for the fiscal year ended September 30, 2021.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2021, the County reported a liability of \$4,950,817 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The County's proportionate share of the net pension liability was based on the County's 2020-21 fiscal year contributions relative to the 2020-21 fiscal year contributions of all participating members. At June 30, 2021, the County's proportion was 0.0655401971%, which was a decrease of 0.0071627391 from its proportion measured as of June 30, 2020.

For the year ended September 30, 2021, the County recognized pension expense of \$(262,491) related to the Plan. At September 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to the FRS Plan from the following sources:

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<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Employer Contributions after Measurement Date	\$ 743,866	\$ -
Difference Between Expected and Actual		
Experience	848,578	-
Changes of Assumptions	3,387,596	-
Changes in Proportion and Difference Between County Contributions and Proportionate Share of Contributions	769,569	2,333,427
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	17,272,156
Total	<u>\$ 5,749,609</u>	<u>\$ 19,605,583</u>

The deferred outflows of resources related to pensions, totaling \$743,866, resulting from County contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending</u>	<u>Amount</u>
2022	\$ (2,633,587)
2023	(2,996,595)
2024	(3,816,825)
2025	(4,906,051)
2026	(246,782)
Total	<u>\$ (14,599,840)</u>

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

	<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Board of County Commissioners	\$ 2,012,859	\$ 2,075,220	\$ 7,876,607
Clerk of Circuit Court	180,878	196,648	670,033
Property Appraiser	175,278	231,544	635,738
Tax Collector	136,822	145,748	695,038
Sheriff	2,327,482	2,972,651	9,264,357
Supervisor of Elections	117,498	127,798	463,810
	<u>\$ 4,950,817</u>	<u>\$ 5,749,609</u>	<u>\$ 19,605,583</u>

Actuarial Assumptions. The total pension liability in the July 1, 2021, actuarial valuation was determined using the individual entry age cost method and the following actuarial assumptions, applied to all periods included in the measurement:

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Inflation	2.40%
Salary Increases	3.25% Average, Including Inflation
Discount Rate	6.80%
Long-Term Expected Rate of Return, Net of Investment Expense	6.80%
Municipal Bond Index	N/A

Mortality rates were based on the PUB2010 base tables, which vary by member category and sex, projected generationally with Scale MP-2018.

The actuarial assumptions used in the July 1, 2021 valuation, were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

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

<u>Asset Class</u>	<u>Target Allocation(1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	2.1%	2.1%	1.1%
Fixed Income	20.0%	3.8%	3.7%	3.3%
Global Equity	54.2%	8.2%	6.7%	17.8%
Real Estate	10.3%	7.1%	6.2%	13.8%
Private Equity	10.8%	11.7%	8.5%	26.4%
Strategic Investments	3.7%	5.7%	5.4%	8.4%
Total	<u>100.0%</u>			

Assumed Inflation – Mean 2.4% 1.2%

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

Discount Rate. The discount rate used to measure the total pension liability was 6.80%. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The discount rate was 6.80% in the July 1, 2020 valuation.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 0%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (-1%) or 1 percentage-point higher (1%) than the current rate:

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	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
County's Proportionate Share of the Net Pension Liability	\$ 22,140,385	\$ 4,950,817	\$ (9,417,735)

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

C. HIS Pension Plan

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

Benefits Provided. For the fiscal year ended September 30, 2021, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state administered retirement systems must provide proof of eligible health insurance coverage, which may include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the HIS Plan fiscal years ended June 30, 2021 and 2020, the contribution rates were 1.66% of payroll, pursuant to Section 112.363, Florida Statutes. The County contributed 100% of its statutorily required contributions for the current and all preceding years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The County's contributions to the HIS Plan totaled \$259,199 for the fiscal year ended September 30, 2021.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2021, the County reported a net pension liability of \$5,298,674 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The County's proportionate share of the net pension liability (HIS) was based on the County's 2020-21 fiscal year contributions relative to the total 2020-21 fiscal year contributions of all participating members. At June 30, 2021, the County's proportionate share was 0.0431962866%, which was a decrease of 0.0005598663 from its proportionate share measured as of June 30, 2020.

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For the fiscal year ended September 30, 2021, the County recognized pension expense of \$341,937 related to the HIS Plan. At September 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to the HIS Plan from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Employer Contributions after Measurement Date	\$ 70,549	\$ -
Difference Between Expected and Actual Experience	177,307	2,219
Changes of Assumptions	416,357	218,319
Changes in Proportion and Difference Between County Contributions and Proportionate Share Contributions	233,872	321,300
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	5,524	-
Total	<u>\$ 903,609</u>	<u>\$ 541,838</u>

The deferred outflows of resources related to pensions, totaling \$70,549, resulting from County contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending</u>	<u>Amount</u>
2022	\$ 69,461
2023	9,821
2024	69,480
2025	94,474
2026	42,838
Thereafter	5,148
Total	<u>\$ 291,222</u>

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

	<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Board of County Commissioners	\$ 2,552,936	\$ 345,811	\$ 322,820
Clerk of Circuit Court	191,502	32,659	27,458
Property Appraiser	177,847	32,877	22,584
Tax Collector	168,472	27,195	24,304
Sheriff	2,146,069	455,403	139,639
Supervisor of Elections	61,848	9,664	5,033
	<u>\$ 5,298,674</u>	<u>\$ 903,609</u>	<u>\$ 541,838</u>

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Actuarial Assumptions. The total pension liability in the July 1, 2021, actuarial valuation was determined using the individual entry age cost method and the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary Increases	3.25% Average, Including Inflation
Discount Rate	2.16%
Long-Term Expected Rate of Return, Net of Investment Expense	N/A
Municipal Bond Index	2.16%

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

The actuarial assumptions used in the July 1, 2021, valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

Discount Rate. The discount rate used to measure the total pension liability was 2.16%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate was 2.21% in the July 1, 2020 valuation.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 2.16%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (1.16%) or 1 percentage-point higher (3.16%) than the current rate:

	1% Decrease <u>(1.16%)</u>	Current Discount Rate <u>(2.16%)</u>	1% Increase <u>(3.16%)</u>
County's Proportionate Share of the Net Pension Liability	\$ 6,125,780	\$ 5,298,674	\$ 4,621,045

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

D. FRS—Defined Contribution Pension Plan

The County contributes to the FRS Investment Plan (Investment Plan), a defined contribution pension plan, for its eligible employees electing to participate in the Investment Plan. The Investment Plan is administered by the SBA, and is reported in the SBA's annual financial statements and in the State of

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Florida’s Annual Comprehensive Financial Report. Service retirement benefits are based upon the value of the member’s account upon retirement.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. County employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member’s accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.) as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Allocations to the investment member’s accounts (employer and employee) during the 2020-21 fiscal year were as follows:

Class	Year Ended June 30, 2021		Year Ended June 30, 2022	
	Percent of Gross Compensation		Percent of Gross Compensation	
	Employee	Employer	Employee	Employer
FRS, Regular Class	3.00	3.30	3.00	3.30
FRS, Special Risk Class	3.00	11.00	3.00	11.00
FRS, Senior Management Service Class	3.00	4.67	3.00	4.67
FRS, Elected County Officers, Judges	3.00	10.23	3.00	10.23
FRS, Elected County Officers	3.00	8.34	3.00	8.34

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended September 30, 2021, 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 contributions to the Investment Plan totaled \$223,660 for the fiscal year ended September 30, 2021.

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Note 9 - Other Postemployment Benefits Plan

A. Plan Description

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

B. Benefit Provided

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

C. Employees Covered by Benefit Terms

At October 1, 2019, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	52
Inactive Employees Entitled to But Not Yet Receiving Benefits	-
Active Employees	<u>326</u>
Total	<u><u>378</u></u>

D. Total OPEB Liability

The County's total OPEB liability of \$12,523,414 was measured as of September 30, 2021, and was determined by an actuarial valuation as of October 1, 2020.

E. Actual Assumption and Other Inputs

The total OPEB liability was determined by an actuarial valuation as of October 1, 2020, using the following actuarial assumptions:

<u>Actuarial Cost Method</u>	<u>Entry Age Normal</u>
Inflation	2.50%
Salary Increase Rate	Varies by Service
Discount Rate	2.43%
Initial Trend Rate	7.00%
Ultimate Trend Rate	4.00%
Years to Ultimate	54

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

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Mortality - Active Lives

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

Mortality - Inactive Healthy Lives

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

F. Discount Rate

Given the County’s decision not to fund the program, all future benefit payments were discounted using a high quality municipal bond rate of 2.43%. The high quality municipal bond rate was based on the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices nearest the measurement date. The S&P Municipal 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard and Poor’s Ratings Services, Aa2 by Moody’s, or AA by Fitch. If there are multiple ratings, the lowest rating is used.

G. Changes in the Total OPEB Liability

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

Balance at September 30, 2020	\$ 15,176,141
Changes for the Year:	
Service Cost	406,909
Interest on the Total OPEB Liability	319,628
Difference Between Expected and Actual Experience	(315,815)
Changes in Assumptions or Other Inputs	(2,397,207)
Benefit Payments	(666,242)
Net Changes	(2,652,727)
Balance at September 30, 2021	\$ 12,523,414

Changes in assumptions reflect a change in the discount rate from 2.14% for the reporting period ended September 30, 2020, to 2.43% for the reporting period ended September 30, 2021.

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

The following table presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (1.43%) or 1 percentage-point higher (3.43%) than the current rate:

	1.00% Decrease 1.43%	Current Discount Rate 2.43%	1.00% Increase 3.43%
Total OPEB Liability	<u>\$ 14,296,509</u>	<u>\$ 12,523,414</u>	<u>\$ 11,075,050</u>

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

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

	1.00% Decrease 3.00% - 6.50%	Healthcare Cost Trend Rates 4.00% - 7.50%	1.00% Increase 5.00% - 8.50%
Total OPEB Liability	<u>\$ 10,931,145</u>	<u>\$ 12,523,414</u>	<u>\$ 14,473,071</u>

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

For the fiscal year ended September 30, 2021, the County recognized OPEB expense of \$843,829. At September 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 308,950	\$ 270,699
Change of Assumptions or Other Inputs	2,602,485	2,435,056
Total	<u>\$ 2,911,435</u>	<u>\$ 2,705,755</u>

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

For the Year Ending September 30,	Amortization
2022	\$ 156,504
2023	156,504
2024	156,504
2025	156,508
2026	(32,762)
Thereafter	(387,578)
Total	<u>\$ 205,680</u>

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Note 10 - Risk Management

The County is exposed to various risks of loss related to tort, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County is a member of a non-profit risk sharing pool with membership limited to Florida governmental entities. The pool charges its members premiums based upon claim history. The pool provides coverage for most insurable risks, including covering the County to the statutory limit for each workers' compensation claim, up to \$2,000,000 for each general liability claim, and at replacement cost for each property damage claim. As of September 30, 2021, settled claims have not exceeded the pool coverage in any of the past three years.

Note 11 - Fund Balance and Net Position Deficits

The following non-major funds had deficit fund balances as of September 30, 2021:

Fund Name	Deficit Amounts
Non-Major Funds	
Special Revenue Funds:	
Emergency Management	\$ 5,629
Golden Melody Lighting	5,459
Sunny Breeze Lighting	418
CDBG Housing Rehab	26,579
Capital Projects – Special Projects	13,676

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

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

A. Water Supplier

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

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

The contracts require all customers to pay for all committed water through the Authority's annual budget process, which reflects the budgetary needs of the Authority every year. The contract does also have a provision for customers who exceed their allocation; a conservation rate will be charged to all customers exceeding their allocation, and a corresponding credit is given to the customers who do not use their full allocation. The conservation rate is adopted annually by a rate resolution. During 2021, the County's

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water purchases from the Authority were \$539,810 for base charges and \$200,061 for variable water use charges. The agreement also anticipates an expansion of the current water supply system to accommodate its customers' anticipated increased needs.

Additional amounts paid to the Authority in 2021 included an annual membership fee of \$48,314 and special assessment fee of \$6,334. Because the Authority's facility is located in the County, the County received \$796,000 in payments in lieu of property taxes in the general fund.

B. Water Contractual Rights

In 2007, the County acquired the contractual rights to a maximum flow capacity of 3.1 million gallons per day from a newly constructed potable water transmission pipeline owned by the Authority. The term of the contract extends for as long as the County continues to receive water from the Authority. The cost of the contractual rights was \$800,000, approximating the allocable cost of the pipeline, and is reported as a deferred outflow on the statement of net position of the water/sewer utility fund, to be amortized over twenty years, beginning in 2007. Amortization expense was \$40,000 for 2021, and the unamortized balance is \$160,000 at September 30, 2021.

Note 13 - Fire and EMS Services Merger

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

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

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

<u>Fiscal Year</u>	<u>Total</u>
2022	\$ 170,000 (2)
2023	120,000 (2)
2024	70,000 (2)
2025	20,000 (1) (2)

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

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

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During 2007, the City initiated a special assessment for fire services within the City limits and added the City to the County-wide MSTU millage for EMS services. No payments were made to the County in fiscal year 2021.

Note 14 - Other Commitments and Contingencies

A. Litigation

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

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

B. Grants

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

Note 15 - COVID 19

As a result of the COVID-19 pandemic, the county incurred additional expenditures which were not budgeted, offset by additional grant revenue from the *Coronavirus Aid, Relief, and Economic Security Act*. The county and constitutional officers limited work hours during the fiscal year, but did not see a reduction in staff. In general, the County was not significantly impacted.

Note 16 - American Recovery Plan Act

During the fiscal year, the County was approved to receive funds through the Coronavirus State Fiscal Recovery Fund (as part of the *American Recovery Plan Act*). These funds may be used for public health and negative economic impacts incurred between March 3, 2021 and December 31, 2024. The County has received \$3,690,625 from this grant and has not expensed any of the funds for this grant during the fiscal year. The entire amount is currently recorded as unearned revenue. Per the agreement, the period of performance for this award ends on December 31, 2026.

REQUIRED SUPPLEMENTARY INFORMATION

DESOTO COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND - BOARD ONLY
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 23,811,191	\$ 24,294,444	\$ 24,312,457	\$ 18,013
Permits and Fees	1,288,777	1,419,560	1,426,708	7,148
Intergovernmental Revenues	5,100,415	5,992,047	6,042,460	50,413
Charges for Services	435,147	351,825	343,022	(8,803)
Fines and Forfeitures	40,450	46,689	46,714	25
Miscellaneous Revenues	315,644	280,574	321,211	40,637
Less: 4% Reduction	(805,231)	-	-	-
Total Revenues	<u>30,186,393</u>	<u>32,385,139</u>	<u>32,492,572</u>	<u>107,433</u>
Expenditures				
Current:				
General Government	7,300,885	7,840,895	7,318,936	521,959
Public Safety	610,970	722,050	2,241,888	(1,519,838)
Physical Environment	442,754	451,729	380,045	71,684
Economic Environment	249,895	270,895	258,413	12,482
Human Services	1,816,206	1,793,267	1,549,886	243,381
Culture and Recreation	1,336,232	1,603,234	1,384,697	218,537
Capital Outlay	830,000	-	-	-
Debt Service:				
Principal Retirement	15,407	16,407	15,407	1,000
Interest and Fiscal Charges	731	731	730	1
Reserves	8,149,166	8,081,872	-	8,081,872
(Total Expenditures)	<u>(20,752,246)</u>	<u>(20,781,080)</u>	<u>(13,150,002)</u>	<u>7,631,078</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>9,434,147</u>	<u>11,604,059</u>	<u>19,342,570</u>	<u>7,738,511</u>
Other Financing Sources (Uses)				
Transfers In	759,484	3,832,868	5,419,741	1,586,873
Transfers (Out)	(19,196,716)	(19,774,876)	(19,675,000)	99,876
Insurance Proceeds	-	739	739	-
Total Other Financing Sources (Uses)	<u>(18,437,232)</u>	<u>(15,941,269)</u>	<u>(14,254,520)</u>	<u>1,686,749</u>
Net Change in Fund Balances	(9,003,085)	(4,337,210)	5,088,050	9,425,260
Fund Balances, Beginning of Year	9,003,085	4,337,210	10,864,270	6,527,060
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,952,320</u>	<u>\$ 15,952,320</u>

**DESOTO COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
COUNTY TRANSPORTATION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 1,313,842	\$ 1,254,138	\$ 1,252,242	\$ (1,896)
Permits and Fees	12,500	41,537	41,536	(1)
Intergovernmental Revenues	6,951,443	8,267,479	4,470,971	(3,796,508)
Charges for Services	38,000	43,230	43,238	8
Miscellaneous Revenues	9,850	32,006	32,006	-
Total Revenues	<u>8,325,635</u>	<u>9,638,390</u>	<u>5,839,993</u>	<u>(3,798,397)</u>
Expenditures				
Current:				
Transportation	9,329,341	8,956,028	5,399,321	3,556,707
Debt Service:				
Principal Retirement	154,030	154,030	154,027	3
Interest and Fiscal Charges	7,720	7,720	7,718	2
Reserves	75,000	1,656,698	-	1,656,698
(Total Expenditures)	<u>(9,566,091)</u>	<u>(10,774,476)</u>	<u>(5,561,066)</u>	<u>5,213,410</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,240,456)</u>	<u>(1,136,086)</u>	<u>278,927</u>	<u>1,415,013</u>
Other Financing Sources (Uses)				
Transfers In	2,495,123	2,792,214	2,808,541	16,327
Transfers (Out)	(1,624,970)	(1,626,628)	(1,642,956)	(16,328)
Insurance Proceeds	-	458	458	-
Total Other Financing Sources (Uses)	<u>870,153</u>	<u>1,166,044</u>	<u>1,166,043</u>	<u>(1)</u>
Net Change in Fund Balances	(370,303)	29,958	1,444,970	1,415,012
Fund Balances (Deficit), Beginning of Year	370,303	260,819	(144,070)	(404,889)
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ 290,777</u>	<u>\$ 1,300,900</u>	<u>\$ 1,010,123</u>

