

# Supporting Financial Statements

The following Statements and Compliance Reports are presented to demonstrate compliance with the rules of the General Auditor of the State of Florida:

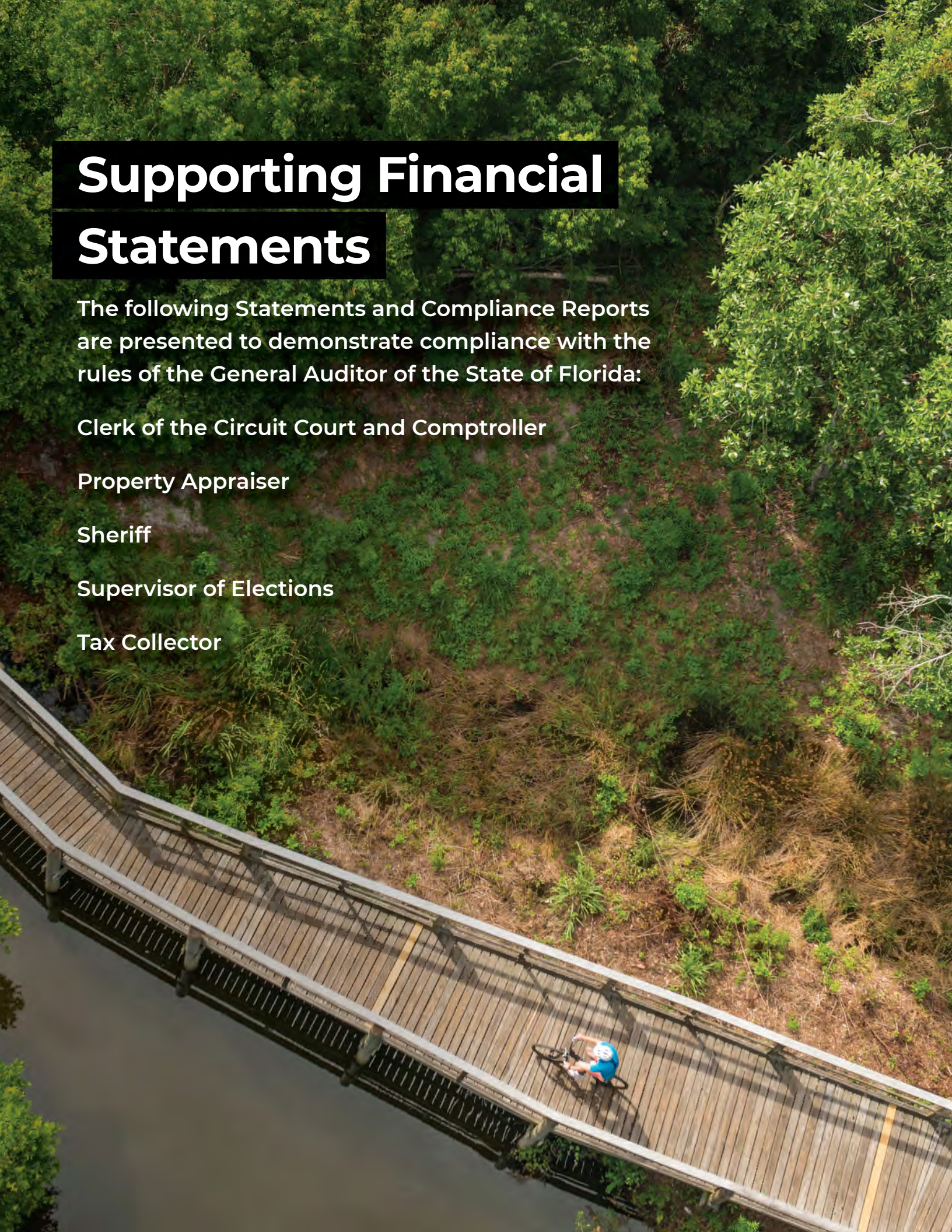
Clerk of the Circuit Court and Comptroller

Property Appraiser

Sheriff

Supervisor of Elections

Tax Collector







**FINANCIAL STATEMENTS AND  
SUPPLEMENTAL REPORTS**

**ESCAMBIA COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**SEPTEMBER 30, 2020**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTAL REPORTS**

**ESCAMBIA COUNTY, FLORIDA CLERK OF THE CIRCUIT COURT AND COMPTROLLER  
SEPTEMBER 30, 2020**

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## **INDEPENDENT AUDITORS' REPORT**

Honorable Pam Childers  
Escambia County, Clerk of the Circuit Court and Comptroller

### **Report on the Financial Statements**

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Office of the Clerk of the Circuit Court and Comptroller of Escambia County, Florida ("Clerk"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Clerk's financial statements, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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

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

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of each major fund and the aggregate remaining fund information of the Clerk, as of September 30, 2020, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As discussed in Note 1 to the financial statements, the financial statements referred to above have been prepared for the purpose of complying with the Rules of the Auditor General, State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund and aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Escambia County, Florida that are attributable to the Clerk. They do not purport to and do not present fairly the financial position of Escambia County, Florida as of September 30, 2020, 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 these matters.

***Other Matters******Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules on pages 18-19 be presented to supplement the basic financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the 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 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 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 and individual fund financial statements and schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of these 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 themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.



**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a report on our consideration of the Clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts and grant agreements and other matters included under the heading *"Independent Auditors' 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."*

**Purpose of this Report**

The purpose of that report is 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 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.

*Warren Averett, LLC*

Pensacola, Florida  
December 17, 2020

## **Financial Statements**



**ESCAMBIA COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2020**

	<b>Major Funds</b>		
	<b>General Fund</b>	<b>Public Records Modernization Fund</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,693,533	\$ 3,446,502	\$ 8,140,035
Accounts receivable, net	389	-	389
Due from other governmental units	7,362	72,910	80,272
<b>Total assets</b>	<b>\$ 4,701,284</b>	<b>\$ 3,519,412</b>	<b>\$ 8,220,696</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 219,707	\$ 43,994	\$ 263,701
Contracts payable	38,012	-	38,012
Accrued liabilities	372,169	28,351	400,520
Due to other governmental units	2,423,233	130,424	2,553,657
Due to BOCC	1,070,250	-	1,070,250
Other current liabilities	197,868	-	197,868
<b>Total liabilities</b>	<b>4,321,239</b>	<b>202,769</b>	<b>4,524,008</b>
<b>FUND BALANCES</b>			
Restricted for:			
Records modernization technology	-	3,316,643	3,316,643
Assigned to:			
Subsequent year budget	380,045	-	380,045
<b>Total fund balances</b>	<b>380,045</b>	<b>3,316,643</b>	<b>3,696,688</b>
<b>Total liabilities and fund balances</b>	<b>\$ 4,701,284</b>	<b>\$ 3,519,412</b>	<b>\$ 8,220,696</b>

**ESCAMBIA COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS**

**YEAR ENDED SEPTEMBER 30, 2020**

	<b>Major Funds</b>		
	<b>General Fund</b>	<b>Public Records Modernization Fund</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>			
Intergovernmental	\$ 817,390	\$ 495,404	\$ 1,312,794
Charges for services	5,496,200	765,027	6,261,227
Judgments, fines and forfeitures	1,315,259	-	1,315,259
Investment income	370,898	-	370,898
Miscellaneous revenue	269,718	98	269,816
<b>Total Revenues</b>	<b>8,269,465</b>	<b>1,260,529</b>	<b>9,529,994</b>
<b>EXPENDITURES</b>			
Current:			
General government:			
Salaries and benefits	3,765,218	-	3,765,218
Operating expenditures	487,781	-	487,781
Capital outlay	126,314	-	126,314
Court related:			
Salaries and benefits	5,481,227	665,325	6,146,552
Operating expenditures	506,955	25,878	532,833
Capital outlay	7,066	74,770	81,836
Payments to State	331,204	-	331,204
<b>Total Expenditures</b>	<b>10,705,765</b>	<b>765,973</b>	<b>11,471,738</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(2,436,300)</b>	<b>494,556</b>	<b>(1,941,744)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	3,571,044	-	3,571,044
Transfers out	(754,699)	-	(754,699)
<b>Total Other Financing Sources and Uses</b>	<b>2,816,345</b>	<b>-</b>	<b>2,816,345</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>380,045</b>	<b>494,556</b>	<b>874,601</b>
<b>FUND BALANCES, OCTOBER 1, 2019</b>	<b>-</b>	<b>2,822,088</b>	<b>2,822,088</b>
<b>FUND BALANCES, SEPTEMBER 30, 2020</b>	<b>\$ 380,045</b>	<b>\$ 3,316,644</b>	<b>\$ 3,696,689</b>

See notes to financial statements.



**ESCAMBIA COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**INTERNAL SERVICE FUND  
STATEMENT OF NET POSITION**

**SEPTEMBER 30, 2020**

**ASSETS**

Current assets:

Cash and cash equivalents	\$ 774,183
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**LIABILITIES**

Current liabilities:

Compensated absences payable	77,418
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Noncurrent Liabilities:

Compensated absences payable	<u>696,765</u>
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Total liabilities	<u>774,183</u>
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**NET POSITION**

Unrestricted	<u>-</u>
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Total net position	<u><u>\$ -</u></u>
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**ESCAMBIA COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**INTERNAL SERVICE FUND  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

**YEAR ENDED SEPTEMBER 30, 2020**

**OPERATING REVENUES:**

Charges for services	\$ 498,019
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**OPERATING EXPENSES:**

Personnel services	<u>498,019</u>
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Operating income (loss)	<u>-</u>
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Changes in net position	-
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Net position-beginning	<u>-</u>
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Net position-ending	<u><u>\$ -</u></u>
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**ESCAMBIA COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**INTERNAL SERVICE FUND  
STATEMENT OF CASH FLOWS**

**YEAR ENDED SEPTEMBER 30, 2020**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net reimbursement for personal services paid by Court Fund	<u>\$ 82,254</u>
Net increase in cash and cash equivalents	82,254
Cash and cash equivalents, beginning of year	<u>691,929</u>
Cash and cash equivalents, end of year	<u><u>\$ 774,183</u></u>

**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH  
PROVIDED BY AND (USED FOR) OPERATING ACTIVITIES:**

Operating income (loss)	\$ -
Increase in compensated absences payable	<u>82,254</u>
Net cash provided by operating activities	<u><u>\$ 82,254</u></u>

**ESCAMBIA COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT AND COMPTROLLER  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
AGENCY FUND**

**SEPTEMBER 30, 2020**

**ASSETS**

Cash and cash equivalents	<u>\$ 6,214,678</u>
Total Assets	<u><u>\$ 6,214,678</u></u>

**LIABILITIES**

Cash bonds payable	\$ 438,133
Court registry payable	3,386,365
General trust payable	5,338
Due to other governments	46,566
Due to individuals	<u>2,338,276</u>
Total Liabilities	<u><u>\$ 6,214,678</u></u>

**ESCAMBIA COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**NOTES TO FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies**

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

**A. Reporting entity**

The Escambia County, Florida, Clerk of the Circuit Court and Comptroller (the "Clerk") is an elected constitutional officer as provided by Article VIII, Section 1 (d) of the Constitution of the State of Florida.

For financial reporting purposes, the Clerk is deemed to be a part of the primary government of Escambia County, Florida (the County), and therefore, is included as such in the Escambia County, Florida, Comprehensive Annual Financial Report.

**B. Basis of presentation – fund financial statements**

These financial statements have been prepared for the purpose of complying with the *Rules of the Auditor General, State of Florida*, which require presentation of *fund level* only financial statements and permit omission of entity-wide full accrual financial statements and management's discussion and analysis. Therefore, these financial statements are intended to present only the financial position and changes in financial position of that portion of Escambia County, Florida that relate to transactions of the Clerk and are not intended to present the financial position and changes in financial position of Escambia County, Florida, taken as a whole.

The Clerk's financial records and accounts are maintained in accordance with the principles of "fund accounting," whereby resources are classified for accounting and reporting purposes into funds to insure compliance with any special restrictions or limitations on the use of such resources. The Clerk's major funds are defined as follows:

The **General Fund** – a governmental fund, is used to account for and report all financial resources of the Clerk not accounted for and reported in other funds.

The **Public Records Modernization Fund** - a special revenue fund, accounts for monies collected according to Chapter 28.24, Florida Statutes to be used exclusively for the purchase and maintenance of equipment, personal training and technical assistance in modernizing the official records system and for funding court-related technology needs of the Clerk as defined in Chapter 29.008, Florida Statutes. Also included in the special revenue fund are activities related to Title IV-D child support cases. Title IV-D funding provides assistance to the plaintiff and enforcement of collections through the Office of Child Support Enforcement.

**ESCAMBIA COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**NOTES TO FINANCIAL STATEMENTS (*Continued*)**

**1. Summary of Significant Accounting Policies (*Continued*)**

Additionally, the Clerk reports the following fund types:

***Agency Funds*** - are used to account for assets received and held by the Clerk as an agent for individuals, private organizations and other governments. Agency funds are custodial in nature. The Clerk has numerous agency funds for varying purposes.

***Internal Service Fund*** – is a proprietary fund that accounts for the balances and activity related to the court-related personnel compensated absences policies.

**C. Measurement focus and 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 received in cash or when they become both measurable and available to finance expenditures of the current period.

The Clerk considers receivables collected within 60 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 compensated absences for non-court related activities, which are not recorded until paid by the General Fund. Court-related compensated absences are accrued when earned in the internal service fund.

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, deferred outflows, current liabilities and deferred inflows are included in the balance sheet. Governmental fund operating statements present increases (revenues, inflows and other financing sources) and decreases (expenditures, outflows and other financing uses) in fund balance. Accordingly, they present a summary of sources and uses of "available spendable resources" during a period.

Proprietary funds (the internal service fund) are reported using the economic resources measurement focus and the accrual basis of accounting. Proprietary funds distinguish operating revenues and expenses from non-operating items. The principal operating revenues of the internal service fund are charges related to the Clerk's court-related compensated absences activity.

Agency fund financial statements have no measurement focus, but report assets and liabilities using the accrual basis of accounting.

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Capital asset acquisitions are recorded as expenditures in governmental funds.

**ESCAMBIA COUNTY, FLORIDA**  
**CLERK OF THE CIRCUIT COURT AND COMPTROLLER**  
**NOTES TO FINANCIAL STATEMENTS (*Continued*)**

**1. Summary of Significant Accounting Policies (*Continued*)**

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

**D. Fund balance and flow assumptions**

Fund balance at September 30, 2020, consists of the following:

*Nonspendable fund balance* – include amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. Nonspendable in governmental fund types typically are for inventories and prepaid items. As of September 30, 2020, the Clerk had no nonspendable fund balances.

*Restricted fund balance* – include amounts that can be spent only for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations or are imposed by law through constitutional provisions or enabling legislation.

*Committed fund balance* – include amounts that can only be used for the specific purpose determined by a formal action of the Clerk's highest level of decision-making authority. Commitments may be changed or lifted only by the Clerk taking the same formal action that imposed the constraint originally. As of September 30, 2020, the Clerk had no committed fund balances.

*Assigned fund balance* – include amounts intended to be used by the Clerk for specific purposes, but which do not meet any of the criterion to be considered either restricted or committed. As of September 30, 2020, the Clerk had a fund balance of \$380,047 assigned to the subsequent year budget for a capital project to be completed during the year ended September 30, 2021.

*Unassigned fund balance* – is the residual classification of the general fund only and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose.

Periodically, the Clerk may fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Clerk's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.



**ESCAMBIA COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**NOTES TO FINANCIAL STATEMENTS *(Continued)***

**1. Summary of Significant Accounting Policies *(Continued)***

**E. Capital Assets**

Capital assets (vehicles, equipment and other property costing at least \$1,000 with a useful life of more than one year) and intangible assets costing at least \$5,000 are recorded as expenditures at the time of purchase. These assets are capitalized at cost and depreciated or amortized in Escambia County's government-wide financial statements. The Clerk maintains custodial responsibility for the capital assets used by the Clerk.

