



Santa Rosa County Florida



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR THE YEAR ENDED
SEPTEMBER 30, 2020**

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Public Information Office

SANTA ROSA COUNTY, FLORIDA

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR THE YEAR ENDED
SEPTEMBER 30, 2020**

**Donald C. Spencer
Clerk of the Circuit Court, County Court and Comptroller**

**Prepared By:
Clerk of the Circuit Court, County Court and Comptroller
Finance Department**

**Robert J. Miller
Assistant Finance Director**

Santa Rosa County, Florida
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Santa Rosa County Clerk of the Circuit Court and Comptroller
Santa Rosa County Property Appraiser
Santa Rosa County Sheriff
Santa Rosa County Supervisor of Elections
Santa Rosa County Tax Collector



INTRODUCTORY SECTION



DONALD C. SPENCER
CLERK OF THE CIRCUIT COURT & COMPTROLLER
SANTA ROSA COUNTY, FLORIDA

Clerk of the County Court & Comptroller
Recorder of Deeds
Clerk and Accountant of the Board of County Commissioners
Custodian of County Funds
County Auditor

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Milton, Florida 32570
P O BOX 472
Milton, Florida 32572
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March 26, 2021

To the Honorable Board of County Commissioners and the Citizens of Santa Rosa County:

State law requires that every general-purpose local government publish, within forty-five days after the completion of the audit report but no later than nine months after the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended September 30, 2020.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Warren Averett, LLC, Certified Public Accountants, have issued an unmodified ("clean") opinion on Santa Rosa County's financial statements for the year ended September 30, 2020. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

Santa Rosa County, established in 1842 by an act of the Florida Legislature, is located on the Northwest Florida Gulf Coast. The County currently occupies 1,012 square miles and serves an estimated population of 184,313. Santa Rosa County is empowered to levy a property tax on both real and personal property located within its boundaries.

Santa Rosa County is a Non-Charter County established under the Constitution and the Laws of the State of Florida. Santa Rosa County includes the Board of County Commissioners, the Clerk of the Courts, the Property Appraiser, the Sheriff, the Supervisor of Elections, and the Tax Collector.

The Board of County Commissioners serves as the legislative and policy setting body of Santa Rosa County as established under Section 125 of the Florida Statutes. As such, the Board enacts all legislation and authorizes programs and expenditures within the County. The Board appoints a professionally trained County Administrator who is responsible for policy and budget development and implementation.

The Board is comprised of five members elected countywide. Each member must reside within the district for which seat he/she seeks election. Each year the Board organizes itself selecting a Chair and Vice-Chair from among its members to preside at Commission meetings.

The Clerk of Circuit Court performs a wide range of record keeping, information management and financial management functions in the judicial system and county government.

The Property Appraiser is primarily responsible for identifying, locating, and valuing all property within the county for ad valorem tax purposes. He is also responsible for administering exemptions, mapping all parcels, and classifying agricultural lands.

The Sheriff provides for the public safety of the citizens of Santa Rosa County through the enforcement of state criminal laws and county ordinances, preventing and reducing crime and violence through departmental and community-based programs.

The Supervisor of Elections administers the election of the elected officials within the county. She maintains the voter registration list, establishes polling places, and educates voters.

The Tax Collector collects and distributes taxes established by city, county, state, and other local governments.

Santa Rosa County provides a full range of services including police and fire protection; the construction and maintenance of streets and other infrastructure; water and sewer service on Navarre Beach; solid waste disposal and recycling; the Peter Prince Airport; Industrial Park facilities and recreational and cultural activities.

Local Economy

Santa Rosa County has long been considered a “bedroom community” of the larger Pensacola metropolitan statistical area. Knowing that residential growth does not sustain a healthy tax base, the County has aggressively been promoting the area as a good place to bring new and expanding businesses. The County has an Industrial Park to provide attractive inducements to businesses willing to invest capital and hire employees at above average wages. A second industrial park, Whiting Aviation Park, near Whiting Field provides access to a 6,000-foot runway.

Santa Rosa County has experienced an estimated 22% growth in population over the past 9 years and the prospect for further growth is very good. The infrastructure to support that growth lags behind. To reduce that lag in infrastructure growth, the citizens of the County passed a local option sales tax in 2016. The County has repaved numerous roads and upgraded drainage systems throughout the County.

Tourism, a significant industry for the County, has surged over the last couple of years. Tourism had suffered considerable damage from the destruction caused by hurricanes and the BP Oil Spill. The leisure and hospitality industry accounts for approximately 15.9% of the County’s workforce.

Long-Term Financial Planning and Relevant Financial Policies

Unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) in the general fund at year end was 51% of total general fund revenues. This amount is favorable and would cover approximately 6 months' worth of expenditures and transfers out.

Major Initiatives

For the year, staff, following specific directives from the Board of County Commissioners and the County Administrator, was involved in a variety of projects throughout the year. These projects reflect the County's commitment to ensuring that its citizens can live and work in a desirable environment.

In the current year, approximately 48 miles of roads were paved or resurfaced and performed numerous maintenance projects on drainage systems.

Economic development commenced construction for Whiting Aviation Park Infrastructure, a \$10 million project utilizing \$8.5 million in funding from Triumph Gulf Coast, Inc. for Project Runner, which will add 400 jobs above the county average wage. They also began design on a \$3.5 million Triumph-funded project to complete infrastructure at I-10 Industrial Park for Project Lionheart, a pharmaceutical and medical device distribution company, which will add 90 high wage jobs.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Santa Rosa County, Florida for its comprehensive annual financial report for the fiscal year ended September 30, 2019. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

A comprehensive annual financial report of this nature could not have been prepared on a timely basis without the dedicated efforts of the Finance Department who worked many hours on this project. I would like to thank them for their invaluable assistance in the preparation of this report.

I would also like to thank the Board of County Commissioners and their staff, and the other Constitutional Officers for their personal interest and dedicated support in planning and conducting the financial operations of the County in a responsible and progressive manner.



Donald C. Spencer

Clerk of the Courts and Comptroller



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Santa Rosa County
Florida**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morill

Executive Director/CEO

Santa Rosa County, Florida
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Fiscal Year Ended September 30, 2020

Board of County Commissioners

W.D. “Don” Salter
Chairman
Lane Lynchard
Vice Chairman

Sam Parker
Robert A. “Bob” Cole
Dave Piech

Elected Constitutional Officers

Donald C. Spencer
Clerk of the Courts and Comptroller

Gregory S. Brown
Property Appraiser

Tappie Villane
Supervisor of Elections

Bob Johnson
Sheriff

Stan Colie Nichols
Tax Collector

County Management

Dan Schebler
County Administrator

Roy V. Andrews
County Attorney

Mark Murray
Assistant County Administrator

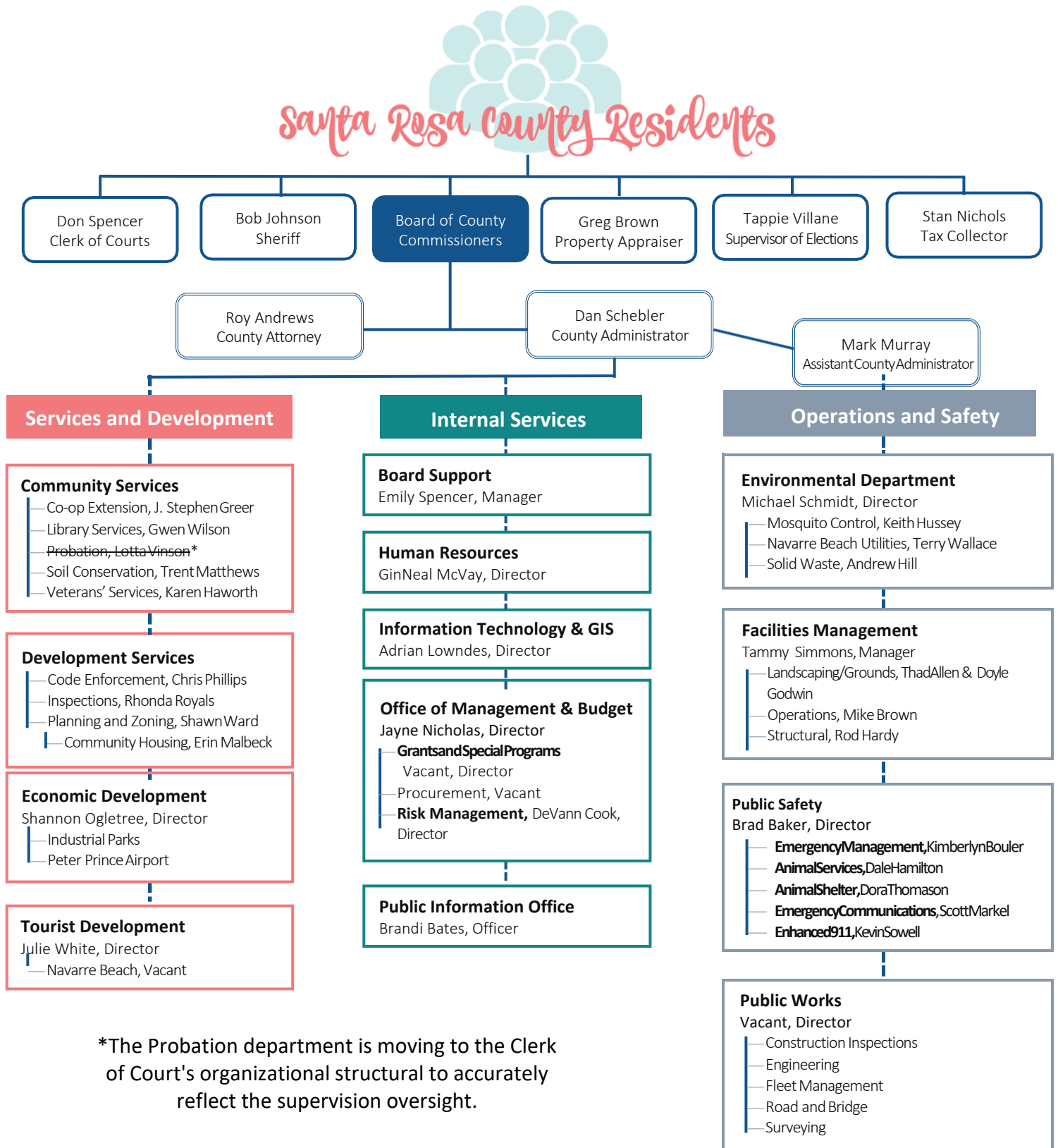
GinNeal McVay
Director of Human Resources

Jayne Nicholas
Office of Management and Budget

Mark Murray
Acting Director of Public Works

Roger Blaylock
County Engineer

FY2021 Organizational Chart



*The Probation department is moving to the Clerk of Court's organizational structural to accurately reflect the supervision oversight.



FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

The Honorable Board of County Commissioners
Santa Rosa County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Santa Rosa County, Florida, (the "County") as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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 respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of September 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules for the general fund, road and bridge fund, CARES act fund, and the local option sales tax fund, the schedules of proportionate share of the net pension liability, the schedules of the County's contributions, the schedules of changes in total liability and related ratios for other post-employment benefits, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining individual fund statements and budgetary comparison schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2021 tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. 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 County's internal control over financial reporting and compliance.

Warren Averett, LLC

March 26, 2021
Pensacola, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Santa Rosa County (County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-3 of this report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$223,864,651 (*net position*). Of this amount, (\$11,982,707) represents unrestricted net position, which may normally be used to meet the government's ongoing obligations to citizens and creditors. In the current year, the deficit balance in unrestricted net position increased primarily due to the changes in pension liability in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68 as discussed in Note K.
- The County's total net position increased by \$21,909,539; governmental activities increased by \$14,195,122 and business-type activities increased by \$7,714,417. The increase in total net position was primarily due to appropriations from the Federal government under the CARES Act in the governmental activities, and in business-type activities, the increase primarily related to an increase in landfill revenues due to increased rates without a large adjustment to landfill closure and maintenance.
- At the close of the current fiscal year, the County governmental funds reported combined fund balances of \$82,832,809, an increase of \$3,216,696 in comparison with the prior year. Approximately 51% of this amount (\$42,260,324) is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the governmental funds were \$57,993,007, or approximately 70% of total general fund expenditures.
- The County's total outstanding long-term bonds and notes increased by \$4,024,191 during the current fiscal year due to issuance of new debt for capital projects combined with normal debt service principal reductions.

OVERVIEW OF THE FINANCIAL STATEMENTS

The County's basic financial statements consist of three components: 1) *Government-wide financial statements*, 2) *Fund financial statements*, and 3) *Notes to the financial statements*. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide financial statements

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

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

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

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public safety, physical environment, transportation, economic environment, human services, and culture and recreation. The business-type activities of the County include a water/sewer service, solid waste disposal, building inspections, and hangar rentals.

The government-wide financial statements can be found on pages 23-25 of this report.

Fund financial statements

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

Governmental Funds

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

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

The County maintains thirty individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, road and bridge fund, local option sales tax fund, and CARES Act fund, which are considered to be major funds. Data from the other twenty-six governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The County adopts annual appropriated budgets for all but five of its governmental funds. Budgetary comparison schedules are provided as required supplementary information for the general fund, road and bridge fund, local option sales tax fund, and CARES Act fund.

The basic governmental fund financial statements can be found on pages 26-29 of this report.

Proprietary Funds

The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its water/sewer service, solid waste disposal, building inspections, and hangar rentals. Internal services funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for the management of its retained risks and for its fleet of vehicles. Because both services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water/sewer services and solid waste disposal which are considered to be major funds of the County. The internal service fund is presented in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 30-32 of this report.

Fiduciary Funds

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

The County maintains an Agency fund which reports resources held by the County in a custodial capacity for individuals, private organizations and other governments.

The fiduciary fund financial statements can be found on pages 33 of this report.

Notes to the financial statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 35-67 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the County's progress in funding its obligation to provide pension and OPEB benefits to its employees. Required supplementary information can be found starting on page 69 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found starting on page 81 of this report.

Government-Wide Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities plus deferred inflows by \$223.9 million as of September 30, 2020.

Santa Rosa County's Net Position (in thousands)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 111,795	\$ 97,848	\$ 34,885	\$ 27,371	\$ 146,680	\$ 125,219
Capital assets	193,846	165,022	27,631	26,283	221,477	191,305
Total assets	305,641	262,870	62,516	53,654	368,157	316,524
Deferred outflows of resources	34,897	28,652	1,405	1,172	36,302	29,824
Long-term liabilities						
outstanding	130,078	101,064	25,365	23,045	155,443	124,109
Other liabilities	21,160	10,959	1,254	1,995	22,414	12,954
Total liabilities	151,238	112,023	26,619	25,040	177,857	137,063
Deferred inflow of resources	2,561	6,954	177	376	2,738	7,330
Net position						
Net investment in						
capital assets	185,355	160,555	26,541	25,192	211,896	185,747
Restricted	23,951	18,027	-	-	23,951	18,027
Unrestricted	(22,567)	(6,037)	10,584	4,218	(11,983)	(1,819)
Total net position	\$ 186,739	\$ 172,545	\$ 37,125	\$ 29,410	\$ 223,864	\$ 201,955

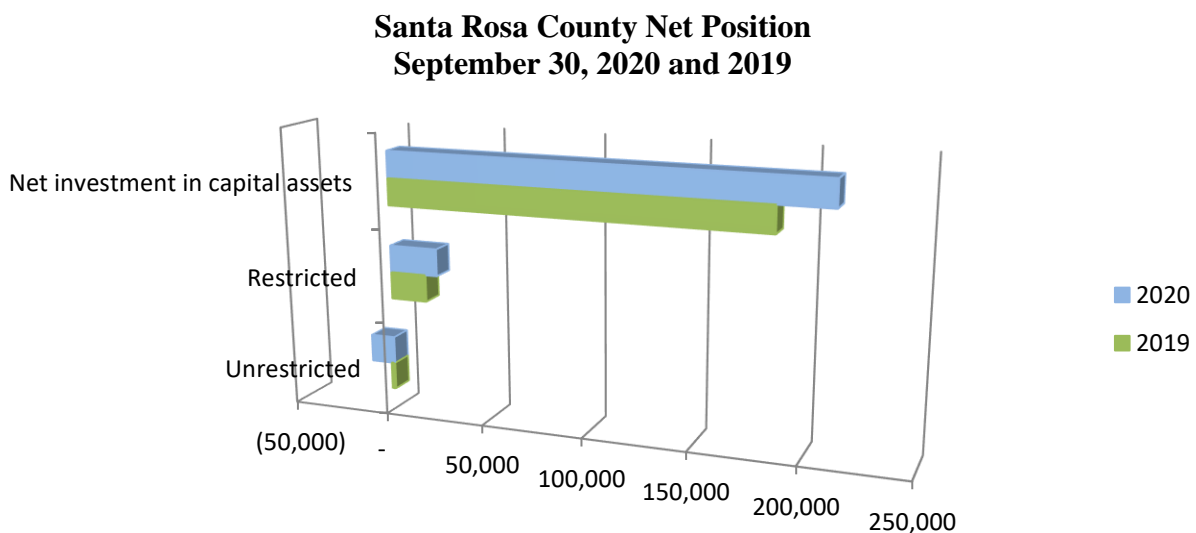
The largest portion of the County's net position (95%) reflects its investment in capital assets (e.g., land, buildings, equipment, improvements, construction in progress and infrastructure), less any related outstanding debt that was used to acquire those assets. The County uses these capital assets to provide a variety of services to its citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position (11%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of (\$11,982,707) is unrestricted and may normally be used to meet the government's ongoing obligations to its citizens and creditors. The deficit in the County's unrestricted net position increased in the current year due to the GASB Statement No. 68 adjustment in the amount of \$13,311,985 which requires the County to record an estimated liability and expense for potential future pension costs. The estimated liability and expense are based on the following assumptions:

- when an employee will retire;
- when an employee will die;
- future pay increases for employees;
- what inflation will be in the future;
- what investment returns will be going forward;
- the best rate to discount those estimated future payments.

See page 60 of this report which shows significant variations in the liability due to the discount rate assumptions.

At the end of the current fiscal year, the County is able to report positive balances in all reported categories of net position except governmental activities unrestricted net position due to GASB 68.



However, the County's overall net position increased \$21,909,151 from operations. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

Governmental Activities

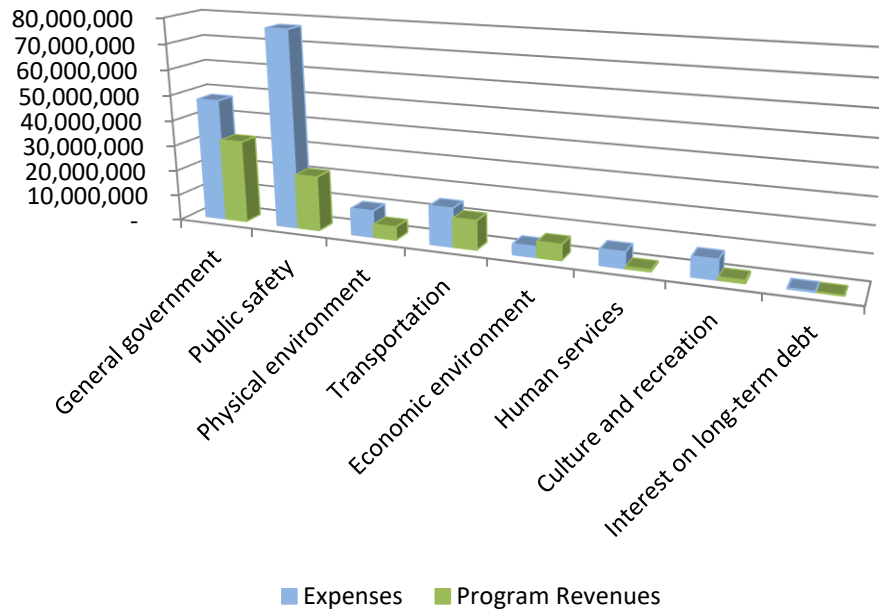
During the current fiscal year, net position for governmental activities increased \$14,195,122 from the prior fiscal year leaving an ending net position of \$186,739,681. This increase primarily relates to the CARES Act Fund which was a new fund reporting \$21.6 million in both revenues and expenses; however only approximately \$6.6 million in expenses were previously unbudgeted. An increase in property tax revenue as a result of increased property values also contributed to the increase in governmental activities. Increases in expenses related primarily to GASB Statement No. 68 as discussed above, an increase in Sheriff office expenses for additional staffing, and unanticipated expenses related to the COVID-19 pandemic as well as clean-up and recovery following Hurricane Sally.

Santa Rosa County's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues						
Charges for services	\$ 32,382	\$ 33,851	\$ 19,576	\$ 17,334	\$ 51,958	\$ 51,185
Operating grants & contributions	30,483	8,214	--	--	30,483	8,214
Capital grants & contributions	14,338	6,127	813	329	15,151	6,456
General revenues						
Property tax	60,823	56,285	--	--	60,823	56,285
Sales, use and fuel tax	21,603	23,346	--	--	21,603	23,346
Communications services	1,168	1,136	--	--	1,168	1,136
Grants and contributions	17,066	17,227	--	--	17,066	17,227
Investment earnings	899	1,761	520	709	1,419	2,470
Other	3,050	10,112	93	(25)	3,143	10,087
Total revenues	181,812	158,059	21,002	18,347	202,814	176,406
Expenses:						
General government	47,659	44,504	--	--	47,659	44,504
Public safety	77,119	67,942	--	--	77,119	67,942
Physical environment	10,306	13,076	--	--	10,306	13,076
Transportation	14,886	12,130	--	--	14,886	12,130
Economic environment	3,951	5,923	--	--	3,951	5,923
Human services	5,996	5,269	--	--	5,996	5,269
Culture and recreation	7,344	5,884	--	--	7,344	5,884
Interest on long term debt	142	104	--	--	142	104
Water and sewer	--	--	2,541	2,467	2,541	2,467
Inspections	--	--	2,474	2,048	2,474	2,048
Airport	--	--	849	575	849	575
Landfill	--	--	7,636	6,825	7,636	6,825
Total expenses	167,403	154,832	13,500	11,915	180,903	166,747
Increase in net position before transfers	14,409	3,227	7,502	6,432	21,911	9,659
Transfers	(214)	444	214	(444)	--	--
Change in net position	14,195	3,671	7,716	5,988	21,911	9,659
Net position, beg. of year	172,544	168,873	29,409	23,421	201,953	192,294
Net position, end of year	<u>\$ 186,739</u>	<u>\$ 172,544</u>	<u>\$ 37,125</u>	<u>\$ 29,409</u>	<u>\$ 223,864</u>	<u>\$ 201,953</u>

The following graph displays the Governmental Activities current program revenues and expenditures by function for fiscal year 2020.

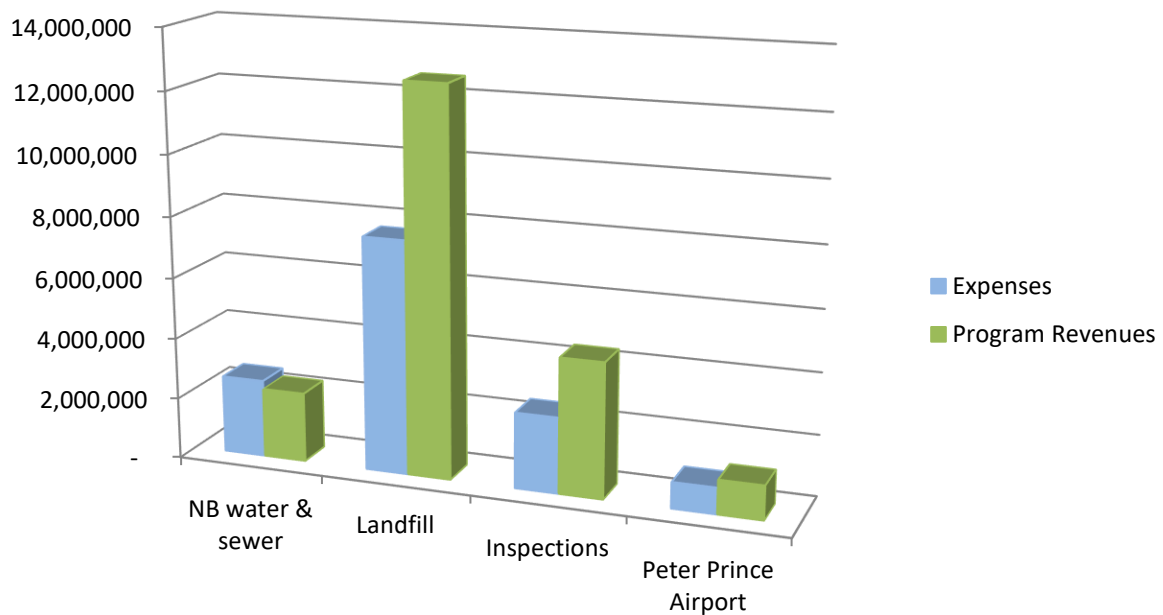
Expenses and Program Revenues - Governmental Activities



Business-type Activities

During the current fiscal year, net position for business-type activities increased \$7,714,417 from the prior fiscal year leaving an ending net position was \$37,124,970. The increase is attributable to increased landfill revenues due to increased rates without a large adjustment in the landfill closure and maintenance liability as was the case last year.

Expenses and Program Revenues - Business-Type Activities



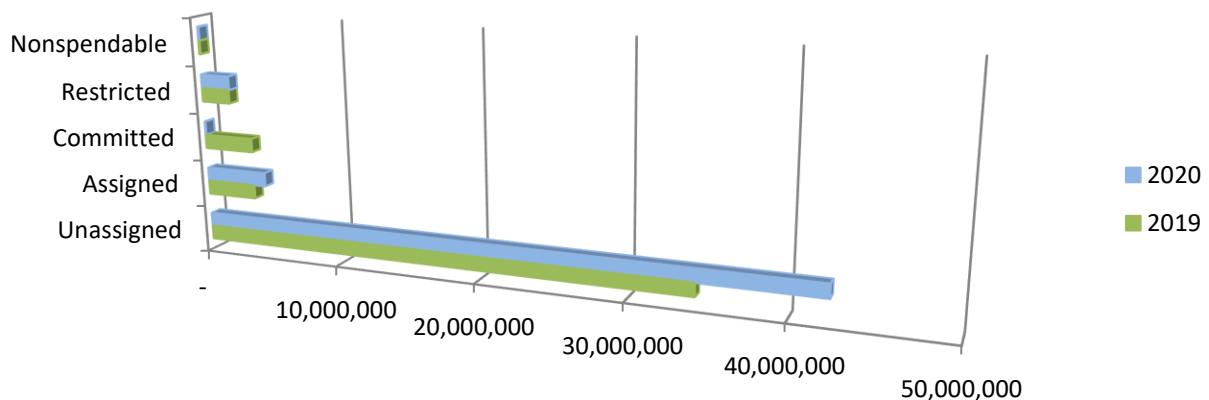
Financial Analysis of Governmental Funds

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

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either external parties, the County itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the County.

