

2025

DeSoto County, Florida

Financial Statements and
Independent Auditor's Report

September 30, 2025

2025

DeSoto County, Florida

Financial Statements and
Independent Auditor's Report

September 30, 2025

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

DESOTO COUNTY, FLORIDA

SEPTEMBER 30, 2025

TABLE OF CONTENTS

Independent Auditor's Report	1-3
Management's Discussion and Analysis.....	4-13
Basic Financial Statements	
<i>Government-Wide Financial Statements</i>	
Statement of Net Position	14
Statement of Activities	15
<i>Fund Financial Statements</i>	
Balance Sheet - Governmental Funds	16-17
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	18
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	19-20
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
Statement of Net Position - Proprietary Funds	22
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	23
Statement of Cash Flows - Proprietary Funds	24-25
Statement of Fiduciary Net Position	26
Statement of Changes in Fiduciary Net Position	27
<i>Notes to Financial Statements</i>	28-65
Required Supplementary Information	
<i>Budgetary Comparison Schedules</i>	
General Fund - Board Only	66
County Transportation Fund	67
Fire and EMS Fund	68
Hurricane Fund	69
<i>Pension and Other Postemployment Benefits Plans</i>	
Schedule of Changes in the County's Total Other Postemployment Benefits Liability and Related Ratios	70
Note to Required Supplementary Information	71

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

DESOTO COUNTY, FLORIDA

SEPTEMBER 30, 2025

TABLE OF CONTENTS

Schedule of the County's Proportionate Share of the Net Pension Liability - Florida Retirement System and Health Insurance Subsidy Pension Plans.....	72
Schedule of the County's Contributions - Florida Retirement System and Health Insurance Subsidy Pension Plans.....	73
Notes to Required Supplementary Information	74

Supplementary Information

Combining Balance Sheet - General Fund by Category	75-76
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund	77-78
Combining Balance Sheet - All Non-Major Governmental Funds	79-83
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - All Non-Major Governmental Funds	84-88
Combining Statement of Fiduciary Net Position - Custodial Funds	89-90
Combining Statement of Changes in Fiduciary Net Position - Custodial Funds.....	91-92

Compliance Section

Schedule of Expenditures of Federal Awards and State Financial Assistance	93-94
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance	95
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	96-97
Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and on Internal Control Over Compliance Required by the Uniform Guidance and Chapter 10.550, <i>Rules of the Auditor General</i>	98-100
Schedule of Findings and Questioned Costs - Federal Award Programs and State Financial Assistance Projects	101-102
Independent Accountant's Report on Compliance with Florida Statutes, Section 218.415 - Investments of Public Funds	103
Independent Accountant's Report on Compliance with Section 365.172(10) and Section 365.173(2)(d), Florida Statutes	104
Management Letter	105-106
Management's Summary Schedule of Prior Audit Findings.....	107
Impact Fee Affidavit.....	108

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of DeSoto County, Florida (the County) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matters

As discussed in Notes 1 and 16 to the financial statements, the County adopted Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*, during the year ended September 30, 2025. As a result of implementing this standard, beginning net position was reduced by \$1,425,365 for governmental activities and \$82,503 for business-type activities, as of October 1, 2024.

Also discussed in Note 16 to the financial statements, the County identified and corrected an error affecting previously reported balances. As a result, beginning fund balance of the General Fund was increased by \$112,082 and beginning fund balance of the Hurricane Fund was reduced by \$112,082 as of October 1, 2024.

Our opinion is not modified with respect to these matters.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

Required Supplementary Information

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

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2026, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Purvis Gray

June 26, 2026
Sarasota, Florida

DESOTO COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025

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, 2025. Please read it in conjunction with the County's financial statements following the MD&A.

Financial Highlights

- The assets (plus deferred outflows) of the County exceeded its liabilities (plus deferred inflows) at the close of fiscal year 2025 by \$111.0 million (*net position*). This is net of a \$22.9 million deficit in unrestricted net position.
- At September 30, 2025, the County's governmental funds reported combined ending fund balances of \$31.2 million, a decrease of \$2.5 million for the year.
- At September 30, 2025, unassigned fund balance for the General Fund was \$25.0 million, or 50.8% of total General Fund expenditures and other uses.
- Net investment in capital assets increased by \$6.0 million from the prior fiscal year.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

The *statement of activities* presents information showing how the County's net position changed during 2025. 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, 2025

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

Fund Financial Statements

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

Governmental Funds

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

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

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

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

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

DESOTO COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025

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 \$111.0 million at the close of the fiscal year ended September 30, 2025. The County is able to report positive balances in net investment in capital assets and restricted net position for both governmental and business-type activities. The County reports a deficit unrestricted net position for governmental activities and business-type activities. Following is a summarized version of the statement of net position found in the financial section of this report, with comparative information for 2024:

DESOTO COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and Other Assets	\$ 46,054,697	\$ 51,084,760	\$ 44,540,271	\$ 40,426,148	\$ 90,594,968	\$ 91,510,908
Capital Assets (Net)	77,931,983	72,364,778	31,213,302	31,019,567	109,145,285	103,384,345
Total Assets	123,986,680	123,449,538	75,753,573	71,445,715	199,740,253	194,895,253
Deferred Outflows	10,162,401	12,015,384	367,346	452,236	10,529,747	12,467,620
Current and Other Liabilities	12,312,665	13,025,462	6,351,658	7,174,957	18,664,323	20,200,419
Long-Term Liabilities	41,656,125	45,125,601	29,244,666	27,810,887	70,900,791	72,936,488
Total Liabilities	53,968,790	58,151,063	35,596,324	34,985,844	89,565,114	93,136,907
Deferred Inflows	9,318,213	7,937,254	351,932	338,782	9,670,145	8,276,036
Net Position:						
Net Investment in Capital Assets	76,835,932	71,702,082	24,286,076	23,420,769	101,122,008	95,122,851
Restricted	10,103,664	12,504,562	22,754,536	21,116,363	32,858,200	33,620,925
Unrestricted	(16,077,518)	(14,830,039)	(6,867,949)	(7,963,807)	(22,945,467)	(22,793,846)
Total Net Position	\$ 70,862,078	\$ 69,376,605	\$ 40,172,663	\$ 36,573,325	\$ 111,034,741	\$ 105,949,930

A substantial portion of the County's net position (91.1%) 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 (29.6%) 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 (-20.7% of total net position).

The following table is a summary of the information presented in the statement of activities found in the financial section of this report, with comparative information for 2024:

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
REVENUES						
Program Revenues:						
Charges for Services	\$ 16,562,722	\$ 17,212,728	\$ 8,610,775	\$ 9,276,219	\$ 25,173,497	\$ 26,488,947
Operating Grants and Contributions	5,560,886	29,085,533	232,271	386,656	5,793,157	29,472,189
Capital Grants and Contributions	4,521,667	7,019,968	3,954,406	5,144,712	8,476,073	12,164,680
General Revenues:						
Property Taxes	22,056,271	21,244,595	-	-	22,056,271	21,244,595
Other Taxes	14,244,698	13,637,631	-	-	14,244,698	13,637,631
Shared Revenues	8,201,321	8,263,343	-	-	8,201,321	8,263,343
Other	268,860	542,752	768,659	818,865	1,037,519	1,361,617
Total Revenues	71,416,425	97,006,550	13,566,111	15,626,452	84,982,536	112,633,002
EXPENSES						
General Government	7,411,229	12,711,714	-	-	7,411,229	12,711,714
Public Safety	35,895,569	28,428,755	-	-	35,895,569	28,428,755
Physical Environment	5,609,077	24,263,877	-	-	5,609,077	24,263,877
Transportation	7,747,272	2,792,743	-	-	7,747,272	2,792,743
Economic Environment	1,093,442	3,898,078	-	-	1,093,442	3,898,078
Human Services	4,683,592	4,594,554	-	-	4,683,592	4,594,554
Culture/Recreation	2,853,309	3,475,152	-	-	2,853,309	3,475,152
Court-Related	3,188,146	2,748,429	-	-	3,188,146	2,748,429
Interest on Long-Term Debt	26,589	218,259	-	-	26,589	218,259
Landfill	-	-	4,103,696	9,920,562	4,103,696	9,920,562
Water and Sewer Utility	-	-	5,777,936	6,054,592	5,777,936	6,054,592
Total Expenses	68,508,225	83,131,561	9,881,632	15,975,154	78,389,857	99,106,715
Excess (Deficiency) Before Transfers	2,908,200	13,874,989	3,684,479	(348,702)	6,592,679	13,526,287
Transfers	2,638	1,252	(2,638)	(1,252)	-	-
Change in Net Position	2,910,838	13,876,241	3,681,841	(349,954)	6,592,679	13,526,287
Net Position, Beginning of Year	69,376,605	55,500,364	36,573,325	36,923,279	105,949,930	92,423,643
Adjustment to Beginning Net Position (1)	(1,425,365)	-	(82,503)	-	(1,507,868)	-
Net Position, Beginning of Year, As Restated	67,951,240	55,500,364	36,490,822	36,923,279	104,442,062	92,423,643
Net Position, End of Year	\$ 70,862,078	\$ 69,376,605	\$ 40,172,663	\$ 36,573,325	\$ 111,034,741	\$ 105,949,930

(1) The adjustment to beginning net position was due to the implementation of GASB Statement No. 101 which updates the recognition and measurement guidance for compensated absences, as discussed further in Note 16.

DESOTO COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025

Governmental Activities

Governmental activities increased the County's net position by \$2,910,838 during 2025. Following is further detail of the revenues and expenses for governmental activities in 2025, compared to 2024:

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

	Expenses				Net Revenue (Cost) of Services	
	2025	% of Total	2024	% Change	2025	2024
Functions/Programs						
General Government	\$ 7,411,229	10.8%	\$ 12,711,714	-41.7%	\$ (924,904)	\$ 18,130,573
Public Safety	35,895,569	52.4%	28,428,755	26.3%	(28,019,604)	(19,150,000)
Physical Environment	5,609,077	8.2%	24,263,877	-76.9%	(796,809)	(21,967,913)
Transportation	7,747,272	11.3%	2,792,743	177.4%	(3,972,682)	3,730,198
Economic Environment	1,093,442	1.6%	3,898,078	-71.9%	(951,463)	(2,626,029)
Human Services	4,683,592	6.8%	4,594,554	1.9%	(4,356,395)	(4,335,266)
Culture/Recreation	2,853,309	4.2%	3,475,152	-17.9%	(1,749,253)	(2,955,956)
Court-Related	3,188,146	4.7%	2,748,429	16.0%	(1,065,251)	(420,680)
Interest on Long-Term Debt	26,589	0.0%	218,259	-87.8%	(26,589)	(218,259)
	<u>\$ 68,508,225</u>	<u>100.00%</u>	<u>\$ 83,131,561</u>		<u>\$ (41,862,950)</u>	<u>\$ (29,813,332)</u>

Governmental Activities - Revenues by Source

Description	2025	% of Total	2024	% Change
Program Revenues:				
Charges for Services	\$ 16,562,722	23.2%	\$ 17,212,728	-3.8%
Operating Grants and Contributions	5,560,886	7.8%	29,085,533	-80.9%
Capital Grants and Contributions	4,521,667	6.3%	7,019,968	-35.6%
General Revenues:				
Property Tax	22,056,271	30.9%	21,244,595	3.8%
Small County Surcharge	4,262,544	6.0%	4,121,549	3.4%
Law Enforcement	5,475,711	7.7%	5,134,285	6.6%
Communications Service	171,754	0.2%	165,849	3.6%
Tourist Development	178,741	0.3%	170,923	4.6%
Surtax	2,672,829	3.7%	2,585,778	3.4%
Gas and Fuel Taxes	1,483,119	2.1%	1,459,247	1.6%
Franchise Fees	1,790,406	2.5%	1,745,097	2.6%
Pari-Mutuel Tax	314,333	0.4%	314,333	0.0%
State Shared Revenue	1,239,098	1.7%	1,190,285	4.1%
Local Shared Revenue	858,293	1.2%	858,293	0.0%
State Sales Tax	3,999,191	5.6%	4,155,335	-3.8%
Miscellaneous	268,860	0.4%	542,752	-50.5%
	<u>\$ 71,416,425</u>	<u>100%</u>	<u>\$ 97,006,550</u>	

Revenues for governmental activities decreased by \$25.6 million compared to the prior year, primarily due to decreased grant activity. Expenses for governmental activities decreased by \$14.6 million, primarily due to significant Hurricane Ian-related expenditures incurred in fiscal year 2024 that did not recur in fiscal year 2025.

DESOTO COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025

Business-Type Activities

Business-type activities increased the County's net position by \$3.7 million in 2025 compared to a decrease of \$0.4 million in 2024. Net position increased significantly this year due to a decrease in the provision for closure and long-term care related to the Landfill. Following is further detail of the business-type activities financial results for 2025, compared to 2024:

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

	2025			2024		
	Revenues	Expenses	Net	Revenues	Expenses	Net
Functions/Programs:						
Landfill	\$ 3,132,292	\$ 4,103,696	\$ (971,404)	\$ 4,176,386	\$ 9,920,562	\$ (5,744,176)
Water and Sewer	9,665,160	5,777,936	3,887,224	10,631,201	6,040,717	4,590,484
	<u>12,797,452</u>	<u>9,881,632</u>	<u>2,915,820</u>	<u>14,807,587</u>	<u>15,961,279</u>	<u>(1,153,692)</u>
General Revenues (Expenses)	768,659	-	768,659	804,990	-	804,990
Transfers	-	2,638	(2,638)	-	1,252	(1,252)
Net	<u>\$ 13,566,111</u>	<u>\$ 9,884,270</u>	<u>\$ 3,681,841</u>	<u>\$ 15,612,577</u>	<u>\$ 15,962,531</u>	<u>\$ (349,954)</u>

Business-Type Activities - Revenues by Source

	2025	% of Total	2024	% of Total
Charges for Services	\$ 8,610,775	63.5%	\$ 9,276,219	59.4%
Operating Grants and Contributions	232,271	1.7%	386,656	2.5%
Capital Grants and Contributions	3,954,406	29.1%	5,144,712	32.9%
Miscellaneous	768,659	5.7%	818,865	5.2%
	<u>\$ 13,566,111</u>	<u>100.0%</u>	<u>\$ 15,626,452</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 2025, the County's governmental funds reported combined ending fund balances of \$31.2 million, a decrease of \$2.5 million for the year. At the end of 2025, the County's governmental funds reported combined *restricted fund balances* of \$10.1 million. This represents amounts that can only be spent for specific purposes as stipulated by external resource providers or by enabling legislation. The County's governmental funds reported combined *assigned fund balances* of \$1.5 million. *Unassigned fund balances* totaled \$19.3 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 (\$275 thousand); and 2) for advances to other funds (\$8 thousand).

**DESOTO COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

The General Fund is the chief operating fund of the County. At the end of 2025, unassigned fund balance of the General Fund was \$25.0 million, while total fund balance reached \$25.6 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 50.8% of the total General Fund expenditures and other uses, while total fund balance represents 51.9% of the same amount. During 2025, the fund balance of the General Fund decreased by \$1.6 million primarily due to decreases in intergovernmental revenues and increases in expenditures.

The County Transportation Fund reported a decrease in fund balance of \$1.2 million during 2025, resulting in an ending fund balance of \$1.9 million.

The Fire and EMS Fund reported a decrease in fund balance of \$666 thousand during 2025, compared to an increase of \$688 thousand in 2024. The fund balance is in a positive position of \$1.8 million at September 30, 2025.

The Hurricane Fund reported an increase in fund balance of \$233 thousand during 2025, resulting in an ending fund balance deficit of (\$5.0) million. This is a result of timing of grant reimbursements for expenditures incurred during the response to Hurricane Ian.

Proprietary Funds

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

The Landfill Fund reported a decrease in net position of \$577 thousand, as compared to a decrease in net position of \$5.3 million in 2024. This decrease compared to prior year is attributable to a decrease in annual landfill closure and post-closure care costs in 2025.

The Water and Sewer Fund reported an increase in net position of \$4.3 million, as compared to an increase net position of \$5.0 million in 2024. Net position decreased during the current year primarily as a result of lower capital fee revenues which were higher in 2024 due to ongoing development within the County.

Unrestricted net position for proprietary funds are as follows:

Fund	Unrestricted Net Position (Deficit)	
	2025	2024
Landfill	\$ (7,826,696)	\$ (7,323,763)
Water and Sewer	958,747	(640,044)
Total	<u>\$ (6,867,949)</u>	<u>\$ (7,963,807)</u>

DESOTO COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025

General Fund Budgetary Highlights

A budget versus actual comparison of the operating results of the County's General Fund (excluding the County Officers) can be found in the Required Supplementary Information section of the report. Final budgeted revenues increased from the original budget by \$3.5 million, mostly related to intergovernmental revenues and taxes. As shown below, final budgeted expenditures and transfers out increased by \$2.8 million from the original budget due primarily to an increase in transfers out to other funds and increases in planned public safety projects.

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Difference</u>
General Government	\$ 12,310,483	\$ 12,427,859	\$ 117,376
Public Safety	890,084	2,059,426	1,169,342
Physical Environment	585,610	765,610	180,000
Economic Environment	31,695	34,225	2,530
Human Services	2,175,733	2,179,938	4,205
Culture/Recreation	2,456,707	2,429,962	(26,745)
Debt Service	25,764	25,764	-
Transfers Out	27,691,215	29,003,168	1,311,953
	<u>\$ 46,167,291</u>	<u>\$ 48,925,952</u>	<u>\$ 2,758,661</u>

The General Fund final actual revenues were \$2.6 million less than the final budget. As shown below, the General Fund actual expenditures and transfers out were \$5.1 million less than the final amended budget. The most significant factor was budgeted general government and public safety expenditures of \$2.1 million and \$1.3 million, respectively, that were not expended.

General Fund budgeted and actual expenditures and transfers out for 2025 were as follows:

	<u>Actual Expenditures</u>	<u>Final Budget</u>	<u>Difference</u>
General Government	\$ 10,320,823	\$ 12,427,859	\$ 2,107,036
Public Safety	783,275	2,059,426	1,276,151
Physical Environment	420,973	765,610	344,637
Economic Environment	25,540	34,225	8,685
Human Services	1,878,555	2,179,938	301,383
Culture/Recreation	1,968,917	2,429,962	461,045
Debt Service	61,122	25,764	(35,358)
Transfers Out	28,403,306	29,003,168	599,862
	<u>\$ 43,862,511</u>	<u>\$ 48,925,952</u>	<u>\$ 5,063,441</u>

Capital Assets and Debt Administration

Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of September 30, 2025, amounted to \$109.1 million (net of accumulated depreciation and amortization). The total increase in the County's investment in capital assets for the current fiscal year was \$5.8 million or 5.6%. Major capital asset events during 2025 included the following:

DESOTO COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025

- Depreciation expense for governmental activities was \$5.4 million. Capital asset additions were \$11.0 million, including \$7.3 million for various transportation projects, \$1.3 million in various additions at the Sheriff's Office, and \$2.1 million for various furniture and equipment additions among other additions.
- Depreciation expense for business-type activities was \$2.4 million. Capital asset additions were \$2.5 million, including \$2.2 million for wastewater treatment rehabilitation and expansions projects among other additions.

Following is a summary of the County's capital assets at the end of 2025 and 2024:

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land and Easements	\$ 3,886,219	\$ 3,886,219	\$ 3,233,640	\$ 3,233,640	\$ 7,119,859	\$ 7,119,859
Construction in Progress	7,405,448	5,323,452	3,164,578	965,182	10,570,026	6,288,634
Buildings and Improvements	34,273,514	32,252,711	892,303	892,303	35,165,817	33,145,014
Intangibles	551,756	551,756	112,818	330,101	664,574	881,857
Machinery and Equipment - Board	19,809,651	18,415,494	3,440,098	3,192,371	23,249,749	21,607,865
Machinery and Equipment - Sheriff	7,979,299	8,964,250	-	-	7,979,299	8,964,250
Right-to-Use Leased Equipment	196,248	196,248	182,525	182,525	378,773	378,773
Subscription Assets - Board	90,882	-	-	-	90,882	-
Subscription Assets - Sheriff	760,056	68,520	-	-	760,056	68,520
Infrastructure	67,225,937	63,996,284	13,349,275	13,344,755	80,575,212	77,341,039
Water Distribution System	-	-	43,694,683	43,764,683	43,694,683	43,764,683
	142,179,010	133,654,934	68,069,920	65,905,560	210,248,930	199,560,494
Less: Accumulated Depreciation/ Amortization	(64,247,027)	(61,290,156)	(36,856,618)	(34,885,993)	(101,103,645)	(96,176,149)
Capital Assets, Net	\$ 77,931,983	\$ 72,364,778	\$ 31,213,302	\$ 31,019,567	\$ 109,145,285	\$ 103,384,345

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

Long-Term Debt

The County's outstanding long-term debt consists of revenue bonds/notes, other notes payable, installment obligations, leases payable, and subscription-based information technology arrangements. At the end of 2025, the County's governmental activities had an increase of \$412 thousand in outstanding long-term debt. This increase resulted from \$591 thousand in net additions related to subscription-based information technology arrangements, which more than offset reductions in installment purchase obligations of \$153 thousand and leases payable of \$25 thousand. Business-type activities had a decrease of \$672 thousand in outstanding long-term debt. This activity was the result of debt installment payments of \$195 thousand, principal payments on revenue bonds and notes payable of \$451 thousand, and lease payments of \$26 thousand.

Following is a summary of the County's long-term debt at the end of 2025 and 2024:

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenue Bonds	\$ -	\$ -	\$ 5,054,504	\$ 5,397,691	\$ 5,054,504	\$ 5,397,691
Revenue Notes	-	-	1,155,613	1,263,343	1,155,613	1,263,343
Installment Purchases	428,440	581,788	562,268	757,290	990,708	1,339,078
Subscription-Based Information Technology Arrangements - Board	56,795	-	-	-	56,795	-
Subscription-Based Information Technology Arrangements - Sheriff	533,743	-	-	-	533,743	-
Leases Payable	-	24,817	154,841	180,474	154,841	205,291
	\$ 1,018,978	\$ 606,605	\$ 6,927,226	\$ 7,598,798	\$ 7,946,204	\$ 8,205,403

**DESOTO COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

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 decreased from 7.6153 mills in 2025 to 6.8675 mills in 2026. The Law Enforcement M.S.T.U. increased from 2.4399 mills in 2025 to 2.9406 mills in 2026. Budgets remained conservative with little activity in upcoming capital improvements. The 2026 general fund budget utilizes a surplus of \$441,267 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, 2025

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	\$ 37,725,275	\$ 15,846,406	\$ 53,571,681
Restricted Cash and Cash Equivalents	736,640	27,535,613	28,272,253
Accounts Receivable, Net	1,619,294	663,862	2,283,156
Special Assessments Receivable	2,330	12	2,342
Notes Receivable	1,375,000	-	1,375,000
Lease Receivable	430,401	-	430,401
Internal Balances	(4,840)	4,840	-
Due from Other Governments	3,720,587	83,787	3,804,374
Due from Individuals	95,211	-	95,211
Inventories	76,699	399,005	475,704
Prepays	198,100	6,746	204,846
Deposits	80,000	-	80,000
Capital Assets - Non-Depreciated/Amortized	11,291,667	6,398,218	17,689,885
Capital Assets - Depreciated/Amortized, Net	66,640,316	24,815,084	91,455,400
Total Assets	123,986,680	75,753,573	199,740,253
Deferred Outflows of Resources			
Deferred Outflows Related to Pensions	8,874,913	263,064	9,137,977
Deferred Outflows Related to OPEB	1,287,488	104,282	1,391,770
Total Deferred Outflows of Resources	10,162,401	367,346	10,529,747
Total Assets and Deferred Outflows	134,149,081	76,120,919	210,270,000
Liabilities			
Vouchers Payable	3,980,558	694,552	4,675,110
Construction Retainage Payable	77,073	-	77,073
Accrued Liabilities	995,896	42,109	1,038,005
Accrued Interest	16,337	35,661	51,998
Due to Other Governments	383,365	-	383,365
Deposits	24,659	236,447	261,106
Unearned Revenue	6,834,777	5,342,889	12,177,666
Long-Term Liabilities:			
Due Within One Year	2,337,754	700,504	3,038,258
Due in More Than One Year	39,318,371	28,544,162	67,862,533
Total Liabilities	53,968,790	35,596,324	89,565,114
Deferred Inflows of Resources			
Deferred Inflows Related to Pensions	5,984,224	170,130	6,154,354
Deferred Inflows Related to OPEB	2,930,750	181,802	3,112,552
Lease Related	403,239	-	403,239
Total Deferred Inflows of Resources	9,318,213	351,932	9,670,145
Total Liabilities and Deferred Inflows	63,287,003	35,948,256	99,235,259
Net Position			
Net Investment in Capital Assets	76,835,932	24,286,076	101,122,008
Restricted for:			
Capital Expansion Program	-	22,754,536	22,754,536
Transportation	1,837,111	-	1,837,111
Public Safety	2,677,152	-	2,677,152
Economic Development	3,553,279	-	3,553,279
Other Purposes	2,036,122	-	2,036,122
Unrestricted (Deficit)	(16,077,518)	(6,867,949)	(22,945,467)
Total Net Position	\$ 70,862,078	\$ 40,172,663	\$ 111,034,741

See accompanying notes.

DESOTO COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

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	\$ 7,411,229	\$ 5,586,825	\$ 899,500	\$ -	\$ (924,904)	\$ -	\$ (924,904)
Public Safety	35,895,569	6,435,869	1,440,096	-	(28,019,604)	-	(28,019,604)
Physical Environment	5,609,077	2,370,717	2,281,361	160,190	(796,809)	-	(796,809)
Transportation	7,747,272	133,741	-	3,640,849	(3,972,682)	-	(3,972,682)
Economic Environment	1,093,442	1,455	140,524	-	(951,463)	-	(951,463)
Human Services	4,683,592	25,410	301,787	-	(4,356,395)	-	(4,356,395)
Culture and Recreation	2,853,309	312,222	71,206	720,628	(1,749,253)	-	(1,749,253)
Court-Related	3,188,146	1,696,483	426,412	-	(1,065,251)	-	(1,065,251)
Interest on Long-Term Debt	26,589	-	-	-	(26,589)	-	(26,589)
Total Governmental Activities	68,508,225	16,562,722	5,560,886	4,521,667	(41,862,950)	-	(41,862,950)
Business-Type Activities							
Landfill	4,103,696	3,038,542	93,750	-	-	(971,404)	(971,404)
Water and Sewer	5,777,936	5,572,233	138,521	3,954,406	-	3,887,224	3,887,224
Total Business-Type Activities	9,881,632	8,610,775	232,271	3,954,406	-	2,915,820	2,915,820
Total	\$ 78,389,857	\$ 25,173,497	\$ 5,793,157	\$ 8,476,073	(41,862,950)	2,915,820	(38,947,130)
General Revenues							
Taxes:							
Property Tax					22,056,271	-	22,056,271
Small County Surcharge					4,262,544	-	4,262,544
Law Enforcement					5,475,711	-	5,475,711
Communications					171,754	-	171,754
Tourist Development					178,741	-	178,741
Surtax					2,672,829	-	2,672,829
Gas and Fuel Taxes					1,483,119	-	1,483,119
Franchise Fees					1,790,406	-	1,790,406
Inter-Governmental Revenue:							
Pari-Mutuel Tax					314,333	-	314,333
State Shared Revenue					1,239,098	-	1,239,098
Local Shared Revenue					858,293	-	858,293
State Sales Tax					3,999,191	-	3,999,191
Miscellaneous					268,860	768,659	1,037,519
Transfers In (Out), Net					2,638	(2,638)	-
Total General Revenues and Transfers					44,773,788	766,021	45,539,809
Change in Net Position					2,910,838	3,681,841	6,592,679
Net Position, Beginning of Year					69,376,605	36,573,325	105,949,930
Adjustment to Beginning Net Position (1)					(1,425,365)	(82,503)	(1,507,868)
Net Position, Beginning of Year, As Restated					67,951,240	36,490,822	104,442,062
Net Position, End of Year					\$ 70,862,078	\$ 40,172,663	\$ 111,034,741

(1) The adjustment to beginning net position was due to the implementation of GASB Statement No. 101 which updates the recognition and measurement guidance for compensated absences, as discussed further in Note 16.