**F. Accumulated compensated absences**

Employees may accumulate, subject to limitations, amounts of earned, but unused sick leave, annual leave and compensatory time, which will be paid upon separation from service. The amount of vested accumulated compensated absences payable (related to governmental fund activities) based upon the Clerk's paid-time-off (PTO) policy is reported as a liability in the statement of net position in the County's government-wide financial statements. That liability includes earned but unused vacation and sick time, as well as FICA taxes and retirement contributions related thereto.

The court-related portion of compensated absences are recorded in the internal service fund, which was established to accumulate resources for such payment in future years.

**G. Funding Provided by the State of Florida and Board of County Commissioners**

The Clerk and Comptroller functions are funded by two primary sources, the State of Florida and the Board of County Commissioners.

The State provides operating funds for court-side activities of the Clerk through a State of Florida Clerk of Court Trust Fund. Clerks retain their revenues up to the budget amount appropriated from the Trust Fund. Also, any shortage of revenues up to the approved budget is funded by the Trust Fund. Excess revenues above the appropriation are returned to the State.

The Board of County Commissioners funds operating activities and capital expenditures for the comptroller functions. The Clerk submits a proposed budget to the Board for approval for each fiscal year. Funding by the Board is recorded as a "transfer out" in the financial statements of the County and as a "transfer in" on the financial statements of the Clerk.

Florida Statutes require that the excess of the Board's appropriations (and other revenues) over expenditures be returned to the Board at the end of the fiscal year.

**ESCAMBIA COUNTY, FLORIDA**  
**CLERK OF THE CIRCUIT COURT AND COMPTROLLER**  
**NOTES TO FINANCIAL STATEMENTS *(Continued)***

**2. Cash deposits with financial institutions**

Cash and cash equivalents are highly liquid investments with original maturities of three months or less when purchased. Investments are recorded at fair value.

The investment of surplus funds is governed by the provisions of Florida Statute 218.415, as to the type of investments that can be made. Deposits may be exposed to custodial credit risk, which is the risk of loss in the event of a bank failure.

The Clerk manages custodial credit risk by maintaining its deposits in financial institutions designated as "Qualified Public Depositories" by the State Treasurer.

The Clerk's cash deposits are held by banks, which qualify as public depositories under the Florida Security for Public Deposits Act, as required by Chapter 280, Florida Statutes. All of the Clerk's deposits are fully insured by the Public Deposit Trust Fund.

At September 30, 2020, the reported amount of the Clerk's deposits was approximately \$15.1 million, and the bank balance was approximately \$14.6 million, consisting entirely of cash and deposit accounts.

**3. Interfund receivables, payables and transfers**

Interfund receivables and payables consist of amounts due to or from funds during the normal course of business. At September 30, 2020, there were no interfund receivables or payables within the Clerk's funds. Transfers consist of \$3,571,044 of "transfers in" from the Board of County Commissioners and "transfers out" of excess budget and fees totaling \$754,699.

**4. Due from/to other governments**

At September 30, 2020, due from other governments contains \$72,910 due from the State for Title IV-D services. The due to other governments includes \$1,070,250 payable to the Board of County Commissioners of which \$754,699 was excess budget and fees.

Based on the legal opinion provided by Clerks of Court Operations Corporation general counsel of the provisions of Section 28.37(3), F.S., which was adopted as a policy by the CCOC Finance and Budget Committee, excess court-related funds of \$789,792 have been included in due to other governments.

**ESCAMBIA COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**NOTES TO FINANCIAL STATEMENTS *(Continued)***

**5. Retirement plan**

The Clerk participates in the Florida Retirement System (FRS), administered by the Florida Department of Management Services. The FRS was established in 1970 by Chapter 121, Florida Statutes. Changes to the FRS can only be made by an act of the Florida Legislature. Rules governing the operation and administration of the system may be found in Chapter 60S of the Florida Administrative Code. The State of Florida issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for FRS. The report may be obtained on the division's website at <http://www.dms.myflorida.com>. The report may also be obtained by contacting the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, FL 32315-9000.

Employees elect participation in either the defined benefit plan (Pension Plan), a multiple-employer cost-sharing defined benefit retirement plan, or the defined contribution plan (Investment Plan). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university community college or a participating city or special district within the State of Florida.

The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Retirement benefits are based upon age, average compensation and years-of-service credit where average compensation is computed as the average of the members' highest five or eight fiscal years of earnings, depending upon enrollment date. A post-employment health insurance subsidy is also provided to eligible retired members through the FRS in accordance with Florida Statutes.

For employees who were enrolled in the plan prior to July 1, 2011, normal retirement benefits are available at age 62 with six or more years of service or to those employees who have at least 30 years of creditable service, regardless of age.

For employees who were enrolled in the plan after July 1, 2011, normal retirement benefits are available at age 65 with eight or more years of service or to those employees who have at least 33 years of creditable service, regardless of age.

Early retirement is available for vested members with a 5% reduction of benefits for each year prior to the normal retirement age. Retirement age and years of service requirements also vary depending on membership class.

In addition to the above benefits, the Deferred Retirement Option Program (DROP) is available under the Pension Plan when the member first reaches eligibility for normal retirement. This program allows eligible members to defer receipt of monthly retirement benefit payments, while continuing employment with an FRS employer for a period not to exceed 60 months after electing to participate.

For those members who elect participation in the Investment Plan rather than the Pension Plan, vesting occurs at one year of service. The Investment Plan is a defined contribution plan funded monthly by employer and employee contributions based on salary and membership class.

**ESCAMBIA COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**5. Retirement plan (Continued)**

Members in the Investment Plan decide how their funds are allocated between various investment accounts and the vested funds are portable upon termination. The final retirement benefit is equal to the vested contributions plus investment earnings less expenses and losses allocated to the member's account. Members in the Investment Plan are not eligible for participation in the Deferred Retirement Option Program.

The contribution requirements of the Clerk and members are established and may be amended by FRS. Both plans are contributory for employees and require a 3% employee contribution. This is in addition to the contributions that are the obligation of the employer. The Clerk's contributions to FRS for the years ended September 30, 2020, 2019 and 2018 were \$781,106, \$702,507, and \$689,477, respectively, equal to the required contributions for each year.

The contribution rates in effect during the period ended September 30, 2020, 2019, and 2018 were as follows:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Regular Class:</u>	10.00%	8.47%	8.26%
Members not qualifying for other classes.			
<u>Senior Management Class:</u>	27.29%	25.41%	24.06%
Members of senior management who do not elect the optional annuity retirement program.			
<u>Elected Officials Class:</u>	49.18%	48.82%	48.70%
Certain elected county officials.			
<u>Deferred Retirement Option Program (DROP):</u>	16.98%	14.60%	14.03%
Members are enrolled in DROP from FRS			

***Net Pension Obligation-Proportionate Share***

The Clerk has a net FRS pension liability determined in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. This long-term liability is only reported in the county-wide financial statements and is not a current liability of the governmental funds. All required disclosures and schedules may be found in the Comprehensive Annual Financial Report of Escambia County, Florida.

**6. Other post-employment benefits (OPEB), other than pensions**

The Board offers post-employment health care benefits (OPEB) to all retired employees of the Clerk's Office and their dependents. Participating retirees are required to reimburse the Board for 100% of the premium cost, which is netted against the premium payment, so that no net expense is initially recorded in the Board's financial statements. However, these retirees are receiving an "implicit subsidy" because the premium is a group rate, which includes active, lower cost employees. This implicit subsidy has a cost, however, this annual cost, and the total OPEB liability is measured as the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service. The total OPEB liability and other required disclosures have been calculated for the County, as a whole and not separately for the Clerk's Office. Accordingly, these calculations and disclosures can be found in the County's Comprehensive Annual Financial Report.

**ESCAMBIA COUNTY, FLORIDA**  
**CLERK OF THE CIRCUIT COURT AND COMPTROLLER**  
**NOTES TO FINANCIAL STATEMENTS *(Continued)***

**7. Risk management**

The County has a risk management program to insure claims against the BOCC, Constitutional Officers and Santa Rosa Island Authority for the following types of risks:

Workers Compensation – The County is covered for workers' compensation claims through a policy with the Florida Municipal Insurance Trust. Coverage limits under the policy include statutory limits, as well as \$1,000,000 bodily injury for each accident and \$1,000,000 bodily injury by disease for each employee with an aggregate \$1,000,000 policy limit.

Casualty and Property – Casualty limits are self-insured for \$200,000 per claim with a \$300,000 aggregate limit. Property limits are \$50,000 - \$250,000 self-insured retentions per occurrence with excess limits of \$45 million including wind.

The Clerk participated in the County's insurance program during fiscal year 2020 at a cost of \$18,336. There also were no significant reductions in insurance coverage from the prior year and there have been no settlements which exceeded the Clerk's insurance coverage in any of the past three fiscal years.

**8. Litigation**

From time to time, the Clerk may be involved as a defendant in certain litigation and claims arising from the ordinary course of operations. In the opinion of legal counsel, there are no lawsuits or claims outstanding, which will have a material adverse effect on the financial position of the Clerk.



## **Required Supplementary Information**

**ESCAMBIA COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL –  
GENERAL FUND**

**YEAR ENDED SEPTEMBER 30, 2020**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES</b>				
Intergovernmental	\$ 287,692	\$ 287,692	\$ 817,390	\$ 529,698
Charges for services	6,207,334	5,598,810	5,496,200	(102,610)
Judgments, fines and forfeitures	1,585,000	1,459,000	1,315,259	(143,741)
Investment income	275,100	311,780	370,898	59,118
Miscellaneous	447,500	286,500	269,718	(16,782)
Total Revenues	8,802,626	7,943,782	8,269,465	325,683
<b>EXPENDITURES</b>				
Current:				
General government:				
Salaries and benefits	4,034,050	4,034,050	3,765,218	268,832
Operating expenditures	670,041	1,071,536	487,781	583,755
Capital outlay	53,500	53,500	126,314	(72,814)
Court related:				
Salaries and benefits	6,465,184	5,769,434	5,481,227	288,207
Operating expenditures	749,400	586,306	506,955	79,351
Capital outlay	-	-	7,066	(7,066)
Payments to State	-	-	331,204	(331,204)
Total Expenditures	11,972,175	11,514,826	10,705,765	809,061
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(3,169,549)</b>	<b>(3,571,044)</b>	<b>(2,436,300)</b>	<b>1,134,744</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,169,549	3,571,044	3,571,044	-
Transfers out	-	-	(754,699)	(754,699)
Total Other Financing Sources (Uses)	3,169,549	3,571,044	2,816,345	(754,699)
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>380,045</b>	<b>380,045</b>
<b>FUND BALANCE, OCTOBER 1, 2019</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE, SEPTEMBER 30, 2020</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 380,045</b>	<b>\$ 380,045</b>

See notes to required supplementary information.

**ESCAMBIA COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL –  
PUBLIC RECORDS MODERNIZATION FUND**

**YEAR ENDED SEPTEMBER 30, 2020**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES</b>				
Intergovernmental	\$ 489,850	\$ 495,404	\$ 495,404	\$ -
Charges for services	635,000	635,000	765,027	130,027
Miscellaneous revenue	-	-	98	98
Total Revenues	1,124,850	1,130,404	1,260,529	130,125
<b>EXPENDITURES</b>				
Current:				
Court related:				
Salaries and benefits	743,400	746,400	665,325	81,075
Operating expenditures	381,450	384,004	25,878	358,126
Capital outlay	-	-	74,770	(74,770)
Total Expenditures	1,124,850	1,130,404	765,973	364,431
<b>EXCESS (DEFICIENCY) of REVENUES OVER UNDER EXPENDITURES</b>	-	-	494,556	494,556
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	-	-	494,556	494,556
<b>FUND BALANCE, OCTOBER 1, 2019</b>	-	-	2,822,088	2,822,088
<b>FUND BALANCE, SEPTEMBER 30, 2020</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,316,644</b>	<b>\$ 3,316,644</b>

**ESCAMBIA COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**Notes to Required Supplementary Information**

The Clerk's Office operates under budget procedures pursuant to Florida Statutes. Annual budgets are legally adopted for the general fund and the public records modernization fund and are on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is at the fund level. Budgetary changes within the funds are made at the discretion of the Clerk.

The proposed budget is also prepared, summarized, and submitted by the Clerk to the Florida Clerks of Court Operations Corporation. The proposed budget must provide detailed information on the anticipated revenues available and expenditures necessary for the performance of the court-related functions listed in Florida Statute [28.35](#)(3)(a) of the Clerk's office.

## **Other Supplementary Information**

**ESCAMBIA COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**COMBINING BALANCE SHEET  
GENERAL FUND BY CATEGORY**

**SEPTEMBER 30, 2020**

	<b>General Fund</b>	<b>General Fund Court Services</b>	<b>Total General Fund</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,923,626	\$ 1,769,907	\$ 4,693,533
Accounts receivable	389	-	389
Due from other governmental units	7,362	-	7,362
Total assets	<u>\$ 2,931,377</u>	<u>\$ 1,769,907</u>	<u>\$ 4,701,284</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 168,496	\$ 51,211	\$ 219,707
Contracts payable	36,721	1,291	38,012
Accrued liabilities	155,555	216,614	372,169
Due to BOCC	822,871	247,379	1,070,250
Due to other governmental units	1,309,806	1,113,427	2,423,233
Other current liabilities	57,883	139,985	197,868
Total liabilities	2,551,332	1,769,907	4,321,239
<b>FUND BALANCES</b>			
Assigned to:			
Subsequent year budget	380,045	-	380,045
Total fund balances	380,045	-	380,045
Total liabilities and fund balances	<u>\$ 2,931,377</u>	<u>\$ 1,769,907</u>	<u>\$ 4,701,284</u>



**ESCAMBIA COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - GENERAL FUND BY CATEGORY**

**YEAR ENDED SEPTEMBER 30, 2020**

	<u>General Fund</u>	<u>General Fund Court Services</u>	<u>Total General Fund</u>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 817,390	\$ 817,390
Charges for services	1,943,013	3,553,187	5,496,200
Judgments, fines and forfeitures	-	1,315,259	1,315,259
Investment income	-	370,898	370,898
Miscellaneous revenue	-	269,718	269,718
Total Revenues	1,943,013	6,326,452	8,269,465
<b>EXPENDITURES</b>			
Current:			
General government:			
Salaries and benefits	3,765,218	-	3,765,218
Operating expenditures	487,781	-	487,781
Capital outlay	126,314	-	126,314
Court related:			
Salaries and benefits	-	5,481,227	5,481,227
Operating expenditures	-	506,955	506,955
Capital outlay	-	7,066	7,066
Payments to State	-	331,204	331,204
Total Expenditures	4,379,313	6,326,452	10,705,765
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(2,436,300)	-	(2,436,300)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	3,571,044	-	3,571,044
Transfers out	(754,699)	-	(754,699)
Total Other Financing Sources and Uses	2,816,345	-	2,816,345
<b>NET CHANGE IN FUND BALANCE</b>	380,045	-	380,045
<b>FUND BALANCES, OCTOBER 1, 2019</b>	-	-	-
<b>FUND BALANCES, SEPTEMBER 30, 2020</b>	<u>\$ 380,045</u>	<u>\$ -</u>	<u>\$ 380,045</u>

**ESCAMBIA COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL-  
GENERAL FUND BY CATEGORY**

**YEAR ENDED SEPTEMBER 30, 2020**

	<b>General Fund</b>		
	<b>Budgeted Amounts</b>		
	<b>Original</b>	<b>Final</b>	<b>Actual</b>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ -	\$ -
Charges for services	1,588,042	1,588,042	1,943,013
Judgments, fines and forfeitures	-	-	-
Investment income	-	-	-
Miscellaneous revenue	-	-	-
<b>Total Revenues</b>	<b>1,588,042</b>	<b>1,588,042</b>	<b>1,943,013</b>
<b>EXPENDITURES</b>			
Current:			
General government:			
Salaries and benefits	4,034,050	4,034,050	3,765,218
Operating expenditures	670,041	1,071,536	487,781
Capital outlay	53,500	53,500	126,314
Court related:			
Salaries and benefits	-	-	-
Operating expenditures	-	-	-
Capital outlay	-	-	-
Payments to State	-	-	-
<b>Total Expenditures</b>	<b>4,757,591</b>	<b>5,159,086</b>	<b>4,379,313</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(3,169,549)</b>	<b>(3,571,044)</b>	<b>(2,436,300)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	3,169,549	3,571,044	3,571,044
Transfers out	-	-	(754,699)
<b>Total Other Financing Sources (Uses)</b>	<b>3,169,549</b>	<b>3,571,044</b>	<b>2,816,345</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>380,045</b>
<b>FUND BALANCE, OCTOBER 1, 2019</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE, SEPTEMBER 30, 2020</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 380,045</b>