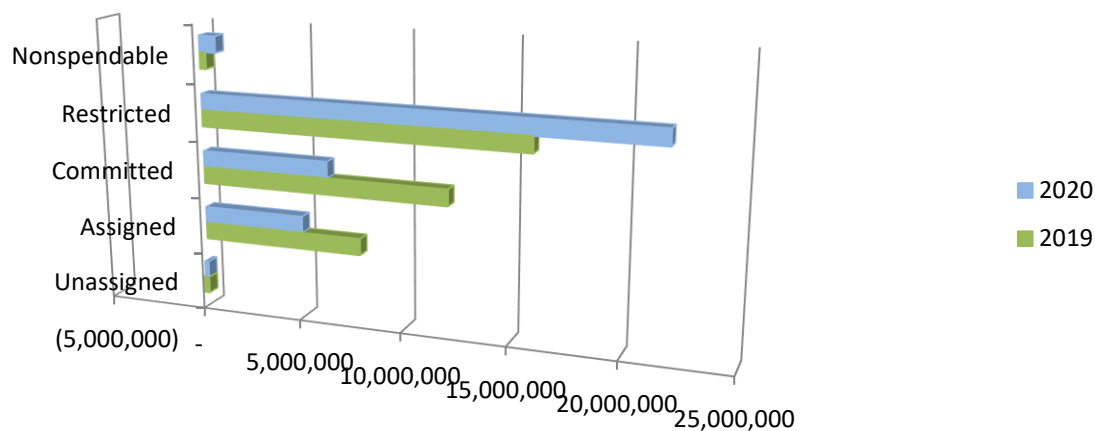
At September 30, 2020, the County's governmental funds reported combined fund balances of \$82,832,809, an increase of \$3,267,659 in comparison with the prior year. Approximately 51% of this amount (\$42,260,324) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is 1) not in spendable form (\$888,173), 2) restricted for particular purposes (\$23,951,629), 3) committed for particular purposes (\$6,312,045), or 4) assigned for particular purposes (\$9,420,638).

General Fund Components of Fund Balance September 30, 2020 and 2019



The General fund is the primary operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$42,442,836, while total fund balance increased to \$49,138,082. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 51 % of total general fund expenditures, while total fund balance represents approximately 60% of that same amount.

Other Governmental Funds Components of Fund Balance September 30, 2020 and 2019



The fund balance of the County's general fund increased by \$5,431,308 during the current fiscal year. This increase primarily relates to regularly budgeted Sheriff office expenditures that were allowed to be applied against the appropriation from the Federal government under the CARES Act and, as a result, were reallocated to the newly established CARES Act fund.

The road and bridge fund, a major fund, had a \$2,817,959 decrease in fund balance during the current fiscal year which put the overall fund balance at \$4,740,054. The fund reports an assigned fund balance of \$4,149,854, and accounts for fuel and other taxes designated for road improvements. During the year, fund balance decreased primarily due to increased expenditures for road and stormwater projects.

The local option sales tax fund, another major governmental fund, had a \$2,108,196 increase in fund balance during the current fiscal year which put the overall fund balance at \$6,009,981. The primary reason for the increase in the fund was an increase in revenue from the prior year and not expending funds which were budgeted by year end. This was due to the timing of the projects some of which included Pace Patriot/Tiburon Boulevard drainage, Sunrise Drive, Pea Ridge connector, and Benny Russell Park.

The CARES Act fund, the remaining major governmental fund, was newly established in fiscal year 2020, reporting an increase in and final fund balance of \$2,370. The fund was established to account for appropriations from the Federal government under the Coronavirus Aid, Relief, and Economic Security Act and related expenditures. The increase in fund balance is due to investment earnings on the appropriated funds received in advance and held until they were spent.

Financial Analysis of Proprietary Funds

The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Navarre Beach fund at the end of the year was \$1,893,804 and for the Landfill fund was \$5,105,374. The total change in net position for both funds was \$(354,155) and \$4,714,582, respectively. The decrease for the Navarre Beach fund resulted primarily because of increased operating costs without an offsetting adjustment to water/sewer rates. As discussed in the business-type activities section, the increase in the landfill fund is attributable to increased revenues due to increased rates without a large adjustment in the landfill closure and maintenance liability as was the case last year.

General Fund Budgetary Highlights

Original budget compared to final budget. During the year, the General Fund's original expenditure budget was increased by \$16,854,313. There was also a need to make amendments to reallocate appropriations among departments when it became clearer which departments would actually be charged for certain expenditures. The largest amendments from the original budget related to general government and public safety for reallocation of expenses related to CARES Act funding, physical environment for the Navarre Beach Pier renovation project, and transfers out for the new judicial facility as well as to cover unanticipated expenditures related to the COVID-19 pandemic.

Final budget compared to actual results. The General Fund under spent the final budget by \$25,657,671 or 20.9%. The primary reasons actual expenditures were less than the final budget was 1) funds budgeted for Sheriff operations which were budgeted in the General fund but ultimately applied to CARES Act appropriations and expended in the CARES Act fund, and 2) funds budgeted for jail renovation which weren't expended in the current year.

Santa Rosa County's General Fund Budget to Actual

	Original Budget	Final Budget	Change in Budget	Actual	Actual Variance from Budget
General government	\$ 33,077,076	\$ 48,701,881	\$ 15,624,805	\$ 27,311,147	\$ (21,390,734)
Public safety	55,430,877	40,719,063	(14,711,814)	39,968,138	(750,925)
Physical environmen	2,984,455	6,064,076	3,079,621	3,421,847	(2,642,229)
Transportation	936,350	980,724	44,374	980,723	(1)
Economic environme	1,054,894	1,224,543	169,649	1,077,239	(147,304)
Human services	5,422,896	5,574,349	151,453	5,442,563	(131,786)
Culture and recreatio	4,229,807	4,883,922	654,115	4,289,231	(594,691)
Transfers out	3,044,702	14,886,812	11,842,110	14,886,811	(1)
	<u>\$ 106,181,057</u>	<u>\$ 123,035,370</u>	<u>\$ 16,854,313</u>	<u>\$ 97,377,699</u>	<u>\$ (25,657,671)</u>

Capital Assets and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business-type activities as of September 30, 2020, amounts to \$221,477,549 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery, equipment, vehicles, park facilities, roads, highways, and the water treatment facility. The total increase in capital assets for the current fiscal year was approximately 15.8%.

Capital Assets at Year-end (Net of Depreciation, in Thousands)

	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Land	\$ 23,560	\$ 23,059	\$ 1,306	\$ 1,306	\$ 24,866	\$ 24,365
Construction in progress	27,904	17,663	2,558	11,815	30,462	29,478
Buildings	11,416	11,960	1,407	1,535	12,823	13,495
Improvements other than building	104,353	87,929	20,655	10,471	125,008	98,400
Machinery, furniture and equip.	26,615	24,411	1,708	1,157	28,323	25,568
Totals	<u>\$ 193,848</u>	<u>\$ 165,022</u>	<u>\$ 27,634</u>	<u>\$ 26,284</u>	<u>\$ 221,482</u>	<u>\$ 191,306</u>

Major capital asset events during the current fiscal year included the following:

- Cell expansion at the landfill completed at a final cost of \$10,616,056
- Donation of infrastructure from developers in the amount of \$9,169,096
- New equipment for the Sheriff's office at a cost of \$5,471,161
- Settler's Colony drainage project completed at a total cost of \$7,010,637
- Pace Patriot/Tiburon Drive drainage project at a cost of \$3,102,164
- Costs associated with the new judicial facility totaled \$7,522,640 in the current year.

Additional information on the County's capital assets can be found in Note F on pages 48-49 of this report.

Long-term Debt. At the end of the current fiscal year, the County had total bonds and notes outstanding of \$9,581,820. Of this amount, \$5,366,271 is debt backed by various revenues of the County and \$4,215,549 is special assessment debt for which the County is liable in the event of default by the property owners subject to the assessment.

Outstanding Debt at Year-end
(in Thousands)

	Governmental		Business-type		Totals	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
Revenue bonds	\$ 2,600	\$ -	\$ -	\$ -	\$ 2,600	\$ -
Notes payable	1,676	2,367	1,091	1,091	2,767	3,458
Special assessment notes	4,215	2,100	-	-	4,215	2,100
Totals	<u>\$ 8,491</u>	<u>\$ 4,467</u>	<u>\$ 1,091</u>	<u>\$ 1,091</u>	<u>\$ 9,582</u>	<u>\$ 5,558</u>

The County's total debt increased by \$4,024,191 (72%) during the current fiscal year. The reason for the increase was the issuance of several new loans for construction projects such as the new judicial center and Bernath Place MSBU.

Additional information on the County's long-term debt can be found in Note G on pages 50-54 of this report.

Economic Factors and Next Year's Budgets and Rates

The following economic factors currently affect the County and were considered in developing the 2020-21 fiscal year budget.

- The taxable assessed property values increased 7.7%.
- Sales tax revenues are expected to generate approximately \$7.3 million.
- Construction of new judicial facility will require additional financing of approximately \$30 million.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 6495 Caroline Street, Suite B, Milton, FL 32570.

BASIC FINANCIAL STATEMENTS

Santa Rosa County, Florida

STATEMENT OF NET POSITION

September 30, 2020

ASSETS	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 85,978,561	\$ 22,287,988	\$ 108,266,549
Investments	1,479,723	10,885,949	12,365,672
Receivables, net	23,448,637	1,710,706	25,159,343
Inventory	337,510	--	337,510
Prepaid expenses	550,663	--	550,663
Capital assets, net			
Nondepreciable	51,463,731	3,864,085	55,327,816
Depreciable	142,382,565	23,767,168	166,149,733
Total assets	<u>305,641,390</u>	<u>62,515,896</u>	<u>368,157,286</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows on pension	29,877,464	1,100,177	30,977,641
Deferred outflows on health insurance subsidy	4,193,915	252,433	4,446,348
Deferred outflows on OPEB	825,558	52,381	877,939
Total deferred outflows of resources	<u>34,896,937</u>	<u>1,404,991</u>	<u>36,301,928</u>
LIABILITIES			
Accounts payable	14,390,529	549,699	14,940,228
Contracts payable	1,038,714	--	1,038,714
Accrued wages payable	2,416,853	197,105	2,613,958
Interest payable	70,484	--	70,484
Due to other governments	1,354,124	70,464	1,424,588
Deposits	171,635	437,169	608,804
Unearned revenue	1,717,473	--	1,717,473
Noncurrent liabilities			
Due within one year	5,946,166	850,869	6,797,035
Due in more than one year	124,131,407	24,514,145	148,645,552
Total liabilities	<u>151,237,385</u>	<u>26,619,451</u>	<u>177,856,836</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows on pension	380,238	34,878	415,116
Deferred inflows on health insurance subsidy	1,161,404	79,448	1,240,852
Deferred inflows on OPEB	1,019,619	62,140	1,081,759
Total deferred inflows of resources	<u>2,561,261</u>	<u>176,466</u>	<u>2,737,727</u>

Continued ...

Santa Rosa County, Florida

STATEMENT OF NET POSITION (Continued)

September 30, 2020

NET POSITION	Governmental Activities	Business-type Activities	Total
Net investment in capital assets	185,355,064	26,540,665	211,895,729
Restricted for:			
Communications	845,207	--	845,207
Drivers education	311,202	--	311,202
Boating improvement	729,185	--	729,185
Domestic violence	223,266	--	223,266
Pollworker recruitment	1,887	--	1,887
Federal elections	1,222	--	1,222
Voter education	69	--	69
Navarre Beach Bridge maintenance	331,527	--	331,527
Infrastructure development	6,502,439	--	6,502,439
Public health and safety	2,370	--	2,370
Law Enforcement Trust Fund	54,703	--	54,703
Crime prevention	478,329	--	478,329
Federal seizure funds	109,370	--	109,370
Mosquito control	92,118	--	92,118
Federal and state grants	2,872,977	--	2,872,977
Enhanced 911 system	493,601	--	493,601
Tourist development	2,110,507	--	2,110,507
State Housing Improvement Program	372,576	--	372,576
Flood Mitigation	3,487,716	--	3,487,716
Fire prevention and control	1,074,735	--	1,074,735
Road and sewer construction	1,234,457	--	1,234,457
Canal maintance	194,603	--	194,603
Beach restoration	18,675	--	18,675
State court operations	16,281	--	16,281
Court equipment and technology	818,360	--	818,360
Records modernization trust fund	809,903	--	809,903
Law enforcement training	101,084	--	101,084
Inmate welfare purchases	663,260	--	663,260
Unrestricted	(22,567,012)	10,584,305	(11,982,707)
Total net position	<u>\$ 186,739,681</u>	<u>\$ 37,124,970</u>	<u>\$ 223,864,651</u>

The accompanying notes are an integral part of these financial statements.

Santa Rosa County, Florida

STATEMENT OF ACTIVITIES

Year ended September 30, 2020

Functions/Programs:	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for	Operating	Capital	Governmental	Business-	Total
		Services	Grants and	Grants and	Activities	type	
			Contributions	Contributions		Activities	
Governmental activities:							
General government	\$ 47,658,997	\$ 21,871,252	\$ 10,241,013	\$ --	\$ (15,546,732)		\$ (15,546,732)
Public safety	77,119,442	5,465,077	15,458,218	348,144	(55,848,003)		(55,848,003)
Physical environment	10,306,475	4,576,373	467,261	--	(5,262,841)		(5,262,841)
Transportation	14,885,818	1,339	2,019,103	9,169,096	(3,696,280)		(3,696,280)
Economic environment	3,950,617	--	1,163,440	4,820,759	2,033,582		2,033,582
Human services	5,996,195	39,828	577,744	--	(5,378,623)		(5,378,623)
Culture and recreation	7,343,967	428,720	556,439	--	(6,358,808)		(6,358,808)
Interest on long-term debt	142,169	--	--	--	(142,169)		(142,169)
Total governmental activities	167,403,680	32,382,589	30,483,218	14,337,999	(90,199,874)		(90,199,874)
Business-type activities:							
Navarre Beach water and sewer	2,541,596	2,273,197	--	--		\$ (268,399)	(268,399)
Inspections	2,473,656	4,404,116	--	--		1,930,460	1,930,460
Peter Prince Airport	849,075	300,817	--	806,760		258,502	258,502
Landfill	7,636,449	12,597,507	--	5,780		4,966,838	4,966,838
Total business-type activities	13,500,776	19,575,637	--	812,540		6,887,401	6,887,401
Total	180,904,456	51,958,226	30,483,218	15,150,539	(90,199,874)	6,887,401	(83,312,473)
General revenues:							
Taxes							
Property taxes					60,822,610	--	60,822,610
Sales, use and fuel taxes					21,602,823	--	21,602,823
Communication services taxes					1,168,514	--	1,168,514
Grants and contributions not restricted to specific programs					17,065,719	--	17,065,719
Unrestricted investment earnings					899,130	520,265	1,419,395
Miscellaneous					3,050,123	519	3,050,642
Gain on sale of assets					--	92,309	92,309
Transfers					(213,923)	213,923	--
Total general revenues and transfers					104,394,996	827,016	105,222,012
Change in net position					14,195,122	7,714,417	21,909,539
Net position - beginning					172,544,559	29,410,553	201,955,112
Net position - ending					<u>\$ 186,739,681</u>	<u>\$ 37,124,970</u>	<u>\$ 223,864,651</u>

The accompanying notes are an integral part of these financial statements.

Santa Rosa County, Florida

**BALANCE SHEET
GOVERNMENTAL FUNDS**

September 30, 2020

ASSETS	General	Road and Bridge	Local Option Sales Tax	CARES Act	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 35,351,529	\$ 2,739,343	\$ 5,634,842	\$ 7,440,384	\$ 26,549,890	\$ 77,715,988
Investments	781,213	--	--	--	--	781,213
Receivables, net of uncollectibles						
Accounts	85,793	--	--	--	701,132	786,925
Leases - current	334,930	--	--	--	--	334,930
Due from other governments	1,109,282	3,514,556	676,516	13,248,065	3,739,056	22,287,475
Due from other funds	16,602,423	--	--	--	128,233	16,730,656
Inventory	78,837	258,673	--	--	--	337,510
Prepaid expenditures	--	--	--	--	550,663	550,663
Total assets	<u>\$ 54,344,007</u>	<u>\$ 6,512,572</u>	<u>\$ 6,311,358</u>	<u>\$ 20,688,449</u>	<u>\$ 31,668,974</u>	<u>\$ 119,525,360</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 2,835,069	\$ 1,207,406	\$ 295,433	\$ 4,182,783	\$ 4,756,439	\$ 13,277,130
Contracts payable	--	306,850	5,944	--	725,920	1,038,714
Accrued wages payable	1,910,997	258,262	--	--	233,560	2,402,819
Deposits	171,635	--	--	--	--	171,635
Unearned revenue	136,176	--	--	1,557,058	24,239	1,717,473
Due to other funds	19,802	--	--	14,946,238	1,764,616	16,730,656
Due to other governments	132,246	--	--	--	1,221,878	1,354,124
Total liabilities	5,205,925	1,772,518	301,377	20,686,079	8,726,652	36,692,551
Fund balances:						
Nonspendable	78,837	258,673	--	--	550,663	888,173
Restricted	2,112,038	331,527	6,009,981	2,370	15,495,713	23,951,629
Committed	50,668	--	--	--	6,261,377	6,312,045
Assigned	4,453,703	4,149,854	--	--	817,081	9,420,638
Unassigned	42,442,836	--	--	--	(182,512)	42,260,324
Total fund balances	49,138,082	4,740,054	6,009,981	2,370	22,942,322	82,832,809
Total liabilities and fund balances	<u>\$ 54,344,007</u>	<u>\$ 6,512,572</u>	<u>\$ 6,311,358</u>	<u>\$ 20,688,449</u>	<u>\$ 31,668,974</u>	<u>\$ 119,525,360</u>

The accompanying notes are an integral part of these financial statements.

Santa Rosa County, Florida

**RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF NET POSITION**

September 30, 2020

Total Governmental Funds Balances	\$	82,832,809
--	----	------------

*Amounts reported for governmental activities in the
statement of net position are different because:*

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:

Total capital assets, net, see Note F	193,846,296	
Less: Internal Service Fund capital assets	(31,245)	193,815,051

Deferred outflows of resources are presented in governmental activities on the Statement of Net Position, but are not reported in the governmental funds:

Deferred outflows on pension	29,877,464	
Less: Internal Service Fund Deferred outflows on pensions	(68,391)	
Deferred outflows on health insurance subsidy	4,193,915	
Less: Internal Service Fund Deferred outflows on health insurance subsidy	(16,305)	
Deferred outflows on OPEB	825,558	
Less: Internal Service Fund Deferred outflows on OPEB	(2,844)	34,809,397

Long term liabilities are not due and payable in the current period and therefore are not reported in the funds:

Total long-term liabilities, see Note G	(20,609,769)	
Net pension liability, see Note K	(106,433,213)	
Net OPEB liability, see Note N	(8,015,217)	
Add: interest payable due to interest accruals	(70,484)	
Less: Enterprise Funds net pension liability	4,519,922	
Less: Enterprise Funds net OPEB liability	460,704	
Less: Internal Service Fund insurance claims payable	3,562,862	
Less: Internal Service Fund compensated absences	21,330	
Less: Internal Service Fund other postemployment benefits liability	32,160	
Less: Internal Service Fund net pension liability	215,214	
Less: Internal Service Fund net health insurance subsidy liability	82,014	(126,234,477)

Deferred inflows of resources are presented in governmental activities on the Statement of Net Position, but are not reported in the governmental funds:

Deferred inflows on pension	(380,238)	
Less: Internal Service Fund deferred inflows on pensions	938	
Deferred inflows on health insurance subsidy	(1,161,404)	
Less: Internal Service Fund deferred inflows on health insurance subsidy	3,775	
Deferred inflows on OPEB	(1,019,619)	
Less: Internal Service Fund deferred inflows on OPEB	3,334	(2,553,214)

Internal service funds are used by management to charge the costs of providing insurance coverage to individual funds and therefore, the assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position.

4,070,115

Net Position of Governmental Activities

\$ 186,739,681

The accompanying notes are an integral part of these financial statements.

Santa Rosa County, Florida

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

Year ended September 30, 2020

	General	Road and Bridge	Local Option Sales Tax	CARES Act	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 62,682,648	\$ 7,529,252	\$ 9,587,910	\$ --	\$ 3,794,137	\$ 83,593,947
Permits, fees and special assessments	260,614	--	--	--	11,604,012	11,864,626
Intergovernmental	15,330,320	6,549,657	--	21,582,263	9,316,938	52,779,178
Charges for services	10,607,837	26,276	--	--	4,866,812	15,500,925
Fines and forfeits	313,045	--	--	--	1,276,029	1,589,074
Miscellaneous	2,297,541	649,402	23,218	2,390	1,133,298	4,105,849
Total revenues	91,492,005	14,754,587	9,611,128	21,584,653	31,991,226	169,433,599
Expenditures						
Current						
General government	27,311,147	--	76,096	6,467,539	7,615,046	41,469,828
Public safety	39,968,138	--	1,202,101	14,946,238	12,793,148	68,909,625
Physical environment	3,421,847	5,062,996	2,011,096	--	579,050	11,074,989
Transportation	980,723	15,437,090	2,085,379	--	3,872,314	22,375,506
Economic environment	1,077,239	--	--	168,506	3,448,391	4,694,136
Human services	5,442,563	--	344,131	--	169,639	5,956,333
Culture and recreation	4,289,231	--	941,362	--	431,929	5,662,522
Capital outlay	--	--	--	--	8,743,442	8,743,442
Debt service	--	--	--	--	1,395,154	1,395,154
Total expenditures	82,490,888	20,500,086	6,660,165	21,582,283	39,048,113	170,281,535
Excess (deficiency) of revenues over expenditures	9,001,117	(5,745,499)	2,950,963	2,370	(7,056,887)	(847,936)
Other financing sources (uses)						
Transfers in	11,322,333	3,003,172	--	--	12,678,800	27,004,305
Transfers out	(14,886,811)	(30,000)	(842,767)	--	(12,431,650)	(28,191,228)
Issuance of debt	--	--	--	--	5,302,518	5,302,518
Total other financing sources (uses)	(3,564,478)	2,973,172	(842,767)	--	5,549,668	4,115,595
Net change in fund balances	5,436,639	(2,772,327)	2,108,196	2,370	(1,507,219)	3,267,659
Fund balances, beginning of year	43,706,774	7,558,013	3,901,785	--	24,449,541	79,616,113
Change in reserve for inventory	(5,331)	(45,632)	--	--	--	(50,963)
Fund balances, end of year	\$ 49,138,082	\$ 4,740,054	\$ 6,009,981	\$ 2,370	\$ 22,942,322	\$ 82,832,809

The accompanying notes are an integral part of these financial statements.

Santa Rosa County, Florida

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

For the year ended September 30, 2020

Net Change in Fund Balances - Total Governmental Funds	\$	3,267,659
--	----	-----------

*Amounts reported for governmental activities in the
statement of activities are different because:*

Governmental funds report capital outlays as expenditures. However,
in the statement of activities, the cost of those assets is allocated over
their estimated useful lives as depreciation expense. In the current period
these amounts are:

Current period investment in capital assets	42,239,878
Current period depreciation	(12,407,907)
Current period loss on disposal of capital assets, net of proceeds	(1,039,287)

In the statement of activities, interest is accrued on outstanding loans, whereas
in governmental funds, an interest expenditure is reported when due.

Change in interest payable	(25,342)
----------------------------	----------

Repayment of debt principal is an expenditure in the governmental funds, but
the repayment reduces long-term liabilities in the statement of net position.
Also debt proceeds are an other financing source in the governmental funds,
but the issuance increases long-term liabilities in the statement of net position.

Current period change in compensated absences	(770,090)
Current period note payments	791,240
Current period special assessment note payments	487,087
Current period debt proceeds	(5,302,518)
Current period change in pension liability	(20,609,263)
Current period change in health insurance subsidy	(2,083,453)
Current period increase in other post employment benefits liability	(1,221,223)
Current period change in deferred outflow of resources on pensions	4,452,427
Current period change in deferred inflow of resources on pensions	3,931,847
Current period change in deferred outflow of resources on health insurance subsidy	953,069
Current period change in deferred inflow of resources on health insurance subsidy	305,893
Current period change in deferred outflow of resources on OPEB	822,714
Current period change in deferred inflow of resources on OPEB	136,004

Internal service funds are used by management to charge the
costs of providing insurance coverage and therefore, the
change in net position of the internal service fund is included
in governmental activities in the Statement of Activities.