See accompanying notes.

DESOTO COUNTY, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	General	County Transportation	Fire and EMS
Assets			
Cash and Cash Equivalents	\$ 25,547,384	\$ 2,650,889	\$ 2,225,338
Restricted Cash and Cash Equivalents	-	-	-
Accounts Receivable, Net	579,769	179	1,029,346
Special Assessments Receivable	-	-	2,266
Notes Receivable, Net	-	-	-
Lease Receivable	430,401	-	-
Due from Other Funds	736,630	-	21,608
Due from Other Governments	1,353,779	472,745	-
Due from Individuals	71,341	-	-
Inventories	-	76,699	-
Prepays	62,902	-	8,225
Deposits	80,000	-	-
Advances to Other Funds	8,389	-	-
Total Assets	<u>28,870,595</u>	<u>3,200,512</u>	<u>3,286,783</u>
Liabilities			
Vouchers Payable	1,375,247	1,157,997	370,543
Construction Retainage Payable	-	77,073	-
Accrued Liabilities	729,879	51,632	193,020
Due to Other Funds	43,121	-	-
Due to Other Governments	383,365	-	-
Deposits	15,994	-	-
Unearned Revenue	280,622	-	-
Advances from Other Funds	-	-	-
Total Liabilities	<u>2,828,228</u>	<u>1,286,702</u>	<u>563,563</u>
Deferred Inflows			
Unavailable Revenues	78,135	-	927,342
Lease Related	403,239	-	-
Total Deferred Inflows of Resources	<u>481,374</u>	<u>-</u>	<u>927,342</u>
Fund Balances (Deficits)			
Non-Spendable:			
Prepays and Inventories	62,902	76,699	8,225
Advances to Other Funds	8,389	-	-
Restricted for:			
Transportation	-	1,837,111	-
Economic Development	-	-	-
Public Assistance Program	-	-	-
Streetlighting	-	-	-
Public Safety	-	-	1,787,653
Court-Related Services	-	-	-
Solid Waste Control Services	-	-	-
Debt Service	-	-	-
Building Code Enforcement	-	-	-
Assigned for:			
Subsequent Year Budget	441,267	-	-
Construction Projects	-	-	-
Unassigned (Deficit)	25,048,435	-	-
Total Fund Balances (Deficits)	<u>25,560,993</u>	<u>1,913,810</u>	<u>1,795,878</u>
Total Liabilities, Deferred Inflows, and Fund Balances (Deficits)	<u>\$ 28,870,595</u>	<u>\$ 3,200,512</u>	<u>\$ 3,286,783</u>

See accompanying notes.

Hurricane Fund	Non-Major Governmental Funds	Total Governmental Funds
\$ 322,493	\$ 6,979,171	\$ 37,725,275
-	736,640	736,640
-	10,000	1,619,294
-	64	2,330
-	1,375,000	1,375,000
-	-	430,401
-	16,673	774,911
225,677	1,668,386	3,720,587
-	23,870	95,211
-	-	76,699
-	126,973	198,100
-	-	80,000
-	-	8,389
<u>548,170</u>	<u>10,936,777</u>	<u>46,842,837</u>
67,265	1,009,506	3,980,558
-	-	77,073
-	21,365	995,896
-	736,630	779,751
-	-	383,365
-	8,665	24,659
5,268,272	1,285,883	6,834,777
-	8,389	8,389
<u>5,335,537</u>	<u>3,070,438</u>	<u>13,084,468</u>
225,677	917,670	2,148,824
-	-	403,239
<u>225,677</u>	<u>917,670</u>	<u>2,552,063</u>
-	126,973	274,799
-	-	8,389
-	-	1,837,111
-	3,553,279	3,553,279
-	210,865	210,865
-	13,497	13,497
-	889,499	2,677,152
-	705,538	705,538
-	46,852	46,852
-	4	4
-	1,059,366	1,059,366
-	-	441,267
-	1,052,883	1,052,883
<u>(5,013,044)</u>	<u>(710,087)</u>	<u>19,325,304</u>
<u>(5,013,044)</u>	<u>6,948,669</u>	<u>31,206,306</u>
<u>\$ 548,170</u>	<u>\$ 10,936,777</u>	<u>\$ 46,842,837</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, 2025

Total Fund Balances of Governmental Funds	\$ 31,206,306
--	---------------

**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.	2,148,824
--	-----------

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$142,179,010, and the accumulated depreciation is \$64,247,027.	77,931,983
--	------------

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	\$ 8,874,913	
Deferred Inflows	(5,984,224)	
Net Pension Liability	(29,006,368)	(26,115,679)

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

Installment Purchase Obligations	(428,440)	
Subscription-Based Information		
Technology Arrangements Payable	(590,538)	
Interest Payable	(16,337)	
Compensated Absences	(3,273,788)	(4,309,103)

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

Other Postemployment Benefits Liability	(8,356,991)	
Deferred Outflows	1,287,488	
Deferred Inflows	(2,930,750)	(10,000,253)

Total Net Position of Governmental Activities	\$ 70,862,078
--	----------------------

See accompanying notes.

DESOTO COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>General</u>	<u>County Transportation</u>	<u>Fire and EMS</u>
Revenues			
Taxes	\$ 31,966,280	\$ 1,483,119	\$ -
Special Assessments	-	-	3,071,828
Permits and Fees	1,947,237	50,317	12,974
Intergovernmental Revenues	8,621,895	3,020,674	51,421
Charges for Services	4,768,189	52,909	1,354,865
Fines and Forfeitures	164,623	-	-
Miscellaneous Revenues	1,184,656	30,513	51,629
Total Revenues	<u>48,652,880</u>	<u>4,637,532</u>	<u>4,542,717</u>
Expenditures			
Current:			
General Government	13,944,295	-	61,065
Public Safety	19,876,896	-	8,824,960
Physical Environment	420,973	-	-
Transportation	-	8,176,542	-
Economic Environment	25,540	-	-
Human Services	1,878,555	-	-
Culture and Recreation	1,968,918	-	-
Court-Related	1,507,246	-	-
Debt Service:			
Principal Retirement	285,217	153,348	-
Interest and Fiscal Charges	2,217	24,372	-
(Total Expenditures)	<u>(39,909,857)</u>	<u>(8,354,262)</u>	<u>(8,886,025)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>8,743,023</u>	<u>(3,716,730)</u>	<u>(4,343,308)</u>
Other Financing Sources (Uses)			
Transfers In	1,211,016	2,472,962	3,677,557
Transfers (Out)	(9,055,161)	-	-
Distributions of Excess Commissions	(325,014)	-	-
SBITA Proceeds	850,938	-	-
Insurance Proceeds	14,369	904	-
Total Other Financing Sources (Uses)	<u>(7,303,852)</u>	<u>2,473,866</u>	<u>3,677,557</u>
Net Change in Fund Balances	<u>1,439,171</u>	<u>(1,242,864)</u>	<u>(665,751)</u>
Fund Balances, Beginning of Year	24,009,740	3,156,674	2,461,629
Adjustment to Fund Balances (Deficits), Beginning of Year, Correction of an Error	112,082	-	-
Fund Balances (Deficits), Beginning of Year, As Restated	<u>24,121,822</u>	<u>3,156,674</u>	<u>2,461,629</u>
Fund Balances (Deficits), End of Year	<u>\$ 25,560,993</u>	<u>\$ 1,913,810</u>	<u>\$ 1,795,878</u>

See accompanying notes.

Hurricane Fund	Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ 2,851,570	\$ 36,300,969
-	53,417	3,125,245
-	609,788	2,620,316
4,868,340	2,541,024	19,103,354
-	4,122,483	10,298,446
-	128,546	293,169
-	560,783	1,827,581
<u>4,868,340</u>	<u>10,867,611</u>	<u>73,569,080</u>
-	210,700	14,216,060
2,019,855	5,124,545	35,846,256
2,714,844	2,472,712	5,608,529
20,849	21,000	8,218,391
-	1,075,826	1,101,366
-	2,965,588	4,844,143
-	1,053,760	3,022,678
-	1,841,355	3,348,601
-	-	438,565
-	-	26,589
<u>(4,755,548)</u>	<u>(14,765,486)</u>	<u>(76,671,178)</u>
<u>112,792</u>	<u>(3,897,875)</u>	<u>(3,102,098)</u>
101,980	2,797,821	10,261,336
-	(1,203,537)	(10,258,698)
-	-	(325,014)
-	-	850,938
17,824	-	33,097
<u>119,804</u>	<u>1,594,284</u>	<u>561,659</u>
<u>232,596</u>	<u>(2,303,591)</u>	<u>(2,540,439)</u>
(5,133,558)	9,252,260	33,746,745
(112,082)	-	-
<u>(5,245,640)</u>	<u>9,252,260</u>	<u>33,746,745</u>
<u>\$ (5,013,044)</u>	<u>\$ 6,948,669</u>	<u>\$ 31,206,306</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, 2025

Net Change in Fund Balances - Total Governmental Funds \$ (2,540,439)

**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	\$ 10,935,581	
Capital Asset Disposals	(7,236)	
Depreciation Expense	<u>(5,361,140)</u>	5,567,205

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	438,565	
SBITA Proceeds	<u>(850,938)</u>	(412,373)

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:

Other Postemployment Benefits	289,973	
Pension Adjustments	2,167,624	
Compensated Absences	<u>(300,423)</u>	2,157,174

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

(1,860,729)

Change in Net Position of Governmental Activities \$ 2,910,838

See accompanying notes.

DESOTO COUNTY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2025

	Business-Type Activities - Enterprise Funds		
	Landfill	Water/Sewer Utility	Total
Assets			
Current Assets:			
Cash and Cash Equivalents	\$ 8,890,959	\$ 6,955,447	\$ 15,846,406
Accounts Receivable, Net	110,566	553,296	663,862
Assessments Receivable	12	-	12
Due from Other Funds	4,840	-	4,840
Due from Other Governments	42,120	41,667	83,787
Inventories	-	399,005	399,005
Prepays	6,746	-	6,746
Restricted Assets:			
Cash and Cash Equivalents	22,450	249,658	272,108
Total Current Assets	<u>9,077,693</u>	<u>8,199,073</u>	<u>17,276,766</u>
Non-Current Assets:			
Restricted Assets:			
Cash and Cash Equivalents	4,508,969	22,754,536	27,263,505
Capital Assets - Non-Depreciated	768,683	5,629,535	6,398,218
Capital Assets - Depreciated, Net	<u>3,217,151</u>	<u>21,597,933</u>	<u>24,815,084</u>
Total Non-Current Assets	<u>8,494,803</u>	<u>49,982,004</u>	<u>58,476,807</u>
Total Assets	<u>17,572,496</u>	<u>58,181,077</u>	<u>75,753,573</u>
Deferred Outflows of Resources			
Deferred Outflows Related to Pensions	107,128	155,936	263,064
Deferred Outflows Related to OPEB	<u>56,701</u>	<u>47,581</u>	<u>104,282</u>
Total Deferred Outflows of Resources	<u>163,829</u>	<u>203,517</u>	<u>367,346</u>
Liabilities			
Current Liabilities:			
Vouchers and Contracts Payable	147,018	547,534	694,552
Accrued Liabilities	19,645	22,464	42,109
Accrued Interest	-	35,661	35,661
Deposits	22,450	213,997	236,447
Unearned Revenue	-	5,342,889	5,342,889
Accrued Compensated Absences	25,847	56,466	82,313
Notes, Leases, and Installment Purchases Payable	128,297	110,211	238,508
Bonds Payable	-	349,254	349,254
Other Postemployment Benefits	<u>13,693</u>	<u>16,736</u>	<u>30,429</u>
Total Current Liabilities	<u>356,950</u>	<u>6,695,212</u>	<u>7,052,162</u>
Non-Current Liabilities:			
Accrued Compensated Absences	25,847	56,466	82,313
Notes, Leases, and Installment Purchases Payable	588,812	1,045,402	1,634,214
Bonds Payable	-	4,705,250	4,705,250
Net Pension Liability	349,086	508,130	857,216
Other Postemployment Benefits	382,321	441,180	823,501
Accrued Landfill Closure/Post-Closure Costs	<u>20,441,668</u>	<u>-</u>	<u>20,441,668</u>
Total Non-Current Liabilities	<u>21,787,734</u>	<u>6,756,428</u>	<u>28,544,162</u>
Total Liabilities	<u>22,144,684</u>	<u>13,451,640</u>	<u>35,596,324</u>
Deferred Inflows of Resources			
Deferred Inflows Related to Pensions	69,281	100,849	170,130
Deferred Inflows Related to OPEB	<u>80,331</u>	<u>101,471</u>	<u>181,802</u>
Total Deferred Inflows of Resources	<u>149,612</u>	<u>202,320</u>	<u>351,932</u>
Net Position (Deficit)			
Net Investment in Capital Assets	3,268,725	21,017,351	24,286,076
Restricted for:			
Capital Expansion Program	-	22,754,536	22,754,536
Unrestricted (Deficit)	<u>(7,826,696)</u>	<u>958,747</u>	<u>(6,867,949)</u>
Total Net Position (Deficit)	<u>\$ (4,557,971)</u>	<u>\$ 44,730,634</u>	<u>\$ 40,172,663</u>

See accompanying notes.

DESOTO COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Business-Type Activities - Enterprise Funds		
	Landfill	Water/Sewer Utility	Total
Operating Revenues			
Charges for Services	\$ 2,298,219	\$ 5,495,904	\$ 7,794,123
Special Assessments	685,042	-	685,042
Miscellaneous Operating Revenues	55,281	76,329	131,610
Total Operating Revenues	3,038,542	5,572,233	8,610,775
Operating Expenses			
Purchased Water	-	1,036,026	1,036,026
Personnel Services	547,024	868,580	1,415,604
Contracted Services	463,980	335,971	799,951
Supplies and Materials	67,046	252,650	319,696
Repairs and Maintenance	198,311	906,887	1,105,198
Other Services and Charges	92,147	164,482	256,629
Utilities	11,099	204,825	215,924
Depreciation	478,868	1,850,273	2,329,141
Amortization	30,849	40,000	70,849
Provision for Closure and Long-Term Care	2,107,281	-	2,107,281
(Total Operating Expenses)	(3,996,605)	(5,659,694)	(9,656,299)
Operating (Loss)	(958,063)	(87,461)	(1,045,524)
Non-Operating Revenues (Expenses)			
Operating Grants	93,750	138,521	232,271
Interest Income	186,683	361,905	548,588
Interest Expense	(29,974)	(118,242)	(148,216)
Gain on Disposal of Capital Assets	54,542	15,929	70,471
Other Non-Operating Revenues	149,600	-	149,600
Other Non-Operating Expenses	(77,117)	-	(77,117)
Total Non-Operating Revenues (Expenses)	377,484	398,113	775,597
Income (Loss) Before Transfers and Contributions	(580,579)	310,652	(269,927)
Operating Transfers			
Operating Transfers In	4,840	-	4,840
Operating Transfers (Out)	(1,620)	(5,858)	(7,478)
Total Operating Transfers	3,220	(5,858)	(2,638)
Capital Contributions			
Capital Grants	-	616,204	616,204
Capital Fees	-	3,338,202	3,338,202
Total Capital Contributions	-	3,954,406	3,954,406
Changes in Net Position	(577,359)	4,259,200	3,681,841
Net Position (Deficit), Beginning of Year	(3,958,852)	40,532,177	36,573,325
Adjustment to Net Position (Deficit), Beginning of Year - GASB 101	(21,760)	(60,743)	(82,503)
Net Position (Deficit), Beginning of Year, As Restated	(3,980,612)	40,471,434	36,490,822
Total Net Position (Deficit), End of Year	\$ (4,557,971)	\$ 44,730,634	\$ 40,172,663

See accompanying notes.

DESOTO COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Business-Type Activities - Enterprise Funds		
	Landfill	Water/Sewer Utility	Total
Cash Flows from Operating Activities			
Receipts from Customers and Users	\$ 3,041,200	\$ 5,505,374	\$ 8,546,574
Payments to Suppliers	(697,659)	(3,326,736)	(4,024,395)
Payments to Employees	(549,106)	(884,039)	(1,433,145)
Net Cash Provided by Operating Activities	1,794,435	1,294,599	3,089,034
Cash Flows from Non-Capital Financing Activities			
Transfers from Other Funds	4,840	-	4,840
Transfers to Other Funds	(1,620)	(5,858)	(7,478)
Interfund Loans (Repayments)	1,386	-	1,386
Operating Grants	93,750	138,521	232,271
Non-Operating Revenue	149,600	-	149,600
Non-Operating Expenses	(77,117)	-	(77,117)
Net Cash Provided by Non-Capital Financing Activities	170,839	132,663	303,502
Cash Flows from Capital and Related Financing Activities			
Acquisition/Construction of Capital Assets	(191,668)	(2,360,205)	(2,551,873)
Capital Fees	-	3,338,202	3,338,202
Principal Paid	(220,655)	(450,917)	(671,572)
Interest Paid	(29,974)	(121,813)	(151,787)
Proceeds from Sale of Capital Assets	53,334	15,285	68,619
Net Cash Provided by (Used in) Capital and Related Financing Activities	(388,963)	420,552	31,589
Cash Flows from Investing Activities			
Interest Received	186,683	361,905	548,588
Net Cash Provided by Investing Activities	186,683	361,905	548,588
Net Increase in Cash and Cash Equivalents	1,762,994	2,209,719	3,972,713
Cash and Cash Equivalents, Beginning of Year	11,659,384	27,749,922	39,409,306
Cash and Cash Equivalents, End of Year	\$ 13,422,378	\$ 29,959,641	\$ 43,382,019

See accompanying notes.

DESOTO COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Business-Type Activities - Enterprise Funds		
	Landfill	Water/Sewer Utility	Total
Cash and Cash Equivalents Classified as:			
Current Assets	\$ 8,890,959	\$ 6,955,447	\$ 15,846,406
Current Assets - Restricted	22,450	249,658	272,108
Non-Current Assets - Restricted	4,508,969	22,754,536	27,263,505
Total Cash and Cash Equivalents	\$ 13,422,378	\$ 29,959,641	\$ 43,382,019
Reconciliation of Operating (Loss) to Net			
<u>Cash Provided By (Used In) Operating Activities:</u>			
Operating (Loss)	\$ (958,063)	\$ (87,461)	\$ (1,045,524)
Adjustments to Reconcile Operating (Loss) to Net Cash Provided by Operating Activities:			
Depreciation	478,868	1,850,273	2,329,141
Amortization	30,849	40,000	70,849
Pension Adjustments	(15,766)	(38,319)	(54,085)
OPEB Adjustments	6,894	8,426	15,320
Provision for Closure and Post-Closure	2,107,281	-	2,107,281
Change in Assets and Liabilities:			
Decrease (Increase) in Accounts Receivable	658	(78,423)	(77,765)
Decrease (Increase) in Due from Other Governments	5,416	(3,125)	2,291
Decrease (Increase) in Inventories	-	(74,638)	(74,638)
Decrease (Increase) in Prepaids	669	6,644	7,313
Increase (Decrease) in Accounts Payable	128,839	(354,776)	(225,937)
Increase (Decrease) in Accrued Liabilities	4,091	4,760	8,851
Increase (Decrease) in Deposits	2,000	11,565	13,565
Increase (Decrease) in Compensated Absences	2,699	9,673	12,372
Total Adjustments	2,752,498	1,382,060	4,134,558
Net Cash Provided by Operating Activities	\$ 1,794,435	\$ 1,294,599	\$ 3,089,034

See accompanying notes.

DESOTO COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2025

	Custodial Funds
Assets	
Cash and Cash Equivalents	\$ 2,133,192
Accounts Receivable	23,591
Due from Other Governments	11,357
Total Assets	<u>2,168,140</u>
Liabilities	
Due to Other Governments	703,721
Due to Individuals and Businesses	50,844
Due to Others	9,000
Deposits	5,085
Total Liabilities	<u>768,650</u>
Net Position	
Restricted for:	
Individuals, Businesses, and Other Governments	1,399,490
Total Net Position	<u>\$ 1,399,490</u>

See accompanying notes.

DESOTO COUNTY, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Custodial Funds
Additions	
Fees/Fines Collected for Other Governments	\$ 5,283,102
Deposits and Other Trust Activities	2,505,455
Property Taxes and Fees Collected for Local Governments	20,871,214
Tax Certificate Redemptions and Fees Collected for Business and Individuals	7,952,038
Cash Bonds Collected	167,445
Fines, Forfeitures, and Fees Collected	42,282
Evidence Monies Collected	81,889
Collections from Inmates	519,713
Interest Income	16
Total Additions	<u>37,423,154</u>
Deductions	
Fees/Fines Disbursed to Other Governments	5,326,090
Deposits and Other Trust Activities Disbursed	2,278,686
Property Taxes and Fees Disbursed to Local Governments	20,871,214
Tax Certificate Redemptions and Fees Disbursed to Business and Individuals	7,952,038
Cash Bonds Disbursed	167,445
Fines, Forfeitures, and Fees Disbursed	42,192
Evidence Monies Disbursed	81,478
Inmate Funds Disbursed	519,749
(Total Deductions)	<u>(37,238,892)</u>
Change in Fiduciary Net Position	184,262
Beginning Net Position	<u>1,215,228</u>
Ending Net Position	<u><u>\$ 1,399,490</u></u>

See accompanying notes.

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Note 1 - Summary of Significant Accounting Policies

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

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

A. Reporting Entity

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

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

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

B. Government-Wide and Fund Financial Statements

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

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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

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

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

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

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

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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 firefighting and EMS throughout the County. Its significant restricted revenues come from special assessments.
- The *Hurricane Fund* is a special revenue fund used to account for the revenue and costs to aid in response to natural disasters affecting the County.

The County reports the following major enterprise funds:

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

Additionally, the County reports the following fund types:

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

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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

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

D. Budgetary Requirements

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

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

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

- 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 General Fund
 - Clerk of the Courts General Fund
 - Property Appraiser General Fund
 - Sheriff General Fund
 - Supervisor of Elections General Fund
 - Tax Collector General Fund

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

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

E. Property Taxes

Under Florida law, the assessment of all properties and the collection of all county, municipal, school board, and other property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The Laws of Florida regulating tax assessment are also designed to assure a consistent property valuation method statewide. Florida Statutes permit counties to levy property taxes at a rate of up to 10 mills. The tax millage rate for general operations of the County was 7.6153 mills for the fiscal year ended September 30, 2025. The tax millage rate for the law enforcement municipal service taxing unit was 2.3683 mills for the fiscal year ended September 30, 2025.

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

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

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

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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, 2025, were as follows:

Assessment Roll Certified	July 2024
Beginning of Fiscal Year for Which Taxes Were Being Levied	October 2024
Property Taxes Levied	October 2024
Tax Bills Issued	November 1, 2024
Property Taxes Due by: For Maximum Discount	November 30, 2024
Delinquent After	March 31, 2025
Tax Certificates (Liens) Sold on Unpaid Property Taxes	May 15, 2025

F. Interfund Transactions

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

G. Interfund Payables and Receivables

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

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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. Inventories and Prepaids

Inventories are valued at cost, which approximates market value, using the first-in/first-out method. Prepaids represent payments made to vendors for services that will benefit beyond September 30, 2025. These payments are generally recorded as expenditures or expenses when consumed rather than when purchased.

J. 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.

K. 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.

L. 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.

M. 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.

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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.

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

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

N. Deferred Outflows/Deferred Inflows

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

O. Compensated Absences

It is the County's policy to provide annual leave to permanent full-time and part-time employees based on years of service. Employees are encouraged to use earned leave in the year it is accrued. In accordance with GASB Statement No. 101, *Compensated Absences*, the County recognizes a liability for compensated absences when the leave is earned and is expected to be paid in cash or settled through paid time off.

In governmental fund financial statements, compensated absences are recorded as expenditures when the amounts are expected to be liquidated with expendable available financial resources. In the government-wide and proprietary fund financial statements, the liability is accrued as earned and measured based on current pay rates in effect at the reporting date.

P. Landfill Closure Costs

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

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Q. 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.

R. Leases

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

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

S. Subscription-Based Information Technology Arrangements (SBITAs)

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

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

T. OPEB

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

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

U. Florida Retirement System

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

V. 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.

W. 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.

X. Fund Balance and Net Position

Government-Wide Statements

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

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

Proprietary Fund Statements

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

Governmental Fund Financial Statements

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

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

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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

Minimum Fund Balance Policy

The County's fund balance policy states that "a minimum fund balance shall be established that may be provided for the purpose of paying expenses from October 1 of the ensuing fiscal year until the time when revenues for that year are expected to be available. This minimum fund balance shall accumulate to an amount which represents no less than two (2) months of operating and debt expenditures. Upon accumulation, this minimum fund balance shall be maintained; however, when possible, increase to a goal of three (3) months. Recognizing that the minimum of the two (2) months of operating and debt expenditures may not be accomplished immediately, the County Administrator will provide annually one-half of one percent of projected expenditures until the two (2) month target is reached." These policy requirements have been met as of September 30, 2025.

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.

Y. New Accounting Pronouncements

During the fiscal year, the County implemented GASB Statements No. 101, *Compensated Absences*, and No. 102, *Certain Risk Disclosures*.

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

GASB Statement No. 101 updates the recognition and measurement guidance for compensated absences, achieved by aligning the recognition and measurement under a unified model and by amending certain previously required disclosures. As a result of the implementation of this statement, the County has updated the calculation of compensated absences, which is discussed above and further in Note 16.

GASB Statement No. 102 intends to improve financial reporting by providing users of the financial statements with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. There was no impact to the County as a result of the implementation of this statement.

Note 2 - Deposits

A. Deposits

At September 30, 2025, the carrying amount of the County's deposits, including custodial funds, was \$83,961,331 (and \$15,795 in cash on hand). All of the County's public deposits are held in qualified public depositories pursuant to Florida Statutes, Chapter 280. Qualified public depositories are required to pledge collateral to the State Treasurer with a market value equal to 50% of the average daily balance of all public deposits in excess of any federal deposit insurance. In addition, to the extent that total public deposits exceed the total amount of the regulatory capital accounts of a bank or the regulatory net worth of a savings association, the required collateral shall have a market value equal to 125% of the deposits.