Continued

**ESCAMBIA COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL-  
GENERAL FUND BY CATEGORY**

**YEAR ENDED SEPTEMBER 30, 2020  
(Continued)**

	<b>General Fund - Court Services</b>		
	<b>Budgeted Amounts</b>		
	<b>Original</b>	<b>Final</b>	<b>Actual</b>
<b>REVENUES</b>			
Intergovernmental	\$ 287,692	\$ 287,692	\$ 817,390
Charges for services	4,619,292	4,010,768	3,553,187
Judgments, fines and forfeitures	1,585,000	1,459,000	1,315,259
Investment income	275,100	311,780	370,898
Miscellaneous revenue	447,500	286,500	269,718
<b>Total Revenues</b>	<b>7,214,584</b>	<b>6,355,740</b>	<b>6,326,452</b>
<b>EXPENDITURES</b>			
Current:			
General government:			
Salaries and benefits	-	-	-
Operating expenditures	-	-	-
Capital outlay	-	-	-
Court related:			
Salaries and benefits	6,465,184	5,769,434	5,481,227
Operating expenditures	749,400	586,306	506,955
Capital outlay	-	-	7,066
Payments to State	-	-	331,204
<b>Total Expenditures</b>	<b>7,214,584</b>	<b>6,355,740</b>	<b>6,326,452</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	-
Transfers out	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE, OCTOBER 1, 2019</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE, SEPTEMBER 30, 2020</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**ESCAMBIA COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL-  
GENERAL FUND BY CATEGORY**

**YEAR ENDED SEPTEMBER 30, 2020  
(Continued)**

	<b>Total General Fund</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Budget Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES</b>	\$ 287,692	\$ 287,692	\$ 817,390	\$ 529,698
Intergovernmental	6,207,334	5,598,810	5,496,200	(102,610)
Charges for services	1,585,000	1,459,000	1,315,259	(143,741)
Judgments, fines and forfeitures	275,100	311,780	370,898	59,118
Investment income	447,500	286,500	269,718	(16,782)
Miscellaneous revenue	8,802,626	7,943,782	8,269,465	325,683
Total Revenues				
<b>EXPENDITURES</b>				
Current:				
General government:	4,034,050	4,034,050	3,765,218	268,832
Salaries and benefits	670,041	1,071,536	487,781	583,755
Operating expenditures	53,500	53,500	126,314	(72,814)
Capital outlay				
Court related:	6,465,184	5,769,434	5,481,227	288,207
Salaries and benefits	749,400	586,306	506,955	79,351
Operating expenditures	-	-	7,066	(7,066)
Capital outlay	-	-	331,204	(331,204)
Payments to State				
Total Expenditures	11,972,175	11,514,826	10,705,765	809,061
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(3,169,549)	(3,571,044)	(2,436,300)	1,134,744
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,169,549	3,571,044	3,571,044	-
Transfers out	-	-	(754,699)	(754,699)
Total Other Financing Sources (Uses)	3,169,549	3,571,044	2,816,345	(754,699)
<b>NET CHANGE IN FUND BALANCE</b>	-	-	380,045	380,045
<b>FUND BALANCE, OCTOBER 1, 2019</b>	-	-	-	-
<b>FUND BALANCE, SEPTEMBER 30, 2020</b>	\$ -	\$ -	\$ 380,045	\$ 380,045

**ESCAMBIA COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES –  
ALL AGENCY FUNDS**

**YEAR ENDED SEPTEMBER 30, 2020**

	<u>Agency Funds</u>				
	<u>Court Registry</u>	<u>Juror and Witness</u>	<u>Restitution</u>	<u>General Trust</u>	<u>TOTAL</u>
<b>ASSETS</b>					
Cash and cash equivalents	<u>\$ 5,682,777</u>	<u>\$ 58,103</u>	<u>\$ 30,327</u>	<u>\$ 443,471</u>	<u>\$ 6,214,678</u>
Total Assets	<u><u>\$ 5,682,777</u></u>	<u><u>\$ 58,103</u></u>	<u><u>\$ 30,327</u></u>	<u><u>\$ 443,471</u></u>	<u><u>\$ 6,214,678</u></u>
<b>LIABILITIES</b>					
Cash bonds payable	\$ -	\$ -	\$ -	\$ 438,133	\$ 438,133
Court registry payable	3,386,365	-	-	-	3,386,365
General trust payable	-	-	-	5,338	5,338
Due to other governments	-	46,566	-	-	46,566
Due to individuals	<u>2,296,412</u>	<u>11,537</u>	<u>30,327</u>	<u>-</u>	<u>2,338,276</u>
Total Liabilities	<u><u>\$ 5,682,777</u></u>	<u><u>\$ 58,103</u></u>	<u><u>\$ 30,327</u></u>	<u><u>\$ 443,471</u></u>	<u><u>\$ 6,214,678</u></u>

**ESCAMBIA COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES –  
ALL AGENCY FUNDS**

**YEAR ENDED SEPTEMBER 30, 2020**

	<b>Balance September 30, 2019</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance September 30, 2020</b>
<b>COURT REGISTRY</b>				
<b>ASSETS</b>				
Cash and cash equivalents	<u>\$ 5,375,359</u>	<u>\$ 15,964,908</u>	<u>\$ 15,657,490</u>	<u>\$ 5,682,777</u>
<b>LIABILITIES</b>				
Court registry payable	\$ 3,528,500	\$ 13,602,794	\$ 13,744,929	\$ 3,386,365
Due to individuals	<u>1,846,859</u>	<u>2,362,114</u>	<u>1,912,561</u>	<u>2,296,412</u>
Total Liabilities	<u>\$ 5,375,359</u>	<u>\$ 15,964,908</u>	<u>\$ 15,657,490</u>	<u>\$ 5,682,777</u>
<b>JUROR AND WITNESS</b>				
<b>ASSETS</b>				
Cash and cash equivalents	<u>\$ 33,280</u>	<u>\$ 73,610</u>	<u>\$ 48,787</u>	<u>\$ 58,103</u>
<b>LIABILITIES</b>				
Due to individuals	\$ 15,812	\$ 12,525	\$ 16,800	\$ 11,537
Due to other governments	<u>17,468</u>	<u>61,085</u>	<u>31,987</u>	<u>46,566</u>
Total Liabilities	<u>\$ 33,280</u>	<u>\$ 73,610</u>	<u>\$ 48,787</u>	<u>\$ 58,103</u>

**ESCAMBIA COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
(Continued)**

**YEAR ENDED SEPTEMBER 30, 2020**

	<b>Balance September 30, 2019</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance September 30, 2020</b>
<b>RESTITUTION</b>				
<b>ASSETS</b>				
Cash and cash equivalents	<u>\$ 34,242</u>	<u>\$ 248,396</u>	<u>\$ 252,311</u>	<u>\$ 30,327</u>
<b>LIABILITIES</b>				
Due to individuals	<u>\$ 34,242</u>	<u>\$ 248,396</u>	<u>\$ 252,311</u>	<u>\$ 30,327</u>
<b>GENERAL TRUST</b>				
<b>ASSETS</b>				
Cash and cash equivalents	<u>\$ 373,412</u>	<u>\$ 943,980</u>	<u>\$ 873,921</u>	<u>\$ 443,471</u>
<b>LIABILITIES</b>				
Cash bonds payable	\$ 369,956	\$ 717,446	\$ 649,269	\$ 438,133
General trust payable	<u>3,456</u>	<u>226,533</u>	<u>224,651</u>	<u>5,338</u>
Total Liabilities	<u>\$ 373,412</u>	<u>\$ 943,979</u>	<u>\$ 873,920</u>	<u>\$ 443,471</u>



**ESCAMBIA COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
(Continued)**

**YEAR ENDED SEPTEMBER 30, 2020**

	<b>Balance September 30, 2019</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance September 30, 2020</b>
<b>TOTALS - ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 5,816,293	\$ 17,230,894	\$ 16,832,509	\$ 6,214,678
Total Assets	<u>\$ 5,816,293</u>	<u>\$ 17,230,894</u>	<u>\$ 16,832,509</u>	<u>\$ 6,214,678</u>
<b>LIABILITIES</b>				
Cash bonds payable	\$ 369,956	\$ 717,446	\$ 649,269	\$ 438,133
Court registry payable	3,528,500	13,602,794	13,744,929	3,386,365
General trust payable	3,456	226,533	224,651	5,338
Due to other governments	17,468	61,085	31,987	46,566
Due to individuals	1,896,913	2,623,035	2,181,672	2,338,276
Total Liabilities	<u>\$ 5,816,293</u>	<u>\$ 17,230,893</u>	<u>\$ 16,832,508</u>	<u>\$ 6,214,678</u>

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

Honorable Pam Childers  
Escambia County, Clerk of Circuit Court and Comptroller

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 (hereinafter referred to as "financial statements") of each major fund and the aggregate remaining fund information of the Office of the Clerk of the Circuit Court and Comptroller of Escambia County, Florida (hereinafter referred to as "Clerk"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Clerk's financial statements, and have issued our report thereon dated December 17, 2020.

**Internal Control over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

**Compliance and Other Matters-Continued**

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

**Purpose of this Report**

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

*Warren Averett, LLC*

Pensacola, Florida  
December 17, 2020

**INDEPENDENT ACCOUNTANTS' REPORT ON EXAMINATION OF COMPLIANCE  
REQUIREMENTS IN ACCORDANCE WITH CHAPTER 10.550, RULES OF THE AUDITOR  
GENERAL**

Honorable Pam Childers  
Escambia County, Clerk of Circuit Court and Comptroller

We have examined the Office of the Clerk of the Circuit Court and Comptroller of Escambia County, Florida's (hereinafter referred to as the "Clerk") compliance with Florida Statute 218.415 in regards to investments, Florida Statutes 28.35 and 28.36 in regard to certain court-related functions, and Florida Statute 61.181 in regard to operation of a depository for alimony and child support for the year ended September 30, 2020. 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 specified requirements. An examination involves performing procedures to obtain evidence about whether the Clerk complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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 for the year ended September 30, 2020.

*Warren Averett, LLC*

Pensacola, Florida  
December 17, 2020

## **MANAGEMENT LETTER**

Honorable Pam Childers  
Escambia County, Clerk of the Circuit Court and Comptroller

### **Report on the Financial Statements**

We have audited the financial statements of each major fund and the aggregate remaining fund information of the Office of the Clerk of the Circuit Court and Comptroller of Escambia County, Florida (hereinafter referred to as "Clerk"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, and have issued our report thereon dated December 17, 2020.

### **Auditors' Responsibility**

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

### **Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on Examination of Compliance Requirements in Accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated December 17, 2020, 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 corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no recommendations made in the preceding audit report.

### **Financial Management**

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

### **Additional Matters**

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

**Purpose of this Letter**

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

*Warren Averett, LLC*

Pensacola, Florida  
December 17, 2020

**ANNUAL AUDIT REPORT  
CLERK OF THE CIRCUIT COURT AND COMPTROLLER  
ESCAMBIA COUNTY, FLORIDA**

**SCHEDULE OF FINDINGS AND RESPONSES**

**SEPTEMBER 30, 2020**

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There were no comments which require management's written response.

**ESCAMBIA COUNTY, FLORIDA  
PROPERTY APPRAISER**

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2020**



**ESCAMBIA COUNTY, FLORIDA  
PROPERTY APPRAISER**

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2020**

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## INDEPENDENT AUDITORS' REPORT

Honorable Chris Jones  
Escambia County Property Appraiser

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the general fund of the Escambia County Property Appraiser, Escambia County, Florida (the Property Appraiser), as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Property Appraiser's financial statements, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the general fund of the Property Appraiser as of September 30, 2020, and the changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the general fund of the Property Appraiser. They do not purport to and do not present fairly the financial position of Escambia County, Florida, as of September 30, 2020, 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 these matters.

**Other Matters*****Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule, as listed in the table of contents, be presented to supplement the financial statements. Such information, although not a required 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 a report 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, rules, regulations, contracts and grant agreements and other matters included under the heading "Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*." The purpose of that report is 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 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.

*Warren Averett, LLC*

Pensacola, Florida  
November 30, 2020

## **FINANCIAL STATEMENTS**

**ESCAMBIA COUNTY, FLORIDA  
PROPERTY APPRAISER**

**BALANCE SHEET  
GOVERNMENTAL FUND**

**SEPTEMBER 30, 2020**

	<b>General Fund</b>
<b>Assets</b>	
Cash	\$ 609,109
<b>Liabilities</b>	
Accounts payable	\$ 23,786
Accrued liabilities	221,286
Due to other governmental units	364,037
Total liabilities	609,109
<b>Fund Balance</b>	
Unassigned:	-
Total fund balance	-
Total liabilities and fund balance	\$ 609,109

**ESCAMBIA COUNTY, FLORIDA  
PROPERTY APPRAISER**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – GOVERNMENTAL FUND**

**YEAR ENDED SEPTEMBER 30, 2020**

	<b>General Fund</b>
Revenues:	
Charges for services	\$ 14,762
Miscellaneous revenue	3,949
Total Revenues	<u>18,711</u>
Expenditures:	
Current:	
General government:	
Salaries and benefits	5,053,290
Operating expenditures	891,531
Capital outlay	10,202
Total Expenditures	<u>5,955,023</u>
Deficiency of Revenues Over Expenditures	<u>(5,936,312)</u>
Other Financing Sources and (Uses):	
Transfers in	6,299,540
Transfers out	<u>(363,228)</u>
Total Other Financing Sources and (Uses)	<u>5,936,312</u>
Net Change in Fund Balance	-
Fund Balance, October 1, 2019	<u>-</u>
Fund Balance, September 30, 2020	<u><u>\$ -</u></u>

See notes to the financial statements.

**ESCAMBIA COUNTY, FLORIDA  
PROPERTY APPRAISER**

**NOTES TO THE FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

The Escambia County, Florida Property Appraiser (Property Appraiser), is an elected constitutional officer as provided by Article VIII, Section 1 (d) of the Constitution of the State of Florida. The Property Appraiser's budget is submitted to the Florida Department of Revenue (per Florida Statute 195.087) for approval. The Board appropriates and distributes to the Property appraiser on a quarterly basis the funds necessary to operate the Property Appraiser's office.

For financial reporting purposes, the Property Appraiser is deemed to be a part of the primary government of Escambia County, Florida (the County), and therefore, is included as such in the Escambia County, Florida, Comprehensive Annual Financial Report.

**B. Basis of Presentation – Fund Financial Statements**

These financial statements have been prepared for the purpose of complying with *Rules of the Auditor General, State of Florida*, which require presentation of *fund level* only financial statements and permit omission of entity-wide full accrual financial statements and management's discussion and analysis. Therefore, these financial statements are intended to present only the financial position and changes in financial position of that portion of Escambia County, Florida, that relate to transactions of the Property Appraiser and are not intended to present the financial position and changes in financial position of Escambia County, Florida, taken as a whole.

The Property Appraiser's financial records and accounts are maintained in accordance with the principles of "fund accounting," whereby resources are classified for accounting and reporting purposes into funds to insure compliance with any special restrictions or limitations on the use of such resources. The Property Appraiser's general fund (a governmental fund type) is the sole operating fund of the Property Appraiser. No additional funds are required to be maintained.

**Fund Balance** – Fund balances are classified either as non-spendable or as restricted, committed, assigned and unassigned, based on the extent to which there are external and internal constraints on the spending.

**ESCAMBIA COUNTY, FLORIDA  
PROPERTY APPRAISER**

**NOTES TO THE FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**C. Measurement Focus and Basis of Accounting**

The general fund is accounted for using the *modified accrual basis of accounting*. Revenues are recognized when they become susceptible to accrual—that is when they are both measurable and available to finance expenditures of the current period. The Property Appraiser considers receivables collected within 60 days after year-end to be available and recognizes them as revenues of the current year.