317,350

Some expenses reported in the statement of activities do not require
the use of current financial resources and therefore are not reported as
expenditures in the funds

Change in reserve for inventory	(50,963)
---------------------------------	----------

Change in Net Position of Governmental Activities	\$	<u>14,195,122</u>
---	----	-------------------

Santa Rosa County, Florida

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

September 30, 2020

	Business-type Activities				Governmental
	Major Funds				Activities
	Navarre		Nonmajor	Total	Internal
ASSETS	Beach	Landfill	Enterprise	Enterprise	Service
			Funds	Funds	Fund
Current assets:					
Cash and cash equivalents	\$ 2,277,726	\$ 7,035,314	\$ 6,087,734	\$ 15,400,774	\$ 8,262,573
Investments	--	--	--	--	698,510
Accounts receivable	215,656	1,328,519	13,645	1,557,820	39,307
Due from other governments	--	--	152,886	152,886	--
Total current assets	2,493,382	8,363,833	6,254,265	17,111,480	9,000,390
Noncurrent assets					
Restricted cash and cash equivalents	--	6,887,214	--	6,887,214	--
Restricted investments	--	10,885,949	--	10,885,949	--
Capital assets, net of accumulated depreciation	4,042,339	18,285,194	5,303,720	27,631,253	31,245
Total noncurrent assets	4,042,339	36,058,357	5,303,720	45,404,416	31,245
Total assets	6,535,721	44,422,190	11,557,985	62,515,896	9,031,635
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflow on pension	128,924	481,404	489,849	1,100,177	68,391
Deferred outflow on health insurance subsidy	31,735	113,573	107,125	252,433	16,305
Deferred outflow on OPEB	6,202	25,497	20,682	52,381	2,844
Total deferred outflows of resources	166,861	620,474	617,656	1,404,991	87,540
LIABILITIES					
Current liabilities					
Accounts payable	70,237	139,895	339,567	549,699	1,113,399
Current portion of claims payable	--	--	--	--	631,683
Accrued wages payable	20,975	92,429	83,701	197,105	14,034
Due to other governments	--	--	70,464	70,464	--
Compensated absences - current portion	22,255	195,000	80,095	297,350	21,330
Note payable - current	535,020	--	--	535,020	--
Deposits	5,500	145,700	285,969	437,169	--
Current portion of landfill closure costs	--	18,499	--	18,499	--
Total current liabilities	653,987	591,523	859,796	2,105,306	1,780,446
Noncurrent liabilities					
Long term portion of compensated absences	--	165,076	195,000	360,076	--
Long term portion of claims payable	--	--	--	--	2,931,179
Long term portion of landfill closure costs	--	18,617,875	--	18,617,875	--
Note payable - noncurrent	555,568	--	--	555,568	--
Net pension liability	411,907	1,516,071	1,469,492	3,397,470	215,214
Net health insurance subsidy liability	151,501	480,943	490,008	1,122,452	82,014
OPEB liability	64,766	202,732	193,206	460,704	32,160
Total noncurrent liabilities	1,183,742	20,982,697	2,347,706	24,514,145	3,260,567
Total liabilities	1,837,729	21,574,220	3,207,502	26,619,451	5,041,013
DEFERRED INFLOWS OF RESOURCES					
Deferred inflow on pension	3,788	14,056	17,034	34,878	938
Deferred inflow on health insurance subsidy	8,310	34,188	36,950	79,448	3,775
Deferred inflow on OPEB	7,200	29,632	25,308	62,140	3,334
Total deferred inflows of resources	19,298	77,876	79,292	176,466	8,047
NET POSITION					
Net investment in capital assets	2,951,751	18,285,194	5,303,720	26,540,665	31,245
Unrestricted	1,893,804	5,105,374	3,585,127	10,584,305	4,038,870
Total net position	\$ 4,845,555	\$ 23,390,568	\$ 8,888,847	\$ 37,124,970	\$ 4,070,115

The accompanying notes are an integral part of these financial statements.

Santa Rosa County, Florida
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION - PROPRIETARY FUNDS

Year ended September 30, 2020

	Business-type Activities				Governmental
	Major Funds		Nonmajor Enterprise Funds	Total Enterprise Funds	Activities
	Navarre Beach	Landfill			Internal Service Fund
Operating revenues					
Permits, fees and special assessments	\$ --	\$ 76,400	\$ 4,391,532	\$ 4,467,932	\$ --
Charges for services	2,273,197	12,521,107	313,401	15,107,705	1,651,772
Insurance proceeds	--	--	--	--	1,459,210
Miscellaneous	--	360	159	519	355
Total operating revenues	2,273,197	12,597,867	4,705,092	19,576,156	3,111,337
Operating expenses					
Personal services	641,666	2,627,831	2,293,822	5,563,319	403,142
Contract services	755,553	1,180,115	407,519	2,343,187	185,624
Supplies	165,869	101,931	24,179	291,979	21,243
Repairs and maintenance	334,362	483,720	108,156	926,238	569
Utilities	77,721	68,126	17,256	163,103	--
Depreciation	494,584	646,249	362,181	1,503,014	3,014
Travel and per diem	--	2,033	5,440	7,473	55
Insurance	24,050	90,000	47,300	161,350	1,695,621
Communications	19,228	42,517	21,924	83,669	315
Advertising	--	10,458	749	11,207	--
Fuel and oil	12,858	215,534	28,852	257,244	--
Rentals	464	683,210	--	683,674	--
Landfill closure and maintenance	--	1,410,815	--	1,410,815	--
Claims and changes in estimates	--	--	--	--	1,547,296
Miscellaneous	4,403	13,910	5,353	23,666	8,801
Total operating expenses	2,530,758	7,576,449	3,322,731	13,429,938	3,865,680
Operating income (loss)	(257,561)	5,021,418	1,382,361	6,146,218	(754,343)
Non-operating revenues (expenses)					
Investment income	22,685	478,148	19,432	520,265	98,693
Interest expense	(10,838)	--	--	(10,838)	--
Sale of recycled materials	--	52,709	--	52,709	--
Gain (loss) on disposal of assets	--	39,600	--	39,600	--
Aid to private organizations	--	(60,000)	--	(60,000)	--
Total non-operating revenues (expenses)	11,847	510,457	19,432	541,736	98,693
Income (loss) before contributions and transfers	(245,714)	5,531,875	1,401,793	6,687,954	(655,650)
Transfers in	--	--	1,498,680	1,498,680	973,000
Transfers out	(108,441)	(823,073)	(353,243)	(1,284,757)	--
Capital contribution	--	5,780	806,760	812,540	--
Change in net position	(354,155)	4,714,582	3,353,990	7,714,417	317,350
Net position, beginning of year	5,199,710	18,675,986	5,534,857	29,410,553	3,752,765
Net position, end of year	<u>\$ 4,845,555</u>	<u>\$ 23,390,568</u>	<u>\$ 8,888,847</u>	<u>\$ 37,124,970</u>	<u>\$ 4,070,115</u>

The accompanying notes are an integral part of these financial statements.

Santa Rosa County, Florida
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year ended September 30, 2020

	Business-type Activities				Governmental
	Major Funds		Nonmajor Enterprise Funds	Total Enterprise Funds	Activities
	Navarre Beach	Landfill			Internal Service Fund
Cash flows from operating activities					
Cash received from customers	\$ 2,243,166	\$ 12,331,388	\$ 4,546,792	\$ 19,121,346	\$ 355
Cash paid to suppliers	(1,338,560)	(3,591,777)	(235,421)	(5,165,758)	(2,307,482)
Cash paid to employees	(635,186)	(2,610,561)	(2,269,698)	(5,515,445)	(388,885)
Cash received from interfund services provided	--	--	--	--	3,108,469
Cash paid for internal services provided	--	--	--	--	(1,313,170)
Net cash provided (used) by operating activities	269,420	6,129,050	2,041,673	8,440,143	(900,713)
Cash flows from noncapital financing activities					
Transfers in	--	--	1,498,680	1,498,680	973,000
Transfers out	(108,441)	(823,073)	(353,243)	(1,284,757)	--
Aid to private organizations	--	(60,000)	--	(60,000)	--
Net cash provided (used) by noncapital financing activities	(108,441)	(883,073)	1,145,437	153,923	973,000
Cash flows from capital and related financing activities					
Capital contribution	--	3,400	806,760	810,160	--
Purchases of capital assets	(49,240)	(1,533,457)	(1,266,146)	(2,848,843)	(34,258)
Interest paid on capital debt	(10,838)	--	--	(10,838)	--
Net cash provided (used) by capital and related financing activities	(60,078)	(1,530,057)	(459,386)	(2,049,521)	(34,258)
Cash flows from investing activities					
Interest and dividends	22,685	478,148	19,432	520,265	98,693
Net sale (purchase) of investments	--	(377,196)	--	(377,196)	(24,203)
Net cash provided (used) by investing activities	22,685	100,952	19,432	143,069	74,490
Net increase (decrease) in cash and cash equivalents	123,586	3,816,872	2,747,156	6,687,614	112,519
Cash and cash equivalents at beginning of year	2,154,140	10,105,656	3,340,578	15,600,374	8,150,054
Cash and cash equivalents at end of year	<u>\$ 2,277,726</u>	<u>\$ 13,922,528</u>	<u>\$ 6,087,734</u>	<u>\$ 22,287,988</u>	<u>\$ 8,262,573</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities					
Operating income (loss)	\$ (257,561)	\$ 5,021,418	\$ 1,382,361	\$ 6,146,218	\$ (754,343)
Adjustments to reconcile operating income to net cash provided (used) by operating activities					
Depreciation expense	494,584	646,249	362,181	1,503,014	3,013
Landfill closure costs	--	1,410,815	--	1,410,815	--
Gain (loss) on disposal of capital assets	--	39,600	--	39,600	--
Sale of recycled materials	--	52,709	--	52,709	--
Changes in assets and liabilities:					
Accounts receivable	(30,031)	(266,479)	(5,414)	(301,924)	(2,513)
Due from other governments	--	6,000	(152,886)	(146,886)	622,554
Accounts payable	4,475	(1,098,347)	116,182	(977,690)	(1,045,222)
Accrued compensation	5,730	25,278	28,094	59,102	7,163
Compensated absences	750	(8,008)	(3,970)	(11,228)	7,094
Due to other governments	--	--	16,590	16,590	--
OPEB liability	9,206	37,847	30,700	77,753	4,221
Claims payable	--	--	--	--	234,126
Deposits	(1,000)	55,500	106,991	161,491	--
Net pension liability	84,079	335,245	291,020	710,344	50,424
Net health insurance subsidy	15,615	62,262	54,048	131,925	9,365
Deferred outflows of resources	(27,530)	(109,421)	(95,658)	(232,609)	(16,917)
Deferred inflows of resources	(28,897)	(81,618)	(88,566)	(199,081)	(19,678)
Net cash provided (used) by operating activities	<u>\$ 269,420</u>	<u>\$ 6,129,050</u>	<u>\$ 2,041,673</u>	<u>\$ 8,440,143</u>	<u>\$ (900,713)</u>
Noncash Investing, Capital and Financing Activities:					
Capital assets transferred from governmental to proprietary funds	\$ --	\$ 2,380	\$ --	\$ 2,380	\$ --

The accompanying notes are an integral part of these financial statements.

Santa Rosa County, Florida

**STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS**

September 30, 2020

	Agency Funds
ASSETS	
Cash and cash equivalents	\$ 8,495,464
Accounts receivable	261,204
Total assets	<u>\$ 8,756,668</u>
LIABILITIES	
Accounts payable	\$ 6,294
Deposits	2,683,153
Due to other governments	6,024,734
Miscellaneous	42,487
Total liabilities	<u>\$ 8,756,668</u>

SANTA ROSA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
GUIDE TO NOTES

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Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE A - SUMMARY OF ACCOUNTING POLICIES

A summary of the significant accounting policies applied consistently in the preparation of the financial statements follows:

1. Reporting Entity

The Governmental Accounting Standards Board (GASB) has established standards for defining the financial reporting entity. In developing these standards, the GASB assumed that all governmental organizations are responsible to elected officials at the federal, state, or local level. Financial reporting by a state or local government should report the elected officials' accountability for those organizations. As concluded by the GASB, the financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Santa Rosa County, Florida (the County) is a political subdivision of the State of Florida created pursuant to Article 8, Section 1(e), of the Constitution of the State of Florida and Chapter 7 of the Florida Statutes. It is governed by a five-member Board of County Commissioners (the Board) elected from single-member districts. The Board has no powers other than those expressly vested in it by the Florida Statutes and its governmental powers cannot be delegated. The Board appoints an administrator to administer all policies emanating from its statutory powers and authority. In addition to the Board, there are five elected Constitutional Officers, pursuant to Article 8, Section 1(d) of the Constitution of the State of Florida: Clerk of Courts, Sheriff, Tax Collector, Property Appraiser and Supervisor of Elections.

These financial statements include the operating activities of the Board, Clerk of Courts, Sheriff, Tax Collector, Property Appraiser and Supervisor of Elections.

Dependent Special Districts

Blackwater Soil & Water Conservation District - The Blackwater Soil & Water Conservation District (Blackwater) was created by the Florida Legislature in 1942 pursuant to Florida Statute Section 582. Santa Rosa County was established as the local governing authority and is Blackwater's only source of funding. Blackwater does not meet the criteria as a legally separate entity in that it cannot buy, sell, own, lease and mortgage property in its own name. The activities of Blackwater are included in these financial statements as a department of the County within the General Fund.

Pace Property Finance Authority - The Pace Property Finance Authority (Authority) was created in 1990 by County Resolution No. 90-12 pursuant to Chapter 617 of the Florida Statutes. In accordance with Florida Statutes Section 189.403, the Authority qualifies as a dependent special district. Additionally, the Authority is a component unit of the County. However, the Authority meets the criteria for inclusion in more than one reporting entity - Pace Water System as well as the County. In these cases, judgment must be exercised by management of the reporting entities as to which reporting entity the organization should be included. The Authority has the same elected governing body as the Pace Water System. Additionally,

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE A - SUMMARY OF ACCOUNTING POLICIES – Continued

both the Authority and Pace Water System own portions of a single water/sewer system; thus, their capital assets are part of an interconnected system. Finally, the Authority's debt was issued solely to finance the Pace water/sewer system improvements. Based on these facts, management has decided to include the Authority in the combined financial statements of Pace Water System rather than as a component unit of the County.

Santa Rosa County Health Facilities Authority - The Santa Rosa County Health Facilities Authority (Authority) was created in 1982 by County Ordinance No. 82-02 pursuant to Section 154, Florida Statutes. In accordance with Florida Statutes Section 189.403, the Authority qualifies as a dependent special district. Additionally, the Authority is a component unit of the County. The County appoints the five (5) members of the Authority. Additionally, the County may abolish the Authority at any time by ordinance or resolution as long as all bonded indebtedness incurred by the Authority has been paid. The Authority exists solely to assist health facilities within the County with the acquisition, construction, financing, and refinancing of projects through issuance of conduit debt. All bonds issued by the Authority were subsequently defeased through issuance of new debt culminating with the issuance of \$58 million in new bonds in 2003. The debt outstanding is a limited obligation of the Authority and not a general obligation of the Authority or the County. The Authority is not obligated to pay the principal and interest on the bonds except from the revenues of the Authority pursuant to its loan agreement with Gulf Breeze Hospital. The Authority has no financial activity and the bonds issued under the Authority's name are recorded in the books of the hospital.

Santa Rosa County Housing Finance Authority - The Santa Rosa County Housing Finance Authority (Authority) was created in 1984 by County Resolution No. 84-18 pursuant to Chapter 78-89, Laws of Florida codified as Chapter 159, Part IV, Section 159.601 through 159.623. In accordance with Florida Statutes Section 189.403, the Authority qualifies as a dependent special district. Additionally, based on the criteria outlined above, the Authority is a component unit of Santa Rosa County. The Santa Rosa County Board of County Commissioners, through various resolutions and interlocal agreements with the Escambia County Housing Finance Authority (ECHFA), has authorized ECHFA to allow qualified residents of Santa Rosa County to apply for and obtain preferential mortgages from proceeds generated by bonds issued by ECHFA. Accordingly, there is no financial activity related to the Santa Rosa County Housing Finance Authority to be reflected in these financial statements.

2. Basis of Presentation - Fund Accounting

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The County groups its funds into two broad fund categories as either governmental or proprietary in nature. Governmental funds include the general, special revenue, debt service and capital project funds. Proprietary funds include enterprise funds and an internal service fund.

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE A - SUMMARY OF ACCOUNTING POLICIES - Continued

3. Basis of Accounting

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which primarily rely on fees and charges for support. Fiduciary funds are excluded from the government-wide financial statements.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, the governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund financial statements.

The government-wide Statement of Activities presents a comparison between expenses and program revenues for each segment of the business-type activities of the County and for each governmental program. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the County.

Net position should be reported as restricted when constraints placed on net position use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other purposes result from special revenue funds and the restrictions on their use. In a fund with both restricted and unrestricted positions, qualified expenses are considered to be paid first from restricted net position then from unrestricted net position. The government-wide statement of net position reports \$23,951,629 of restricted net position, of which \$8,281,701 is restricted by enabling legislation.

FUND FINANCIAL STATEMENTS

The Fund financial statements, as presented herein, focus primarily on the major funds of the governmental and proprietary categories. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements.

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE A - SUMMARY OF ACCOUNTING POLICIES - Continued

GOVERNMENTAL FUNDS

All governmental funds are accounted for using the modified accrual basis of accounting and the current financial resources measurement focus. Under this basis revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

The major governmental funds are:

- General Fund – This is the County’s primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.
- Road and Bridge Special Revenue Fund – Accounts for that portion of state fuel taxes and fees designated for road improvement projects.
- Local Option Sales Tax Special Revenue Fund – Accounts for ½-cent local option sales surtax designated for capital improvement projects.
- CARES Act Special Revenue Fund – Accounts for appropriations from the Federal government of funds under the CARES Act designated for public health and safety expenditures.

Revenue Recognition

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available (i.e., collectible within the current year or within one month of year-end and available to pay obligations of the current period – except for certain grant revenues which are recognized as revenues in the same period the grant expenditures occurred). This includes investment earnings, property taxes, special assessments, and fines and forfeitures. Certain state-levied locally shared taxes including motor vehicle license tax and fuel taxes are considered derived non-exchange transactions. These types of transactions are subject to income recognition when the underlying transaction occurs. Reimbursements due for federally funded projects are accrued as revenue at the time the expenditures are made, or when received in advance, deferred until expenditures are made.

Other revenues, including licenses and permits, certain charges for services and miscellaneous revenues, are recorded as revenue when received in cash because they are generally not measurable until actually received.

Expenditure Recognition

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, principal and interest on governmental long-term debt, which has not matured, are recognized when paid. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE A - SUMMARY OF ACCOUNTING POLICIES - Continued

PROPRIETARY FUNDS

All proprietary funds use the accrual basis of accounting and the economic resources measurement focus. These funds account for operations that are primarily financed by user charges. Revenues are recognized when earned and expenses are recognized when incurred. Allocations of costs, such as depreciation, are recorded in proprietary funds. Unbilled utility service receivables are recorded at each year-end.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of all the County's enterprise funds and internal service fund are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The major proprietary funds are:

- Navarre Beach Fund – Accounts for the operation and maintenance of the water and sewer system of Navarre Beach.
- Landfill Fund – Accounts for the operation of the solid waste disposal facilities of the County.

The County's only internal service fund is the Self Insurance Fund. This fund accounts for the risk management activities of the Board and the other elected officials. Costs are billed to the departments and other elected officials at the actual and estimated costs of providing insurance coverage. At year-end, uncovered costs are billed to the departments, if necessary. Billings in excess of costs are credited to the departments. The policy of the County is not to eliminate interfund activity, i.e. the estimated insurance costs billed to the departments, in the government-wide statement of activities, so as to better reflect the true operating costs of those departments.

FIDUCIARY FUNDS

Agency funds are used to account for monies held on behalf of individuals and companies that use the County as a depository as well as for property taxes, fines, court costs, licenses and fees collected on behalf of other governments. The County has thirteen agency fiduciary funds.

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE A - SUMMARY OF ACCOUNTING POLICIES - Continued

4. Budgets and Budgetary Accounting

Florida Statutes Chapters 129 and 200 govern the preparation, adoption, and administration of the County's annual budget. The budget must be balanced, i.e., the estimated revenues plus beginning fund balance brought forward must equal appropriations and be prepared on a basis consistent with generally accepted accounting principles (GAAP) as applicable to governmental units. The Board may, at any time within a fiscal year, amend a budget for that year as follows:

Appropriations for expenditures in any fund may be decreased and other appropriations in the same fund correspondingly increased by motion recorded in the minutes. The budget officer may authorize certain inter-departmental and intra-departmental budget amendments, provided that the total appropriation of the fund is not changed. All annual appropriations lapse at fiscal year end.

Budgets are required for all governmental funds except:

Special Revenue Funds:

Sheriff's Grants

Sheriff's Second Dollar

Sheriff's Prisoner Recreation

Sheriff's Federal Seizure

Sheriff's Local Option Sales Tax

Accordingly, the County does not adopt annual appropriated budgets for the above listed special revenue funds.

Budgets are not initially authorized but subsequently amended for the following funds:

Special Revenue Funds:

Disaster

Grants

5. Cash and Cash Equivalents

For purposes of the statements of cash flows, all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased are considered to be cash equivalents.

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE A - SUMMARY OF ACCOUNTING POLICIES - Continued

6. Investments

Investments in U.S. Treasury bills, government backed securities and the Florida Local Government Investment Trust Fund are recorded at fair value. As permitted by GASB Statement No. 72, bank certificates of deposit and short-term money market investments are reported at amortized cost rather than fair value.

7. Inventory

Inventory consists of gas, oil, automotive parts, road signs, culverts, and various other items used by the road department and insecticides used by mosquito control operations. Inventory is valued at cost (first in, first out). The cost is recorded as an expenditure at the time the inventory is purchased.

In the fund level statements, reported inventories are equally offset by a nonspendable fund balance since such amounts will not convert to cash even though they are a component of net current assets.

8. Accounting for Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the acquisition date.

The cost of normal maintenance and repairs that does not add to the value of an asset or materially extends an asset's life is not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The County does not capitalize interest expense on borrowings used to finance construction of capital assets, as the capitalizable interest, after netting of interest earnings, is normally insignificant.

Property, plant and equipment of the County is depreciated using the straight-line method over the following estimated useful lives:

Buildings	20 - 50 years
Water Distribution System	20 years
Improvements	10 - 20 years
Equipment	3 - 10 years
Infrastructure	40 years

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE A - SUMMARY OF ACCOUNTING POLICIES - Continued

9. Compensated Absences

It is the policy of the County to permit employees to accumulate a limited amount of earned but unused leave benefits which will be paid to employees upon separation from service. Unpaid compensated absences are recorded as a liability when the benefits are earned in the government-wide and proprietary fund financial statements. The valuation of accrued leave benefits is calculated in accordance with GASB Statement No. 16. For the governmental activities, compensated absences are generally liquidated by the General (75%) and the Road and Bridge (25%) funds.

10. Property Taxes

Real and personal property valuations are determined each year as of January 1 by the Property Appraiser's office. Florida Statutes require that all property be assessed at 100 percent of just value.

All property taxes become due and payable on November 1 and are delinquent on April 1 of the following year. Discounts of 4, 3, 2 and 1 percent are allowed for early payment in November through February, respectively. The Tax Collector advertises as required by statute and sells tax certificates for unpaid taxes on real property. Certificates not sold are considered "County Held Certificates." Persons owning land upon which a tax certificate has been sold may redeem the land by paying the face amount of the tax certificate, plus interest and other costs.

Property taxes levied on property valuations as of January 1, 2020 and expected to be collected during the period November 2020 through March 2021 are as follows:

General Fund	\$ 68,013,113
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These taxes, although measurable, are not recognized as revenue at September 30, 2019, since they are not considered to be collectible within the current period or soon enough thereafter to be used to pay current period liabilities.

11. Landfill Closure Costs

Under the terms of current state and federal regulations, the County is required to place a final cover on closed landfill areas, and to perform certain monitoring and maintenance functions for a period of up to thirty years after closure. The County recognizes these costs of closure and post-closure maintenance over the active life of each landfill area, based on landfill capacity used during the period.

12. Allowance for Uncollectible Amounts

Accounts receivable for the County are reported net of allowance for doubtful accounts. The allowance for doubtful accounts represents those accounts which are deemed uncollectible based upon past collection history.

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE A - SUMMARY OF ACCOUNTING POLICIES - Continued

13. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

Restricted - Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the County to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the County can be compelled by an external party-such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance) of the County. Those committed amounts cannot be used for any other purpose unless the County removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the Board, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balances represent the intended use established by the Board for the remaining amounts that are not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Board.

Unassigned - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE A - SUMMARY OF ACCOUNTING POLICIES - Continued

The County applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

NOTE B - CASH AND INVESTMENTS

At September 30, 2020, the bank held deposits of \$119,821,076 (before outstanding checks and deposits in transit) consisting of amounts held in checking, savings, money market or time deposit accounts. All deposits with financial institutions were 100% insured by federal depository insurance or by collateral pursuant to the Public Depository Security Act of the State of Florida.

The County's cash and cash equivalents consist of cash and short-term investments with original maturities of three months or less from the date of acquisition.

Pursuant to Florida Statutes Section 218.415, the County adopted an investment policy which outlines the County's investment responsibilities, objectives, and policies. The County's investment policy authorizes the County to invest in the following:

- a. The Local Government Surplus Funds Trust Fund (SBA) (Maximum of 75%)*;
- b. Florida Local Government Investment Trust (FLGIT) (State Investment Trust) (100% allowed)*;
- c. Qualified money market mutual funds (Maximum of 50%)*;
- d. U.S. Treasury bills, notes and bonds (100% allowed);
- e. Obligations guaranteed by the U.S. Government as to principal and interest such as obligations of the Government National Mortgage Association (GNMA) (Maximum of 5%)*;
- f. Non-callable Government Agency securities (Maximum of 25%)*:
 - (i) Federal Farm Credit Bank (FFCB),
 - (ii) Federal Home Loan Mortgage Corporation (FHLMC),
 - (iii) Federal Home Loan Bank (FHLB),
 - (iv) Federal National Mortgage Association (FNMA).This classification of government agency securities does not include any mortgage debt of any government agency;
- g. Time deposits and savings accounts in banks or savings and loan associations doing business in Florida (Maximum of 50%)*;
- h. Repurchase agreements for investments authorized in categories d, e, or f above. (Maximum of 40%)*

*To limit the County's concentration of credit risk these are the maximum percentages of the County's total portfolio that can be in each type of investment.

Interest rate risk is limited by no security having a maturity exceeding 2 years. The weighted average to maturity for the portfolio shall be less than 365 days or 1 year. Investments placed with the FLGIT, which

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE B - CASH AND INVESTMENTS - Continued

typically invests in instruments with maturities of less than 5 years, are exempt from this limitation. The average maturity of investments held in the FLGIT as of September 30, 2020 is 2.00 years.

The FLGIT, also known as Florida Trust, is a local government investment pool created by the Florida Association of Court Clerks and Comptrollers, and the Florida Association of Counties for the purpose of providing public entities with an investment program by providing investment vehicles for funds that can be invested in short- to intermediate-term securities and have returns generally greater than the national average for money market instruments. The fair values of the County's positions in the pool are the same as the value of the pool shares. The Florida Trust offers two separately rated, open-ended, professionally managed funds available only to public entities in Florida.

The Investment Trust:

A short-term bond fund with an investment portfolio structured to maintain safety of principal and maximize available yield through a balance of quality and diversification. As of September 30, 2020, the Investment Trust managed \$923 million and had a price per share of \$26.84 and a Fitch rating of AA+Af. This short-term bond fund invests in U.S. Treasuries and Agency Securities, Mortgages, Commercial Paper, Asset-Backed Securities, and "A" rated Corporate Securities.