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

B. Restricted Cash

Following is a summary of restricted cash and cash equivalents at September 30, 2025:

	<u>Governmental Funds</u>	<u>Proprietary Funds</u>
Major Funds:		
Landfill - Closure/Post-Closure	\$ -	\$ 4,508,969
Landfill - Deposits	-	22,450
Water/Sewer Utility - Wastewater Impact Fees	-	22,754,536
Water/Sewer Utility - Deposits	-	213,997
Water/Sewer Utility - Accrued Interest	-	35,661
Special Revenue Fund - Court Fees Fund	736,640	-
Total	<u><u>\$ 736,640</u></u>	<u><u>\$ 27,535,613</u></u>

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Note 3 - Interfund Receivables, Payables, and Transfers

The composition of short-term interfund balances as of September 30, 2025, is as follows:

	Due to Other Funds	Due from Other Funds	Purpose
Governmental Funds			
General Fund	\$ 43,121	\$ 736,630	Receivables are primarily for grant expenditures. Payables are for excess fees and reimbursements.
Fire and EMS	-	21,608	Receivables are for excess tax collector fees.
Non-Major Special Revenue Funds	66,697	16,673	Receivables are for excess tax collector fees. Payables are for ongoing grant projects.
Non-Major Capital Project Funds	669,933	-	Payables are for ongoing capital improvement projects.
Enterprise Funds			
Landfill	-	4,840	Receivables are for excess tax collector fees.
	<u>\$ 779,751</u>	<u>\$ 779,751</u>	

The composition of interfund advances as of September 30, 2025, is as follows:

	Advances to Other Funds	Advances from Other Funds	Purpose
General Fund	\$ 8,389	\$ -	Loans to non-major special revenue funds for cash shortages.
Non-Major Governmental Funds	-	8,389	Loans from the General Fund for cash shortages.
	<u>\$ 8,389</u>	<u>\$ 8,389</u>	

Interfund transfers consist of the following:

	In	Out	Purpose
Governmental Funds			
General Fund	\$ 1,211,016	\$ 9,055,161	Transfers in were mainly for unspent funds of various projects. Transfers out were mainly to fund projects and operations across funds.
County Transportation	2,472,962	-	Transfers in are for funding transportation projects.
Fire and EMS	3,677,557	-	Transfers in were mainly to fund operations across funds.
Hurricane	101,980	-	Transfers in were primarily to fund hurricane related projects.
Non-Major Special Revenue Funds	986,456	495,779	Transfers out were primarily for reimbursements. Transfers in were primarily for program costs.
Non-Major Capital Projects Funds	1,811,365	707,758	Transfers in were to fund on-going capital projects. Transfers out were mainly for unspent funds of various projects.
Enterprise Funds			
Landfill	4,840	1,620	Transfers in are from Constitutional Officers and transfers out are for program costs.
Water/Sewer Utility	-	5,858	Transfers out are for program costs.
	<u>\$ 10,266,176</u>	<u>\$ 10,266,176</u>	

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Note 4 - Other Receivables

Following is a summary of other receivables balances at September 30, 2025:

	<u>Accounts</u>	<u>Assessments</u>	<u>Notes</u>	<u>Lease</u>	<u>Total</u>
Governmental Funds					
General Fund	\$ 579,769	\$ -	\$ -	\$ 430,401	\$ 1,010,170
Fire and EMS	1,631,798	2,266	-	-	1,634,064
County Transportation	179	-	-	-	179
Non-Major Special Revenue	10,000	64	10,396,383	-	10,406,447
(Less Allowance)	(602,452)	-	(9,021,383)	-	(9,623,835)
Total Governmental Funds	<u>1,619,294</u>	<u>2,330</u>	<u>1,375,000</u>	<u>430,401</u>	<u>3,427,025</u>
Enterprise Funds					
Landfill	111,845	12	-	-	111,857
Water/Sewer Utility	565,520	-	-	-	565,520
(Less Allowance)	(13,503)	-	-	-	(13,503)
Total Enterprise Funds	<u>663,862</u>	<u>12</u>	<u>-</u>	<u>-</u>	<u>663,874</u>
Fiduciary Funds	<u>23,591</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,591</u>
Totals	<u>\$ 2,306,747</u>	<u>\$ 2,342</u>	<u>\$ 1,375,000</u>	<u>\$ 430,401</u>	<u>\$ 4,114,490</u>

The entire balance of notes receivable at September 30, 2025, is non-current. All other net receivables above are considered to be current.

Notes Receivable

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

Water/Sewer Utility Accounts Receivable

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

Lease Receivable

The County leases land and office space to third parties. As of September 30, 2025, the County's lease receivables were valued at \$430,401 and the deferred inflow of resources associated with these leases that will be recognized as revenue over the term of the leases is \$403,239. Included in revenue is lease revenue of \$22,825 and interest revenue from leases of \$8,827.

The lease receivables for governmental activities as of September 30, 2025, are as follows:

Land Lease – annual lease payments totaling \$13,200 plus interest at a rate of 2.56%, maturing in 2052.	\$ 329,061
Office Space Lease – annual lease payments totaling \$13,695 plus interest at a rate of 0.92%, maturing in 2033.	\$ 101,340

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Note 5 - Capital Assets

A. Changes in Capital Assets

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

	Beginning Balance 10/01/2024	Additions	Transfers	Disposals	Ending Balance 9/30/2025
Governmental Activities					
Capital Assets, Not Depreciated/Amortized:					
Land and Easements	\$ 3,886,219	\$ -	\$ -	\$ -	\$ 3,886,219
Construction in Progress	5,323,452	7,330,877	(5,248,881)	-	7,405,448
Total Capital Assets, Not Depreciated/Amortized	<u>9,209,671</u>	<u>7,330,877</u>	<u>(5,248,881)</u>	<u>-</u>	<u>11,291,667</u>
Capital Assets, Depreciated/Amortized:					
Buildings and Improvements	32,252,711	92,591	2,019,228	(91,016)	34,273,514
Intangibles	551,756	-	-	-	551,756
Machinery and Equipment	18,415,494	2,143,974	45,696	(795,513)	19,809,651
Machinery and Equipment - Sheriff	8,964,250	517,201	-	(1,502,152)	7,979,299
Right-to-Use Leased Equipment	196,248	-	-	-	196,248
Subscription Assets	-	90,882	-	-	90,882
Subscription Assets - Sheriff	68,520	760,056	-	(68,520)	760,056
Infrastructure	63,996,284	-	3,229,653	-	67,225,937
Total Capital Assets, Depreciated/Amortized	<u>124,445,263</u>	<u>3,604,704</u>	<u>5,294,577</u>	<u>(2,457,201)</u>	<u>130,887,343</u>
Less Accumulated Depreciation/Amortization for:					
Buildings and Improvements	(22,283,426)	(783,160)	-	91,016	(22,975,570)
Intangibles	(551,756)	-	-	-	(551,756)
Machinery and Equipment	(10,465,442)	(1,245,044)	(45,696)	768,103	(10,988,079)
Machinery and Equipment - Sheriff	(5,565,122)	(934,059)	-	1,522,326	(4,976,855)
Right-to-Use Leased Equipment	(155,363)	(24,531)	-	-	(179,894)
Subscription Assets	-	(28,048)	-	-	(28,048)
Subscription Assets - Sheriff	(37,115)	(47,288)	-	68,520	(15,883)
Infrastructure	(22,231,932)	(2,299,010)	-	-	(24,530,942)
Total Accumulated Depreciation/Amortization	<u>(61,290,156)</u>	<u>(5,361,140)</u>	<u>(45,696)</u>	<u>2,449,965</u>	<u>(64,247,027)</u>
Total Capital Assets, Depreciated/Amortized	<u>63,155,107</u>	<u>(1,756,436)</u>	<u>5,248,881</u>	<u>(7,236)</u>	<u>66,640,316</u>
Governmental Activities Capital Assets	<u><u>\$ 72,364,778</u></u>	<u><u>\$ 5,574,441</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (7,236)</u></u>	<u><u>\$ 77,931,983</u></u>

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

Depreciation/Amortization Expense by Function	
Governmental Activities	
General Government	\$ 309,663
Public Safety	667,089
Public Safety (Sheriff)	981,347
Physical Environment	26,337
Economic Environment	56
Transportation	2,452,463
Human Services	46,662
Culture/Recreation	845,244
Court Services	32,279
Total Depreciation Expense	
Governmental Activities	<u><u>\$ 5,361,140</u></u>

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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

	Beginning Balance 10/01/2024	Additions	Transfers	Disposals	Ending Balance 9/30/2025
Landfill Fund					
Capital Assets, Not Depreciated:					
Land	\$ 768,683	\$ -	\$ -	\$ -	\$ 768,683
Construction in Progress	27,117	-	-	(27,117)	-
Total Capital Assets, Not Depreciated	795,800	-	-	(27,117)	768,683
Capital Assets, Depreciated:					
Buildings and Improvements	245,520	-	-	-	245,520
Infrastructure	10,638,588	-	-	-	10,638,588
Intangibles	48,471	-	-	-	48,471
Machinery and Equipment	2,201,587	221,201	(28,393)	(260,830)	2,133,565
Right-to-Use Leased Equipment	182,525	-	-	-	182,525
Total Capital Assets, Depreciated	13,316,691	221,201	(28,393)	(260,830)	13,248,669
Less Accumulated Depreciation for:					
Buildings and Improvements	(216,479)	(9,817)	-	-	(226,296)
Infrastructure	(8,500,315)	(283,252)	-	-	(8,783,567)
Intangibles	(22,774)	(12,118)	-	-	(34,892)
Machinery and Equipment	(1,067,677)	(173,681)	28,393	259,622	(953,343)
Right-to-Use Leased Equipment	(2,571)	(30,849)	-	-	(33,420)
Total Accumulated Depreciation	(9,809,816)	(509,717)	28,393	259,622	(10,031,518)
Total Capital Assets, Depreciated	3,506,875	(288,516)	-	(1,208)	3,217,151
Landfill Fund Capital Assets	\$ 4,302,675	\$ (288,516)	\$ -	\$ (28,325)	\$ 3,985,834
	Beginning Balance 10/01/2024	Additions	Transfers	Disposals	Ending Balance 9/30/2025
Water/Sewer Utility Fund					
Capital Assets, Not Depreciated:					
Land and Easements	\$ 2,464,957	\$ -	\$ -	\$ -	\$ 2,464,957
Construction in Progress	938,065	2,226,513	-	-	3,164,578
Total Capital Assets, Not Depreciated	3,403,022	2,226,513	-	-	5,629,535
Capital Assets, Depreciated:					
Buildings and Improvements	646,783	-	-	-	646,783
Infrastructure	2,710,687	-	-	-	2,710,687
Intangibles	64,347	-	-	-	64,347
Machinery and Equipment	1,203,547	134,980	(17,303)	(14,691)	1,306,533
Water Distribution System	43,764,683	-	-	(70,000)	43,694,683
Total Capital Assets, Depreciated	48,390,047	134,980	(17,303)	(84,691)	48,423,033
Less Accumulated Depreciation for:					
Buildings and Improvements	(605,249)	(27,411)	-	-	(632,660)
Infrastructure	(1,243,982)	(117,126)	-	-	(1,361,108)
Intangibles	(52,454)	(2,616)	-	-	(55,070)
Machinery and Equipment	(554,626)	(150,584)	17,303	14,047	(673,860)
Water Distribution System	(22,619,866)	(1,552,536)	-	70,000	(24,102,402)
Total Accumulated Depreciation	(25,076,177)	(1,850,273)	17,303	84,047	(26,825,100)
Total Capital Assets, Depreciated	23,313,870	(1,715,293)	-	(644)	21,597,933
Water/Sewer Fund Utility Capital Assets	\$ 26,716,892	\$ 511,220	\$ -	\$ (644)	\$ 27,227,468

Beginning balances for certain asset classes were reclassified between categories. These reclassifications did not affect total capital assets or total accumulated depreciation.

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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

Depreciation and Amortization Expense by Activity	
Business-Type Activities	
Landfill	\$ 509,717
Water/Sewer Utility	1,850,273
Total Depreciation	
Expense Business-Type Activities	\$ 2,359,990

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

	Governmental	Business-Type	Total
Land and Easements	\$ 3,886,219	\$ 3,233,640	\$ 7,119,859
Construction in Progress	7,405,448	3,164,578	10,570,026
Capital Assets - Non-Depreciable/Amortized	<u>\$ 11,291,667</u>	<u>\$ 6,398,218</u>	<u>\$ 17,689,885</u>
Buildings and Improvements	\$ 34,273,514	\$ 892,303	\$ 35,165,817
Intangibles	551,756	112,818	664,574
Machinery and Equipment	19,809,651	3,440,098	23,249,749
Machinery and Equipment - Sheriff	7,979,299	-	7,979,299
Infrastructure	67,225,937	13,349,275	80,575,212
Right-to-Use Leased Equipment	196,248	182,525	378,773
Subscription Assets	90,882	-	90,882
Subscription Assets - Sheriff	760,056	-	760,056
Water Distribution System	-	43,694,683	43,694,683
	<u>130,887,343</u>	<u>61,671,702</u>	<u>192,559,045</u>
(Less Accumulated Depreciation/Amortization)	<u>(64,247,027)</u>	<u>(36,856,618)</u>	<u>(101,103,645)</u>
Capital Assets - Depreciated/Amortized	<u>\$ 66,640,316</u>	<u>\$ 24,815,084</u>	<u>\$ 91,455,400</u>

B. Commitments

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

Project/Description	Contract Amount	Expended as of September 30, 2025	Remaining Commitment
815 N. Mills Avenue Building Remodel	\$ 3,375,893	\$ 2,617,893	\$ 758,000

Note 6 - Long-Term Debt

A. Schedule of Changes in Long-Term Debt

The County's outstanding long-term debt includes bonds payable, notes payable, installment purchases, leases, SBITAs, compensated absences, OPEB, net pension liability, and accrued landfill closure costs. The following is a schedule of changes in the County's long-term debt for the fiscal year ended September 30, 2025:

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

	Balance 9/30/24	Additions	Reductions	Balance 9/30/25	Due Within One Year	Long-Term Portion
Governmental Activities						
Installment Purchases*	\$ 581,788	\$ -	\$ (153,348)	\$ 428,440	\$ 159,374	\$ 269,066
Subscription-Based IT Arrangements - Sheriff	-	760,056	(226,313)	533,743	118,259	415,484
Subscription-Based IT Arrangements	-	90,882	(34,087)	56,795	37,103	19,692
Leases Payable	24,817	-	(24,817)	-	-	-
Total Long-Term Debt	606,605	850,938	(438,565)	1,018,978	314,736	704,242
Other Long-Term Obligations						
Other Postemployment Benefits Liability	7,999,246	525,217	(167,472)	8,356,991	500,545	7,856,446
Compensated Absences**:						
Board	1,191,384	115,141	-	1,306,525	653,263	653,262
Clerk	40,658	22,562	-	63,220	44,254	18,966
Property Appraiser	49,702	27,793	-	77,495	59,038	18,457
Sheriff	1,686,735	108,442	-	1,795,177	752,891	1,042,286
Supervisor	500	-	(500)	-	-	-
Tax Collector	4,386	26,985	-	31,371	13,027	18,344
Net Pension Liability	34,971,751	-	(5,965,383)	29,006,368	-	29,006,368
Governmental Activities Long-Term Liabilities	\$ 46,550,967	\$ 1,677,078	\$ (6,571,920)	\$ 41,656,125	\$ 2,337,754	\$ 39,318,371

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

**Compensated Absences Payable beginning balance has been restated per implementation of GASB Statement No. 101, as discussed in Note 16. The change in compensated absences payable is presented as a net change.

	Balance 9/30/24	Additions	Reductions	Balance 9/30/25	Due Within One Year	Long-Term Portion
Business-Type Activities						
Bonds and Notes Payable:						
Revenue Bonds	\$ 5,397,691	\$ -	\$ (343,187)	\$ 5,054,504	\$ 349,254	\$ 4,705,250
Notes Payable*	1,263,343	-	(107,730)	1,155,613	110,211	1,045,402
Leases Payable	180,474	-	(25,633)	154,841	27,621	127,220
Installment Purchases*	757,290	-	(195,022)	562,268	100,676	461,592
Total Long-Term Debt	7,598,798	-	(671,572)	6,927,226	587,762	6,339,464
Other Long-Term Obligations						
Landfill Closure Costs	18,334,387	2,107,281	-	20,441,668	-	20,441,668
Other Postemployment Benefits Liability	799,236	64,876	(10,182)	853,930	30,429	823,501
Compensated Absences**	152,254	12,372	-	164,626	82,313	82,313
Net Pension Liability	1,008,715	-	(151,499)	857,216	-	857,216
Business-Type Activities Long-Term Liabilities	\$ 27,893,390	\$ 2,184,529	\$ (833,253)	\$ 29,244,666	\$ 700,504	\$ 28,544,162

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

**Compensated Absences Payable beginning balance has been restated per implementation of GASB Statement No. 101, as discussed in Note 16. The change in compensated absences payable is presented as a net change.

OPEB will be liquidated in future periods, primarily by the general fund. The net pension liability will be liquidated through employer contributions by the funds where the current employees reside.

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

B. Governmental Debt Payable

Debt outstanding at September 30, 2025, consists of the following for governmental activities:

	<u>Purpose of Issue</u>	<u>Loan Amount</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>
Governmental Activities				
Installment Notes: Lease to Own* (Matures 2027)	Various County Equipment	\$ 631,150	\$ 428,440	2.15% - 3.09%
Subscription-Based IT Arrangements (SBITAs):				
Matures 2027	Board Neogov HR System	36,042	18,929	2.70%
Matures 2027	Board Opengov Finance System	54,840	37,866	3.00%
Matures 2030	Sheriff Guardian Inmate Management System	60,920	36,462	2.93%
Matures 2030	Sheriff Motorola Communication Program	699,136	497,281	2.70%
Total Governmental Activities				
Long-Term Debt			<u>\$ 1,018,978</u>	

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

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

Bonds and notes/loans outstanding at September 30, 2025, 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 2021 (Matures 2038)	Refund the Outstanding U.S. Department of Agriculture Loan	\$ 6,256,573	\$ 5,054,504	3.52%
Notes Payable: State Revolving Fund Loans* (Matures 2035)	Wastewater System Improvements DP639045	2,900,528	1,155,613	2.29%
Leases Payable: Equipment Lease (Matures 2030)	Wheel Loader	182,525	154,841	7.49%
Installment Notes: Caterpillar Financial* (Matures 2029)	Compactor #2	824,316	562,268	3.63%
Total Business-Type Activities - Bonds and Notes Payable			<u>\$ 6,927,226</u>	

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

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

The Water and Wastewater System Refunding Revenue Bond, Series 2021 (the 2021 Bond) is payable solely from and secured by a senior lien on, and pledge of, the net revenue of the water and wastewater systems, and is payable through 2038. A legislative appropriation of \$957,000 was awarded to the County in 2016 to offset the principal balances. The obligation was incurred to refund a prior obligation of the County. The total principal and interest remaining to be repaid on the bond is \$5,676,881. Debt service for 2025 was \$436,683. Pledged revenues of the water/wastewater system for 2025 were \$5,141,014. In the event of default, the lender has the right to take whatever legal actions are necessary to collect the amounts due.

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

The final maturity of SRF loan #DP63904S is in 2035. The total principal and interest remaining to be repaid on the loan is \$1,292,447. Debt service for 2025 was \$136,047. Pledged revenues of the water/wastewater system for 2025 were \$5,502,920.

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	Business-Type Activities			
	Revenue Bonds		Direct Borrowings	
	Principal	Interest	Principal	Interest
2026	\$ 349,254	\$ 87,429	\$ 210,887	\$ 38,000
2027	355,428	81,255	217,861	33,013
2028	361,711	74,972	222,966	27,908
2029	368,105	68,578	364,874	19,880
2030	374,612	62,071	120,720	15,327
2031-2035	1,974,767	208,651	580,573	33,627
2036-2040	1,270,627	-	-	-
	<u>\$ 5,054,504</u>	<u>\$ 582,956</u>	<u>\$ 1,717,881</u>	<u>\$ 167,755</u>

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

C. Landfill Closure and Post-Closure Care Costs

The County has adopted a policy based on U.S. Environmental Protection Agency rules and in accordance with Florida law, to set aside funds for the closure and post-closure care costs of its current landfill. At September 30, 2025, the County had \$4,508,969 in restricted cash and investments in the landfill fund for these purposes. The shortfall between the escrow balance and the statutorily required amount to be set aside for closure is \$453,686.

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, 2025, the County has recognized \$20,441,668, or approximately 84% of the remaining estimated closure and post-closure care totaling \$24,366,196. The following table summarizes the estimated remaining closure costs and post-closure costs, and costs incurred through September 30, 2025, 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	\$ -	\$ 2,777,960	\$ 2,777,960	100.00%	\$ 2,777,960	\$ -	\$ 2,777,960
2	-	2,345,833	2,345,833	100.00%	2,345,833	-	2,345,833
3	-	3,210,087	3,210,087	100.00%	3,210,087	-	3,210,087
4	3,852,621	4,506,470	8,359,091	97.20%	8,125,036	(716,331)	7,408,705
5	3,043,291	4,629,934	7,673,225	61.24%	4,699,083	-	4,699,083
	<u>\$ 6,895,912</u>	<u>\$ 17,470,284</u>	<u>\$ 24,366,196</u>	86.8%	<u>\$ 21,157,999</u>	<u>\$ (716,331)</u>	<u>\$ 20,441,668</u>

The accrued closure and post-closure care costs are \$20,441,668 at September 30, 2025, and have been accrued as a liability on the statement of net position - proprietary funds of the landfill fund.

D. Lease Payable

The County is a lessee for a Wheel Loader in the landfill fund. The lease is for a six-year non-cancellable agreement with monthly payments of \$3,190 and an interest rate of 7.49%. The equipment has an estimated useful life approximating the lease term of six years. As of September 30, 2025, the value of the lease liability was \$154,841. The value of the right-of-use asset as of the end of the fiscal year was \$182,525 and had accumulated depreciation of \$33,420.

The future principal and interest lease payments as of September 30, 2025, were as follows:

Fiscal Year	Business-Type Activities	
	Principal	Interest
2026	\$ 27,621	\$ 10,662
2027	29,762	8,521
2028	32,069	6,214
2029	34,555	3,727
2030	30,834	1,509
	<u>\$ 154,841</u>	<u>\$ 30,633</u>

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

E. Subscription-Based Information Technology Arrangements (SBITAs)

During the year, the County entered into subscription-based arrangements for its human resources and financial systems, as well as the Sheriff's inmate tracking, and body-worn camera and in-car video management and data storage systems. The agreement terms range from 2 to 5 years, including the non-cancellable period of the arrangement and extensions the County is reasonably certain to exercise and vary with each contract. At September 30, 2025, the County recognized total subscription assets of \$807,007, net of accumulated amortization. Additionally, the County has remaining principal payments of \$590,538 between these arrangements.

The future principal and interest payments as of September 30, 2025, were as follows:

Fiscal Year	Governmental Activities	
	Principal	Interest
2026	\$ 155,362	\$ 15,422
2027	151,271	11,390
2028	135,195	7,725
2029	138,908	4,010
2030	9,802	193
	<u>\$ 590,538</u>	<u>\$ 38,740</u>

F. Installment Purchases

The County has entered into installment purchase agreements to finance the acquisition of equipment. The agreements bear interest at rates ranging from 2.15% to 6.34% and mature through 2028. At September 30, 2025, the outstanding balance of installment purchase obligations was \$428,440.

Debt service requirements for these obligations are as follows:

Fiscal Year	Governmental Activities	
	Principal	Interest
2026	\$ 159,374	\$ 18,346
2027	165,682	12,038
2028	103,384	5,434
	<u>\$ 428,440</u>	<u>\$ 35,818</u>

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	\$ 705,538
Debt Service	4
Street Lighting	13,497
Building Code Enforcements	1,059,366
Solid Waste Control Services	46,852
Public Assistance Programs	210,865
Total Governmental Activities	<u><u>\$ 2,036,122</u></u>

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Note 8 - Retirement System

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

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

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

The County's pension expense totaled \$2,931,097 for the fiscal year ended September 30, 2025 (all plans). The County's deferred outflows for all plans totaled \$9,137,977, and the County's deferred inflows for all plans totaled \$6,154,354. The County's total net pension liability for all plans totaled \$29,863,584 for the fiscal year ended September 30, 2025.

For the year ended September 30, 2025, the County's contributions to all plans totaled \$5,826,358. For further information on contributions by plan for each Constitutional Officer, see the schedule below:

	Florida Retirement System	Health Insurance Subsidy	Investment Plan	Total
Board of County Commissioners	\$ 2,022,356	\$ 219,505	\$ 366,493	\$ 2,608,354
Clerk of Circuit Court	142,768	15,224	7,098	165,090
Property Appraiser	143,074	14,015	4,480	161,569
Tax Collector	108,526	12,358	24,838	145,722
Sheriff	2,226,315	179,641	254,404	2,660,360
Supervisor of Elections	65,029	3,999	16,235	85,263
	<u>\$ 4,708,068</u>	<u>\$ 444,742</u>	<u>\$ 673,548</u>	<u>\$ 5,826,358</u>

Payables to the Pension Plan. The County reported a payable of \$79,398 for the outstanding amount of contributions to the Plan required for the fiscal year ended September 30, 2025.

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

B. FRS Pension Plan

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

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

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

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

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:

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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

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

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the County's 2024-25 fiscal year were as follows:

Class	Year Ended June 30, 2025, Percent of Gross Salary		Year Ended June 30, 2026, Percent of Gross Salary	
	Employee	Employer (1)	Employee	Employer (1)
FRS, Regular	3.00	11.57	3.00	11.97
FRS, Elected County Officers	3.00	56.62	3.00	52.51
FRS, Senior Management Service	3.00	32.46	3.00	31.18
FRS, Special Risk Regular	3.00	30.73	3.00	33.13
DROP - Applicable to Members from				
All of the Above Classes	0.00	19.13	0.00	20.02
FRS, Reemployment Retiree	(2)	(2)	(2)	(2)

Notes:

(1) These rates include the normal cost and unfunded actuarial liability contributions but do not include the 2.00 percent contribution for the Retiree Health Insurance Subsidy and the assessment of 0.06 percent for administration of the FRS Investment Plan and retirement and financial planning for members of both plans.

(2) 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.

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

The County's contributions (employer only) to the Plan totaled \$4,708,068 for the fiscal year ended September 30, 2025.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2025, the County reported a liability of \$23,608,972 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The County's proportionate share of the net pension liability was based on the County's 2024-25 fiscal year contributions relative to the 2024-25 fiscal year contributions of all participating members. At June 30, 2025, the County's proportion was 0.07607177424%, which was an increase of 0.0017136823% from its proportion measured as of June 30, 2024.

For the year ended September 30, 2025, the County recognized pension expense of \$2,693,838 related to the Plan. At September 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to the FRS Plan from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Employer Contributions After Measurement Date	\$ 1,241,357	\$ -
Difference Between Expected and Actual Experience	2,521,687	-
Changes of Assumptions	2,741,615	-
Changes in Proportion and Difference Between County Contributions and Proportionate Share of Contributions	1,925,140	522,933
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	3,941,757
Total	<u>\$ 8,429,799</u>	<u>\$ 4,464,690</u>

The deferred outflows of resources related to pensions, totaling \$1,241,357, resulting from County contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending</u>	<u>Amount</u>
2026	\$ 4,154,660
2027	(105,443)
2028	(651,544)
2029	(673,921)
Total	<u>\$ 2,723,752</u>

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources
Board of County Commissioners	\$ 10,145,351	\$ 3,718,306	\$ 1,787,880
Clerk of Circuit Court	743,358	224,027	176,462
Property Appraiser	734,048	237,002	158,163
Tax Collector	523,351	261,480	174,605
Sheriff	11,109,273	3,886,700	2,003,166
Supervisor of Elections	353,591	102,284	164,414
	<u>\$ 23,608,972</u>	<u>\$ 8,429,799</u>	<u>\$ 4,464,690</u>

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

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

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

The actuarial assumptions used in the July 1, 2025 valuation were based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2023.

