

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, 2021

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL REPORTS**

**ESCAMBIA COUNTY, FLORIDA CLERK OF THE CIRCUIT COURT AND COMPTROLLER
SEPTEMBER 30, 2021**

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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, 2021, and the related notes to the financial statements, which collectively comprise the Clerk's financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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, 2021, 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.

Change in Accounting Principle

As discussed in Note 9 to the financial statements, in 2021 the Clerk adopted new accounting guidance, GASBS. No. 84, Fiduciary Activities. Our opinion is not modified with respect to this matter.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above 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, 2021, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules, as listed in the table of contents, to 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.



Pensacola, Florida
December 9, 2021

Financial Statements

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

**BALANCE SHEET
GOVERNMENTAL FUNDS**

SEPTEMBER 30, 2021

	Major Funds		
	General Fund	Public Records Modernization Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 4,760,102	\$ 4,697,134	\$ 9,457,236
Accounts receivable, net	424	-	424
Due from other governmental units	10,593	92,846	103,439
Total assets	<u>\$ 4,771,119</u>	<u>\$ 4,789,980</u>	<u>\$ 9,561,099</u>
LIABILITIES			
Accounts payable	\$ 81,321	\$ 106,565	\$ 187,886
Contracts payable	1,019	-	1,019
Accrued liabilities	412,559	29,680	442,239
Due to other governmental units	1,919,524	-	1,919,524
Due to BOCC	1,536,034	-	1,536,034
Other current liabilities	201,248	-	201,248
Total liabilities	4,151,705	136,245	4,287,950
FUND BALANCES			
Restricted for:			
Records modernization technology	-	4,653,735	4,653,735
Assigned to:			
Subsequent year budget	619,414	-	619,414
Total fund balances	<u>619,414</u>	<u>4,653,735</u>	<u>5,273,149</u>
Total liabilities and fund balances	<u>\$ 4,771,119</u>	<u>\$ 4,789,980</u>	<u>\$ 9,561,099</u>

**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, 2021

	Major Funds		
	General Fund	Public Records Modernization Fund	Total Governmental Funds
REVENUES			
Intergovernmental	\$ 832,306	\$ 407,695	\$ 1,240,001
Charges for services	7,036,415	1,024,468	8,060,883
Judgments, fines and forfeitures	1,715,527	-	1,715,527
Investment income	477,225	-	477,225
Miscellaneous revenue	285,738	130,519	416,257
Total Revenues	10,347,211	1,562,682	11,909,893
EXPENDITURES			
Current:			
General government:			
Salaries and benefits	3,856,958	-	3,856,958
Operating expenditures	744,610	-	744,610
Capital outlay	171,730	-	171,730
Court related:			
Salaries and benefits	5,511,227	662,509	6,173,736
Operating expenditures	420,124	143,168	563,292
Capital outlay	78,603	63,643	142,246
Payments to State	1,138,384	-	1,138,384
Total Expenditures	11,921,636	869,320	12,790,956
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,574,425)	693,362	(881,063)
OTHER FINANCING SOURCES (USES)			
Transfers in	3,596,520	643,729	4,240,249
Transfers out	(1,782,726)	-	(1,782,726)
Total Other Financing Sources and Uses	1,813,794	643,729	2,457,523
NET CHANGE IN FUND BALANCES	239,369	1,337,091	1,576,460
FUND BALANCES, OCTOBER 1, 2020	380,045	3,316,644	3,696,689
FUND BALANCES, SEPTEMBER 30, 2021	\$ 619,414	\$ 4,653,735	\$ 5,273,149

See notes to financial statements.

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

**INTERNAL SERVICE FUND
STATEMENT OF NET POSITION**

SEPTEMBER 30, 2021

ASSETS

Current assets:

Cash and cash equivalents	\$ 840,889
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LIABILITIES

Current liabilities:

Compensated absences payable	84,089
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Noncurrent Liabilities:

Compensated absences payable	756,800
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Total liabilities	<u>840,889</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, 2021

OPERATING REVENUES:

Charges for services	\$ 430,089
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OPERATING EXPENSES:

Personnel services	<u>430,089</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, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Net reimbursement for personal services paid by Court Fund	<u>\$ 66,706</u>
Net increase in cash and cash equivalents	66,706
Cash and cash equivalents, beginning of year	<u>774,183</u>
Cash and cash equivalents, end of year	<u><u>\$ 840,889</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>66,706</u>
Net cash provided by operating activities	<u><u>\$ 66,706</u></u>

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

STATEMENT OF FIDUCIARY NET POSITION - CUSTODIAL FUNDS

SEPTEMBER 30, 2021

ASSETS

Cash and cash equivalents	\$ 8,577,238
Total Assets	<u>8,577,238</u>

LIABILITIES

Cash bonds payable	10,600
Court registry payable	467,986
Real Auction payable	13,190
Other	<u>7,186</u>
Total Liabilities	<u>498,962</u>

NET POSITION

Restricted for:	
Cash bonds	425,853
Court registry	7,595,892
Witness/Jury	26,344
Restitution	24,370
General trust	<u>5,817</u>
Total net position	<u><u>\$ 8,078,276</u></u>

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

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CUSTODIAL FUNDS

SEPTEMBER 30, 2021

ADDITIONS

Deposits in court registry	\$ 17,706,658
Deposits for real auction	2,934,324
Deposits for tax deeds	2,850
Deposits for restitution	186,666
Payments from State	8,544
Deposits for bonds	780,365
Deposits for overpayments	<u>555,708</u>
Total additions	<u>22,175,115</u>

DEDUCTIONS

Release of bonds	782,045
Refunds of overpayments	553,636
Payments for witnesses	36,674
Payments to victims	188,965
Auction refunds	2,140,892
Court ordered disbursements	<u>16,105,799</u>
Total deductions	<u>19,808,011</u>
Changes in net position	2,367,104
Net position-beginning (restated)	5,711,172
Net position-ending	<u><u>\$ 8,078,276</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:

Custodial Funds – are used to account for assets received and held by the Clerk as an agent for individuals, private organizations and other governments.

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.

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, 2021, 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, 2021, 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, 2021, 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, 2021, the Clerk had a fund balance of \$619,412 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, 2021, the reported amount of the Clerk's deposits was approximately \$18.9 million, and the bank balance was approximately \$18.7 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, 2021, there were no interfund receivables or payables within the Clerk's funds. Transfers consist of \$3,596,520 of "transfers in" from the Board of County Commissioners and "transfers out" of excess budget and fees totaling \$1,138,997, which is included in due to BOCC as of year-end.

4. Due from/to other governments

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 \$788,500 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, 2021, 2020 and 2019 were \$875,158, \$781,106, and \$702,507, respectively, equal to the required contributions for each year.