The Day to Day Fund:

The Florida Trust Day to Day Fund is a money market product created in response to demand to provide a fiscally conservative diversification option for Florida local governments. Fund features include same day transactions and online account management. The fund is AA+Am-rated by Fitch and is governed by the same board and advisory committee that oversees the Investment Trust.

The County's investments as defined by GASB Statement No. 72 "Fair Value Measurement and Application" are reported at fair value based on level 1 inputs for quoted prices for identical investments in active markets.

Schedule of Cash and Investments at September 30, 2020

	<u>Carrying Amount</u>
Investments:	
FLGIT Investment Trust Fund	\$ 12,365,672
Total Investments	<u>12,365,672</u>
Cash:	
Cash in Bank	51,218,865
Day to Day Trust	57,044,109
Petty Cash	3,575
Total Cash	<u>108,266,549</u>
Total Cash and Investments	<u>\$ 120,632,221</u>

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE B - CASH AND INVESTMENTS - Continued

Restricted cash and investments typically consist of funds set aside for the payment of debt and funds set aside to ensure assets producing the pledged revenues are repaired and replaced as needed. These assets are restricted since their use is limited by the applicable bond indentures. Other restricted assets consist of funds restricted to the payment of future landfill closure costs.

Restricted cash and investments by category and by fund are as follows:

	Landfill Fund
Landfill escrow	<u>\$ 17,773,163</u>

NOTE C – DUE FROM OTHER GOVERNMENTAL UNITS

At September 30, 2020, amounts due from other governmental units were as follows:

	General Fund	Road and Bridge Fund	Local Option Sales Tax Fund	CARES Act Fund	Nonmajor Governmental Funds	Nonmajor Enterprise Funds	Total
Federal Government - Grants	\$ 222,488	\$ --	\$ --	\$ 13,248,065	\$ 380,863	\$ 152,886	\$ 14,004,302
State of Florida - Grants	61,450	2,571,668	--	--	3,075,446	--	5,708,564
State of Florida - Taxes	293,319	942,888	676,516	--	200,166	--	2,112,889
Local taxes	532,025	--	--	--	41,270	--	573,295
Other	--	--	--	--	41,311	--	41,311
	<u>\$ 1,109,282</u>	<u>\$ 3,514,556</u>	<u>\$ 676,516</u>	<u>\$ 13,248,065</u>	<u>\$ 3,739,056</u>	<u>\$ 152,886</u>	<u>\$ 22,440,361</u>

NOTE D – INTERFUND TRANSACTIONS

Interfund transactions for the year ended September 30, 2020 were as follows:

	Interfund Receivable	Interfund Payable	Interfund Transfers in	Interfund Transfers out
General fund	\$ 16,602,423	\$ 19,802	\$ 11,322,333	\$ 14,886,811
Road & Bridge fund	--	--	3,003,172	30,000
Local Option Sales Tax fund	--	--	--	842,767
CARES Act fund	--	14,946,238	--	--
Nonmajor Governmental funds	128,233	1,764,616	12,678,800	12,431,650
Navarre Beach fund	--	--	--	108,441
Landfill fund	--	--	--	823,073
Nonmajor Enterprise funds	--	--	1,498,680	353,243
Self Insurance fund	--	--	973,000	--
Total	<u>\$ 16,730,656</u>	<u>\$ 16,730,656</u>	<u>\$ 29,475,985</u>	<u>\$ 29,475,985</u>

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE D – INTERFUND TRANSACTIONS - Continued

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) move unrestricted revenues collected in the general fund to finance various programs in accordance with budgetary authorizations.

Interfund balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

NOTE E – RECEIVABLES

<u>Governmental</u>	<u>Accounts</u>	<u>Allowance</u>	<u>Leases</u>	<u>Intergov- ernmental</u>	<u>Total</u>
General	\$ 85,793	\$ --	\$ 334,930	\$ 1,109,282	\$ 1,530,005
Road & Bridge	--	--	--	3,514,556	3,514,556
Local Option Sales Tax	--	--	--	676,516	676,516
CARES Act	--	--	--	13,248,065	13,248,065
Nonmajor Governmental	701,132	--	--	3,739,056	4,440,188
Self Insurance	39,307	--	--	--	39,307
Subtotal	<u>826,232</u>	<u>--</u>	<u>334,930</u>	<u>22,287,475</u>	<u>23,448,637</u>
<u>Business-Type</u>					
Navarre Beach	220,460	(4,804)	--	--	215,656
Landfill	1,328,519	--	--	--	1,328,519
Nonmajor Enterprise	13,645	--	--	152,886	166,531
Subtotal	<u>1,562,624</u>	<u>(4,804)</u>	<u>--</u>	<u>152,886</u>	<u>1,710,706</u>
Total	<u>\$ 2,388,856</u>	<u>\$ (4,804)</u>	<u>\$ 334,930</u>	<u>\$ 22,440,361</u>	<u>\$ 25,159,343</u>

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE F – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2020 was as follows (in thousands):

Governmental activities	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
Capital assets not being depreciated:					
Land	\$ 23,059	\$ 509	\$ --	\$ 8	\$ 23,560
Construction in progress	17,663	16,567	--	6,326	27,904
Total capital assets not being depreciated	40,722	17,076	--	6,334	51,464
Other capital assets:					
Buildings	65,077	1,086	--	159	66,004
Improvements other than buildings	159,452	21,132	526	19	181,091
Machinery and equipment	66,672	9,455	(542)	3,693	71,892
Total capital assets being depreciated	291,201	31,673	(16)	3,871	318,987
Less accumulated depreciation for:					
Buildings	53,117	1,484	--	13	54,588
Improvements other than buildings	71,523	4,883	346	14	76,738
Machinery and equipment	42,261	6,044	(360)	2,668	45,277
Total accumulated depreciation	166,901	12,411	(14)	2,695	176,603
Total capital assets being depreciated, net	124,300	19,262	(2)	1,176	142,384
Governmental activities capital assets, net	<u>\$ 165,022</u>	<u>\$ 36,338</u>	<u>\$ (2)</u>	<u>\$ 7,510</u>	<u>\$ 193,848</u>
 Business like activities	 Beginning Balance	 Additions	 Transfers	 Deletions	 Ending Balance
Capital assets not being depreciated:					
Land	\$ 1,306	\$ --	\$ --	\$ --	\$ 1,306
Construction in progress	11,815	1,526	--	10,783	2,558
Total capital assets not being depreciated	13,121	1,526	--	10,783	3,864
Other capital assets:					
Buildings	3,909	--	--	--	3,909
Improvements other than buildings	30,945	11,323	--	--	42,268
Machinery and equipment	3,345	784	16	223	3,922
Total capital assets being depreciated	38,199	12,107	16	223	50,099
Less accumulated depreciation for:					
Buildings	2,374	128	--	--	2,502
Improvements other than buildings	20,474	1,139	--	--	21,613
Machinery and equipment	2,188	235	14	223	2,214
Total accumulated depreciation	25,036	1,502	14	223	26,329
Total capital assets being depreciated, net	13,163	10,605	2	--	23,770
Business like activities capital assets, net	<u>\$ 26,284</u>	<u>\$ 12,131</u>	<u>\$ 2</u>	<u>\$ 10,783</u>	<u>\$ 27,634</u>

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE F – CAPITAL ASSETS - Continued

Depreciation expense was charged to functions as follows:

Governmental activities:

General government	\$ 1,175,007
Public safety	4,348,657
Physical environment	114,996
Transportation	4,552,401
Economic environment	141,911
Human services	179,429
Culture and recreation	1,898,520

Total governmental activities depreciation expense	<u>\$ 12,410,921</u>
--	----------------------

Business-type activities:

Navarre Beach	\$ 494,584
Landfill	646,249
Inspections	28,065
Peter Prince Field	334,116

Total business-type activities depreciation expense	<u>\$ 1,503,014</u>
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Construction and Other Contractual Commitments

The following is a summary of major construction and other contractual commitments outstanding as of September 30, 2020:

<u>Projects</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Governmental Activities:		
Courthouse Construction	\$ 8,857,874	\$ 36,127,530
Road and Bridge Construction	6,650,419	7,200,873
Drainage Projects	10,833,672	1,536,692
Total	<u>\$ 26,341,965</u>	<u>\$ 44,865,095</u>
Business-type Activities		
Hangar Construction	\$ 1,118,866	\$ 414,966
Total	<u>\$ 1,118,866</u>	<u>\$ 414,966</u>

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE G- LONG-TERM DEBT

1. Changes in Long-Term Debt

Special assessment notes are fully secured by annual assessments made against property owners of the specific area that benefited from the proceeds of the notes. The County has no legal obligation to levy ad valorem taxes or cover the notes in case of default by the property owners. The County does, however, maintain a moral commitment to cover the debt payments until such time as the property owners can make the payments.

The following is a summary of changes in long-term debt for the year.

	Balance October 1, 2019	Additions	Deductions	Balance September 30, 2020	Amount Due within One Year
Governmental activities:					
Compensated absences	\$ 7,778,491	\$ 5,429,138	\$ 4,651,954	\$ 8,555,675	\$ 4,121,330
Claims payable	3,328,736	1,772,009	1,537,883	3,562,862	631,683
Revenue bonds	--	2,600,000	--	2,600,000	--
General obligation notes	2,342,849	--	767,166	1,575,683	780,868
Revenue notes	24,074	100,000	24,074	100,000	--
Special assessment notes	2,100,118	2,602,518	487,087	4,215,549	412,285
	<u>\$ 15,574,268</u>	<u>\$ 12,503,665</u>	<u>\$ 7,468,164</u>	<u>\$ 20,609,769</u>	<u>\$ 5,946,166</u>
Business-type activities:					
Compensated absences	\$ 668,654	\$ 422,774	\$ 434,002	\$ 657,426	\$ 297,350
Landfill closure costs	17,225,559	1,410,815	--	18,636,374	18,499
Notes payable	1,090,588	--	--	1,090,588	535,020
	<u>\$ 18,984,801</u>	<u>\$ 1,833,589</u>	<u>\$ 434,002</u>	<u>\$ 20,384,388</u>	<u>\$ 850,869</u>

Compensated absences are liquidated by the general and other governmental funds incurring the expenditure. Claims liabilities are liquidated in the internal service fund.

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE G - LONG-TERM DEBT - Continued

2. Descriptions of Notes

The County has revenue bonds, general obligation notes, revenue notes and special assessment notes payable outstanding at year end. There are no lines of credit issued for the County. The notes payable for the 911 system and the Bernath Place MSBU have clauses making outstanding amounts payable immediately upon default. Otherwise, there are no significant termination events with finance-related consequences or subjective acceleration clauses contained in the County debt issues. All of the County notes payable have been issued as direct borrowings or direct placements.

Bonds and notes payable at September 30, 2020 are comprised of the following:

General government – Revenue bonds payable

\$35,000,000 bond payable to bank for the construction of new judicial center. The bond is due in 19 annual payments of \$1,445,000 to 2,301,700 plus interest paid semiannually at 2.62% with final payment due in 2040, secured by a pledge of non-ad valorem revenues. \$2,600,000

General government – General Obligation notes payable

\$5,279,240 note payable to bank for the purchase and installation of equipment for a new 911 system. The note is due in 7 annual payments of \$809,011 including interest at 1.786% with final payment due in 2021. 1,575,683

General government – Revenue notes payable

\$1,825,000 note payable to bank for the acquisition and construction of improvements and equipment for Benny Russell Park. The note is due in 40 quarterly payments of \$3,150 to 57,671 including interest at 2.25% with final payment due in 2030, secured by a pledge of non-ad valorem revenues. 100,000

General government – Special Assessment notes payable

\$1,102,518 special assessment note payable to bank for the acquisition and installation of fire control equipment in the Santa Rosa County Fire Protection MSBU. The note is due in 8 annual payments of \$152,062 including interest at 2.24% with final payment due in 2028. Annual assessments will be made against property owners sufficient to retire the maturing principal and interest 1,102,518

\$700,000 special assessment note payable to bank for the acquisition and installation fire control equipment in the Santa Rosa County Fire Protection MSBU. The note is due in 60 quarterly payments of \$9,134 to \$14,526 plus interest at 3.14% with final payment due in 2025. Annual assessments will be made against property owners sufficient to retire the maturing principal and interest. 283,041

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE G - LONG-TERM DEBT - Continued

\$1,500,000 special assessment note payable to bank for the construction of certain infrastructure improvements in the Bernath Place MSBU. The note is due in 80 quarterly payments of \$25,651 including interest at 3.237% with final payment due in 2040. Annual assessments will be made against property owners sufficient to retire the maturing principal and interest. 1,486,758

\$268,350 special assessment note payable to bank for the construction of certain infrastructure improvements in the Skiwatch Estates MSBU. The note is due in 40 quarterly payments of \$7,625 including interest at 2.56% with final payment due in 2021. Annual assessments will be made against property owners sufficient to retire the maturing principal and interest. 37,225

\$383,000 special assessment note payable to bank for the construction of certain infrastructure improvements in the Little Duck Circle MSBU. The note is due in 32 quarterly payments of \$13,060 including interest at 2.15% with final payment due in 2026. Annual assessments will be made against property owners sufficient to retire the maturing principal and interest. 270,972

\$1,221,000 special assessment note payable to bank for the construction of certain infrastructure improvements in the Ponderosa Drive MSBU. The note is due in 56 quarterly payments of \$25,961 including interest at 2.494% with final payment due in 2032. Annual assessments will be made against property owners sufficient to retire the maturing principal and interest. 1,035,035

Total general government notes payable \$8,491,233

Proprietary fund type - note payable

Navarre Beach

\$6,500,000 Utility System Revenue Note, Series 2006 payable to bank for the construction of certain improvements and additions to the Navarre Beach Utility System. The note is due in 15 annual payments of \$335,333 to \$555,568 plus interest at 1.955%, adjusted every 3 years, secured by non-ad valorem revenues. \$1,090,588

Total proprietary fund type note payable \$1,090,588

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE G - LONG-TERM DEBT - Continued

3. Pledged Revenues

Santa Rosa County has pledged certain revenues to repay certain bonds and notes outstanding at September 30, 2019. The following table reports the revenues, sometimes net of related operating expenses, pledged for each debt issue, the amount of such revenues received in the current year, the current year principal and interest paid on the debt, the approximate percentage of each revenue which is pledged to meet the debt obligation, the date through which the revenue is pledged under the debt agreement, and the total pledged future revenues for each debt, which is the amount of the remaining principal and interest on the bonds and notes at September 30, 2020.

Governmental Activities	Revenue Pledged	Current Year Total Revenue	Pledged Outstanding Principal & Interest	Estimated Revenue Percentage Pledged	Principal & Interest Paid	Maturity Calendar Year
Special Assessment Notes						
Fire Protection MSBU Revenue Note, Series 2020	Special assessments	14,980	1,216,522	100%	14,980	2028
Fire Protection MSBU Revenue Note, Series 2010-B	Special assessments	61,000	308,116	100%	61,000	2025
Bernath Place MSBU Revenue Note, Series 2020	Special assessments	25,650	2,026,412	100%	25,650	2040
Skiwatch Estates Canal Maintenance Dredging MSBU Revenue Note, Series 2011	Special assessments	See below	37,946	0%	30,502	2021
Little Duck Circle MSBU Revenue Note, Series 2018	Special assessments	52,241	288,002	100%	52,241	2026
Ponderosa Drive MSBU Revenue Note, Series 2018	Special assessments	103,844	1,195,904	100%	103,844	2032
Revenue Notes						
Benny Russell Project Capital Improvement Revenue Note, Series 2020	Non-Ad Valorem revenues	258	314,020	100%	258	2030
Total Notes - Governmental Activities		<u>\$ 257,973</u>	<u>\$ 5,386,922</u>		<u>\$ 288,475</u>	
Revenue Bonds						
Courthouse Project Capital Improvement Revenue Bond, Series 2020	Non-Ad Valorem revenues	<u>\$ 6,783</u>	<u>\$ 12,937,131</u>	100%	<u>6,783</u>	2040
Total Bonds - Governmental Activities		<u>\$ 6,783</u>	<u>\$ 12,937,131</u>		<u>\$ 6,783</u>	

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE G- LONG-TERM DEBT - Continued

Business-type Activities	Revenue Pledged	Current Year Total Revenue	Pledged Outstanding Principal & Interest	Estimated Revenue Percentage Pledged	Principal & Interest Paid	Maturity Calendar Year
Revenue Bonds						
Utility Service Revenue Note, Series 2007	Navarre Beach operations	\$ 10,838	\$ 1,123,277	100%	\$ 10,838	2021
Total Revenue Notes - Business-type Activities		\$ 10,838	\$ 1,123,277		\$ 10,838	

Note on Skiwatch Estates Canal Maintenance Dredging - Sufficient funds have already been assessed and collected to cover debt service.

4. Debt Service Requirements

The annual requirements to amortize all notes outstanding at September 30, 2020 are as follows:

Governmental activities:

Year ended September 30,	Principal	Interest	Total
2021	1,168,205	1,078,292	2,246,497
2022	2,713,994	1,054,986	3,768,980
2023	1,531,312	988,470	2,519,782
2024	385,918	935,101	1,321,019
2025	396,138	879,814	1,275,952
2026-2030	1,288,500	241,370	1,529,870
2031-2035	557,607	112,874	670,481
2036-2040	449,559	37,807	487,366
	<u>\$ 8,491,233</u>	<u>\$ 5,328,714</u>	<u>\$ 13,819,947</u>

Business-type activities:

Year ended September 30,	Principal	Interest	Total
2021	535,020	21,676	556,696
2022	555,568	11,012	566,580
	<u>\$ 1,090,588</u>	<u>\$ 32,688</u>	<u>\$ 1,123,276</u>

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE H - LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

State and federal laws and regulations require the County to place a final cover on its landfill sites when the landfill stops accepting waste and to perform certain maintenance and monitoring functions at sites for thirty years after closure. Although closure and postclosure care costs are paid only near or after the date that a landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$18.6 million reported as landfill closure and postclosure care liability (current and noncurrent) at September 30, 2020, represents the cumulative amount reported to date based on the following percentage usage of the estimated capacity of each of the County's landfills:

Central Class I Landfill	61%
Central Class III Landfill (New)	39%
Central Class III Landfill (Old)	Closed 10/98

The estimated cost of postclosure care for the Central Class III (Old) landfill has been recognized in prior years with any changes in estimates being recorded in the current year. The County will recognize the remaining estimated cost of closure and postclosure care for the Central Class I and Class III (New) landfills in the amount of \$16.5 million as their remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2020. The estimated remaining lives of the Central Class I and Class III landfills are 9 and 15 years, respectively. Cost of closure and life estimates are based on the areas currently in use, and not on potential areas of expansion. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The County is required by state and federal laws and regulations to make annual contributions to a trust to finance closure and postclosure care. At September 30, 2020, the County held cash and investments of \$17,773,163 to cover the escrow requirement of \$17,773,163. These cash and investments are reported as restricted assets in these financial statements. The County expects that future inflation costs will be paid from interest earnings on these restricted cash and investments and from charges to future landfill users or future tax revenue.

NOTE I - COMMITMENTS AND CONTINGENCIES

1. Litigation

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County's attorney the resolution of these matters will not have a material adverse effect on the financial condition of the County.

2. Federal and State Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by grantors cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE J – PENSION AND HEALTH INSURANCE SUBSIDY

1. Retirement Plan

Participation - Employees of the County participate in the Florida Retirement System, a cost-sharing multiple-employer retirement system, established by Chapter 121, Florida Statutes. Participation is compulsory for full-time and part-time employees working in regularly established positions. Elected officials may elect not to participate in the system. Eligible employees may elect to participate in the Deferred Retirement Option Program (DROP), deferring receipt of retirement benefits while continuing employment with a Florida Retirement System employer.

Benefit Provisions – The Florida retirement system offers two retirement plans – the FRS Pension Plan and the FRS Investment Plan. An employee may participate in only one of the plans. Both plans, effective July 1, 2011, are funded monthly by a combination of employer and employee contributions.

The FRS Pension Plan is a defined benefit plan which provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Normal retirement benefits are available to employees who retire at age 62 or 65 (depending on hire date) with 6 or 8 (depending on hire date) or more years of service, or to those employees who have at least 30 or 33 (depending on hire date) years of creditable service, regardless of age. Retirement age and years of service requirements may vary depending on membership class. Early retirement is available after 6 years of service with a 5% reduction of benefits for each year prior to the normal retirement age. Retirement benefits are based upon age, average compensation, and years-of-service credit where average compensation is computed as the average of an individual's five (if enrolled prior to July 1, 2011) or eight (if enrolled on or after July 1, 2011) highest years of earnings.

The FRS Investment Plan is a defined contribution plan in which participants are vested after one year of service. The employer makes contributions each month based on a percentage of the employee's gross salary and membership class. The contribution percentage is the same whether participating in the Pension Plan or Investment Plan. Members in the Investment Plan decide how their funds are allocated between various investment accounts and the funds are portable upon termination if the participant is vested. Members in the investment plan are not eligible for participation in the Deferred Retirement Option Program (DROP).

For DROP participants, the deferred monthly benefit plus interest compounded monthly, accrues for the specified period of the DROP participation. Upon retirement, the participant receives the total accumulated DROP benefits and begins to receive current benefits at the previously determined rate.

Contributions - Chapter 121 requires the employer to pay contributions based upon state-wide rates established by the State of Florida. Employees contribute 3% of their salary. During 2020, the County contributed an average of 8.85% of each qualified regular employee's gross salary, 48.91% percent of the elected officials' salary, 25.22% of each special risk employee's salary, and 15.20% for each DROP participant. The County's contributions to the Pension Plan, funded on a pay-as-you-go basis, were equal to the actuarially determined contribution requirements for the year. The County's contributions to the Investment Plan were equal to the legislatively mandated contribution rates, which are equal to a percentage of the members' gross monthly salary based on membership class. Contributions to the Investment plan totaled \$1,010,893, \$899,405, and \$721,606 for the years ended September 30, 2020, 2019 and 2018,

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE J – PENSION AND HEALTH INSURANCE SUBSIDY – Continued

respectively. Contributions to the Pension plan totaled \$7,448,885, \$6,561,808, and \$5,639,544 for the years ended September 30, 2020, 2019 and 2018, respectively.

Financial Report of the Plan - The Florida Retirement System issues a stand-alone financial report. A copy can be obtained by contacting the State of Florida, Division of Retirement, Tallahassee, Florida.

Health Insurance Subsidy Pension Plan

Plan Description. The Health Insurance Subsidy Plan (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Division of Retirement within the Florida Department of Management Services.

Benefits Provided. For the fiscal year ended September 30, 2019, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

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

The County's contributions to the HIS Plan totaled \$836,396 for the fiscal year ended September 30, 2020.

2. Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At September 30, 2020, the County reported a liability of \$106,433,213 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined from an actuarial valuation as of July 1. The County's proportion of the net pension liability was based on the County's 2019-20 fiscal year contributions relative to the 2019-20 fiscal year contributions of all participating members. At June 30, 2020, the County's change in proportion was an increase from its proportion measured as of June 30, 2019. The following table presents the information on the County's proportionate share of the FRS and HIS:

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE J – PENSION AND HEALTH INSURANCE SUBSIDY – Continued

	FRS	HIS	Total
Proportionate share of Net Pension Liability at September 30, 2020	\$ 88,711,393	\$ 17,721,820	\$ 106,433,213
County's proportion at June 30, 2020	0.2046801490%	0.1451437871%	
County's proportion at June 30, 2019	0.1955403117%	0.1385027973%	
Change in proportion during current year	0.0091398373%	0.0066409898%	

For the fiscal year ended September 30, 2020, the County recognized pension expense of \$13,547,610. In addition, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	FRS		HIS		County Total Deferred Outflow (Deferred Inflow)
	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows	
Differences between expected and actual experience	\$ 3,395,171	\$ --	\$ 724,930	\$ 13,671	\$ 4,106,430
Change of assumptions	16,059,584	--	1,905,600	1,030,456	16,934,728
Net difference between projected and actual earnings on pension plan investments	5,281,962	--	14,149	--	5,296,111
Changes in proportion and differences between County contributions and proportionate share of contributions	4,488,709	415,116	1,587,435	196,726	5,464,302
County contributions subsequent to the measurement date	1,752,214	--	214,234	--	1,966,448
Total	<u>\$30,977,640</u>	<u>\$ 415,116</u>	<u>\$4,446,348</u>	<u>\$1,240,853</u>	<u>\$ 33,768,019</u>

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE J – PENSION AND HEALTH INSURANCE SUBSIDY – Continued

The deferred outflows of resources related to pensions, totaling \$1,966,448, resulting from County contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	FRS	HIS	County Total Deferred Outflow (Deferred Inflow)
2020	\$ 6,085,561	\$ 713,578	\$ 6,799,139
2021	8,838,073	560,483	9,398,556
2022	7,609,445	342,317	7,951,762
2023	4,847,681	470,462	5,318,143
2024	1,429,544	514,550	1,944,094
Thereafter	--	389,872	389,872
	<u>\$ 28,810,304</u>	<u>\$ 2,991,262</u>	<u>\$ 31,801,566</u>

Actuarial Assumptions - The total pension liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

FRS

Inflation	2.40%
Salary increases	3.25%, average, including inflation
Investment rate of return	6.80%, net of pension plan investment expense, including inflation

HIS

Inflation	2.40%
Salary increases	3.25%, average, including inflation
Investment rate of return	2.21%, net of pension plan investment expense, including inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018.

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

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE J – PENSION AND HEALTH INSURANCE SUBSIDY – Continued

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.2%	2.2%	1.2%
Fixed income	19.0%	3.0%	2.9%	3.5%
Global equity	54.2%	8.0%	6.7%	17.1%
Real estate (property)	10.3%	6.4%	5.8%	11.7%
Private equity	11.1%	10.8%	8.1%	25.8%
Strategic investments	4.4%	5.5%	5.3%	6.9%
Total	<u>100%</u>			
Assumed inflation - mean			2.4%	1.7%

* As outlined in the Plan's investment policy

Discount Rate – The discount rate used to measure the total FRS pension liability was 6.80%. The FRS Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. For the HIS plan, the discount rate used to measure the total pension liability was 2.21%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

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

FRS Net Pension Liability			HIS Net Pension Liability		
	Current			Current	
1% Decrease	Discount Rate	1% Increase	1% Decrease	Discount Rate	1% Increase
(5.80%)	(6.80%)	(7.80%)	(1.21%)	(2.21%)	(3.21%)
\$ 141,657,186	\$ 88,711,393	\$ 44,490,836	\$ 20,485,633	\$ 17,721,820	\$ 15,459,647

Detailed information about the pension plan's fiduciary net position is available in the separately issued FRS financial report.