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

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.2%	3.2%	1.1%
Fixed Income	29.0%	5.5%	5.4%	4.0%
Global Equity	45.0%	8.5%	6.9%	18.3%
Real Estate	12.0%	8.4%	7.1%	16.8%
Private Equity	11.0%	12.4%	8.8%	28.4%
Strategic Investments	2.0%	6.5%	6.1%	8.7%
Total	<u>100.0%</u>			

Assumed Inflation – Mean	2.4%	1.5%
--------------------------	------	------

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

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Discount Rate. The discount rate used to measure the total pension liability was 6.7%. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The discount rate was 6.7% in the July 1, 2024 valuation as well.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 6.70%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.70%) or 1 percentage point higher (7.70%) than the current rate:

	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
County's Proportionate Share of the Net Pension Liability	<u>\$ 46,332,249</u>	<u>\$ 23,608,972</u>	<u>\$ 4,558,111</u>

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, 2025, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$7.50. Beginning July 1, 2023, the minimum payment is \$45 and the maximum payment is \$225 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state administered retirement systems must provide proof of eligible health insurance coverage, which may include Medicare.

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

The County's contributions to the HIS Plan totaled \$444,742 for the fiscal year ended September 30, 2025.

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2025, the County reported a net pension liability of \$6,254,612 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2025. The County's proportionate share of the net pension liability (HIS) was based on the County's 2024-25 fiscal year contributions relative to the total 2024-25 fiscal year contributions of all participating members. At June 30, 2025, the County's proportionate share was 0.0487976537%, which was an increase of 0.0006990594% from its proportionate share measured as of June 30, 2024.

For the fiscal year ended September 30, 2025, the County recognized pension expense of \$237,259 related to the HIS Plan. At September 30, 2025, 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	\$ 111,926	\$ -
Difference Between Expected and Actual		
Experience	37,336	9,922
Changes of Assumptions	55,360	1,512,830
Changes in Proportion and Difference Between		
County Contributions and Proportionate Share		
Contributions	503,556	161,706
Net Difference Between Projected and Actual Earnings		
on Pension Plan Investments	-	5,206
Total	<u>\$ 708,178</u>	<u>\$ 1,689,664</u>

The deferred outflows of resources related to pensions, totaling \$111,926, 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, 2026. 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>
2026	\$ (230,858)
2027	(276,481)
2028	(228,892)
2029	(211,538)
2030	(145,643)
Total	<u>\$ (1,093,412)</u>

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources
Board of County Commissioners	\$ 3,081,559	\$ 340,790	\$ 837,204
Clerk of Circuit Court	214,646	18,116	63,974
Property Appraiser	195,923	16,735	54,489
Tax Collector	178,885	15,023	58,786
Sheriff	2,528,909	315,469	652,576
Supervisor of Elections	54,690	2,045	22,635
	<u>\$ 6,254,612</u>	<u>\$ 708,178</u>	<u>\$ 1,689,664</u>

Actuarial Assumptions. The total pension liability in the July 1, 2025 actuarial valuation was determined using the individual entry age cost method and the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary Increases	3.50% Average, Including Inflation
Discount Rate	5.20%
Long-Term Expected Rate of Return, Net of Investment Expense	N/A
Municipal Bond Index	5.20%

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

The actuarial assumptions used in the July 1, 2025 valuation were based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2023.

Discount Rate. The discount rate used to measure the total pension liability was 5.20%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate was 3.93% in the July 1, 2024 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 5.20%, 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 (4.20%) or 1 percentage point higher (6.20%) than the current rate:

	1% Decrease (4.20%)	Current Discount Rate (5.20%)	1% Increase (6.20%)
County's Proportionate Share of the Net Pension Liability	<u>\$ 7,053,082</u>	<u>\$ 6,254,612</u>	<u>\$ 5,584,950</u>

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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

D. FRS—Defined Contribution Pension Plan

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. County employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.) as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Allocations to the investment members' accounts (employer and employee) during the 2024-25 fiscal year were as follows:

Class	Year Ended June 30, 2025 Percent of Gross Compensation		Year Ended June 30, 2026 Percent of Gross Compensation	
	Employee	Employer	Employee	Employer
FRS, Regular Class	3.00	8.30	3.00	8.30
FRS, Special Risk Class	3.00	16.00	3.00	16.00
FRS, Senior Management Service Class	3.00	9.67	3.00	9.95
FRS, Elected County Officers, Judges	3.00	15.23	3.00	15.23
FRS, Elected County Officers	0.00	13.34	0.00	13.34

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, 2025, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the County.

After termination and applying to receive benefits, the member may roll over vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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 \$673,548 for the fiscal year ended September 30, 2025.

Note 9 - OPEB Plan

A. Plan Description

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

B. Benefit Provided

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

C. Employees Covered by Benefit Terms

At October 1, 2024, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	51
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees	336
Total	<u><u>387</u></u>

D. Total OPEB Liability

The County's total OPEB liability of \$9,210,921 was measured as of September 30, 2025, and was determined by an actuarial valuation as of October 1, 2024.

E. Actuarial Assumption and Other Inputs

The total OPEB liability was determined by an actuarial valuation as of October 1, 2024, using the following actuarial assumptions:

<u>Actuarial Cost Method</u>	<u>Entry Age Normal</u>
Inflation	2.50%
Salary Increase Rate	Varies by Service
Discount Rate	4.50%
Initial Trend Rate	6.75%
Ultimate Trend Rate	4.00%
Years to Ultimate	50

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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

Mortality - Active Lives

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

Mortality - Inactive Healthy Lives

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

F. Discount Rate

Given the County's decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 4.50%. 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, 2024	\$ 8,798,482
Changes for the Year:	
Service Cost	243,427
Interest on the Total OPEB Liability	346,665
Difference Between Expected and Actual Experience	(240,506)
Changes in Assumptions or Other Inputs	593,826
Benefit Payments	(530,973)
Net Changes	412,439
Balance at September 30, 2025	\$ 9,210,921

Changes in assumptions reflect a change in the discount rate from 4.06% for the reporting period ended September 30, 2024, to 4.50% for the reporting period ended September 30, 2025.

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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

The following table presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.50%) or 1 percentage point higher (5.50%) than the current rate:

	1.00% Decrease 3.50%	Current Discount Rate 4.50%	1.00% Increase 5.50%
Total OPEB Liability	<u>\$ 10,234,576</u>	<u>\$ 9,210,921</u>	<u>\$ 8,340,990</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% - 5.75%)	Healthcare Cost Trend Rates (4.00% - 6.75%)	1.00% Increase (5.00% - 7.75%)
Total OPEB Liability	<u>\$ 8,179,296</u>	<u>\$ 9,210,921</u>	<u>\$ 10,447,419</u>

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

For the fiscal year ended September 30, 2025, the County recognized OPEB expense of \$267,320. At September 30, 2025, 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	\$ -	\$ 655,327
Changes of Assumptions or Other Inputs	1,391,770	2,457,225
Total	<u>\$ 1,391,770</u>	<u>\$ 3,112,552</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
2026	\$ (523,042)
2027	(877,858)
2028	(490,280)
2029	(65,569)
2030	147,637
Thereafter	88,330
Total	<u>\$ (1,720,782)</u>

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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, 2025, settled claims have not exceeded the pool coverage in any of the past three years.

Note 11 - Fund Balance and Net Position Deficits

The following funds had deficit fund balances or net positions as of September 30, 2025:

<u>Fund Name</u>	<u>Deficit Amounts</u>
Major Funds	
Major Governmental Funds:	
Hurricane Fund	\$ 5,013,044
Major Enterprise Funds:	
Landfill Fund	4,557,971
Non-Major Funds	
Special Revenue Funds:	
Kings Crossing Lighting	7,928
Golden Melody Lighting	8,342
Lake Suzy Lighting	980
Spring Lakes Lighting	1,635
Sunny Breeze Lighting	2,546
CDBG Housing Rehab	3,267
Sheriff Inmate Welfare	14,651
Sheriff Voluntary Extra Duty	805
Capital Projects:	
CDBG Projects	669,933

The deficit in the hurricane fund will be eliminated with future grant receipts. The deficit in the landfill fund will be eliminated with future rate increases. The deficits in the other special revenue funds will be eliminated with future special assessment receipts. The deficit in the capital projects – CDBG 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.

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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

The contracts require all customers to pay for all committed water through the Authority's annual budget process, which reflects the budgetary needs of the Authority every year. The contract does also have a provision for customers who exceed their allocation; a conservation rate will be charged to all customers exceeding their allocation, and a corresponding credit is given to the customers who do not use their full allocation. The conservation rate is adopted annually by a rate resolution. During 2025, the County's water purchases from the Authority were \$729,257 for base charges and \$306,769 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 2025 included an annual membership fee of \$70,570 and special assessment fee of \$13,563. 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, to be amortized over twenty years, beginning in 2007. Amortization expense was \$40,000 for 2025, and the contractual rights were fully amortized as of September 30, 2025.

Note 13 - Related-Party – Steven Hickox

District 5 Commissioner to the County, Steven Hickox, has an ownership interest in "Copy Life", a company from which the County procures copying services. For the fiscal year ended September 30, 2025, the County incurred expenses totaling \$18,414 for these services. The County has determined that these transactions do not materially affect the financial position or operations of the County.

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

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

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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. As of September 30, 2025, all required payments under the agreements had been made.

During 2007, the City initiated a special assessment for fire services within the City limits and added the City to the County-wide MSTU millage for EMS. No payments were made to the County in fiscal year 2025.

Note 15 - Other Commitments and Contingencies

A. Litigation

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

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

B. Grants

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

Note 16 - Accounting Changes and Error Corrections

Governmental Funds – Correction of an Error

Previously, the County was recognizing interest earnings on advance funding received from the State of Florida Division of Emergency Management (FDEM) as restricted for hurricane-related projects. During the fiscal year, the County received clarification from FDEM that the interest received on these funds was not required to be restricted for hurricane-related projects or remitted to FDEM. Instead, the County is able to utilize these funds without restriction.

DESOTO COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

The below adjustments were made to transfer these earnings from the Hurricane Fund to the General Fund as of October 1, 2024:

	<u>General Fund</u>	<u>Hurricane Fund</u>
Fund Balance (Deficit), Beginning of Year, as Previously Reported	\$ 24,009,740	\$ (5,133,558)
Error Correction	<u>112,082</u>	<u>(112,082)</u>
Fund Balance (Deficit), End of Year, as Restated	<u><u>\$ 24,121,822</u></u>	<u><u>\$ (5,245,640)</u></u>

Governmental and Business-Type Activities – Implementation of GASB Statement No. 101

As of October 1, 2024, the County implemented GASB Statement No. 101, *Compensated Absences*. This Statement establishes a unified recognition and measurement model for compensated absences and amends certain disclosure requirements. Under this guidance, a liability is recognized for compensated absences when the leave is attributed to services already rendered, it accumulates, and is more likely than not to be used for time off or otherwise paid in cash or settled through non-cash means.

The implementation of GASB Statement No. 101 resulted in a change in the measurement of the County's compensated absences liability as of October 1, 2024. As a result, beginning net position for both governmental activities and business-type activities has been restated to reflect the cumulative effect of this change in accounting principle.

The following summarizes the effect of the restatement on net position:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Enterprise Funds</u>	<u>Water/Sewer Utility Fund</u>
			<u>Landfill Fund</u>	
Beginning Net Position (Deficit), as Previously Reported	\$ 69,376,605	\$ 36,573,325	\$ (3,958,852)	\$ 40,532,177
Change in Accounting Principle	<u>(1,425,365)</u>	<u>(82,503)</u>	<u>(21,760)</u>	<u>(60,743)</u>
Beginning Net Position (Deficit), as Restated	<u><u>\$ 67,951,240</u></u>	<u><u>\$ 36,490,822</u></u>	<u><u>\$ (3,980,612)</u></u>	<u><u>\$ 40,471,434</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

DESOTO COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND - COUNTY-WIDE
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Taxes	\$ 31,724,482	\$ 32,914,111	\$ 31,966,280	\$ (947,831)
Permits and Fees	1,975,200	1,975,200	1,947,237	(27,963)
Intergovernmental Revenues	8,178,905	9,506,032	8,621,895	(884,137)
Charges for Services	4,902,689	4,967,253	4,768,189	(199,064)
Fines and Forfeitures	154,150	154,150	164,623	10,473
Miscellaneous Revenues	1,048,037	1,136,805	1,184,656	47,851
Less: 4% Reduction	(1,006,348)	-	-	-
Total Revenues	46,977,115	50,653,551	48,652,880	(2,000,671)
Expenditures				
Current:				
General Government	16,119,556	16,382,128	13,944,295	2,437,833
Public Safety	19,804,112	21,443,793	19,876,896	1,566,897
Physical Environment	585,610	765,610	420,973	344,637
Economic Environment	31,695	34,225	25,540	8,685
Human Services	2,175,733	2,179,938	1,878,555	301,383
Culture and Recreation	2,456,707	2,429,962	1,968,918	461,044
Court-Related	1,013,530	1,013,530	1,507,246	(493,716)
Debt Service:				
Principal Retirement	24,818	24,818	285,217	(260,399)
Interest and Fiscal Charges	946	946	2,217	(1,271)
(Total Expenditures)	(42,212,707)	(44,274,950)	(39,909,857)	4,365,093
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	4,764,408	6,378,601	8,743,023	2,364,422
Other Financing Sources (Uses)				
Transfers In	997,215	1,984,279	1,211,016	(773,263)
Transfers (Out)	(8,718,812)	(9,626,860)	(9,055,161)	571,699
Distribution of Excess Commissions	(123,480)	(104,459)	(325,014)	(220,555)
SBITA Proceeds	-	-	850,938	850,938
Insurance Proceeds	-	52,188	14,369	(37,819)
Total Other Financing Sources (Uses)	(7,845,077)	(7,694,852)	(7,303,852)	391,000
Net Change in Fund Balances	\$ (3,080,669)	\$ (1,316,251)	\$ 1,439,171	\$ 2,755,422

DESOTO COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
COUNTY TRANSPORTATION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Taxes	\$ 1,439,327	\$ 1,439,327	\$ 1,483,119	\$ 43,792
Permits and Fees	49,400	49,400	50,317	917
Intergovernmental Revenues	6,563,609	8,408,661	3,020,674	(5,387,987)
Charges for Services	58,000	58,000	52,909	(5,091)
Miscellaneous Revenues	30,000	55,000	30,513	(24,487)
Total Revenues	8,140,336	10,010,388	4,637,532	(5,372,856)
Expenditures				
Current:				
Transportation	11,994,737	14,517,286	8,176,542	6,340,744
Debt Service:				
Principal Retirement	153,349	153,349	153,348	1
Interest and Fiscal Charges	24,373	24,373	24,372	1
(Total Expenditures)	(12,172,459)	(14,695,008)	(8,354,262)	6,340,746
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(4,032,123)	(4,684,620)	(3,716,730)	967,890
Other Financing Sources (Uses)				
Transfers In	2,472,962	2,472,962	2,472,962	-
Insurance Proceeds	-	904	904	-
Total Other Financing Sources (Uses)	2,472,962	2,473,866	2,473,866	-
Net Change in Fund Balances	\$ (1,559,161)	\$ (2,210,754)	\$ (1,242,864)	\$ 967,890

DESOTO COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
FIRE AND EMS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Special Assessments	\$ 3,152,778	\$ 3,152,778	\$ 3,071,828	\$ (80,950)
Permits and Fees	14,000	14,000	12,974	(1,026)
Intergovernmental Revenues	95,921	105,105	51,421	(53,684)
Charges for Services	1,346,000	1,346,000	1,354,865	8,865
Miscellaneous Revenues	52,900	52,900	51,629	(1,271)
Less: 4% Reduction	(84,499)	(84,499)	-	84,499
Total Revenues	<u>4,577,100</u>	<u>4,586,284</u>	<u>4,542,717</u>	<u>(43,567)</u>
Expenditures				
Current:				
General Government	94,584	94,584	61,065	33,519
Public Safety	9,373,973	9,594,763	8,824,960	769,803
(Total Expenditures)	<u>(9,468,557)</u>	<u>(9,689,347)</u>	<u>(8,886,025)</u>	<u>803,322</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(4,891,457)</u>	<u>(5,103,063)</u>	<u>(4,343,308)</u>	<u>759,755</u>
Other Financing Sources (Uses)				
Transfers In	3,698,950	3,698,950	3,677,557	(21,393)
Total Other Financing Sources (Uses)	<u>3,698,950</u>	<u>3,698,950</u>	<u>3,677,557</u>	<u>(21,393)</u>
Net Change in Fund Balance	<u>\$ (1,192,507)</u>	<u>\$ (1,404,113)</u>	<u>\$ (665,751)</u>	<u>\$ 738,362</u>

DESOTO COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
HURRICANE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Intergovernmental Revenues	\$ 13,942,394	\$ 19,642,181	\$ 4,868,340	\$ (14,773,841)
Miscellaneous Revenues	-	59,350	-	(59,350)
Total Revenues	<u>13,942,394</u>	<u>19,701,531</u>	<u>4,868,340</u>	<u>(14,833,191)</u>
Expenditures				
Current:				
Public Safety	3,442,718	4,695,403	2,019,855	2,675,548
Physical Environment	-	3,358,136	2,714,844	643,292
Transportation	312,095	509,902	20,849	489,053
(Total Expenditures)	<u>(3,754,813)</u>	<u>(8,563,441)</u>	<u>(4,755,548)</u>	<u>3,807,893</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>10,187,581</u>	<u>11,138,090</u>	<u>112,792</u>	<u>(11,025,298)</u>
Other Financing Sources (Uses)				
Transfers In	62,419	101,980	101,980	-
Insurance Proceeds	-	17,824	17,824	-
Total Other Financing Sources (Uses)	<u>62,419</u>	<u>119,804</u>	<u>119,804</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 10,250,000</u>	<u>\$ 11,257,894</u>	<u>\$ 232,596</u>	<u>\$ (11,025,298)</u>

DESOTO COUNTY, FLORIDA
SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OTHER
POSTEMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS
SEPTEMBER 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service Cost	\$ 243,427	\$ 192,960	\$ 196,535	\$ 309,225	\$ 406,909	\$ 318,150	\$ 231,144	\$ 275,269
Interest	346,665	388,811	421,593	304,553	319,628	450,300	459,010	403,256
Differences Between Expected and Actual Experience	(240,506)	-	(620,635)	-	(315,815)	-	540,661	-
Changes of Assumptions or Other Inputs	593,826	724,304	(871,801)	(2,972,984)	(2,397,207)	2,483,671	1,449,759	(760,615)
Benefit Payments	(530,973)	(589,876)	(604,789)	(602,828)	(666,242)	(666,208)	(593,228)	(432,554)
Net Change in Total OPEB Liability	412,439	716,199	(1,479,097)	(2,962,034)	(2,652,727)	2,585,913	2,087,346	(514,644)
Total OPEB Liability - Beginning	8,798,482	8,082,283	9,561,380	12,523,414	15,176,141	12,590,228	10,502,882	11,017,526
Total OPEB Liability - Ending	<u>\$ 9,210,921</u>	<u>\$ 8,798,482</u>	<u>\$ 8,082,283</u>	<u>\$ 9,561,380</u>	<u>\$ 12,523,414</u>	<u>\$ 15,176,141</u>	<u>\$ 12,590,228</u>	<u>\$ 10,502,882</u>
Covered-Employee Payroll	\$ 22,274,847	\$ 20,768,628	\$ 17,621,271	\$ 16,475,637	\$ 15,306,498	\$ 15,763,626	\$ 15,201,683	\$ 13,287,982
Total OPEB Liability as a Percentage of Covered-Employee Payroll	41.35%	42.36%	45.87%	58.03%	81.82%	96.27%	82.82%	79.04%

Notes to the Schedule:

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

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

DESOTO COUNTY, FLORIDA
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2025

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:

- **2025:** 4.50%
- **2024:** 4.06%
- **2023:** 4.87%
- **2022:** 4.77%
- **2021:** 2.43%
- **2020:** 2.14%
- **2019:** 3.58%
- **2018:** 4.18%

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

FLORIDA RETIREMENT SYSTEM PENSION PLAN

Year Ended June 30,	County's Proportion of the FRS Net Pension Plan	County's Proportion Share of the FRS Net Pension Plan Liability	County's Covered Payroll (FYE June 30)	County's Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered Payroll	FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2016	0.072780821%	\$ 18,377,214	\$ 13,755,262	133.60%	84.88%
2017	0.068892068%	20,377,811	13,792,933	147.74%	83.89%
2018	0.068222159%	20,548,868	13,702,518	149.96%	84.26%
2019	0.073663617%	25,368,724	14,671,101	172.92%	82.61%
2020	0.072702936%	31,510,524	15,336,406	205.46%	78.85%
2021	0.065540197%	4,950,817	15,306,023	32.35%	96.40%
2022	0.066715252%	24,823,435	16,475,637	150.67%	82.89%
2023	0.071493831%	28,488,029	18,964,768	150.22%	82.38%
2024	0.074358092%	28,765,207	20,384,782	141.11%	83.70%
2025	0.076071774%	23,608,972	21,836,049	108.12%	87.26%

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
2016	0.044548858%	\$ 5,191,985	\$ 13,755,262	37.75%	0.97%
2017	0.042596933%	4,554,661	13,792,933	33.02%	1.64%
2018	0.042844910%	4,534,709	13,702,518	33.09%	2.15%
2019	0.045273084%	5,065,605	14,671,101	34.53%	2.63%
2020	0.043756153%	5,342,555	15,336,406	34.84%	3.00%
2021	0.043196287%	5,298,674	15,306,023	34.62%	3.56%
2022	0.045136412%	4,780,667	16,475,637	29.02%	4.81%
2023	0.047695201%	7,574,634	18,964,768	39.94%	4.12%
2024	0.048098594%	7,215,259	20,384,782	35.40%	4.80%
2025	0.048797654%	6,254,612	21,836,049	28.64%	6.36%

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
2016	\$ 1,872,281	\$ (1,872,281)	\$ -	\$ 14,062,496	13.31%
2017	1,739,517	(1,739,517)	-	13,585,897	12.80%
2018	2,042,211	(2,042,211)	-	14,070,350	14.51%
2019	2,325,496	(2,325,496)	-	14,757,482	15.76%
2020	2,432,476	(2,432,476)	-	15,232,007	15.97%
2021	2,595,076	(2,595,076)	-	15,616,439	16.62%
2022	2,883,167	(2,883,167)	-	16,513,808	17.46%
2023	3,637,795	(3,637,795)	-	19,435,114	18.72%
2024	3,837,138	(3,837,138)	-	20,768,268	18.48%
2025	4,708,068	(4,708,068)	-	22,274,847	21.14%

HEALTH INSURANCE SUBSIDY PENSION PLAN

Year Ended September 30,	Contractually Required Contribution	HIS Contribution in Relation to the Contractually Required Contribution	HIS Contribution Deficiency (Excess)	County's Covered Payroll (FYE September 30)	HIS Contributions as a Percentage of Covered Payroll
2016	\$ 233,588	\$ (233,588)	\$ -	\$ 14,062,496	1.66%
2017	221,018	(221,018)	-	13,585,897	1.63%
2018	237,438	(237,438)	-	14,070,350	1.69%
2019	252,718	(252,718)	-	14,757,482	1.71%
2020	251,984	(251,984)	-	15,232,007	1.65%
2021	259,199	(259,199)	-	15,616,439	1.66%
2022	273,686	(273,686)	-	16,513,808	1.66%
2023	338,056	(338,056)	-	19,435,114	1.74%
2024	415,110	(415,110)	-	20,768,268	2.00%
2025	444,742	(444,742)	-	22,274,847	2.00%

DESOTO COUNTY, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2025

Note 1 - Changes in Benefits and Assumptions – Florida Retirement System (FRS) and Health Insurance Subsidy (HIS) Pension Plans – 2025

Changes in benefit terms from the year ended June 30, 2024 to June 30, 2025:

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

Changes in assumptions from the year ended June 30, 2024 to June 30, 2025:

- **FRS:** No significant changes.
- **HIS:** The municipal rate and the discount rate used to determine total pension liability increased from 3.93% to 5.20%.