The contribution rates in effect during the period ended September 30, 2021, 2020, and 2019 were as follows:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>Regular Class:</u>	10.82%	10.00%	8.47%
Members not qualifying for other classes.			
<u>Senior Management Class:</u>	29.01%	27.29%	25.41%
Members of senior management who do not elect the optional annuity retirement program.			
<u>Elected Officials Class:</u>	51.42%	49.18%	48.82%
Certain elected county officials.			
<u>Deferred Retirement Option Program (DROP):</u>	18.34%	16.98%	14.60%
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.

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

NOTES TO FINANCIAL STATEMENTS (*Continued*)

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.

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.

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.

9. Restatement

For the year ended September 30, 2021, the Clerk implemented GASB Statement No. 84, Fiduciary Activities. With the implementation, the Clerk is required to record the beginning net position of custodial funds. The beginning net position of the fiduciary funds has been restated to reflect the new guidance by \$5,711,172.

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, 2021

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES				
Intergovernmental	\$ 285,844	\$ 285,844	\$ 832,306	\$ 546,462
Charges for services	5,577,241	5,577,241	7,036,415	1,459,174
Judgments, fines and forfeitures	1,570,000	1,570,000	1,715,527	145,527
Investment income	390,100	390,100	477,225	87,125
Miscellaneous	284,500	284,500	285,738	1,238
Total Revenues	8,107,685	8,107,685	10,347,211	2,239,526
EXPENDITURES				
Current:				
General government:				
Salaries and benefits	4,177,900	4,177,900	3,856,958	320,942
Operating expenditures	830,620	830,620	744,610	86,010
Capital outlay	10,000	10,000	171,730	(161,730)
Court related:				
Salaries and benefits	6,168,591	6,168,591	5,511,227	657,364
Operating expenditures	517,094	517,094	420,124	96,970
Capital outlay	-	-	78,603	(78,603)
Payments to State	-	-	1,138,384	(1,138,384)
Total Expenditures	11,704,205	11,704,205	11,921,636	(217,431)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,596,520)	(3,596,520)	(1,574,425)	2,022,095
OTHER FINANCING SOURCES (USES)				
Transfers in	3,596,520	3,596,520	3,596,520	-
Transfers out	-	-	(1,782,726)	(1,782,726)
Total Other Financing Sources (Uses)	3,596,520	3,596,520	1,813,794	(1,782,726)
NET CHANGE IN FUND BALANCE	-	-	239,369	239,369
FUND BALANCE, OCTOBER 1, 2020	-	-	380,045	380,045
FUND BALANCE, SEPTEMBER 30, 2021	\$ -	\$ -	\$ 619,414	\$ 619,414

**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, 2021

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES				
Intergovernmental	\$ 484,000	\$ 484,000	\$ 407,695	\$ (76,305)
Charges for services	695,000	695,000	1,024,468	329,468
Miscellaneous revenue	-	-	130,519	130,519
Total Revenues	1,179,000	1,179,000	1,562,682	383,682
EXPENDITURES				
Current:				
Court related:				
Salaries and benefits	765,500	765,500	662,509	102,991
Operating expenditures	413,500	413,500	143,168	270,332
Capital outlay	-	-	63,643	(63,643)
Total Expenditures	1,179,000	1,179,000	869,320	309,680
EXCESS (DEFICIENCY) of REVENUES OVER UNDER EXPENDITURES	-	-	693,362	693,362
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	643,729	643,729
NET CHANGE IN FUND BALANCE	-	-	1,337,091	1,337,091
FUND BALANCE, OCTOBER 1, 2020	-	-	3,316,644	3,316,644
FUND BALANCE, SEPTEMBER 30, 2021	\$ -	\$ -	\$ 4,653,735	\$ 4,653,735

**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, 2021

	General Fund	General Fund Court Services	Total General Fund
ASSETS			
Cash and cash equivalents	\$ 2,875,534	\$ 1,884,568	\$ 4,760,102
Accounts receivable	424	-	424
Due from other governmental units	10,593	-	10,593
Total assets	<u>\$ 2,886,551</u>	<u>\$ 1,884,568</u>	<u>\$ 4,771,119</u>
LIABILITIES			
Accounts payable	\$ 77,983	\$ 3,338	\$ 81,321
Contracts payable	689	330	1,019
Accrued liabilities	165,838	246,721	412,559
Due to BOCC	1,250,877	285,157	1,536,034
Due to other governmental units	715,211	1,204,313	1,919,524
Other current liabilities	56,539	144,709	201,248
Total liabilities	2,267,137	1,884,568	4,151,705
FUND BALANCES			
Assigned to:			
Subsequent year budget	619,414	-	619,414
Total fund balances	619,414	-	619,414
Total liabilities and fund balances	<u>\$ 2,886,551</u>	<u>\$ 1,884,568</u>	<u>\$ 4,771,119</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, 2021

	General Fund	General Fund Court Services	Total General Fund
REVENUES			
Intergovernmental	\$ 642,350	\$ 189,956	\$ 832,306
Charges for services	2,556,523	4,479,892	7,036,415
Judgments, fines and forfeitures	-	1,715,527	1,715,527
Investment income	-	477,225	477,225
Miscellaneous revenue	-	285,738	285,738
Total Revenues	3,198,873	7,148,338	10,347,211
EXPENDITURES			
Current:			
General government:			
Salaries and benefits	3,856,958	-	3,856,958
Operating expenditures	744,610	-	744,610
Capital outlay	171,730	-	171,730
Court related:			
Salaries and benefits	-	5,511,227	5,511,227
Operating expenditures	-	420,124	420,124
Capital outlay	-	78,603	78,603
Payments to State	-	1,138,384	1,138,384
Total Expenditures	4,773,298	7,148,338	11,921,636
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,574,425)	-	(1,574,425)
OTHER FINANCING SOURCES (USES)			
Transfers in	3,596,520	-	3,596,520
Transfers out	(1,782,726)	-	(1,782,726)
Total Other Financing Sources and Uses	1,813,794	-	1,813,794
NET CHANGE IN FUND BALANCE	239,369	-	239,369
FUND BALANCES, OCTOBER 1, 2020	380,045	-	380,045
FUND BALANCES, SEPTEMBER 30, 2021	\$ 619,414	\$ -	\$ 619,414

**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, 2021

	General Fund		
	Budgeted Amounts		
	Original	Final	Actual
REVENUES			
Intergovernmental	\$ -	\$ -	\$ 642,350
Charges for services	1,422,000	1,422,000	2,556,523
Judgments, fines and forfeitures	-	-	-
Investment income	-	-	-
Miscellaneous revenue	-	-	-
Total Revenues	1,422,000	1,422,000	3,198,873
EXPENDITURES			
Current:			
General government:			
Salaries and benefits	4,177,900	4,177,900	3,856,958
Operating expenditures	830,620	830,620	744,610
Capital outlay	10,000	10,000	171,730
Court related:			
Salaries and benefits	-	-	-
Operating expenditures	-	-	-
Capital outlay	-	-	-
Payments to State	-	-	-
Total Expenditures	5,018,520	5,018,520	4,773,298
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,596,520)	(3,596,520)	(1,574,425)
OTHER FINANCING SOURCES (USES)			
Transfers in	3,596,520	3,596,520	3,596,520
Transfers out	-	-	(1,782,726)
Total Other Financing Sources (Uses)	3,596,520	3,596,520	1,813,794
NET CHANGE IN FUND BALANCE	-	-	239,369
FUND BALANCE, OCTOBER 1, 2020	-	-	380,045
FUND BALANCE, SEPTEMBER 30, 2021	\$ -	\$ -	\$ 619,414