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE K - FUND BALANCES

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below.

Fund balances	Major Funds					Total
	General Fund	Road and Bridge Fund	LOST Fund	CARES Act Fund	Other Funds	
Nonspendable						
Inventory	\$ 78,837	\$ 258,673	\$ --	\$ --	\$ --	\$ 337,510
Prepays	--	--	--	--	550,663	\$ 550,663
Restricted for:						
Communications	845,207	--	--	--	--	845,207
Drivers education	311,202	--	--	--	--	311,202
Boating improvement	729,185	--	--	--	--	729,185
Domestic violence	223,266	--	--	--	--	223,266
Pollworker recruitment	1,887	--	--	--	--	1,887
Federal elections	1,222	--	--	--	--	1,222
Voter education	69	--	--	--	--	69
Navarre Beach Bridge maintenance	--	331,527	--	--	--	331,527
Infrastructure development	--	--	6,009,981	--	492,458	6,502,439
Public health and safety	--	--	--	2,370	--	2,370
Law Enforcement Trust Fund	--	--	--	--	54,703	54,703
Crime prevention	--	--	--	--	478,329	478,329
Federal seizure funds	--	--	--	--	109,370	109,370
Mosquito control	--	--	--	--	92,118	92,118
Federal and state grants	--	--	--	--	2,872,977	2,872,977
Enhanced 911 system	--	--	--	--	493,601	493,601
Tourist development	--	--	--	--	2,110,507	2,110,507
State Housing Improvement Program	--	--	--	--	372,576	372,576
Disaster relief	--	--	--	--	3,487,716	3,487,716
Fire prevention and control	--	--	--	--	1,074,735	1,074,735
Road and sewer construction	--	--	--	--	1,234,457	1,234,457
Canal maintenance	--	--	--	--	194,603	194,603
Beach Restoration	--	--	--	--	18,675	18,675
State court operations	--	--	--	--	16,281	16,281
Court equipment and technology	--	--	--	--	818,360	818,360
Records modernization trust fund	--	--	--	--	809,903	809,903
Law enforcement training	--	--	--	--	101,084	101,084
Inmate welfare purchases	--	--	--	--	663,260	663,260
Committed to:						
Animal service education	50,668	--	--	--	--	50,668
Court innovations	--	--	--	--	427,450	427,450
Transportation, recreation and economic development	--	--	--	--	1,498,757	1,498,757
Capital construction projects	--	--	--	--	4,335,170	4,335,170
Assigned to:						
Road and bridge construction and maintenance	--	4,149,854	--	--	--	4,149,854
Debt service	--	--	--	--	71,621	71,621
Berm restoration	4,238,703	--	--	--	--	4,238,703
Law library	--	--	--	--	23,566	23,566
Court operations	--	--	--	--	721,894	721,894
Navarre Beach Community Center	215,000	--	--	--	--	215,000
Unassigned	42,442,836	--	--	--	(182,512)	42,260,324
	<u>\$ 49,138,082</u>	<u>\$ 4,740,054</u>	<u>\$ 6,009,981</u>	<u>\$ 2,370</u>	<u>\$ 22,942,322</u>	<u>\$ 82,832,809</u>

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE L - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In 1986 the County established a Self-Insurance Fund (an internal service fund) to account for and finance its uninsured risks of loss. Under this program the County is self-insured with respect to the following exposures:

- Workers Compensation
- Auto Physical Damage
- Auto Liability
- Construction and Road Equipment
- Portable Communication Equipment

The County is covered by outside insurance for the following exposures:

- Boats
- Employee Fidelity
- Buildings and Contents, \$5,000 deductible
- General Liability, \$25,000 deductible
- Public Officials' Liability, \$25,000 deductible

Conventional insurance remains in effect for buildings, contents and Sheriff's general, automobile and professional liability. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The Board of County Commissioners and other County elected officials participate in the program and make payments to the Self Insurance Fund based on historical estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses. The claims liability of \$3,562,862 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Liabilities for incurred losses to be settled by fixed or reasonably determined payments over a long period of time are reported at their present value using an expected future investment yield assumption of 3.9 - 7 percent. These liabilities are reported at their present value of \$258,347 at September 30, 2020.

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE L - RISK MANAGEMENT - Continued

Changes in the Fund's claims liability amount in fiscal years 2019 and 2020 were as follows:

	Beginning-of- Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2018 - 2019	\$ 3,303,001	\$ 1,678,647	\$ 1,652,912	\$ 3,328,736
2019 - 2020	\$ 3,328,736	\$ 1,772,009	\$ 1,537,883	\$ 3,562,862

The following table presents a summary of the claims payable liability at year end:

Current claims payable	\$ 614,089
Current claims-structured settlements	17,594
Total claims payable, current	631,683
Long-term claims payable	2,690,425
Long-term claims-structured settlements	240,754
Total claims payable, long-term	2,931,179
Total claims payable	<u>\$ 3,562,862</u>

The County is a member of the Florida Association of Counties Trust, a pooled liability program providing general liability coverage and public officials' liability coverage, excluding the Sheriff. The County pays an annual premium as a participant of the pooled liability program. During 1994, the first year of participation, the County paid an extraordinary loss fund payment of \$249,886. The liability coverage is not designed to be assessable; however, should the pool fail to meet its obligations, the County may be required to contribute additional funds or cover its own obligations. No accrual for future assessments has been recorded in the financial statements as such assessments do not appear probable based on past experience of the pool, and experience of the pool subsequent to the County's fiscal year end through the date of these financial statements. In the event the County elected to terminate its participation in the pool, the extraordinary loss fund payment would be refunded to the County, given adequate funding of the pool.

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE M – POST EMPLOYMENT HEALTH CARE BENEFITS

Plan Description – Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees who retire from the County and eligible dependents, may continue to participate in the County’s purchased health and hospitalization insurance coverage (the Plan) at the same group rate as for active employees and participating retirees are required to reimburse the County 100% of the health insurance premium a month in advance. The Plan is a single-employer plan. The County subsidizes the premium rates paid by the retirees by allowing them to participate in the plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. The County also provides an insurance subsidy for employees with at least 10 years (8 years elected) creditable service. The subsidy pays \$3 per year of service limited to the individual’s premium payment up to a maximum of \$90 per month. No stand-alone financial report is issued.

Funding Policy – The County has not advance-funded or established a funding methodology for the annual Other Postemployment Benefit (OPEB) costs or the net OPEB liability. For the 2020 fiscal year, 304 retirees and eligible dependents received postemployment health care benefits. The County provided required contributions of \$238,969 toward the annual OPEB cost, comprised of benefit payments made on behalf of retirees insurance net of retiree contributions totaling \$565,475. Required contributions are based on projected pay-as-you-go financing.

Net OPEB Liability – The following table shows the changes in the County’s net OPEB liability:

Change in Net OPEB Liability	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net Opeb Liability (a) - (b)
Balance as of September 30, 2018 for FYE 2019	\$ 6,712,021	\$ --	\$ 6,712,021
Service Cost	314,183	--	314,183
Interest	252,494	--	252,494
Experience Losses/(Gains)	--	--	--
Contributions	--	238,969	(238,969)
Benefit Payments	(238,969)	(238,969)	--
Changes in Assumptions	975,488	--	975,488
Net Changes in OPEB Liability	1,303,196	--	1,303,196
Balance as of September 30, 2019 for FYE 2020	\$ 8,015,217	\$ --	\$ 8,015,217
Funded status		0.00%	

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE M – POST EMPLOYMENT HEALTH CARE BENEFITS - Continued

OPEB Expense – The following table shows the components of the County’s OPEB expense:

Service Cost		\$ 314,183
Interest		252,494
Differences Between Expected and Actual Experience		
In Current Fiscal Year Recognized in Current Year	--	
From Past Years Recognized in Current Year	(72,273)	
Total		(72,273)
Changes in Assumptions		
In Current Fiscal Year Recognized in Current Year	97,549	
From Past Years Recognized in Current Year	(72,860)	
Total		24,689
Total OPEB Expense		<u>\$ 519,093</u>

Sensitivity of Total OPEB Liability

The following table presents the County’s Total OPEB liability, as well as what the County’s Total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

		Current	
Discount Rate	1% Decrease (1.75%)	Discount Rate (2.75%)	1% Increase (3.75%)
Total OPEB Liability	\$ 9,082,502	\$ 8,015,217	\$ 7,106,971

The following table presents the County’s Total OPEB liability, as well as what the County’s Total OPEB liability would be if it were calculated using a health care cost trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

		Current	
Ultimate Trend	1% Decrease (3.00%)	Medical Trend (4.00%)	1% Increase (5.00%)
Total OPEB Liability	\$ 7,799,016	\$ 8,015,217	\$ 8,279,678

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE M – POST EMPLOYMENT HEALTH CARE BENEFITS - Continued

Deferred Inflows/Outflows of Resources related to OPEB – For the fiscal year ended September 30, 2020, the County recognized an OPEB expense of \$519,093. In addition, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ --	\$ 578,181
Change of assumptions	877,939	503,578
Total	<u>\$ 877,939</u>	<u>\$ 1,081,759</u>

The deferred outflows of resources related to OPEB, totaling \$0, resulting from County contributions to the OPEB Plan subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the fiscal year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in expense as follows:

Fiscal Year Ending September 30,	Amount
2021	\$ (47,584)
2022	(47,584)
2023	(47,584)
2024	(47,584)
2025	(47,584)
Thereafter	34,100
	<u>\$ (203,820)</u>

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE M – POST EMPLOYMENT HEALTH CARE BENEFITS - Continued

Actuarial Methods and Assumptions – Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and termination, mortality, and the healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan provisions, as understood by the employer and participating members, and include the type of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and participating members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The County's OPEB actuarial valuation as of October 1, 2019, used the entry age normal actuarial cost method to estimate the net OPEB liability as of September 30, 2020 as required by GASB Statement 75. The discount rate used to determine the liability under GASB 75 is based on an index rate for 20-year tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. This rate was 2.75% as of September 30, 2019. The inflation rate assumption is 2.4%. The salary scale assumption used was the Florida Retirement System salary scale assumption of 3.25%.

The required schedules of changes in net OPEB liability and plan fiduciary net position, immediately following the notes, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the net OPEB liability.

NOTE N – SUBSEQUENT EVENT

The County has evaluated events and transactions that occurred between September 30, 2020, and March 19, 2021, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements. The following subsequent events are noted:

- Santa Rosa County has expended approximately \$9.7 million from the Natural Disaster Fund primarily for debris removal as a result of Hurricane Sally.
- Santa Rosa County has expended approximately \$10.7 million from the CARES Act Fund for the purpose of CARES Act funding and distributions.

No other subsequent events have been recognized or disclosed.

REQUIRED SUPPLEMENTAL INFORMATION

Santa Rosa County, Florida

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

Year ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Taxes	\$ 61,680,389	\$ 61,680,389	\$ 62,682,648	\$ 1,002,259
Permits, fees and special assessments	263,865	263,865	260,614	(3,251)
Intergovernmental	13,985,912	15,116,791	15,330,320	213,529
Charges for services	10,628,609	10,628,609	10,607,837	(20,772)
Fines and forfeits	354,830	354,830	313,045	(41,785)
Miscellaneous	1,880,740	1,941,224	2,297,541	356,317
Total revenues	88,794,345	89,985,708	91,492,005	1,506,297
Expenditures				
Current				
General government	33,077,076	48,701,881	27,311,147	21,390,734
Public safety	55,430,877	40,719,063	39,968,138	750,925
Physical environment	2,984,455	6,064,076	3,421,847	2,642,229
Transportation	936,350	980,724	980,723	1
Economic environment	1,054,894	1,224,543	1,077,239	147,304
Human services	5,422,896	5,574,349	5,442,563	131,786
Culture and recreation	4,229,807	4,883,922	4,289,231	594,691
Total expenditures	103,136,355	108,148,558	82,490,888	25,657,670
Excess (deficiency) of revenues over expenditures	(14,342,010)	(18,162,850)	9,001,117	27,163,967
Other financing sources (uses)				
Transfers in	9,001,021	11,322,334	11,322,333	(1)
Transfers out	(3,044,702)	(14,886,812)	(14,886,811)	1
Total other financing sources (uses)	5,956,319	(3,564,478)	(3,564,478)	--
Net change in fund balances	(8,385,691)	(21,727,328)	5,436,639	27,163,967
Fund balance, beginning of year	8,385,691	21,727,328	43,706,774	21,979,446
Change in reserve for inventory	--	--	(5,331)	(5,331)
Fund balance, end of year	\$ --	\$ --	\$ 49,138,082	\$ 49,138,082

See accompanying notes to required supplementary information.

Santa Rosa County, Florida

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

Year ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Taxes	\$ 7,666,655	\$ 7,666,655	\$ 7,529,252	\$ (137,403)
Intergovernmental	3,418,979	5,661,072	6,549,657	888,585
Charges for services	--	--	26,276	26,276
Miscellaneous	383,600	383,600	649,402	265,802
Total revenues	11,469,234	13,711,327	14,754,587	1,043,260
Expenditures				
Current				
Physical environment	25,000	5,604,981	5,062,996	541,985
Transportation	16,350,596	19,482,191	15,437,090	4,045,101
Total expenditures	16,375,596	25,087,172	20,500,086	4,587,086
Excess (deficiency) of revenues over expenditures	(4,906,362)	(11,375,845)	(5,745,499)	5,630,346
Other financing sources (uses)				
Transfers in	2,130,345	3,003,172	3,003,172	--
Transfers out	--	(30,000)	(30,000)	--
Total other financing sources (uses)	2,130,345	2,973,172	2,973,172	--
Net change in fund balances	(2,776,017)	(8,402,673)	(2,772,327)	5,630,346
Fund balance, beginning of year	2,776,017	8,402,673	7,558,013	(844,660)
Change in reserve for inventory	--	--	(45,632)	(45,632)
Fund balance, end of year	\$ --	\$ --	\$ 4,740,054	\$ 4,740,054

Santa Rosa County, Florida

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LOCAL OPTION SALES TAX FUND**

Year ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Taxes	\$ 8,991,841	\$ 8,991,841	\$ 9,587,910	\$ 596,069
Miscellaneous	6,650	6,650	23,218	16,568
Total revenues	8,998,491	8,998,491	9,611,128	612,637
Expenditures				
Current				
General government	1,980,570	1,273,565	76,096	1,197,469
Public safety	1,383,910	1,388,318	1,202,101	186,217
Physical environment	2,500,000	2,650,000	2,011,096	638,904
Transportation	2,650,000	5,526,003	2,085,379	3,440,624
Human services	--	356,501	344,131	12,370
Culture and recreation	475,000	3,037,868	941,362	2,096,506
Total expenditures	8,989,480	14,232,255	6,660,165	7,572,090
Excess (deficiency) of revenues over expenditures	9,011	(5,233,764)	2,950,963	\$ 8,184,727
Other financing sources (uses)				
Transfers out	(809,011)	(842,767)	(842,767)	--
Total other financing sources (uses)	(809,011)	(842,767)	(842,767)	--
Net change in fund balances	(800,000)	(6,076,531)	2,108,196	8,184,727
Fund balance, beginning of year	800,000	6,076,531	3,901,785	(2,174,746)
Fund balance, end of year	\$ --	\$ --	\$ 6,009,981	\$ 6,009,981

Santa Rosa County, Florida

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

Year ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Intergovernmental	--	24,807,514	21,582,263	(3,225,251)
Miscellaneous	--	--	2,390	2,390
Total revenues	--	24,807,514	21,584,653	(3,222,861)
Expenditures				
Current				
General government	--	8,258,588	6,467,539	1,791,049
Public safety	--	14,916,238	14,946,238	(30,000)
Economic environment	--	1,632,688	168,506	1,464,182
Total expenditures	--	24,807,514	21,582,283	3,225,231
Net change in fund balances	--	--	2,370	2,370
Fund balance, beginning of year	--	--	--	--
Fund balance, end of year	\$ --	\$ --	\$ 2,370	\$ 2,370

Santa Rosa County, Florida

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
Florida Retirement System
Last 10 Fiscal Years***

	2020	2019	2018	2017	2016	2015	2014
Santa Rosa County's proportion of the net pension liability (asset)	0.204680149%	0.195540312%	0.183065349%	0.180721013%	0.179851920%	0.177003059%	0.170070869%
Santa Rosa County's proportionate share of the net pension liability (asset)	\$ 88,711,393	\$ 67,341,361	\$ 55,140,232	\$ 53,456,063	\$ 45,412,751	\$ 22,862,319	\$ 10,376,824
Santa Rosa County's covered payroll	\$ 51,902,491	\$ 47,286,528	\$ 42,962,825	\$ 41,063,802	\$ 39,821,770	\$ 40,091,164	\$ 37,602,391
Santa Rosa County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	170.92%	142.41%	128.34%	130.18%	114.04%	57.03%	27.60%
Plan fiduciary net position as a percentage of the total pension liability	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

*Data was unavailable prior to 2014

Santa Rosa County, Florida

SCHEDULE OF CONTRIBUTIONS

Florida Retirement System

Last 10 Fiscal Years*

	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 6,800,614	\$ 6,063,160	\$ 5,217,215	\$ 4,704,612	\$ 4,385,976	\$ 4,315,479	\$ 3,725,277
Contributions in relation to the contractually required contribution	\$ (6,800,614)	\$ (6,063,160)	\$ (5,217,215)	\$ (4,704,612)	\$ (4,385,976)	\$ (4,315,479)	\$ (3,725,277)
Contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Santa Rosa County's covered payroll	\$ 52,745,830	\$ 48,472,434	\$ 43,196,946	\$ 41,328,034	\$ 39,966,760	\$ 40,683,002	\$ 38,301,106
Contributions as a percentage of covered payroll	12.89%	12.51%	12.08%	11.38%	10.97%	10.61%	9.73%

*Data was unavailable prior to 2014

Santa Rosa County, Florida

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
Health Insurance Subsidy Program
Last 10 Fiscal Years*

	2020	2019	2018	2017	2016	2015	2014
Santa Rosa County's proportion of the net pension liability (asset)	0.145143787%	0.138502797%	0.129883127%	0.127059949%	0.127227379%	0.130144159%	0.126228802%
Santa Rosa County's proportionate share of the net pension liability (asset)	\$ 17,721,820	\$ 15,497,077	\$ 13,746,976	\$ 13,585,836	\$ 14,827,824	\$ 13,272,657	\$ 11,802,701
Santa Rosa County's covered payroll	\$ 51,902,491	\$ 47,286,528	\$ 42,962,825	\$ 41,063,802	\$ 39,821,770	\$ 40,091,164	\$ 37,602,391
Santa Rosa County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	34.14%	32.77%	32.00%	33.08%	37.24%	33.11%	31.39%
Plan fiduciary net position as a percentage of the total pension liability	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

*Data was unavailable prior to 2014

Santa Rosa County, Florida

**SCHEDULE OF CONTRIBUTIONS
Health Insurance Subsidy Program
Last 10 Fiscal Years***

	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 836,395	\$ 769,092	\$ 704,358	\$ 672,437	\$ 652,122	\$ 497,492	\$ 432,418
Contributions in relation to the contractually required contribution	\$ (836,395)	\$ (769,092)	\$ (704,358)	\$ (672,437)	\$ (652,122)	\$ (497,492)	\$ (432,418)
Contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Santa Rosa County's covered payroll	\$ 52,745,830	\$ 48,472,434	\$ 43,196,946	\$ 41,328,034	\$ 39,966,760	\$ 40,683,002	\$ 38,301,106
Contributions as a percentage of covered payroll	1.59%	1.59%	1.63%	1.63%	1.63%	1.22%	1.13%

*Data was unavailable prior to 2014

Santa Rosa County, Florida

SCHEDULE OF CHANGES IN TOTAL LIABILITY AND RELATED RATIOS
Other Post-Employment Benefit Plan
Last 10 Fiscal Years*

	2020	2019	2018
Total OPEB liability			
Service Cost	\$ 314,183	\$ 330,066	\$ 344,631
Interest Cost	252,494	256,104	228,459
Differences Between Expected and Actual Experience	--	(722,727)	--
Changes of Assumptions	975,488	(332,063)	(356,889)
Benefit Payments	(238,969)	(273,218)	(264,000)
Net Change in Total OPEB Liability	1,303,196	(741,838)	(47,799)
Total OPEB Liability - Beginning of Year	6,712,021	7,453,859	7,501,658
Total OPEB Liability - End of Year	<u>\$ 8,015,217</u>	<u>\$ 6,712,021</u>	<u>\$ 7,453,859</u>
Contributions - Employer	\$ 238,969	\$ 273,218	\$ 264,000
Benefit Payments	(238,969)	(273,218)	(264,000)
Net Change in Fiduciary Net Position	--	--	--
Fiduciary Net Position - Beginning of Year	--	--	--
Fiduciary Net Position - End of Year	<u>--</u>	<u>--</u>	<u>--</u>
Net OPEB Liability	8,015,217	6,712,021	7,453,859
Fiduciary Net Position as a % of Total OPEB Liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Covered Payroll	\$ 48,472,434	\$ 43,196,946	\$ 41,328,034
Net OPEB Liability as a % of Covered Payroll	<u>16.54%</u>	<u>15.54%</u>	<u>18.04%</u>
Expected Average Remaining Service Years of All Participants	10	10	9

*Data was unavailable prior to 2018

Santa Rosa County, Florida
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
September 30, 2019

BUDGETARY INFORMATION

Florida Statutes Chapters 129 and 200 govern the preparation, adoption, and administration of the County's annual budget. The budget must be balanced, i.e., the estimated revenues plus beginning fund balance brought forward must equal appropriations and be prepared on a basis consistent with generally accepted accounting principles (GAAP) as applicable to governmental units. The County may, at any time within a fiscal year, amend a budget for that year as follows:

Appropriations for expenditures in any fund may be decreased and other appropriations in the same fund correspondingly increased by motion recorded in the minutes. The budget officer may authorize certain inter-departmental and intra-departmental budget amendments, provided that the total appropriation of the fund is not changed. All annual appropriations lapse at fiscal year-end.

OTHER POST-EMPLOYMENT BENEFITS

Benefit changes: None

Changes of assumptions: The discount rate was changed as follows:

Discount Rate	
9/30/2019	3.83%
9/30/2020	2.75%

COMBINING INDIVIDUAL FUND STATEMENTS AND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Fine and Forfeiture Fund - accounts for fines, forfeitures and various other assessments used for law enforcement purposes.

State Matching Program Fund - accounts for state and local funding used for mosquito and other arthropod control.

Grants Fund - accounts for state and federal funding not associated with any other fund.

Enhanced 911 Telephone System Fund - accounts for funds used to maintain the 911 telephone system.

Electric Franchise Fee Fund – accounts for funds from the Electric Franchise fee.

Local Option Tourist Tax Fund - accounts for tax revenues to be used for tourist development activities.

Impact Fees Fund – accounts for impact fees collected to provide for new infrastructure.

SHIP (State Housing Initiative Partnership) Fund - accounts for state funds received to provide housing assistance to low and middle income families.

Disaster Fund – accounts for federal, state and local funding relating to recovery from natural disasters.

MSBU (Municipal Service Benefit Unit) Fund – accounts for special assessments levied against property owners for capital improvements or services rendered for benefit of the affected areas.

Clerk's Courts Fund – accounts for the court related activities of the Clerk of the Court.

Clerk's Courts Technology Fund – accounts for the court technology related activities of the Clerk of the Court.

Clerk's RMTF (Records Modernization Trust Fund) – accounts for fees received that are legally restricted for the modernization of the public records maintained by the Clerk's office.

Clerk's Child Support Title IV-D – accounts for activities related to Title IV-D child support cases. The funding provides assistance to the plaintiff and enforcement of collections through the Office of Child Support Enforcement.

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS - Continued

Sheriff's Grants Fund – accounts for federal and state grants received by the Sheriff's department for specific programs. Not budgeted.

Sheriff's Second Dollar Fund – accounts for shared fine revenues which are legally restricted for law enforcement training purposes. Not budgeted.

Sheriff's Prisoner Recreation Fund – accounts for jail commissary and vending machine revenues that are restricted to providing recreational facilities and equipment for prisoners. Not budgeted.

Sheriff's Federal Seizure Fund – accounts for shared seizure revenues from the United States Department of Justice which are to be used for law enforcement purposes. Not budgeted.

Sheriff's Local Option Sales Tax Fund – accounts for appropriations from the half-cent local option sales tax revenues which are restricted for capital-related purchases and construction projects.

DEBT SERVICE FUND

Debt Service Fund - accounts for the funds used to pay down debt related to governmental funds.

CAPITAL PROJECTS FUNDS

District One Capital Projects Fund - accounts for the construction of sports and recreation facilities in District One.

District Two Capital Projects Fund - accounts for the construction of sports and recreation facilities in District Two.

District Three Capital Projects Fund - accounts for the construction of sports and recreation facilities in District Three.

District Four Capital Projects Fund - accounts for the construction of sports and recreation facilities in District Four.

District Five Capital Projects Fund - accounts for the construction of sports and recreation facilities in District Five.

Other Capital Projects Fund - accounts for the purchase or construction of other capital facilities which are not financed by proprietary funds or trust funds.

