

**WORK SHOP OF THE BOARD OF COUNTY COMMISSIONERS
HELD ON MAY 26, 2015 AT 1:30 PM
IN THE COUNTY COMMISSIONERS' MEETING ROOM
ROOM 103, ADMINISTRATION BUILDING
ARCADIA, FLORIDA**

The Board of County Commissioners held a Work Shop on May 26, 2015.

I. PRESENTATION

A. Discussion and Update of FY 2014/15 Audit

Mandy Hines stated this Workshop is for more information before jumping into the budget process.

Joe Welch with Purvis & Gray spoke regarding points made at a previous Board Meeting. He reviewed cash balances as of September 30, 2014 and they are dangerously low. Cash balances are needed to get through rough periods.

Commissioner Miller questioned if the reserves are the cash balances?

Joe Welch stated fund balances are not necessarily cash balances. Some receivables come in at the beginning of the year and some do not. Further discussion ensued regarding cash flow issues. He recommended the County go to a balanced budget. The issue is mainly in the General Fund. There is not enough extra to pay back this fund. Try not to be too optimistic regarding revenues; they are not meeting expectations. Mr. Welch feels that "Due From Other Funds" is part of the issue why the cash balances are not tracking the Fund Balances; the General Fund has loaned out money to other funds over the last couple years, such as Transportation and Debt Service. In the Budget process we will still see fund balance coming forward but we need to realize it is not all cash. Fiscal Year 2015 projects to lose \$1.5 million. Further discussion ensued

Commissioner Miller questioned the possibility of the funds being brought back to the general fund.

Ms. Hines commented that with the way they are budgeted, we would assume by the end of the year the cash would come back in. There were some overestimation of revenues this year that will cause some shortfalls in what we currently have budgeted as revenue. We as a County have difficult decisions to make in the current year to try and mitigate that as much as possible going in to 2016. We cannot keep balancing off of our Fund Balance

Commissioner Selph questioned transfer of funds out of the general fund. Is this a problem? Too many expenses or not enough revenue?

Joe Welch stated revenues came in under expectations. Are all expenditures necessary? Personnel? Further discussion ensued.

Mr. Welch commented the County is not spending beyond the budget. In 2014, revenues came in under what was expected. Revenues for this County are not covering the expenditures; are all expenditures necessary and that is 70% personnel.

Chairman Quave questioned revenues coming in. Are they expected to come in within the next year? Mr. Welch commented with some we made the same mistake in 2014 and 2015.

Linda Nipper gave presentation regarding Budget to Actual Revenue, shortfalls and how they occurred, and expenditure offsets in the BOCC 2014 Budget.

Chairman Quave questioned the supplemental budget. Further discussion ensued.

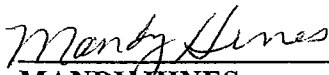
Linda Nipper also commented regarding expenditure offsets and the BOCC General Fund. Ms. Nipper commented we need an alternative method of revenue for Transportation.

Ms. Hines stated we will continue to search for ways to cut unnecessary expenses.

B. Discussion and Update of Projected FY 2015/16

There being no further business, Chairman Quave adjourned the meeting at 3:02pm

ATTEST:



**MANDY HINES
COUNTY ADMINISTRATOR**

**BOARD OF COUNTY COMMISSION
DESOTO COUNTY, FLORIDA**



**GABRIEL QUAVE
CHAIRMAN**