**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, 2021
(Continued)**

	General Fund - Court Services		
	Budgeted Amounts		
	Original	Final	Actual
REVENUES			
Intergovernmental	\$ 285,844	\$ 285,844	\$ 189,956
Charges for services	4,155,241	4,155,241	4,479,892
Judgments, fines and forfeitures	1,570,000	1,570,000	1,715,527
Investment income	390,100	390,100	477,225
Miscellaneous revenue	284,500	284,500	285,738
Total Revenues	6,685,685	6,685,685	7,148,338
EXPENDITURES			
Current:			
General government:			
Salaries and benefits	-	-	-
Operating expenditures	-	-	-
Capital outlay	-	-	-
Court related:			
Salaries and benefits	6,168,591	6,168,591	5,511,227
Operating expenditures	517,094	517,094	420,124
Capital outlay	-	-	78,603
Payments to State	-	-	1,138,384
Total Expenditures	6,685,685	6,685,685	7,148,338
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE, OCTOBER 1, 2020	-	-	-
FUND BALANCE, SEPTEMBER 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2021
(Continued)**

	Total General Fund			
	Budget Amounts			Variance
	Original	Final	Actual	with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 285,844	\$ 285,844	\$ 832,306	\$ 546,462
Charges for services	5,577,241	5,577,241	7,036,415	1,459,174
Judgments, fines and forfeitures	1,570,000	1,570,000	1,715,527	145,527
Investment income	390,100	390,100	477,225	87,125
Miscellaneous revenue	284,500	284,500	285,738	1,238
Total Revenues	8,107,685	8,107,685	10,347,211	2,239,526
EXPENDITURES				
Current:				
General government:				
Salaries and benefits	4,177,900	4,177,900	3,856,958	320,942
Operating expenditures	830,620	830,620	744,610	86,010
Capital outlay	10,000	10,000	171,730	(161,730)
Court related:				
Salaries and benefits	6,168,591	6,168,591	5,511,227	657,364
Operating expenditures	517,094	517,094	420,124	96,970
Capital outlay	-	-	78,603	(78,603)
Payments to State	-	-	1,138,384	(1,138,384)
Total Expenditures	11,704,205	11,704,205	11,921,636	(217,431)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,596,520)	(3,596,520)	(1,574,425)	2,022,095
OTHER FINANCING SOURCES (USES)				
Transfers in	3,596,520	3,596,520	3,596,520	-
Transfers out	-	-	(1,782,726)	(1,782,726)
Total Other Financing Sources (Uses)	3,596,520	3,596,520	1,813,794	(1,782,726)
NET CHANGE IN FUND BALANCE	-	-	239,369	239,369
FUND BALANCE, OCTOBER 1, 2020	-	-	380,045	380,045
FUND BALANCE, SEPTEMBER 30, 2021	\$ -	\$ -	\$ 619,414	\$ 619,414

ESCAMBIA COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER
COMBINING STATEMENT OF FIDUCIARY NET POSITION

YEAR ENDED SEPTEMBER 30, 2021

	<u>Custodial Funds</u>				
	<u>Court Registry</u>	<u>Juror and Witness</u>	<u>Restitution</u>	<u>General Trust</u>	<u>TOTAL</u>
ASSETS					
Cash and cash equivalents	<u>\$ 8,077,068</u>	<u>\$ 28,279</u>	<u>\$ 28,028</u>	<u>\$ 443,863</u>	<u>\$ 8,577,238</u>
Total Assets	<u>8,077,068</u>	<u>28,279</u>	<u>28,028</u>	<u>443,863</u>	<u>8,577,238</u>
LIABILITIES					
Accounts payable					
Cash bonds payable	-	-	-	10,600	10,600
Court registry payable	467,986	-	-	-	467,986
Real auction payable	13,190	-	-	-	13,190
Other payables	-	1,935	3,658	1,593	7,186
Total Liabilities	<u>481,176</u>	<u>1,935</u>	<u>3,658</u>	<u>12,193</u>	<u>498,962</u>
NET POSITION					
Restricted for:					
Cash bonds	-	-	-	425,853	425,853
Court registry	7,595,892	-	-	-	7,595,892
Jury	-	26,344	-	-	26,344
Restitution	-	-	24,370	-	24,370
General trust	-	-	-	5,817	5,817
Total net position	<u>\$ 7,595,892</u>	<u>\$ 26,344</u>	<u>\$ 24,370</u>	<u>\$ 431,670</u>	<u>\$ 8,078,276</u>

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

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
ALL CUSTODIAL FUNDS**

YEAR ENDED SEPTEMBER 30, 2021

	Custodial Funds				
	Court Registry	Juror and Witness	Restitution	General Trust	TOTAL
ADDITIONS					
Deposits in court registry	\$ 17,706,658	\$ -	\$ -	\$ -	\$ 17,706,658
Deposits for real auction	2,934,324	-	-	-	2,934,324
Deposits for jurors	-	2,850	-	-	2,850
Deposits for restitution	-	-	186,666	-	186,666
Payments from State	-	8,544	-	-	8,544
Deposits for bonds	-	-	-	780,365	780,365
Deposits for overpayments	-	-	-	555,708	555,708
Total additions	<u>20,640,982</u>	<u>11,394</u>	<u>186,666</u>	<u>1,336,073</u>	<u>22,175,115</u>
DEDUCTIONS					
Release of bonds	-	-	-	782,045	782,045
Refunds of overpayments	-	-	-	553,636	553,636
Payments for witnesses/jurors	-	36,674	-	-	36,674
Payments to victims	-	-	188,965	-	188,965
Auction refunds	2,140,892	-	-	-	2,140,892
Court ordered disbursements	16,105,799	-	-	-	16,105,799
Total deductions	<u>18,246,691</u>	<u>36,674</u>	<u>188,965</u>	<u>1,335,681</u>	<u>19,808,011</u>
Changes in net position	2,394,291	(25,280)	(2,299)	392	2,367,104
Net position-beginning (restated)	5,201,601	51,624	26,669	431,278	5,711,172
Net position-ending	<u>\$ 7,595,892</u>	<u>\$ 26,344</u>	<u>\$ 24,370</u>	<u>\$ 431,670</u>	<u>\$ 8,078,276</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, 2021, and the related notes to the financial statements, which collectively comprise the Clerk's financial statements, and have issued our report thereon dated December 9, 2021.