Expenditures generally are recognized under the *modified accrual basis of accounting* when the fund liability is incurred. However, expenditures for compensated absences are recognized when payments are made to employees.

**D. Funding from the Board of County Commissioners**

Appropriations from the Board are recorded as “transfers in” on the Statement of Revenues, Expenditures and Changes in Fund Balance.

In accordance with Florida Statutes, the General Fund’s excess of revenues and transfers over expenditures is returned to the Board at year end and is reported as a “transfer out” on the Statement of Revenues, Expenditures and Changes in Fund Balance.

**E. Capital Assets**

Capital assets (vehicles, equipment and other property costing at least \$1,000 with a useful life of more than one year) are recorded as expenditures at the time of purchase. These assets are capitalized at cost and depreciated in Escambia County’s government-wide financial statements.

**F. Accumulated Compensated Absences**

Employees may accumulate, subject to limitations, amounts of earned, but unused sick leave, annual leave and compensatory time, which will be paid upon separation from service. The amount of vested accumulated compensated absences payable (related to governmental fund activities) based upon the Property Appraiser’s paid-time-off (PTO) 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, sick and comp time, as well as FICA taxes and retirement contributions related thereto.



**ESCAMBIA COUNTY, FLORIDA  
PROPERTY APPRAISER**

**NOTES TO THE FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2020**

**2. CASH DEPOSITS WITH FINANCIAL INSTITUTIONS**

The investment of surplus funds is governed by the provisions of Florida Statute 218.415 as to the type of investments that can be made. Deposits may be exposed to custodial credit risk, which is the risk of loss in the event of a bank failure.

The Property Appraiser manages custodial credit risk by maintaining its deposits in a financial institution designated as a "Qualified Public Depository" by the State Treasurer. All deposits were fully insured through a combination of federal depository insurance and participation of the financial institution in the multiple financial institution collateral pool as specified in Chapter 280, Florida Statutes. Accordingly, risk of loss due to bank failure is not significant.

At September 30, 2020, the reported amount of the Property Appraiser's deposits and the bank balance consisting entirely of deposits in a checking account were \$609,109.

**3. TRANSFERS**

Transfers in consist of \$6,299,540 from the Escambia County Board of County Commissioners, and transfers out represent excess appropriations and fees returned to the Board in the amount of \$363,228.

**4. DUE TO/FROM OTHER GOVERNMENTS**

At September 30, 2020, the amounts due to other governments total \$364,037 and mainly consist of excess appropriations and fees over expenditures payable to the Board in the amount of \$363,228.

**5. RETIREMENT PLAN**

The Property Appraiser participates in the Florida Retirement System (FRS), administered by the Florida Department of Management Services. The FRS was established in 1970 by Chapter 121, Florida Statutes. Changes to the FRS can only be made by an act of the Florida Legislature. Rules governing the operation and administration of the system may be found in Chapter 60S of the Florida Administrative Code. The State of Florida issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for FRS. The report may be obtained on the division's website at <http://www.dms.myflorida.com>. The report may also be obtained by contacting the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, FL 32315-9000.

**ESCAMBIA COUNTY, FLORIDA  
PROPERTY APPRAISER**

**NOTES TO THE FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2020**

**5. RETIREMENT PLAN – CONTINUED**

Employees elect participation in either the defined benefit plan (Pension Plan), a multiple-employer cost –sharing defined benefit retirement plan or the defined contribution plan (Investment Plan). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university community college or a participating city or special district within the State of Florida.

The FRS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Retirement benefits are based upon age, average compensation and years-of-service credit where average compensation is computed as the average of the members' highest five or eight fiscal years of earnings, depending upon enrollment date. A post-employment health insurance subsidy is also provided to eligible retired members through the FRS in accordance with Florida Statutes.

For employees who were enrolled in the plan prior to July 1, 2011, normal retirement benefits are available at age 62, with six or more years of service or to those employees who have at least 30 years of creditable service, regardless of age.

For employees who were enrolled in the plan after July 1, 2011, normal retirement benefits are available at age 65, with eight or more years of service or to those employees who have at least 33 years of creditable service, regardless of age.

Early retirement is available for vested members with a 5% reduction of benefits for each year prior to the normal retirement age. Retirement age and years of service requirements also vary depending on membership class.

In addition to the above benefits, the Deferred Retirement Option Program (DROP) is available under the Pension Plan when the member first reaches eligibility for normal retirement. This program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with an FRS employer for a period not to exceed 60 months after electing to participate.

For those members who elect participation in the Investment Plan rather than the Pension Plan, vesting occurs at one year of service. The Investment Plan is a defined contribution plan funded monthly by employer and employee contributions based on salary and membership class. Members in the Investment Plan decide how their funds are allocated between various investment accounts, and the vested funds are portable upon termination. The final retirement benefit is equal to the vested contributions plus investment earnings less expenses and losses allocated to the member's account. Members in the Investment Plan are not eligible for participation in the Deferred Retirement Option Program.

The contribution requirements of the Property Appraiser and members are established and may be amended by FRS. Both plans are contributory for employees and require a 3% employee contribution. This is in addition to the contributions that are the obligation of the employer.

**ESCAMBIA COUNTY, FLORIDA  
PROPERTY APPRAISER**

**NOTES TO THE FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2020**

**5. RETIREMENT PLAN – CONTINUED**

The Property Appraiser's contributions to FRS for the years ended September 30, 2020, 2019 and 2018, were \$441,057, \$405,363 and \$380,963, respectively, equal to the required contributions for each year.

The contribution rates in effect during the period ended September 30, 2020, 2019 and 2018, are as follows:

	<u><b>2020</b></u>	<u><b>2019</b></u>	<u><b>2018</b></u>
<u>Regular Class:</u>	10.00%	8.47%	8.26%
Members not qualifying for other classes.			
<u>Senior Management Class:</u>	27.29%	25.41%	24.06%
Members of senior management who do not elect the optional annuity retirement program.			
<u>Elected Officials Class:</u>	49.18%	48.82%	48.70%
Certain elected county officials.			
<u>Deferred Retirement Option Program (DROP):</u>	16.98%	14.60%	14.03%
Members are enrolled in DROP from FRS			

***Net Pension Liability-Proportionate Share***

The Property Appraiser has a net FRS pension liability determined in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. This long-term liability is only reported in the county-wide financial statements and is not a current liability of the General Fund. All required disclosures and schedules may be found in the Comprehensive Annual Financial Report of Escambia County, Florida.

**6. OTHER POST-EMPLOYMENT BENEFITS (OPEB), OTHER THAN PENSIONS**

The Board offers post-employment health care benefits (OPEB) to all retired employees of the Property Appraiser's Office and their dependents. Participating retirees are required to reimburse the Board for 100% of the premium cost, which is netted against the premium payment, so that no net expense is initially recorded in the Board's financial statements. However, these retirees are receiving an "implicit subsidy" because the premium is a group rate, which includes active, lower cost employees. This implicit subsidy has a cost; however, this annual cost and the total OPEB liability is measured as the portion of the actuarial present value of projected benefit payments that are attributed to past periods of employee service. The total OPEB liability and other required disclosures have been calculated for the County as a whole and not separately for the Property Appraiser's Office. Accordingly, these calculations and disclosures can be found in the County's Comprehensive Annual Financial Report.

**ESCAMBIA COUNTY, FLORIDA  
PROPERTY APPRAISER**

**NOTES TO THE FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2020**

**7. RISK MANAGEMENT**

The County has a risk management program to insure claims against the Board, Constitutional Officers and Santa Rosa Island Authority for the following types of risks:

Workers Compensation – The County is covered for workers' compensation claims through a policy with the Florida Municipal Insurance Trust. Coverage limits under the policy include statutory limits, as well as \$1,000,000 bodily injury for each accident and \$1,000,000 bodily injury by disease for each employee with an aggregate \$1,000,000 policy limit.

Casualty and Property – Casualty limits are self-insured for \$200,000 per claim with a \$300,000 aggregate limit. Property limits are \$50,000 - \$250,000 self-insured retentions per occurrence with excess limits of \$45 million including wind.

The Property Appraiser participated in the County's insurance program during the year at a cost of \$22,544. There also were no significant reductions in insurance coverage from the prior year, and there have been no settlements, which exceeded the Property Appraiser's insurance coverage in any of the past three fiscal years.

**8. LITIGATION**

The Property Appraiser is contingently liable with respect to lawsuits and other claims, which might be filed incidental to the ordinary course of operations. In the opinion of management, based on the advice of legal counsel, there are no lawsuits or claims outstanding which will have a material adverse effect on the financial position of the Property Appraiser's Office.

**9. SUBSEQUENT EVENTS**

The Property Appraiser has evaluated events and transactions for potential recognition or disclosure in the financial statements through November 30, 2020, the date the financial statements were available to be issued. No subsequent events have been recognized or disclosed.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**ESCAMBIA COUNTY, FLORIDA  
PROPERTY APPRAISER**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
GENERAL FUND**

**YEAR ENDED SEPTEMBER 30, 2020**

	<b>General Fund</b>			
	<b>Budgeted Amounts</b>			<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
Revenues:				
Charges for services	\$ 13,086	\$ 14,040	\$ 14,762	\$ 722
Miscellaneous revenue	-	-	3,949	3,949
Total Revenues	13,086	14,040	18,711	4,671
Expenditures:				
Current:				
General government:				
Salaries and benefits	5,322,153	5,451,680	5,053,290	398,390
Operating expenditures	801,900	801,900	891,531	(89,631)
Capital outlay	-	-	10,202	(10,202)
Reserved for contingencies	188,573	60,000	-	60,000
Total Expenditures	6,312,626	6,313,580	5,955,023	358,557
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,299,540)	(6,299,540)	(5,936,312)	363,228
Other Financing Sources and Uses:				
Transfers in	6,299,540	6,299,540	6,299,540	-
Transfers out	-	-	(363,228)	(363,228)
Total Other Financing Sources (Uses)	6,299,540	6,299,540	5,936,312	(363,228)
Net Change in Fund Balance	-	-	-	-
Fund Balance, October 1, 2019	-	-	-	-
Fund Balance, September 30, 2020	\$ -	\$ -	\$ -	\$ -

**ESCAMBIA COUNTY, FLORIDA  
PROPERTY APPRAISER**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

**SEPTEMBER 30, 2020**

The Property Appraiser's Office operates under budget procedures pursuant to Florida Statutes. Annual budgets are legally adopted for the general fund on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is at the fund level.

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

Honorable Chris Jones  
Escambia County Property Appraiser

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 Escambia County, Florida Property Appraiser (the Property Appraiser) as of and for the year ended September 30, 2020, and the related notes to the financial statements, and have issued our report thereon dated November 30, 2020.

**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 the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Property Appraiser's internal control. Accordingly, we do not express an opinion on the effectiveness of the Property Appraiser's internal control.

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

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



**Compliance and Other Matters**

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

**Purpose of this Report**

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

A handwritten signature in black ink that reads "Warren Averett, LLC". The signature is written in a cursive, flowing style.

Pensacola, Florida  
November 30, 2020

**INDEPENDENT ACCOUNTANTS' REPORT ON EXAMINATION OF  
COMPLIANCE REQUIREMENTS IN ACCORDANCE WITH CHAPTER 10.550,  
RULES OF THE AUDITOR GENERAL**

Honorable Chris Jones  
Escambia County Property Appraiser

We have examined the Office of the Property Appraiser of Escambia County, Florida's (hereinafter referred to as "Property Appraiser") compliance with Florida Statute 218.415 in regard to investments for the year ended September 30, 2020.

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 specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Property Appraiser complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence that we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

In our opinion, the Property Appraiser complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.

*Warren Averett, LLC*

Pensacola, Florida  
November 30, 2020

## MANAGEMENT LETTER

Honorable Chris Jones  
Escambia County Property Appraiser

### Report on the Financial Statements

We have audited the financial statements of the general fund of the Office of the Property Appraiser of Escambia County, Florida, as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, and have issued our report thereon dated November 30, 2020.

### Auditors' Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on Examination of Compliance Requirements in Accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports which are dated November 30, 2020 should be considered in conjunction with this management letter.

### Prior Audit Findings

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

### Financial Management

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

### Additional Matters

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

**Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the Property Appraiser, the Escambia 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.

*Warren Averett, LLC*

Pensacola, Florida  
November 30, 2020

**ESCAMBIA COUNTY, FLORIDA  
PROPERTY APPRAISER**

**SCHEDULE OF FINDINGS AND RESPONSES**

**SEPTEMBER 30, 2019**

There were no comments, which require management's written response.

**FINANCIAL STATEMENTS AND  
SUPPLEMENTAL REPORTS**

**ESCAMBIA COUNTY, FLORIDA  
SHERIFF**

**SEPTEMBER 30, 2020**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTAL REPORTS**

**ESCAMBIA COUNTY, FLORIDA  
SHERIFF**

**SEPTEMBER 30, 2020**

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**FINANCIAL STATEMENTS AND  
SUPPLEMENTAL REPORTS**

**ESCAMBIA COUNTY, FLORIDA  
SHERIFF**

**SEPTEMBER 30, 2020**

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## INDEPENDENT AUDITORS' REPORT

Honorable David Morgan, Sheriff  
Escambia County, Florida

### **Report on the Financial Statements**

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Office of the Sheriff of Escambia County, Florida ("Sheriff"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Sheriff's financial statements, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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

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

***Opinions***

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, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As discussed in Note 1 to the financial statements, the financial statements referred to above have been prepared for the purpose of complying with the Rules of the Auditor General, State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, and aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Escambia County, Florida that are attributable to the Sheriff. They do not purport to, and do not, present fairly the financial position of Escambia County, Florida as of September 30, 2020, 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 these matters.

***Other Matters******Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule on page 15 be presented to supplement the basic financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the 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 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 Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements. The accompanying budgetary comparison schedule and combining financial statements on pages 17 - 20 are presented for purposes of additional analysis and are not a required part of these 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 themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2020, on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts and grant agreements and other matters included under the heading, *"Independent Auditors' 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."* The purpose of that report is 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 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.

*Warren Averett, LLC*

Pensacola, Florida  
December 2, 2020

## **Financial Statements**

**ESCAMBIA COUNTY, FLORIDA  
SHERIFF**

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2020**

	<b>General Fund</b>	<b>Sheriff's Programs Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,235,310	\$ 10,685	\$ 3,245,995
Due from Board of County Commissioners	771,452	-	771,452
Inventory	435,623	-	435,623
Total assets	<u>\$ 4,442,385</u>	<u>\$ 10,685</u>	<u>\$ 4,453,070</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 342,952	\$ -	\$ 342,952
Accrued liabilities	3,549,753	-	3,549,753
Due to Board of County Commissioners	114,057	-	114,057
Unearned revenue	-	10,685	10,685
Total liabilities	4,006,762	10,685	4,017,447
<b>FUND BALANCE</b>			
Nonspendable:			
Inventory	435,623	-	435,623
Total fund balance	435,623	-	435,623
Total liabilities and fund balance	<u>\$ 4,442,385</u>	<u>\$ 10,685</u>	<u>\$ 4,453,070</u>

**ESCAMBIA COUNTY, FLORIDA  
SHERIFF**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS**

**YEAR ENDED SEPTEMBER 30, 2020**

	<b>General Fund</b>	<b>Sheriff's Programs Fund</b>	<b>Total Governmental Funds</b>
Revenues:			
Grant revenue	\$ -	\$ 504,020	\$ 504,020
Judgments, fines and forfeitures	-	10,295	10,295
Total Revenues	-	514,315	514,315
Expenditures:			
Current:			
Public safety:			
Salaries and benefits	55,956,704	123,254	56,079,958
Operating expenditures	7,342,732	381,561	7,724,293
Capital outlay	453,754	9,500	463,254
Total Expenditures	63,753,190	514,315	64,267,505
Excess (Deficiency) of Revenues Over (Under) Expenditures	(63,753,190)	-	(63,753,190)
Other Financing Sources and Uses:			
Transfers in	63,761,209	-	63,761,209
Transfers out	(8,019)	-	(8,019)
Total Other Financing Sources and Uses	63,753,190	-	63,753,190
Net Change in Fund Balance	-	-	-
Fund Balance, October 1, 2019	302,666	-	302,666
Change in inventory	132,957	-	132,957
Fund Balance, September 30, 2020	\$ 435,623	\$ -	\$ 435,623

See accompanying notes to financial statements.