DESOTO COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
FIRE AND EMS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Special Assessments	\$ 2,996,569	\$ 2,919,141	\$ 2,919,243	\$ 102
Permits and Fees	13,000	28,067	28,067	-
Intergovernmental Revenues	488,743	110,638	110,823	185
Charges for Services	795,000	992,545	1,069,369	76,824
Miscellaneous Revenues	12,372	25,778	26,141	363
Less: 4% Reduction	(119,863)	-	-	-
Total Revenues	<u>4,185,821</u>	<u>4,076,169</u>	<u>4,153,643</u>	<u>77,474</u>
Expenditures				
Current:				
General Government	87,788	87,019	87,019	-
Public Safety	5,633,769	6,011,801	5,430,121	581,680
Debt Service:				
Principal Retirement	80,926	80,926	80,925	1
Interest and Fiscal Charges	7,738	7,738	7,737	1
Reserve	813,158	976,339	-	976,339
(Total Expenditures)	<u>(6,623,379)</u>	<u>(7,163,823)</u>	<u>(5,605,802)</u>	<u>1,558,021</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,437,558)</u>	<u>(3,087,654)</u>	<u>(1,452,159)</u>	<u>1,635,495</u>
Other Financing Sources (Uses)				
Transfers In	1,788,331	50,963	50,964	1
Transfers (Out)	(260,013)	(260,013)	(260,013)	-
Total Other Financing Sources (Uses)	<u>1,528,318</u>	<u>(209,050)</u>	<u>(209,049)</u>	<u>1</u>
Net Change in Fund Balance	(909,240)	(3,296,704)	(1,661,208)	1,635,496
Fund Balances, Beginning of Year	909,240	3,296,704	3,296,704	-
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,635,496</u>	<u>\$ 1,635,496</u>

DESOTO COUNTY, FLORIDA
SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OTHER
POSTEMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS
SEPTEMBER 30, 2021

Total OPEB Liability	2021	2020	2019	2018
Service Cost	\$ 406,909	\$ 318,150	\$ 231,144	\$ 275,269
Interest	319,628	450,300	459,010	403,256
Changes of Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience	(315,815)	-	540,661	-
Changes of Assumptions or Other Inputs	(2,397,207)	2,483,671	1,449,759	(760,615)
Benefit Payments	(666,242)	(666,208)	(593,228)	(432,554)
Net Change in Total OPEB Liability	(2,652,727)	2,585,913	2,087,346	(514,644)
Total OPEB - Liability Beginning	15,176,141	12,590,228	10,502,882	11,017,526
Total OPEB Liability - Ending	\$ 12,523,414	\$ 15,176,141	\$ 12,590,228	\$ 10,502,882
Covered-Employee Payroll	\$ 15,306,498	\$ 15,763,626	\$ 15,201,683	\$ 13,287,982
Total OPEB Liability as a Percentage of Covered-Employee Payroll	81.82%	96.27%	82.82%	79.04%

Notes to the Schedule:

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

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

DESOTO COUNTY, FLORIDA
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2021

Note 1 - Change of Assumptions

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

- **2021:** 2.43%
- **2020:** 2.14%
- **2019:** 3.58%
- **2018:** 4.18%

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

FLORIDA RETIREMENT SYSTEM PENSION PLAN

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

HEALTH INSURANCE SUBSIDY PENSION PLAN

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

Note: Additional information will be provided annually until ten years' data is presented.

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

FLORIDA RETIREMENT SYSTEM PENSION PLAN

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

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

Note: Additional information will be provided annually until ten years' data is presented.

DESOTO COUNTY, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2021

Note 1 - Changes in Benefits and Assumptions – Florida Retirement System (FRS) and Health Insurance Subsidy (HIS) Pension Plans – 2021

Changes in benefit terms from the year ended June 30, 2020 to June 30, 2021:

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

Changes in assumptions from the year ended June 30, 2020 to June 30, 2021:

- **FRS:** No significant changes.
- **HIS:** The municipal rate used to determine total pension liability decreased from 2.21% to 2.16%.

Note 2 - Changes in Benefits and Assumptions – FRS and HRS Pension Plans – 2020

Changes in benefit terms from the year ended June 30, 2019 to June 30, 2020:

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

Changes in assumptions from the year ended June 30, 2019 to June 30, 2020:

- **FRS:** The long-term expected rate of return was decreased from 6.90% to 6.80%, and the active member mortality assumption was updated.
- **HIS:** The municipal rate used to determine total pension liability decreased from 3.50% to 2.21%.

OTHER SUPPLEMENTARY INFORMATION

**DESOTO COUNTY, FLORIDA
COMBINING BALANCE SHEET
GENERAL FUND BY CATEGORY
SEPTEMBER 30, 2021**

	<u>Board of County Commissioners</u>	<u>Clerk of the Courts</u>	<u>Property Appraiser</u>
Assets			
Cash and Cash Equivalents	\$ 12,958,471	\$ 217,613	\$ 219,178
Accounts Receivable, Net	287,188	-	-
Due from Other Funds	2,288,791	-	-
Due from Other Governments	1,135,515	23,779	-
Due from Individuals and Businesses	-	-	-
Inventories	16,027	-	-
Prepays	30,822	-	-
Deposits	80,000	-	-
Advances to Other Funds	6,057	-	-
Total Assets	<u>16,802,871</u>	<u>241,392</u>	<u>219,178</u>
Liabilities			
Vouchers Payable	783,659	-	9,955
Accrued Liabilities	44,323	121	-
Due to Other Funds	10,000	50,073	206,035
Due to Other Governments	1,422	186,744	3,188
Deposits	7,935	-	-
Unearned Revenue	-	-	-
Total Liabilities	<u>847,339</u>	<u>236,938</u>	<u>219,178</u>
Deferred Inflows			
Unavailable Revenues	<u>3,212</u>	<u>4,454</u>	<u>-</u>
Fund Balances			
Non-Spendable:			
Prepays and Inventories	46,849	-	-
Advances	6,057	-	-
Assigned for Budget Carryforward	1,057,228	-	-
Unassigned	14,842,186	-	-
Total Fund Balances	<u>15,952,320</u>	<u>-</u>	<u>-</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 16,802,871</u>	<u>\$ 241,392</u>	<u>\$ 219,178</u>

Sheriff	Supervisor of Elections	Tax Collector	Eliminating Entries	Total General Fund
\$ 865,926	\$ 7,382	\$ 456,314	\$ -	\$ 14,724,884
-	-	-	-	287,188
-	10,000	-	(1,165,423)	1,133,368
25,823	-	16,136	-	1,201,253
20,547	-	-	-	20,547
-	-	-	-	16,027
-	7,668	-	-	38,490
-	-	-	-	80,000
-	-	-	-	6,057
<u>912,296</u>	<u>25,050</u>	<u>472,450</u>	<u>(1,165,423)</u>	<u>17,507,814</u>
109,708	6,605	-	-	909,927
243,627	10,395	-	-	298,466
558,319	382	423,418	(1,165,423)	82,804
-	-	13,117	-	204,471
-	-	-	-	7,935
642	-	19,778	-	20,420
<u>912,296</u>	<u>17,382</u>	<u>456,313</u>	<u>(1,165,423)</u>	<u>1,524,023</u>
-	-	16,137	-	23,803
-	7,668	-	-	54,517
-	-	-	-	6,057
-	-	-	-	1,057,228
-	-	-	-	14,842,186
-	7,668	-	-	15,959,988
<u>\$ 912,296</u>	<u>\$ 25,050</u>	<u>\$ 472,450</u>	<u>\$ (1,165,423)</u>	<u>\$ 17,507,814</u>

DESOTO COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Board of County Commissioners	Clerk of the Courts	Property Appraiser
Revenues			
Taxes	\$ 24,312,457	\$ -	\$ -
Permits and Fees	1,426,708	-	-
Intergovernmental Revenues	6,042,460	258,753	-
Charges for Services	343,022	908,601	1,261,439
Fines and Forfeitures	46,714	-	-
Miscellaneous Revenues	321,211	571	3,666
Total Revenues	32,492,572	1,167,925	1,265,105
Expenditures			
Current:			
General Government	7,318,936	233,777	1,059,070
Public Safety	2,241,888	-	-
Physical Environment	380,045	-	-
Economic Environment	258,413	-	-
Human Services	1,549,886	-	-
Culture and Recreation	1,384,697	-	-
Court-Related	-	798,712	-
Debt Service:			
Principal Retirement	15,407	-	-
Interest and Fiscal Charges	730	-	-
(Total Expenditures)	(13,150,002)	(1,032,489)	(1,059,070)
Excess (Deficiency) of Revenues Over (Under) Expenditures	19,342,570	135,436	206,035
Other Financing Sources (Uses)			
Transfers In	5,419,741	57,000	-
Transfers (Out)	(19,675,000)	(50,073)	(206,035)
Distribution of Excess Commissions	-	(142,363)	-
Insurance Proceeds	739	-	-
Total Other Financing Sources (Uses)	(14,254,520)	(135,436)	(206,035)
Net Change in Fund Balances	5,088,050	-	-
Fund Balances, Beginning of Year	10,864,270	-	-
Fund Balances, End of Year	\$ 15,952,320	\$ -	\$ -

Sheriff	Supervisor of Elections	Tax Collector	Eliminating Entries	Total General Fund
\$ -	\$ -	\$ -	\$ -	\$ 24,312,457
-	-	-	-	1,426,708
347,080	-	-	-	6,648,293
45,738	4,009	1,252,770	-	3,815,579
-	-	-	-	46,714
63,810	34	291	-	389,583
456,628	4,043	1,253,061	-	36,639,334
-	438,041	829,643	-	9,879,467
12,086,121	-	-	-	14,328,009
-	-	-	-	380,045
-	-	-	-	258,413
-	-	-	-	1,549,886
-	-	-	-	1,384,697
316,891	-	-	-	1,115,603
-	-	-	-	15,407
-	-	-	-	730
(12,403,012)	(438,041)	(829,643)	-	(28,912,257)
(11,946,384)	(433,998)	423,418	-	7,727,077
12,504,703	435,682	-	(14,152,808)	4,264,318
(558,319)	(382)	(423,418)	14,152,808	(6,760,419)
-	-	-	-	(142,363)
-	-	-	-	739
11,946,384	435,300	(423,418)	-	(2,637,725)
-	1,302	-	-	5,089,352
-	6,366	-	-	10,870,636
\$ -	\$ 7,668	\$ -	\$ -	\$ 15,959,988

**DESOTO COUNTY, FLORIDA
COMBINING BALANCE SHEET
ALL NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

	Special Revenue				
	LIHEAP	Kings Crossing Lighting	Peace River Lighting	Ogden Acres Lighting	Golden Melody Lighting
Assets					
Cash and Cash Equivalents	\$ -	\$ 247	\$ 2,408	\$ 975	\$ -
Restricted Cash and Cash Equivalents	-	-	-	-	-
Accounts Receivable	-	-	-	-	-
Special Assessments Receivable	-	-	-	-	496
Notes Receivable	-	-	-	-	-
Due from Other Funds	-	384	27	30	102
Due from Other Governments	38,870	-	-	-	-
Due from Individuals and Businesses	-	-	-	-	-
Prepays	-	-	-	-	-
Advances to Other Funds	-	-	-	-	-
Total Assets	<u>38,870</u>	<u>631</u>	<u>2,435</u>	<u>1,005</u>	<u>598</u>
Liabilities					
Vouchers Payable	13,242	-	-	-	-
Accrued Liabilities	-	-	-	-	-
Due to Other Funds	24,225	-	-	-	-
Due to Other Governments	1,403	-	-	-	-
Deposits	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Advances from Other Funds	-	-	-	-	6,057
Total Liabilities	<u>38,870</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,057</u>
Deferred Inflows					
Unavailable Revenues	-	-	-	-	-
Fund Balances (Deficits)					
Non-Spendable:					
Prepays	-	-	-	-	-
Advance to Other Funds	-	-	-	-	-
Restricted for:					
Economic Development	-	-	-	-	-
Public Assistance Programs	-	-	-	-	-
Streetlighting	-	631	2,435	1,005	-
Public Safety	-	-	-	-	-
Court-Related Services	-	-	-	-	-
Solid Waste Control Services	-	-	-	-	-
Debt Service	-	-	-	-	-
Building Code Enforcements	-	-	-	-	-
Unassigned (Deficit)	-	-	-	-	(5,459)
Total Fund Balances (Deficits)	<u>-</u>	<u>631</u>	<u>2,435</u>	<u>1,005</u>	<u>(5,459)</u>
Total Liabilities, Deferred Inflows, and Fund Balances (Deficits)	<u>\$ 38,870</u>	<u>\$ 631</u>	<u>\$ 2,435</u>	<u>\$ 1,005</u>	<u>\$ 598</u>

Special Revenue

Harlem Heights Lighting	Lake Suzy Lighting	Spring Lakes Lighting	Sunny Breeze Lighting	E-911 Services	Emergency Management
\$ 4,991	\$ 284	\$ 87	\$ -	\$ 484,753	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
45	138	56	-	-	-
-	-	-	-	14,198	69,617
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>5,036</u>	<u>422</u>	<u>143</u>	<u>-</u>	<u>498,951</u>	<u>69,617</u>
-	-	-	-	3,643	6,572
-	-	-	-	-	1,920
-	-	-	418	-	35,865
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	132	-
-	-	-	-	-	-
-	-	-	418	3,775	44,357
-	-	-	-	-	-
-	-	-	-	-	30,889
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,036	422	143	-	-	-
-	-	-	-	495,176	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	(418)	-	(5,629)
<u>5,036</u>	<u>422</u>	<u>143</u>	<u>(418)</u>	<u>495,176</u>	<u>(5,629)</u>
<u>\$ 5,036</u>	<u>\$ 422</u>	<u>\$ 143</u>	<u>\$ -</u>	<u>\$ 498,951</u>	<u>\$ 69,617</u>

DESOTO COUNTY, FLORIDA
COMBINING BALANCE SHEET
ALL NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	Special Revenue				
	Tourist	CDBG	Mosquito	Curbside	Building
	Development	Housing		Solid Waste	
	Tax	Rehab	Control	Collection	
Assets					
Cash and Cash Equivalents	\$ 136,707	\$ -	\$ 638	\$ -	\$ 506,834
Restricted Cash and Cash Equivalents	-	-	-	-	-
Accounts Receivable	46	-	-	-	-
Special Assessments Receivable	-	-	-	755	-
Notes Receivable	-	-	-	-	-
Due from Other Funds	-	2,000	-	28,515	-
Due from Other Governments	10,681	159,609	-	-	-
Due from Individuals and Businesses	-	-	-	-	-
Prepays	-	-	-	-	8,215
Advances to Other Funds	-	-	-	-	-
Total Assets	147,434	161,609	638	29,270	515,049
Liabilities					
Vouchers Payable	2,315	-	-	11,250	10,331
Accrued Liabilities	241	-	-	-	4,199
Due to Other Funds	-	161,609	-	14,690	-
Due to Other Governments	-	-	-	-	-
Deposits	-	-	-	1,690	3,632
Unearned Revenue	-	-	638	-	-
Advances from Other Funds	-	-	-	-	-
Total Liabilities	2,556	161,609	638	27,630	18,162
Deferred Inflows					
Unavailable Revenues	-	26,579	-	-	-
Fund Balances (Deficits)					
Non-Spendable:					
Prepays	-	-	-	-	8,215
Advance to Other Funds	-	-	-	-	-
Restricted for:					
Economic Development	144,878	-	-	-	-
Public Assistance Programs	-	-	-	-	-
Streetlighting	-	-	-	-	-
Public Safety	-	-	-	-	-
Court-Related Services	-	-	-	-	-
Solid Waste Control Services	-	-	-	1,640	-
Debt Service	-	-	-	-	-
Building Code Enforcements	-	-	-	-	488,672
Unassigned (Deficit)	-	(26,579)	-	-	-
Total Fund Balances (Deficits)	144,878	(26,579)	-	1,640	496,887
Total Liabilities, Deferred Inflows, and Fund Balances (Deficits)	\$ 147,434	\$ 161,609	\$ 638	\$ 29,270	\$ 515,049

Special Revenue

SHIP	Hurricane	CARES Act	American Rescue Plan Act	Indigent Health Trust	Court Fees	Law Enforcement Trust
\$ 1,319,801	\$ 429,068	\$ -	\$ 3,694,066	\$ -	\$ -	\$ 215,112
-	-	-	-	-	528,463	-
-	-	-	-	-	-	-
1,375,000	-	-	-	-	-	-
-	-	-	-	-	-	-
-	75,838	-	-	345,870	18,989	1,880
-	-	-	-	-	-	-
-	-	-	-	-	300	-
-	-	-	-	-	-	-
<u>2,694,801</u>	<u>504,906</u>	<u>-</u>	<u>3,694,066</u>	<u>345,870</u>	<u>547,752</u>	<u>216,992</u>
16,137	-	-	-	345,870	26,114	-
-	-	-	-	-	558	-
3,862	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
350,000	-	-	3,690,625	-	-	-
-	-	-	-	-	-	-
<u>369,999</u>	<u>-</u>	<u>-</u>	<u>3,690,625</u>	<u>345,870</u>	<u>26,672</u>	<u>-</u>
-	75,838	-	-	-	-	-
-	-	-	-	-	300	-
-	-	-	-	-	-	-
2,324,802	-	-	-	-	-	-
-	-	-	3,441	-	-	-
-	-	-	-	-	-	-
-	429,068	-	-	-	-	216,992
-	-	-	-	-	520,780	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>2,324,802</u>	<u>429,068</u>	<u>-</u>	<u>3,441</u>	<u>-</u>	<u>521,080</u>	<u>216,992</u>
<u>\$ 2,694,801</u>	<u>\$ 504,906</u>	<u>\$ -</u>	<u>\$ 3,694,066</u>	<u>\$ 345,870</u>	<u>\$ 547,752</u>	<u>\$ 216,992</u>