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.



Pensacola, Florida
December 9, 2021

**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, 2021. 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, 2021.



Pensacola, Florida
December 9, 2021

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, 2021, and the related notes to the financial statements, and have issued our report thereon dated December 9, 2021.

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 9, 2021, 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.

A handwritten signature in dark ink, appearing to read "Warren Amos, LLC". The signature is written in a cursive, somewhat stylized script.

Pensacola, Florida
December 9, 2021

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

SCHEDULE OF FINDINGS AND RESPONSES

SEPTEMBER 30, 2021

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

**ESCAMBIA COUNTY, FLORIDA
PROPERTY APPRAISER**

FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

**ESCAMBIA COUNTY, FLORIDA
PROPERTY APPRAISER**

FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

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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, 2021, and the related notes to the financial statements, which collectively comprise the Property Appraiser's financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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, 2021, 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, 2021, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to 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.



Pensacola, Florida
November 23, 2021

FINANCIAL STATEMENTS

**ESCAMBIA COUNTY, FLORIDA
PROPERTY APPRAISER**

**BALANCE SHEET
GOVERNMENTAL FUND**

SEPTEMBER 30, 2021

	General Fund
Assets	
Cash	<u><u>\$ 822,331</u></u>
Liabilities	
Accounts payable	\$ 13,177
Accrued liabilities	257,046
Due to BOCC	550,893
Due to other governments	<u>1,215</u>
Total liabilities	<u>822,331</u>
Fund Balance	
Unassigned:	<u>-</u>
Total fund balance	<u>-</u>
Total liabilities and fund balance	<u><u>\$ 822,331</u></u>

**ESCAMBIA COUNTY, FLORIDA
PROPERTY APPRAISER**

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

YEAR ENDED SEPTEMBER 30, 2021

	General Fund
Revenues:	
Charges for services	\$ 14,874
Miscellaneous revenue	<u>2,449</u>
Total Revenues	<u>17,323</u>
Expenditures:	
Current:	
General government:	
Salaries and benefits	5,165,261
Operating expenditures	790,343
Capital outlay	<u>13,992</u>
Total Expenditures	<u>5,969,596</u>
Deficiency of Revenues Over Expenditures	<u>(5,952,273)</u>
Other Financing Sources and (Uses):	
Transfers in	6,503,166
Transfers out	<u>(550,893)</u>
Total Other Financing Sources and (Uses)	<u>5,952,273</u>
Net Change in Fund Balance	-
Fund Balance, October 1, 2020	<u>-</u>
Fund Balance, September 30, 2021	<u><u>\$ -</u></u>

See notes to the financial statements.

**ESCAMBIA COUNTY, FLORIDA
PROPERTY APPRAISER**

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

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, 2021

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 \$5,000 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, 2021

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, 2021, the reported amount of the Property Appraiser's deposits and the bank balance consisting entirely of deposits in a checking account were \$822,331.

3. TRANSFERS

Transfers in consist of \$6,503,166 from the Escambia County Board of County Commissioners, and transfers out represent excess appropriations and fees returned to the Board in the amount of \$550,893. Amounts due to the Board of County Commissioners were \$550,893 at September 30, 2021.

4. DUE TO/FROM OTHER GOVERNMENTS

At September 30, 2021, the amounts due to other governments totaled \$1,215.

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, 2021

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, 2021

5. RETIREMENT PLAN – CONTINUED

The Property Appraiser's contributions to FRS for the years ended September 30, 2021, 2020 and 2019, were \$501,360, \$441,057 and \$405,363, respectively, equal to the required contributions for each year.

The contribution rates in effect during the period ended September 30, 2021, 2020 and 2019, are as follows:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>Regular Class:</u>	10.82%	10.00%	8.47%
Members not qualifying for other classes.			
<u>Senior Management Class:</u>	29.01%	27.29%	25.41%
Members of senior management who do not elect the optional annuity retirement program.			
<u>Elected Officials Class:</u>	51.42%	49.18%	48.82%
Certain elected county officials.			
<u>Deferred Retirement Option Program (DROP):</u>	18.34%	16.98%	14.60%
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, 2021

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 \$23,636. 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 23, 2021, 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, 2021

	General Fund			
	Budgeted Amounts			Variance
	Original	Final	Actual	with Final Budget
Revenues:				
Charges for services	\$ 7,414	\$ 14,341	\$ 14,874	\$ 533
Miscellaneous revenue	-	-	2,449	2,449
Total Revenues	7,414	14,341	17,323	2,982
Expenditures:				
Current:				
General government:				
Salaries and benefits	5,511,536	5,655,607	5,165,261	490,346
Operating expenditures	801,900	801,900	790,343	11,557
Capital outlay	-	-	13,992	(13,992)
Reserved for contingencies	197,144	60,000	-	60,000
Total Expenditures	6,510,580	6,517,507	5,969,596	547,911
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,503,166)	(6,503,166)	(5,952,273)	550,893
Other Financing Sources and Uses:				
Transfers in	6,503,166	6,503,166	6,503,166	-
Transfers out	-	-	(550,893)	(550,893)
Total Other Financing Sources (Uses)	6,503,166	6,503,166	5,952,273	(550,893)
Net Change in Fund Balance	-	-	-	-
Fund Balance, October 1, 2020	-	-	-	-
Fund Balance, September 30, 2021	\$ -	\$ -	\$ -	\$ -

See notes to the required supplementary information.

**ESCAMBIA COUNTY, FLORIDA
PROPERTY APPRAISER**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2021

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, 2021, and the related notes to the financial statements, and have issued our report thereon dated November 23, 2021.

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 23, 2021

**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, 2021.

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, 2021.

Warren Averett, LLC

Pensacola, Florida
November 23, 2021

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, 2021, and the related notes to the financial statements, and have issued our report thereon dated November 23, 2021.