**ESCAMBIA COUNTY, FLORIDA  
SHERIFF**

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES – AGENCY FUNDS**

**SEPTEMBER 30, 2020**

**ASSETS**

Cash and cash equivalents	<u>\$ 378,170</u>
Total Assets	<u><u>\$ 378,170</u></u>

**LIABILITIES**

Deposits	<u>\$ 378,170</u>
Total Liabilities	<u><u>\$ 378,170</u></u>

**ESCAMBIA COUNTY, FLORIDA  
SHERIFF**

**NOTES TO FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies**

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

**A. Reporting Entity**

The Escambia County, Florida, Sheriff (the "Sheriff") is an elected constitutional officer as provided by Article VIII, Section 1 (d) of the Constitution of the State of Florida. The Sheriff's budget is submitted to the Escambia County Board of County Commissioners (the Board) for approval. The Board appropriates and distributes to the Sheriff on a monthly basis, funds necessary to operate the Sheriff's office.

For financial reporting purposes, the Sheriff is deemed to be a part of the primary government of Escambia County, Florida (the County) and therefore, is included as such in the Escambia County, Florida, Comprehensive Annual Financial Report.

**B. Basis of Presentation – Fund Financial Statements**

These financial statements have been prepared for the purpose of complying with *Rules of the Auditor General, State of Florida*, which require presentation of *fund level* only financial statements and permit omission of entity-wide full accrual financial statements and management's discussion and analysis. Therefore, these financial statements are intended to present only the financial position and changes in financial position of that portion of Escambia County, Florida, that relate to transactions of the Sheriff and are not intended to present the financial position and changes in financial position of Escambia County, Florida, taken as a whole.

The Sheriff's financial records and accounts are maintained in accordance with the principles of "fund accounting," whereby resources are classified for accounting and reporting purposes into funds to insure compliance with any special restrictions or limitations on the use of such resources. The Sheriff's major funds are the General Fund and the Sheriff's Programs Fund.

The **General Fund** is the general operating fund of the Sheriff. It is used to account for all financial resources except those required to be accounted for in other funds.

Additionally, the Sheriff reports the following fund types:

**Special Revenue Funds** are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

The **Sheriff's Programs Fund** is used to account for various grant and federal forfeiture activities.



**ESCAMBIA COUNTY, FLORIDA  
SHERIFF**

**NOTES TO FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies – Continued**

**Agency Funds** are used to account for assets received and held by the Sheriff as an agent for individuals, private organizations and other governments. Agency funds are custodial in nature and do not involve measurement of changes in financial position. The Sheriff has several agency funds for varying purposes.

**C. Capital Assets**

Capital assets (vehicles, equipment and other property costing at least \$1,000 with a useful life of more than one year) are recorded as expenditures at the time of purchase. These assets are capitalized at cost and depreciated in the County's government-wide financial statements. It is not appropriate to report capital assets and the related depreciation in the governmental fund financial statements.

**D. Fund Balance and Flow Assumptions**

Fund balance at September 30, 2020, consists of the following:

*Non-spendable* fund balances include amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. Non-spendable fund balance at the Sheriff consists of \$435,623 for inventory.

Remaining fund balances are classified as following, depending upon the Sheriff's ability to control the spending of these balances:

*Restricted* fund balances can only be used for specific purposes, which are externally imposed by creditors, grantors, contributors or laws or regulations or are imposed by law through constitutional provisions or enabling legislation. As of September 30, 2020, the Sheriff had no restricted fund balances.

*Committed* fund balances can only be used for specific purposes imposed internally by the Sheriff's formal action of highest level of decision-making authority. As of September 30, 2020, the Sheriff had no committed fund balances.

*Assigned* fund balances are fund balances intended to be used for specific purposes, but do not meet the more formal criterion to be considered either restricted or committed. As of September 30, 2020, the Sheriff had no assigned fund balances.

*Unassigned* fund balances represent the residual positive fund balance within the General Fund, which has not been assigned to other funds and has not been restricted, committed or assigned. In funds other than the General Fund, unassigned fund balances are limited to negative residual balances. As of September 30, 2020, the Sheriff had no unassigned fund balances because all excess revenues within the General Fund are required to be remitted to the Board, and there were no negative residual balances in the special revenue fund.

**ESCAMBIA COUNTY, FLORIDA  
SHERIFF**

**NOTES TO FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies – Continued**

**D. Fund Balance and Flow Assumptions – Continued**

Periodically, the Sheriff will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Sheriff's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**E. Accumulated Compensated Absences**

Employees may accumulate, subject to limitations, amounts of earned, but unused sick leave, annual leave and compensatory time, which will be paid upon separation from service. The amount of vested, accumulated, compensated absences payable, based upon the Sheriff's paid-time-off (PTO) policy, is reported as a liability in the statement of net position in the County's government-wide financial statements. That liability also includes earned, but unused sick leave, annual leave and compensatory time, as well as FICA taxes and retirement contributions related thereto.

**F. Measurement Focus and 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 received in cash or when they become both measurable and available to finance expenditures of the current period. The Sheriff considers receivables collected within 60 days after year end to be available and recognizes them as revenues of the current year. Grants and similar items are recognized as revenue, as soon as all eligibility requirements imposed by the provider have been met. Compensated absences are paid from the general fund. Capital asset acquisitions are recorded as expenditures in the governmental funds.

*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, deferred outflows, current liabilities and deferred inflows 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.

Fiduciary fund financial statements (agency funds) have no measurement focus but utilize the accrual basis of accounting for reporting assets and liabilities.

**ESCAMBIA COUNTY, FLORIDA  
SHERIFF**

**NOTES TO FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies – Continued**

**G. Funding Provided by Board of County Commissioners**

The Board funds the majority of the operating budget of the Sheriff. Payment by the Board to fund the operations of the Sheriff is recorded as a “transfer out” in the basic financial statements of the County and as an operating “transfer in” on the financial statements of the Sheriff.

In accordance with Florida Statutes, the General Fund’s excess of revenues over expenditures is returned to the Board at the end of the fiscal year. Repayments to the Board are recorded as a “transfer out” in the financial statements of the Sheriff and the amount of undistributed excess appropriations at the end of the fiscal year is reported as amounts due the Board.

**2. Deposits and Investments**

Cash and cash equivalents are highly-liquid investments with original maturities of three months or less when purchased. Investments, if any, are recorded at fair value. The Sheriff has an investment policy governed by the provisions of Florida Statute 218.415 as to the type of investments that can be made. Authorized investments include the Local Government Surplus Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, Security and Exchange registered money market funds with the highest credit quality rating from a recognized rating agency, savings accounts or certificates of deposit in state-certified depositories, notes, bonds or treasury bills or other direct obligations of the United States Treasury, federal agencies and instruments and repurchase agreements.

Deposits may be exposed to custodial credit risk, which is the risk of loss in the event of a bank failure. The Sheriff manages custodial credit risk by maintaining its deposits in financial institutions designated as “Qualified Public Depositories” by the State Treasurer. The Sheriff’s cash deposits are held by a bank that qualifies as a public depository under the Florida Security for Public Deposits Act as required by Chapter 280, Florida Statutes. All of the Sheriff’s deposits are fully insured by the Public Deposit Trust Fund.

At September 30, 2020, the reported amount of the Sheriff’s deposits was approximately \$3.6 million, and the bank balance was approximately \$4.6 million, consisting entirely of cash and deposit accounts.

**3. Interfund Receivables and Payables**

Interfund receivables and payables consist of amounts due to or from funds during the normal course of business. Transfers consist of \$63,761,209 of “transfers in” from the Board and “transfers out” of unspent appropriations in the amount of \$8,019.

**ESCAMBIA COUNTY, FLORIDA  
SHERIFF**

**NOTES TO FINANCIAL STATEMENTS**

**4. Due to / from Board of County Commissioners**

At September 30, 2020, the \$771,452 receivable from the Board is comprised mainly of expenditures paid on their behalf. The \$114,057 payable to the Board is partially comprised of unspent appropriations of \$8,019.

**5. Inventory**

Inventory is valued at cost using the first-in/first out (FIFO) method and consists of expendable supplies. The costs of such inventory are recorded as expenditures when purchased and also reported as inventory assets based on a physical inventory of supplies on hand at year end.

**6. Retirement Plan**

The Sheriff participates in the Florida Retirement System (FRS), administered by the Florida Department of Management Services. The FRS was established in 1970 by Chapter 121, Florida Statutes. Changes to the FRS can only be made by an act of the Florida Legislature. Rules governing the operation and administration of the system may be found in Chapter 60S of the Florida Administrative Code. The State of Florida issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for FRS. The report may be obtained on the division's website at <http://www.dms.myflorida.com>. The report may also be obtained by contacting the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, FL 32315-9000.

Employees elect participation in either the defined benefit plan (Pension Plan), a multiple-employer cost –sharing defined benefit retirement plan or the defined contribution plan (Investment Plan). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university community college or a participating city or special district within the State of Florida.

The FRS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Retirement benefits are based upon age, average compensation and years-of-service credit where average compensation is computed as the average of the members' highest five or eight fiscal years of earnings, depending upon enrollment date. A post-employment health insurance subsidy is also provided to eligible retired members through the FRS in accordance with Florida Statutes.

For employees who were enrolled in the plan prior to July 1, 2011, normal retirement benefits are available at age 62 with six or more years of service or to those employees who have at least 30 years of creditable service, regardless of age.

For employees who were enrolled in the plan after July 1, 2011, normal retirement benefits are available at age 65 with eight or more years of service or to those employees who have at least 33 years of creditable service, regardless of age.

**ESCAMBIA COUNTY, FLORIDA  
SHERIFF**

**NOTES TO FINANCIAL STATEMENTS**

**6. Retirement Plan – Continued**

Early retirement is available for vested members with a 5% reduction of benefits for each year prior to the normal retirement age. Retirement age and years of service requirements also vary depending on membership class.

In addition to the above benefits, the Deferred Retirement Option Program (DROP) is available under the Pension Plan when the member first reaches eligibility for normal retirement. This program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with an FRS employer for a period not to exceed 60 months after electing to participate.

For those members who elect participation in the Investment Plan rather than the Pension Plan, vesting occurs at one year of service. The Investment Plan is a defined contribution plan funded monthly by employer and employee contributions based on salary and membership class.

Members in the Investment Plan decide how their funds are allocated between various investment accounts, and the vested funds are portable upon termination. The final retirement benefit is equal to the vested contributions plus investment earnings, less expenses and losses allocated to the member's account. Members in the Investment Plan are not eligible for participation in the Deferred Retirement Option Program.

The contribution requirements of the Sheriff and members are established and may be amended by FRS. Both plans are contributory for employees and require a 3% employee contribution. This is in addition to the contributions that are the obligation of the employer. The Sheriff's contributions to FRS for the years ended September 30, 2020, 2019 and 2018 were \$7.5 million, \$6.5 million and \$6 million, respectively, equal to the required contributions for each year.

The contribution rates in effect during the period ended September 30, 2020, 2019 and 2018 were as follows:

	<u><b>2020</b></u>	<u><b>2019</b></u>	<u><b>2018</b></u>
<u><b>Regular Class:</b></u> Members not qualifying for other classes.	10.00%	8.47%	8.26%
<u><b>Senior Management Class:</b></u> Members of senior management who do not elect the optional annuity retirement program	27.29%	25.41%	24.06%
<u><b>Elected Officials Class:</b></u> Certain elected county officials.	49.18%	48.82%	48.70%
<u><b>Deferred Retirement Option Program (DROP):</b></u> Members are enrolled in DROP from FRS	16.98%	14.60%	14.03%
<u><b>Special Risk Class:</b></u> Members employed as law enforcement officers, firefighters or correctional officers meet the criteria to qualify for this class	24.45%	25.48%	24.50%

**ESCAMBIA COUNTY, FLORIDA  
SHERIFF**

**NOTES TO FINANCIAL STATEMENTS**

**6. Retirement Plan – Continued**

***Net Pension Obligation-Proportionate Share***

The Sheriff has a net FRS pension liability determined in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. This long-term liability is only reported in the county-wide financial statements and is not a current liability of the governmental funds. All required disclosures and schedules may be found in the comprehensive annual financial report of Escambia County, Florida.

**7. Other Postemployment Benefit (OPEB) Obligations, Other Than Pensions**

The Sheriff offers post-employment health care benefits (OPEB) to all retired employees and their dependents. Participating retirees are required to reimburse the Sheriff for 100% of the premium cost, which is netted against the premium payment, so that no net expenditure is initially recorded in the financial statements. However, these retirees are receiving an “implicit subsidy” because the premium is a group rate, which includes active, lower cost employees. This implicit subsidy has a cost; however, this annual cost and the total OPEB liability is measured as the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service. The total OPEB liability and other required disclosures have been calculated for the County, as a whole and not separately for the Sheriff. Accordingly, these calculations and disclosures can be found in the County’s comprehensive annual financial report.

**8. Risk Management**

The Sheriff participates in the Florida Sheriff's Self Insurance Fund with an annual premium cost for the year ended September 30, 2020, of approximately \$1.4 million. Coverage limits under the policy include \$1.0 million bodily injury for each accident and \$1.0 million bodily injury by disease for each employee with a \$1.0 million limit. The plan calls for an annual final premium calculation after fiscal year end using the actual premium basis, proper classifications and experience modifications and rates that lawfully apply to the Sheriff.

During the fiscal year ended September 30, 2020, the Sheriff had no significant reductions in insurance coverage from the prior year. In addition, there have been no settlements, which exceeded the Sheriff's insurance coverage in any of the three past fiscal years.

**9. Federal and State Financial Assistance**

The following programs are presented in the schedules of expenditures of federal and state awards within the Escambia County financial report under the *Uniform Guidance*.

Edward Byrne Memorial-Justice Assistance Grant Program  
Coach Aaron Feis Guardian Program  
Coronavirus Emergency Supplemental Funding Program

**ESCAMBIA COUNTY, FLORIDA  
SHERIFF**

**NOTES TO FINANCIAL STATEMENTS**

**10. Fund Expenditure Details**

The following is a schedule of the General Fund's expenditures for the year ended September 30, 2020:

<u>Account Description</u>	<u>Law Enforcement</u>	<u>Court Security</u>	<u>Totals</u>
Salary & Benefits	\$ 52,273,047	\$ 3,683,657	\$ 55,956,704
Other Operating	7,341,399	1,333	7,342,732
Capital Outlay	453,754	-	453,754
Totals	<u>\$ 60,068,200</u>	<u>\$ 3,684,990</u>	<u>\$ 63,753,190</u>

**11. Litigation**

The Sheriff is contingently liable with respect to lawsuits and other claims, which might be filed incidental to the ordinary course of operations. In the opinion of management, based on the advice of legal counsel, there are no lawsuits or claims outstanding, which will have a material adverse effect on the financial position of the Sheriff's Office.

**12. Commitments and Contingencies**

The Sheriff receives financial assistance from federal and state agencies primarily in the form of operating grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by grantor agencies. Disallowed claims, if any, resulting from such audits, may become liabilities of the Sheriff.

**13. Subsequent events**

The Sheriff has evaluated events and transactions that occurred between September 30, 2020 and December 2, 2020, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

## **Required Supplementary Information**



**ESCAMBIA COUNTY, FLORIDA  
SHERIFF**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL –  
GENERAL FUND**

**YEAR ENDED SEPTEMBER 30, 2020**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
Revenues:				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Public safety:				
Salaries and benefits	56,591,848	57,291,848	55,956,704	1,335,144
Operating expenditures	6,148,019	6,369,361	7,342,732	(973,371)
Capital outlay	100,000	100,000	453,754	(353,754)
Total Expenditures	62,839,867	63,761,209	63,753,190	8,019
Excess (Deficiency) of Revenues Over (Under) Expenditures	(62,839,867)	(63,761,209)	(63,753,190)	8,019
Other Financing Sources and Uses:				
Transfers in	62,839,867	63,761,209	63,761,209	-
Transfers out	-	-	(8,019)	(8,019)
Total Other Financing Sources (Uses)	62,839,867	63,761,209	63,753,190	(8,019)
Net Change in Fund Balance	-	-	-	-
Fund Balance, October 1, 2019	-	-	302,666	302,666
Change in inventory	-	-	132,957	132,957
Fund Balance, September 30, 2020	\$ -	\$ -	\$ 435,623	\$ 435,623

**ESCAMBIA COUNTY, FLORIDA  
SHERIFF**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

The Sheriff's Office operates under budget procedures pursuant to Florida Statutes. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. The budget for the Sheriff's general fund is a "legally adopted" budget, whereas the budget for the Sheriff's Programs Fund is prepared and used solely as an internal management tool and is not considered "legally adopted." The legal level of budgetary control is at the fund level.