DESOTO COUNTY, FLORIDA
COMBINING BALANCE SHEET
ALL NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	Special Revenue			
	Sheriff Communications	Sheriff Inmate Welfare	Sheriff Voluntary Extra Duty	Sheriff Education
Assets				
Cash and Cash Equivalents	\$ 344,936	\$ 378,788	\$ 9,051	\$ 19,058
Restricted Cash and Cash Equivalents	-	-	-	-
Accounts Receivable	-	-	-	-
Special Assessments Receivable	-	-	-	-
Notes Receivable	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Governments	-	-	2,223	242
Due from Individuals and Businesses	-	11,240	-	-
Prepays	-	-	-	-
Advances to Other Funds	-	-	-	-
Total Assets	<u>344,936</u>	<u>390,028</u>	<u>11,274</u>	<u>19,300</u>
Liabilities				
Vouchers Payable	9,254	278	-	-
Accrued Liabilities	23,864	-	2,519	-
Due to Other Funds	311,818	-	-	-
Due to Other Governments	-	-	-	-
Deposits	-	-	-	-
Unearned Revenue	-	-	-	-
Advances from Other Funds	-	-	-	-
Total Liabilities	<u>344,936</u>	<u>278</u>	<u>2,519</u>	<u>-</u>
Deferred Inflows				
Unavailable Revenues	-	-	-	-
Fund Balances (Deficits)				
Non-Spendable:				
Prepays	-	-	-	-
Advance to Other Funds	-	-	-	-
Restricted for:				
Economic Development	-	-	-	-
Public Assistance Programs	-	-	-	-
Streetlighting	-	-	-	-
Public Safety	-	389,750	8,755	19,300
Court-Related Services	-	-	-	-
Solid Waste Control Services	-	-	-	-
Debt Service	-	-	-	-
Building Code Enforcements	-	-	-	-
Unassigned (Deficit)	-	-	-	-
Total Fund Balances (Deficits)	<u>-</u>	<u>389,750</u>	<u>8,755</u>	<u>19,300</u>
Total Liabilities, Deferred Inflows, and Fund Balances (Deficits)	<u>\$ 344,936</u>	<u>\$ 390,028</u>	<u>\$ 11,274</u>	<u>\$ 19,300</u>

Special Revenue			Debt Service	Capital Projects	Total Non-Major Governmental Funds
Sheriff Victim Advocate	Clerk of Court Records Modernization	Clerk of Courts Documentary Stamp Intangible Tax	Debt Service Fund	Special Projects	
\$ 1,208	\$ 164,506	\$ -	\$ 3	\$ -	\$ 7,713,521
-	-	-	-	-	528,463
-	-	-	-	-	46
-	-	-	-	-	1,251
-	-	-	-	-	1,375,000
-	-	-	-	-	31,297
-	-	-	-	67,476	805,493
-	-	-	-	-	11,240
-	-	-	-	-	8,515
-	-	-	75,774	-	75,774
<u>1,208</u>	<u>164,506</u>	<u>-</u>	<u>75,777</u>	<u>67,476</u>	<u>10,550,600</u>
-	860	-	-	6,004	451,870
-	-	-	-	-	33,301
-	-	-	-	19,572	572,059
-	-	-	-	-	1,403
-	-	-	-	-	5,322
-	-	-	-	-	4,041,395
-	-	-	-	-	6,057
-	<u>860</u>	<u>-</u>	<u>-</u>	<u>25,576</u>	<u>5,111,407</u>
-	-	-	-	55,576	188,882
-	-	-	-	-	8,515
-	-	-	75,774	-	75,774
-	-	-	-	-	2,469,680
-	-	-	-	-	3,441
-	-	-	-	-	9,672
1,208	-	-	-	-	1,560,249
-	163,646	-	-	-	684,426
-	-	-	-	-	1,640
-	-	-	3	-	3
-	-	-	-	-	488,672
-	-	-	-	(13,676)	(51,761)
<u>1,208</u>	<u>163,646</u>	<u>-</u>	<u>75,777</u>	<u>(13,676)</u>	<u>5,250,311</u>
<u>\$ 1,208</u>	<u>\$ 164,506</u>	<u>\$ -</u>	<u>\$ 75,777</u>	<u>\$ 67,476</u>	<u>\$ 10,550,600</u>

DESOTO COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
ALL NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Special Revenue				
		Kings		Ogden	Golden
	LIHEAP	Crossing Lighting	Peace River Lighting	Acres Lighting	Melody Lighting
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	25,431	1,779	2,013	7,245
Licenses and Permits	-	-	-	-	-
Intergovernmental Revenues	320,186	-	-	-	-
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous Revenues	-	30	11	-	-
Total Revenues	320,186	25,461	1,790	2,013	7,245
Expenditures					
Current:					
General Government	-	764	54	81	200
Public Safety	-	-	-	-	-
Physical Environment	-	24,636	1,415	62	7,245
Economic Environment	-	-	-	1,748	-
Human Services	268,814	-	-	-	-
Culture and Recreation	-	-	-	-	-
Court-Related	-	-	-	-	-
Debt Service:	-	-	-	-	-
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
(Total Expenditures)	(268,814)	(25,400)	(1,469)	(1,891)	(7,445)
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	51,372	61	321	122	(200)
Other Financing Sources (Uses)					
Transfers In	-	384	27	30	102
Transfers (Out)	(48,591)	-	-	-	-
Total Other Financing Sources (Uses)	(48,591)	384	27	30	102
Net Change in Fund Balances	2,781	445	348	152	(98)
Fund Balances (Deficits),					
Beginning of Year	(2,781)	186	2,087	853	(5,361)
Fund Balances (Deficits), End of Year	\$ -	\$ 631	\$ 2,435	\$ 1,005	\$ (5,459)

Special Revenue					
Harlem Heights Lighting	Lake Suzy Lighting	Spring Lakes Lighting	Sunny Breeze Lighting	E-911 Services	Emergency Management
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,139	9,190	3,832	-	-	-
-	-	-	-	-	-
-	-	-	-	125,987	160,611
-	-	-	-	57,516	-
-	-	-	-	-	-
18	10	-	-	1,629	-
<u>3,157</u>	<u>9,200</u>	<u>3,832</u>	<u>-</u>	<u>185,132</u>	<u>160,611</u>
89	276	115	-	-	-
-	-	-	-	102,567	259,139
2,308	8,807	3,868	418	-	-
-	-	-	-	-	5,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(2,397)</u>	<u>(9,083)</u>	<u>(3,983)</u>	<u>(418)</u>	<u>(102,567)</u>	<u>(264,139)</u>
760	117	(151)	(418)	82,565	(103,528)
45	139	58	-	-	129,095
-	-	-	-	(71,974)	-
<u>45</u>	<u>139</u>	<u>58</u>	<u>-</u>	<u>(71,974)</u>	<u>129,095</u>
805	256	(93)	(418)	10,591	25,567
4,231	166	236	-	484,585	(31,196)
<u>\$ 5,036</u>	<u>\$ 422</u>	<u>\$ 143</u>	<u>\$ (418)</u>	<u>\$ 495,176</u>	<u>\$ (5,629)</u>

DESOTO COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
ALL NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Special Revenue				
	Tourist	CDBG	Mosquito	Curbside	Building
	Development	Housing		Solid Waste	
Tax	Rehab	Control	Collection	Fund	
Revenues					
Taxes	\$ 84,009	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-
Licenses and Permits	-	-	-	-	599,498
Intergovernmental Revenues	-	270,443	55,938	-	-
Charges for Services	-	-	-	1,914,922	3,360
Fines and Forfeitures	-	-	-	-	-
Miscellaneous Revenues	424	-	-	1,419	19,201
Total Revenues	84,433	270,443	55,938	1,916,341	622,059
Expenditures					
Current:					
General Government	-	-	-	56,698	54,559
Public Safety	414	-	460	-	410,774
Physical Environment	-	-	-	1,972,591	-
Economic Environment	62,470	253,165	-	-	-
Human Services	-	-	76,921	-	-
Culture and Recreation	-	-	-	-	-
Court-Related	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
(Total Expenditures)	(62,884)	(253,165)	(77,381)	(2,029,289)	(465,333)
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	21,549	17,278	(21,443)	(112,948)	156,726
Other Financing Sources (Uses)					
Transfers In	-	-	9,699	115,002	2,100
Transfers (Out)	-	(40,505)	-	-	-
Total Other Financing Sources (Uses)	-	(40,505)	9,699	115,002	2,100
Net Change in Fund Balances	21,549	(23,227)	(11,744)	2,054	158,826
Fund Balances (Deficits),					
Beginning of Year	123,329	(3,352)	11,744	(414)	338,061
Fund Balances (Deficits), End of Year	\$ 144,878	\$ (26,579)	\$ -	\$ 1,640	\$ 496,887

Special Revenue

SHIP	Hurricane Fund	CARES Act	American Rescue Plan Act	Indigent Health Trust	Court Fees
\$ -	\$ -	\$ -	\$ -	\$ 1,816,338	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
31,015	128,775	4,128,130	-	-	-
-	-	-	-	-	183,007
-	-	-	-	-	82,364
438,904	533	63	3,441	-	1,694
<u>469,919</u>	<u>129,308</u>	<u>4,128,193</u>	<u>3,441</u>	<u>1,816,338</u>	<u>267,065</u>
-	-	-	-	-	75
-	61,342	479,323	-	-	-
-	-	-	-	-	-
426,418	-	-	-	-	-
-	-	-	-	1,816,338	-
-	-	-	-	-	-
-	-	-	-	-	162,832
-	-	-	-	-	-
-	-	-	-	-	-
<u>(426,418)</u>	<u>(61,342)</u>	<u>(479,323)</u>	<u>-</u>	<u>(1,816,338)</u>	<u>(162,907)</u>
43,501	67,966	3,648,870	3,441	-	104,158
-	-	-	-	-	100,000
<u>(21,155)</u>	<u>(67,433)</u>	<u>(3,648,870)</u>	<u>-</u>	<u>-</u>	<u>(118,495)</u>
<u>(21,155)</u>	<u>(67,433)</u>	<u>(3,648,870)</u>	<u>-</u>	<u>-</u>	<u>(18,495)</u>
22,346	533	-	3,441	-	85,663
2,302,456	428,535	-	-	-	435,417
<u>\$ 2,324,802</u>	<u>\$ 429,068</u>	<u>\$ -</u>	<u>\$ 3,441</u>	<u>\$ -</u>	<u>\$ 521,080</u>

DESOTO COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
ALL NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Special Revenue				
	Law		Sheriff	Sheriff	
	Enforcement	Sheriff	Inmate	Voluntary	Sheriff
	Trust	Communication	Welfare	Extra Duty	Education
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-
Licenses and Permits	-	-	-	-	-
Intergovernmental Revenues	3,630	10,586	-	-	-
Charges for Services	-	-	161,268	59,561	3,674
Fines and Forfeitures	44,155	-	-	-	-
Miscellaneous Revenues	649	686	4,152	2	9
Total Revenues	48,434	11,272	165,420	59,563	3,683
Expenditures					
Current:					
General Government	-	-	-	-	-
Public Safety	-	840,821	87,003	59,005	-
Physical Environment	-	-	-	-	-
Economic Environment	-	-	-	-	-
Human Services	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Court-Related	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
(Total Expenditures)	-	(840,821)	(87,003)	(59,005)	-
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	48,434	(829,549)	78,417	558	3,683
Other Financing Sources (Uses)					
Transfers In	-	1,141,367	-	-	-
Transfers (Out)	-	(311,818)	-	-	-
Total Other Financing Sources (Uses)	-	829,549	-	-	-
Net Change in Fund Balances	48,434	-	78,417	558	3,683
Fund Balances (Deficits),					
Beginning of Year	168,558	-	311,333	8,197	15,617
Fund Balances (Deficits), End of Year	\$ 216,992	\$ -	\$ 389,750	\$ 8,755	\$ 19,300

Special Revenue			Debt Service	Capital Projects	Total Non-Major
Sheriff Victim Advocate	Clerk of Court Records Modernization	Clerk of Court Documentary Stamp Intangible Tax	Debt Service Fund	Special Projects	Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,900,347
-	-	-	-	-	52,629
-	-	-	-	-	599,498
-	-	-	585,861	33,518	5,854,680
-	998,716	3,651,218	-	-	7,033,242
-	-	-	-	-	126,519
-	144	-	-	-	473,019
-	998,860	3,651,218	585,861	33,518	16,039,934
-	51,639	3,651,218	-	-	3,815,768
49	-	-	-	-	2,300,897
-	-	-	-	66	2,021,416
-	-	-	-	-	748,801
-	-	-	-	-	2,162,073
-	-	-	-	82,128	82,128
-	935,255	-	-	-	1,098,087
-	-	-	4,498,903	-	4,498,903
-	-	-	201,611	-	201,611
(49)	(986,894)	(3,651,218)	(4,700,514)	(82,194)	(16,929,684)
(49)	11,966	-	(4,114,653)	(48,676)	(889,750)
-	-	-	4,330,625	35,000	5,863,673
-	-	-	-	-	(4,328,841)
-	-	-	4,330,625	35,000	1,534,832
(49)	11,966	-	215,972	(13,676)	645,082
1,257	151,680	-	(140,195)	-	4,605,229
\$ 1,208	\$ 163,646	\$ -	\$ 75,777	\$ (13,676)	\$ 5,250,311

DESOTO COUNTY, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
SEPTEMBER 30, 2021

	Sheriff			
	Cash Bond Fund	Individual Depositors Fund	Other Suspense Fund	Inmate Trust Fund
Assets				
Cash and Cash Equivalents	\$ 10	\$ 1,127	\$ -	\$ 40,370
Accounts Receivable	-	-	-	-
Due from Other Governments	-	3,109	2,745	-
Total Assets	<u>10</u>	<u>4,236</u>	<u>2,745</u>	<u>40,370</u>
Liabilities				
Due to Other Governments	-	-	-	-
Due to Individuals and Businesses	-	4,236	2,743	-
Deposits	-	-	-	-
Total Liabilities	<u>-</u>	<u>4,236</u>	<u>2,743</u>	<u>-</u>
Net Position				
Restricted for Individuals, Businesses, and Other Governments	10	-	2	40,370
Total Net Position	<u>\$ 10</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 40,370</u>

Clerk of the Courts				Tax Collector	
Registry of Court Funds	Special Trust Fund	Fine and Forfeiture Fund	Child Support Fund	Tax Collector Fund	Totals
\$ 513,793	\$ 425,848	\$ -	\$ 3,014	\$ 707,964	\$ 1,692,126
-	-	-	-	26,392	26,392
-	-	-	-	-	5,854
<u>513,793</u>	<u>425,848</u>	<u>-</u>	<u>3,014</u>	<u>734,356</u>	<u>1,724,372</u>
-	-	-	-	657,684	657,684
-	-	-	3,014	-	9,993
-	-	-	-	76,672	76,672
<u>-</u>	<u>-</u>	<u>-</u>	<u>3,014</u>	<u>734,356</u>	<u>744,349</u>
513,793	425,848	-	-	-	980,023
<u>\$ 513,793</u>	<u>\$ 425,848</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 980,023</u>

DESOTO COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
SEPTEMBER 30, 2021

	Sheriff			
	Cash Bond	Individual	Other	Inmate
	Fund	Depositors Fund	Suspense Fund	Trust Fund
Additions				
Fees/Fines Collected for Other Governments	\$ -	\$ -	\$ -	\$ -
Deposits and Other Trust Activities	-	-	-	-
Property Taxes and Fees Collected for Local Governments	-	-	-	-
Tax Certificate Redemptions and Fees Collected for Businesses and Individuals	-	-	-	-
Cash Bond Collected	97,568	-	-	-
Fines, Forfeitures, and Fees Collected	-	36,311	-	-
Evidence Monies Collected	-	-	55,239	-
Collections from Inmates	-	-	-	411,846
Interest Income	10	-	2	186
Total Additions	<u>97,578</u>	<u>36,311</u>	<u>55,241</u>	<u>412,032</u>
Deductions				
Fees/Fines Disbursed to Other Governments	-	-	-	-
Deposits and Other Trust Activities Disbursed	-	-	-	-
Property Taxes and Fees Disbursed to Local Governments	-	-	-	-
Tax Certificate Redemptions and Fees Disbursed to Businesses and Individuals	-	-	-	-
Cash Bonds Disbursed	97,568	-	-	-
Fines, Forfeitures and Fees Disbursed	-	36,311	-	-
Evidence Monies Disbursed	-	-	55,239	-
Inmate Funds Disbursed	-	-	-	408,212
Total Deductions	<u>97,568</u>	<u>36,311</u>	<u>55,239</u>	<u>408,212</u>
Change in Fiduciary Net Position	10	-	2	3,820
Beginning Net Position	-	-	-	-
Prior Period Adjustment	-	-	-	36,550
Beginning Net Position, Restated	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,550</u>
Ending Net Position	<u>\$ 10</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 40,370</u>