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 23, 2021 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 23, 2021

**ESCAMBIA COUNTY, FLORIDA
PROPERTY APPRAISER**

SCHEDULE OF FINDINGS AND RESPONSES

SEPTEMBER 30, 2021

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

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL REPORTS**

**ESCAMBIA COUNTY, FLORIDA
SHERIFF**

SEPTEMBER 30, 2021

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL REPORTS**

**ESCAMBIA COUNTY, FLORIDA
SHERIFF**

SEPTEMBER 30, 2021

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**FINANCIAL STATEMENTS AND
SUPPLEMENTAL REPORTS**

**ESCAMBIA COUNTY, FLORIDA
SHERIFF**

SEPTEMBER 30, 2021

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INDEPENDENT AUDITORS' REPORT

Honorable Chip Simmons, 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, 2021, and the related notes to the financial statements, which collectively comprise the Sheriff's financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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

Change in Accounting Principle

As discussed in Note 2 to the financial statements, in 2021 the Sheriff adopted new accounting guidance, GASBS. No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above 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, 2021, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to 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 17 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 19 - 21 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 November 24, 2021, 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
November 24, 2021

Financial Statements

**ESCAMBIA COUNTY, FLORIDA
SHERIFF**

**BALANCE SHEET
GOVERNMENTAL FUNDS**

SEPTEMBER 30, 2021

	General Fund	Sheriff's Programs Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 4,087,793	\$ 5,403	\$ 4,093,196
Due from other funds	117,585	5,812	123,397
Due from Board of County Commissioners	95,154	-	95,154
Due from other governmental units	5,812	117,585	123,397
Inventory	538,198	-	538,198
Total assets	\$ 4,844,542	\$ 128,800	\$ 4,973,342
LIABILITIES			
Accounts payable	\$ 233,656	\$ -	\$ 233,656
Accrued liabilities	3,778,051	-	3,778,051
Due to other funds	-	123,397	123,397
Due to Board of County Commissioners	294,637	-	294,637
Unearned revenue	-	5,403	5,403
Total liabilities	4,306,344	128,800	4,435,144
FUND BALANCE			
Nonspendable: Inventory	538,198	-	538,198
Total fund balance	538,198	-	538,198
Total liabilities and fund balance	\$ 4,844,542	\$ 128,800	\$ 4,973,342

**ESCAMBIA COUNTY, FLORIDA
SHERIFF**

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

YEAR ENDED SEPTEMBER 30, 2021

	General Fund	Sheriff's Programs Fund	Total Governmental Funds
Revenues:			
Grant revenue	\$ -	\$ 1,691,741	\$ 1,691,741
Judgments, fines and forfeitures	-	17,119	17,119
Total Revenues	-	1,708,860	1,708,860
Expenditures:			
Current:			
Public safety:			
Salaries and benefits	57,960,105	774,479	58,734,584
Operating expenditures	7,892,116	619,381	8,511,497
Capital outlay	125,748	315,000	440,748
Total Expenditures	65,977,969	1,708,860	67,686,829
Excess (Deficiency) of Revenues Over (Under) Expenditures	(65,977,969)	-	(65,977,969)
Other Financing Sources and Uses:			
Transfers in	66,042,607	-	66,042,607
Transfers out	(64,638)	-	(64,638)
Total Other Financing Sources and Uses	65,977,969	-	65,977,969
Net Change in Fund Balance	-	-	-
Fund Balance, October 1, 2020	435,623	-	435,623
Change in inventory	102,575	-	102,575
Fund Balance, September 30, 2021	\$ 538,198	\$ -	\$ 538,198

**ESCAMBIA COUNTY, FLORIDA
SHERIFF**

STATEMENT OF FIDUCIARY NET POSITION – CUSTODIAL FUNDS

SEPTEMBER 30, 2021

ASSETS

Cash and cash equivalents	<u>\$ 507,437</u>
Total Assets	507,437

LIABILITIES

Due to defendant	4,348
Due to BOCC	36,740
Due to Clerk	<u>4,844</u>
Total Liabilities	45,932

NET POSITION

Restricted for:	
Employee events	28,385
Evidence	<u>433,120</u>
Total Net Position	<u><u>\$ 461,505</u></u>

**ESCAMBIA COUNTY, FLORIDA
SHERIFF**

STATEMENT OF CHANGES IN FIDUCIARY NET POSTION – CUSTODIAL FUNDS

SEPTEMBER 30, 2021

ADDITIONS

Evidence collected	\$ 1,207,950
Civil process fees	264,412
Contributions from employees	<u>45,702</u>
Total additions	1,518,064

DEDUCTIONS

Evidence returned to defendant	710,653
Paid to BOCC LET	412,078
Paid to BOCC per F.S.	225,866
Paid to Clerk for contempt	36,900
Credit card fees	1,646
Payments for employee events	<u>42,724</u>
Total deductions	<u>1,429,867</u>

Net Change in Fiduciary Net Position	88,197
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Net Position, October 1, 2020 (restated)	<u>373,308</u>
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Net Position, September 30, 2021	<u><u>\$ 461,505</u></u>
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**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, Annual Comprehensive 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

Custodial Funds are used to account for assets received and held by the Sheriff as a fiduciary for individuals, private organizations and other governments. The Sheriff has several custodial 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, 2021, 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 \$538,198 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, 2021, the restricted fund balance at the Sheriff consists of \$461,505 in custodial funds.

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, 2021, 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, 2021, 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, 2021, 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 (custodial funds) are reported using the economic resources measurement focus and the accrual basis of accounting.

**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. Change in Accounting Principle

For the year ended September 30, 2021, the Sheriff implemented GASB Statement No. 84, Fiduciary Activities. With the implementation, the Sheriff is required to record the beginning net position of custodial funds.

The beginning net position of the fiduciary funds has been restated to reflect the new guidance as follows:

Custodial Fund Statement of Changes in Fiduciary Net Position

October 1, 2020 net position balance, as previously reported	\$ -
Record net position under GASB Statement No. 84	<u>373,308</u>
October 1, 2020 net position balance, as restated	<u><u>\$ 373,308</u></u>

3. 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.

**ESCAMBIA COUNTY, FLORIDA
SHERIFF**

NOTES TO FINANCIAL STATEMENTS

3. Deposits and Investments – Continued

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, 2021, the reported amount of the Sheriff's deposits was approximately \$4.6 million, and the bank balance was approximately \$4.8 million, consisting entirely of cash and deposit accounts.

4. 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 \$66,042,607 of "transfers in" from the Board and "transfers out" of unspent appropriations in the amount of \$64,638.

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.

**ESCAMBIA COUNTY, FLORIDA
SHERIFF**

NOTES TO FINANCIAL STATEMENTS

6. 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 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, 2021, 2020 and 2019 were \$7.9 million, \$7.5 million and \$6.5 million, respectively, equal to the required contributions for each year.

**ESCAMBIA COUNTY, FLORIDA
SHERIFF**

NOTES TO FINANCIAL STATEMENTS

6. Retirement Plan – Continued

The contribution rates in effect during the period ended September 30, 2021, 2020 and 2019 were as follows:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>Regular Class:</u>	10.82%	10.00%	8.47%
Members not qualifying for other classes.			
<u>Senior Management Class:</u>	29.01%	27.29%	25.41%
Members of senior management who do not elect the optional annuity retirement program			
<u>Elected Officials Class:</u>	51.42%	49.18%	48.82%
Certain elected county officials.			
<u>Deferred Retirement Option Program (DROP):</u>	18.34%	16.98%	14.60%
Members are enrolled in DROP from FRS			
<u>Special Risk Class:</u>			
Members employed as law enforcement officers, firefighters or correctional officers meet the criteria to qualify for this class	25.89%	24.45%	25.48%

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 annual comprehensive 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 annual comprehensive financial report.