Note 2 - Changes in Benefits and Assumptions – FRS and HIS Pension Plans – 2024

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

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

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

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

SUPPLEMENTARY INFORMATION

**DESOTO COUNTY, FLORIDA
COMBINING BALANCE SHEET
GENERAL FUND BY CATEGORY
SEPTEMBER 30, 2025**

	Board of County Commissioners	Clerk of the Courts	Property Appraiser
Assets			
Cash and Cash Equivalents	\$ 23,014,579	\$ 445,036	\$ 128,305
Accounts Receivable, Net	579,769	-	-
Lease Receivable	430,401	-	-
Due from Other Funds	1,702,292	-	-
Due from Other Governments	1,255,872	71,707	-
Due from Individuals and Businesses	-	-	-
Prepays	51,863	-	-
Deposits	80,000	-	-
Advances to Other Funds	8,389	-	-
Total Assets	27,123,165	516,743	128,305
Liabilities			
Vouchers Payable	935,897	65	60
Accrued Liabilities	123,136	647	-
Due to Other Funds	-	107,492	126,823
Due to Other Governments	4,404	367,604	1,422
Deposits	15,994	-	-
Unearned Revenue	70,541	-	-
Total Liabilities	1,149,972	475,808	128,305
Deferred Inflows			
Unavailable Revenues	20,000	40,935	-
Lease Related	403,239	-	-
Total Deferred Inflows	423,239	40,935	-
Fund Balances			
Non-Spendable:			
Prepays	51,863	-	-
Advances	8,389	-	-
Assigned for Budget Carryforward	441,267	-	-
Unassigned	25,048,435	-	-
Total Fund Balances	25,549,954	-	-
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 27,123,165	\$ 516,743	\$ 128,305

Sheriff	Supervisor of Elections	Tax Collector	Eliminating Entries	Total General Fund
\$ 1,461,676	\$ 26,340	\$ 471,448	\$ -	\$ 25,547,384
-	-	-	-	579,769
-	-	-	-	430,401
-	-	-	(965,662)	736,630
9,000	-	17,200	-	1,353,779
71,341	-	-	-	71,341
-	11,039	-	-	62,902
-	-	-	-	80,000
-	-	-	-	8,389
<u>1,542,017</u>	<u>37,379</u>	<u>488,648</u>	<u>(965,662)</u>	<u>28,870,595</u>
434,206	5,019	-	-	1,375,247
606,096	-	-	-	729,879
413,249	21,321	339,898	(965,662)	43,121
-	-	9,935	-	383,365
-	-	-	-	15,994
88,466	-	121,615	-	280,622
<u>1,542,017</u>	<u>26,340</u>	<u>471,448</u>	<u>(965,662)</u>	<u>2,828,228</u>
-	-	17,200	-	78,135
-	-	-	-	403,239
-	-	17,200	-	481,374
-	11,039	-	-	62,902
-	-	-	-	8,389
-	-	-	-	441,267
-	-	-	-	25,048,435
-	11,039	-	-	25,560,993
<u>\$ 1,542,017</u>	<u>\$ 37,379</u>	<u>\$ 488,648</u>	<u>\$ (965,662)</u>	<u>\$ 28,870,595</u>

DESOTO COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Board of County Commissioners	Clerk of the Courts
Revenues		
Taxes	\$ 31,966,280	\$ -
Permits and Fees	1,947,237	-
Intergovernmental Revenues	7,586,172	387,475
Charges for Services	522,980	1,225,999
Fines and Forfeitures	12,942	-
Miscellaneous Revenues	986,596	28,117
Total Revenues	<u>43,022,207</u>	<u>1,641,591</u>
Expenditures		
Current:		
General Government	10,320,823	404,101
Public Safety	783,275	-
Physical Environment	420,973	-
Economic Environment	25,540	-
Human Services	1,878,555	-
Culture and Recreation	1,968,918	-
Court-Related	-	974,293
Debt Service:		
Principal Retirement	58,904	-
Interest and Fiscal Charges	2,217	-
(Total Expenditures)	<u>(15,459,205)</u>	<u>(1,378,394)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>27,563,002</u>	<u>263,197</u>
Other Financing Sources (Uses)		
Transfers In	2,176,678	169,309
Transfers (Out)	(28,403,306)	(107,492)
Distribution of Excess Commissions	-	(325,014)
SBITA Proceeds	90,882	-
Insurance Proceeds	14,369	-
Total Other Financing Sources (Uses)	<u>(26,121,377)</u>	<u>(263,197)</u>
Net Change in Fund Balances	<u>1,441,625</u>	<u>-</u>
Fund Balances, Beginning of Year	23,996,247	-
Adjustment to Fund Balances (Deficits), Beginning of Year, Correction of Error	<u>112,082</u>	<u>-</u>
Fund Balances (Deficits), Beginning of Year, As Restated	<u>24,108,329</u>	<u>-</u>
Fund Balances, End of Year	<u><u>\$ 25,549,954</u></u>	<u><u>\$ -</u></u>

Property Appraiser	Sheriff	Supervisor of Elections	Tax Collector	Eliminating Entries	Total General Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,966,280
-	-	-	-	-	1,947,237
-	637,088	11,160	-	-	8,621,895
1,642,365	67,762	5,858	1,303,225	-	4,768,189
-	-	-	151,681	-	164,623
5,653	162,645	8	1,637	-	1,184,656
1,648,018	867,495	17,026	1,456,543	-	48,652,880
1,521,195	-	581,531	1,116,645	-	13,944,295
-	19,093,621	-	-	-	19,876,896
-	-	-	-	-	420,973
-	-	-	-	-	25,540
-	-	-	-	-	1,878,555
-	-	-	-	-	1,968,918
-	532,953	-	-	-	1,507,246
-	226,313	-	-	-	285,217
-	-	-	-	-	2,217
(1,521,195)	(19,852,887)	(581,531)	(1,116,645)	-	(39,909,857)
126,823	(18,985,392)	(564,505)	339,898	-	8,743,023
-	18,638,585	583,372	-	(20,356,928)	1,211,016
(126,823)	(413,249)	(21,321)	(339,898)	20,356,928	(9,055,161)
-	-	-	-	-	(325,014)
-	760,056	-	-	-	850,938
-	-	-	-	-	14,369
(126,823)	18,985,392	562,051	(339,898)	-	(7,303,852)
-	-	(2,454)	-	-	1,439,171
-	-	13,493	-	-	24,009,740
-	-	-	-	-	112,082
-	-	13,493	-	-	24,121,822
\$ -	\$ -	\$ 11,039	\$ -	\$ -	\$ 25,560,993

DESOTO COUNTY, FLORIDA
COMBINING BALANCE SHEET
ALL NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	Special Revenue					
	LIHEAP	Opioid Program	Kings Crossing Lighting	Peace River Lighting	Ogden Acres Lighting	Golden Melody Lighting
Assets						
Cash and Cash Equivalents	\$ -	\$ 201,262	\$ -	\$ 4,138	\$ 1,123	\$ -
Restricted Cash and Cash Equivalents	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	-
Special Assessments Receivable	-	-	-	-	-	-
Notes Receivable	-	-	-	-	-	-
Due from Other Funds	-	-	180	8	14	47
Due from Other Governments	21,644	-	-	-	-	-
Due from Individuals and Businesses	-	-	-	-	-	-
Prepays	-	-	-	-	-	-
Total Assets	<u>21,644</u>	<u>201,262</u>	<u>180</u>	<u>4,146</u>	<u>1,137</u>	<u>47</u>
Liabilities						
Vouchers Payable	3,332	-	-	-	-	-
Accrued Liabilities	-	-	-	-	-	-
Due to Other Funds	8,709	-	8,108	-	-	-
Deposits	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-	8,389
Total Liabilities	<u>12,041</u>	<u>-</u>	<u>8,108</u>	<u>-</u>	<u>-</u>	<u>8,389</u>
Deferred Inflows						
Unavailable Revenues	-	-	-	-	-	-
Fund Balances (Deficits)						
Non-Spendable:						
Prepays	-	-	-	-	-	-
Restricted for:						
Economic Development	-	-	-	-	-	-
Public Assistance Programs	9,603	201,262	-	-	-	-
Streetlighting	-	-	-	4,146	1,137	-
Public Safety	-	-	-	-	-	-
Court-Related Services	-	-	-	-	-	-
Solid Waste Control Services	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Building Code Enforcements	-	-	-	-	-	-
Assigned for:	-	-	-	-	-	-
Construction Projects	-	-	-	-	-	-
Unassigned (Deficit)	-	-	(7,928)	-	-	(8,342)
Total Fund Balances (Deficits)	<u>9,603</u>	<u>201,262</u>	<u>(7,928)</u>	<u>4,146</u>	<u>1,137</u>	<u>(8,342)</u>
Total Liabilities, Deferred Inflows, and Fund Balances (Deficits)	<u>\$ 21,644</u>	<u>\$ 201,262</u>	<u>\$ 180</u>	<u>\$ 4,146</u>	<u>\$ 1,137</u>	<u>\$ 47</u>

Special Revenue						
Harlem Heights Lighting	Lake Suzy Lighting	Spring Lakes Lighting	Sunny Breeze Lighting	E-911 Services	Emergency Management	Tourist Development Tax
\$ 8,194	\$ -	\$ -	\$ -	\$ 273,917	\$ 4,407	\$ 366,214
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
20	65	13	27	-	-	-
-	-	-	-	82,319	40,149	18,651
-	-	-	-	-	-	-
-	-	-	-	20,193	-	-
8,214	65	13	27	376,429	44,556	384,865
-	-	-	-	3,363	10,581	1,948
-	-	-	-	-	5,801	798
-	1,045	1,648	2,573	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	1,045	1,648	2,573	3,363	16,382	2,746
-	-	-	-	46,688	13,698	-
-	-	-	-	-	-	-
-	-	-	-	20,193	-	-
-	-	-	-	-	-	382,119
-	-	-	-	-	-	-
8,214	-	-	-	-	-	-
-	-	-	-	306,185	14,476	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	(980)	(1,635)	(2,546)	-	-	-
8,214	(980)	(1,635)	(2,546)	326,378	14,476	382,119
\$ 8,214	\$ 65	\$ 13	\$ 27	\$ 376,429	\$ 44,556	\$ 384,865

DESOTO COUNTY, FLORIDA
COMBINING BALANCE SHEET
ALL NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	Special Revenue					
	CDBG Housing Rehab	Mosquito Control	Curbside Solid Waste Collection	Building	SHIP	Indigent Health Trust
Assets						
Cash and Cash Equivalents	\$ -	\$ -	\$ 32,500	\$ 1,097,598	\$ 2,497,348	\$ -
Restricted Cash and Cash Equivalents	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	10,000	-
Special Assessments Receivable	-	-	64	-	-	-
Notes Receivable	-	-	-	-	1,375,000	-
Due from Other Funds	-	-	16,299	-	-	-
Due from Other Governments	-	-	-	-	-	465,195
Due from Individuals and Businesses	-	-	-	-	-	-
Prepays	-	-	-	106,780	-	-
Total Assets	<u>-</u>	<u>-</u>	<u>48,863</u>	<u>1,204,378</u>	<u>3,882,348</u>	<u>465,195</u>
Liabilities						
Vouchers Payable	142	-	581	17,423	8,816	465,195
Accrued Liabilities	-	-	-	13,574	-	-
Due to Other Funds	3,125	-	-	-	41,489	-
Deposits	-	-	1,430	7,235	-	-
Unearned Revenue	-	-	-	-	660,883	-
Advances from Other Funds	-	-	-	-	-	-
Total Liabilities	<u>3,267</u>	<u>-</u>	<u>2,011</u>	<u>38,232</u>	<u>711,188</u>	<u>465,195</u>
Deferred Inflows						
Unavailable Revenues	-	-	-	-	-	-
Fund Balances (Deficits)						
Non-Spendable:						
Prepays	-	-	-	106,780	-	-
Restricted for:						
Economic Development	-	-	-	-	3,171,160	-
Public Assistance Programs	-	-	-	-	-	-
Streetlighting	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Court-Related Services	-	-	-	-	-	-
Solid Waste Control Services	-	-	46,852	-	-	-
Debt Service	-	-	-	-	-	-
Building Code Enforcements	-	-	-	1,059,366	-	-
Assigned for:						
Construction Projects	-	-	-	-	-	-
Unassigned (Deficit)	(3,267)	-	-	-	-	-
Total Fund Balances (Deficits)	<u>(3,267)</u>	<u>-</u>	<u>46,852</u>	<u>1,166,146</u>	<u>3,171,160</u>	<u>-</u>
Total Liabilities, Deferred Inflows, and Fund Balances (Deficits)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,863</u>	<u>\$ 1,204,378</u>	<u>\$ 3,882,348</u>	<u>\$ 465,195</u>

Special Revenue						
Court Fees	Law Enforcement Trust	Sheriff Inmate Welfare	Sheriff Voluntary Extra Duty	Sheriff Education	Sheriff Victim Advocate	Clerk of Courts Records Modernization
\$ -	\$ 103,564	\$ 423,786	\$ -	\$ 11,460	\$ 1,190	\$ 96,161
736,640	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
32,194	3,454	-	-	-	-	-
-	-	23,159	-	711	-	-
-	-	-	-	-	-	-
768,834	107,018	446,945	-	12,171	1,190	96,161
153,424	-	13,942	-	-	-	4,841
1,192	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
154,616	-	13,942	-	-	-	4,841
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	107,018	447,654	805	12,171	1,190	-
614,218	-	-	-	-	-	91,320
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	(14,651)	(805)	-	-	-
614,218	107,018	433,003	-	12,171	1,190	91,320
\$ 768,834	\$ 107,018	\$ 446,945	\$ -	\$ 12,171	\$ 1,190	\$ 96,161

DESOTO COUNTY, FLORIDA
COMBINING BALANCE SHEET
ALL NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	Debt Service	Capital Projects			Total Non-Major
	Debt	Construction	Special	CDBG	Governmental
	Service	Projects	Projects	Projects	Funds
	Fund				
Assets					
Cash and Cash Equivalents	\$ 4	\$ 418,844	\$ 1,437,461	\$ -	\$ 6,979,171
Restricted Cash and Cash Equivalents	-	-	-	-	736,640
Accounts Receivable	-	-	-	-	10,000
Special Assessments Receivable	-	-	-	-	64
Notes Receivable	-	-	-	-	1,375,000
Due from Other Funds	-	-	-	-	16,673
Due from Other Governments	-	-	370,419	634,361	1,668,386
Due from Individuals and Businesses	-	-	-	-	23,870
Prepays	-	-	-	-	126,973
Total Assets	4	418,844	1,807,880	634,361	10,936,777
Liabilities					
Vouchers Payable	-	308,263	17,655	-	1,009,506
Accrued Liabilities	-	-	-	-	21,365
Due to Other Funds	-	-	-	669,933	736,630
Deposits	-	-	-	-	8,665
Unearned Revenue	-	-	625,000	-	1,285,883
Advances from Other Funds	-	-	-	-	8,389
Total Liabilities	-	308,263	642,655	669,933	3,070,438
Deferred Inflows					
Unavailable Revenues	-	-	222,923	634,361	917,670
Fund Balances (Deficits)					
Non-Spendable:					
Prepays	-	-	-	-	126,973
Restricted for:					
Economic Development	-	-	-	-	3,553,279
Public Assistance Programs	-	-	-	-	210,865
Streetlighting	-	-	-	-	13,497
Public Safety	-	-	-	-	889,499
Court-Related Services	-	-	-	-	705,538
Solid Waste Control Services	-	-	-	-	46,852
Debt Service	4	-	-	-	4
Building Code Enforcements	-	-	-	-	1,059,366
Assigned for:					
Construction Projects	-	110,581	942,302	-	1,052,883
Unassigned (Deficit)	-	-	-	(669,933)	(710,087)
Total Fund Balances (Deficits)	4	110,581	942,302	(669,933)	6,948,669
Total Liabilities, Deferred Inflows, and Fund Balances (Deficits)	\$ 4	\$ 418,844	\$ 1,807,880	\$ 634,361	\$ 10,936,777

DESOTO COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
ALL NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Special Revenue					
	LIHEAP	Opioid Program	Kings Crossing Lighting	Peace River Lighting	Ogden Acres Lighting	Golden Melody Lighting
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	25,366	1,828	2,015	6,972
Licenses and Permits	-	-	-	-	-	-
Intergovernmental Revenues	234,308	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous Revenues	-	162,928	55	79	-	-
Total Revenues	234,308	162,928	25,421	1,907	2,015	6,972
Expenditures						
Current:						
General Government	-	-	508	37	61	133
Public Safety	-	-	-	-	-	-
Physical Environment	-	5,110	28,074	1,546	62	8,216
Transportation	-	-	-	-	-	-
Economic Environment	-	-	-	-	1,920	-
Human Services	174,480	33,928	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Court-Related	-	-	-	-	-	-
(Total Expenditures)	(174,480)	(39,038)	(28,582)	(1,583)	(2,043)	(8,349)
Excess (Deficiency) of Revenues Over (Under) Expenditures	59,828	123,890	(3,161)	324	(28)	(1,377)
Other Financing Sources (Uses)						
Transfers In	-	77,372	180	8	14	47
Transfers (Out)	(49,545)	-	-	-	-	-
Total Other Financing Sources (Uses)	(49,545)	77,372	180	8	14	47
Net Change in Fund Balances	10,283	201,262	(2,981)	332	(14)	(1,330)
Fund Balances (Deficits), Beginning of Year	(680)	-	(4,947)	3,814	1,151	(7,012)
Fund Balances (Deficits), End of Year	\$ 9,603	\$ 201,262	\$ (7,928)	\$ 4,146	\$ 1,137	\$ (8,342)

Special Revenue						
Harlem Heights Lighting	Lake Suzy Lighting	Spring Lakes Lighting	Sunny Breeze Lighting	E-911 Services	Emergency Management	Tourist Development Tax
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 178,741
3,012	9,191	3,855	1,178	-	-	-
-	-	-	-	-	-	-
-	-	-	-	168,552	169,164	-
-	-	-	-	49,502	-	-
-	-	-	-	-	-	-
109	43	-	-	3,875	4	4,517
3,121	9,234	3,855	1,178	221,929	169,168	183,258
56	184	77	36	-	-	-
-	-	-	-	180,442	359,114	2,762
2,538	9,685	4,229	1,904	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	95,913
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(2,594)	(9,869)	(4,306)	(1,940)	(180,442)	(359,114)	(98,675)
527	(635)	(451)	(762)	41,487	(189,946)	84,583
20	65	13	27	-	205,974	-
-	-	-	-	(57,459)	-	-
20	65	13	27	(57,459)	205,974	-
547	(570)	(438)	(735)	(15,972)	16,028	84,583
7,667	(410)	(1,197)	(1,811)	342,350	(1,552)	297,536
\$ 8,214	\$ (980)	\$ (1,635)	\$ (2,546)	\$ 326,378	\$ 14,476	\$ 382,119

DESOTO COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
ALL NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Special Revenue					
	CDBG Housing Rehab	Mosquito Control	Curbside Solid Waste Collection	Building Fund	SHIP	Indigent Health Trust
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,672,829
Special Assessments	-	-	-	-	-	-
Licenses and Permits	-	-	-	609,788	-	-
Intergovernmental Revenues	-	67,481	-	-	39,117	-
Charges for Services	-	-	2,317,301	1,455	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous Revenues	-	-	6,562	23,401	361,480	-
Total Revenues	<u>-</u>	<u>67,481</u>	<u>2,323,863</u>	<u>634,644</u>	<u>400,597</u>	<u>2,672,829</u>
Expenditures						
Current:						
General Government	-	-	46,065	-	-	-
Public Safety	-	-	-	731,910	110	-
Physical Environment	-	-	2,411,348	-	-	-
Transportation	-	-	-	-	-	-
Economic Environment	635	-	-	2,474	892,928	-
Human Services	-	84,351	-	-	-	2,672,829
Culture and Recreation	-	-	-	-	-	-
Court-Related	-	-	-	-	-	-
(Total Expenditures)	<u>(635)</u>	<u>(84,351)</u>	<u>(2,457,413)</u>	<u>(734,384)</u>	<u>(893,038)</u>	<u>(2,672,829)</u>
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	<u>(635)</u>	<u>(16,870)</u>	<u>(133,550)</u>	<u>(99,740)</u>	<u>(492,441)</u>	<u>-</u>
Other Financing Sources (Uses)						
Transfers In	-	16,870	179,330	-	-	-
Transfers (Out)	(2,632)	-	-	-	(115,838)	-
Total Other Financing Sources (Uses)	<u>(2,632)</u>	<u>16,870</u>	<u>179,330</u>	<u>-</u>	<u>(115,838)</u>	<u>-</u>
Net Change in Fund Balances	<u>(3,267)</u>	<u>-</u>	<u>45,780</u>	<u>(99,740)</u>	<u>(608,279)</u>	<u>-</u>
Fund Balances (Deficits),						
Beginning of Year	<u>-</u>	<u>-</u>	<u>1,072</u>	<u>1,265,886</u>	<u>3,779,439</u>	<u>-</u>
Fund Balances (Deficits), End of Year	<u>\$ (3,267)</u>	<u>\$ -</u>	<u>\$ 46,852</u>	<u>\$ 1,166,146</u>	<u>\$ 3,171,160</u>	<u>\$ -</u>

Special Revenue						
Court Fees	Law Enforcement Trust	Sheriff Inmate Welfare	Sheriff Voluntary Extra Duty	Sheriff Education	Sheriff Victim Advocate	Clerk of Courts Records Modernization
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	2,206	-	-	-	-	-
251,547	-	193,165	-	4,764	-	1,304,749
81,645	46,901	-	-	-	-	-
-	1,117	4,131	-	4	1	18
333,192	50,224	197,296	-	4,768	1	1,304,767
40,785	-	-	-	-	-	83,212
78,083	-	211,947	805	9,901	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
600,003	-	-	-	-	-	1,241,352
(718,871)	-	(211,947)	(805)	(9,901)	-	(1,324,564)
(385,679)	50,224	(14,651)	(805)	(5,133)	1	(19,797)
506,536	-	-	-	-	-	-
(259,988)	(10,317)	-	-	-	-	-
246,548	(10,317)	-	-	-	-	-
(139,131)	39,907	(14,651)	(805)	(5,133)	1	(19,797)
753,349	67,111	447,654	805	17,304	1,189	111,117
\$ 614,218	\$ 107,018	\$ 433,003	\$ -	\$ 12,171	\$ 1,190	\$ 91,320

DESOTO COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
ALL NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Debt Service		Capital Projects			
	Debt					Total Non-Major
	Service		Construction	Special	CDBG	Governmental
	Fund		Projects	Projects	Projects	Funds
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	2,851,570
Special Assessments	-	-	-	-	-	53,417
Licenses and Permits	-	-	-	-	-	609,788
Intergovernmental Revenues	-	1,009,777	850,419	-	-	2,541,024
Charges for Services	-	-	-	-	-	4,122,483
Fines and Forfeitures	-	-	-	-	-	128,546
Miscellaneous Revenues	-	(5,524)	(2,017)	-	-	560,783
Total Revenues	-	1,004,253	848,402	-	-	10,867,611
Expenditures						
Current:						
General Government	-	39,546	-	-	-	210,700
Public Safety	-	3,549,035	436	-	-	5,124,545
Physical Environment	-	-	-	-	-	2,472,712
Transportation	-	-	21,000	-	-	21,000
Economic Environment	-	-	81,956	-	-	1,075,826
Human Services	-	-	-	-	-	2,965,588
Culture and Recreation	-	32,149	852,831	168,780	-	1,053,760
Court-Related	-	-	-	-	-	1,841,355
(Total Expenditures)	-	(3,620,730)	(956,223)	(168,780)	-	(14,765,486)
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	-	(2,616,477)	(107,821)	(168,780)	-	(3,897,875)
Other Financing Sources (Uses)						
Transfers In	-	625,000	1,186,365	-	-	2,797,821
Transfers (Out)	-	(300,000)	(407,758)	-	-	(1,203,537)
Total Other Financing Sources (Uses)	-	325,000	778,607	-	-	1,594,284
Net Change in Fund Balances	-	(2,291,477)	670,786	(168,780)	-	(2,303,591)
Fund Balances (Deficits),						
Beginning of Year	4	2,402,058	271,516	(501,153)	-	9,252,260
Fund Balances (Deficits), End of Year	\$ 4	\$ 110,581	\$ 942,302	\$ (669,933)	\$ -	6,948,669

DESOTO COUNTY, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
SEPTEMBER 30, 2025

	Board of County Commissioners		Sheriff		
	Emergency Support Fund	Cash Bond Fund	Individual Depositors Fund	Other Suspense Fund	Inmate Trust Fund
Assets					
Cash and Cash Equivalents	\$ -	\$ 3,013	\$ 7,858	\$ 4,830	\$ 44,865
Accounts Receivable	-	-	-	-	-
Due from Other Governments	-	4,050	3,120	4,187	-
Total Assets	<u>-</u>	<u>7,063</u>	<u>10,978</u>	<u>9,017</u>	<u>44,865</u>
Liabilities					
Due to Other Governments	-	-	-	-	-
Due to Individuals and Businesses	-	4,051	3,225	5,063	36,000
Due to Others	-	3,000	3,000	3,000	-
Deposits	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>7,051</u>	<u>6,225</u>	<u>8,063</u>	<u>36,000</u>
Net Position					
Restricted for Individuals, Businesses, and Other Governments	-	12	4,753	954	8,865
Total Net Position	<u>\$ -</u>	<u>\$ 12</u>	<u>\$ 4,753</u>	<u>\$ 954</u>	<u>\$ 8,865</u>

Clerk of the Courts					Tax Collector	
Registry of Court Funds	Special Trust Fund	Fine and Forfeiture Fund	Documentary Stamp and Intangible Tax Fund	Child Support Fund	Tax Collector Fund	Totals
\$ 760,697	\$ 624,209	\$ -	\$ -	\$ 2,505	\$ 685,215	\$ 2,133,192
-	-	-	-	-	23,591	23,591
-	-	-	-	-	-	11,357
<u>760,697</u>	<u>624,209</u>	<u>-</u>	<u>-</u>	<u>2,505</u>	<u>708,806</u>	<u>2,168,140</u>
-	-	-	-	-	703,721	703,721
-	-	-	-	2,505	-	50,844
-	-	-	-	-	-	9,000
-	-	-	-	-	5,085	5,085
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,505</u>	<u>708,806</u>	<u>768,650</u>
760,697	624,209	-	-	-	-	1,399,490
<u>\$ 760,697</u>	<u>\$ 624,209</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,399,490</u>

DESOTO COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Board of County Commissioners		Sheriff		
	Emergency Support Fund	Cash Bond Fund	Individual Depositors Fund	Other Suspense Fund	Inmate Trust Fund
Additions					
Fees/Fines Collected for Other Governments	\$ -	\$ -	\$ -	\$ -	\$ -
Deposits and Other Trust Activities	-	-	-	-	-
Property Taxes and Fees Collected for Local Governments	-	-	-	-	-
Tax Certificate Redemptions and Fees Collected for Businesses and Individuals	-	-	-	-	-
Cash Bond Collected	-	167,445	-	-	-
Fines, Forfeitures, and Fees Collected	-	-	42,282	-	-
Evidence Monies Collected	-	-	-	81,889	-
Collections from Inmates	-	-	-	-	519,713
Interest Income	-	-	2	1	13
Total Additions	<u>-</u>	<u>167,445</u>	<u>42,284</u>	<u>81,890</u>	<u>519,726</u>
Deductions					
Fees/Fines Disbursed to Other Governments	-	-	-	-	-
Deposits and Other Trust Activities Disbursed	2,303	-	-	-	-
Property Taxes and Fees Disbursed to Local Governments	-	-	-	-	-
Tax Certificate Redemptions and Fees Disbursed to Businesses and Individuals	-	-	-	-	-
Cash Bonds Disbursed	-	167,445	-	-	-
Fines, Forfeitures, and Fees Disbursed	-	-	42,192	-	-
Evidence Monies Disbursed	-	-	-	81,478	-
Inmate Funds Disbursed	-	-	-	-	519,749
Total Deductions	<u>2,303</u>	<u>167,445</u>	<u>42,192</u>	<u>81,478</u>	<u>519,749</u>
Changes in Fiduciary Net Position	(2,303)	-	92	412	(23)
Beginning Net Position	<u>2,303</u>	<u>12</u>	<u>4,661</u>	<u>542</u>	<u>8,888</u>
Ending Net Position	<u>\$ -</u>	<u>\$ 12</u>	<u>\$ 4,753</u>	<u>\$ 954</u>	<u>\$ 8,865</u>

Clerk of the Courts					Tax Collector		Totals
Registry of Court Funds	Special Trust Fund	Fine and Forfeiture Fund	Documentary Stamp and Intangible Tax Fund	Child Support Fund	Tax Collector Fund	Eliminating Entries	
\$ -	\$ 450,702	\$ 1,473,766	\$ 3,358,634	\$ -	\$ -	\$ -	\$ 5,283,102
1,928,470	285,231	-	-	291,754	-	-	2,505,455
-	-	-	-	-	50,632,097	(29,760,883)	20,871,214
-	-	-	-	-	7,969,393	(17,355)	7,952,038
-	-	-	-	-	-	-	167,445
-	-	-	-	-	-	-	42,282
-	-	-	-	-	-	-	81,889
-	-	-	-	-	-	-	519,713
-	-	-	-	-	-	-	16
1,928,470	735,933	1,473,766	3,358,634	291,754	58,601,490	(29,778,238)	37,423,154
-	493,690	1,473,766	3,358,634	-	-	-	5,326,090
1,664,461	320,168	-	-	291,754	-	-	2,278,686
-	-	-	-	-	50,632,097	(29,760,883)	20,871,214
-	-	-	-	-	7,969,393	(17,355)	7,952,038
-	-	-	-	-	-	-	167,445
-	-	-	-	-	-	-	42,192
-	-	-	-	-	-	-	81,478
-	-	-	-	-	-	-	519,749
1,664,461	813,858	1,473,766	3,358,634	291,754	58,601,490	(29,778,238)	37,238,892
264,009	(77,925)	-	-	-	-	-	184,262
496,688	702,134	-	-	-	-	-	1,215,228
\$ 760,697	\$ 624,209	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,399,490