## **Other Supplementary Information**

**ESCAMBIA COUNTY, FLORIDA  
SHERIFF**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL –  
SHERIFF'S PROGRAMS FUND**

**YEAR ENDED SEPTEMBER 30, 2020**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
Revenues:				
Grant revenue				
Guardian Program	\$ 477,398	\$ 477,398	\$ 139,506	\$ (337,892)
Jag Federal 2017	50,524	51,432	51,432	-
Jag Federal 2018	125,841	126,415	44,591	(81,824)
Jag COVID 19	265,107	265,107	265,107	-
Disaster Relief	-	-	3,384	3,384
Judgments, fines and forfeitures				
Law Enforcement Trust Fund	-	-	10,295	10,295
Total Revenues	918,870	920,352	514,315	(406,037)
Expenditures:				
Current:				
Public safety:				
Salaries and benefits	647,470	559,042	123,254	435,788
Operating expenditures	255,818	271,672	381,561	(109,889)
Capital outlay	15,582	89,638	9,500	80,138
Total Expenditures	918,870	920,352	514,315	406,037
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
Other Financing Sources and Uses:				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance, October 1, 2019	-	-	-	-
Fund Balance, September 30, 2020	\$ -	\$ -	\$ -	\$ -

**ESCAMBIA COUNTY, FLORIDA  
SHERIFF**

**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES –  
ALL AGENCY FUNDS**

**SEPTEMBER 30, 2020**

	<b>Agency Funds</b>			
	<b>Evidence Trust Fund</b>	<b>Trust Fund</b>	<b>General Employee Events Fund</b>	<b>TOTAL</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 347,901	\$ 4,092	\$ 26,177	\$ 378,170
Total Assets	<u>\$ 347,901</u>	<u>\$ 4,092</u>	<u>\$ 26,177</u>	<u>\$ 378,170</u>
<b>LIABILITIES</b>				
Deposits	\$ 347,901	\$ 4,092	\$ 26,177	\$ 378,170
Total Liabilities	<u>\$ 347,901</u>	<u>\$ 4,092</u>	<u>\$ 26,177</u>	<u>\$ 378,170</u>

**ESCAMBIA COUNTY, FLORIDA  
SHERIFF**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES –  
ALL AGENCY FUNDS**

**YEAR ENDED SEPTEMBER 30, 2020**

	<u>Balance September 30, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2020</u>
<b>EVIDENCE TRUST FUND</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 316,323	\$ 877,315	\$ 845,737	\$ 347,901
Total Assets	<u>\$ 316,323</u>	<u>\$ 877,315</u>	<u>\$ 845,737</u>	<u>\$ 347,901</u>
<b>LIABILITIES</b>				
Deposits	\$ 316,323	\$ 877,315	\$ 845,737	\$ 347,901
Total Liabilities	<u>\$ 316,323</u>	<u>\$ 877,315</u>	<u>\$ 845,737</u>	<u>\$ 347,901</u>
<b>TRUST FUND</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 5,759	\$ 281,542	\$ 283,209	\$ 4,092
Total Assets	<u>\$ 5,759</u>	<u>\$ 281,542</u>	<u>\$ 283,209</u>	<u>\$ 4,092</u>
<b>LIABILITIES</b>				
Deposits	\$ 5,759	\$ 281,542	\$ 283,209	\$ 4,092
Total Liabilities	<u>\$ 5,759</u>	<u>\$ 281,542</u>	<u>\$ 283,209</u>	<u>\$ 4,092</u>
<b>GENERAL EMPLOYEE EVENTS FUND</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 22,020	\$ 22,177	\$ 18,020	\$ 26,177
Total Assets	<u>\$ 22,020</u>	<u>\$ 22,177</u>	<u>\$ 18,020</u>	<u>\$ 26,177</u>
<b>LIABILITIES</b>				
Deposits	\$ 22,020	\$ 22,177	\$ 18,020	\$ 26,177
Total Liabilities	<u>\$ 22,020</u>	<u>\$ 22,177</u>	<u>\$ 18,020</u>	<u>\$ 26,177</u>

**ESCAMBIA COUNTY, FLORIDA  
SHERIFF**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES –  
ALL AGENCY FUNDS**

**YEAR ENDED SEPTEMBER 30, 2020**

**(Continued)**

	<u>September 30, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>September 30, 2020</u>
<b>TOTAL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 344,102	\$ 1,181,034	\$ 1,146,966	\$ 378,170
Total Assets	<u>\$ 344,102</u>	<u>\$ 1,181,034</u>	<u>\$ 1,146,966</u>	<u>\$ 378,170</u>
<b>LIABILITIES</b>				
Deposits	\$ 344,102	\$ 1,181,034	\$ 1,146,966	\$ 378,170
Total Liabilities	<u>\$ 344,102</u>	<u>\$ 1,181,034</u>	<u>\$ 1,146,966</u>	<u>\$ 378,170</u>

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

Honorable David Morgan, Sheriff  
Escambia 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 (hereinafter referred to as "financial statements") of each major fund and the aggregate remaining fund information of the Office of the Sheriff of Escambia County, Florida (hereinafter referred to as "Sheriff"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Sheriff's financial statements, and have issued our report thereon dated December 2, 2020.

**Internal Control Over Financial Reporting**

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

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

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



**Compliance and Other Matters**

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

**Purpose of this Report**

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

*Warren Averett, LLC*

Pensacola, Florida  
December 2, 2020

**INDEPENDENT ACCOUNTANTS' REPORT ON EXAMINATION OF  
COMPLIANCE REQUIREMENTS IN ACCORDANCE WITH CHAPTER 10.550,  
RULES OF THE AUDITOR GENERAL**

Honorable David Morgan, Sheriff  
Escambia County, Florida

We have examined the Office of the Sheriff of Escambia County, Florida's (hereinafter referred to as "Sheriff") compliance with Florida Statute 218.415 in regard to investments for the year ended September 30, 2020. 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 specified requirements. An examination involves performing procedures to obtain evidence about whether the Sheriff complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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 for the year ended September 30, 2020.

*Warren Averett, LLC*

Pensacola, Florida  
December 2, 2020

## MANAGEMENT LETTER

Honorable David Morgan, Sheriff  
Escambia County, Florida

### Report on the Financial Statements

We have audited the financial statements of the Office of the Sheriff of Escambia County, Florida (hereinafter referred to as "Sheriff") as of and for the year ended September 30, 2020, and have issued our report thereon dated December 2, 2020.

### Auditors' Responsibility

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

### Other Report Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on Examination of Compliance Requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports which are dated December 2, 2020, 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. No recommendations were made in the preceding annual financial report.

### Financial Management

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

### Additional Matters

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

**Purpose of this Letter**

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

*Warren Averett, LLC*

Pensacola, Florida  
December 2, 2020

**ESCAMBIA COUNTY, FLORIDA  
SHERIFF**

**SCHEDULE OF FINDINGS AND RESPONSES**

There were no comments which require management's written response.

**FINANCIAL STATEMENTS AND  
SUPPLEMENTAL REPORTS**

**ESCAMBIA COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS**

**SEPTEMBER 30, 2020**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTAL REPORTS**

**ESCAMBIA COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS**

**SEPTEMBER 30, 2020**

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## INDEPENDENT AUDITORS' REPORT

Honorable David Stafford  
Escambia County, Florida Supervisor of Elections

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the general fund and the grant fund of the Escambia County, Florida Supervisor of Elections, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' financial statements, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the general fund and the grant fund of the Supervisor of Elections as of September 30, 2020, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the general fund and grant fund attributable solely to the operations of the Supervisor of Elections.



**Emphasis of Matter – Continued**

They do not purport to and do not present fairly the financial position of Escambia County, Florida, as of September 30, 2020, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

**Other Matters*****Required Supplementary Information***

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a report 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 included under the heading, "*Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.*" The purpose of that report is 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 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.

*Warren Averett, LLC*

Pensacola, Florida  
December 17, 2020

## **Financial Statements**

**ESCAMBIA COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS**

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2020**

	<u>General Fund</u>	<u>Grant Fund</u>
<b>Assets</b>		
Due from other governmental units	\$ 185,032	\$ 43,344
Total assets	<u>\$ 185,032</u>	<u>\$ 43,344</u>
<b>Liabilities</b>		
Accounts payable	\$ 88,177	\$ -
Accrued liabilities	45,890	-
Due to the BOCC	50,965	-
Unearned revenue	-	43,344
Total liabilities	185,032	43,344
<b>Fund Balance</b>		
Restricted for:		
Grants	-	-
Total fund balance	-	-
Total liabilities and fund balance	<u>\$ 185,032</u>	<u>\$ 43,344</u>

See notes to the financial statements.

**ESCAMBIA COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS**

**YEAR ENDED SEPTEMBER 30, 2020**

	<b>General Fund</b>	<b>Grant Fund</b>
Revenues:		
Grant revenue	\$ 50,709	\$ 51,501
Charges for services	7,178	-
Investment income	-	1,113
Total Revenues	<u>57,887</u>	<u>52,614</u>
Expenditures:		
Current:		
General government:		
Salaries and benefits	1,462,050	-
Operating expenditures	1,065,518	-
Operating expenditures-grants	57,005	60,919
Capital outlay	13,869	-
Total Expenditures	<u>2,598,442</u>	<u>60,919</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,540,555)</u>	<u>(8,305)</u>
Other Financing Sources and Uses:		
Transfers in	2,548,860	8,305
Transfers out	<u>(8,305)</u>	<u>-</u>
Total Other Financing Sources and Uses	<u>2,540,555</u>	<u>8,305</u>
Net Change in Fund Balance	-	-
Fund Balance, October 1, 2019	<u>-</u>	<u>-</u>
Fund Balance, September 30, 2020	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See notes to the financial statements.

**ESCAMBIA COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS**

**NOTES TO FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies**

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

**A. Reporting entity**

The Escambia County, Florida Supervisor of Elections is an elected constitutional officer, as provided by Article VIII, Section 1 (d) of the Constitution of the State of Florida. The Supervisor of Elections' budget is submitted to the Escambia County Board of County Commissioners (the Board) for approval. The Board appropriates and provides funding necessary to operate the Supervisor of Elections' office.

For financial reporting purposes, the Supervisor of Elections is deemed to be a part of the primary government of Escambia County, Florida (the County) and therefore, is included as such in the Escambia County, Florida, Comprehensive Annual Financial Report.

**B. Basis of presentation – fund financial statements**

These financial statements have been prepared for the purpose of complying with *Rules of the Auditor General, State of Florida*, which require presentation of *fund level* only financial statements and permit omission of entity-wide full accrual financial statements and management's discussion and analysis. Therefore, these financial statements are intended to present only the financial position and changes in financial position of that portion of Escambia County, Florida, that relate to transactions of the Supervisor of Elections and are not intended to present the financial position and changes in financial position of Escambia County, Florida, taken as a whole.

The Supervisor of Elections' financial records and accounts are maintained in accordance with the principles of "fund accounting," whereby resources are classified for accounting and reporting purposes into funds to insure compliance with any special restrictions or limitations on the use of such resources. The Supervisor of Elections maintains two governmental funds as follows:

**General Fund** - Accounts for all financial resources except those required to be accounted for in other funds.

**Grant Fund** - Accounts for activities of various federal and state grants.

**C. Basis of accounting and measurement focus**

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 received in cash or when they become both measurable and available to finance expenditures of the current period. The Supervisor of Elections considers receivables collected within 60 days after year end to be available and recognizes them as revenues of the current year. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Compensated absences are paid from the general fund. Capital asset acquisitions are recorded as expenditures in the governmental funds.

**ESCAMBIA COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS**

**NOTES TO FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies (Continued)**

**C. Basis of accounting and measurement focus (Continued)**

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, deferred outflows, current liabilities and deferred inflows 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.

**D. Funding from the Board of County Commissioners**

Appropriations from the Board are recorded as "transfers in" on the Statement of Revenues, Expenditures and Changes in Fund Balance.

In accordance with Florida Statutes, the general fund's excess of revenues and transfers in over expenditures and interfund transfers out is returned to the Board at year end and is reported as a "transfer out" on the Statement of Revenues, Expenditures and Changes in Fund Balance. This amount was zero for the year.

**E. Fund balance and flow assumptions**

Fund balances are classified either as non-spendable or as restricted, committed, assigned, and unassigned, based on the extent to which there are external and internal constraints on the spending. Fund balance at September 30, 2020, consists of the following:

*Non-spendable* fund balances include amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. As of September 30, 2020, the Supervisor of Elections had no non-spendable fund balance.

Remaining fund balances are classified as following, depending upon the Supervisor of Elections ability to control the spending of these balances:

*Restricted* fund balances can only be used for specific purposes, which are externally imposed by creditors, grantors, contributors or laws or regulations or are imposed by law through constitutional provisions or enabling legislation. As of September 30, 2020, the Supervisor of Elections had no restricted fund balances.

*Committed* fund balances can only be used for specific purposes imposed internally by the Supervisor of Elections' formal action of highest level of decision making authority. As of September 30, 2020, the Supervisor of Elections had no committed fund balances.

*Assigned* fund balances are fund balances intended to be used for specific purposes, but which do not meet the more formal criterion to be considered either restricted or committed. As of September 30, 2020, the Supervisor of Elections had no assigned fund balances.

*Unassigned* fund balances represent the residual positive fund balance within the General Fund, which has not been assigned to other funds and has not been restricted, committed, or assigned. In funds other than the General Fund, unassigned fund balances are limited to negative residual balances. As of September 30, 2020, the Supervisor of Elections had no unassigned fund balances because all excess revenues within the General Fund are required to be remitted to the Board and there were no negative residual balances in the special revenue fund.

**ESCAMBIA COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS**

**NOTES TO FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies (Continued)**

**E. Fund balance and flow assumptions (Continued)**

Periodically, the Supervisor of Elections will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Supervisor of Elections' policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance.

Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**F. Capital assets**

Capital assets (vehicles, equipment and other property costing at least \$1,000 with a useful life of more than one year) are recorded as expenditures at the time of purchase. These assets are capitalized at cost and depreciated in Escambia County's government-wide financial statements.

**G. Accumulated compensated absences**

Employees may accumulate, subject to limitations, amounts of earned, but unused paid time off, which will be paid upon separation from service. The amount of vested accumulated compensated absences payable based upon the Supervisor of Elections' paid-time-off (PTO) 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 PTO, as well as FICA taxes and retirement contributions related thereto. Compensated absences are paid from the General Fund.

**2. Cash deposits with financial institutions**

The Supervisor of Elections does not maintain a separate cash account. The Escambia County Clerk of the Circuit Court and Comptroller, serving as the accountant for the Supervisor of Elections, records all cash activity using a pooled cash account of the Board of County Commissioners. The "due from" reflected on the Supervisor of Elections' balance sheet represents the amount of cash held by the Board on behalf of the Supervisor of Elections.

The Board manages custodial credit risk by maintaining its deposits in financial institutions designated as "Qualified Public Depositories" by the State Treasurer. All deposits were fully insured through a combination of Federal depository insurance and participation of the financial institution in the multiple financial institution collateral pool as specified in Chapter 280, Florida Statutes. Accordingly, risk of loss due to bank failure is not significant.

**3. Due to/from other governments**

At September 30, 2020, the amounts due to other governmental units totaled \$50,965 and was payable to the Board. The due from other governmental units totaled \$228,376 and was receivable from the Board.