**ESCAMBIA COUNTY, FLORIDA
SHERIFF**

NOTES TO FINANCIAL STATEMENTS

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, 2021, of approximately \$1.1 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, 2021, 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*.

Coach Aaron Feis Guardian Program
Disaster Grants – Public Assistance
Edward Byrne Memorial-Justice Assistance Grant Program
Homeland Security Grant Program

10. Fund Expenditure Details

The following is a schedule of the General Fund's expenditures for the year ended September 30, 2021:

Account Description	Law Enforcement	Court Security	Totals
Salary & Benefits	\$ 54,322,760	\$ 3,637,345	\$ 57,960,105
Other Operating	7,888,976	3,140	7,892,116
Capital Outlay	125,748	-	125,748
Totals	\$ 62,337,484	\$ 3,640,485	\$ 65,977,969

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.

**ESCAMBIA COUNTY, FLORIDA
SHERIFF**

NOTES TO FINANCIAL STATEMENTS

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, 2021 and November 24, 2021, 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, 2021

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues:				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Public safety:				
Salaries and benefits	59,491,848	59,491,848	57,960,105	1,531,743
Operating expenditures	6,148,019	6,450,759	7,892,116	(1,441,357)
Capital outlay	100,000	100,000	125,748	(25,748)
Total Expenditures	65,739,867	66,042,607	65,977,969	64,638
Excess (Deficiency) of Revenues Over (Under) Expenditures	(65,739,867)	(66,042,607)	(65,977,969)	64,638
Other Financing Sources and Uses:				
Transfers in	65,739,867	66,042,607	66,042,607	-
Transfers out	-	-	(64,638)	(64,638)
Total Other Financing Sources (Uses)	65,739,867	66,042,607	65,977,969	(64,638)
Net Change in Fund Balance	-	-	-	-
Fund Balance, October 1, 2020	-	-	435,623	435,623
Change in inventory	-	-	102,575	102,575
Fund Balance, September 30, 2021	\$ -	\$ -	\$ 538,198	\$ 538,198

**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, 2021

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues:				
Grant revenue				
FBI Cyber Crime	\$ 19,180	\$ 19,180	\$ 2,272	\$ (16,908)
US Marshall's	10,000	10,000	22,106	12,106
HIDTA	15,000	15,000	5,812	(9,188)
OCDETF	-	60,000	60,000	-
ATF	19,180	19,180	1,568	(17,612)
Guardian Program	26,304	26,304	26,304	-
Jag Federal 2018	125,841	81,988	81,996	8
Disaster Relief	-	946,164	946,164	-
DEA Task Force	1,575	13,278	18,172	4,894
PED Bike HVE	56,895	56,896	53,926	(2,970)
Jag Federal 2019	115,643	116,010	106,425	(9,585)
Get a Plan	315,000	315,000	315,000	-
Night Vision	52,000	52,000	51,996	(4)
Judgments, fines and forfeitures				
Law Enforcement Trust Fund	-	-	17,119	17,119
Total Revenues	756,618	1,731,000	1,708,860	(22,140)
Expenditures:				
Current:				
Public safety:				
Salaries and benefits	351,271	813,735	774,479	39,256
Operating expenditures	90,347	602,265	619,381	(17,116)
Capital outlay	315,000	315,000	315,000	-
Total Expenditures	756,618	1,731,000	1,708,860	22,140
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, 2020	-	-	-	-
Fund Balance, September 30, 2021	\$ -	\$ -	\$ -	\$ -

**ESCAMBIA COUNTY, FLORIDA
SHERIFF**

**COMBINING STATEMENT OF FIDUCIARY NET POSITION –
ALL CUSTODIAL FUNDS**

SEPTEMBER 30, 2021

	Custodial Funds			
	Evidence Trust Fund	Civil Trust Fund	General Employee Events Fund	TOTAL
ASSETS				
Cash and cash equivalents	\$ 437,468	\$ 41,584	\$ 28,385	\$ 507,437
Total Assets	437,468	41,584	28,385	507,437
LIABILITIES				
Due to defendant	4,348	-	-	4,348
Due to BOCC	-	36,740	-	36,740
Due to Clerk	-	4,844	-	4,844
Total Liabilities	4,348	41,584	-	45,932
NET POSITION				
Restricted for:				
Employee events	-	-	28,385	28,385
Evidence	433,120	-	-	433,120
Total Net Position	\$ 433,120	\$ -	\$ 28,385	\$ 461,505

**ESCAMBIA COUNTY, FLORIDA
SHERIFF**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION –
ALL CUSTODIAL FUNDS**

YEAR ENDED SEPTEMBER 30, 2021

	Custodial Funds			
	Evidence Trust Fund	Civil Trust Fund	General Employee Events Fund	TOTAL
ADDITIONS				
Evidence collected	\$ 1,207,950	\$ -	\$ -	\$ 1,207,950
Civil process fees	-	264,412	-	264,412
Contributions from employees	-	-	45,702	45,702
Total additions	1,207,950	264,412	45,702	1,518,064
DEDUCTIONS				
Evidence returned to defendant	710,653	-	-	710,653
Paid to BOCC LET	412,078	-	-	412,078
Paid to BOCC per F.S.	-	225,866	-	225,866
Paid to Clerk for contempt	-	36,900	-	36,900
Credit card fees	-	1,646	-	1,646
Payments for employee events	-	-	42,724	42,724
Total deductions	1,122,731	264,412	42,724	1,429,867
Net Change in Fiduciary Net Position	85,219	-	2,978	88,197
Net Position, October 1, 2020 (restated)	347,901	-	25,407	373,308
Net Position, September 30, 2021	\$ 433,120	\$ -	\$ 28,385	\$ 461,505

**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 Chip Simmons, 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, 2021, and the related notes to the financial statements, which collectively comprise the Sheriff's financial statements, and have issued our report thereon dated November 24, 2021.

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
November 24, 2021

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

Honorable Chip Simmons, 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, 2021. 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, 2021.

Warren Averett, LLC

Pensacola, Florida
November 24, 2021

MANAGEMENT LETTER

Honorable Chip Simmons, 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, 2021, and have issued our report thereon dated November 24, 2021.

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 November 24, 2021, 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
November 24, 2021

**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, 2021

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL REPORTS**

**ESCAMBIA COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

SEPTEMBER 30, 2021

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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, 2021, 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, 2021, 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, 2021, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison 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.