Santa Rosa County, Florida

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**

September 30, 2020

ASSETS	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Cash and cash equivalents	\$ 20,265,089	\$ 52,371	\$ 6,232,430	\$ 26,549,890
Receivables, net of uncollectibles				
Accounts	701,132	--	--	701,132
Due from other governments	3,489,056	--	250,000	3,739,056
Due from other funds	33,233	95,000	--	128,233
Prepays	550,663	--	--	550,663
Total assets	<u>\$ 25,039,173</u>	<u>\$ 147,371</u>	<u>\$ 6,482,430</u>	<u>\$ 31,668,974</u>
LIABILITIES				
Accounts payable	\$ 3,064,717	\$ --	\$ 1,691,722	\$ 4,756,439
Contracts payable	270,382	--	\$ 455,538	725,920
Accrued wages payable	233,560	--	--	233,560
Unearned revenue	24,239	--	--	24,239
Due to other funds	1,688,866	75,750	--	1,764,616
Due to other governments	1,221,878	--	--	1,221,878
Total liabilities	<u>6,503,642</u>	<u>75,750</u>	<u>2,147,260</u>	<u>8,726,652</u>
FUND BALANCES				
Fund balances				
Nonspendable	550,663	--	--	550,663
Restricted	15,495,713	--	--	15,495,713
Committed	1,926,207	--	4,335,170	6,261,377
Assigned	745,460	71,621	--	817,081
Unassigned	(182,512)	--	--	(182,512)
Total fund balances	<u>18,535,531</u>	<u>71,621</u>	<u>4,335,170</u>	<u>22,942,322</u>
Total liabilities and fund balances	<u>\$ 25,039,173</u>	<u>\$ 147,371</u>	<u>\$ 6,482,430</u>	<u>\$ 31,668,974</u>

Santa Rosa County, Florida

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS**

Year ended September 30, 2020

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Revenues				
Taxes	\$ 3,794,137	\$ --	\$ --	\$ 3,794,137
Licenses and permits	11,604,012	--	--	11,604,012
Intergovernmental	8,891,764	--	425,174	9,316,938
Charges for services	4,866,812	--	--	4,866,812
Fines and forfeits	1,276,029	--	--	1,276,029
Miscellaneous	1,068,136	905	64,257	1,133,298
Total revenues	31,500,890	905	489,431	31,991,226
Expenditures				
Current				
General government	7,607,046	--	8,000	7,615,046
Public safety	12,793,148	--	--	12,793,148
Physical environment	579,050	--	--	579,050
Transportation	3,872,314	--	--	3,872,314
Economic environment	3,448,391	--	--	3,448,391
Human services	169,639	--	--	169,639
Culture and recreation	--	--	431,929	431,929
Capital outlay	--	--	8,743,442	8,743,442
Debt service	--	1,395,154	--	1,395,154
Total expenditures	28,469,588	1,395,154	9,183,371	39,048,113
Excess (deficiency) of revenues over expenditures	3,031,302	(1,394,249)	(8,693,940)	(7,056,887)
Other financing sources (uses)				
Transfers in	7,506,623	1,395,157	3,777,020	12,678,800
Transfers out	(9,958,324)	--	(2,473,326)	(12,431,650)
Other financing uses	--	--	--	--
New debt issuance	2,602,518	--	2,700,000	5,302,518
Total other financing sources (uses)	150,817	1,395,157	4,003,694	5,549,668
Excess (deficiency) of revenues and other sources over expenditures and other uses	3,182,119	908	(4,690,246)	(1,507,219)
Fund balances, beginning of year	15,353,412	70,713	9,025,416	24,449,541
Fund balances, end of year	\$ 18,535,531	\$ 71,621	\$ 4,335,170	\$ 22,942,322

Santa Rosa County, Florida

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS**

September 30, 2020

ASSETS	Fine and Forfeiture	State Match	Grants	Enhanced 911	Electric Franchise Fee	Local Option Tourist Tax	Impact Fees	SHIP Program	Disaster	MSBU
Cash and cash equivalents	\$ 1,875,379	\$ 92,118	\$ 1,115,110	\$ 339,567	\$ 835,184	\$ 2,323,314	\$ 914,546	\$ 365,603	\$5,529,702	\$ 2,708,131
Receivables, net of uncollectibles										
Accounts	--	--	--	--	663,573	--	--	6,990	--	6,557
Due from other governments	41,270	--	2,498,658	200,166	--	28,000	--	--	--	41,310
Due from other funds	--	--	--	--	--	--	--	--	--	--
Prepays	--	--	--	--	--	--	--	--	--	550,663
Total assets	<u>\$ 1,916,649</u>	<u>\$ 92,118</u>	<u>\$ 3,613,768</u>	<u>\$ 539,733</u>	<u>\$ 1,498,757</u>	<u>\$ 2,351,314</u>	<u>\$ 914,546</u>	<u>\$ 372,593</u>	<u>\$5,529,702</u>	<u>\$ 3,306,661</u>
LIABILITIES										
Accounts payable	\$ 91,177	\$ --	\$ 470,409	\$ 28,632	\$ --	\$ 228,697	\$ 12,088	\$ 17	\$2,041,986	\$ 175,266
Contracts payable	--	--	270,382	--	--	--	--	--	--	--
Accrued wages payable	10,161	--	--	17,500	--	12,110	--	--	--	--
Unearned revenue	--	--	--	--	--	--	--	--	--	--
Due to other funds	--	--	--	--	--	--	--	--	--	240,773
Due to other governments	--	--	--	--	--	--	410,000	--	--	--
Total liabilities	<u>101,338</u>	<u>--</u>	<u>740,791</u>	<u>46,132</u>	<u>--</u>	<u>240,807</u>	<u>422,088</u>	<u>17</u>	<u>2,041,986</u>	<u>416,039</u>
FUND BALANCES										
Fund balances										
Nonspendable	--	--	--	--	--	--	--	--	--	550,663
Restricted	642,401	92,118	2,872,977	493,601	--	2,110,507	492,458	372,576	3,487,716	2,522,471
Committed	427,450	--	--	--	1,498,757	--	--	--	--	--
Assigned	745,460	--	--	--	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--	--	--	--	(182,512)
Total fund balances	<u>1,815,311</u>	<u>92,118</u>	<u>2,872,977</u>	<u>493,601</u>	<u>1,498,757</u>	<u>2,110,507</u>	<u>492,458</u>	<u>372,576</u>	<u>3,487,716</u>	<u>2,890,622</u>
Total liabilities and fund balances	<u>\$ 1,916,649</u>	<u>\$ 92,118</u>	<u>\$ 3,613,768</u>	<u>\$ 539,733</u>	<u>\$ 1,498,757</u>	<u>\$ 2,351,314</u>	<u>\$ 914,546</u>	<u>\$ 372,593</u>	<u>\$5,529,702</u>	<u>\$ 3,306,661</u>

Continued...

Santa Rosa County, Florida

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS - Continued**

September 30, 2020

ASSETS	Clerk's Courts Fund	Clerk's Court Tech	Clerk's RMTF	Clerk's Title IV-D	Sheriff's Grants	Sheriff's Second Dollar	Sheriff's Prisoner Rec	Sheriff's Fed Seizure	Sheriff's LOST	Total Nonmajor Special Revenue Funds
Cash and cash equivalents	\$ 908,446	\$ 872,654	\$ 809,903	\$ --	\$ 674,112	\$ 102,059	\$ 688,159	\$ 109,370	\$ 1,732	\$ 20,265,089
Receivables, net of uncollectibles										
Accounts	--	--	--	--	--	--	24,012	--	--	701,132
Due from other governments	--	--	--	13,431	666,221	--	--	--	--	3,489,056
Due from other funds	13,431	--	--	--	19,802	--	--	--	--	33,233
Prepays	--	--	--	--	--	--	--	--	--	550,663
Total assets	\$ 921,877	\$ 872,654	\$ 809,903	\$ 13,431	\$ 1,360,135	\$ 102,059	\$ 712,171	\$ 109,370	\$ 1,732	\$ 25,039,173
LIABILITIES										
Accounts payable	\$ 2,067	\$ 970	\$ --	\$ --	\$ --	\$ --	\$ 13,408	\$ --	\$ --	\$ 3,064,717
Contracts payable	--	--	--	--	--	--	--	--	--	270,382
Accrued wages payable	148,634	8,951	--	--	34,963	--	1,241	--	--	233,560
Unearned revenue	--	--	--	--	24,239	--	--	--	--	24,239
Due to other funds	6,000	--	--	13,431	1,282,323	975	34,262	109,370	1,732	1,688,866
Due to other governments	748,895	44,373	--	--	18,610	--	--	--	--	1,221,878
Total liabilities	905,596	54,294	--	13,431	1,360,135	975	48,911	109,370	1,732	6,503,642
FUND BALANCES										
Fund balances										
Nonspendable	--	--	--	--	--	--	--	--	--	550,663
Restricted	16,281	818,360	809,903	--	--	101,084	663,260	--	--	15,495,713
Committed	--	--	--	--	--	--	--	--	--	1,926,207
Assigned	--	--	--	--	--	--	--	--	--	745,460
Unassigned	--	--	--	--	--	--	--	--	--	(182,512)
Total fund balances	16,281	818,360	809,903	--	--	101,084	663,260	--	--	18,535,531
Total liabilities and fund balances	\$ 921,877	\$ 872,654	\$ 809,903	\$ 13,431	\$ 1,360,135	\$ 102,059	\$ 712,171	\$ 109,370	\$ 1,732	\$ 25,039,173

Santa Rosa County, Florida

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS**

Year ended September 30, 2020

	Fine and Forfeiture	State Match	Grants	Enhanced 911	Electric Franchise Fee	Local Option Tourist Tax	Impact Fees	SHIP Program	Disaster	MSBU
Revenues										
Taxes	\$ 37	\$ --	\$ --	\$ --	\$ --	\$ 2,766,505	\$ --	\$ --	\$ --	\$ --
Licenses and permits	--	--	--	--	7,050,008	--	1,339	--	--	4,552,665
Intergovernmental	111,252	34,497	4,144,516	72,344	--	54,117	--	388,760	--	--
Charges for services	1,243,638	--	28,458	800,688	--	--	--	--	--	--
Fines and forfeits	6,751	--	--	--	--	--	--	--	--	--
Miscellaneous	17,586	372	169,691	50,682	2,262	15,311	10,350	348,352	2,494	10,015
Total revenues	1,379,264	34,869	4,342,665	923,714	7,052,270	2,835,933	11,689	737,112	2,494	4,562,680
Expenditures										
Current										
General government	1,278,872	--	2,029,640	--	--	--	--	--	--	--
Public safety	65,029	--	66,782	930,653	--	--	--	--	2,879,696	3,673,460
Physical environment	--	--	49,960	--	--	--	--	--	--	529,090
Transportation	--	--	2,498,795	--	--	--	502,564	--	--	870,955
Economic environment	--	--	540,066	--	--	2,334,310	--	574,015	--	--
Human services	--	--	169,639	--	--	--	--	--	--	--
Total expenditures	1,343,901	--	5,354,882	930,653	--	2,334,310	502,564	574,015	2,879,696	5,073,505
Excess (deficiency) of revenues over expenditures	35,363	34,869	(1,012,217)	(6,939)	7,052,270	501,623	(490,875)	163,097	(2,877,202)	(510,825)
Other financing sources (uses)										
Transfers in	--	--	827,930	--	--	--	--	3,520	6,235,000	440,173
Transfers out	--	--	--	--	(8,197,392)	(108,085)	(161,554)	(179,827)	(253,804)	(1,057,662)
New debt issuance	--	--	--	--	--	--	--	--	--	2,602,518
Total other financing sources (uses)	--	--	827,930	--	(8,197,392)	(108,085)	(161,554)	(176,307)	5,981,196	1,985,029
Net change in fund balances	35,363	34,869	(184,287)	(6,939)	(1,145,122)	393,538	(652,429)	(13,210)	3,103,994	1,474,204
Fund balances, beginning of year	1,779,948	57,249	3,057,264	500,540	2,643,879	1,716,969	1,144,887	385,786	383,722	1,416,418
Fund balances, end of year	\$ 1,815,311	\$ 92,118	\$ 2,872,977	\$ 493,601	\$ 1,498,757	\$ 2,110,507	\$ 492,458	\$ 372,576	\$ 3,487,716	\$ 2,890,622

Continued...

Santa Rosa County, Florida

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - Continued**

Year ended September 30, 2020

	Clerk's Courts Fund	Clerk's Courts Tech	Clerk's RMTF	Clerk's Title IV-D	Sheriff's Grants	Sheriff's Second Dollar	Sheriff's Prisoner Rec	Sheriff's Federal Seizure	Sheriff's LOST	Total Nonmajor Special Revenue Funds
Revenues										
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 1,027,595	\$ 3,794,137
Licenses and permits	--	--	--	--	--	--	--	--	--	11,604,012
Intergovernmental	310,434	--	--	95,486	3,639,717	25,528	--	15,113	--	8,891,764
Charges for services	2,159,693	479,140	155,195	--	--	--	--	--	--	4,866,812
Fines and forfeits	1,268,123	--	--	1,155	--	--	--	--	--	1,276,029
Miscellaneous	49,464	--	--	--	--	310	390,855	392	--	1,068,136
Total revenues	3,787,714	479,140	155,195	96,641	3,639,717	25,838	390,855	15,505	1,027,595	31,500,890
Expenditures										
Current										
General government	3,771,433	430,460	--	96,641	--	--	--	--	--	7,607,046
Public safety	--	--	--	--	3,639,717	8,202	486,509	15,505	1,027,595	12,793,148
Physical environment	--	--	--	--	--	--	--	--	--	579,050
Transportation	--	--	--	--	--	--	--	--	--	3,872,314
Economic environment	--	--	--	--	--	--	--	--	--	3,448,391
Human services	--	--	--	--	--	--	--	--	--	169,639
Total expenditures	3,771,433	430,460	--	96,641	3,639,717	8,202	486,509	15,505	1,027,595	28,469,588
Excess (deficiency) of revenues over expenditures	16,281	48,680	155,195	--	--	17,636	(95,654)	--	--	3,031,302
Other financing sources (uses)										
Transfers in	--	--	--	--	--	--	--	--	--	7,506,623
Transfers out	--	--	--	--	--	--	--	--	--	(9,958,324)
New debt issuance	--	--	--	--	--	--	--	--	--	2,602,518
Total other financing sources (uses)	--	--	--	--	--	--	--	--	--	150,817
Net change in fund balances	16,281	48,680	155,195	--	--	17,636	(95,654)	--	--	3,182,119
Fund balances, beginning of year	--	769,680	654,708	--	--	83,448	758,914	--	--	15,353,412
Fund balances, end of year	\$ 16,281	\$ 818,360	\$ 809,903	\$ --	\$ --	\$ 101,084	\$ 663,260	\$ --	\$ --	\$ 18,535,531

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
FINE AND FORFEITURE FUND**

Year ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Taxes	\$ --	\$ --	\$ 37	\$ 37
Intergovernmental	--	--	111,252	111,252
Charges for services	1,129,341	1,129,341	1,243,638	114,297
Fines and forfeits	--	--	6,751	6,751
Miscellaneous	16,266	16,266	17,586	1,320
Total revenues	1,145,607	1,145,607	1,379,264	233,657
Expenditures				
Current				
General government	1,079,915	1,084,915	1,278,872	(193,957)
Public safety	83,900	108,900	65,029	43,871
Total expenditures	1,163,815	1,193,815	1,343,901	(150,086)
Net change in fund balances	(18,208)	(48,208)	35,363	83,571
Fund balance, beginning of year	18,208	48,208	1,779,948	1,731,740
Fund balance, end of year	\$ --	\$ --	\$ 1,815,311	\$ 1,815,311

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
STATE MATCH FUND**

Year ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 33,200	\$ 33,200	\$ 34,497	\$ 1,297
Miscellaneous	--	--	372	372
Total revenues	33,200	33,200	34,869	1,669
Expenditures				
Current				
Human services	33,200	33,200	--	33,200
Total expenditures	33,200	33,200	--	33,200
Net change in fund balances	--	--	34,869	34,869
Fund balance, beginning of year	--	--	57,249	57,249
Fund balance, end of year	\$ --	\$ --	\$ 92,118	\$ 92,118

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
GRANTS FUND**

Year ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 24,000	\$ 14,796,330	\$ 4,144,516	\$ (10,651,814)
Charges for services	--	--	28,458	28,458
Miscellaneous	--	37,137	169,691	132,554
Total revenues	24,000	14,833,467	4,342,665	(10,490,802)
Expenditures				
Current				
General government	--	11,492,701	2,029,640	9,463,061
Public safety	--	81,283	66,782	14,501
Physical environment	--	249,644	49,960	199,684
Transportation	24,000	3,128,246	2,498,795	629,451
Economic environment	--	1,530,552	540,066	990,486
Human services	--	885,313	169,639	715,674
Total expenditures	24,000	17,367,739	5,354,882	12,012,857
Excess (deficiency) of revenues over expenditures	--	(2,534,272)	(1,012,217)	1,522,055
Other financing sources (uses)				
Transfers in	--	827,930	827,930	--
Total other financing sources (uses)	--	827,930	827,930	--
Net change in fund balances	--	(1,706,342)	(184,287)	1,522,055
Fund balance, beginning of year	--	1,706,342	3,057,264	1,350,922
Fund balance, end of year	\$ --	\$ --	\$ 2,872,977	\$ 2,872,977

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
ENHANCED 911 PROGRAM FUND**

Year ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ --	\$ 85,400	\$ 72,344	\$ (13,056)
Charges for services	712,537	712,537	800,688	88,151
Miscellaneous	3,626	51,626	50,682	(944)
Total revenues	716,163	849,563	923,714	74,151
Expenditures				
Current				
Public safety	826,672	1,010,266	930,653	79,613
Total expenditures	826,672	1,010,266	930,653	79,613
Net change in fund balances	(110,509)	(160,703)	(6,939)	153,764
Fund balance, beginning of year	110,509	160,703	500,540	\$ 339,837
Fund balance, end of year	\$ --	\$ --	\$ 493,601	\$ 493,601

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
ELECTRIC FRANCHISE FEE FUND**

Year ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Permits, fees and special assessments	\$ 6,850,000	\$ 6,850,000	\$ 7,050,008	\$ 200,008
Miscellaneous	2,375	2,375	2,262	(113)
Total revenues	<u>6,852,375</u>	<u>6,852,375</u>	<u>7,052,270</u>	<u>199,895</u>
Expenditures				
Current				
General government	665,020	471,147	--	471,147
Total expenditures	<u>665,020</u>	<u>471,147</u>	<u>--</u>	<u>471,147</u>
Excess (deficiency) of revenues over expenditures	<u>6,187,355</u>	<u>6,381,228</u>	<u>7,052,270</u>	<u>671,042</u>
Other financing sources (uses)				
Transfers out	(6,317,355)	(8,197,392)	(8,197,392)	--
Total other financing sources (uses)	<u>(6,317,355)</u>	<u>(8,197,392)</u>	<u>(8,197,392)</u>	<u>--</u>
Net change in fund balances	(130,000)	(1,816,164)	(1,145,122)	671,042
Fund balance, beginning of year	<u>130,000</u>	<u>1,816,164</u>	<u>2,643,879</u>	<u>827,715</u>
Fund balance, end of year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,498,757</u>	<u>\$ 1,498,757</u>

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
LOCAL OPTION TOURIST TAX FUND**

Year ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Taxes	\$ 2,864,250	\$ 2,864,250	\$ 2,766,505	\$ (97,745)
Intergovernmental	--	99,681	54,117	(45,564)
Miscellaneous	15,200	15,200	15,311	111
Total revenues	2,879,450	2,979,131	2,835,933	(143,198)
Expenditures				
Current				
Economic environment	2,879,450	3,365,168	2,334,310	1,030,858
Total expenditures	2,879,450	3,365,168	2,334,310	1,030,858
Excess (deficiency) of revenues over expenditures	--	(386,037)	501,623	887,660
Other financing sources (uses)				
Transfers out	--	(108,085)	(108,085)	--
Total other financing sources (uses)	--	(108,085)	(108,085)	--
Net change in fund balances	--	(494,122)	393,538	887,660
Fund balance, beginning of year	--	494,122	1,716,969	1,222,847
Fund balance, end of year	\$ --	\$ --	\$ 2,110,507	\$ 2,110,507

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
IMPACT FEES**

Year ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Permits, fees and special assessments	\$ --	\$ --	\$ 1,339	\$ 1,339
Intergovernmental	--	--	--	--
Miscellaneous	--	--	10,350	10,350
Total revenues	--	--	11,689	11,689
Expenditures				
Current				
Transportation	--	983,334	502,564	480,770
Total expenditures	--	983,334	502,564	480,770
Excess (deficiency) of revenues and other sources over expenditures	--	(983,334)	(490,875)	492,459
Other financing sources (uses)				
Transfers out	--	(161,554)	(161,554)	--
Total other financing sources (uses)	--	(161,554)	(161,554)	--
Net change in fund balances	--	(1,144,888)	(652,429)	492,459
Fund balance, beginning of year	--	1,144,888	1,144,887	(1)
Fund balance, end of year	\$ --	\$ --	\$ 492,458	\$ 492,458

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
SHIP PROGRAM FUND**

Year ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ --	\$ 388,760	\$ 388,760	\$ --
Miscellaneous	--	533,668	348,352	(185,316)
Total revenues	--	922,428	737,112	(185,316)
Expenditures				
Current				
Economic environment	--	1,438,687	574,015	864,672
Total expenditures	--	1,438,687	574,015	864,672
Excess (deficiency) of revenues over expenditures	--	(516,259)	163,097	679,356
Other financing sources (uses)				
Transfers in	--	3,520	3,520	--
Transfers out	(114,268)	(179,827)	(179,827)	--
Total other financing sources (uses)	(114,268)	(176,307)	(176,307)	--
Net change in fund balances	(114,268)	(692,566)	(13,210)	679,356
Fund balance, beginning of year	114,268	692,566	385,786	(306,780)
Fund balance, end of year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 372,576</u>	<u>\$ 372,576</u>

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
DISASTER FUND**

Year ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Miscellaneous	<u>--</u>	<u>--</u>	<u>2,494</u>	<u>2,494</u>
Total revenues	<u>--</u>	<u>--</u>	<u>2,494</u>	<u>2,494</u>
Expenditures				
Current				
Public safety	<u>--</u>	<u>5,981,196</u>	<u>2,879,696</u>	<u>3,101,500</u>
Total expenditures	<u>--</u>	<u>5,981,196</u>	<u>2,879,696</u>	<u>3,101,500</u>
Excess (deficiency) of revenues over expenditures	<u>--</u>	<u>(5,981,196)</u>	<u>(2,877,202)</u>	<u>3,103,994</u>
Other financing sources (uses)				
Transfers in	<u>--</u>	<u>6,235,000</u>	<u>6,235,000</u>	<u>--</u>
Transfers out	<u>--</u>	<u>(253,804)</u>	<u>(253,804)</u>	<u>--</u>
Total other financing sources (uses)	<u>--</u>	<u>5,981,196</u>	<u>5,981,196</u>	<u>--</u>
Net change in fund balances	<u>--</u>	<u>--</u>	<u>3,103,994</u>	<u>3,103,994</u>
Fund balance, beginning of year	<u>--</u>	<u>--</u>	<u>383,722</u>	<u>383,722</u>
Fund balance, end of year	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>	<u><u>\$ 3,487,716</u></u>	<u><u>\$ 3,487,716</u></u>

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
MSBU (MUNICIPAL SERVICE BENEFIT UNIT) FUND**

Year ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Permits, fees and special assessments	\$ 3,211,613	\$ 4,165,136	\$ 4,552,665	\$ 387,529
Miscellaneous	3,800	3,800	10,015	6,215
Total revenues	3,215,413	4,168,936	4,562,680	393,744
Expenditures				
Current				
Public safety	2,265,728	5,039,982	3,673,460	1,366,522
Physical environment	478,450	482,864	529,090	(46,226)
Transportation	640,376	2,241,696	870,955	1,370,741
Total expenditures	3,384,554	7,764,542	5,073,505	2,691,037
Excess (deficiency) of revenues over expenditures	(169,141)	(3,595,606)	(510,825)	3,084,781
Other financing sources (uses)				
Transfers in	139,701	440,173	440,173	--
Transfers out	(783,094)	(1,057,662)	(1,057,662)	--
New debt issuance	--	2,602,518	2,602,518	--
Total other financing sources (uses)	(643,393)	1,985,029	1,985,029	--
Net change in fund balances	(812,534)	(1,610,577)	1,474,204	3,084,781
Fund balance, beginning of year	812,534	1,610,577	1,416,418	(194,159)
Fund balance, end of year	\$ --	\$ --	\$ 2,890,622	\$ 2,890,622

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
CLERK'S COURTS FUND**

Year ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ --	\$ --	\$ 310,434	\$ 310,434
Charges for services	2,240,700	2,240,700	2,159,693	(81,007)
Fines and forfeits	1,252,500	1,252,500	1,268,123	15,623
Miscellaneous	49,500	49,500	49,464	(36)
Total revenues	3,542,700	3,542,700	3,787,714	245,014
Expenditures				
Current				
General government	3,542,700	3,542,700	3,771,433	(228,733)
Total expenditures	3,542,700	3,542,700	3,771,433	(228,733)
Net change in fund balances	--	--	16,281	16,281
Fund balance, beginning of year	--	--	--	--
Fund balance, end of year	\$ --	\$ --	\$ 16,281	\$ 16,281

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
CLERK'S COURTS TECHNOLOGY FUND**

Year ended September 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues				
Charges for services	<u>\$ 473,000</u>	<u>\$ 473,000</u>	<u>\$ 479,140</u>	<u>\$ 6,140</u>
Total revenues	473,000	473,000	479,140	6,140
Expenditures				
Current				
General government	<u>473,000</u>	<u>585,516</u>	<u>430,460</u>	<u>155,056</u>
Total expenditures	<u>473,000</u>	<u>585,516</u>	<u>430,460</u>	<u>155,056</u>
Net change in fund balances	--	(112,516)	48,680	161,196
Fund balance, beginning of year	<u>--</u>	<u>112,516</u>	<u>769,680</u>	<u>657,164</u>
Fund balance, end of year	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>	<u><u>\$ 818,360</u></u>	<u><u>\$ 818,360</u></u>

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
CLERK'S RMTF (RECORD MODERNIZATION TRUST FUND)**

Year ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Charges for services	\$ 153,000	\$ 153,000	\$ 155,195	\$ 2,195
Total revenues	153,000	153,000	155,195	2,195
Expenditures				
Current				
General government	193,000	223,000	--	223,000
Total expenditures	193,000	223,000	--	223,000
Net change in fund balances	(40,000)	(70,000)	155,195	225,195
Fund balance, beginning of year	40,000	70,000	654,708	584,708
Fund balance, end of year	\$ --	\$ --	\$ 809,903	\$ 809,903

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
CLERK'S CHILD SUPPORT TITLE IV-D FUND**

	Year ended September 30, 2020			Variance With Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$ 85,000	\$ 85,000	\$ 95,486	\$ 10,486
Fines and forfeits	<u>--</u>	<u>--</u>	<u>1,155</u>	<u>\$ 1,155</u>
Total revenues	85,000	85,000	96,641	11,641
Expenditures				
Current				
General government	<u>160,000</u>	<u>160,000</u>	<u>96,641</u>	<u>63,359</u>
Total expenditures	<u>160,000</u>	<u>160,000</u>	<u>96,641</u>	<u>63,359</u>
Excess (deficiency) of revenues over expenditures	<u>(75,000)</u>	<u>(75,000)</u>	<u>--</u>	<u>75,000</u>
Other financing sources (uses)				
Operating transfers out	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	(75,000)	(75,000)	--	75,000
Fund balance, beginning of year	<u>75,000</u>	<u>75,000</u>	<u>--</u>	<u>(75,000)</u>
Fund balance, end of year	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
DEBT SERVICE FUND**