**ESCAMBIA COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS**

**NOTES TO FINANCIAL STATEMENTS**

**4. Retirement plan**

**Plan Description** — The Supervisor of Elections participates in the Florida Retirement System (FRS), administered by the Florida Department of Management Services. The FRS was established in 1970 by Chapter 121, Florida Statutes. Changes to the FRS can only be made by an act of the Florida Legislature. Rules governing the operation and administration of the system may be found in Chapter 60S of the Florida Administrative Code. The State of Florida issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for FRS. The report may be obtained on the division's website at <http://www.dms.myflorida.com>. The report may also be obtained by contacting the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, FL 32315-9000.

Employees elect participation in either the defined benefit plan (Pension Plan), a multiple-employer cost – sharing defined benefit retirement plan or the defined contribution plan (Investment Plan). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university community college or a participating city or special district within the State of Florida.

The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Retirement benefits are based upon age, average compensation and years-of-service credit where average compensation is computed as the average of the members' highest five or eight fiscal years of earnings, depending upon enrollment date. A post-employment health insurance subsidy is also provided to eligible retired members through the FRS in accordance with Florida Statutes.

For employees who were enrolled in the plan prior to July 1, 2011, normal retirement benefits are available at age 62 with six or more years of service or to those employees who have at least 30 years of creditable service, regardless of age.

For employees who were enrolled in the plan after July 1, 2011, normal retirement benefits are available at age 65 with eight or more years of service or to those employees who have at least 33 years of creditable service, regardless of age.

Members in the Investment Plan decide how their funds are allocated between various investment accounts and the vested funds are portable upon termination. The final retirement benefit is equal to the vested contributions plus investment earnings less expenses and losses allocated to the member's account. Members in the Investment Plan are not eligible for participation in the Deferred Retirement Option Program.



**ESCAMBIA COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS**

**NOTES TO FINANCIAL STATEMENTS**

**4. Retirement plan (Continued)**

The contribution requirements of the Supervisor of Elections and members are established and may be amended by FRS. Both plans are contributory for employees and require a 3% employee contribution. This is in addition to the contributions that are the obligation of the employer. The Supervisor of Election's contributions to FRS for the years ended September 30, 2020, 2019 and 2018 were \$151,383, \$126,918 and \$120,165, respectively, equal to the required contributions for each year.

The contribution rates in effect during the period ended September 30, 2020, 2019 and 2018 were as follows:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Regular Class:</u>	10.00%	8.47%	8.26%
Members not qualifying for other classes.			
<u>Senior Management Class:</u>	27.29%	25.41%	24.06%
Members of senior management who do not elect the optional annuity retirement program.			
<u>Elected Officials Class:</u>	49.18%	48.82%	48.70%
Certain elected county officials.			
<u>Deferred Retirement Option Program (DROP):</u>	16.98%	14.60%	14.03%
Members are enrolled in DROP from FRS			

***Net Pension Obligation-Proportionate Share***

The Supervisor of Elections has a net FRS pension liability determined in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. This long-term liability is only reported in the county-wide financial statements and is not a current liability of the governmental funds. All required disclosures and schedules may be found in the comprehensive annual financial report of Escambia County, Florida.

**5. Other postemployment (OPEB) benefits, other than pensions**

The Board offers post-employment health care benefits (OPEB) to all retired employees of the Supervisor of Elections' Office and their dependents. Participating retirees are required to reimburse the Board for 100% of the premium cost, which is netted against the premium payment, so that no net expense is initially recorded in the Board's financial statements. However, these retirees are receiving an "implicit subsidy" because the premium is a group rate, which includes active, lower cost employees. This implicit subsidy has a cost; however, this annual cost and the total OPEB liability is measured as the portion of the actuarial present value of the projected benefit payments that is attributed to past periods of employee service. The total OPEB liability and other required disclosures have been calculated for the County as a whole and not separately for the Supervisor of Elections' Office. Accordingly, these calculations and disclosures can be found in the County's comprehensive annual financial report.

**ESCAMBIA COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS**

**NOTES TO FINANCIAL STATEMENTS**

**6. Risk management**

The County has a risk management program to insure claims against the Board, Constitutional Officers and Santa Rosa Island Authority for the following types of risks:

Workers Compensation – The County is covered for workers' compensation claims through a policy with the Florida Municipal Insurance Trust. Coverage limits under the policy include statutory limits, as well as \$1,000,000 bodily injury for each accident and \$1,000,000 bodily injury by disease for each employee with an aggregate \$1,000,000 policy limit.

Casualty and Property – Casualty limits are self-insured for \$200,000 per claim with a \$300,000 aggregate limit. Property limits are \$50,000 – \$250,000 self-insured retentions per occurrence with excess limits of \$45 million including wind.

The Supervisor of Elections participated in the County's insurance program during fiscal year 2020 at a cost of \$2,378. There also were no significant reductions in insurance coverage from the prior year, and there have been no settlements, which exceeded the Supervisor of Elections' insurance coverage, in any of the past three fiscal years.

**7. Commitments and contingencies**

The Supervisor of Elections receives federal and state financial assistance primarily in the form of capital and operating grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by grantor agencies. Disallowed costs, if any, resulting from such audits, may become liabilities of the Supervisor of Elections. However, in the opinion of management, disallowed costs, if any, will not have a material effect on the financial statements.

## **Required Supplementary Information**

**ESCAMBIA COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**YEAR ENDED SEPTEMBER 30, 2020**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
Revenues:				
Grant revenue	\$ -	\$ -	\$ 50,709	\$ 50,709
Charges for services	-	-	7,178	7,178
Total Revenues	-	-	57,887	57,887
Expenditures:				
Current:				
General government:				
Salaries and benefits	1,637,205	1,637,205	1,462,050	175,155
Operating expenditures	1,139,920	1,131,615	1,065,518	66,097
Operating expenditures-Grants	-	-	57,005	(57,005)
Capital outlay	29,000	29,000	13,869	15,131
Total Expenditures	2,806,125	2,797,820	2,598,442	199,378
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,806,125)	(2,797,820)	(2,540,555)	257,265
Other Financing Sources and Uses:				
Transfers in	2,806,125	2,806,125	2,548,860	(257,265)
Transfers out	-	(8,305)	(8,305)	-
Total Other Financing Sources (Uses)	2,806,125	2,797,820	2,540,555	(257,265)
Net Change in Fund Balance	-	-	-	-
Fund Balance, October 1, 2019	-	-	-	-
Fund Balance, September 30, 2020	\$ -	\$ -	\$ -	\$ -

See accompanying notes to required supplementary information

**ESCAMBIA COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL –  
SPECIAL REVENUE FUND – GRANT FUND**

**YEAR ENDED SEPTEMBER 30, 2020**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
Revenues:				
Grant revenue	\$ -	\$ 91,844	\$ 51,501	\$ (40,343)
Investment income	-	-	1,113	1,113
Total Revenues	-	91,844	52,614	(39,230)
Expenditures:				
Current:				
General government:				
Operating expenditures grants	-	100,149	60,919	39,230
Capital outlay	-	-	-	-
Total Expenditures	-	100,149	60,919	39,230
Excess (Deficiency) of Revenues	-	(8,305)	(8,305)	-
Other Financing Sources and Uses:				
Transfers in	-	8,305	8,305	-
Total Other Financing Sources (Uses)	-	8,305	8,305	-
Net Change in Fund Balance	-	-	-	-
Fund Balance, October 1, 2019	-	-	-	-
Fund Balance, September 30, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to required supplementary information.

**ESCAMBIA COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

The Supervisor of Elections operates under budget procedures pursuant to Florida Statutes. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is at the fund level.

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

Honorable David Stafford  
Supervisor of Elections Escambia 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 (hereinafter referred to as "financial statements") of the general fund and the grant fund of the Supervisor of Elections of Escambia County, Florida (hereinafter referred to as "Supervisor of Elections"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' financial statements, and have issued our report thereon dated December 17, 2020.

**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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Supervisor of Elections' internal control. Accordingly, we do not express an opinion on the effectiveness of the Supervisor of Elections' internal control.

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

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

**Compliance and Other Matters**

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

**Purpose of this Report**

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

*Warren Ancrutt, LLC*

Pensacola, Florida  
December 17, 2020



**INDEPENDENT ACCOUNTANTS' REPORT ON EXAMINATION OF  
COMPLIANCE REQUIREMENTS IN ACCORDANCE WITH CHAPTER 10.550,  
RULES OF THE AUDITOR GENERAL**

Honorable David Stafford  
Supervisor of Elections Escambia County, Florida

We have examined the Office of the Supervisor of Elections of Escambia County, Florida's (hereinafter referred to as the "Supervisor of Elections") compliance with Florida Statute 218.415, in regards to investments for the year ended September 30, 2020.

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 specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Supervisor of Elections complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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 for the year ended September 30, 2020.

*Warren Averett, LLC*  
Pensacola, Florida  
December 17, 2020

## MANAGEMENT LETTER

Honorable David Stafford  
Supervisor of Elections of Escambia County

### Report on the Financial Statements

We have audited the financial statements of the general fund and the grant fund of the Office of the Supervisor of Elections of Escambia County, Florida (hereinafter referred to as the "Supervisor of Elections"), as of and for the year ended September 30, 2020, and the related notes to the financial statements and have issued our report thereon dated December 17, 2020.

### Auditors' Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on Examination of Compliance Requirements in Accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated December 17, 2020, 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 corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. No recommendations were made in the preceding annual financial audit report.

### Financial Management

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we address in the management letter 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 that we address noncompliance with provisions of contracts or grant agreements or abuse that have occurred or are likely to have occurred that have an effect on the financial statements that is less than material, but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

### Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the Supervisor of Elections, Escambia 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.

*Warren Averett, LLC*  
Pensacola, Florida  
December 17, 2020

**ANNUAL AUDIT REPORT**  
**SUPERVISOR OF ELECTIONS**  
**ESCAMBIA COUNTY, FLORIDA**  
**SCHEDULE OF FINDINGS AND REPONSES**  
**SEPTEMBER 30, 2020**

There were no comments, which require management's written response.

**FINANCIAL STATEMENTS AND  
SUPPLEMENTAL REPORTS**

**ESCAMBIA COUNTY, FLORIDA  
TAX COLLECTOR**

**SEPTEMBER 30, 2020**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTAL REPORTS**

**ESCAMBIA COUNTY, FLORIDA  
TAX COLLECTOR  
SEPTEMBER 30, 2020**

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## INDEPENDENT AUDITORS' REPORT

Honorable Scott Lunsford  
Tax Collector Escambia County, Florida

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the general fund and the aggregate remaining fund information of the Office of the Tax Collector of Escambia County, (hereinafter referred to as "Tax Collector"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Tax Collector's financial statements, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the general fund and the aggregate remaining fund information of the Tax Collector as of September 30, 2020, and the respective changes in financial position, where applicable, thereof and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, and the aggregate remaining fund information, only for the portion of the major funds, and the aggregate remaining fund information, of Escambia County, Florida that are attributable to the Tax Collector.

They do not purport to and do not present fairly the financial position of Escambia County, Florida, as of September 30, 2020, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule and related notes, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a required 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 Tax Collector's financial statements. The combining statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of these financial statements. The combining statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements are fairly stated, in all material respects in relation to the financial statements taken as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a report 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 included under the heading "*Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.*" The purpose of that report is 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 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.

*Warren Averett, LLC*

December 21, 2020  
Pensacola, Florida

## **Financial Statements**



**ESCAMBIA COUNTY, FLORIDA  
TAX COLLECTOR**

**BALANCE SHEET – GOVERNMENTAL FUND**

**SEPTEMBER 30, 2020**

	<b>General Fund</b>
<b>Assets</b>	
Cash and cash equivalents	1,324,037
Due from other governmental units	13,178
Total assets	<u>\$ 1,337,215</u>
<b>Liabilities</b>	
Accounts payable	\$ 312,656
Accrued liabilities	154,213
Due to other governmental units	723,294
Unearned revenue	147,052
Total liabilities	1,337,215
<b>Fund Balance</b>	<u>-</u>
Total liabilities and fund balance	<u>\$ 1,337,215</u>

**ESCAMBIA COUNTY, FLORIDA  
TAX COLLECTOR**

**STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUND**

**YEAR ENDED SEPTEMBER 30, 2020**

	<b>General Fund</b>
Revenues:	
Charges for services	\$ 3,621,674
Miscellaneous revenue	140,504
Total Revenues	<u>3,762,178</u>
Expenditures:	
Current:	
General government:	
Salaries and benefits	6,319,486
Operating expenditures	1,560,481
Capital outlay	48,022
Total Expenditures	<u>7,927,989</u>
Deficiency of revenues over expenditures	(4,165,811)
Other Financing Sources and (Uses):	
Transfers in	4,887,380
Transfers out	(721,569)
Total Other Financing Sources and (Uses)	<u>4,165,811</u>
Net Change in Fund Balance	-
Fund Balance, October 1, 2019	-
Fund Balance, September 30, 2020	<u><u>\$ -</u></u>

**ESCAMBIA COUNTY, FLORIDA  
TAX COLLECTOR**

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES – AGENCY FUNDS**

**SEPTEMBER 30, 2020**

**Assets**

Cash and cash equivalents	\$ 4,838,927
Accounts receivable	<u>658,221</u>
Total Assets	<u><u>\$ 5,497,148</u></u>

**Liabilities**

Due to individuals	\$ 667,398
Due to other governmental units	<u>4,829,750</u>
Total Liabilities	<u><u>\$ 5,497,148</u></u>

**ESCAMBIA COUNTY, FLORIDA  
TAX COLLECTOR**

**NOTES TO THE FINANCIAL STATEMENTS**

**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.

**A. Reporting entity**

The Escambia County, Florida Tax Collector (Tax Collector) is an elected constitutional officer as provided by Article VIII, Section 1 (d) of the Constitution of the State of Florida. The Tax Collector's budget is approved by the Florida Department of Revenue and submitted to the Escambia County Board of County Commissioners (the Board). The Board pays a monthly fee to the Tax Collector for collection of property taxes based on a statutory formula. The remainder of the budget is funded by fees earned for providing services for other governmental agencies.

For financial reporting purposes, the Tax Collector is deemed to be a part of the primary government of Escambia County, Florida (the County) and therefore, is included as such in the Escambia County, Florida, Comprehensive Annual Financial Report.

**B. Basis of presentation – fund financial statements**

These financial statements have been prepared for the purpose of complying with *Rules of the Auditor General, State of Florida*, which require presentation of *fund level* only financial statements and permit omission of entity-wide full accrual financial statements and management's discussion and analysis. Therefore, these financial statements are intended to present only the financial position and changes in financial position of that portion of Escambia County, Florida, that relate to transactions of the Tax Collector and are not intended to present the financial position and changes in financial position of Escambia County, Florida, taken as a whole.

The Tax Collector's financial records and accounts are maintained in accordance with the principles of "fund accounting," whereby resources are classified for accounting and reporting purposes into funds to insure compliance with any special restrictions or limitations on the use of such resources. The Tax Collector's funds are defined as follows:

**Governmental Funds:**

The *General Fund* is the general operating fund of the Tax Collector. It is used to account for all financial resources except those required to be accounted for in other funds.

**Fiduciary Funds:**

The *agency funds* are used to account for assets held for individuals, private organizations or other governments and consist primarily of taxes and fees collected, but not distributed to other governments. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of the results of operations.

Fund balances are classified either as non-spendable or as restricted, committed, assigned and unassigned, based on the extent to which there are external and internal constraints on the spending.

**ESCAMBIA COUNTY, FLORIDA  
TAX COLLECTOR**

**NOTES TO THE FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies (Continued)**

**C. Measurement focus and basis of accounting**

The general fund is accounted for using the *current resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they become susceptible to accrual—that is when they are both measurable and available to finance expenditures of the current period. The Tax Collector considers receivables collected within 60 days after year-end to be available and recognizes them as revenues of the current year. Expenditures generally are recorded when the related fund liability is incurred. However, expenditures for compensated absences are recognized when payments are made to employees.

Fiduciary fund financial statements are reported using the accrual basis of accounting.

**D. Funding from Board of County Commissioners**

Commissions from the Board are recorded as “transfers in” on the Statement of Revenues, Expenditures and Changes in Fund Balance.