Clerk of the Courts				Tax Collector		Totals
Registry of Court Funds	Special Trust Fund	Fine and Forfeiture Fund	Child Support Fund	Tax Collector Fund	Eliminating Entries	
\$ -	\$ 666,384	\$ 1,034,369	\$ -	\$ -	\$ -	\$ 1,700,753
1,173,496	199,295	-	221,910	-	-	1,594,701
-	-	-	-	45,356,742	(25,701,135)	19,655,607
-	-	-	-	5,322,222	-	5,322,222
-	-	-	-	-	-	97,568
-	-	-	-	-	-	36,311
-	-	-	-	-	-	55,239
-	-	-	-	-	-	411,846
-	-	-	-	-	-	198
<u>1,173,496</u>	<u>865,679</u>	<u>1,034,369</u>	<u>221,910</u>	<u>50,678,964</u>	<u>(25,701,135)</u>	<u>28,874,445</u>
-	630,108	1,034,369	-	-	-	1,664,477
852,732	131,735	-	221,910	-	-	1,206,377
-	-	-	-	45,356,742	(25,701,135)	19,655,607
-	-	-	-	5,322,222	-	5,322,222
-	-	-	-	-	-	97,568
-	-	-	-	-	-	36,311
-	-	-	-	-	-	55,239
-	-	-	-	-	-	408,212
<u>852,732</u>	<u>761,843</u>	<u>1,034,369</u>	<u>221,910</u>	<u>50,678,964</u>	<u>(25,701,135)</u>	<u>28,446,013</u>
320,764	103,836	-	-	-	-	428,432
-	-	-	-	-	-	-
<u>193,029</u>	<u>322,012</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>551,591</u>
<u>193,029</u>	<u>322,012</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>551,591</u>
<u>\$ 513,793</u>	<u>\$ 425,848</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 980,023</u>

COMPLIANCE SECTION

DESOTO COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Grantor/Pass-Through Agency	AL/CSFA Number	Contract/ Grant Number	Award Amount	Grant Expenditures
Federal Awards				
U.S. Department of Housing and Urban Development				
Passed Through Florida Department of Economic Opportunity:				
Community Development Block Grant	14.228	19DB-ON-07-24-01-H02	\$ 750,000	\$ 293,670
Total U.S. Department of Housing and Urban Development				293,670
U.S. Department of Justice				
Passed Through Florida Department of Law Enforcement:				
Coronavirus Emergency Supplemental Funding Program	16.034	2020-CESF-DESO-1-C9-062	117,478	39,300
Coronavirus Emergency Supplemental Funding Programs	16.034	2020-CESF-DESO-1-5A-005	50,000	5,895
				45,195
Bulletproof Vest Partnership Program	16.607	Unknown	3,630	3,630
Justice Assistance Grant (JAG) Program:				
Edward Byrne Memorial Justice Assistance Grant - K-9 Grant	16.738	2020-JAGC-DESO-3-5R-096	21,447	21,447
Edward Byrne Memorial Justice Assistance Grant - Equipment Grant	16.738	2020-JAGD-DESO-3-Y6-055	5,627	2,413
				23,860
Total U.S. Department of Justice				72,685
U.S. Department of Transportation, Federal Transit Administration				
Passed Through Florida Department of Transportation:				
Highway Planning and Construction	20.205	FPN 438259-1-38/58/68-01	220,820	67,503
Highway Planning and Construction	20.205	FPN 437099-1-38/58/68-01	886,787	132,799
Total U.S. Department of Transportation, Federal Transit Administration				200,302
U.S. Department of Treasury				
Passed Through Florida Division of Emergency Management:				
COVID-19 - Coronavirus Relief Fund - CARES Act Funding Agreement*	21.019	Y2297	6,630,880	4,126,546
Passed Through Florida Housing Finance Corporation:				
COVID-19 - Coronavirus Relief Fund - CARES Act Funding Agreement*	21.019	047-2020	240,768	31,015
Total U.S. Department of Treasury				4,157,561
U.S. Department of Health and Human Services				
Passed Through Florida Department of Revenue:				
Child Support Enforcement - Reimbursement	93.563	COC14	53,509	50,550
Passed Through Florida Department of Economic Opportunity:				
Low Income Home Energy Assistance	93.568	17-EA-0F-07-24-01-010	1,191,439	88,608
Low Income Home Energy Assistance	93.568	E2001	296,450	137,892
COVID-19 - Low Income Home Energy Assistance	93.568	E2001	-	19,721
COVID-19 - Low Income Home Energy Assistance	93.568	17-EA-0F-07-24-01-010	159,373	71,184
				317,405
Total U.S. Department of Health and Human Services				367,955
U.S. Department of Homeland Security, Federal Emergency Management Agency (FEMA)				
Passed Through Florida Division of Emergency Management:				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Hurricane Irma Disaster #4337	3,263,987	115,898
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Hurricane Michael Disaster #4399	-	49,443
				165,341
Emergency Management Performance Grants	97.042	G0268	57,742	4,407
Emergency Management Performance Grants	97.042	G0102	57,666	44,988
				49,395
Total U.S. Department of Homeland Security, FEMA				214,736
Total Expenditures of Federal Awards			\$ 5,306,909	

* Denotes major federal awards program.

DESOTO COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Grantor/Pass-Through Agency	AL/CSFA Number	Contract/ Grant Number	Award Amount	Grant Expenditures
State Financial Assistance				
Florida Executive Office of the Governor				
Emergency Management Preparedness and Assistance Base Grant	31.063	A100	\$ 105,806	\$ 78,944
Emergency Management Preparedness and Assistance Base Grant	31.063	A0813	105,806	26,482
Total Florida Executive Office of the Governor				<u>105,426</u>
Florida Department of Environmental Protection				
Small County Consolidated Grant	37.012	SC905	90,909	93,750
Lake Suzy Wastewater System	37.039	LP14026	950,000	240,550
Total Florida Department of Environmental Protection				<u>334,300</u>
Florida Department of Economic Opportunity				
Passed Through Enterprise Florida, Inc.:				
Enterprise Florida - Rural Grant Program	40.003	91648	4,650	4,650
Community Planning Technical Assistance Grant	40.024	P0387	25,000	25,000
Total Florida Department of Economic Opportunity				<u>29,650</u>
Florida Housing Finance Corporation				
State Housing Initiatives Partnership**	40.901	SHIP	350,000	414,162
Total Florida Housing Finance Corporation				<u>414,162</u>
Florida Department of Agriculture and Consumer Services				
Cooperative Agreement for Community Response - Vector Borne Diseases	42.003	Unknown	-	19,615
Mosquito Control Program	42.003	27520	36,960	36,323
Total Florida Department of Agriculture and Consumer Services				<u>55,938</u>
Florida Department of State, Division of Library and Information Services				
State Aid to Libraries	45.030	21-ST-13	56,166	56,166
Total Florida Department of State, Division of Library and Information Services				<u>56,166</u>
Florida Department of Transportation				
Small County Outreach Program - SW Hull Avenue**	55.009	G1215	2,771,078	7,120
Small County Outreach Program - Reynolds St Bridge**	55.009	G1470	1,489,478	1,338,756
Small County Outreach Program - SW Senate Street**	55.009	G1F18	1,852,048	204,166
				<u>1,550,042</u>
Small County Road Assistance Program - Durrance St	55.016	G1F25	839,179	639,641
Small County Road Assistance Program - Hillsborough Ave	55.016	G1F24	1,592,234	2,449
				<u>642,090</u>
Total Florida Department of Transportation				<u>2,192,132</u>
Florida Fish and Wildlife Commission				
Derelict Vessel Removal Grant	77.005	21088	35,050	11,900
Derelict Vessel Removal Grant	77.005	20316	-	3,100
Derelict Vessel Removal Grant	77.005	20340	-	13,150
				<u>28,150</u>
Florida Boating Improvement Grant	77.006	20108	55,000	31,026
Florida Boating Improvement Grant	77.006	20119	1,131,297	24,550
Florida Boating Improvement Grant	77.006	18072	100,000	5,367
				<u>60,943</u>
Total Florida Fish and Wildlife Commission				<u>89,093</u>
Total Expenditures of State Financial Assistance				<u>\$ 3,276,867</u>

** Denotes major state financial assistance project.

**DESOTO COUNTY, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

Note 1 - General

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

The County reporting entity is defined in Note 1 to the County’s basic financial statements for the year ended September 30, 2021. All federal awards and state financial assistance received directly from federal or state agencies, as well as federal awards and state financial assistance passed through other governmental agencies, are included in the schedule.

Note 2 - Basis of Accounting

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

Note 3 - Loans Outstanding

The County has the following loan balances outstanding at September 30, 2021:

Program	CSFA Number	Loan Outstanding
State Housing Initiatives Partnership	40.901	\$ 1,375,000

Only current year loans issued to eligible recipients are included as expenditures on the accompanying schedule.

Note 4 - Contingencies

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

DESOTO COUNTY, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

Note 5 - Expenditures and Program Income

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

Note 6 - Indirect Costs

DeSoto County Board of County Commissioners did not elect to use the 10% de minimis cost rate in 2021 as covered in 2 CFR 200.414.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of DeSoto County, Florida (the County) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 30, 2022.

Internal Control over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

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.



June 30, 2022
Sarasota, Florida

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

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

Report on Compliance for Each Major Federal Program/State Project

We have audited the DeSoto County, Florida's (the County) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement*, and the requirements described in the *Florida Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of the County's major federal programs and state projects for the year ended September 30, 2021. The County's major federal programs and state projects are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and condition of its federal awards applicable to its federal programs and state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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*. Those standards, rules, and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state project. However, our audit does not provide a legal determination of the County's compliance.

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DeSoto County, Florida

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

Opinion on Each Major Federal Program and State Project

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2021.

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program or state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project, and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

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, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.



June 30, 2022
Sarasota, Florida

**DESOTO COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARD PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

Part A - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of Auditor's Report Issued	Unmodified
Internal Control over Financial Reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Non-compliance material to financial statements noted?	No

Federal Awards and State Financial Assistance Projects

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of Auditor's Report Issued on Compliance for Major Programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with CFR 200.516(a) or Chapter 10.557 for local government entities?	No

Identification of Major Programs/Projects:

Federal Program or Cluster

U.S. Department of The Treasury	
Passed Through Florida Emergency Management	
COVID-19 - Coronavirus Relief Fund – CARES Act Funding Agreement	AL No. 21.019

State Financial Assistance Projects

Florida Department of Transportation	
Small County Outreach Program	CSFA No. 55.009
Florida Housing Finance Corporation	
State Housing Initiatives Partnership Program	CSFA No. 40.901

**DESOTO COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARD PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

Dollar threshold used to distinguish between Type A and Type B programs - Federal Programs:	\$750,000
Dollar threshold used to distinguish between Type A and Type B programs - State Programs:	\$750,000
Auditee qualified as low-risk auditee pursuant to the Uniform Guidance?	Yes

PART B - FINDINGS - FINANCIAL STATEMENT AUDIT

None

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

None

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

None

PART E - OTHER ISSUES

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

No corrective action plan is required because there were no current year findings required to be reported under the *Federal or Florida Single Audit Acts*.

**INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE
WITH FLORIDA STATUTE SECTION 218.415 – INVESTMENTS OF PUBLIC FUNDS**

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

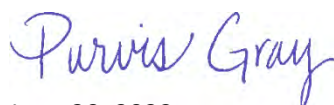
We have examined DeSoto County, Florida’s (the County) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the fiscal year ended September 30, 2021, as required by Section 10.566(10)(a), *Rules of the Auditor General*. Management is responsible for the County’s compliance with those requirements. Our responsibility is to express an opinion on the County’s compliance based on our examination.

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

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

In our opinion, the County complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the fiscal year ended September 30, 2021.

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



June 30, 2022
Sarasota, Florida

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

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

We have examined DeSoto County, Florida's (the County) compliance with Section 365.172(10), Florida Statutes, *Authorized Expenditures of E911 Fee* and Section 365.173(2)(d), Florida Statutes, *Distribution and Use of (E911) Funds*, during the fiscal year ended September 30, 2021. Management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

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

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

In our opinion, the County complied, in all material respects, with the requirements of Section 365.172(10), Florida Statutes, *Authorized Expenditures of E911 Fee* and Section 365.173(2)(d), Florida Statutes, *Distribution and Use of (E911) Funds*, during the fiscal year ended September 30, 2021.

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



June 30, 2022
Sarasota, Florida

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MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the basic financial statements of DeSoto County, Florida (the County) as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated June 30, 2022.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance Required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*; Schedule of Findings and Questioned Costs; and Independent Accountant's Reports on an examination conducted in accordance with American Institute of Public Accountants *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated June 30, 2022, 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. There were no findings or recommendations made in the preceding financial audit report.

Official Title and Legal Authority

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

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

MANAGEMENT LETTER

Financial Condition and Management

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

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

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

Additional Matters

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

Purpose of this Letter

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



June 30, 2022
Sarasota, Florida

AFFIDAVIT

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

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

FURTHER AFFIANT SAYETH NAUGHT.

Peter Danao

Peter Danao

STATE OF FLORIDA
COUNTY OF DESOTO

SWORN TO AND SUBSCRIBED before me this 22 day of June, 2022.

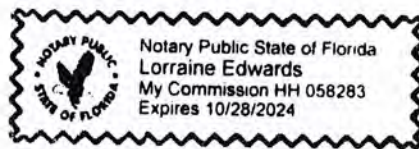
Lorraine Edwards
 NOTARY PUBLIC
 Print Name Lorraine Edwards

Personally known or produced identification _____

Type of identification produced: _____

My Commission Expires:

10-28-2024



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

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

SEPTEMBER 30, 2021

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the DeSoto County, Florida Clerk of the Circuit and County Courts (the Clerk) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Clerk's financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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

INDEPENDENT AUDITOR'S REPORT

Opinions

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, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida (the Rules). In conformity with the Rules, the accompanying financial statements are intended to present the financial position, changes in financial position, and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information of DeSoto County, Florida that is attributable to the Clerk. They do not purport to, and do not, present fairly the financial position of DeSoto County, Florida as of September 30, 2021, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Financial Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk's 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 financial statements. The combining statements are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements

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

INDEPENDENT AUDITOR'S REPORT

and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other financial information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2022, on our consideration of the Clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Clerk's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk's internal control over financial reporting and compliance.



June 22, 2022
Sarasota, Florida

FINANCIAL STATEMENTS

**DESOTO COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

	Major Funds			Total Governmental Funds
	General Fund	Public Records Trust Fund	Documentary Stamp Intangible Tax Fund	
Assets				
Cash and Cash Equivalents	\$ 217,613	\$ 164,506	\$ -	\$ 382,119
Due from Other Governments	23,779	-	-	23,779
Total Assets	<u>241,392</u>	<u>164,506</u>	<u>-</u>	<u>405,898</u>
Liabilities, Deferred Inflows, and Fund Balances				
Liabilities				
Accounts Payable	-	860	-	860
Accrued Payroll and Payroll Taxes	121	-	-	121
Due to Board of County Commissioners	50,073	-	-	50,073
Due to Other Governments	186,744	-	-	186,744
Total Liabilities	<u>236,938</u>	<u>860</u>	<u>-</u>	<u>237,798</u>
Deferred Inflows				
Unavailable Revenues	4,454	-	-	4,454
Fund Balances				
Restricted for:				
Records Modernization	-	163,646	-	163,646
Total Fund Balances	<u>-</u>	<u>163,646</u>	<u>-</u>	<u>163,646</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 241,392</u>	<u>\$ 164,506</u>	<u>\$ -</u>	<u>\$ 405,898</u>

See accompanying notes.

DESOTO COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Major Funds			Total Governmental Funds
	General Fund	Public Records Trust Fund	Documentary Stamp Intangible Tax Fund	
Revenues				
Intergovernmental Revenues	\$ 258,753	\$ -	\$ -	\$ 258,753
Charges for Services	908,601	998,716	3,651,218	5,558,535
Interest	571	144	-	715
Total Revenues	<u>1,167,925</u>	<u>998,860</u>	<u>3,651,218</u>	<u>5,818,003</u>
Expenditures				
Current:				
General Government:				
Personnel Services	202,296	-	-	202,296
Operating Expenditures	26,828	51,639	3,651,218	3,729,685
Capital Outlay	4,653	-	-	4,653
Court-Related Services:				
Personnel Services	715,015	-	-	715,015
Operating Expenditures	78,767	935,255	-	1,014,022
Capital Outlay	4,930	-	-	4,930
(Total Expenditures)	<u>(1,032,489)</u>	<u>(986,894)</u>	<u>(3,651,218)</u>	<u>(5,670,601)</u>
Excess of Revenues Over Expenditures	<u>135,436</u>	<u>11,966</u>	<u>-</u>	<u>147,402</u>
Other Financing Sources (Uses)				
Reversion to the State of Florida	(142,363)	-	-	(142,363)
Transfers In from DeSoto County				
Board of County Commissioners	57,000	-	-	57,000
Transfers (Out) to DeSoto County				
Board of County Commissioners	(50,073)	-	-	(50,073)
Total Other Financing Sources (Uses)	<u>(135,436)</u>	<u>-</u>	<u>-</u>	<u>(135,436)</u>
Net Change in Fund Balances	-	11,966	-	11,966
Fund Balance, Beginning of Year	-	151,680	-	151,680
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 163,646</u>	<u>\$ -</u>	<u>\$ 163,646</u>

See accompanying notes.