Year ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Miscellaneous	\$ --	\$ --	\$ 905	\$ 905
Total revenues	--	--	905	905
Expenditures				
Debt service	1,092,105	1,395,157	1,395,154	3
Total expenditures	1,092,105	1,395,157	1,395,154	3
Excess (deficiency) of revenues over expenditures	(1,092,105)	(1,395,157)	(1,394,249)	908
Other financing sources (uses)				
Transfers in	1,092,105	1,395,157	1,395,157	--
Transfers out	--	--	--	--
Total other financing sources (uses)	1,092,105	1,395,157	1,395,157	--
Net change in fund balances	--	--	908	908
Fund balance, beginning of year	--	--	70,713	70,713
Fund balance, end of year	\$ --	\$ --	\$ 71,621	\$ 71,621

Santa Rosa County, Florida

**COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS**

September 30, 2020

ASSETS	District One	District Two	District Three	District Four	District Five	Other Capital Projects	Total Nonmajor Capital Project Funds
Cash and cash equivalents	\$ 192,408	\$ 1,583,073	\$ 160,365	\$ 986,379	\$ 1,086,197	\$ 2,224,008	\$ 6,232,430
Due from other governments	--	--	--	--	--	250,000	250,000
Total assets	<u>\$ 192,408</u>	<u>\$ 1,583,073</u>	<u>\$ 160,365</u>	<u>\$ 986,379</u>	<u>\$ 1,086,197</u>	<u>\$ 2,474,008</u>	<u>\$ 6,482,430</u>
LIABILITIES							
Accounts payable	\$ --	\$ 44,671	\$ --	\$ --	\$ --	\$ 1,647,051	\$ 1,691,722
Contracts payable	--	--	--	--	--	\$ 455,538	455,538
Total liabilities	<u>--</u>	<u>44,671</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,102,589</u>	<u>2,147,260</u>
FUND BALANCES							
Fund balances							
Committed	<u>192,408</u>	<u>1,538,402</u>	<u>160,365</u>	<u>986,379</u>	<u>1,086,197</u>	<u>371,419</u>	<u>4,335,170</u>
Total fund balances	<u>192,408</u>	<u>1,538,402</u>	<u>160,365</u>	<u>986,379</u>	<u>1,086,197</u>	<u>371,419</u>	<u>4,335,170</u>
Total liabilities and fund balances	<u>\$ 192,408</u>	<u>\$ 1,583,073</u>	<u>\$ 160,365</u>	<u>\$ 986,379</u>	<u>\$ 1,086,197</u>	<u>\$ 2,474,008</u>	<u>\$ 6,482,430</u>

Santa Rosa County, Florida

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS**

Year ended September 30, 2020

	District One	District Two	District Three	District Four	District Five	Other Capital Projects	Total Nonmajor Capital Project Funds
Revenues							
Intergovernmental	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 425,174	\$ 425,174
Miscellaneous	<u>7,566</u>	<u>13,445</u>	<u>3,251</u>	<u>8,012</u>	<u>8,901</u>	<u>23,082</u>	<u>64,257</u>
Total revenues	7,566	13,445	3,251	8,012	8,901	448,256	489,431
Expenditures							
Current							
Culture and recreation	22,102	276,408	68,102	65,317	--	--	431,929
Capital outlay	<u>--</u>	<u>40,434</u>	<u>507,611</u>	<u>--</u>	<u>--</u>	<u>8,195,397</u>	<u>8,743,442</u>
Total expenditures	<u>22,102</u>	<u>316,842</u>	<u>575,713</u>	<u>65,317</u>	<u>--</u>	<u>8,203,397</u>	<u>9,183,371</u>
Excess (deficiency) of revenues over expenditures	(14,536)	(303,397)	(572,462)	(57,305)	8,901	(7,755,141)	(8,693,940)
Other financing sources (uses)							
Transfers in	176,069	425,270	176,069	180,638	176,701	2,642,273	3,777,020
Transfers out	(859,202)	(28,500)	(12,050)	--	(67,574)	(1,506,000)	(2,473,326)
New debt issuance	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,700,000</u>	<u>2,700,000</u>
Total other financing sources (uses)	<u>(683,133)</u>	<u>396,770</u>	<u>164,019</u>	<u>180,638</u>	<u>109,127</u>	<u>3,836,273</u>	<u>4,003,694</u>
Net change in fund balances	(697,669)	93,373	(408,443)	123,333	118,028	(3,918,868)	(4,690,246)
Fund balances, beginning of year	<u>890,077</u>	<u>1,445,029</u>	<u>568,808</u>	<u>863,046</u>	<u>968,169</u>	<u>4,290,287</u>	<u>9,025,416</u>
Fund balances, end of year	<u>\$ 192,408</u>	<u>\$ 1,538,402</u>	<u>\$ 160,365</u>	<u>\$ 986,379</u>	<u>\$ 1,086,197</u>	<u>\$ 371,419</u>	<u>\$ 4,335,170</u>

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
DISTRICT ONE CAPITAL PROJECT FUND**

Year ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Miscellaneous	\$ --	\$ --	\$ 7,566	\$ 7,566
Total revenues	--	--	7,566	7,566
Expenditures				
Current				
Culture and recreation	133,200	216,943	22,102	194,841
Total expenditures	133,200	216,943	22,102	194,841
Excess (deficiency) of revenues over expenditures	(133,200)	(216,943)	(14,536)	202,407
Other financing sources (uses)				
Transfers in	125,000	176,069	176,069	--
Transfers out	(1,800)	(859,202)	(859,202)	--
Total other financing sources (uses)	123,200	(683,133)	(683,133)	--
Net change in fund balances	(10,000)	(900,076)	(697,669)	202,407
Fund balance, beginning of year	10,000	900,076	890,077	(9,999)
Fund balance, end of year	\$ --	\$ --	\$ 192,408	\$ 192,408

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
DISTRICT TWO CAPITAL PROJECT FUND**

Year ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ --	\$ 400,000	\$ --	\$ (400,000)
Miscellaneous	--	--	13,445	13,445
Total revenues	--	400,000	13,445	(386,555)
Expenditures				
Current				
Culture and recreation	125,000	813,376	276,408	536,968
Capital outlay	--	1,026,920	40,434	986,486
Total expenditures	125,000	1,840,296	316,842	1,523,454
Excess (deficiency) of revenues over expenditures	(125,000)	(1,440,296)	(303,397)	1,136,899
Other financing sources (uses)				
Transfers in	125,000	425,270	425,270	--
Transfers out	--	(28,500)	(28,500)	--
Total other financing sources (uses)	125,000	396,770	396,770	--
Net change in fund balances	--	(1,043,526)	93,373	1,136,899
Fund balance, beginning of year	--	1,043,526	1,445,029	401,503
Fund balance, end of year	\$ --	\$ --	\$ 1,538,402	\$ 1,538,402

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
DISTRICT THREE CAPITAL PROJECT FUND**

Year ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ --	\$ 200,000	\$ --	\$ (200,000)
Miscellaneous	--	--	3,251	3,251
Total revenues	--	200,000	3,251	(196,749)
Expenditures				
Current				
Culture and recreation	133,200	215,609	68,102	147,507
Capital outlay	--	630,911	507,611	123,300
Total expenditures	133,200	846,520	575,713	270,807
Excess (deficiency) of revenues over expenditures	(133,200)	(646,520)	(572,462)	74,058
Other financing sources (uses)				
Transfers in	125,000	176,069	176,069	--
Transfers out	(1,800)	(12,050)	(12,050)	--
Total other financing sources (uses)	123,200	164,019	164,019	--
Net change in fund balances	(10,000)	(482,501)	(408,443)	74,058
Fund balance, beginning of year	10,000	482,501	568,808	86,307
Fund balance, end of year	\$ --	\$ --	\$ 160,365	\$ 160,365

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
DISTRICT FOUR CAPITAL PROJECT FUND**

Year ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Miscellaneous	\$ --	\$ --	\$ 8,012	\$ 8,012
Total revenues	--	--	8,012	8,012
Expenditures				
Current				
Culture and recreation	125,000	1,043,681	65,317	978,364
Total expenditures	125,000	1,043,681	65,317	978,364
Excess (deficiency) of revenues over expenditures	(125,000)	(1,043,681)	(57,305)	986,376
Other financing sources (uses)				
Transfers in	125,000	180,638	180,638	--
Total other financing sources (uses)	125,000	180,638	180,638	--
Net change in fund balances	--	(863,043)	123,333	986,376
Fund balance, beginning of year	--	863,043	863,046	3
Fund balance, end of year	\$ --	\$ --	\$ 986,379	\$ 986,379

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
DISTRICT FIVE CAPITAL PROJECT FUND**

Year ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Miscellaneous	\$ --	\$ --	\$ 8,901	\$ 8,901
Total revenues	--	--	8,901	8,901
Expenditures				
Current				
Culture and recreation	125,000	1,077,346	\$ --	\$ 1,077,346
Total expenditures	125,000	1,077,346	--	1,077,346
Excess (deficiency) of revenues over expenditures	(125,000)	(1,077,346)	8,901	1,086,247
Other financing sources (uses)				
Transfers in	125,000	176,701	176,701	--
Transfers out	--	(67,574)	(67,574)	--
Total other financing sources (uses)	125,000	109,127	109,127	--
Net change in fund balances	--	(968,219)	118,028	1,086,247
Fund balance, beginning of year	--	968,219	968,169	(50)
Fund balance, end of year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,086,197</u>	<u>\$ 1,086,197</u>

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
OTHER CAPITAL PROJECTS FUND**

Year ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ --	\$ 287,694	\$ 425,174	\$ 137,480
Miscellaneous	--	--	23,082	23,082
Total revenues	--	287,694	448,256	160,562
Expenditures				
Current				
Culture and recreation	--	1,687,219	--	1,687,219
Capital outlay	4,775,176	14,118,104	8,195,397	5,922,707
Total expenditures	4,775,176	15,863,051	8,203,397	7,609,926
Excess (deficiency) of revenues over expenditures	(4,775,176)	(15,575,357)	(7,755,141)	7,820,216
Other financing sources (uses)				
Transfers in	--	2,642,273	2,642,273	--
Transfers out	(1,500,000)	(1,506,000)	(1,506,000)	--
New debt issuance	--	4,425,000	2,700,000	(1,725,000)
Total other financing sources (uses)	(1,500,000)	5,561,273	3,836,273	(1,725,000)
Net change in fund balances	(6,275,176)	(10,014,084)	(3,918,868)	6,095,216
Fund balance, beginning of year	6,275,176	10,014,084	4,290,287	(5,723,797)
Fund balance, end of year	\$ --	\$ --	\$ 371,419	\$ 371,419

NONMAJOR ENTERPRISE FUNDS

Inspections Fund - accounts for the license, permit and inspection fees and related expenses for the provision of inspection services to residents of the unincorporated areas of Santa Rosa County.

Peter Prince Fund - accounts for the operations of the Peter Prince Airport.

Santa Rosa County, Florida

**COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS**

September 30, 2020

ASSETS	Inspections	Peter Prince Field	Total Nonmajor Enterprise Funds
Current assets:			
Cash and cash equivalents	\$ 3,933,063	\$ 2,154,671	\$ 6,087,734
Accounts receivable	--	13,645	13,645
Due from other governments	--	152,886	152,886
Total current assets	3,933,063	2,321,202	6,254,265
Noncurrent assets			
Capital assets, net of accumulated depreciation	187,907	5,115,813	5,303,720
Total noncurrent assets	187,907	5,115,813	5,303,720
Total assets	4,120,970	7,437,015	11,557,985
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow on pension	481,098	8,751	489,849
Deferred outflow on health insurance subsidy	105,301	1,824	107,125
Deferred outflow on OPEB	20,140	542	20,682
Total deferred outflows of resources	606,539	11,117	617,656
LIABILITIES			
Current liabilities			
Accounts payable	16,143	323,424	339,567
Accrued wages payable	83,701	--	83,701
Due to other governments	68,798	1,666	70,464
Compensated absences - current portion	80,095	--	80,095
Deposits	284,669	1,300	285,969
Total current liabilities	533,406	326,390	859,796
Noncurrent liabilities			
Long term portion of compensated absences	195,000	--	195,000
Net pension liability	1,442,588	26,904	1,469,492
Net health insurance subsidy liability	480,657	9,351	490,008
OPEB liability	190,531	2,675	193,206
Total noncurrent liabilities	2,308,776	38,930	2,347,706
Total liabilities	2,842,182	365,320	3,207,502
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow on pension	16,633	401	17,034
Deferred inflow on health insurance subsidy	36,078	872	36,950
Deferred inflow on OPEB	24,657	651	25,308
Total deferred inflows of resources	77,368	1,924	79,292
NET POSITION			
Net investment in capital assets	187,907	5,115,813	5,303,720
Unrestricted	1,620,052	1,965,075	3,585,127
Total net position	\$ 1,807,959	\$ 7,080,888	\$ 8,888,847

Santa Rosa County, Florida

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS**

Year ended September 30, 2020

	Inspections	Peter Prince Field	Total Nonmajor Enterprise Funds
Operating revenues			
Permits, fees and special assessments	\$ 4,391,532	\$ --	\$ 4,391,532
Charges for services	12,584	300,817	313,401
Miscellaneous	--	159	159
Total operating revenues	4,404,116	300,976	4,705,092
Operating expenses			
Personal services	2,292,278	1,544	2,293,822
Contract services	14,560	392,959	407,519
Supplies	23,536	643	24,179
Repairs and maintenance	6,816	101,340	108,156
Utilities	--	17,256	17,256
Depreciation	28,065	334,116	362,181
Travel and per diem	5,440	--	5,440
Insurance	47,300	--	47,300
Communications	21,367	557	21,924
Fuel and oil	28,852	--	28,852
Miscellaneous	4,693	660	5,353
Total operating expenses	2,473,656	849,075	3,322,731
Operating income (loss)	1,930,460	(548,099)	1,382,361
Non-operating revenues (expenses)			
Investment income	12,712	6,720	19,432
Gain (loss) on disposal of assets	--	--	--
Total non-operating revenues (expenses)	12,712	6,720	19,432
Income (loss) before contributions and transfers	1,943,172	(541,379)	1,401,793
Transfers in	--	1,498,680	1,498,680
Transfers out	(338,573)	(14,670)	(353,243)
Capital contribution	--	806,760	806,760
Change in net position	1,604,599	1,749,391	3,353,990
Net position, beginning of year	203,360	5,331,497	5,534,857
Net position, end of year	\$ 1,807,959	\$ 7,080,888	\$ 8,888,847

Santa Rosa County, Florida

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS**

Year ended September 30, 2020

	<u>Inspections</u>	<u>Peter Prince Field</u>	<u>Total Nonmajor Enterprise Funds</u>
Cash flows from operating activities			
Cash received from customers	\$ 4,404,116	\$ 142,676	\$ 4,546,792
Cash paid to suppliers	159,147	(394,568)	(235,421)
Cash paid to employees	<u>(2,267,176)</u>	<u>(2,522)</u>	<u>(2,269,698)</u>
Net cash provided (used) by operating activities	2,296,087	(254,414)	2,041,673
Cash flows from noncapital financing activities			
Transfers in	--	1,498,680	1,498,680
Transfers out	<u>(338,573)</u>	<u>(14,670)</u>	<u>(353,243)</u>
Net cash provided (used) by noncapital financing activities	(338,573)	1,484,010	1,145,437
Cash flows from capital and related financing activities			
Proceeds from sale of assets	--	--	--
Capital contribution	--	806,760	806,760
Purchases of capital assets	<u>(19,639)</u>	<u>(1,246,507)</u>	<u>(1,266,146)</u>
Net cash provided (used) by capital and related financing activities	(19,639)	(439,747)	(459,386)
Cash flows from investing activities			
Interest and dividends	<u>12,712</u>	<u>6,720</u>	<u>19,432</u>
Net cash provided (used) by investing activities	12,712	6,720	19,432
Net increase (decrease) in cash and cash equivalents	<u>1,950,587</u>	<u>796,569</u>	<u>2,747,156</u>
Cash and cash equivalents at beginning of year	<u>1,982,476</u>	<u>1,358,102</u>	<u>3,340,578</u>
Cash and cash equivalents at end of year	<u><u>\$ 3,933,063</u></u>	<u><u>\$ 2,154,671</u></u>	<u><u>\$ 6,087,734</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	\$ 1,930,460	\$ (548,099)	\$ 1,382,361
Adjustments to reconcile operating income to net cash provided (used) by operating activities			
Depreciation expense	28,065	334,116	362,181
Gain (loss) on disposal of capital assets	--	--	--
Changes in assets and liabilities:			
Accounts receivable	--	(5,414)	(5,414)
Due from other governments	--	(152,886)	(152,886)
Accounts payable	(1,771)	117,953	116,182
Accrued compensation	29,072	(978)	28,094
Compensated absences	(3,970)	--	(3,970)
Due to other governments	16,638	(48)	16,590
OPEB liability	29,895	805	30,700
Deposits	106,941	50	106,991
Net pension liability	289,218	1,802	291,020
Net health insurance subsidy	53,713	335	54,048
Deferred outflows of resources	(95,258)	(400)	(95,658)
Deferred inflows of resources	<u>(86,916)</u>	<u>(1,650)</u>	<u>(88,566)</u>
Net cash provided (used) by operating activities	<u><u>\$ 2,296,087</u></u>	<u><u>\$ (254,414)</u></u>	<u><u>\$ 2,041,673</u></u>

FIDUCIARY FUNDS

AGENCY FUNDS

Clerk's Fine and Cost Fund – Traffic and other fines are collected by the Clerk and remitted to the various governmental agencies.

Clerk's Intangible Tax Fund – The Clerk collects intangible tax and remits to the Department of Revenue.

Clerk's Court Registry Fund - accounts for funds deposited pursuant to court order pending the outcome of legal action and are distributed by order of the court.

Clerk's State Documentary Stamp Fund – The Clerk collects documentary stamps tax as an agent for the State of Florida and remits the revenue, less commission, to the Department of Revenue.

Clerk's Suspense Fund – The Clerk collects fees for marriage licenses, spousal abuse and restitution. Also the Clerk Collects money for the State co-educational trust fund and attorney's fees. Distributions on payments and remittances are made as appropriate to the various agencies or individuals.

Clerk's Tax Redemption Fund - accounts for tax deed application fees and tax deed bids and makes distributions on payments as appropriate.

Clerk's Ordinary Witness Fund – accounts for the funds collected and paid to witnesses.

Clerk's Bail Bond Fund - accounts for the collection and disbursement of bond monies posted by individuals upon arrest. These monies are held by the Clerk until final disposition instructions are received from the court.

Clerk's Flower Trust Fund - accounts for the collection and disbursement of funds donated by employees to purchase flowers for certain occasions.

Clerk's State Juror Fund – accounts for funds collected and paid to jurors.

Tax Collector's Tax Fund - accounts for receipts of various types of taxes, licenses, and fees collected on behalf of state, county, and municipal governmental agencies.

Sheriff's Suspense Fund - accounts for the collection of monies obtained from the Sheriff's sale of abandoned and confiscated property, various court levies, writs of execution, and miscellaneous receipts and the subsequent disbursements to individuals, state agencies, and the Board of County Commissioners.

Sheriff's Seizure Fund - accounts for cash confiscated by the Sheriff's department which is held pending disposition.

Sheriff's Flower Fund – accounts for the collection and disbursement of funds donated by employees to purchase flowers for certain occasions.

Santa Rosa County, Florida
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
Year ended September 30, 2020

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Clerk's Fine and Cost Fund				
Assets				
Cash	\$ 282,455	\$ 3,144,122	\$ 3,239,679	\$ 186,898
Total assets	<u>\$ 282,455</u>	<u>\$ 3,144,122</u>	<u>\$ 3,239,679</u>	<u>\$ 186,898</u>
Liabilities				
Accounts payable	\$ --	\$ 1,339,940	\$ 1,339,940	\$ --
Due to other governments	282,455	3,145,096	3,240,653	186,898
Total liabilities	<u>\$ 282,455</u>	<u>\$ 4,485,036</u>	<u>\$ 4,580,593</u>	<u>\$ 186,898</u>
Clerk's Intangible Tax Fund				
Assets				
Cash	\$ 353,241	\$ 4,731,849	\$ 4,397,911	\$ 687,179
Total assets	<u>\$ 353,241</u>	<u>\$ 4,731,849</u>	<u>\$ 4,397,911</u>	<u>\$ 687,179</u>
Liabilities				
Due to other governments	\$ 353,241	\$ 4,731,849	\$ 4,397,911	\$ 687,179
Total liabilities	<u>\$ 353,241</u>	<u>\$ 4,731,849</u>	<u>\$ 4,397,911</u>	<u>\$ 687,179</u>
Clerk's Court Registry Fund				
Assets				
Cash	\$ 1,646,376	\$ 6,657,851	\$ 6,938,876	\$ 1,365,351
Total assets	<u>\$ 1,646,376</u>	<u>\$ 6,657,851</u>	<u>\$ 6,938,876</u>	<u>\$ 1,365,351</u>
Liabilities				
Accounts payable	\$ --	\$ 5,535,803	\$ 5,535,803	\$ --
Deposits	1,646,376	6,647,348	6,931,415	1,362,309
Due to other governments	--	58,115	55,073	3,042
Total liabilities	<u>\$ 1,646,376</u>	<u>\$ 12,241,266</u>	<u>\$ 12,522,291</u>	<u>\$ 1,365,351</u>
Clerk's State Documentary Stamp Fund				
Assets				
Cash	\$ 1,840,904	\$ 22,343,171	\$ 20,736,777	\$ 3,447,298
Total assets	<u>\$ 1,840,904</u>	<u>\$ 22,343,171</u>	<u>\$ 20,736,777</u>	<u>\$ 3,447,298</u>
Liabilities				
Due to other governments	\$ 1,840,904	\$ 22,343,171	\$ 20,736,777	\$ 3,447,298
Total liabilities	<u>\$ 1,840,904</u>	<u>\$ 22,343,171</u>	<u>\$ 20,736,777</u>	<u>\$ 3,447,298</u>

Continued

Santa Rosa County, Florida
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
Year ended September 30, 2020

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Clerk's Suspense Fund				
Assets				
Cash	\$ 67,823	\$ 800,898	\$ 818,313	\$ 50,408
Total assets	<u>\$ 67,823</u>	<u>\$ 800,898</u>	<u>\$ 818,313</u>	<u>\$ 50,408</u>
Liabilities				
Accounts payable	\$ 1,720	\$ 251,306	\$ 251,465	\$ 1,561
Due to other governments	<u>66,103</u>	<u>677,114</u>	<u>694,370</u>	<u>48,847</u>
Total liabilities	<u>\$ 67,823</u>	<u>\$ 928,420</u>	<u>\$ 945,835</u>	<u>\$ 50,408</u>
Clerk's Tax Redemption Fund				
Assets				
Cash	\$ 1,009,451	\$ 531,355	\$ 534,185	\$ 1,006,621
Total assets	<u>\$ 1,009,451</u>	<u>\$ 531,355</u>	<u>\$ 534,185</u>	<u>\$ 1,006,621</u>
Liabilities				
Deposits	\$ 1,009,451	\$ 1,353,702	\$ 1,356,532	\$ 1,006,621
Total liabilities	<u>\$ 1,009,451</u>	<u>\$ 1,353,702</u>	<u>\$ 1,356,532</u>	<u>\$ 1,006,621</u>
Clerk's Ordinary Witness Fund				
Assets				
Cash	\$ 11,200	\$ 30,568	\$ 5,031	\$ 36,737
Total assets	<u>\$ 11,200</u>	<u>\$ 30,568</u>	<u>\$ 5,031</u>	<u>\$ 36,737</u>
Liabilities				
Accounts payable	\$ --	\$ 4,884	\$ 4,884	\$ --
Due to other governments	<u>11,200</u>	<u>30,433</u>	<u>4,896</u>	<u>36,737</u>
Total liabilities	<u>\$ 11,200</u>	<u>\$ 35,317</u>	<u>\$ 9,780</u>	<u>\$ 36,737</u>
Clerk's Bail Bond Fund				
Assets				
Cash	\$ 202,656	\$ 472,429	\$ 395,047	\$ 280,038
Total assets	<u>\$ 202,656</u>	<u>\$ 472,429</u>	<u>\$ 395,047</u>	<u>\$ 280,038</u>
Liabilities				
Accounts payable	\$ --	\$ 382,310	\$ 382,310	\$ --
Deposits	<u>202,656</u>	<u>472,429</u>	<u>395,047</u>	<u>280,038</u>
Total liabilities	<u>\$ 202,656</u>	<u>\$ 854,739</u>	<u>\$ 777,357</u>	<u>\$ 280,038</u>

Continued

Santa Rosa County, Florida
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
Year ended September 30, 2020

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Clerk's Flower Trust Fund				
Assets				
Cash	\$ 1,526	\$ 911	\$ 697	\$ 1,740
Total assets	<u>\$ 1,526</u>	<u>\$ 911</u>	<u>\$ 697</u>	<u>\$ 1,740</u>
Liabilities				
Deposits	\$ 1,526	\$ 911	\$ 697	\$ 1,740
Total liabilities	<u>\$ 1,526</u>	<u>\$ 911</u>	<u>\$ 697</u>	<u>\$ 1,740</u>
Tax Collector's Tax Fund				
Assets				
Cash	\$ 1,365,383	\$ 187,359,120	\$ 187,328,487	\$ 1,396,016
Accounts receivable	173,169	90,697,307	90,609,272	261,204
Total assets	<u>\$ 1,538,552</u>	<u>\$ 278,056,427</u>	<u>\$ 277,937,759</u>	<u>\$ 1,657,220</u>
Liabilities				
Due to other governments	1,477,146	34,406,485	34,268,898	1,614,733
Miscellaneous	61,406	1,175,119	1,194,038	42,487
Total liabilities	<u>\$ 1,538,552</u>	<u>\$ 35,581,604</u>	<u>\$ 35,462,936</u>	<u>\$ 1,657,220</u>
Sheriff's Suspense Fund				
Assets				
Cash	\$ 14,740	\$ 60,961	\$ 71,055	\$ 4,646
Total assets	<u>\$ 14,740</u>	<u>\$ 60,961</u>	<u>\$ 71,055</u>	<u>\$ 4,646</u>
Liabilities				
Accounts payable	\$ 14,740	\$ 60,961	\$ 71,055	\$ 4,646
Total liabilities	<u>\$ 14,740</u>	<u>\$ 60,961</u>	<u>\$ 71,055</u>	<u>\$ 4,646</u>
Sheriff's Seizure Fund				
Assets				
Cash	\$ 15,256	\$ 4,269	\$ 6,455	\$ 13,070
Total assets	<u>\$ 15,256</u>	<u>\$ 4,269</u>	<u>\$ 6,455</u>	<u>\$ 13,070</u>
Liabilities				
Deposits	\$ 13,859	\$ 4,269	\$ 5,058	\$ 13,070
Due to other governments	1,397	5,879	7,276	--
Total liabilities	<u>\$ 15,256</u>	<u>\$ 10,148</u>	<u>\$ 12,334</u>	<u>\$ 13,070</u>
				Continued

Santa Rosa County, Florida
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
Year ended September 30, 2020

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Sheriff's Flower Fund				
Assets				
Cash	\$ 18,827	\$ 3,358	\$ 2,723	\$ 19,462
Total assets	<u>\$ 18,827</u>	<u>\$ 3,358</u>	<u>\$ 2,723</u>	<u>\$ 19,462</u>
Liabilities				
Accounts payable	\$ --	\$ 87	\$ --	\$ 87
Deposits	<u>\$ 18,827</u>	<u>\$ 4,817</u>	<u>\$ 4,269</u>	<u>\$ 19,375</u>
Total liabilities	<u>\$ 18,827</u>	<u>\$ 4,904</u>	<u>\$ 4,269</u>	<u>\$ 19,462</u>
TOTAL AGENCY FUNDS				
Assets				
Cash	\$ 6,829,838	\$ 226,140,862	\$ 224,475,236	\$ 8,495,464
Accounts receivable	<u>173,169</u>	<u>90,697,307</u>	<u>90,609,272</u>	<u>261,204</u>
Total assets	<u>\$ 7,003,007</u>	<u>\$ 316,838,169</u>	<u>\$ 315,084,508</u>	<u>\$ 8,756,668</u>
Liabilities				
Accounts payable	\$ 16,460	\$ 7,575,291	\$ 7,585,457	\$ 6,294
Deposits	2,892,695	8,483,476	8,693,018	2,683,153
Due to other governments	4,032,446	65,398,142	63,405,854	6,024,734
Miscellaneous	<u>61,406</u>	<u>1,175,119</u>	<u>1,194,038</u>	<u>42,487</u>
Total liabilities	<u>\$ 7,003,007</u>	<u>\$ 82,632,028</u>	<u>\$ 80,878,367</u>	<u>\$ 8,756,668</u>



STATISTICAL SECTION

Statistical Section

This part of Santa Rosa County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the government's overall financial health.