COMPLIANCE SECTION

DESOTO COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Grantor/Pass-Through Agency/Program or Cluster	AL/CSFA Number	Contract/ Grant Number	Grant Expenditures
Expenditures of Federal Awards			
U.S. Department of Agriculture			
Emergency Watershed Protection Program - EWP-5078	10.923	EWP5078	\$ 2,055,479
Total U.S. Department of Agriculture			<u>2,055,479</u>
U.S. Department of Housing and Urban Development			
Passed Through Florida Department of Commerce:			
Community Development Block Grants/State's Program and Non-Entitlement			
Grants in Hawaii:			
Community Development Block Grants - CR769 Bridge	14.228	MT040	122,192
Community Development Block Grants - King & Baker	14.228	MT041	46,588
COVID-19 Community Development Block Grants - CARES Act Tiny Town	14.228	22CV-SO2	101,438
Total U.S. Department of Housing and Urban Development			<u>270,218</u>
U.S. Department of Justice			
Passed Through Florida Department of Law Enforcement:			
Bulletproof Vest Partnership Program	16.607	Unknown	2,206
Total U.S. Department of Justice			<u>2,206</u>
U.S. Department of Transportation, Federal Highway Administration			
Passed Through Florida Department of Transportation:			
Highway Planning and Construction	20.205	FPN 444207-1-38-01	62,143
Highway Planning and Construction	20.205	FPN 438103-1-38/58-01	77,643
Highway Planning and Construction	20.205	FPN 444206-1-38-01	60,077
Highway Planning and Construction	20.205	FPN 438105-1-38/58-01	152,586
Highway Planning and Construction	20.205	FPN 44324-1-38-01	109,802
Total U.S. Department of Transportation, Federal Highway Administration			<u>462,251</u>
U.S. Election Assistance Commission			
Passed Through Florida Department of State:			
HAVA Election Security Grants	90.404	24.e.an.000.013	11,160
Total U.S. Election Assistance Commission			<u>11,160</u>
U.S. Department of Health and Human Services			
Passed Through Florida Department of Revenue:			
Child Support Services - Reimbursement	93.563	COC14	194,500
Passed Through Florida Department of Commerce:			
Low-Income Home Energy Assistance	93.568	E2001-39716, 40028, 40238	224,025
Total U.S. Department of Health and Human Services			<u>418,525</u>
U.S. Department of Homeland Security,			
Federal Emergency Management Agency (FEMA)			
Passed Through Florida Division of Emergency Management:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Z4764	76,495
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Z2862 and Z4737	1,977,581
			<u>2,054,076</u>
Emergency Management Performance Grants	97.042	G0247/G0450	50,604
Total U.S. Department of Homeland Security, FEMA			<u>2,104,680</u>
Total Expenditures of Federal Awards			<u>\$ 5,324,519</u>

DESOTO COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Grantor/Pass-Through Agency/Program or Cluster	AL/CSFA Number	Contract/ Grant Number	Grant Expenditures
Expenditures of State Financial Assistance			
Florida Executive Office of the Governor			
Emergency Management Programs	31.063	A0247	\$ 26,452
Emergency Management Programs	31.063	A0379	94,583
Total Florida Executive Office of the Governor			<u>121,035</u>
Florida Department of Environmental Protection			
Small County Consolidated Grants	37.012	SC405	93,750
Statewide Water Quality Restoration Projects - Peace River Basin Treatment	37.039	LPR0021	139,495
Total Florida Department of Environmental Protection			<u>233,245</u>
Florida Housing Finance Corporation			
State Housing Initiatives Partnership Program (SHIP)	40.901	Unknown	544,635
State Housing Initiatives Partnership Program (SHIP) - HHRP	40.901	Unknown	464,241
Total Florida Housing Finance Corporation			<u>1,008,876</u>
Florida Department of Agriculture and Consumer Services			
Mosquito Control	42.003	30633	67,479
Total Florida Department of Agriculture and Consumer Services			<u>67,479</u>
Florida Department of State, Division of Library and Information Services			
State Aid to Libraries	45.030	24-ST-13	71,206
Total Florida Department of State, Division of Library and Information Services			<u>71,206</u>
Florida Department of Transportation			
Small County Outreach Program (SCOP) - SW Welles	55.009	446390 1 54 01 G2611	492,813
Small County Outreach Program (SCOP) - SW Liverpool Road	55.009	448741 1 54 01 G3672	71,274
Small County Outreach Program (SCOP) - SE Hargrave	55.009	453435 1 54 01 G2U97	48,245
			<u>612,332</u>
Small County Road Assistance Program (SCRAP) - CR 661	55.016	448742 1 54 01 G3B46	189,667
Small County Road Assistance Program (SCRAP) - NE Cubitis AVE	55.016	453403 1 54 01 G2U52	62,060
			<u>251,727</u>
Total Florida Department of Transportation			<u>864,059</u>
Florida Department of Law Enforcement			
Law Enforcement Salary Assistance For Fiscally Constrained Counties	71.067	ME005	391,496
Law Enforcement Salary Assistance For Fiscally Constrained Counties	71.067	LG005	174,738
Total Florida Department of Law Enforcement			<u>566,234</u>
Florida Department of Management Services			
E911 State Grant Program	72.002	S24-23-08-10	11,147
Prepaid Next Generation 911 (NG911) State Grant Program	72.003	S26-26-24-07-02	46,688
Total Florida Department of Management Services			<u>57,835</u>
Florida Fish and Wildlife Commission			
Florida Boating Improvement Program	77.006	23099	527,942
Florida Boating Improvement Program	77.006	24072	45,189
Total Florida Fish and Wildlife Commission			<u>573,131</u>
Total Expenditures of State Financial Assistance			<u>\$ 3,563,100</u>

DESOTO COUNTY, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

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* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (federal awards); and Chapter 10.550, *Rules of the Auditor General* of the State of Florida.

The County reporting entity is defined in Note 1 to the County's financial statements for the year ended September 30, 2025. All federal awards and state financial assistance received directly from federal or state agencies, as well as federal awards and state financial assistance passed through other governmental agencies, are included in the schedule.

Note 2 - Basis of Accounting

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

Note 3 - Contingencies

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

Note 4 - Expenditures and Program Income

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

Note 5 - Indirect Costs

DeSoto County Board of County Commissioners did not elect to use the 15% de minimis cost rate in 2025 as covered in 2 CFR 200.414.

Note 6 - Disaster Public Assistance

Disaster funding received from the FEMA Public Assistance Program (AL 97.036) is based on Project Worksheets (PWs) that outline the eligible expenses and the scope of the project. Expenditures recorded on this schedule are contingent on when funds are obligated and approved, and the County has incurred eligible expenditures. The schedule includes \$1,067,168 of eligible expenditures that were incurred in prior years.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of DeSoto County, Florida (the County), as of and for the year ended September 30, 2025, 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 26, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

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

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

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 County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Purvis Gray

June 26, 2026
Sarasota, Florida

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

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

Report on Compliance for Each Major Federal Program/State Project

Opinion on Each Major Federal Program/State Project

We have audited DeSoto County, Florida's (the County) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement*, and the requirements described in the Florida Department of Financial Services' *State Projects Compliance Supplement*, that could have a direct and material effect on each of the County's major federal programs and state projects for the year ended September 30, 2025. The County's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2025.

Basis for Opinion on Each Major Federal Program/State Project

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

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

Responsibilities of Management for Compliance

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

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

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

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

Purvis Gray

June 26, 2026
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, 2025**

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?	No
Non-compliance material to financial statements noted?	No

Federal Awards and State Financial Assistance Projects

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

Identification of Major Programs/Projects:

Federal Program or Cluster

U.S. Department of Housing and Urban Development	
Community Development Block Grants	AL No. 14.228
U.S. Department of Homeland Security	
Disaster Grants – Public Assistance	AL No. 97.036

**DESOTO COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARD PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

State Financial Assistance Projects

Florida Housing Finance Corporation

State Housing Initiatives Partnership Program CSFA No. 40.901

Florida Department of Transportation

Small County Road Assistance Program CSFA No. 55.016

Florida Fish and Wildlife Commission

Florida Boating Improvement Program CSFA No. 77.006

Dollar threshold used to distinguish between Type A and
Type B programs - Federal Programs: \$1,000,000

Dollar threshold used to distinguish between Type A and
Type B programs - State Programs: \$750,000

Auditee qualified as low-risk auditee pursuant to the Uniform Guidance? No

PART B - FINDINGS - FINANCIAL STATEMENT AUDIT

- No matters are reported.

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

- No matters are reported.

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

- No matters are reported.

PART E - OTHER ISSUES

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

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

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

We have examined DeSoto County, Florida's (the County) compliance with Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2025, as required by Section 10.566(10)(a), *Rules of the Auditor General*. Management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

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

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

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

In our opinion, the County complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the fiscal year ended September 30, 2025.

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

Purvis Gray

June 26, 2026
Sarasota, Florida

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

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

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

We have examined DeSoto County, Florida's (the County) compliance with Section 365.172(10), Florida Statutes, *Authorized Expenditures of E911 Fee*, and Section 365.173(2)(d), Florida Statutes, *Distribution and Use of (E911) Funds*, during the fiscal year ended September 30, 2025. Management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

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

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

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

In our opinion, the County complied, in all material respects, with the requirements of Section 365.172(10), Florida Statutes, *Authorized Expenditures of E911 Fee*, and Section 365.173(2)(d), Florida Statutes, *Distribution and Use of (E911) Funds*, during the fiscal year ended September 30, 2025.

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

Purvis Gray

June 26, 2026
Sarasota, Florida

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of DeSoto County, Florida (the County) as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated June 26, 2026.

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 for Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control Over Compliance Required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*; Schedule of Findings and Questioned Costs; and Independent Accountant's Reports on an examination conducted in accordance with American Institute of Public Accountants *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated June 26, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report.

Official Title and Legal Authority

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

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

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

MANAGEMENT LETTER

Financial Condition and Management

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

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

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

Property Assessed Clean Energy (PACE) Programs

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

Additional Matters

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

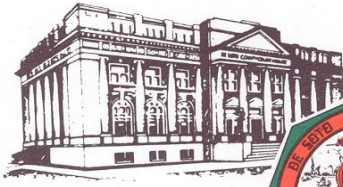
Purpose of this Letter

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

Purvis Gray

June 26, 2026
Sarasota, Florida

DeSoto County



Board of County Commissioners Administrative Services Department

201 East Oak Street, Suite 205
Arcadia, Florida 34266

(863) 993-4587

(863) 993-4643 fax

www.desotobocc.com

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FEDERAL PROGRAMS AND STATE PROJECTS For the Fiscal Year Ended September 30, 2025

PRIOR AUDIT FINDINGS – FINANCIAL STATEMENT AUDIT

Finding Number	Prior Audit Finding
2024-01	Timeliness of Financial Close and Reporting (Significant Deficiency) Condition – At commencement of final fieldwork, we noted that there were several large areas still requiring completion and adjustment. Management noted that these areas were still in process and adjustments were to be provided. The County subsequently provided adjustments to these areas. This resulted in significant updates to the original trial balance, a delay in the completion of final fieldwork, and a delay in the issuance of the financial statements. Auditor's Recommendation: We recommend management reviews policies and procedures in relation to the closing process in order to improve the timeliness of financial close and reporting. Current Status: The finding was corrected in fiscal year 2025.

PRIOR AUDIT FINDINGS – FINANCIAL STATEMENT AUDIT

Finding Number	Prior Audit Finding
2024-02	Inventory Management (Significant Deficiency) Condition – During the audit, we performed an inventory observation that identified differences between recorded and actual inventory balances in both the Water and Sewer and County Transportation Fund. Additionally, for the Water and Sewer Fund, deviations of inventory cost from County policy were identified along with the identification of a previously unreported inventory location. Auditor's Recommendation: We recommend management review policies and procedures in relation to inventory to ensure that inventory counts are performed timely on a periodic basis and inventory is valued in accordance with established policies and procedures. Current Status: The finding was corrected in fiscal year 2025.

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 19 day of June, 2026.

[Signature]
NOTARY PUBLIC

Print Name Lesyani Martinez

Personally known ✓ or produced identification _____

Type of identification produced: N/A

My Commission Expires:

5/14/2027



2025

DeSoto County, Florida
Clerk of the Circuit and County Courts

Financial Statements and
Independent Auditor's Report

September 30, 2025

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

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

SEPTEMBER 30, 2025

TABLE OF CONTENTS

Independent Auditor’s Report	1-3
Financial Statements	
Balance Sheet - Governmental Funds	4
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	5
Statement of Fiduciary Net Position	6
Statement of Changes in Fiduciary Net Position	7
Notes to Financial Statements	8-14
Required Supplementary Information	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	15
Note to Required Supplementary Information	16
Supplementary Information	
Combining Statement of Fiduciary Net Position	17
Combining Statement of Changes in Fiduciary Net Position	18
Other Reports	
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	19-20
Independent Accountant’s Report on Compliance with Florida Statutes, Section 218.415 - Investments of Public Funds	21
Independent Accountant’s Report on Compliance with Florida Statutes, Sections 28.35 and 28.36 - Certain Court-Related Functions	22
Independent Accountant’s Report on Compliance with Florida Statutes, Section 61.181 - Alimony and Child Support Payments	23
Management Letter	24-25
Management’s Response to Findings	26

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the DeSoto County, Florida Clerk of the Circuit and County Courts (the Clerk), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Clerk's financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Clerk as of September 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida (the Rules). In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position, only for that portion of each major fund and the aggregate remaining fund information of DeSoto County, Florida that is attributable to the Clerk. They do not purport to, and do not, present fairly the financial position of DeSoto County, Florida as of September 30, 2025, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

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

INDEPENDENT AUDITOR'S REPORT

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

Required Supplementary Information

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

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2025, on our consideration of the Clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Clerk's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk's internal control over financial reporting and compliance.

Purvis Gray

November 14, 2025
Sarasota, Florida

FINANCIAL STATEMENTS

DESOTO COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	Major Funds		
	General Fund	Public Records Trust Fund	Total Governmental Funds
Assets			
Cash	\$ 445,036	\$ 96,161	\$ 541,197
Due from Other Governments	71,707	-	71,707
Total Assets	<u>516,743</u>	<u>96,161</u>	<u>612,904</u>
Liabilities, Deferred Inflows, and Fund Balances			
Liabilities			
Accounts Payable	65	4,841	4,906
Accrued Payroll and Payroll Taxes	647	-	647
Due to Board of County Commissioners	107,492	-	107,492
Due to Other Governments	367,604	-	367,604
Total Liabilities	<u>475,808</u>	<u>4,841</u>	<u>480,649</u>
Deferred Inflows			
Unavailable Revenues	40,935	-	40,935
Total Deferred Inflows	<u>40,935</u>	<u>-</u>	<u>40,935</u>
Fund Balances			
Restricted for:			
Records Modernization	-	91,320	91,320
Total Fund Balances	<u>-</u>	<u>91,320</u>	<u>91,320</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 516,743</u>	<u>\$ 96,161</u>	<u>\$ 612,904</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, 2025

	Major Funds		
	General Fund	Public Records Trust Fund	Total Governmental Funds
Revenues			
Intergovernmental Revenues	\$ 387,475	\$ -	\$ 387,475
Charges for Services	1,225,999	1,304,749	2,530,748
Interest	28,117	18	28,135
Total Revenues	<u>1,641,591</u>	<u>1,304,767</u>	<u>2,946,358</u>
Expenditures			
Current:			
General Government:			
Personnel Services	356,688	-	356,688
Operating Expenditures	47,413	83,212	130,625
Court-Related Services:			
Personnel Services	853,910	-	853,910
Operating Expenditures	120,383	1,241,352	1,361,735
(Total Expenditures)	<u>(1,378,394)</u>	<u>(1,324,564)</u>	<u>(2,702,958)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>263,197</u>	<u>(19,797)</u>	<u>243,400</u>
Other Financing Sources (Uses)			
Reversion to the State of Florida	(325,014)	-	(325,014)
Transfers in from DeSoto County Board of County Commissioners	169,309	-	169,309
Transfers (out) to DeSoto County Board of County Commissioners	(107,492)	-	(107,492)
Total Other Financing Sources (Uses)	<u>(263,197)</u>	<u>-</u>	<u>(263,197)</u>
Net Change in Fund Balances	-	(19,797)	(19,797)
Fund Balance, Beginning of Year	<u>-</u>	<u>111,117</u>	<u>111,117</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 91,320</u>	<u>\$ 91,320</u>

See accompanying notes.

**DESOTO COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2025**

	Total Custodial Funds
Assets	
Cash	\$ 1,387,411
Total Assets	<u>1,387,411</u>
 Liabilities and Net Position	
 Liabilities	
Due to Individuals and Businesses	<u>2,505</u>
Total Liabilities	<u>2,505</u>
 Net Position	
Restricted for Individuals and Businesses	<u>1,384,906</u>
Total Net Position	<u>1,384,906</u>
 Total Liabilities and Net Position	 <u>\$ 1,387,411</u>

See accompanying notes.

DESOTO COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
SEPTEMBER 30, 2025

	Total Custodial Funds
Additions	
Fees/Fines Collected for Other Governments	\$ 5,283,102
Deposits and Other Trust Activities	<u>2,505,455</u>
Total Additions	<u>7,788,557</u>
Deductions	
Fees/Fines Disbursed to Other Governments	5,326,090
Deposits and Other Trust Activities Disbursed	<u>2,276,383</u>
(Total Deductions)	<u>(7,602,473)</u>
Change in Net Position	186,084
Net Position, Beginning of Year	<u>1,198,822</u>
Net Position, End of Year	<u><u>\$ 1,384,906</u></u>

See accompanying notes.

**DESOTO COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

Note 1 - Summary of Significant Accounting Policies

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

Reporting Entity

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

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

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

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

Basis of Presentation

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

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

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

The Clerk reports the following major governmental funds:

■ **Governmental Funds**

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

DESOTO COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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

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

■ **Fiduciary Funds**

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

Funding of Clerk Activities

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

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

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

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

Basis of Accounting

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

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

DESOTO COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Measurement Focus

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

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

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

Budgetary Requirement

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

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

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

Supplemental Funding and Return of “Excess Fees”

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

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

DESOTO COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

period October 1, 2024 through September 30, 2025, the amount recorded as due to other governments includes \$82,537 of September 2025 revenues that can be retained to fund 2026 expenditures, as well as \$285,067, which is due to the state.

Deferred Inflows/Unavailable Revenues

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

Fund Balances

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

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

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

DESOTO COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Compensated Absences

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

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

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

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported and disclosed in the accompanying financial statements and notes. Actual results could differ from those estimates. There were no significant estimates as of September 30, 2025.

New Accounting Pronouncements

For the year ended September 30, 2025, the Clerk implemented Governmental Accounting Standards Board (GASB) Statement Nos. 101, *Compensated Absences*, and 102, *Certain Risk Disclosures*. GASB No. 101 updates the recognition and measurement guidance for compensated absences, achieved by aligning the recognition and measurement under a unified model and by amending certain previously required disclosures. As a result of the adoption of this statement, the Clerk has updated the calculation of compensated absences, which, while not recognized in the Clerk's financial statements due to the basis of accounting, is disclosed in Note 4. Statement No. 102 intends to improve financial reporting by providing users of the financial statements with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. There was no impact to the Clerk's financial statements as a result of the adoption of this statement.

Note 2 - Cash and Investments

At year-end, the carrying amount of the Clerk's deposits was \$1,926,068 (\$538,657 in governmental funds and \$1,387,411 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.

DESOTO COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

In addition to cash deposits, the Clerk maintains cash on hand for the purpose of making change on transactions. At September 30, 2025, the Clerk held \$2,540 in cash on hand.

Investments

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

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

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

Note 3 - Capital Assets

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

Note 4 - Compensated Absences

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

As a result of the implementation of GASB No. 101, *Compensated Absences*, the Clerk revised the calculation of compensated absences as of October 1, 2024. With this revision, the Clerk has begun accruing compensatory time that is earned as of year-end and is expected to be used. Beginning balances were not restated in the implementation process as no compensatory time was earned and payable as of October 1, 2024.

**DESOTO COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

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

Balance October 1, 2024	Net Additions/ Retirements	Balance September 30, 2025	Due Within One Year
\$ 40,658	\$ 22,562	\$ 63,220	\$ 44,254

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.

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, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Revenues				
Intergovernmental Revenues	\$ 373,103	\$ 373,103	\$ 387,475	\$ 14,372
Charges for Services:				
Court Activities	640,427	640,427	714,406	73,979
Non-Court Activities	205,000	235,000	511,593	276,593
Interest	-	-	28,117	28,117
Total Revenues	1,218,530	1,248,530	1,641,591	393,061
Expenditures				
Board Budget:				
General Government:				
Personnel Services	323,309	353,309	356,688	(3,379)
Operating Expenditures	51,000	51,000	47,413	3,587
State Budget:				
Court-Related Services:				
Personnel Services	876,290	876,290	853,910	22,380
Operating Expenditures	137,240	137,240	120,383	16,857
(Total Expenditures)	(1,387,839)	(1,417,839)	(1,378,394)	39,445
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(169,309)	(169,309)	263,197	432,506
Other Financing Sources (Uses)				
Reversion to the State of Florida	-	-	(325,014)	(325,014)
Transfers in from DeSoto County				
Board of County Commissioners	169,309	169,309	169,309	-
Transfers (out) to DeSoto County				
Board of County Commissioners	-	-	(107,492)	(107,492)
Total Other Financing Sources (Uses)	169,309	169,309	(263,197)	(432,506)
Net Change in Fund Balance	\$ -	\$ -	\$ -	\$ -

**DESOTO COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2025**

Note 1 - Budgetary Information

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

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

SUPPLEMENTARY INFORMATION

DESOTO COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2025

	Registry of Court Fund	Special Trust Fund	Fine and Forfeiture Fund	Documentary Stamp and Intangible Tax Fund	Child Support Fund	Total Custodial Funds
Assets						
Cash	\$ 760,697	\$ 624,209	\$ -	\$ -	\$ 2,505	\$ 1,387,411
Total Assets	<u>760,697</u>	<u>624,209</u>	<u>-</u>	<u>-</u>	<u>2,505</u>	<u>1,387,411</u>
Liabilities and Net Position						
Liabilities						
Due to Individuals and Businesses	-	-	-	-	2,505	2,505
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,505</u>	<u>2,505</u>
Net Position						
Restricted for:						
Individuals and Businesses	760,697	624,209	-	-	-	1,384,906
Total Net Position	<u>760,697</u>	<u>624,209</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,384,906</u>
Total Liabilities and Net Position	<u>\$ 760,697</u>	<u>\$ 624,209</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,505</u>	<u>\$ 1,387,411</u>

DESOTO COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
SEPTEMBER 30, 2025

	Registry of Court Fund	Special Trust Fund	Fine and Forfeiture Fund	Documentary Stamp and Intangible Tax Fund	Child Support Fund	Total Custodial Funds
Additions						
Fees/Fines Collected for Other Governments	\$ -	\$ 450,702	\$ 1,473,766	\$ 3,358,634	\$ -	\$ 5,283,102
Deposits and Other Trust Activities	1,928,470	285,231	-	-	291,754	2,505,455
Total Additions	<u>1,928,470</u>	<u>735,933</u>	<u>1,473,766</u>	<u>3,358,634</u>	<u>291,754</u>	<u>7,788,557</u>
Deductions						
Fees/Fines Disbursed to Other Governments	-	493,690	1,473,766	3,358,634	-	5,326,090
Deposits and Other Trust Activities Disbursed	1,664,461	320,168	-	-	291,754	2,276,383
(Total Deductions)	<u>(1,664,461)</u>	<u>(813,858)</u>	<u>(1,473,766)</u>	<u>(3,358,634)</u>	<u>(291,754)</u>	<u>(7,602,473)</u>
Change in Net Position	264,009	(77,925)	-	-	-	186,084
Net Position, Beginning of Year	<u>496,688</u>	<u>702,134</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,198,822</u>
Net Position, End of Year	<u>\$ 760,697</u>	<u>\$ 624,209</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,384,906</u>

OTHER REPORTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the DeSoto County, Florida Clerk of the Circuit and County Courts (the Clerk) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Clerk's financial statements, and have issued our report thereon dated November 14, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

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

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

■ **2025-01 – Improper Recognition of Revenues**

Condition: As a result of the audit procedures performed, the Auditor identified a transaction of approximately \$75,000 which was recorded twice.

Effect: This duplication resulted in an overstatement of both cash and revenues as of fiscal year-end.

Recommendation: We recommend that management review its policies and procedures for revenue recognition, including daily reconciliation of receipts to the general ledger and verification of transactions to supporting documentation.

Report on Compliance and Other Matters

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

Clerk's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Clerk's response to the findings identified in our audit and described above. The Clerk's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Purvis Gray

November 14, 2025
Sarasota, Florida

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

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

We have examined the DeSoto County, Florida Clerk of the Circuit and County Courts' (the Clerk) compliance with Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2025. 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.

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

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

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements during the fiscal year ended September 30, 2025.

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

Purvis Gray

November 14, 2025
Sarasota, Florida

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

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

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

We have examined the DeSoto County, Florida Clerk of the Circuit and County Courts' (the Clerk) compliance with Sections 28.35 and 28.36, Florida Statutes, during the fiscal year ended September 30, 2025. 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.

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

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

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements during the fiscal year ended September 30, 2025.

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

Purvis Gray

November 14, 2025
Sarasota, Florida

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

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

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

We have examined the DeSoto County, Florida Clerk of the Circuit and County Courts' (the Clerk) compliance with Section 61.181, Florida Statutes, during the fiscal year ended September 30, 2025. 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.

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

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

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements during the fiscal year ended September 30, 2025.

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

Purvis Gray

November 14, 2025
Sarasota, Florida

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of the DeSoto County, Florida Clerk of the Circuit and County Courts (the Clerk) as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated November 14, 2025.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent 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 November 14, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Management

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

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

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

MANAGEMENT LETTER

Additional Matters

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

Purpose of this Letter

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

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

Purvis Gray

November 14, 2025
Sarasota, Florida



Nadia K. Daughtrey, CFC

DeSOTO COUNTY CLERK OF THE CIRCUIT COURT

115 EAST OAK STREET - ARCADIA, FLORIDA 34266

PHONE (863) 993-4876 / FAX (863) 993-4669

November 14, 2025

Purvis, Gray and Company, LLP
5001 Lakewood Ranch Blvd. N., Suite #101
Sarasota, FL 34240

Re: Corrected and Uncorrected Misstatements FY 24-25

To Whom It May Concern:

Regarding your corrected and uncorrected misstatements by approximately \$75,000.00, when posting deposits from the State of Florida, I will review the trial balance to ensure that the deposit isn't posted twice.

Respectfully submitted,

Nadia K. Daughtrey

Nadia K. Daughtrey
DeSoto County Clerk of Courts

2025

DeSoto County, Florida
Sheriff

Financial Statements and Independent Auditor's Report

September 30, 2025

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

**SHERIFF
DESOTO COUNTY, FLORIDA**

SEPTEMBER 30, 2025

TABLE OF CONTENTS

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

INDEPENDENT AUDITOR'S REPORT

Honorable James Potter
Sheriff
DeSoto County, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the DeSoto County, Florida Sheriff (the Sheriff) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Sheriff's financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of each major fund and the aggregate remaining fund information of the Sheriff as of September 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida (the Rules). In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position, only for that portion of each major fund 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, 2025, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

Honorable James Potter
Sheriff
DeSoto County, Florida

INDEPENDENT AUDITOR'S REPORT

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Honorable James Potter
Sheriff
DeSoto County, Florida

INDEPENDENT AUDITOR'S REPORT

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

Required Supplementary Information

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

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2025, on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Sheriff's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.