**DESOTO COUNTY, FLORIDA
 CLERK OF THE CIRCUIT AND COUNTY COURTS
 STATEMENT OF FIDUCIARY NET POSITION
 SEPTEMBER 30, 2021**

	<u>Total Custodial Funds</u>
Assets	
Cash	\$ 942,655
Total Assets	<u>942,655</u>
 Liabilities and Net Position	
 Liabilities	
Due to Individuals and Businesses	3,014
Total Liabilities	<u>3,014</u>
 Net Position	
Restricted for Individuals and Businesses	939,641
Total Net Position	<u>939,641</u>
 Total Liabilities and Net Position	 <u>\$ 942,655</u>

See accompanying notes.

**DESOTO COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
SEPTEMBER 30, 2021**

	Total Custodial Funds
Additions	
Fees/Fines Collected for Other Governments	\$ 1,700,753
Deposits and Other Trust Activities	1,594,701
Total Additions	3,295,454
Deductions	
Fees/Fines Disbursed to Other Governments	1,664,477
Deposits and Other Trust Activities Disbursed	1,206,377
(Total Deductions)	(2,870,854)
Change in Net Position	424,600
Net Position, Beginning of Year - AS RESTATED	515,041
Net Position, End of Year	\$ 939,641

See accompanying notes.

DESOTO COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 1 - Summary of Significant Accounting Policies

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

Reporting Entity

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

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

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

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

Basis of Presentation

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

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

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

The Clerk reports the following major governmental funds:

■ **Governmental Funds**

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

DESOTO COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

As a result of the implementation of Governmental Accounting Standards Board (GASB) Statement No. 84 (described further below), activity previously reported in the Clerk’s Special Trust Agency Fund is now reported in both Special Revenue Funds, as well as Fiduciary Funds. The Public Records Trust Fund and the Documentary Stamp and Intangible Tax Fund include Special Trust activity that the Clerk considers to be the government’s own source revenue.

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

■ **Fiduciary Funds**

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

Funding of Clerk Activities

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

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

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

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

DESOTO COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Basis of Accounting

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

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

Measurement Focus

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

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

Budgetary Requirement

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

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

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

Supplemental Funding and Return of “Excess Fees”

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

DESOTO COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

For court activities, the supplemental funding from the CCOC is recorded as intergovernmental revenue on the accompanying statement of revenues, expenditures, and changes in fund balance. The amount returned, if any, is recorded as reversion to the State of Florida under other financing sources (uses). For the period October 1, 2020 through September 30, 2021, the amount recorded as due to other governments includes \$76,860 of September 2021 revenues that can be retained to fund 2022 expenditures, as well as \$109,884, which is due to the state.

Prepaid Items

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

Deferred Inflows/Unavailable Revenues

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

Fund Balances

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

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

**DESOTO COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

- **Assigned**—This component of fund balance consists of amounts that are constrained by a less-than-formal action of the organization’s governing authority, or by an individual or body to whom the governing authority has delegated this responsibility. The Clerk has not delegated the responsibility to assign fund balances to any individual or body.
- **Unassigned**—This classification is used for: (a) negative unrestricted fund balances in any governmental fund; or (b) fund balances within the general fund that are not restricted, committed, or assigned.

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

Use of Estimates

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

New GASB Pronouncement

Effective October 1, 2020, the Clerk adopted GASB Statement No. 84, *Fiduciary Activities* (the Statement). This Statement addresses accounting and reporting for fiduciary funds; changes standards for recognizing liabilities, revenues and expenses in fiduciary funds; and changes the classification of fiduciary funds based on criteria established in the Statement. Furthermore, the Statement also establishes reporting for the statement of changes in fiduciary net position, which is included in addition to the statement of fiduciary net position in the financial statements.

As of September 30, 2020, the Clerk had three agency funds. After implementing the Statement, the Special Trust Agency Fund activity is now reported separately as one custodial fund, one special revenue fund, and partially combined with the Public Records Trust Fund. See basis of presentation note above for more information on this fund.

GASB Statement No. 84 requires that changes adopted to conform to the provisions of the Statement be applied retroactively. The Clerk has restated the beginning net positions as necessary in the statement of fiduciary net position as a result of implementation:

Agency Funds Net Position, as of October 1, 2020	\$ -
Restatement Due to Implementation of GASB Statement No. 84	<u>515,041</u>
Custodial Funds Net Position, as Restated, as of October 1, 2020	<u>\$ 515,041</u>

DESOTO COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 2 - Cash and Investments

At year-end, the carrying amount of the Clerk's deposits was \$1,323,524 (\$380,869 in governmental funds and \$942,655 in fiduciary funds). All of the Clerk's public deposits are held in qualified public depositories (QPDs) pursuant to Florida Statutes, Chapter 280. Under this Chapter, each QPD is required to pledge collateral to the State Treasurer against the public deposits. In the event of default by a QPD, all claims for public deposits would be satisfied by the State Treasurer from the proceeds of federal deposit insurance, pledged collateral of the QPD in default and, if necessary, assessments against other QPDs of the same type as the depositor in default.

In addition to cash deposits, the Clerk maintains cash on hand for the purpose of making change on transactions. At September 30, 2021, the Clerk held \$1,250 in cash on hand.

Investments

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

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

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

Note 3 - Capital Assets

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

**DESOTO COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

Note 4 - Accumulated Compensated Absences

The amount of vested accumulated compensated absences payable under the Clerk’s leave policy is reported as a liability in the statement of net position in the County’s basic financial statements. That liability is based on earned but unused leave time (vacation and sick) at current pay rates, plus FICA taxes related thereto. Leave time is accrued per the policy based on length of employment, is payable at 100% upon retirement in good standing, and is capped at 400 hours depending on years of service.

The policy explains that payouts for unused leave time are subject to funding availability. Non-vested amounts are not accrued and not considered to be significant.

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

	<u>Balance October 1, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance September 30, 2021</u>	<u>Due Within One Year</u>
Accrued Compensated Absences	\$ 46,984	\$ 31,110	\$ (26,280)	\$ 43,354	\$ 4,335

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

Note 5 - Florida Retirement System (FRS) Pension Benefits

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

Note 6 - Postemployment Benefits Other than Pensions

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

Note 7 - Risk Management

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

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

**DESOTO COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

Note 8 - Litigation and Contingencies

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

REQUIRED SUPPLEMENTARY INFORMATION

DESOTO COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental Revenues	\$ 256,231	\$ 256,231	\$ 258,753	\$ 2,522
Charges for Services:				
Court Activities	540,000	540,000	692,501	152,501
Non-Court Activities	200,000	208,000	216,100	8,100
Interest	-	-	571	571
Total Revenues	<u>996,231</u>	<u>1,004,231</u>	<u>1,167,925</u>	<u>163,694</u>
Expenditures				
Board Budget:				
General Government:				
Personnel Services	195,000	235,000	202,296	32,704
Operating Expenditures	30,000	30,000	26,828	3,172
Capital Outlay	-	-	4,653	(4,653)
State Budget:				
Court-Related Services:				
Personnel Services	699,081	699,081	715,015	(15,934)
Operating Expenditures	79,150	79,150	78,767	383
Capital Outlay	18,000	18,000	4,930	13,070
(Total Expenditures)	<u>(1,021,231)</u>	<u>(1,061,231)</u>	<u>(1,032,489)</u>	<u>28,742</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(25,000)</u>	<u>(57,000)</u>	<u>135,436</u>	<u>192,436</u>
Other Financing Sources (Uses)				
Reversion to the State of Florida	-	-	(142,363)	(142,363)
Transfers In from DeSoto County				
Board of County Commissioners	25,000	57,000	57,000	-
Transfers (Out) to DeSoto County				
Board of County Commissioners	-	-	(50,073)	(50,073)
Total Other Financing Sources (Uses)	<u>25,000</u>	<u>57,000</u>	<u>(135,436)</u>	<u>(192,436)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**DESOTO COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2021**

Note 1 - Budgetary Information

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

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

OTHER FINANCIAL INFORMATION

**DESOTO COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2021**

	Registry of Court Fund	Special Trust Fund	Fine and Forfeiture Fund	Child Support Fund	Total Custodial Funds
Assets					
Cash	\$ 513,793	\$ 425,848	\$ -	\$ 3,014	\$ 942,655
Liabilities					
Due to Individuals and Businesses	-	-	-	3,014	3,014
Total Liabilities	-	-	-	3,014	3,014
Net Position					
Restricted for: Individuals and Businesses	513,793	425,848	-	-	939,641
Total Net Position	\$ 513,793	\$ 425,848	\$ -	\$ -	\$ 939,641

DESOTO COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
SEPTEMBER 30, 2021

	Registry of Court Fund	Special Trust Fund	Fine and Forfeiture Fund	Child Support Fund	Total Custodial Funds
Additions					
Fees/Fines Collected for Other Governments	\$ -	\$ 666,384	\$ 1,034,369	\$ -	\$ 1,700,753
Deposits and Other Trust Activities	1,173,496	199,295	-	221,910	1,594,701
Total Additions	1,173,496	865,679	1,034,369	221,910	3,295,454
Deductions					
Fees/Fines Disbursed to Other Governments	-	630,108	1,034,369	-	1,664,477
Deposits and Other Trust Activities Disbursed	852,732	131,735	-	221,910	1,206,377
(Total Deductions)	(852,732)	(761,843)	(1,034,369)	(221,910)	(2,870,854)
Change in Net Position	320,764	103,836	-	-	424,600
Net Position, Beginning of Year - AS RESTATED	193,029	322,012	-	-	515,041
Net Position, End of Year	\$ 513,793	\$ 425,848	\$ -	\$ -	\$ 939,641

OTHER REPORTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the DeSoto County, Florida Clerk of the Circuit and County Courts (the Clerk) as of and for the year ended September 30, 2021, and the related notes to the financial statements, and have issued our report thereon dated June 22, 2022.

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 the timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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

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

Compliance and Other Matters

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



June 22, 2022
Sarasota, Florida

**INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE
WITH FLORIDA STATUTE SECTION 218.415 – INVESTMENTS OF PUBLIC FUNDS**

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

We have examined the DeSoto County, Florida Clerk of the Circuit and County Courts’ (the Clerk) compliance with Section 218.415, Florida Statutes during the fiscal year ended September 30, 2021, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the Clerk’s compliance with those requirements. Our responsibility is to express an opinion on the Clerk’s compliance based on our examination.

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

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

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements during the fiscal year ended September 30, 2021.

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



June 22, 2022
Sarasota, Florida

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**INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE
WITH FLORIDA STATUTE SECTIONS 28.35 AND 28.36 – CERTAIN COURT-RELATED FUNCTIONS**

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

We have examined the DeSoto County, Florida Clerk of the Circuit and County Courts’ (the Clerk) compliance with Section 28.35, Florida Statutes, *Florida Clerks of Court Operations Corporation*, and Section 28.36, Florida Statutes, *Budget Procedure*, during the fiscal year ended September 30, 2021, as required by Section 10.556(10)(c), *Rules of the Auditor General*. Management is responsible for the Clerk’s compliance with those requirements. Our responsibility is to express an opinion on the Clerk’s compliance based on our examination.

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

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

In our opinion, the Clerk complied, in all material respects, with the requirements of Section 28.35, Florida Statutes, *Florida Clerks of Court Operations Corporation*, and Section 28.36, Florida Statutes, *Budget Procedure*, during the fiscal year ended September 30, 2021.

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



June 22, 2022
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**INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE
WITH FLORIDA STATUTE SECTION 61.181 – ALIMONY AND CHILD SUPPORT PAYMENTS**

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

We have examined the DeSoto County, Florida Clerk of the Circuit and County Courts’ (the Clerk) compliance with Section 61.181, Florida Statutes, *Depository for Alimony Transactions, Support, Maintenance, and Support Payments; Fees*, during the fiscal year ended September 30, 2021, as required by Section 10.556(10)(d), *Rules of the Auditor General*. Management is responsible for the Clerk’s compliance with those requirements. Our responsibility is to express an opinion on the Clerk’s compliance based on our examination.

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

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

In our opinion, the Clerk complied, in all material respects, with the requirements of Section 61.181, Florida Statutes, *Depository for Alimony Transactions, Support, Maintenance, and Support Payments; Fees*, during the fiscal year ended September 30, 2021.

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



June 22, 2022
Sarasota, Florida

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MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of each major fund and the aggregate remaining fund information of the DeSoto County, Florida Clerk of the Circuit and County Courts (the Clerk) as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated June 22, 2022.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Reports on an examination conducted in accordance with the American Institute of Certified Public Accountants *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated June 22, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

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

MANAGEMENT LETTER

Financial Management

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

Additional Matters

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

Purpose of this Letter

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

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



June 22, 2022
Sarasota, Florida

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

**SHERIFF
DESOTO COUNTY, FLORIDA**

SEPTEMBER 30, 2021

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INDEPENDENT AUDITOR'S REPORT

Honorable James Potter
Sheriff
DeSoto County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the DeSoto County, Florida Sheriff (the Sheriff) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Sheriff's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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Honorable James Potter
Sheriff
DeSoto County, Florida

INDEPENDENT AUDITOR'S REPORT

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Sheriff as of September 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principles

As described in Note 1 to the financial statements, the Sheriff adopted Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida (the Rules). In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information of DeSoto County, Florida that is attributable to the Sheriff. They do not purport to, and do not, present fairly the financial position of DeSoto County, Florida as of September 30, 2021, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Honorable James Potter
Sheriff
DeSoto County, Florida

INDEPENDENT AUDITOR'S REPORT

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2022, 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.



January 14, 2022
Sarasota, Florida

FINANCIAL STATEMENTS

DESOTO COUNTY, FLORIDA
SHERIFF
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	<u>Major Funds</u>				Total Governmental Funds
	<u>General Fund</u>	<u>Communications Fund</u>	<u>Inmate Welfare Fund</u>	<u>Non-Major Governmental Funds</u>	
Assets					
Cash	\$ 865,926	\$ 344,936	\$ 378,788	\$ 29,317	\$ 1,618,967
Due from Other Governments	25,823	-	-	-	25,823
Due from Individuals and Businesses	20,547	-	11,240	2,465	34,252
Total Assets	<u>912,296</u>	<u>344,936</u>	<u>390,028</u>	<u>31,782</u>	<u>1,679,042</u>
Liabilities and Fund Balances					
Liabilities					
Vouchers Payable	109,708	9,254	278	-	119,240
Accrued Liabilities	243,627	23,864	-	2,519	270,010
Unearned Revenue	642	-	-	-	642
Due to Board of County Commissioners	558,319	311,818	-	-	870,137
Total Liabilities	<u>912,296</u>	<u>344,936</u>	<u>278</u>	<u>2,519</u>	<u>1,260,029</u>
Fund Balances					
Restricted for:					
Inmate Benefits	-	-	389,750	-	389,750
Voluntary Extra Duty	-	-	-	8,755	8,755
Education and Training	-	-	-	19,300	19,300
Victim Advocate	-	-	-	1,208	1,208
Total Fund Balances	<u>-</u>	<u>-</u>	<u>389,750</u>	<u>29,263</u>	<u>419,013</u>
Total Liabilities and Fund Balances	<u>\$ 912,296</u>	<u>\$ 344,936</u>	<u>\$ 390,028</u>	<u>\$ 31,782</u>	<u>\$ 1,679,042</u>

See accompanying notes.

DESOTO COUNTY, FLORIDA
SHERIFF
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Major Funds			Non-Major Governmental Funds	Total Governmental Funds
	General Fund	Communications Fund	Inmate Welfare Fund		
Revenues					
Intergovernmental	\$ 347,080	\$ 10,586	\$ -	\$ -	\$ 357,666
Charges for Service	45,738	-	161,268	63,235	270,241
Interest Income	1,090	185	152	11	1,438
Miscellaneous Income	62,720	501	4,000	-	67,221
Total Revenues	<u>456,628</u>	<u>11,272</u>	<u>165,420</u>	<u>63,246</u>	<u>696,566</u>
Expenditures					
Current:					
Public Safety - Law Enforcement:					
Personnel Services	5,842,298	-	-	58,900	5,901,198
Operating Expenditures	1,123,989	-	-	154	1,124,143
Capital Outlay	475,174	-	-	-	475,174
Public Safety - Corrections:					
Personnel Services	2,757,437	-	-	-	2,757,437
Operating Expenditures	1,546,231	-	67,633	-	1,613,864
Capital Outlay	271,932	-	19,370	-	291,302
Public Safety - Communications:					
Personnel Services	-	666,504	-	-	666,504
Operating Expenditures	-	146,090	-	-	146,090
Capital Outlay	-	28,227	-	-	28,227
Public Safety - E-911 Coordinators:					
Personnel Services	69,060	-	-	-	69,060
Court Services -					
Courthouse Security:					
Personnel Services	316,891	-	-	-	316,891
(Total Expenditures)	<u>(12,403,012)</u>	<u>(840,821)</u>	<u>(87,003)</u>	<u>(59,054)</u>	<u>(13,389,890)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(11,946,384)</u>	<u>(829,549)</u>	<u>78,417</u>	<u>4,192</u>	<u>(12,693,324)</u>
Other Financing Sources (Uses)					
Transfers from Board of County Commissioners:					
Primary Allocation	12,405,745	1,141,367	-	-	13,547,112
Supplemental Funding	98,958	-	-	-	98,958
Transfers to Board of County Commissioners	(558,319)	(311,818)	-	-	(870,137)
Total Other Financing Sources (Uses)	<u>11,946,384</u>	<u>829,549</u>	<u>-</u>	<u>-</u>	<u>12,775,933</u>
Net Change in Fund Balances	-	-	78,417	4,192	82,609
Fund Balances, Beginning of Year	-	-	311,333	25,071	336,404
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 389,750</u>	<u>\$ 29,263</u>	<u>\$ 419,013</u>

See accompanying notes.