Pensacola, Florida
December 16, 2021

Financial Statements

**ESCAMBIA COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

**BALANCE SHEET
GOVERNMENTAL FUNDS**

SEPTEMBER 30, 2021

	General Fund	Grant Fund
Assets		
Due from other governmental units	\$ 72,721	\$ 31,403
Total assets	<u>\$ 72,721</u>	<u>\$ 31,403</u>
Liabilities		
Accounts payable	\$ 39,992	\$ -
Accrued liabilities	32,652	-
Due to the other governmental units	77	19,827
Unearned revenue	<u>-</u>	<u>11,576</u>
Total liabilities	72,721	31,403
Fund Balance		
Restricted for:		
Grants	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 72,721</u>	<u>\$ 31,403</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, 2021

	General Fund	Grant Fund
Revenues:		
Grant revenue	\$ -	\$ 283,366
Charges for services	6,382	-
Investment income	-	66
Total Revenues	<u>6,382</u>	<u>283,432</u>
Expenditures:		
Current:		
General government:		
Salaries and benefits	1,269,072	20,000
Operating expenditures	1,021,642	230,953
Capital outlay	-	32,479
Total Expenditures	<u>2,290,714</u>	<u>283,432</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,284,332)</u>	<u>-</u>
Other Financing Sources and Uses:		
Transfers in	2,284,332	-
Transfers out	-	-
Total Other Financing Sources and Uses	<u>2,284,332</u>	<u>-</u>
Net Change in Fund Balance	-	-
Fund Balance, October 1, 2020	<u>-</u>	<u>-</u>
Fund Balance, September 30, 2021	<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, 2021, 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, 2021, 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, 2021, 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, 2021, 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, 2021, 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, 2021, 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, 2021, the amounts due to other governmental units totaled \$19,904 and was payable to the Board. The due from other governmental units totaled \$104,124 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, 2021, 2020 and 2019 were \$133,980, \$151,383, and \$126,918, respectively, equal to the required contributions for each year.

The contribution rates in effect during the period ended September 30, 2021, 2020 and 2019 were as follows:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>Regular Class:</u>	10.82%	10.00%	8.47%
Members not qualifying for other classes.			
<u>Senior Management Class:</u>	29.01%	27.29%	25.41%
Members of senior management who do not elect the optional annuity retirement program.			
<u>Elected Officials Class:</u>	51.42%	49.18%	48.82%
Certain elected county officials.			
<u>Deferred Retirement Option Program (DROP):</u>	18.34%	16.98%	14.60%
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 2021. 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**

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

YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues:				
Charges for services	\$ -	\$ -	\$ 6,382	\$ 6,382
Total Revenues	-	-	6,382	6,382
Expenditures:				
Current:				
General government:				
Salaries and benefits	1,474,726	1,474,726	1,269,072	205,654
Operating expenditures	1,178,375	1,178,375	1,021,642	156,733
Total Expenditures	2,653,101	2,653,101	2,290,714	362,387
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,653,101)	(2,653,101)	(2,284,332)	368,769
Other Financing Sources and Uses:				
Transfers in	2,653,101	2,653,101	2,284,332	(368,769)
Total Other Financing Sources (Uses)	2,653,101	2,653,101	2,284,332	(368,769)
Net Change in Fund Balance	-	-	-	-
Fund Balance, October 1, 2020	-	-	-	-
Fund Balance, September 30, 2021	\$ -	\$ -	\$ -	\$ -

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, 2021

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues:				
Grant revenue	\$ -	\$ 364,299	\$ 283,366	\$ (80,933)
Investment income	-	-	66	66
Total Revenues	-	364,299	283,432	(80,867)
Expenditures:				
Current:				
General government:				
Salaries and benefits	-	-	20,000	(20,000)
Operating expenditures grants	-	364,299	230,953	133,346
Capital outlay	-	-	32,479	(32,479)
Total Expenditures	-	364,299	283,432	80,867
Net Change in Fund Balance	-	-	-	-
Fund Balance, October 1, 2020	-	-	-	-
Fund Balance, September 30, 2021	\$ -	\$ -	\$ -	\$ -

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, 2021, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' financial statements, and have issued our report thereon dated December 16, 2021.

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 Averett, LLC

Pensacola, Florida
December 16, 2021

**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, 2021.

Management is responsible for the Supervisor of Elections' compliance with those requirements. Our responsibility is to express an opinion on the Supervisor of Elections' compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Supervisor of Elections complied, in all material respects, with the 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, 2021.



Pensacola, Florida
December 16, 2021

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, 2021, and the related notes to the financial statements and have issued our report thereon dated December 16, 2021.

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 16, 2021, 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 communicate 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 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 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.



Pensacola, Florida
December 16, 2021

ANNUAL AUDIT REPORT
SUPERVISOR OF ELECTIONS
ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND REPOSSES
SEPTEMBER 30, 2021

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

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL REPORTS**

**ESCAMBIA COUNTY, FLORIDA
TAX COLLECTOR**

SEPTEMBER 30, 2021

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL REPORTS**

**ESCAMBIA COUNTY, FLORIDA
TAX COLLECTOR
SEPTEMBER 30, 2021**

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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, 2021, and the related notes to the financial statements, which collectively comprise the Tax Collector's financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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, 2021, 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.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, in 2021 the Tax Collector adopted new accounting guidance GASB No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to the matter.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida. 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, 2021, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule 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 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 Overett, LLC

January 31, 2022
Pensacola, Florida

Financial Statements

**ESCAMBIA COUNTY, FLORIDA
TAX COLLECTOR**

BALANCE SHEET – GOVERNMENTAL FUND

SEPTEMBER 30, 2021

	General Fund
Assets	
Cash and cash equivalents	\$ 1,583,494
Due from other governmental units	15,706
Total assets	<u>\$ 1,599,200</u>
Liabilities	
Accounts payable	\$ 289,097
Accrued liabilities	175,148
Due to Board of County Commissioners	944,174
Due to other governmental units	2,221
Unearned revenue	188,560
Total liabilities	1,599,200
Fund Balance	<u>-</u>
Total liabilities and fund balance	<u>\$ 1,599,200</u>

**ESCAMBIA COUNTY, FLORIDA
TAX COLLECTOR**

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

YEAR ENDED SEPTEMBER 30, 2021

	General Fund
Revenues:	
Charges for services	\$ 3,796,697
Intergovernmental revenue	185,249
Miscellaneous revenue	<u>130,405</u>
Total Revenues	4,112,351
Expenditures:	
Current:	
General government:	
Salaries and benefits	6,518,726
Operating expenditures	1,648,760
Capital outlay	<u>177,144</u>
Total Expenditures	<u>8,344,630</u>
Deficiency of revenues over expenditures	(4,232,279)
Other Financing Sources and (Uses):	
Transfers in	5,176,453
Transfers out	<u>(944,174)</u>
Total Other Financing Sources and (Uses)	<u>4,232,279</u>
Net Change in Fund Balance	-
Fund Balance, October 1, 2020	-
Fund Balance, September 30, 2021	<u><u>\$ -</u></u>