Purvis Gray

December 31, 2025
Sarasota, Florida

FINANCIAL STATEMENTS

DESOTO COUNTY, FLORIDA
SHERIFF
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	<u>Major Funds</u>			
	<u>General Fund</u>	<u>Inmate Welfare Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Cash	\$ 1,461,676	\$ 423,786	\$ 12,650	\$ 1,898,112
Due from Other Funds	9,000	-	-	9,000
Due from Individuals and Businesses	71,341	23,159	711	95,211
Total Assets	<u>1,542,017</u>	<u>446,945</u>	<u>13,361</u>	<u>2,002,323</u>
Liabilities and Fund Balances				
Liabilities				
Vouchers Payable	434,206	13,942	-	448,148
Accrued Liabilities	606,096	-	-	606,096
Unearned Revenue	88,466	-	-	88,466
Due to Board of County Commissioners	413,249	-	-	413,249
Total Liabilities	<u>1,542,017</u>	<u>13,942</u>	<u>-</u>	<u>1,555,959</u>
Fund Balances				
Restricted for:				
Inmate Benefits	-	433,003	-	433,003
Education and Training	-	-	12,171	12,171
Victim Advocate	-	-	1,190	1,190
Total Fund Balances	<u>-</u>	<u>433,003</u>	<u>13,361</u>	<u>446,364</u>
Total Liabilities and Fund Balances	<u>\$ 1,542,017</u>	<u>\$ 446,945</u>	<u>\$ 13,361</u>	<u>\$ 2,002,323</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, 2025

	Major Funds			
	General Fund	Inmate Welfare Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues				
Intergovernmental	\$ 637,088	\$ -	\$ -	\$ 637,088
Charges for Services	67,762	193,165	4,764	265,691
Miscellaneous Income	162,645	4,131	5	166,781
Total Revenues	867,495	197,296	4,769	1,069,560
Expenditures				
Current:				
Public Safety - Law Enforcement:				
Personnel Services	8,610,869	-	-	8,610,869
Operating Expenditures	1,710,846	-	10,706	1,721,552
Capital Outlay	1,136,587	-	-	1,136,587
Debt Service - Principal	201,855	-	-	201,855
Public Safety - Corrections:				
Personnel Services	3,938,782	-	-	3,938,782
Operating Expenditures	2,061,083	211,947	-	2,273,030
Capital Outlay	140,670	-	-	140,670
Debt Service - Principal	24,458	-	-	24,458
Public Safety - Communications:				
Personnel Services	1,140,010	-	-	1,140,010
Operating Expenditures	300,398	-	-	300,398
Public Safety - E-911 Coordinators:				
Personnel Services	54,376	-	-	54,376
Court Services:				
Courthouse Security:				
Personnel Services	485,045	-	-	485,045
Operating Expenditures	47,908	-	-	47,908
(Total Expenditures)	(19,852,887)	(211,947)	(10,706)	(20,075,540)
(Deficiency) Excess of Revenues				
(Under) Over Expenditures	(18,985,392)	(14,651)	(5,937)	(19,005,980)
Other Financing Sources (Uses)				
Transfers from Board of				
County Commissioners:				
Primary Allocation	17,900,221	-	-	17,900,221
Supplemental Funding	738,364	-	-	738,364
Transfers to Board of				
County Commissioners	(413,249)	-	-	(413,249)
Proceeds from SBITAs	760,056	-	-	760,056
Total Other Financing Sources (Uses)	18,985,392	-	-	18,985,392
Net Change in Fund Balances	-	(14,651)	(5,937)	(20,588)
Fund Balances, Beginning of Year	-	447,654	19,298	466,952
Fund Balances, End of Year	\$ -	\$ 433,003	\$ 13,361	\$ 446,364

See accompanying notes.

DESOTO COUNTY, FLORIDA
SHERIFF
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2025

	Custodial Funds
Assets	
Cash	\$ 60,566
Due from Others	11,357
Total Assets	<u>71,923</u>
Liabilities	
Due to Others	48,339
Due to Other Funds	9,000
Total Liabilities	<u>57,339</u>
Net Position	
Restricted for Individuals, Organizations, and Other Governments	<u>14,584</u>
Total Net Position	<u>14,584</u>
Total Liabilities and Net Position	<u>\$ 71,923</u>

See accompanying notes.

DESOTO COUNTY, FLORIDA
SHERIFF
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Custodial Funds
Additions	
Cash Bonds Collected	\$ 167,445
Fines, Forfeitures, and Fees Collected	42,282
Evidence Monies Collected	81,889
Collections from Inmates	519,713
Miscellaneous Income	16
Total Additions	<u>811,345</u>
Deductions	
Cash Bonds Disbursed	167,445
Fines, Forfeitures, and Fees Disbursed	42,192
Evidence Monies Disbursed	81,478
Inmate Funds Disbursed	519,749
Total Deductions	<u>810,864</u>
Change in Fiduciary Net Position	481
Beginning Net Position	<u>14,103</u>
Ending Net Position	<u><u>\$ 14,584</u></u>

See accompanying notes.

DESOTO COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Note 1 - Summary of Significant Accounting Policies

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

Reporting Entity

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

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

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

Basis of Presentation

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

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

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

The Sheriff reports the following major governmental funds:

■ **Governmental Fund Types**

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

DESOTO COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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

■ **Governmental Fund Types – Non-Major**

- **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, 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. Grants are the primary revenue source considered to be susceptible to accrual. Expenditures are recognized when the related fund liability is incurred, except for accumulated sick and vacation pay, which are not recorded until paid. Fiduciary funds are accounted for using the accrual basis of accounting.

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

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

Measurement Focus

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

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

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

DESOTO COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Budgetary Process

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

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

Capital Assets

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

Compensated Absences

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

Appropriations from the Board and Refund of "Excess Fees"

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

DESOTO COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

The Board requires that the excess of the County's appropriations (and other revenues) over expenditures be returned to the Board at the end of the fiscal year in the general fund. Repayments to the County are recorded as other financing uses (transfers out) in the financial statements of the Sheriff and as other financing sources (transfers in) in the basic financial statements of the County. The amount of undistributed excess appropriations at the end of the fiscal year is reported as amounts due to 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, 2025

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 those estimates.

New Accounting Pronouncements

For the year ended September 30, 2025, the Sheriff implemented Governmental Accounting Standards Board (GASB) Statement Nos. 101, *Compensated Absences*, and 102, *Certain Risk Disclosures*. GASB Statement No. 101 updates the recognition and measurement guidance for compensated absences, achieved by aligning the recognition and measurement under a unified model and by amending certain previously required disclosures. As a result of the adoption of this statement, the Sheriff has updated the calculation of compensated absences, which, while not recognized in the Sheriff's financial statements due to the basis of accounting, is disclosed in Note 4. Statement No. 102 intends to improve financial reporting by providing users of the financial statements with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. There was no impact to the Sheriff's financial statements as a result of the adoption of this statement.

Note 2 - Cash and Cash Equivalents

Deposits

At year-end, the carrying amount of the Sheriff's deposits was \$1,958,678 (\$1,898,112 in governmental funds and \$60,566 in custodial funds), and the bank balance was \$2,049,969. The Sheriff's bank deposits are held in qualified public depositories (QPDs) pursuant to Chapter 280, Florida Statutes. Under this Chapter, each QPD is required to pledge collateral to the State Treasurer against the public deposits. In the event of default by a QPD, all claims for public deposits would be satisfied by the State Treasurer from the proceeds of federal deposit insurance, pledged collateral of the QPD in default and, if necessary, assessments against other QPDs of the same type as the depositor in default.

Investments

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

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

**DESOTO COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

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, subscription-based information technology arrangements (SBITAs), and lease assets used in the operations of the Sheriff's office are presented below and are presented in more detail in the County's notes to the financial statements:

	<u>Cost</u>	<u>Accumulated Depreciation/ Amortization</u>	<u>Capital Asset, Net</u>
Beginning Balance	\$ 9,336,467	\$ (5,567,978)	\$ 3,768,489
Capital Additions	1,277,257	-	1,277,257
Depreciation/Amortization (Disposals)	-	(981,347)	(981,347)
	<u>(1,874,369)</u>	<u>1,590,846</u>	<u>(283,523)</u>
Ending Balance	<u>\$ 8,739,355</u>	<u>\$ (4,958,479)</u>	<u>\$ 3,780,876</u>

Note 4 - Compensated Absences

Note 1 describes the policy for accrual and payment of vacation and sick leave. Following is a summary of changes in the compensated absences liability during fiscal year 2025:

Beginning Balance, as Adjusted	\$ 1,686,735
Net Increase	<u>108,442</u>
Ending Balance	<u>\$ 1,795,177</u>

As a result of the implementation of GASB No. 101, *Compensated Absences*, the Sheriff revised the calculation of compensated absences as of October 1, 2024. With this revision, the Sheriff has begun accruing sick and vacation leave time that is attributable to services already rendered and is considered more likely than not to be used for time off in addition to its accrual for time expected to be paid out upon employee separation. Beginning balances were restated as of October 1, 2024, in response to this change.

The portion of the above compensated absences liability estimated to be paid during the next year (current portion) is \$752,891.

Note 5 - Florida Retirement System (FRS) Pension Benefits

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

DESOTO COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Note 6 - Postemployment Benefits Other Than Pensions

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

Note 7 - SBITAs

During the year, the Sheriff entered into two SBITAs, which were recognized under GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.

The first arrangement is an inmate monitoring and tracking system with annual principal and interest payments of \$9,995 for a total of five years, with additional implementation costs of \$14,817 during the first year. The subscription liability and corresponding asset were recognized at \$60,920 at initiation of the lease, given an incremental borrowing rate of 2.93%. At fiscal year-end, the remaining subscription liability and asset balances were \$36,462 and \$56,689, respectively.

The second arrangement is a body-worn camera and in-car video system management and data storage platform with annual principal and interest payments of \$132,924 for a total of four years. Year 1 also included implementation costs of \$68,930. The subscription liability and corresponding asset were recognized at \$699,136 at initiation of the lease, given an incremental borrowing rate of 2.70%. At fiscal year-end, the remaining subscription liability and asset balances were \$497,281 and \$687,484, respectively. Additional information regarding these SBITAs is included in the financial statements of the County.

Note 8 - Risk Management

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

The Sheriff also participates in the Florida Sheriff's Self-Insurance Program for risks related to professional liability and automobile risks. The funding agreements provide that each fund will be self-sustaining through member premiums and that the Sheriff's liability will be reinsured through commercial companies. Aggregate coverage provided by the liability fund is \$10,000,000 for professional liability and \$10,000,000 for public official's liability. Coverage limits for automobile risks are \$300,000 per accident for bodily injury and \$300,000 per accident for property damage. Negligence claims in excess of the statutory limits set forth in Section 768.28, Florida Statutes, can only be recovered through an act of the State of Florida Legislature. Additionally, the Sheriff has obtained coverage for inmate medical claims up to \$250,000.

Note 9 - Litigation

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

**DESOTO COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

Note 10 - Subsequent Events and Contingent Liabilities

As of December 31, 2025, the Sheriff's Office has received medical and other service invoices related to the fiscal year ended September 30, 2025. These invoices were not recorded as expenditures in the accompanying financial statements because the amounts are currently being reviewed and negotiated and, therefore, the ultimate liability cannot be reasonably estimated at this time.

Additional invoices related to fiscal year 2025 may continue to be received subsequent to year-end. Upon final determination and approval of amounts owed, these obligations are expected to be submitted to the Board of County Commissioners for payment, using funds previously returned to the Board as excess fees, as the amounts are not expected to be paid with the Sheriff's current financial resources under the modified accrual basis of accounting.

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, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Intergovernmental	\$ 553,531	\$ 639,930	\$ 637,088	\$ (2,842)
Charges for Services	78,082	68,082	67,762	(320)
Miscellaneous Income	-	37,568	162,645	125,077
Total Revenues	631,613	745,580	867,495	121,915
Expenditures				
Current:				
Personnel Services	14,677,068	14,826,176	14,229,082	597,094
Operating Expenditures	3,996,960	4,250,109	4,120,235	129,874
Capital Outlay	235,000	303,082	1,277,257	(974,175)
Debt Service - Principal	-	-	226,313	(226,313)
Reserves	5,000	5,000	-	5,000
(Total Expenditures)	(18,914,028)	(19,384,367)	(19,852,887)	(468,520)
(Deficiency) Excess of Revenues				
(Under) Over Expenditures	(18,282,415)	(18,638,787)	(18,985,392)	(346,605)
Other Financing Sources (Uses)				
Transfers from Board of				
County Commissioners:				
Primary Allocation	17,890,919	17,900,220	17,900,221	1
Supplemental Funding	391,496	738,567	738,364	(203)
Transfers to Board of				
County Commissioners	-	-	(413,249)	(413,249)
Proceeds from SBITAs	-	-	760,056	760,056
Total Other Financing Sources (Uses)	18,282,415	18,638,787	18,985,392	346,605
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
INMATE WELFARE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Charges for Services	\$ 160,500	\$ 160,500	\$ 193,165	\$ 32,665
Interest Income	100	100	-	(100)
Miscellaneous Income	3,000	3,000	4,131	1,131
Total Revenues	<u>163,600</u>	<u>163,600</u>	<u>197,296</u>	<u>33,696</u>
Expenditures				
Current:				
Public Safety - Corrections:				
Operating Expenditures	235,282	235,282	211,947	23,335
(Total Expenditures)	<u>(235,282)</u>	<u>(235,282)</u>	<u>(211,947)</u>	<u>23,335</u>
(Deficiency) Excess of Revenues				
(Under) Over Expenditures	<u>(71,682)</u>	<u>(71,682)</u>	<u>(14,651)</u>	<u>57,031</u>
Net Change in Fund Balance	(71,682)	(71,682)	(14,651)	57,031
Fund Balance, Beginning of Year	<u>361,419</u>	<u>361,419</u>	<u>447,654</u>	<u>86,235</u>
Fund Balance, End of Year	<u>\$ 289,737</u>	<u>\$ 289,737</u>	<u>\$ 433,003</u>	<u>\$ 143,266</u>

DESOTO COUNTY, FLORIDA
SHERIFF
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2025

Note 1 - Budgetary Information

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

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

For the fiscal year ended September 30, 2025, outflows exceeded budgeted appropriations in the General Fund by \$468,520 which is attributable to the technical application of Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96). GASB 96 requires the full present value of a right-to-use asset to be recognized as a capital outlay expenditure at the commencement of the subscription term. The budget was not adjusted to cover the initial recognition of capital outlay. This budget overage was offset by \$760,056 in proceeds from SBITAs.

SUPPLEMENTARY INFORMATION

**DESOTO COUNTY, FLORIDA
SHERIFF
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025**

	Education Fund	Voluntary Extra Duty Fund	Victim Advocate Fund	Total Non-Major Governmental Funds
Assets				
Cash	\$ 11,460	\$ -	\$ 1,190	\$ 12,650
Due from Individuals and Businesses	711	-	-	711
Total Assets	<u>12,171</u>	<u>-</u>	<u>1,190</u>	<u>13,361</u>
Fund Balances				
Restricted for:				
Education and Training	12,171	-	-	12,171
Victim Advocate	-	-	1,190	1,190
Total Fund Balances	<u>12,171</u>	<u>-</u>	<u>1,190</u>	<u>13,361</u>
Total Liabilities and Fund Balances	<u>\$ 12,171</u>	<u>\$ -</u>	<u>\$ 1,190</u>	<u>\$ 13,361</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, 2025

	Education Fund	Voluntary Extra Duty Fund	Victim Advocate Fund	Total Non-Major Governmental Funds
Revenues				
Charges for Services	\$ 4,764	\$ -	\$ -	\$ 4,764
Miscellaneous Income	4	-	1	5
Total Revenues	<u>4,768</u>	<u>-</u>	<u>1</u>	<u>4,769</u>
Expenditures				
Current:				
Public Safety - Law Enforcement:				
Operating Expenditures	<u>9,901</u>	<u>805</u>	<u>-</u>	<u>10,706</u>
(Total Expenditures)	<u>(9,901)</u>	<u>(805)</u>	<u>-</u>	<u>(10,706)</u>
Net Change in Fund Balances	(5,133)	(805)	1	(5,937)
Fund Balances, Beginning of Year	<u>17,304</u>	<u>805</u>	<u>1,189</u>	<u>19,298</u>
Fund Balances, End of Year	<u>\$ 12,171</u>	<u>\$ -</u>	<u>\$ 1,190</u>	<u>\$ 13,361</u>

DESOTO COUNTY, FLORIDA
SHERIFF
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
SEPTEMBER 30, 2025

	Cash Bond Fund	Individual Depositors Fund	Other Suspense Fund	Inmate Trust Fund	Total Custodial Funds
Assets					
Cash	\$ 3,013	\$ 7,858	\$ 4,830	\$ 44,865	\$ 60,566
Due from Others	4,050	3,120	4,187	-	11,357
Total Assets	<u>7,063</u>	<u>10,978</u>	<u>9,017</u>	<u>44,865</u>	<u>71,923</u>
Liabilities					
Due to Others	4,051	3,225	5,063	36,000	48,339
Due to Other Funds	3,000	3,000	3,000	-	9,000
Total Liabilities	<u>7,051</u>	<u>6,225</u>	<u>8,063</u>	<u>36,000</u>	<u>57,339</u>
Net Position					
Restricted for Individuals, Organizations, and Other Governments	12	4,753	954	8,865	14,584
Total Net Position	<u>12</u>	<u>4,753</u>	<u>954</u>	<u>8,865</u>	<u>14,584</u>
Total Liabilities and Net Position	<u>\$ 7,063</u>	<u>\$ 10,978</u>	<u>\$ 9,017</u>	<u>\$ 44,865</u>	<u>\$ 71,923</u>

DESOTO COUNTY, FLORIDA
SHERIFF
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Cash Bond Fund	Individual Depositors Fund	Other Suspense Fund	Inmate Trust Fund	Total Custodial Funds
Additions					
Cash Bonds Collected	\$ 167,445	\$ -	\$ -	\$ -	\$ 167,445
Fines, Forfeitures, and Fees Collected	-	42,282	-	-	42,282
Evidence Monies Collected	-	-	81,889	-	81,889
Collections from Inmates	-	-	-	519,713	519,713
Miscellaneous Income	-	2	1	13	16
Total Additions	<u>167,445</u>	<u>42,284</u>	<u>81,890</u>	<u>519,726</u>	<u>811,345</u>
Deductions					
Cash Bonds Disbursed	167,445	-	-	-	167,445
Fines, Forfeitures, and Fees Disbursed	-	42,192	-	-	42,192
Evidence Monies Disbursed	-	-	81,478	-	81,478
Inmate Funds Disbursed	-	-	-	519,749	519,749
Total Deductions	<u>167,445</u>	<u>42,192</u>	<u>81,478</u>	<u>519,749</u>	<u>810,864</u>
Changes in Fiduciary Net Position	-	92	412	(23)	481
Beginning Net Position	<u>12</u>	<u>4,661</u>	<u>542</u>	<u>8,888</u>	<u>14,103</u>
Ending Net Position	<u>\$ 12</u>	<u>\$ 4,753</u>	<u>\$ 954</u>	<u>\$ 8,865</u>	<u>\$ 14,584</u>

OTHER REPORTS

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

Honorable James Potter
Sheriff
DeSoto County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the DeSoto County, Florida Sheriff (the Sheriff) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Sheriff's financial statements, and have issued our report thereon dated December 31, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

Honorable James Potter
Sheriff
DeSoto County, Florida

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

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

Purpose of this Report

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

Purvis Gray

December 31, 2025
Sarasota, Florida

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

Honorable James Potter
Sheriff
DeSoto County, Florida

We have examined the DeSoto County, Florida Sheriff's (the Sheriff's) compliance with Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2025. 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.

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

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

In our opinion, the Sheriff complied, in all material respects, with the aforementioned requirements during the fiscal year ended September 30, 2025.

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

Purvis Gray

December 31, 2025
Sarasota, Florida

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

MANAGEMENT LETTER

Honorable James Potter
Sheriff
DeSoto County, Florida

Report on the Financial Statements

We have audited the financial statements of each major fund and the aggregate remaining fund information of the DeSoto County, Florida Sheriff (the Sheriff) as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated December 31, 2025.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with the American Institute of Certified Public Accountants *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated December 31, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Management

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

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

Honorable James Potter
Sheriff
DeSoto County, Florida

MANAGEMENT LETTER

Additional Matters

Section 10.554(1)(i)3., *Rules of Auditor General*, requires us to communicate non-compliance with provisions of contracts or grant agreements, or fraud, waste, or abuse, that has occurred, or is 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 recommendations.

Purpose of this Letter

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

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

Purvis Gray

December 31, 2025
Sarasota, Florida

2025

DeSoto County, Florida
Tax Collector

Financial Statements and Independent Auditor's Report

September 30, 2025

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

**TAX COLLECTOR
DESOTO COUNTY, FLORIDA**

SEPTEMBER 30, 2025

TABLE OF CONTENTS

Independent Auditor’s Report	1-3
Financial Statements	
Balance Sheet - General Fund (Major Fund).....	4
Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund (Major Fund).....	5
Statement of Fiduciary Net Position	6
Statement of Changes in Fiduciary Net Position	7
Notes to Financial Statements	8-13
Required Supplementary Information	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund (Major Fund)	14
Other Reports	
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	15-16
Independent Accountant’s Report on Compliance with Florida Statutes, Section 218.415 - Investments of Public Funds	17
Management Letter	18-19

INDEPENDENT AUDITOR'S REPORT

Honorable Susan D. Pooley
Tax Collector
DeSoto County, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the general fund (major fund) and the aggregate remaining fund information of the DeSoto County, Florida Tax Collector (the Tax Collector) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Tax Collector's financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund (major fund) and the aggregate remaining fund information of the Tax Collector as of September 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter – Incomplete Presentation

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida (the Rules). In conformity with the Rules, the accompanying financial statements are intended to present the financial position, and changes in financial position, only for that portion of the general fund and the aggregate remaining fund information of DeSoto County, Florida that is attributable to the Tax Collector. They do not purport to, and do not, present fairly the financial position of DeSoto County, Florida as of September 30, 2025, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

Honorable Susan D. Pooley
Tax Collector
DeSoto County, Florida

INDEPENDENT AUDITOR'S REPORT

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Honorable Susan D. Pooley
Tax Collector
DeSoto County, Florida

INDEPENDENT AUDITOR'S REPORT

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

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2026, on our consideration of the Tax Collector's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Tax Collector's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tax Collector's internal control over financial reporting and compliance.

Purvis Gray

June 15, 2026
Sarasota, Florida

FINANCIAL STATEMENTS

**DESOTO COUNTY, FLORIDA
TAX COLLECTOR
BALANCE SHEET
GENERAL FUND (MAJOR FUND)
SEPTEMBER 30, 2025**

Assets

Cash and Cash Equivalents	\$ 471,448
Due from Other Governments	<u>17,200</u>
Total Assets	<u><u>488,648</u></u>

Liabilities, Deferred Inflows, and Fund Balance

Liabilities

Due to Board of County Commissioners	339,898
Due to Other Governments	9,935
Unearned Revenue	<u>121,615</u>
Total Liabilities	<u>471,448</u>

Deferred Inflows of Resources

Unavailable Revenue	<u>17,200</u>
Total Deferred Inflows of Resources	<u>17,200</u>

Fund Balance

Total Liabilities, Deferred Inflows, and Fund Balance	<u><u>\$ 488,648</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, 2025

Revenues

Commissions and Fees:

Board of County Commissioners	\$ 960,608
Other Governmental Units	342,616
Delinquent Tax Fees	133,538
Other Taxing Districts	18,143
Miscellaneous	1,637

Total Revenues	1,456,542
-----------------------	-----------

Expenditures

Current:

General Government:

Personnel Services	950,859
Operating Expenditures	154,232
Capital Outlay	11,553

(Total Expenditures)	(1,116,644)
-----------------------------	-------------

Excess of Revenues Over Expenditures	339,898
---	---------

Other Financing Sources (Uses)

Distribution of Excess Commissions to DeSoto County,

Florida, Board of County Commissioners	(339,898)
--	-----------

Total Other Financing Sources (Uses)	(339,898)
---	-----------

Net Change in Fund Balance	-
-----------------------------------	---

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, 2025**

	<u>Custodial Fund</u>
Assets	
Cash and Cash Equivalents	\$ 685,215
Accounts Receivable	<u> 23,591</u>
Total Assets	<u><u> 708,806</u></u>
Liabilities	
Due to Other Governments	703,721
Escrow Deposits	<u> 5,085</u>
Total Liabilities	<u><u> 708,806</u></u>
Net Position	<u><u> -</u></u>
Total Liabilities and Net Position	<u><u>\$ 708,806</u></u>

See accompanying notes.

DESOTO COUNTY, FLORIDA
TAX COLLECTOR
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>Custodial Fund</u>
Additions	
Property Taxes Collected for:	
Board of County Commissioners	\$ 30,976,636
Other Taxing Agencies	19,655,461
Tax Certificate Redemptions:	
Board of County Commissioners	44,011
Individual Certificate Holders	2,251,008
Licenses and Fees Collected for Others	<u>5,674,374</u>
Total Additions	<u>58,601,490</u>
Deductions	
Disbursements of Property Taxes to:	
Board of County Commissioners	30,976,636
Other Taxing Agencies	19,655,461
Disbursements of Tax Certificate Redemptions to:	
Board of County Commissioners	44,011
Other Taxing Agencies	2,251,008
Disbursements of Licenses and Fees to Others	<u>5,674,374</u>
Total Deductions	<u>(58,601,490)</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, 2025**

Note 1 - Summary of Significant Accounting Policies

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

Reporting Entity

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

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

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

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

Basis of Presentation

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

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

The Tax Collector reports the following major governmental fund:

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

**DESOTO COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

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

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

Basis of Accounting

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

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

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

Measurement Focus

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

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

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

Budgetary Requirement

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

**DESOTO COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

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

Property Tax Collections

Chapter 197, Florida Statutes, governs property tax collection.

Current Taxes

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

Unpaid Taxes—Sale of Tax Certificates

The Tax Collector advertises, as required by Florida Statutes, then sells tax certificates on all real property for unpaid taxes. Certificates not purchased are issued to the County. Any person owning real property upon which a tax certificate has been sold may redeem the certificate by paying the Tax Collector the face amount of the tax certificate plus interest and other costs.

Tax Deeds

The owner of a tax certificate may, after two years of the taxes being delinquent (after April 1), file an application for tax deed sale. The County, as a certificate owner, may exercise similar procedures two years after taxes have been delinquent (after April 1). Tax deeds are issued to the highest bidder for the property, which is sold at public auction. The Clerk of the Circuit Court administers these sales.

Compensated Absences

All full-time employees of the Tax Collector are entitled to annual vacation and sick leave with pay. Employees must use all vacation time earned within the fiscal year with the allowance for 24 hours of carry-over to the next fiscal year. Sick leave is accrued without limitation. The Tax Collector estimates the liability for leave that has not yet been used if the leave is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The Tax Collector does not, nor is she legally required to, accumulate financial resources for these unmatured obligations. Accordingly, the liability for compensated absences is not reported in the governmental fund but rather is reported in the basic financial statements of the County.

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.

**DESOTO COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

The County pays a major portion of the fees collected by the Tax Collector. The payments by the County are recorded as operating expenditures in the financial statements of the County, and as charges for services revenue in the financial statements of the Tax Collector. Repayments to the County are recorded as other financing uses (transfers out) in the financial statements of the Tax Collector and as other financing sources (transfers in) in the financial statements of the County.

Deferred Inflows of Resources

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

Unearned Revenue

Unearned revenue represents the portion of biennial service fees attributable to future years as well as advances for commissions and mailing costs received from the Board prior to fiscal year-end.

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.

New Accounting Pronouncements

For the year ended September 30, 2025, the Tax Collector implemented Governmental Accounting Standards Board (GASB) Statement Nos. 101, *Compensated Absences*, and 102, *Certain Risk Disclosures*. GASB Statement No. 101 updates the recognition and measurement guidance for compensated absences, achieved by aligning the recognition and measurement under a unified model and by amending certain previously required disclosures. As a result of the adoption of this statement, the Tax Collector has updated the calculation of compensated absences, which is shown in Note 4 and further described above. GASB Statement No. 102 intends to improve financial reporting by providing users of the financial statements with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. There was no impact to the Tax Collector's financial statements as a result of the adoption of this statement.