DESOTO COUNTY, FLORIDA
SHERIFF
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2021

	Custodial Funds
Assets	
Cash	\$ 41,507
Due from Others	5,854
Total Assets	47,361
 Liabilities	
Due to Others	6,979
Total Liabilities	6,979
 Net Position	
Restricted for Individuals, Organizations and Other Governments	40,382
Total Net Position	40,382
 Total Liabilities and Net Position	\$ 47,361

See accompanying notes.

DESOTO COUNTY, FLORIDA
SHERIFF
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Custodial Funds
Additions	
Cash Bonds Collected	\$ 97,568
Fines and Forfeitures and Fees Collected	36,311
Evidence Monies Collected	55,239
Collections from Inmates	411,846
Interest Income	198
Total Additions	601,162
 Deductions	
Cash Bonds Disbursed	97,568
Fines and Forfeitures and Fees Disbursed	36,311
Evidence Monies Disbursed	55,239
Inmate Funds Disbursed	408,212
Total Deductions	597,330
 Change in Fiduciary Net Position	3,832
 Beginning Net Position	-
Prior Period Adjustment	36,550
Beginning Net Position, Restated	36,550
 Ending Net Position	\$ 40,382

See accompanying notes.

DESOTO COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 1 - Summary of Significant Accounting Policies

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

Reporting Entity

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

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

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

Basis of Presentation

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

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

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

The Sheriff reports the following major governmental funds:

■ **Governmental Fund Types**

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

DESOTO COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

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

■ **Governmental Fund Types**

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

■ **Fiduciary Fund Types**

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

Basis of Accounting

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

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

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

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

Measurement Focus

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

DESOTO COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

The Sheriff reports aggregated totals for additions and aggregated totals for deductions of custodial funds in which resources, upon receipt, are normally expected to be held for three months or less. The descriptions of the aggregated totals of additions and deductions indicate the nature of the resource flows.

Budgetary Process

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

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

Capital Assets

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

Compensated Absences

All full-time employees of the Sheriff are entitled to annual vacation and sick leave with pay. The employees may accumulate unused vacation leave up to a maximum of 240 hours and can accumulate sick leave with no limit. Accrued vacation leave is paid at termination, while accrued sick leave is only paid to employees who retire. Accrued sick leave is paid at a rate of 25% of the hours accrued, up to a maximum of 480 hours. Vacation and sick leave payments are included in operating costs when payments are made to the employees. The Sheriff does not, nor is he legally required to, accumulate financial resources for these unmatured obligations. Accordingly, the liability for compensated absences is not reported in the governmental funds, but rather is reported in the basic financial statements of the County.

Appropriations from the Board of County Commissioners and Refund of “Excess Fees”

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

DESOTO COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

Deferred Inflows

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

Fund Balances

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

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

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

**DESOTO COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

Use of Estimates

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

Change in Accounting Principles

For the fiscal year ended September 30, 2021, the Sheriff implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*.

Fiduciary activities are reported in the fiduciary fund financial statements. The statement of fiduciary net position is used to report the assets, liabilities, and fiduciary net position of custodial funds. The statement of changes in fiduciary net position is used to report additions to and deductions from custodial funds.

In accordance with GASB Statement No. 84, liabilities in custodial funds are recognized when an event has occurred that compels the government to disburse the resources held in a fiduciary capacity. If further action, authorization, or condition is required to compel the Sheriff to disburse the funds at year-end, the amounts are reported as net position. GASB Statement No. 84 requires that changes adopted to conform to the provisions of the statement be applied retroactively. The Sheriff has restated the beginning net position in the statement of fiduciary net position as a result of the change in recognition of liabilities as follows:

Agency Funds, Net Position, as of October 1, 2020	\$ -
Restatement Due to the Implementation of GASB Statement No. 84	36,550
Custodial Funds, Net Position, as Restated, as of October 1, 2020	<u>\$ 36,550</u>

Note 2 - Cash and Cash Equivalents

Deposits

At year-end, the carrying amount of the Sheriff's deposits was \$1,660,474, (\$1,618,967 in governmental funds and \$41,507 in custodial funds), and the bank balance was \$1,938,923. The Sheriff's bank deposits are held in qualified public depositories (QPDs) pursuant to Chapter 280, Florida Statutes. Under this Chapter, each QPD is required to pledge collateral to the State Treasurer against the public deposits. In the event of default by a QPD, all claims for public deposits would be satisfied by the State Treasurer from the proceeds of federal deposit insurance, pledged collateral of the QPD in default and, if necessary, assessments against other QPDs of the same type as the depositor in default.

Investments

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

**DESOTO COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

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

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

Note 3 - Capital Assets

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

Information on vehicles and equipment used in the operations of the Sheriff's office are presented below:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Capital Asset, Net</u>
Beginning Balance	\$ 6,500,167	\$ (3,908,322)	\$ 2,591,845
Capital Additions	803,246	-	803,246
Depreciation	-	(649,344)	(649,344)
(Disposals)	<u>(358,640)</u>	<u>329,716</u>	<u>(28,924)</u>
Ending Balance	<u>\$ 6,944,773</u>	<u>\$ (4,227,950)</u>	<u>\$ 2,716,823</u>

The Sheriff routinely trades in assets when purchasing new assets. The remaining book value of the assets traded in is added to the value of the new asset. Following is a reconciliation of 2021 capital asset additions above to capital outlay on the accompanying statement of revenues, expenditures, and changes in fund balance:

	<u>2021</u>
Capital Outlay	\$ 794,703
Net Book Value of Trade-Ins	<u>8,543</u>
Total Capital Additions (Above)	<u>\$ 803,246</u>

DESOTO COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 4 - Accumulated Compensated Absences

Note 1 describes the policy for accrual and payment of vacation and sick leave. Following is a summary of changes in the compensated absences liability during fiscal year 2021:

Beginning Balance	\$ 411,424
Net Increase	<u>94,074</u>
Ending Balance	<u>\$ 505,498</u>

The portion of the above compensated absences liability estimated to be paid during the next year (current portion) is \$50,550.

Note 5 - Florida Retirement System (FRS) Pension Benefits

The Sheriff participates in the Florida Retirement System for Pension Benefits. A detailed plan description and any liability for employees of the Sheriff are included in the financial statements of the County.

Note 6 - Postemployment Benefits Other than Pensions

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

Note 7 - Risk Management

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

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

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

Note 8 - Litigation

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

REQUIRED SUPPLEMENTARY INFORMATION

DESOTO COUNTY, FLORIDA
SHERIFF
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 322,923	\$ 347,080	\$ 24,157
Charges for Service	-	45,738	45,738	-
Interest Income	-	-	1,090	1,090
Miscellaneous Income	-	3,250	62,720	59,470
Total Revenues	-	371,911	456,628	84,717
Expenditures				
Current:				
Personnel Services	9,202,870	9,575,131	8,985,686	589,445
Operating Expenditures	2,897,875	3,016,283	2,670,220	346,063
Capital Outlay	285,000	243,860	747,106	(503,246)
Reserves	20,000	20,000	-	20,000
(Total Expenditures)	(12,405,745)	(12,855,274)	(12,403,012)	452,262
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,405,745)	(12,483,363)	(11,946,384)	536,979
Other Financing Sources (Uses)				
Transfers from Board of County Commissioners:				
Primary Allocation	12,405,745	12,333,771	12,405,745	71,974
Supplemental Funding	-	149,592	98,958	(50,634)
Transfers to Board of County Commissioners	-	-	(558,319)	(558,319)
Total Other Financing Sources (Uses)	12,405,745	12,483,363	11,946,384	(536,979)
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -

DESOTO COUNTY, FLORIDA
SHERIFF
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COMMUNICATIONS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ -	\$ -	\$ 10,586	\$ 10,586
Interest Income	-	-	185	185
Miscellaneous Income	-	-	501	501
Total Revenues	<u>-</u>	<u>-</u>	<u>11,272</u>	<u>11,272</u>
Expenditures				
Current:				
Public Safety - Communications:				
Personnel Services	949,462	955,362	666,504	288,858
Operating Expenditures	161,905	156,005	146,090	9,915
Capital Outlay	30,000	30,000	28,227	1,773
(Total Expenditures)	<u>(1,141,367)</u>	<u>(1,141,367)</u>	<u>(840,821)</u>	<u>300,546</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,141,367)</u>	<u>(1,141,367)</u>	<u>(829,549)</u>	<u>311,818</u>
Other Financing Sources (Uses)				
Transfers from Board of County Commissioners				
Primary Allocation	1,141,367	1,141,367	1,141,367	-
Supplemental Funding	-	-	-	-
Transfers to Board of County Commissioners	-	-	(311,818)	(311,818)
Total Other Financing Sources (Uses)	<u>1,141,367</u>	<u>1,141,367</u>	<u>829,549</u>	<u>(311,818)</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DESOTO COUNTY, FLORIDA
SHERIFF
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2021

Note 1 - Budgetary Information

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

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

SUPPLEMENTARY INFORMATION

**DESOTO COUNTY, FLORIDA
SHERIFF
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

	<u>Education Fund</u>	<u>Voluntary Extra Duty Fund</u>	<u>Victim Advocate Fund</u>	<u>Total Non-Major Governmental Funds</u>
Assets				
Cash	\$ 19,058	\$ 9,051	\$ 1,208	\$ 29,317
Due from Individuals and Businesses	242	2,223	-	2,465
Total Assets	<u>19,300</u>	<u>11,274</u>	<u>1,208</u>	<u>31,782</u>
Liabilities				
Accrued Liabilities	-	2,519	-	2,519
Total Liabilities	<u>-</u>	<u>2,519</u>	<u>-</u>	<u>2,519</u>
Fund Balances				
Restricted for:				
Education and Training	19,300	-	-	19,300
Voluntary Extra Duty	-	8,755	-	8,755
Victim Advocate	-	-	1,208	1,208
Total Fund Balances	<u>19,300</u>	<u>8,755</u>	<u>1,208</u>	<u>29,263</u>
Total Liabilities and Fund Balances	<u>\$ 19,300</u>	<u>\$ 11,274</u>	<u>\$ 1,208</u>	<u>\$ 31,782</u>

DESOTO COUNTY, FLORIDA
SHERIFF
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Education Fund	Voluntary Extra Duty Fund	Victim Advocate Fund	Total Non-Major Governmental Funds
Revenues				
Charges for Service	\$ 3,674	\$ 59,561	\$ -	\$ 63,235
Interest Income	9	2	-	11
Total Revenues	<u>3,683</u>	<u>59,563</u>	<u>-</u>	<u>63,246</u>
Expenditures				
Current:				
Public Safety - Law Enforcement:				
Personnel Expenditures	-	58,900	-	58,900
Operating Expenditures	-	105	49	154
(Total Expenditures)	<u>-</u>	<u>(59,005)</u>	<u>(49)</u>	<u>(59,054)</u>
Net Change in Fund Balances	3,683	558	(49)	4,192
Fund Balances, Beginning of Year	<u>15,617</u>	<u>8,197</u>	<u>1,257</u>	<u>25,071</u>
Fund Balances, End of Year	<u>\$ 19,300</u>	<u>\$ 8,755</u>	<u>\$ 1,208</u>	<u>\$ 29,263</u>

DESOTO COUNTY, FLORIDA
SHERIFF
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
SEPTEMBER 30, 2021

	<u>Cash Bond Fund</u>	<u>Individual Depositors Fund</u>	<u>Other Suspense Fund</u>	<u>Inmate Trust Fund</u>	<u>Total Custodial Funds</u>
Assets					
Cash	\$ 10	\$ 1,127	\$ -	\$ 40,370	\$ 41,507
Due from Others	-	3,109	2,745	-	5,854
Total Assets	<u>10</u>	<u>4,236</u>	<u>2,745</u>	<u>40,370</u>	<u>47,361</u>
Liabilities					
Due to Others	-	4,236	2,743	-	6,979
Total Liabilities	<u>-</u>	<u>4,236</u>	<u>2,743</u>	<u>-</u>	<u>6,979</u>
Net Position					
Restricted for Individuals, Organizations, and Other Governments	<u>10</u>	<u>-</u>	<u>2</u>	<u>40,370</u>	<u>40,382</u>
Total Net Position	<u>10</u>	<u>-</u>	<u>2</u>	<u>40,370</u>	<u>40,382</u>
Total Liabilities and Net Position	<u>\$ 10</u>	<u>\$ 4,236</u>	<u>\$ 2,745</u>	<u>\$ 40,370</u>	<u>\$ 47,361</u>

DESOTO COUNTY, FLORIDA
SHERIFF
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Cash Bond Fund	Individual Depositors Fund	Other Suspense Fund	Inmate Trust Fund	Total Custodial Funds
Additions					
Cash Bonds Collected	\$ 97,568	\$ -	\$ -	\$ -	\$ 97,568
Fines and Forfeitures and Fees Collected	-	36,311	-	-	36,311
Evidence Monies Collected	-	-	55,239	-	55,239
Collections from Inmates	-	-	-	411,846	411,846
Interest Income	10	-	2	186	198
Total Additions	97,578	36,311	55,241	412,032	601,162
Deductions					
Cash Bonds Disbursed	97,568	-	-	-	97,568
Fines and Forfeitures and Fees Disbursed	-	36,311	-	-	36,311
Evidence Monies Disbursed	-	-	55,239	-	55,239
Inmate Funds Disbursed	-	-	-	408,212	408,212
Total Deductions	97,568	36,311	55,239	408,212	597,330
Change in Net Position	10	-	2	3,820	3,832
Beginning Net Position	-	-	-	-	-
Prior Period Adjustment	-	-	-	36,550	36,550
Beginning Net Position, Restated	-	-	-	36,550	36,550
Ending Net Position	\$ 10	\$ -	\$ 2	\$ 40,370	\$ 40,382

OTHER REPORTS

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

Honorable James Potter
Sheriff
DeSoto County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the DeSoto County, Florida Sheriff (the Sheriff) as of and for the year ended September 30, 2021, and the related notes to the financial statements, and have issued our report thereon dated January 14, 2022.

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 may exist that have not been identified.

Compliance and Other Matters

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

Honorable James Potter
Sheriff
DeSoto County, Florida

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

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

Purpose of this Report

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



January 14, 2022
Sarasota, Florida

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

Honorable James Potter
Sheriff
DeSoto County, Florida

We have examined the DeSoto County, Florida Sheriff’s (the Sheriff) compliance with Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2021, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the Sheriff’s compliance with those requirements. Our responsibility is to express an opinion on the Sheriff’s compliance based on our examination.

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

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

In our opinion, the Sheriff complied, in all material respects, with the aforementioned requirements during the fiscal year ended September 30, 2021.

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



January 14, 2022
Sarasota, Florida

MANAGEMENT LETTER

Honorable James Potter
Sheriff
DeSoto County, Florida

Report on the Financial Statements

We have audited the financial statements of each major fund and the aggregate remaining fund information of the DeSoto County, Florida Sheriff (the Sheriff) as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated January 14, 2022.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with the American Institute of Certified Public Accountants *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated January 14, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

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Honorable James Potter
Sheriff
DeSoto County, Florida

MANAGEMENT LETTER

Financial Management

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

Additional Matters

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

Purpose of the Letter

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

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



January 14, 2022
Sarasota, Florida

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

**TAX COLLECTOR
DESOTO COUNTY, FLORIDA**

SEPTEMBER 30, 2021

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INDEPENDENT AUDITOR'S REPORT

Honorable Debra L. Burtscher
Tax Collector
DeSoto County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the general fund (major fund) and the aggregate remaining fund information of the DeSoto County, Florida Tax Collector (the Tax Collector) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Tax Collector's financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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Honorable Debra L. Burtscher
Tax Collector
DeSoto County, Florida

INDEPENDENT AUDITOR'S REPORT

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund (major fund) and the aggregate remaining fund information of the Tax Collector as of September 30, 2021, and the changes in financial position of the general fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

Incomplete Presentation

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida (the Rules). In conformity with the Rules, the accompanying financial statements are intended to present the financial position, changes in financial position, and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of DeSoto County, Florida that is attributable to the Tax Collector. They do not purport to, and do not, present fairly the financial position of DeSoto County, Florida as of September 30, 2021, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Change in Accounting Principle

As described in Note 1 to the financial statements, the Tax Collector adopted Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

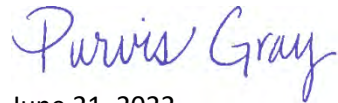
Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule, as listed in the table of contents, be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental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

Honorable Debra L. Burtscher
Tax Collector
DeSoto County, Florida

INDEPENDENT AUDITOR'S REPORT

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2022, 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.



June 21, 2022
Sarasota, Florida

FINANCIAL STATEMENTS

**DESOTO COUNTY, FLORIDA
TAX COLLECTOR
BALANCE SHEET
GENERAL FUND (MAJOR FUND)
SEPTEMBER 30, 2021**

Assets	
Cash and Cash Equivalents	\$ 456,314
Due from Other Governments	<u>16,136</u>
Total Assets	<u><u>472,450</u></u>
 Liabilities, Deferred Inflows, and Fund Balance	
Liabilities	
Due to Board of County Commissioners	423,418
Due to Other Governments	13,117
Unearned Revenue	<u>19,778</u>
Total Liabilities	<u>456,313</u>
 Deferred Inflows of Resources	
Unavailable Revenue	<u>16,137</u>
 Fund Balance	 <u>-</u>
 Total Liabilities, Deferred Inflows, and Fund Balance	 <u><u>\$ 472,450</u></u>

See accompanying notes.