**ESCAMBIA COUNTY, FLORIDA
TAX COLLECTOR**

STATEMENT OF FIDUCIARY NET POSITION – CUSTODIAL FUNDS

YEAR ENDED SEPTEMBER 30, 2021

Assets

Cash and cash equivalents	\$ 4,658,858
Accounts receivable	<u>567,569</u>
Total assets	5,226,427

Liabilities

Due to individuals	484,228
Due to other governments	<u>4,742,199</u>
Total liabilities	5,226,427

Net Position

Restricted	<u>-</u>
Total net position	<u><u>\$ -</u></u>

**ESCAMBIA COUNTY, FLORIDA
TAX COLLECTOR**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – CUSTODIAL FUNDS

SEPTEMBER 30, 2021

Additions

Collections of taxes on behalf of other entities	\$ 324,074,052
Collections of fees on behalf of other entities	32,041,547
Other	<u>351,164</u>

Total additions	356,466,763
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Deductions

Payments of taxes to other entities	324,040,537
Payments of fees to other entities	31,433,599
Other	60,759
Refunds of tax overpayments	<u>931,868</u>

Total deductions	356,466,763
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Net Change in Fiduciary Net Position	-
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Net Position, October 1, 2020	<u>-</u>
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Net Position, September 30, 2021	<u><u>\$ -</u></u>
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**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 *custodial 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.

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 \$5,000 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. Change in Accounting Principle

For the year ended September 30, 2021, the Tax Collector implemented GASB Statement No. 84, *Fiduciary Activities*.

**ESCAMBIA COUNTY, FLORIDA
TAX COLLECTOR**

NOTES TO THE FINANCIAL STATEMENTS

3. 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.

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, 2021, the reported amount of the Tax Collector’s deposits was approximately \$6.25 million, and the bank balance was approximately \$6.4 million, consisting entirely of deposits in checking and saving accounts.

4. 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, 2021, there were no interfund receivables or payables within the Tax Collector’s funds. Transfers in consist of \$5,176,453 from the Board of County Commissioners, and transfers out (excess budget and fees to the Board) totaled \$944,174.

5. Due To The Board of County Commissioners

At September 30, 2021, the due to Board of County Commissioners totals \$944,174 and is comprised of excess fees over expenditures.

6. 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 maybe 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
TAX COLLECTOR**

NOTES TO THE FINANCIAL STATEMENTS

6. 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 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.

**ESCAMBIA COUNTY, FLORIDA
TAX COLLECTOR**

NOTES TO THE FINANCIAL STATEMENTS

6. Retirement Plan (Continued)

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, 2021, 2020 and 2019 were \$607,591, \$537,693, and \$508,102, respectively, equal to the required contributions for each year.

The contribution rates in effect during the period ended September 30, 2021, 2020, and 2019 were as follows:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>Regular Class:</u>	10.82%	10.00%	8.47%
Members not qualifying for other classes.			
<u>Senior Management Class:</u>	29.01%	27.29%	25.41%
Members of senior management who do not elect the optional annuity retirement program.			
<u>Elected Officials Class:</u>	51.42%	49.18%	48.82%
Certain elected county officials.			
<u>Deferred Retirement Option Program (DROP):</u>	18.34%	16.98%	14.60%
Members are enrolled in DROP from FRS			

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.

7. 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

8. 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. 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.

9. 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>
2022	\$ 283,715
2023	209,250
2024	<u>52,313</u>
	<u><u>\$ 545,278</u></u>

Rent expense for the year ended September 30, 2021 was \$325,871.

10. 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, 2021

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for services	\$ 3,736,585	\$ 3,736,585	\$ 3,796,697	\$ 60,112
Intergovernmental revenue	-	-	185,249	185,249
Miscellaneous revenue	100,500	100,500	130,405	29,905
Total Revenues	3,837,085	3,837,085	4,112,351	275,266
Expenditures:				
Current:				
General government:				
Salaries and benefits	6,924,404	6,738,460	6,518,726	219,734
Operating expenditures	1,756,633	1,756,633	1,648,760	107,873
Capital outlay	15,900	201,844	177,144	24,700
Total Expenditures	8,696,937	8,696,937	8,344,630	352,307
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,859,852)	(4,859,852)	(4,232,279)	(627,573)
Other Financing Sources and Uses:				
Transfers in	5,176,453	5,176,453	5,176,453	-
Transfers out	(316,601)	(316,601)	(944,174)	627,573
Total Other Financing Sources (Uses)	4,859,852	4,859,852	4,232,279	627,573
Net Change in Fund Balance	-	-	-	-
Fund Balance, October 1, 2020	-	-	-	-
Fund Balance, September 30, 2021	\$ -	\$ -	\$ -	\$ -

**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 FIDUCIARY NET POSITION –
CUSTODIAL FUNDS**

SEPTEMBER 30, 2021

	Custodial Funds		
	Tax Fund	Tag Fund	TOTAL
Assets			
Cash and cash equivalents	\$ 4,013,812	\$ 645,046	\$ 4,658,858
Accounts receivable	249	567,320	567,569
Total assets	4,014,061	1,212,366	5,226,427
Liabilities			
Due to individuals	391,377	92,851	484,228
Due to other governments	3,622,684	1,119,515	4,742,199
Total liabilities	4,014,061	1,212,366	5,226,427
Net Position			
Restricted	-	-	-
Total net position	\$ -	\$ -	\$ -

**ESCAMBIA COUNTY, FLORIDA
TAX COLLECTOR**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION –
CUSTODIAL FUNDS**

SEPTEMBER 30, 2021

	Custodial Funds		
	Tax Fund	Tag Fund	TOTAL
Additions			
Collections of taxes on behalf of other entities	\$ 309,091,564	\$ 14,982,488	\$ 324,074,052
Collections of fees on behalf of other entities	512,070	31,529,477	32,041,547
Other	351,164	-	351,164
Total additions	309,954,798	46,511,965	356,466,763
Deductions			
Payments of taxes to other entities	309,425,231	14,615,306	324,040,537
Payments of fees to other entities	529,567	30,904,032	31,433,599
Other	-	60,759	60,759
Refunds of tax overpayments	-	931,868	931,868
Total deductions	309,954,798	46,511,965	356,466,763
Net Change in Fiduciary Net Position	-	-	-
Net Position, October 1, 2020	-	-	-
Net Position, September 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Honorable 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, 2021, and the related notes to the financial statements, which collectively comprise the Tax Collector's financial statements, and have issued our report thereon dated January 31, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Tax Collector's internal control over financial reporting (internal control) as a basis for designing 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

January 31, 2022
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, 2021. 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, 2021.

Warren Averett, LLC

January 31, 2022
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, 2021, and the related notes to the financial statements, and have issued our report thereon dated January 31, 2022.

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 January 31, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether 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

January 31, 2022
Pensacola, Florida

**ESCAMBIA COUNTY, FLORIDA
TAX COLLECTOR
SCHEDULE OF FINDINGS AND RESPONSES
SEPTEMBER 30, 2021**

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