Note 2 - Cash and Investments

Cash

At year-end, the carrying amount of the Tax Collector's deposits was \$1,151,363 (\$466,148 in governmental funds and \$685,215 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, 2025, the Tax Collector held \$5,300 in cash on hand.

**DESOTO COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

Investments

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

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

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

Note 3 - Capital Assets

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

Note 4 - Compensated Absences

Note 1 describes the policy for accrual and payment of vacation and sick leave.

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

	Balance October 1, 2024	Net Change	Balance September 30, 2025	Due Within One Year
Compensated Absences	\$ 4,386	\$ 26,985	\$ 31,371	\$ 13,027

These liabilities are not reported on the fund statements for the Tax Collector but rather on the financial statements of the County.

**DESOTO COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

Note 5 - Florida Retirement System (FRS) Pension Benefits

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

Note 6 - Postemployment Benefits Other Than Pensions

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

Note 7 - Risk Management

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

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

Note 8 - Litigation

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

REQUIRED SUPPLEMENTARY INFORMATION

DESOTO COUNTY, FLORIDA
TAX COLLECTOR
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND (MAJOR FUND)
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	With Final Budget Positive (Negative)
Revenues				
Commissions and Fees:				
Board of County Commissioners	\$ 965,000	\$ 965,000	\$ 960,608	\$ (4,392)
Other Governmental Units	316,960	316,960	342,616	25,656
Delinquent Tax Fees	115,000	115,000	133,538	18,538
Other Taxing Districts	29,000	29,000	18,143	(10,857)
Miscellaneous	800	800	1,637	837
Total Revenues	<u>1,426,760</u>	<u>1,426,760</u>	<u>1,456,542</u>	<u>29,782</u>
Expenditures				
Current:				
General Government:				
Personnel Services	1,117,879	1,125,347	950,859	174,488
Operating Expenditures	185,401	185,401	154,232	31,169
Capital Outlay	-	11,553	11,553	-
(Total Expenditures)	<u>(1,303,280)</u>	<u>(1,322,301)</u>	<u>(1,116,644)</u>	<u>205,657</u>
Excess of Revenues Over Expenditures	<u>123,480</u>	<u>104,459</u>	<u>339,898</u>	<u>235,439</u>
Other Financing Sources (Uses)				
Distribution of Excess Commissions to DeSoto County, Florida, Board of County Commissioners	<u>(123,480)</u>	<u>(104,459)</u>	<u>(339,898)</u>	<u>(235,439)</u>
Total Other Financing Sources (Uses)	<u>(123,480)</u>	<u>(104,459)</u>	<u>(339,898)</u>	<u>(235,439)</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

OTHER REPORTS

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

Honorable Susan D. Pooley
Tax Collector
DeSoto County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the general fund and the aggregate remaining fund information of the DeSoto County, Florida Tax Collector (the Tax Collector) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Tax Collector's financial statements, and have issued our report thereon dated June 15, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

Honorable Susan D. Pooley
Tax Collector
DeSoto County, Florida

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Purvis Gray

June 15, 2026
Sarasota, Florida

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

Honorable Susan D. Pooley
Tax Collector
DeSoto County, Florida

We have examined the DeSoto County, Florida Tax Collector's (the Tax Collector) compliance with Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2025. Management is responsible for the Tax Collector's compliance with those requirements. Our responsibility is to express an opinion on the Tax Collector's compliance based on our examination.

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

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

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

In our opinion, the Tax Collector complied, in all material respects, with the aforementioned requirements during the fiscal year ended September 30, 2025.

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

Purvis Gray

June 15, 2026
Sarasota, Florida

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

MANAGEMENT LETTER

Honorable Susan D. Pooley
Tax Collector
DeSoto County, Florida

Report on the Financial Statements

We have audited the financial statements of the general fund and the aggregate remaining fund information of the DeSoto County, Florida Tax Collector (the Tax Collector) as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated June 15, 2026.

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 15, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Management

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

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

Honorable Susan D. Pooley
Tax Collector
DeSoto County, Florida

MANAGEMENT LETTER

Additional Matters

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

Purpose of this Letter

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

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

Purvis Gray

June 15, 2026
Sarasota, Florida

2025

DeSoto County, Florida
Property Appraiser

Financial Statements and
Independent Auditor's Report

September 30, 2025

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

**PROPERTY APPRAISER
DESOTO COUNTY, FLORIDA**

SEPTEMBER 30, 2025

TABLE OF CONTENTS

Independent Auditor’s Report	1-3
Financial Statements	
Balance Sheet - General Fund (Major Fund)	4
Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund (Major Fund)	5
Notes to Financial Statements	6-10
Required Supplementary Information	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund (Major Fund)	11
Other Reports	
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	12-13
Independent Accountant’s Report on Compliance with Florida Statutes, Section 218.415 - Investments of Public Funds	14
Management Letter	15-16

INDEPENDENT AUDITOR'S REPORT

Honorable David A. Williams, CFA
Property Appraiser
DeSoto County, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the general fund (major fund) of the DeSoto County, Florida Property Appraiser (the Property Appraiser) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Property Appraiser's financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the general fund (major fund) of the Property Appraiser as of September 30, 2025, and the changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter – Incomplete Presentation

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida (the Rules). In conformity with the Rules, the accompanying financial statements are intended to present the financial position, changes in financial position, and budgetary comparisons of the general fund (major fund), only for that portion of the general fund of DeSoto County, Florida that is attributable to the Property Appraiser. They do not purport to, and do not, present fairly the financial position of DeSoto County, Florida as of September 30, 2025, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

Honorable David A. Williams, CFA
Property Appraiser
DeSoto County, Florida

INDEPENDENT AUDITOR'S REPORT

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Honorable David A. Williams, CFA
Property Appraiser
DeSoto County, Florida

INDEPENDENT AUDITOR'S REPORT

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

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 13, 2026, on our consideration of the Property Appraiser's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Property Appraiser's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Property Appraiser's internal control over financial reporting and compliance.

Purvis Gray

April 13, 2026
Sarasota, Florida

FINANCIAL STATEMENTS

**DESOTO COUNTY, FLORIDA
PROPERTY APPRAISER
BALANCE SHEET
GENERAL FUND (MAJOR FUND)
SEPTEMBER 30, 2025**

Assets

Cash	\$ 128,305
Total Assets	<u><u>128,305</u></u>

Liabilities and Fund Balance

Liabilities

Accounts Payable and Accrued Expenses	60
Due to DeSoto County Board of County Commissioners	126,823
Due to Other Governments	<u>1,422</u>
Total Liabilities	<u>128,305</u>

Fund Balance

Total Liabilities and Fund Balance	<u><u>\$ 128,305</u></u>
---	--------------------------

See accompanying notes.

DESOTO COUNTY, FLORIDA
PROPERTY APPRAISER
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND (MAJOR FUND)
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Revenues

Charges for Services:

DeSoto County Board of County Commissioners

\$ 1,625,562

Other Taxing Agencies

16,803

Interest Income

1,641

Miscellaneous

4,012

Total Revenues

1,648,018

Expenditures

Current:

General Government:

Personnel Services

1,082,614

Operating Expenditures

330,075

Capital Outlay

108,506

(Total Expenditures)

(1,521,195)

Excess of Revenues Over Expenditures

126,823

Other Financing Sources (Uses)

Distribution of Excess Appropriations to DeSoto County

Board of County Commissioners

(126,823)

Total Other Financing Sources (Uses)

(126,823)

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, 2025**

Note 1 - Summary of Significant Accounting Policies

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

Reporting Entity

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

The DeSoto County, Florida Property Appraiser (the Property Appraiser) is an elected constitutional officer of the County as provided for by the Constitution of the State of Florida, Article VIII, Section 1(d). The Property Appraiser is part of the primary government of the County. Pursuant to the Florida Statutes, the Property Appraiser's budget is submitted annually to the Florida Department of Revenue, Division of Ad Valorem Tax, for approval, and a copy is forwarded to the Board.

Fees earned by the Property Appraiser (equal to the amount of the amended budget) are billed quarterly to the Board and other governmental agencies in proportion to prior year taxes levied, or in the case of non-ad valorem districts, by other reasonable methods. By statute, fees attributable to municipalities and school boards are paid by the Board.

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

Basis of Presentation

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

The financial transactions of the Property Appraiser are recorded in one individual fund. This fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures.

The Property Appraiser reports the following fund type:

■ **Governmental Fund**

● **Major Fund**

- ▶ **General Fund**—the general fund is the general operating fund of the Property Appraiser. It is used to account for all financial resources.

**DESOTO COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

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 recognized when the liability is incurred, except for accumulated sick and vacation pay, which are not recorded until paid.

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

Measurement Focus

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

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

Refund of “Excess Fees”

Florida Statutes provide that the excess of the Property Appraiser’s fee revenue over expenditures is to be distributed to each governmental agency in the same proportion as the fees paid by each governmental agency. The amount of undistributed excess fees at the end of the fiscal year is reported as amounts due to the Board and other governmental agencies.

The County pays a major portion of the fees collected by the Property Appraiser. The payments by the County are recorded as operating expenditures in the financial statements of the County, and as charges for services revenues in the financial statements of the Property Appraiser. Repayments to the County are recorded as other financing uses (transfers out) in the financial statements of the Property Appraiser and as other financing sources (transfers in) in the financial statements of the County.

Compensated Absences

The full-time employees of the Property Appraiser are entitled to annual vacation and sick leave with pay. The employees may accumulate unused vacation leave up to a maximum of 225 hours and can accumulate sick leave with no limit. The employees are encouraged to use their annual leave in the year that it is earned. The Property Appraiser records compensated absences as expenditures when the leave is used by the employees.

**DESOTO COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

Use of Estimates

The preparation of financial statements in conformity with U.S. 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 those estimates. There were no significant estimates as of September 30, 2025.

New Accounting Pronouncements

For the year ended September 30, 2025, the Property Appraiser implemented Governmental Accounting Standards Board (GASB) Statement Nos. 101, *Compensated Absences*, and 102, *Certain Risk Disclosures*. GASB No. 101 updates the recognition and measurement guidance for compensated absences, achieved by aligning the recognition and measurement under a unified model and by amending certain previously required disclosures. As a result of the adoption of this statement, the Property Appraiser has updated the calculation of compensated absences, which, while not recognized in the Property Appraiser's financial statements due to the basis of accounting, is disclosed in Note 4. Statement No. 102 intends to improve financial reporting by providing users of the financial statements with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. There was no impact to the Property Appraiser's financial statements as a result of the adoption of this statement.

Note 2 - Cash and Investments

Cash

At year-end, the carrying amount of the Property Appraiser's deposits was \$128,205. All of the Property Appraiser's public deposits are held in qualified public depositories (QPDs) pursuant to Florida Statutes, Chapter 280. Under this Chapter, each QPD is required to pledge collateral to the State Treasurer against the public deposits. In the event of default by a QPD, all claims for public deposits would be satisfied by the State Treasurer from the proceeds of federal deposit insurance, pledged collateral of the QPD in default and, if necessary, assessments against other QPDs of the same type as the depositor in default.

In addition to cash deposits, the Property Appraiser maintains cash on hand for the purpose of making change on transactions. At September 30, 2025, the Property Appraiser held \$100 in cash on hand.

Investments

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

- The Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the *Florida Interlocal Cooperation Act of 1969*, as provided in Florida Statute 163.01.
- Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.

**DESOTO COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

- Interest-bearing time deposits or savings accounts in QPDs.
- 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 - Compensated Absences

Compensated absences include amounts more likely than not to be used or amounts payable under the Property Appraiser's annual leave and sick leave policy and are reported as a liability in the statement of net position in the County's financial statements. That liability includes earned but unused vacation, sick, and compensatory time, as well as payroll taxes related thereto. Annual vacation and sick are accrued based on length of employment, but compensatory time is earned in lieu of overtime pay. After six months of service, annual vacation is paid out hour-for-hour upon separation from employment. Annual sick and compensatory time are not paid out upon termination, but amounts more likely than not to be used in future years are included in the below liability.

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

	Balance October 1, <u>2024</u>	<u>Additions</u>	<u>Retirements</u>	Balance September 30, <u>2025</u>	Due Within <u>One Year</u>
Compensated Absences*	\$ 49,702	\$ 48,944	\$ (21,151)	\$ 77,495	\$ 59,038

* GASB Statement No. 101, *Compensated Absences*, was implemented during the current year but did not require restatement of beginning balances and was instead included in current year additions as the effect of this implementation will be immaterial in the County's financial statements where the liability is ultimately recognized.

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.

**DESOTO COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

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, 2025

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	With Final Budget Positive (Negative)
Revenues				
Charges for Services:				
DeSoto County Board of County				
Commissioners	\$ 1,585,320	\$ 1,626,062	\$ 1,625,562	\$ (500)
Other Taxing Agencies	19,485	18,225	16,803	(1,422)
Interest Income	-	-	1,641	1,641
Miscellaneous	-	-	4,012	4,012
Total Revenues	1,604,805	1,644,287	1,648,018	3,731
Expenditures				
Current:				
General Government:				
Personnel Services	1,099,361	1,143,843	1,082,614	61,229
Operating Expenditures	307,444	307,444	330,075	(22,631)
Capital Outlay	95,000	90,000	108,506	(18,506)
Reserve	103,000	103,000	-	103,000
(Total Expenditures)	(1,604,805)	(1,644,287)	(1,521,195)	123,092
Excess of Revenues Over Expenditures	-	-	126,823	126,823
Other Financing Sources (Uses)				
Distribution of Excess Appropriations to				
DeSoto County Board of County				
Commissioners	-	-	(126,823)	(126,823)
Total Other Financing Sources (Uses)	-	-	(126,823)	(126,823)
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -

OTHER REPORTS

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

Honorable David A. Williams, CFA
Property Appraiser
DeSoto County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the general fund (major fund) of the DeSoto County, Florida Property Appraiser (the Property Appraiser) as of and for the year ended September 30, 2025, and the related notes to the financial statements, and have issued our report thereon dated April 13, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

Honorable David A. Williams, CFA
Property Appraiser
DeSoto County, Florida

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Purvis Gray

April 13, 2026
Sarasota, Florida

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

Honorable David A. Williams, CFA
Property Appraiser
DeSoto County, Florida

We have examined the DeSoto County, Florida Property Appraiser's (the Property Appraiser) compliance with Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2025. 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.

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

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, 2025.

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

Purvis Gray

April 13, 2026
Sarasota, Florida

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

MANAGEMENT LETTER

Honorable David A. Williams, CFA
Property Appraiser
DeSoto County, Florida

Report on the Financial Statements

We have audited the financial statements of the general fund (major fund) of the DeSoto County, Florida Property Appraiser (the Property Appraiser) as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated April 13, 2026.

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 April 13, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

Honorable David A. Williams, CFA
Property Appraiser
DeSoto County, Florida

MANAGEMENT LETTER

Financial Management

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

Additional Matters

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

Purpose of this Letter

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

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

Purvis Gray

April 13, 2026
Sarasota, Florida

2025

DeSoto County, Florida
Supervisor of Elections

Financial Statements and Independent Auditor's Report

September 30, 2025

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

**SUPERVISOR OF ELECTIONS
DESOTO COUNTY, FLORIDA**

SEPTEMBER 30, 2025

TABLE OF CONTENTS

Independent Auditor’s Report	1-3
Financial Statements	
Balance Sheet - General Fund (Major Fund).....	4
Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund (Major Fund)	5
Notes to Financial Statements	6-11
Required Supplementary Information	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund (Major Fund)	12
Note to Required Supplementary Information.....	13
Other Reports	
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	14-15
Independent Accountant’s Report on Compliance with Florida Statutes, Section 218.415 - Investments of Public Funds	16
Management Letter	17-18

INDEPENDENT AUDITOR'S REPORT

Honorable Debbie Wertz
Supervisor of Elections
DeSoto County, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the general fund (major fund) of the DeSoto County, Florida Supervisor of Elections (the Supervisor of Elections) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the general fund (major fund) of the Supervisor of Elections as of September 30, 2025, and the changes in financial position, of the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter – Incomplete Presentation

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida (the Rules). In conformity with the Rules, the accompanying financial statements are intended to present the financial position, changes in financial position, and budgetary comparisons of the general fund (major fund), only for that portion of the general fund of DeSoto County, Florida that is attributable to the Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of DeSoto County, Florida as of September 30, 2025, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Honorable Debbie Wertz
Supervisor of Elections
DeSoto County, Florida

INDEPENDENT AUDITOR'S REPORT

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

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 6, 2026, on our consideration of the Supervisor of Elections' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Supervisor of Elections' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Supervisor of Elections' internal control over financial reporting and compliance.

Purvis Gray

January 6, 2026
Sarasota, Florida

FINANCIAL STATEMENTS

**DESOTO COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
BALANCE SHEET
GENERAL FUND (MAJOR FUND)
SEPTEMBER 30, 2025**

Assets

Cash	\$ 26,340
Prepaid Items	<u>11,039</u>
Total Assets	<u><u>37,379</u></u>

Liabilities and Fund Balance

Liabilities

Accounts Payable and Accrued Expenses	5,019
Due to Board of County Commissioners	<u>21,321</u>
Total Liabilities	<u>26,340</u>

Fund Balance

Nonspendable	<u>11,039</u>
Total Fund Balance	<u>11,039</u>

Total Liabilities and Fund Balance	<u><u>\$ 37,379</u></u>
---	-------------------------

See accompanying notes.

**DESOTO COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
GENERAL FUND (MAJOR FUND)
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

Revenues

Federal Grant	\$ 11,160
Charges for Services	5,858
Interest Income	<u>8</u>
Total Revenues	<u><u>17,026</u></u>

Expenditures

Current:	
General Government:	
Personnel Services	318,661
Operating Expenditures	251,825
Capital Outlay	<u>11,045</u>
(Total Expenditures)	<u><u>(581,531)</u></u>

(Deficiency) of Revenues (Under) Expenditures	<u><u>(564,505)</u></u>
--	-------------------------

Other Financing Sources (Uses)

Transfers in from DeSoto County, Board of County Commissioners	583,372
Transfers out to DeSoto County, Board of County Commissioners	<u>(21,321)</u>
Total Other Financing Sources (Uses)	<u><u>562,051</u></u>

Net Change in Fund Balance	(2,454)
-----------------------------------	---------

Fund Balance, Beginning of Year	<u><u>13,493</u></u>
--	----------------------

Fund Balance, End of Year	<u><u>\$ 11,039</u></u>
----------------------------------	-------------------------

See accompanying notes.

**DESOTO COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

Note 1 - Summary of Significant Accounting Policies

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

Reporting Entity

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

The DeSoto County, Florida Supervisor of Elections (the Supervisor of Elections) is an elected constitutional officer of the County as provided for by the Constitution of the State of Florida, Article VIII, Section 1(d), and is a part of the primary government of the County. Pursuant to Chapter 129, Florida Statutes, the Supervisor of Elections' budget is submitted annually to the Board for approval. The Board distributes the funds necessary to operate the Supervisor of Elections' office on a monthly basis. Any excess of appropriations received from the Board over actual expenditures for the fiscal year is required to be returned to the Board within 31 days after the close of the fiscal year.

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

Basis of Presentation

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

The financial transactions of the Supervisor of Elections are recorded in one individual fund. This fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures.

The Supervisor of Elections reports the following fund type:

■ **Governmental Fund**

● **Major Fund**

- ▶ **General Fund**—the general fund is the general operating fund of the Supervisor of Elections. It is used to account for all financial resources.

Basis of Accounting

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

**DESOTO COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

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. 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. Expenditures are recorded when the liability is incurred, except for accumulated sick and vacation pay, which is not recorded until paid.

Measurement Focus

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

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

Prepaid Items

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

Return of “Excess Fees”

The County funds a major portion of the operating budget of the Supervisor of Elections (net of grants and miscellaneous receipts). The payments by the County to fund the operations of the Supervisor of Elections are recorded as transfers out in the basic financial statements of the County, and as other financing sources in the financial statements of the Supervisor of Elections. Any excess of revenues and transfers in over expenditures for the year ended September 30 are reported as transfers out and due to the Board and are payable by October 31. Repayments to the County are recorded as other financing uses (transfers out) in the financial statements of the Supervisor of Elections and as other financing sources (transfers in) in the basic financial statements of the County. The amount of undistributed excess appropriations at the end of the fiscal year, if any, is reported as amounts due to the Board.

Compensated Absences

The employees of the Supervisor of Elections are entitled to annual vacation and sick leave with pay. The employees may accumulate unused vacation leave up to a maximum of 160 hours. Accrued sick leave is paid at a rate of 25% of the hours accrued for employees with 20 years of service, 35.5% of the hours accrued for employees with 25 years of service, and 50% of the hours accrued for employees with 30 years of service. The employees are encouraged to use their annual leave in the year that it is earned. Vacation and sick leave payments are included in operating costs when payments are made to employees. The Supervisor does not, nor is she legally required to, accumulate financial resources for these unmatured obligations. Accordingly, the liability for compensated absences is not reported in the governmental fund of the Supervisor, but rather is reported in the basic financial statements of the County.

**DESOTO COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

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—nonspendable, restricted, committed, assigned, and unassigned:

- **Nonspendable**—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 nonspendable fund balance of \$11,039 as of September 30, 2025.
- **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, 2025.
- **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, 2025.
- **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. There were no significant estimates as of September 30, 2025.

**DESOTO COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

New Accounting Pronouncements

For the year ended September 30, 2025, the Supervisor of Elections implemented Governmental Accounting Standards Board (GASB) Statement Nos. 101, *Compensated Absences*, and 102, *Certain Risk Disclosures*. GASB No. 101 updates the recognition and measurement guidance for compensated absences, achieved by aligning the recognition and measurement under a unified model and by amending certain previously required disclosures. As a result of the adoption of this statement, the Supervisor of Elections has updated the calculation of compensated absences, which, while not recognized in the Supervisor of Elections' financial statements due to the basis of accounting, is disclosed in Note 4. Statement No. 102 intends to improve financial reporting by providing users of the financial statements with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. There was no impact to the Supervisor of Elections' financial statements as a result of the adoption of this statement.

Note 2 - Cash and Investments

At year-end, the carrying amount of the Supervisor of Elections' deposits was \$26,340. All of the Supervisor of Elections' public deposits are held in qualified public depositories (QPDs) pursuant to Florida Statutes, Chapter 280. Under this Chapter, each QPD is required to pledge collateral to the State Treasurer against public deposits. In the event of default by a QPD, all claims for public deposits would be satisfied by the State Treasurer from the proceeds of federal deposit insurance, pledged collateral of the QPD in default and, if necessary, assessments against other QPDs of the same type of depositor in default.

The Supervisor of Elections maintained no cash on hand at September 30, 2025.

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.

**DESOTO COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

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 her office.

Note 4 - Compensated Absences

The amount of vested compensated absences payable under the Supervisor of Elections' annual leave policy is reported as a liability in the statement of net position in the County's basic financial statements. That liability includes earned but unused vacation, as well as payroll taxes related thereto.

As a result of the implementation of GASB No. 101, Compensated Absences, the Supervisor of Elections revised the calculation of compensated absences as of October 1, 2024. With this revision, the Supervisor of Elections has begun accruing compensatory time that is earned as of year-end and is expected to be used. Beginning balances were not restated in the implementation process as no compensatory time was earned and payable as of October 1, 2024.

The change in compensated absences during fiscal year 2025 is as follows:

Beginning Balance	\$ 500
Net Increases/(Decreases)	<u>(500)</u>
Ending Balance	<u><u>\$ -</u></u>

All compensated absences were used as of September 30, 2025, and therefore, no ending balance is included above. The portion of the compensated absences liability estimated to be paid during the next year (current portion) is also \$0.

Note 5 - Florida Retirement System (FRS) Pension Benefits

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

Note 6 - Postemployment Benefits Other Than Pensions

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

**DESOTO COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

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, 2025

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget Positive (Negative)
Revenues				
Federal Grant	\$ -	\$ 11,160	\$ 11,160	\$ -
Charges for Services	-	4,000	5,858	1,858
Interest Income	-	-	8	8
Total Revenues	<u>-</u>	<u>15,160</u>	<u>17,026</u>	<u>1,866</u>
Expenditures				
Current:				
General Government:				
Personnel Services	336,441	343,134	318,661	24,473
Operating Expenditures	190,238	233,098	251,825	(18,727)
Capital Outlay	-	7,140	11,045	(3,905)
(Total Expenditures)	<u>(526,679)</u>	<u>(583,372)</u>	<u>(581,531)</u>	<u>1,841</u>
(Deficiency) Excess of Revenues				
(Under) Over Expenditures	<u>(526,679)</u>	<u>(568,212)</u>	<u>(564,505)</u>	<u>3,707</u>
Other Financing Sources (Uses)				
Transfers in from DeSoto County, Board of County Commissioners	526,679	568,212	583,372	15,160
Transfers out to DeSoto County, Board of County Commissioners	-	-	(21,321)	(21,321)
Total Other Financing Sources (Uses)	<u>526,679</u>	<u>568,212</u>	<u>562,051</u>	<u>(6,161)</u>
Net Change in Fund Balance	-	-	(2,454)	(2,454)
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>13,493</u>	<u>13,493</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,039</u>	<u>\$ 11,039</u>

See accompanying note.

**DESOTO COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2025**

Note 1 - Budgetary Requirement

On or before June 1 of each year, the DeSoto County, Florida Supervisor of Elections (the Supervisor of Elections) submits a tentative budget for the ensuing fiscal year to the DeSoto County Board of County Commissioners (the Board). The budget is adopted in the same manner as the budget of the Board.

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

In accordance with Florida Statute 129.201, the Supervisor of Elections' budget, as approved by the County Commission, is included in the general county budget and is subject to the same provisions of laws as the County's annual budget. As such, the Supervisor of Elections' budget must regulate its expenditures, and funds may not be expended except pursuant to the adopted budget.

OTHER REPORTS

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

Honorable Debbie Wertz
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, 2025, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' financial statements, and have issued our report thereon dated January 6, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

Honorable Debbie Wertz
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***

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

Purpose of this Report

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

Purvis Gray

January 6, 2026
Sarasota, Florida

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

Honorable Debbie Wertz
Supervisor of Elections
DeSoto County, Florida

We have examined the DeSoto County, Florida Supervisor of Elections' (the Supervisor of Elections) compliance with Section 218.415, Florida Statutes during the fiscal year ended September 30, 2025. Management is responsible for the Supervisor of Elections' compliance with those requirements. Our responsibility is to express an opinion on the Supervisor of Elections' compliance based on our examination.

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

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

Our examination does not provide a legal determination on the Supervisor of Elections' compliance with specified requirements.

In our opinion, the Supervisor of Elections complied, in all material respects, with the aforementioned requirements during the fiscal year ended September 30, 2025.

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

Purvis Gray

January 6, 2026
Sarasota, Florida

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

MANAGEMENT LETTER

Honorable Debbie Wertz
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, 2025, and have issued our report thereon dated January 6, 2026.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with American Institute of Certified Public Accountants *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated January 6, 2026, 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. 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.

Financial Management

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

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

Honorable Debbie Wertz
Supervisor of Elections
DeSoto County, Florida

MANAGEMENT LETTER

Additional Matters

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

Purpose of this Letter

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

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

Purvis Gray

January 6, 2026
Sarasota, Florida

PURVIS GRAY

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com