In accordance with Florida Statutes, the General Fund’s excess of revenues and transfers over expenditures is returned to the Board at year end and is reported as a “transfer out” on the Statement of Revenues, Expenditures and Changes in Fund Balance.

**E. Capital Assets**

Capital assets (vehicles, equipment and other property costing at least \$1,000 with a useful life of more than one year) are recorded as expenditures at the time of purchase. These assets are capitalized at cost and depreciated in Escambia County’s government-wide financial statements.

**F. Accumulated Compensated Absences**

Employees may accumulate, subject to limitations, amounts of earned, but unused paid time off, which will be paid upon separation from service. The amount of vested accumulated compensated absences payable is reported as a liability in the statement of net position in the County’s basic financial statements. That liability includes earned, but unused paid time off, as well as FICA taxes and retirement contributions related thereto.

**2. Deposits and Investments**

The investment of surplus funds is governed by the provisions of Florida Statute 218.415 as to the type of investments that can be made. Deposits may be exposed to custodial credit risk, which is the risk of loss in the event of a bank failure.

The Tax Collector manages custodial credit risk by maintaining its deposits in a financial institution designated as “Qualified Public Depository” by the State Treasurer.

**ESCAMBIA COUNTY, FLORIDA  
TAX COLLECTOR**

**NOTES TO THE FINANCIAL STATEMENTS**

**2. Deposits and Investments (Continued)**

All deposits were fully insured through a combination of federal depository insurance and participation of the financial institution in the multiple financial institution collateral pool as specified in Chapter 280, Florida Statutes. Accordingly, risk of loss due to bank failure is not significant.

At September 30, 2020, the reported amount of the Tax Collector's deposits was approximately \$6.2 million, and the bank balance was approximately \$6.1 million, consisting entirely of deposits in checking and saving accounts.

**3. Interfund Receivables, Payables and Transfers**

Interfund receivables and payables consist of amounts due to or from funds during the normal course of business. At September 30, 2020, there were no interfund receivables or payables within the Tax Collector's funds. Transfers in consist of \$4,887,380 from the Board of County Commissioners, and transfers out (excess budget and fees to the Board) totaled \$721,569.

**4. Due To/From Other Governments**

At September 30, 2020, the due to other governmental units totals \$723,294 and primarily is payable to the Board and is comprised mainly of excess fees over expenditures.

**5. Retirement Plan**

The Tax Collector participates in the Florida Retirement System (FRS), administered by the Florida Department of Management Services. The FRS was established in 1970 by Chapter 121, Florida Statutes. Changes to the FRS can only be made by an act of the Florida Legislature. Rules governing the operation and administration of the system may be found in Chapter 60S of the Florida Administrative Code. The State of Florida issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for FRS. The report may be obtained on the division's website at <http://www.dms.myflorida.com>. The report may also be obtained by contacting the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, FL 32315-9000.

Employees elect participation in either the defined benefit plan (Pension Plan), a multiple-employer cost-sharing defined benefit retirement plan or the defined contribution plan (Investment Plan). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university community college or a participating city or special district within the State of Florida.

**ESCAMBIA COUNTY, FLORIDA  
TAX COLLECTOR**

**NOTES TO THE FINANCIAL STATEMENTS**

**5. Retirement Plan (Continued)**

The FRS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Retirement benefits are based upon age, average compensation and years-of-service credit where average compensation is computed as the average of the members' highest five or eight fiscal years of earnings, depending upon enrollment date. A post-employment health insurance subsidy is also provided to eligible retired members through the FRS in accordance with Florida Statutes.

For employees who were enrolled in the plan prior to July 1, 2011, normal retirement benefits are available at age 62 with six or more years of service or to those employees who have at least 30 years of creditable service, regardless of age.

For employees who were enrolled in the plan after July 1, 2011, normal retirement benefits are available at age 65 with eight or more years of service or to those employees who have at least 33 years of creditable service, regardless of age.

Early retirement is available for vested members with a 5% reduction of benefits for each year prior to the normal retirement age. Retirement age and years of service requirements also vary depending on membership class.

In addition to the above benefits, the Deferred Retirement Option Program (DROP) is available under the Pension Plan when the member first reaches eligibility for normal retirement. This program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate.

For those members who elect participation in the Investment Plan rather than the Pension Plan, vesting occurs at one year of service. The Investment Plan is a defined contribution plan funded monthly by employer and employee contributions based on salary and membership class. Members in the Investment Plan decide how their funds are allocated between various investment accounts, and the vested funds are portable upon termination. The final retirement benefit is equal to the vested contributions plus investment earnings less expenses and losses allocated to the member's account. Members in the Investment Plan are not eligible for participation in the Deferred Retirement Option Program.

The contribution requirements of the Tax Collector and members are established and may be amended by FRS. Both plans are contributory for employees and require a 3% employee contribution. This is in addition to the contributions that are the obligation of the employer. The Tax Collector's contributions to FRS for the years ended September 30, 2020, 2019 and 2018 were \$537,693, \$508,102, and \$471,709, respectively, equal to the required contributions for each year.

**ESCAMBIA COUNTY, FLORIDA  
TAX COLLECTOR**

**NOTES TO THE FINANCIAL STATEMENTS**

**5. Retirement Plan (Continued)**

The contribution rates in effect during the period ended September 30, 2020, 2019, and 2018 were as follows:

	<u><b>2020</b></u>	<u><b>2019</b></u>	<u><b>2018</b></u>
<u>Regular Class:</u> Members not qualifying for other classes.	10.00%	8.47%	8.26%
<u>Senior Management Class:</u> Members of senior management who do not elect the optional annuity retirement program.	27.29%	25.41%	24.06%
<u>Elected Officials Class:</u> Certain elected county officials.	49.18%	48.82%	48.70%
<u>Deferred Retirement Option Program (DROP):</u> Members are enrolled in DROP from FRS	16.98%	14.60%	14.03%

***Net Pension Obligation-Proportionate Share***

The Tax Collector has a net FRS pension liability determined in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions. This long-term liability is only reported in the county-wide financial statements and is not a current liability of the governmental funds. All required disclosures and schedules may be found in the comprehensive annual financial report of Escambia County, Florida.

**6. Other Post-Employment Benefits (OPEB), Other Than Pensions**

The Board offers post-employment health care benefits (OPEB) to all retired employees of the Tax Collector's Office and their dependents. Participating retirees are required to reimburse the Board for 100% of the premium cost, which is netted against the premium payment, so that no net expense is initially recorded in the Board's financial statements. However, these retirees are receiving an "implicit subsidy" because the premium is a group rate, which includes active, lower cost employees. This implicit subsidy has a cost; however, this annual cost, and the total OPEB liability is measured as the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service. The total OPEB liability and other required disclosures have been calculated for the County as a whole and not separately for the Tax Collector's Office. Accordingly, these calculations and disclosures can be found in the County's comprehensive annual financial report.



**ESCAMBIA COUNTY, FLORIDA  
TAX COLLECTOR**

**NOTES TO THE FINANCIAL STATEMENTS**

**7. Risk Management**

The County has a risk management program to insure claims against the Board, Constitutional Officers and Santa Rosa Island Authority for the following types of risks:

Workers Compensation – The County is covered for workers' compensation claims through a policy with the Florida Municipal Insurance Trust. Coverage limits under the policy include statutory limits, as well as \$1,000,000 bodily injury for each accident and \$1,000,000 bodily injury by disease for each employee with an aggregate \$1,000,000 policy limit.

Casualty and Property – Casualty limits are self-insured for \$200,000 per claim with a \$300,000 aggregate limit. Property limits are \$50,000 - \$250,000 self-insured retentions per occurrence with excess limits of \$45 million including wind.

The Tax Collector participated in the County's insurance program during fiscal year 2020 at a cost of \$10,091. There also were no significant reductions in insurance coverage from the prior year, and there have been no settlements, which exceeded the Tax Collector's insurance coverage in any of the past three fiscal years.

**8. Commitments and Contingencies**

***Operating leases***

The Tax Collector is committed to operating leases for office space with non-cancellable terms in excess of one year. Future minimum lease payments are as follows:

<u>Year</u>	<u>Amount</u>
2021	\$ 278,652
2022	<u>202,500</u>
	<u><u>\$ 481,152</u></u>

Rent expense for the year ended September 30, 2020 was \$323,812.

**9. Litigation**

The Tax Collector is contingently liable with respect to lawsuits and other claims, which might be filed incidental to the ordinary course of operations. In the opinion of management, based on the advice of legal counsel, there are no lawsuits or claims outstanding, which will have a material adverse effect on the financial position of the Tax Collector's Office.

## **Required Supplementary Information**

**ESCAMBIA COUNTY, FLORIDA  
TAX COLLECTOR**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL –  
GAAP BASIS – GENERAL FUND**

**YEAR ENDED SEPTEMBER 30, 2020**

	<b>Budgeted Amounts</b>			<b>Variance Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
Revenues:				
Charges for services	\$ 3,736,585	\$ 3,736,585	\$ 3,621,674	\$ (114,911)
Miscellaneous revenue	100,500	100,500	140,504	40,004
Total Revenues	3,837,085	3,837,085	3,762,178	(74,907)
Expenditures:				
Current:				
General government:				
Salaries and benefits	6,855,822	6,809,455	6,319,486	489,969
Operating expenditures	1,732,593	1,732,593	1,560,481	172,112
Capital outlay	2,500	48,867	48,022	845
Total Expenditures	8,590,915	8,590,915	7,927,989	662,926
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,753,830)	(4,753,830)	(4,165,811)	(588,019)
Other Financing Sources and Uses:				
Transfers in	4,887,380	4,887,380	4,887,380	-
Transfers out	(133,550)	(133,550)	(721,569)	588,019
Total Other Financing Sources (Uses)	4,753,830	4,753,830	4,165,811	588,019
Net Change in Fund Balance	-	-	-	-
Fund Balance, October 1, 2019	-	-	-	-
Fund Balance, September 30, 2020	\$ -	\$ -	\$ -	\$ -

**ESCAMBIA COUNTY, FLORIDA  
TAX COLLECTOR**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

The Tax Collector's Office operates under budget procedures pursuant to Florida Statutes. An annual budget is adopted for the general fund on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is at the fund level.

## **Other Supplementary Information**

**ESCAMBIA COUNTY, FLORIDA  
TAX COLLECTOR**

**COMBINING STATEMENT OF ASSETS AND LIABILITIES –  
AGENCY FUNDS**

**SEPTEMBER 30, 2020**

	<u>Agency Funds</u>		
	<u>Tax Fund</u>	<u>Tag Fund</u>	<u>TOTAL</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 4,359,937	\$ 478,990	\$ 4,838,927
Accounts receivable	251	657,970	658,221
Total Assets	<u>\$ 4,360,188</u>	<u>\$ 1,136,960</u>	<u>\$ 5,497,148</u>
<b>Liabilities</b>			
Due to individuals	\$ 562,117	\$ 105,281	\$ 667,398
Due to other governmental units	3,798,071	1,031,679	4,829,750
Total Liabilities	<u>\$ 4,360,188</u>	<u>\$ 1,136,960</u>	<u>\$ 5,497,148</u>

**ESCAMBIA COUNTY, FLORIDA  
TAX COLLECTOR**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES –  
AGENCY FUNDS**

**SEPTEMBER 30, 2020**

	Balance September 30, 2019	Additions	Deductions	Balance September 30, 2020
<b>TAX FUND</b>				
ASSETS				
Cash and cash equivalents	\$ 3,470,217	\$ 890,433,585	\$ 889,543,865	\$ 4,359,937
Accounts receivable	251	-	-	251
Total Assets	<u>\$ 3,470,468</u>	<u>\$ 890,433,585</u>	<u>\$ 889,543,865</u>	<u>\$ 4,360,188</u>
LIABILITIES				
Due to individuals	\$ 283,551	\$ 11,818,318	\$ 11,539,752	\$ 562,117
Due to other governmental units	3,186,917	317,301,511	316,690,357	3,798,071
Total Liabilities	<u>\$ 3,470,468</u>	<u>\$ 329,119,829</u>	<u>\$ 328,230,109</u>	<u>\$ 4,360,188</u>
<b>TAG FUND</b>				
ASSETS				
Cash and cash equivalents	\$ 1,831,988	\$ 816,098,977	\$ 817,451,975	\$ 478,990
Accounts receivable	486,780	214,334,673	214,163,483	657,970
Total Assets	<u>\$ 2,318,768</u>	<u>\$1,030,433,650</u>	<u>\$1,031,615,458</u>	<u>\$ 1,136,960</u>
LIABILITIES				
Accounts payable	\$ 1,328,362	\$ 55,546,801	\$ 56,769,882	\$ 105,281
Due to other governmental units	990,406	95,912,922	95,871,649	1,031,679
Total Liabilities	<u>\$ 2,318,768</u>	<u>\$ 151,459,723</u>	<u>\$ 152,641,531</u>	<u>\$ 1,136,960</u>

**ESCAMBIA COUNTY, FLORIDA  
TAX COLLECTOR**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS**

**YEAR ENDED SEPTEMBER 30, 2020**

*(Continued)*

	<b>Balance September 30, 2019</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance September 30, 2020</b>
<b>Total Agency</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 5,302,205	\$ 1,706,532,562	\$ 1,706,995,840	\$ 4,838,927
Accounts receivable	487,031	214,334,673	214,163,483	658,221
Total Assets	<u>\$ 5,789,236</u>	<u>\$ 1,920,867,235</u>	<u>\$ 1,921,159,323</u>	<u>\$ 5,497,148</u>
<b>LIABILITIES</b>				
Due to individuals	\$ 1,611,913	\$ 67,365,119	\$ 68,309,634	\$ 667,398
Due to other governmental units	4,177,323	413,214,433	412,562,006	4,829,750
Total Liabilities	<u>\$ 5,789,236</u>	<u>\$ 480,579,552</u>	<u>\$ 480,871,640</u>	<u>\$ 5,497,148</u>



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

Honorable Scott Lunsford  
Tax Collector Escambia 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 (hereinafter referred to as "financial statements") of the general fund and aggregate remaining fund information of the Tax Collector of Escambia County, Florida (hereinafter referred to as "Tax Collector"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Tax Collector's financial statements, and have issued our report thereon dated December 21, 2020.

**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 the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Tax Collector's internal control. Accordingly, we do not express an opinion on the effectiveness of the Tax Collector's internal control.

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

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

**Compliance and Other Matters**

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

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

**Purpose of this Report**

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

*Warren Averett, LLC*

December 21, 2020  
Pensacola, Florida

**INDEPENDENT ACCOUNTANTS' REPORT ON EXAMINATION OF COMPLIANCE  
REQUIREMENTS IN ACCORDANCE WITH CHAPTER 10.550,  
RULES OF THE AUDITOR GENERAL**

Honorable Scott Lunsford  
Escambia County Tax Collector

We have examined the Office of the Tax Collector of Escambia County, Florida's (hereinafter referred to as "Tax Collector") compliance with Florida Statute 218.415 in regards to investments for the year ended September 30, 2020. 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 specified requirements. An examination involves performing procedures to obtain evidence about whether the Tax Collector complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

In our opinion, the Tax Collector complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.

*Warren Averett, LLC*

December 21, 2020  
Pensacola, Florida

## MANAGEMENT LETTER

Honorable Scott Lunsford  
Tax Collector Escambia County, Florida

### Report on the Financial Statements

We have audited the financial statements (hereinafter referred to as “financial statements”) of the general fund and the aggregate remaining fund information of the Office of the Tax Collector of Escambia County, Florida (hereinafter referred to as “Tax Collector”), as of and for the year ended September 30, 2020, and the related notes to the financial statements, and have issued our report thereon dated December 21, 2020.

### Auditors’ Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant’s Report on Examination of Compliance Requirements in Accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports which are dated December 21, 2020, 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 corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no recommendations made in the preceding audit report.

### Financial Management

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

### Additional Matters

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

**Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the Tax Collector, the Escambia 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.

*Warren Averett, LLC*

December 21, 2020  
Pensacola, Florida

**ESCAMBIA COUNTY, FLORIDA  
TAX COLLECTOR  
SCHEDULE OF FINDINGS AND RESPONSES  
SEPTEMBER 30, 2020**

There were no comments which require management's written response.