DESOTO COUNTY, FLORIDA
TAX COLLECTOR
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND (MAJOR FUND)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Revenues

Commissions and Fees:	
Board of County Commissioners	\$ 841,913
Other Governmental Units	309,193
Delinquent Tax Fees	88,699
Other Taxing Districts	12,965
Interest	189
Miscellaneous	102
Total Revenues	1,253,061

Expenditures

Current:	
General Government:	
Personnel Services	707,707
Operating Expenditures	109,861
Capital Outlay	12,075
(Total Expenditures)	(829,643)

Excess of Revenues Over Expenditures	423,418
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Other Financing Sources (Uses)

Distribution of Excess Commissions to DeSoto County, Florida, Board of County Commissioners	(423,418)
Total Other Financing Sources (Uses)	(423,418)

Net Change in Fund Balance	-
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Fund Balance, Beginning of Year	-
--	----------

Fund Balance, End of Year	\$ -
----------------------------------	-------------

See accompanying notes.

**DESOTO COUNTY, FLORIDA
TAX COLLECTOR
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2021**

	<u>Custodial Fund</u>
Assets	
Cash and Cash Equivalents	\$ 707,964
Accounts Receivable	26,392
Total Assets	<u>734,356</u>
Liabilities	
Due to Other Governments	657,684
Escrow Deposits	76,672
Total Liabilities	<u>734,356</u>
Net Position	<u>-</u>
Total Liabilities and Net Position	<u>\$ 734,356</u>

See accompanying notes.

**DESOTO COUNTY, FLORIDA
TAX COLLECTOR
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Custodial Fund
Additions	
Property Taxes and Fees Collected for Other Governments	\$ 45,356,742
Tax Certificate Redemptions and Fees Collected for Businesses and Individuals	<u>5,322,222</u>
Total Additions	<u><u>50,678,964</u></u>
Deductions	
Disbursements of Taxes and Fees to Other Governments	45,356,742
Disbursements of Fees Collected for Businesses and Individuals	<u>5,322,222</u>
Total Deductions	<u><u>50,678,964</u></u>
Change in Net Position	-
Net Position, Beginning of Year	<u>-</u>
Net Position, End of Year	<u><u>\$ -</u></u>

See accompanying notes.

DESOTO COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 1 - Summary of Significant Accounting Policies

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

Reporting Entity

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

The DeSoto County, Florida Tax Collector (the Tax Collector) is an elected constitutional officer of the County as provided for by the Constitution of the State of Florida. Pursuant to Chapter 195.087, Florida Statutes, the Tax Collector's budget is submitted annually to the Florida Department of Revenue for approval and a copy is forwarded to the Board for coordination with the Board's budget. Any excess revenues received over expenditures made are remitted at year-end to the taxing districts.

As provided in Florida Statutes, the Tax Collector periodically notifies the Board and other governmental agencies of the commissions and fees due to the Tax Collector. By statute, commissions and fees attributable to the school board are paid by the Board.

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

Basis of Presentation

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

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

The Tax Collector reports the following major governmental fund:

- **The General Fund**—a governmental fund—is used to account for all revenues and expenditures applicable to the general operations of the Tax Collector that are not required, either legally or by GAAP, to be accounted for in another fund.

DESOTO COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

In addition, the Tax Collector also reports the following other fund type:

- **The Custodial Fund**—a fiduciary fund—is used to account for assets held by the Tax Collector as a custodian for other governments. The custodial fund is used primarily for the following:
 - To account for the collection of certain state taxes and fees, including motor vehicle registration fees and the subsequent remittance of those fees (less commission) to the State of Florida.
 - To account for the collection and distribution of local taxes and licenses, including real and personal property taxes.

Basis of Accounting

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

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

Charges for services on the collection of property taxes are recognized as revenue in the fiscal year for which taxes are levied, provided they are collected within 30 days after the end of the fiscal year (if not, they are deferred). Certain other miscellaneous revenues are recorded as revenues when received because they are generally not measurable until actually received. Investment revenues are recorded as earned.

Measurement Focus

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

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

Budgetary Requirement

Expenditures are controlled by appropriations in accordance with the budget requirements set forth in the Florida Statutes.

A budget is legally adopted for the general fund and is on a basis consistent with GAAP. Budgetary control is at the expenditure classification level (personnel services, operating expenditures, and capital outlay). Budgetary changes within expenditure classification are made at the discretion of the Tax Collector. Amendments between expenditure classifications must be notified to the State of Florida Department of Revenue.

**DESOTO COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

Property Tax Collections

Chapter 197, Florida Statutes, governs property tax collection.

Current Taxes

All property taxes become due and payable on November 1 and are delinquent on April 1 of the following year. Discounts of 4%, 3%, 2%, and 1% are allowed for early payment in November through February, respectively.

Unpaid Taxes—Sale of Tax Certificates

The Tax Collector advertises, as required by Florida Statutes, then sells tax certificates on all real property for unpaid taxes. Certificates not purchased are issued to the County. Any person owning real property upon which a tax certificate has been sold may redeem the certificate by paying the Tax Collector the face amount of the tax certificate plus interest and other costs.

Tax Deeds

The owner of a tax certificate may, after two years of the taxes being delinquent (after April 1), file an application for tax deed sale. The County, as a certificate owner, may exercise similar procedures two years after taxes have been delinquent (after April 1). Tax deeds are issued to the highest bidder for the property, which is sold at public auction. The Clerk of the Circuit Court administers these sales.

Refund of “Excess Fees”

Florida Statutes provide that the excess of the Tax Collector’s fee revenue over expenditures is to be distributed to each governmental agency in the same proportion as the fees paid by each governmental agency bear to total fee income of the office. The amount of undistributed excess fees at the end of the fiscal year is reported as amounts due to the Board of County Commissioners and due to other taxing agencies.

The County pays a major portion of the fees collected by the Tax Collector. The payments by the County are recorded as operating expenditures in the financial statements of the County, and as charges for services revenue in the financial statements of the Tax Collector. Repayments to the County are recorded as other financing uses (transfers out) in the financial statements of the Tax Collector and as other financing sources (transfers in) in the financial statements of the County.

Deferred Inflows of Resources

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

Unearned Revenue

Unearned revenue represents the portion of biennial service fees attributable to future years.

Use of Estimates

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

DESOTO COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

New Accounting Pronouncement

Effective October 1, 2020, the Tax Collector adopted GASB Statement No. 84, *Fiduciary Activities*. This statement addresses accounting and reporting for fiduciary funds; changes standards for recognizing liabilities, revenues, expenses, and net position in fiduciary funds; and changes the classification of fiduciary funds based on criteria established in the statement. Furthermore, the statement also establishes reporting for the schedule of changes in fiduciary net position, which is included in the financial statements alongside the statement of fiduciary net position.

As of September 30, 2020, the Tax Collector had one agency fund. After implementing the statement, the agency fund is reported as a custodial fund. See *Basis of Presentation* note above for more information on this fund.

Note 2 - Cash and Investments

Cash

At year-end, the carrying amount of the Tax Collector's deposits was \$1,159,078 (\$451,114 in governmental funds and \$707,964 in fiduciary funds). All of the Tax Collector's public deposits are held in qualified public depositories (QPDs) pursuant to Florida Statutes, Chapter 280. Under this Chapter, each QPD is required to pledge collateral to the State Treasurer against the public deposits. In the event of default by a QPD, all claims for public deposits would be satisfied by the State Treasurer from the proceeds of federal deposit insurance, pledged collateral of the QPD in default and, if necessary, assessments against other QPDs of the same type as the depositor in default.

In addition to cash deposits, the Tax Collector maintains cash on hand for the purpose of making change on transactions. At September 30, 2021, the Tax Collector held \$5,200 in cash on hand.

Investments

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

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

**DESOTO COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

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

Note 3 - Capital Assets

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

Note 4 - Accumulated Compensated Absences

The amount of vested accumulated compensated absences payable under the Tax Collector's vacation policy is reported as a liability in the statement of net position in the County's financial statements. That liability includes earned but unused vacation, as well as FICA taxes related thereto. Vacation time is accrued based on length of employment. After six months of service, vacation time is paid out hour-for-hour upon separation from employment. Non-vested amounts are not considered to be significant.

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

	Balance October 1, 2020	Additions	Retirements	Balance September 30, 2021	Due Within One Year
Accrued Compensated Absences	\$ 6,765	\$ 17,623	\$ (17,444)	\$ 6,944	\$ 3,018

These liabilities are not reported on the fund statements for the Tax Collector but rather on the financial statements of the County.

Note 5 - Florida Retirement System (FRS) Pension Benefits

The Tax Collector participates in the FRS for Pension Benefits. A detailed plan description and any liability for employees of the Tax Collector are included in the financial statements of the County.

Note 6 - Postemployment Benefits Other Than Pensions

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

Note 7 - Risk Management

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

**DESOTO COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

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

Note 8 - Litigation

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

REQUIRED SUPPLEMENTARY INFORMATION

DESOTO COUNTY, FLORIDA
TAX COLLECTOR
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND (MAJOR FUND)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>With Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Commissions and Fees:				
Board of County Commissioners	\$ 860,000	\$ 860,000	\$ 841,913	\$ (18,087)
Other Governmental Units	325,060	325,060	309,193	(15,867)
Delinquent Tax Fees	100,000	100,000	88,699	(11,301)
Other Taxing Districts	26,088	26,088	12,965	(13,123)
Interest	500	500	189	(311)
Miscellaneous	1,000	1,000	102	(898)
Total Revenues	<u>1,312,648</u>	<u>1,312,648</u>	<u>1,253,061</u>	<u>(59,587)</u>
Expenditures				
Current:				
General Government:				
Personnel Services	837,033	837,033	707,707	129,326
Operating Expenditures	167,585	155,510	109,861	45,649
Capital Outlay	-	12,075	12,075	-
(Total Expenditures)	<u>(1,004,618)</u>	<u>(1,004,618)</u>	<u>(829,643)</u>	<u>174,975</u>
Excess of Revenues Over Expenditures	<u>308,030</u>	<u>308,030</u>	<u>423,418</u>	<u>115,388</u>
Other Financing Sources (Uses)				
Distribution of Excess Commissions to DeSoto County, Florida, Board of County Commissioners	(308,030)	(308,030)	(423,418)	(115,388)
Total Other Financing Sources (Uses)	<u>(308,030)</u>	<u>(308,030)</u>	<u>(423,418)</u>	<u>(115,388)</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

OTHER REPORTS

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

Honorable Debra L. Burtscher
Tax Collector
DeSoto County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the general fund and the aggregate remaining fund information of the DeSoto County, Florida Tax Collector (the Tax Collector) as of and for the year ended September 30, 2021, and the related notes to the financial statements, and have issued our report thereon dated June 21, 2022.

Internal Control over Financial Reporting

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

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

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

Honorable Debra L. Burtscher
Tax Collector
DeSoto County, Florida

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

Compliance and Other Matters

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

Purpose of this Report

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



June 21, 2022
Sarasota, Florida

**INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE
WITH FLORIDA STATUTE SECTION 218.415 – INVESTMENTS OF PUBLIC FUNDS**

Honorable Debra L. Burtscher
Tax Collector
DeSoto County, Florida

We have examined the DeSoto County, Florida Tax Collector’s (the Tax Collector) compliance with Section 218.415, Florida Statutes during the fiscal year ended September 30, 2021, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the Tax Collector’s compliance with those requirements. Our responsibility is to express an opinion on the Tax Collector’s compliance based on our examination.

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

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

In our opinion, the Tax Collector complied, in all material respects, with the aforementioned requirements during the fiscal year ended September 30, 2021.

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



June 21, 2022
Sarasota, Florida

MANAGEMENT LETTER

Honorable Debra L. Burtscher
Tax Collector
DeSoto County, Florida

Report on the Financial Statements

We have audited the financial statements of the general fund and the aggregate remaining fund information of the DeSoto County, Florida Tax Collector (the Tax Collector) as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated June 21, 2022.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with American Institute of Certified Public Accountants *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated June 21, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Management

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

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Honorable Debra L. Burtscher
Tax Collector
DeSoto County, Florida

MANAGEMENT LETTER

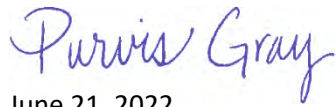
Additional Matters

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

Purpose of this Letter

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

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



June 21, 2022
Sarasota, Florida

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

**PROPERTY APPRAISER
DESOTO COUNTY, FLORIDA**

SEPTEMBER 30, 2021

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INDEPENDENT AUDITOR'S REPORT

Honorable David A. Williams, CFA
Property Appraiser
DeSoto County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the general fund (major fund) of the DeSoto County, Florida Property Appraiser (the Property Appraiser) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Property Appraiser's financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the general fund (major fund) of the Property Appraiser, as of September 30, 2021, and the changes in financial position, for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

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Honorable David A. Williams, CFA
Property Appraiser
DeSoto County, Florida

INDEPENDENT AUDITOR'S REPORT

Emphasis of Matter – Incomplete Presentation

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida (the Rules). In conformity with the Rules, the accompanying financial statements are intended to present the financial position, and changes in financial position, of the general fund (major fund), only for that portion of the general fund of DeSoto County, Florida that is attributable to the Property Appraiser. They do not purport to, and do not present fairly the financial position of DeSoto County, Florida as of September 30, 2021, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

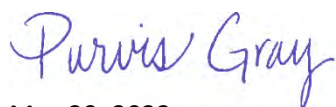
Other Matters

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2022, on our consideration of the Property Appraiser's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Property Appraiser's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Property Appraiser's internal control over financial reporting and compliance.



May 20, 2022
Sarasota, Florida

FINANCIAL STATEMENTS

**DESOTO COUNTY, FLORIDA
PROPERTY APPRAISER
BALANCE SHEET
GENERAL FUND (MAJOR FUND)
SEPTEMBER 30, 2021**

Assets	
Cash	\$ 219,178
Total Assets	<u>219,178</u>
Liabilities and Fund Balance	
Liabilities	
Accounts Payable and Accrued Expenses	9,955
Due to DeSoto County Board of County Commissioners	206,035
Due to Other Governments	<u>3,188</u>
Total Liabilities	<u>219,178</u>
Fund Balance	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 219,178</u>

See accompanying notes.

DESOTO COUNTY, FLORIDA
PROPERTY APPRAISER
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND (MAJOR FUND)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Revenues

Charges for Services:

DeSoto County Board of County Commissioners

\$ 1,245,358

Other Taxing Agencies

16,081

Interest Income

122

Miscellaneous

3,544

Total Revenues

1,265,105

Expenditures

Current:

General Government:

Personnel Services

788,295

Operating Expenditures

267,737

Capital Outlay

3,038

(Total Expenditures)

(1,059,070)

Excess of Revenues Over Expenditures

206,035

Other Financing Sources (Uses)

Distribution of Excess Appropriations to DeSoto County

Board of County Commissioners

(206,035)

Total Other Financing Sources (Uses)

(206,035)

Net Change in Fund Balance

-

Fund Balance, Beginning of Year

-

Fund Balance, End of Year

\$ -

See accompanying notes.

DESOTO COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 1 - Summary of Significant Accounting Policies

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

Reporting Entity

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

The DeSoto County, Florida Property Appraiser (the Property Appraiser) is an elected constitutional officer of the County as provided for by the Constitution of the State of Florida, Article VIII, Section 1(d). The Property Appraiser is part of the primary government of the County. Pursuant to the Florida Statutes, the Property Appraiser's budget is submitted annually to the Florida Department of Revenue, Division of Ad Valorem Tax, for approval, and a copy is forwarded to the Board.

Fees earned by the Property Appraiser (equal to the amount of the amended budget) are billed quarterly to the Board and other governmental agencies in proportion to prior year taxes levied, or in the case of non-ad valorem districts, by other reasonable methods. By statute, fees attributable to municipalities and school boards are paid by the Board.

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

Basis of Presentation

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

The financial transactions of the Property Appraiser are recorded in one individual fund. This fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures.

The Property Appraiser reports the following fund type:

- **Governmental Fund**
 - **Major Fund**
 - ▶ **General Fund**—the general fund is the general operating fund of the Property Appraiser. It is used to account for all financial resources, except for those required to be accounted for in another fund.

Basis of Accounting

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

DESOTO COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

Charges for services on the assessment of property are recognized as revenue in the fiscal year earned, provided they are collected within 30 days after the end of the fiscal year (if not, they are deferred). Certain other miscellaneous revenues are recorded as revenues when received because they are generally not measurable until actually received. Interest income is recorded as earned.

Measurement Focus

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

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

Refund of “Excess Fees”

Florida Statutes provide that the excess of the Property Appraiser’s fee revenue over expenditures is to be distributed to each governmental agency in the same proportion as the fees paid by each governmental agency. The amount of undistributed excess fees at the end of the fiscal year is reported as amounts due to the Board and other governmental agencies.

The County pays a major portion of the fees collected by the Property Appraiser. The payments by the County are recorded as operating expenditures in the financial statements of the County, and as charges for services revenues in the financial statements of the Constitutional Officer. Repayments to the County are recorded as other financing uses (transfers out) in the financial statements of the Constitutional Officer and as other financing sources (transfers in) in the financial statements of the County.

Use of Estimates

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

Note 2 - Cash and Investments

Cash

At year-end, the carrying amount of the Property Appraiser’s deposits was \$219,078. All of the Property Appraiser’s public deposits are held in qualified public depositories (QPDs) pursuant to Florida Statutes, Chapter 280. Under this Chapter, each QPD is required to pledge collateral to the State Treasurer against the public deposits. In the event of default by a QPD, all claims for public deposits would be satisfied by the State Treasurer from the proceeds of federal deposit insurance, pledged collateral of the QPD in default and, if necessary, assessments against other QPDs of the same type as the depositor in default.

**DESOTO COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

In addition to cash deposits, the Property Appraiser maintains cash on hand for the purpose of making change on transactions. At September 30, 2021, the Property Appraiser held \$100 in cash on hand.

Investments

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

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

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

Note 3 - Capital Assets

The tangible personal property used by the Property Appraiser is reported as capital assets in the statement of net position in the County’s financial statements. Upon acquisition, such assets are recorded as expenditures in the general fund of the Property Appraiser and capitalized at cost in the capital asset accounts of the County. The Property Appraiser maintains custodial responsibility for the capital assets used by his office.

Note 4 - Accumulated Compensated Absences

The amount of vested accumulated compensated absences payable under the Property Appraiser’s annual leave and sick leave policy is reported as a liability in the statement of net position in the County’s financial statements. That liability includes earned but unused vacation, as well as payroll taxes related thereto. Annual vacation is accrued based on length of employment. After six months of service, annual vacation is paid out hour-for-hour upon separation from employment.

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

	<u>Balance October 1, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance September 30, 2021</u>	<u>Due Within One Year</u>
Accrued Compensated Absences	\$ 34,883	\$ 19,281	\$ (22,064)	\$ 32,100	\$ 3,210

**DESOTO COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

Note 5 - Florida Retirement System (FRS) Pension Benefits

The Property Appraiser participates in the FRS for Pension Benefits. A detailed plan description and any liability for employees of the Property Appraiser are included in the financial statements of the County.

Note 6 - Postemployment Benefits Other than Pensions

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

Note 7 - Risk Management

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

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

Note 8 - Litigation

From time-to-time, there are lawsuits pending against the Property Appraiser. These usually deal with the valuation and assessment of real properties in the County and the denial of exemptions. The Property Appraiser and legal counsel are of the opinion that the outcome of these lawsuits will not have a material adverse effect on the financial position of the Property Appraiser.

REQUIRED SUPPLEMENTARY INFORMATION

DESOTO COUNTY, FLORIDA
PROPERTY APPRAISER
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND (MAJOR FUND)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>With Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services:				
DeSoto County Board of County				
Commissioners	\$ 1,237,946	\$ 1,245,354	\$ 1,245,358	\$ 4
Other Taxing Agencies	19,273	19,273	16,081	(3,192)
Interest Income	-	-	122	122
Miscellaneous	-	-	3,544	3,544
Total Revenues	<u>1,257,219</u>	<u>1,264,627</u>	<u>1,265,105</u>	<u>478</u>
Expenditures				
Current:				
General Government:				
Personnel Services	839,900	847,308	788,295	59,013
Operating Expenditures	245,840	300,840	267,737	33,103
Capital Outlay	111,479	111,479	3,038	108,441
Reserve	60,000	5,000	-	5,000
(Total Expenditures)	<u>(1,257,219)</u>	<u>(1,264,627)</u>	<u>(1,059,070)</u>	<u>205,557</u>
Excess of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>206,035</u>	<u>206,035</u>
Other Financing Sources (Uses)				
Distribution of Excess Appropriations to				
DeSoto County Board of County				
Commissioners	-	-	(206,035)	(206,035)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(206,035)</u>	<u>(206,035)</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

OTHER REPORTS

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

Honorable David A. Williams, CFA
Property Appraiser
DeSoto County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the general fund (major fund) of the DeSoto County, Florida Property Appraiser (the Property Appraiser) as of and for the year ended September 30, 2021, and the related notes to the financial statements, and have issued our report thereon dated May 20, 2022.

Internal Control over Financial Reporting

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

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

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

Honorable David A. Williams, CFA
Property Appraiser
DeSoto County, Florida

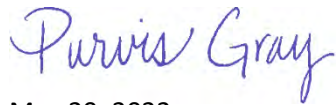
**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Compliance and Other Matters

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

Purpose of this Report

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



May 20, 2022
Sarasota, Florida

**INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE
WITH FLORIDA STATUTE SECTION 218.415 – INVESTMENTS OF PUBLIC FUNDS**

Honorable David A. Williams, CFA
Property Appraiser
DeSoto County, Florida

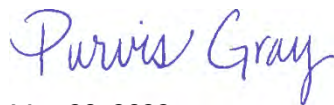
We have examined the DeSoto County, Florida Property Appraiser’s (the Property Appraiser) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the fiscal year ended September 30, 2021, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the Property Appraiser’s compliance with those requirements. Our responsibility is to express an opinion on the Property Appraiser’s compliance based on our examination.

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

Our examination does not provide a legal determination on the Property Appraiser’s compliance with specified requirements.

In our opinion, the Property Appraiser complied, in all material respects, with the aforementioned requirements, during the fiscal year ended September 30, 2021.

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



May 20, 2022
Sarasota, Florida

MANAGEMENT LETTER

Honorable David A. Williams, CFA
Property Appraiser
DeSoto County, Florida

Report on the Financial Statements

We have audited the financial statements of the general fund (major fund) of the DeSoto County, Florida Property Appraiser (the Property Appraiser) as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated May 20, 2022.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with the American Institute of Certified Public Accountants *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated May 20, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

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Honorable David A. Williams, CFA
Property Appraiser
DeSoto County, Florida

MANAGEMENT LETTER

Financial Management

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

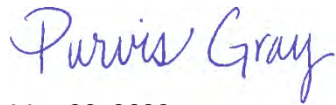
Additional Matters

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

Purpose of this Letter

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

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



May 20, 2022
Sarasota, Florida

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

**SUPERVISOR OF ELECTIONS
DESOTO COUNTY, FLORIDA**

SEPTEMBER 30, 2021

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INDEPENDENT AUDITOR'S REPORT

Honorable Mark F. Negley
Supervisor of Elections
DeSoto County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the general fund (major fund) of the DeSoto County, Florida Supervisor of Elections (the Supervisor of Elections) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Supervisor of Election's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the general fund (major fund) of the Supervisor of Elections as of September 30, 2021, and the changes in financial position of the general fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

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Honorable Mark F. Negley
Supervisor of Elections
DeSoto County, Florida

INDEPENDENT AUDITOR'S REPORT

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida (the Rules). In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the general fund (major fund), only for that portion of the general fund of DeSoto County, Florida that is attributable to the Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of DeSoto County, Florida as of September 30, 2021, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 4, 2022, on our consideration of the Supervisor of Elections' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Supervisor of Elections' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Supervisor of Elections' internal control over financial reporting and compliance.



May 4, 2022
Sarasota, Florida

**DESOTO COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
BALANCE SHEET
GENERAL FUND (MAJOR FUND)
SEPTEMBER 30, 2021**

Assets		
Cash	\$	7,382
Due from Board of County Commissioners		10,000
Prepaid Items		7,668
Total Assets		<u>25,050</u>
 Liabilities and Fund Balance		
Liabilities		
Accounts Payable		6,605
Accrued Expenses		10,395
Due to Board of County Commissioners		382
Total Liabilities		<u>17,382</u>
 Fund Balance		
Non-Spendable		7,668
Total Fund Balance		<u>7,668</u>
 Total Liabilities and Fund Balance	 \$	 <u>25,050</u>

See accompanying notes.

**DESOTO COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND (MAJOR FUND)
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Revenues	
Charges for Services	\$ 4,009
Interest Income	34
Total Revenues	4,043
Expenditures	
Current:	
General Government:	
Personnel Services	286,047
Operating Expenditures	120,431
Capital Outlay	31,563
(Total Expenditures)	(438,041)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(433,998)
Other Financing Sources (Uses)	
Transfers in from DeSoto County, Board of County Commissioners	435,682
Transfers out to DeSoto County, Board of County Commissioners	(382)
Total Other Financing Sources (Uses)	435,300
Net Change in Fund Balance	1,302
Fund Balance, Beginning of Year	6,366
Fund Balance, End of Year	\$ 7,668

See accompanying notes.

**DESOTO COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

Note 1 - Summary of Significant Accounting Policies

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

Reporting Entity

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

The DeSoto County, Florida Supervisor of Elections (the Supervisor of Elections) is an elected constitutional officer of the County as provided for by the Constitution of the State of Florida, Article VIII, Section 1(d), and is a part of the primary government of the County. Pursuant to Chapter 129, Florida Statutes, the Supervisor of Elections' budget is submitted annually to the Board for approval. The Board distributes the funds necessary to operate the Supervisor of Elections' office on a monthly basis. Any excess of appropriations received from the Board over actual expenditures for the fiscal year is required to be returned to the Board within 31 days after the close of the fiscal year.

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

Basis of Presentation

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

The financial transactions of the Supervisor of Elections are recorded in one individual fund. This fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures.

The Supervisor of Elections reports the following fund type:

■ **Governmental Fund**

● **Major Fund**

- ▶ **General Fund**—the General Fund is the general operating fund of the Supervisor of Elections. It is used to account for all financial resources, except for those required to be accounted for in another fund.

**DESOTO COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

Basis of Accounting

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

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

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

Measurement Focus

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

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

Prepaid Items

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

Return of “Excess Fees”

The County funds a major portion of the operating budget of the Supervisor of Elections (net of grants and miscellaneous receipts). The payments by the County to fund the operations of the Supervisor of Elections are recorded as transfers out in the basic financial statements of the County, and as other financing sources in the financial statements of the Supervisor of Elections. The Board requires that the excess of the County’s appropriations (and other revenues) over expenditures be returned to the Board within 30 days after fiscal year-end. Repayments to the County are recorded as other financing uses (transfers out) in the financial statements of the Supervisor of Elections and as other financing sources (transfers in) in the basic financial statements of the County. The amount of undistributed excess appropriations at the end of the fiscal year, if any, is reported as amounts due to the Board.

Fund Balances

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

**DESOTO COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

- **Non-Spendable**—This component of fund balance consists of amounts that cannot be spent because: (a) they are not expected to be converted to cash, or (b) they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The Supervisor of Elections has a non-spendable fund balance of \$7,668 as of September 30, 2021.
- **Restricted**—This component of fund balance consists of amounts that are constrained either: (a) externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments), or (b) by law through constitutional provisions or enabling legislation. The Supervisor of Elections does not have any restricted fund balances as of September 30, 2021.
- **Committed**—This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (e.g., policy) of the Supervisor of Elections. These committed amounts cannot be used for any other purpose unless the Supervisor of Elections removes or changes the specified use by taking the same type of action (e.g., policy) employed to constrain those amounts. The Supervisor of Elections does not have any committed fund balances as of September 30, 2021.
- **Assigned**—This component of fund balance consists of amounts that are constrained by a less-than-formal action of the organization’s governing authority, or by an individual or body to whom the governing authority has delegated this responsibility. The Supervisor of Elections has not delegated the responsibility to assign fund balances to any individual or body.
- **Unassigned**—This classification is used for: (a) negative unrestricted fund balances in any governmental fund, or (b) fund balances within the general fund that are not restricted, committed, or assigned.

When both restricted and unrestricted resources are available for use, it is the Supervisor of Elections’ policy to use restricted resources first, then unrestricted resources (committed, assigned, and unassigned) as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use, it is the Supervisor of Elections’ policy to use committed resources first, then assigned, and then unassigned as needed.

Use of Estimates

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

Note 2 - Cash and Investments

At year-end, the carrying amount of the Supervisor of Elections’ deposits was \$7,382. All of the Supervisor of Elections’ public deposits are held in qualified public depositories (QPDs) pursuant to Florida Statutes, Chapter 280. Under this Chapter, each QPD is required to pledge collateral to the State Treasurer against public deposits. In the event of default by a QPD, all claims for public deposits would be satisfied by the State Treasurer from the proceeds of federal deposit insurance, pledged collateral of the QPD in default and, if necessary, assessments against other QPDs of the same type of depositor in default.

**DESOTO COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

The Supervisor of Elections maintained no cash on hand at September 30, 2021.

Investments

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

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

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

Note 3 - Capital Assets

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

Note 4 - Accumulated Compensated Absences

The amount of vested accumulated compensated absences payable under the Supervisor of Elections’ annual leave policy is reported as a liability in the statement of net position in the County’s basic financial statements. That liability includes earned but unused vacation, as well as payroll taxes related thereto. The change in accumulated compensated absences during the fiscal year 2021 is as follows:

Beginning Balance	\$ 7,200
Increases	6,000
Decreases	<u>(6,100)</u>
Ending Balance	<u>\$ 7,100</u>

Upon termination of employment, employees with more than ten years of service can receive payment for half of their accumulated sick leave. Non-vested amounts are not considered to be significant. The portion of the compensated absences liability estimated to be paid during the next year (current portion) is \$710.

**DESOTO COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

Note 5 - Florida Retirement System Pension Benefits

The Supervisor of Elections participates in the Florida Retirement System (FRS) for pension benefits. A detailed plan description and any liability for employees of the Supervisor of Elections are included in the financial statements of the County.

Note 6 - Postemployment Benefits Other than Pensions

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

Note 7 - Risk Management

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

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

Note 8 - Litigation

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

REQUIRED SUPPLEMENTARY INFORMATION

**DESOTO COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND (MAJOR FUND)
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$ -	\$ -	\$ 4,009	\$ 4,009
Interest Income	-	-	34	34
Total Revenues	<u>-</u>	<u>-</u>	<u>4,043</u>	<u>4,043</u>
Expenditures				
Current:				
General Government:				
Personnel Services	286,922	286,922	286,047	875
Operating Expenditures	138,760	148,760	120,431	28,329
Capital Outlay	-	-	31,563	(31,563)
(Total Expenditures)	<u>(425,682)</u>	<u>(435,682)</u>	<u>(438,041)</u>	<u>(2,359)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(425,682)</u>	<u>(435,682)</u>	<u>(433,998)</u>	<u>1,684</u>
Other Financing Sources (Uses)				
Transfers in from DeSoto County, Board of County Commissioners	425,682	435,682	435,682	-
Transfers out to DeSoto County, Board of County Commissioners	-	-	(382)	(382)
Total Other Financing Sources (Uses)	<u>425,682</u>	<u>435,682</u>	<u>435,300</u>	<u>(382)</u>
Net Change in Fund Balance	-	-	1,302	1,302
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>6,366</u>	<u>6,366</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,668</u>	<u>\$ 7,668</u>

See accompanying note.

**DESOTO COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2021**

Note 1 - Budgetary Requirement

On or before June 1 of each year, the DeSoto County, Florida Supervisor of Elections (the Supervisor of Elections) submits a tentative budget for the ensuing fiscal year to the DeSoto County Board of County Commissioners (the Board). The budget is adopted in the same manner as the budget of the Board.

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

In accordance with Florida Statute 129.201, the Supervisor of Elections' budget, as approved by the County Commission, is included in the general county budget and is subject to the same provisions of laws as the County's annual budget. As such, the Supervisor of Elections' budget must regulate its expenditures, and funds may not be expended except pursuant to the adopted budget. As of September 30, 2021, the Supervisor of Elections obtained a budget amendment for an increase in operating expenditures in the amount of \$10,000, with no amended increase for capital outlay. Although this amendment was obtained, appropriations exceeded expenditures for the fiscal year by \$2,359. However, the budget amendment requested, along with the receipt of funds received from charges for services, funded the increase in capital outlay and resulted in \$382 in excess fees being returned to the Board.

OTHER REPORTS

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

Honorable Mark F. Negley
Supervisor of Elections
DeSoto County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the general fund (major fund) of the DeSoto County, Florida Supervisor of Elections (the Supervisor of Elections) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' financial statements, and have issued our report thereon dated May 4, 2022.

Internal Control Over Financial Reporting

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

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

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

Honorable Mark F. Negley
Supervisor of Elections
DeSoto County, Florida

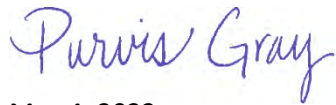
**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Compliance and Other Matters

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

Purpose of this Report

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



May 4, 2022
Sarasota, Florida

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

Honorable Mark F. Negley
Supervisor of Elections
DeSoto County, Florida

We have examined DeSoto County, Florida Supervisor of Elections' (the Supervisor of Elections) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the fiscal year ended September 30, 2021. Management is responsible for the Supervisor of Elections' compliance with those requirements. Our responsibility is to express an opinion on the Supervisor of Elections' compliance based on our examination.

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

Our examination does not provide a legal determination on the Supervisor of Elections' compliance with specified requirements.

In our opinion, the Supervisor of Elections complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the fiscal year ended September 30, 2021.

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



May 4, 2022
Sarasota, Florida

MANAGEMENT LETTER

Honorable Mark F. Negley
Supervisor of Elections
DeSoto County, Florida

Report on the Financial Statements

We have audited the financial statements of the general fund (major fund) of the DeSoto County, Florida Supervisor of Elections (the Supervisor of Elections) as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated May 4, 2022.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with American Institute of Certified Public Accountants *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated May 4, 2022, 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. In that regard, the Supervisor of Elections was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Supervisor of Elections.

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Honorable Mark F. Negley
Supervisor of Elections
DeSoto County, Florida

MANAGEMENT LETTER

Financial Management

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

Additional Matters

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

Purpose of this Letter

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

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



May 4, 2022
Sarasota, Florida

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