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	121
Revenue Capacity These schedules contain information to help the reader assess the governments most significant local revenue source, the property tax.	127
Debt Capacity These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	131
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment which the government's financial activities take place.	134
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	137

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive financial reports for the relevant year.

SANTA ROSA COUNTY, FLORIDA
NET POSITION BY CATEGORY
LAST TEN FISCAL YEARS
(UNAUDITED)
(accrual basis of accounting)

	Fiscal Year				
	2011	2012	2013	2014	2015
Governmental activities					
Net investment in capital assets	\$ 129,188,217	\$ 131,087,734	\$ 133,506,512	\$ 130,795,701	\$ 135,370,552
Restricted	33,879,516	32,382,803	22,387,475	23,548,402	25,790,229
Unrestricted	22,477,043	24,272,173	27,789,157	29,782,242	(5,401,187)
Governmental activities net position	185,544,776	187,742,710	183,683,144	184,126,345	155,759,594
Business-type activities					
Net investment in capital assets	10,349,909	10,411,539	11,055,493	11,967,295	12,195,766
Restricted	3,928,968	4,061,168	4,752,608	4,966,334	5,226,306
Unrestricted	(2,070,174)	510,657	138,096	(163,114)	872,240
Business-type activities net position	12,208,703	14,983,364	15,946,197	16,770,515	18,294,312
Primary Government					
Net investment in capital assets	139,538,126	141,499,273	144,562,005	142,762,996	147,566,318
Restricted	37,808,484	36,443,971	27,140,083	28,514,736	31,016,535
Unrestricted	20,406,869	24,782,830	27,927,253	29,619,128	(4,528,947)
Primary government net position	\$ 197,753,479	\$ 202,726,074	\$ 199,629,341	\$ 200,896,860	\$ 174,053,906
	Fiscal Year				
	2016	2017	2018	2019	2020
Governmental activities					
Net investment in capital assets	\$ 139,306,062	\$ 138,455,254	\$ 143,546,487	\$ 160,555,326	\$ 185,330,861
Restricted	14,142,440	18,257,036	16,813,623	18,026,667	23,951,241
Unrestricted	3,139,025	3,552,425	8,509,671	(6,037,439)	(22,567,012)
Governmental activities net position	156,587,527	160,264,715	168,869,781	172,544,554	186,715,090
Business-type activities					
Net investment in capital assets	14,179,449	14,826,919	17,650,472	25,192,457	26,540,665
Restricted	8,639,599	10,035,008	521,014	-	-
Unrestricted	(512,914)	1,665,310	5,250,192	4,218,096	10,584,305
Business-type activities net position	22,306,134	26,527,237	23,421,678	29,410,553	37,124,970
Primary Government					
Net investment in capital assets	153,485,511	153,282,173	161,196,959	185,747,783	211,871,526
Restricted	22,782,039	28,292,044	17,334,637	18,026,667	23,951,241
Unrestricted	2,626,111	5,217,735	13,759,863	(1,819,343)	(11,982,707)
Primary government net position	\$ 178,893,661	\$ 186,791,952	\$ 192,291,459	\$ 201,955,107	\$ 223,840,060

SANTA ROSA COUNTY, FLORIDA
CHANGES IN NET POSITION - EXPENSES
LAST TEN FISCAL YEARS
(UNAUDITED)
(accrual basis of accounting)

Expenses	Fiscal Year				
	2011	2012	2013	2014	2015
Governmental activities:					
General government	\$ 30,666,338	\$ 32,570,186	\$ 35,322,678	\$ 32,077,210	\$ 33,323,950
Public safety	41,858,922	38,621,376	39,189,911	43,539,307	43,855,080
Physical environment	4,523,435	4,858,171	3,697,513	2,670,154	3,232,111
Transportation	17,598,242	17,262,229	15,368,137	18,931,798	6,301,085
Economic environment	3,671,637	2,512,105	2,842,783	3,677,666	4,138,167
Human services	4,395,636	5,355,802	5,297,919	5,557,949	5,632,639
Culture and recreation	4,233,967	2,837,640	1,220,483	4,053,156	4,458,293
Interest on long-term debt	452,183	310,886	248,439	189,570	151,820
Total governmental activities	107,400,360	104,328,395	103,187,863	110,696,810	101,093,145
Business-type activities:					
Navarre Beach water and sewer	2,374,547	1,790,622	1,774,576	1,959,739	1,840,277
Inspections	-	-	-	-	-
Peter Prince Airport	377,015	531,658	505,658	-	434,803
Industrial park*	-	-	-	448,747	-
Landfill	4,199,966	2,621,080	3,700,852	4,241,176	4,661,715
Total business-type activities	6,951,528	4,943,360	5,981,086	6,649,662	6,936,795
Total government expenses	<u>\$ 114,351,888</u>	<u>\$ 109,271,755</u>	<u>\$ 109,168,949</u>	<u>\$ 117,346,472</u>	<u>\$ 108,029,940</u>

Expenses	Fiscal Year				
	2016	2017	2018	2019	2020
Governmental activities:					
General government	\$ 34,534,581	\$ 37,755,441	\$ 34,666,832	\$ 44,503,615	\$ 47,658,997
Public safety	47,580,239	53,019,105	56,939,023	67,942,448	77,119,442
Physical environment	16,540,405	2,998,450	5,972,999	13,076,260	10,306,475
Transportation	12,053,535	18,934,987	16,294,559	12,129,579	14,885,818
Economic environment	3,585,571	4,199,033	4,719,843	5,923,430	3,950,617
Human services	5,209,959	5,057,580	4,757,808	5,268,916	5,996,195
Culture and recreation	4,430,637	4,936,498	5,603,068	5,884,463	7,368,170
Interest on long-term debt	851,086	(426,343)	145,914	104,063	142,169
Total governmental activities	124,786,013	126,474,751	129,100,046	154,832,774	167,427,883
Business-type activities:					
Navarre Beach water and sewer	2,019,652	2,189,343	2,263,432	2,466,621	2,541,596
Inspections	-	-	2,069,711	2,048,065	2,473,656
Peter Prince Airport	439,498	1,693,306	550,774	575,137	849,075
Landfill	4,072,679	4,696,121	11,583,634	6,825,399	7,636,449
Total business-type activities	6,531,829	8,578,770	16,467,551	11,915,222	13,500,776
Total government expenses	<u>\$ 131,317,842</u>	<u>\$ 135,053,521</u>	<u>\$ 145,567,597</u>	<u>\$ 166,747,996</u>	<u>\$ 180,928,659</u>

* The Industrial Park fund was reclassified as a special revenue fund (a governmental activity) in 2007

* Inspections was implemented as a separate business-type activity starting FY 2018

SANTA ROSA COUNTY, FLORIDA
CHANGES IN NET POSITION - PROGRAM REVENUES
LAST TEN FISCAL YEARS
(UNAUDITED)
(accrual basis of accounting)

	Fiscal Year				
Program Revenues	2011	2012	2013	2014	2015
Governmental activities:					
Charges for services:					
General government	\$ 16,787,093	\$ 18,081,960	\$ 18,032,139	\$ 19,838,193	\$ 20,486,568
Public safety	7,872,698	4,370,643	3,577,641	4,699,449	7,228,652
Physical environment	885,379	5,782,002	5,165,440	5,707,544	5,431,080
Transportation	2,395,630	261,684	246,785	191,636	146,383
Human services	37,986	36,603	32,892	37,188	33,079
Culture and recreation	365,280	380,985	336,709	403,688	391,097
Operating grants and contributions	8,472,055	8,833,949	5,819,975	3,881,017	2,760,609
Capital grants and contributions	1,776,494	5,162,953	2,018,166	3,884,357	2,879,592
Total governmental activities program revenue:	38,592,615	42,910,779	35,229,747	38,643,072	39,357,060
Business-type activities:					
Charges for services:					
Navarre Beach water and sewer	1,726,313	1,690,378	1,880,831	1,904,215	2,091,096
Inspections	-	-	-	-	-
Peter Prince Airport	240,224	231,914	250,643	253,484	269,440
Landfill	4,048,903	4,057,528	4,290,879	4,808,104	5,886,791
Capital grants and contributions	424,359	680,971	347,459	329,224	815,405
Total business-type activities	6,439,799	6,660,791	6,769,812	7,295,027	9,062,732
Total government program revenues	\$ 45,032,414	\$ 49,571,570	\$ 41,999,559	\$ 45,938,099	\$ 48,419,792
Net (Expense)/Revenue					
Governmental activities	\$ (68,807,745)	\$ (61,417,616)	\$ (67,958,116)	\$ (72,053,738)	\$ (61,736,085)
Business-type activities	(511,729)	1,717,431	788,726	645,365	2,125,937
Total government net expense	\$ (69,319,474)	\$ (59,700,185)	\$ (67,169,390)	\$ (71,408,373)	\$ (59,610,148)

	Fiscal Year				
Program Revenues	2016	2017	2018	2019	2020
Governmental activities:					
Charges for services:					
General government	\$ 20,165,926	\$ 21,197,918	\$ 21,841,976	\$ 21,834,143	\$ 21,870,864
Public safety	7,526,515	6,896,820	3,244,589	5,112,437	5,465,077
Physical environment	4,680,733	4,905,470	4,795,879	6,253,640	4,576,373
Transportation	47,551	89,554	1,930	61,917	1,339
Human services	37,259	40,752	41,886	40,422	39,828
Culture and recreation	488,274	494,203	497,209	548,804	428,720
Operating grants and contributions	12,902,748	3,682,161	5,828,954	8,214,191	30,483,218
Capital grants and contributions	3,091,704	819,579	4,137,239	6,127,420	14,337,999
Total governmental activities program revenue:	48,940,710	38,126,457	40,389,662	48,192,974	77,203,418
Business-type activities:					
Charges for services:					
Navarre Beach water and sewer	2,124,356	2,163,525	2,242,090	2,377,243	2,273,197
Inspections	-	-	2,799,768	3,252,216	4,404,116
Peter Prince Airport	297,943	297,426	299,295	305,168	300,817
Landfill	7,965,978	9,503,609	9,677,360	11,399,817	12,597,507
Capital grants and contributions	67,154	1,080,363	33,819	329,652	812,540
Total business-type activities	10,455,431	13,044,923	15,052,332	17,664,096	20,388,177
Total government program revenues	\$ 59,396,141	\$ 51,171,380	\$ 55,441,994	\$ 65,857,070	\$ 97,591,595
Net (Expense)/Revenue					
Governmental activities	\$ (75,845,303)	\$ (88,348,294)	\$ (88,710,384)	\$ (106,639,800)	\$ (90,224,465)
Business-type activities	3,923,602	4,466,153	(1,415,219)	5,748,874	6,887,401
Total government net expense	\$ (71,921,701)	\$ (83,882,141)	\$ (90,125,603)	\$ (100,890,926)	\$ (83,337,064)

* Inspections was implemented as a separate business-type activity starting FY 2018

SANTA ROSA COUNTY, FLORIDA
CHANGES IN NET POSITION - GENERAL REVENUES AND OTHER CHANGES
LAST TEN FISCAL YEARS
(UNAUDITED)
(accrual basis of accounting)

	Fiscal Year				
	2011	2012	2013	2014	2015
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 44,677,921	\$ 44,209,879	\$ 42,806,636	\$ 48,305,322	\$ 46,335,319
Sales, use and fuel taxes	4,688,107	4,965,861	5,106,283	5,521,730	6,182,387
Communication services taxes	1,484,790	1,461,621	1,474,562	1,415,391	1,363,480
Unrestricted grants and contributions	15,243,479	12,523,404	13,029,453	13,791,230	14,226,746
Unrestricted investment earnings	292,746	431,939	137,829	87,033	163,795
Miscellaneous	663,315	595,156	1,344,805	1,675,778	2,322,467
Gain on sale of assets	119,561	65,596	24,041	1,700,455	-
Transfers	-	(637,906)	(25,060)	-	(142,066)
Total governmental activities	67,169,919	63,615,550	63,898,549	72,496,939	70,452,128
Business-type activities:					
Unrestricted investment earnings	50,544	112,147	30,161	36,488	6,660
Miscellaneous	332,436	341	2,660	21,402	235,101
Gain on sale of assets	374,611	306,836	116,226	110,452	-
Transfers	-	637,906	25,060	-	142,066
Total business-type activities	757,591	1,057,230	174,107	178,953	441,721
Total government	<u>\$ 67,927,510</u>	<u>\$ 64,672,780</u>	<u>\$ 64,072,656</u>	<u>\$ 72,675,892</u>	<u>\$ 70,893,849</u>
Change in Net Position					
Governmental activities	\$ (1,637,826)	\$ 2,197,934	\$ (4,059,567)	\$ 443,201	\$ 8,716,043
Business-type activities	245,862	2,774,661	962,833	824,318	2,567,658
Total government	<u>\$ (1,391,964)</u>	<u>\$ 4,972,595</u>	<u>\$ (3,096,734)</u>	<u>\$ 1,267,519</u>	<u>\$ 11,283,701</u>
	Fiscal Year				
	2016	2017	2018	2019	2020
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 49,251,991	\$ 49,696,434	\$ 51,841,396	\$ 56,284,626	\$ 60,822,610
Sales, use and fuel taxes	9,220,510	15,431,701	22,250,020	23,346,073	21,602,823
Communication services taxes	1,264,504	1,179,568	1,246,878	1,135,739	1,168,514
Unrestricted grants and contributions	14,929,576	15,654,668	15,716,188	17,227,434	17,065,719
Unrestricted investment earnings	309,686	539,578	1,235,761	1,760,570	899,130
Miscellaneous	1,696,967	8,988,712	2,497,875	10,111,508	3,050,122
Gain on sale of assets	-	-	-	-	-
Transfers	-	534,822	2,063,351	444,116	(213,922)
Total governmental activities	76,673,234	92,025,483	96,851,469	110,310,066	104,394,996
Business-type activities:					
Unrestricted grants and contributions	-	-	-	-	-
Unrestricted investment earnings	91,861	139,703	243,890	708,723	520,265
Miscellaneous	11,044	61,301	35,852	30,111	519
Gain on sale of assets	85,312	69,882	67,771	(54,717)	92,309
Transfers	-	(515,937)	(2,063,351)	(444,116)	213,923
Total business-type activities	188,217	(245,051)	(1,715,838)	240,001	827,016
Total government	<u>\$ 76,861,451</u>	<u>\$ 91,780,432</u>	<u>\$ 95,135,631</u>	<u>\$ 110,550,067</u>	<u>\$ 105,222,012</u>
Change in Net Position					
Governmental activities	\$ 827,931	\$ 3,677,189	\$ 8,141,085	\$ 3,670,266	\$ 14,170,531
Business-type activities	4,111,819	4,221,102	(3,131,057)	5,988,875	7,714,417
Total government	<u>\$ 4,939,750</u>	<u>\$ 7,898,291</u>	<u>\$ 5,010,028</u>	<u>\$ 9,659,141</u>	<u>\$ 21,884,948</u>

SANTA ROSA COUNTY, FLORIDA
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(UNAUDITED)
(modified accrual basis of accounting)

POST-GASB 54	Fiscal Year				
	2011	2012	2013	2014	2015
General Fund					
Nonspendable					
Nonspendable	\$ 162,936	\$ 135,386	\$ 82,751	\$ 107,193	\$ 90,672
Spendable					
Restricted	1,527,274	1,407,140	1,456,353	1,733,869	1,901,139
Committed	3,596,262	3,596,898	3,597,664	3,598,490	3,599,211
Assigned	178,708	190,222	195,317	8,586,073	8,805,007
Unassigned	22,512,271	22,187,824	25,370,006	23,606,591	24,700,673
Total general fund	<u>\$ 27,977,451</u>	<u>\$ 27,517,470</u>	<u>\$ 30,702,091</u>	<u>\$ 37,632,216</u>	<u>\$ 39,096,702</u>
All Other Governmental Funds					
Nonspendable					
Nonspendable	\$ 351,155	\$ 425,346	\$ 519,971	\$ 304,885	\$ 318,926
Spendable					
Restricted	22,107,029	15,894,090	10,872,229	12,011,918	11,021,558
Committed	6,364,033	11,188,029	9,486,005	9,462,579	9,008,363
Assigned	11,313,604	11,992,066	9,669,577	6,676,129	7,258,486
Unassigned	-	(173,433)	(226,872)	(1,135,383)	(208,078)
Total all other governmental funds	<u>\$ 40,135,821</u>	<u>\$ 39,326,098</u>	<u>\$ 30,320,910</u>	<u>\$ 27,320,128</u>	<u>\$ 27,399,255</u>
	Fiscal Year				
	2016	2017	2018	2019	2020
General Fund					
Nonspendable					
Nonspendable	\$ 62,459	\$ 72,278	\$ 69,487	\$ 82,929	\$ 78,837
Spendable					
Restricted	2,033,211	2,154,342	2,241,173	2,080,921	2,112,038
Committed	3,599,876	3,600,551	3,601,260	3,601,898	50,668
Assigned	2,967,560	2,797,226	3,068,669	3,593,803	4,453,703
Unassigned	31,055,759	33,735,553	37,463,097	34,347,223	42,442,836
Total general fund	<u>\$ 39,718,865</u>	<u>\$ 42,359,950</u>	<u>\$ 46,443,686</u>	<u>\$ 43,706,774</u>	<u>\$ 49,138,082</u>
All Other Governmental Funds					
Nonspendable					
Nonspendable	\$ 315,881	\$ 354,955	\$ 345,224	\$ 304,304	\$ 809,336
Spendable					
Restricted	12,109,229	16,102,694	14,572,450	15,945,746	21,839,203
Committed	8,385,969	9,236,431	10,125,637	12,081,897	6,261,377
Assigned	8,907,488	9,791,607	10,973,321	7,847,916	4,966,935
Unassigned	(1,695,801)	(787,135)	(438,508)	(270,524)	(182,512)
Total all other governmental funds	<u>\$ 28,022,766</u>	<u>\$ 34,698,552</u>	<u>\$ 35,578,124</u>	<u>\$ 35,909,339</u>	<u>\$ 33,694,339</u>

Note: Ten years data available for post GASB-54 compliance.

**SANTA ROSA COUNTY, FLORIDA
CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
LAST TEN FISCAL YEARS**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes	\$ 50,850,818	\$ 50,637,361	\$ 49,387,481	\$ 55,242,443	\$ 53,881,186	\$ 59,737,006	\$ 66,307,703	\$ 75,338,294	\$ 80,766,438	\$ 83,593,947
Licenses and permits	-	-	-	-	-	-	-	-	-	-
Permits, fees and special assessments (1)	13,012,151	12,574,192	12,310,017	13,251,694	13,213,555	13,747,389	14,185,289	11,769,439	13,460,617	11,864,626
Intergovernmental	26,153,628	24,970,033	21,050,905	21,745,969	20,163,571	31,201,335	20,450,515	25,909,785	30,676,851	52,779,178
Charges for services	10,583,584	10,487,027	10,559,196	12,285,986	15,335,216	14,661,408	14,913,717	13,851,454	15,378,297	15,500,537
Fines and forfeitures	554,746	482,381	600,577	1,270,224	1,463,623	1,412,344	1,444,898	1,347,679	1,444,555	1,589,074
Miscellaneous	2,735,551	4,060,676	3,586,195	5,652,134	3,376,219	3,166,862	3,479,581	4,184,541	6,263,474	4,105,848
Total revenues	103,890,478	103,211,670	97,494,371	109,448,450	107,433,370	123,926,344	120,781,703	132,401,192	147,990,232	169,433,210
Expenditures										
General government	23,179,032	27,362,444	25,555,181	27,665,859	28,832,963	28,320,515	30,187,666	29,643,720	39,202,349	41,469,828
Public safety	41,980,720	37,917,752	39,773,530	43,474,891	45,351,135	43,704,141	48,958,472	55,091,743	61,523,944	68,909,625
Physical environment	4,464,070	4,822,389	3,578,143	2,547,824	3,257,125	16,356,077	2,835,197	6,303,950	12,833,590	11,074,989
Transportation	16,633,682	15,690,345	19,317,046	17,551,654	12,885,058	13,640,571	15,923,262	19,313,501	17,189,151	22,375,506
Economic environment	3,676,051	2,516,642	2,752,647	3,607,947	4,068,837	3,427,798	4,203,529	4,581,029	5,757,690	4,694,136
Human services	4,457,683	5,468,780	5,215,463	5,449,681	5,944,871	5,003,386	5,046,765	4,746,285	5,258,684	5,956,333
Culture and recreation	3,149,088	2,695,246	2,875,555	2,867,276	3,235,694	2,916,554	3,307,556	4,480,244	4,469,669	5,662,522
Capital outlay	215,166	1,048,244	2,191,074	488,191	349,049	12,644,982	1,770	2,417,398	2,665,420	8,743,442
Debt service										
Principal	5,606,394	5,618,597	1,430,597	1,259,276	1,193,194	1,773,560	1,428,549	1,968,707	1,100,079	1,275,559
Interest	585,792	310,886	213,123	172,712	134,732	196,066	156,236	154,384	117,288	119,595
Total expenditures	103,947,678	103,451,325	102,902,359	105,085,311	105,252,658	127,983,650	112,049,002	128,700,961	150,117,864	170,281,535
Excess of revenues over (under) expenditures	(57,200)	(239,655)	(5,407,988)	4,363,139	2,180,712	(4,057,306)	8,732,701	3,700,231	(2,127,632)	(848,325)
Other financing sources (uses)										
Transfers in	12,300,499	19,908,478	8,953,304	10,209,704	12,423,537	13,448,087	12,237,875	20,409,367	20,776,838	27,004,306
Transfers out	(12,300,499)	(21,046,384)	(9,429,123)	(10,705,368)	(13,065,603)	(13,398,087)	(11,703,053)	(20,744,047)	(21,288,432)	(28,191,228)
New debt issue	1,507,000	-	-	-	-	5,279,240	-	1,604,000	273,965	5,302,518
Refunding debt	4,400,208	268,350	-	-	-	-	-	-	-	-
Payments to escrow agent	(1,528,789)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	4,378,419	(869,556)	(475,819)	(495,664)	(642,066)	5,329,240	534,822	1,269,320	(237,629)	4,115,596
Net change in fund balances	\$ 4,321,219	\$ (1,109,211)	\$ (5,883,807)	\$ 3,867,475	\$ 1,538,646	\$ 1,271,934	\$ 9,267,523	\$ 4,969,551	\$ (2,365,261)	\$ 3,267,271
Debt service as a percentage of noncapital expenditures	6%	6%	2%	1%	1%	2%	1%	2%	1%	1%

(1) The state mandated chart of accounts was modified to move special assessments from Miscellaneous to a newly named category Permits, Fees and Special Assessments.
Franchise fees were reclassified from Taxes to Permits and Fees

SANTA ROSA COUNTY, FLORIDA
JUST AND TAXABLE VALUE OF REAL AND PERSONAL PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)

FISCAL YEAR	Real Property	Personal Property	REAL PROPERTY EXEMPTIONS	PERSONAL PROPERTY EXEMPTIONS	Less: Tax Exempt Property	REAL PROPERTY TAXABLE VALUE	PERSONAL PROPERTY TAXABLE VALUE	TOTAL JUST VALUE	Total Taxable Assessed Value	Total Direct Tax Rate
2011	\$ 11,267,512,706	\$ 594,370,347	\$ 4,441,618,585	\$ 51,297,345	\$ 4,492,915,930	\$ 6,825,894,121	\$ 543,073,002	\$ 11,861,883,053	\$ 7,368,967,123	6.0953
2012	\$ 10,757,912,195	\$ 629,709,562	\$ 4,112,453,855	\$ 51,555,173	\$ 4,164,009,028	\$ 6,645,458,340	\$ 578,154,389	\$ 11,387,621,757	\$ 7,223,612,729	6.0953
2013	\$ 10,868,923,522	\$ 624,513,661	\$ 4,126,017,929	\$ 50,179,329	\$ 4,176,197,258	\$ 6,742,905,593	\$ 574,334,332	\$ 11,493,437,183	\$ 7,317,239,925	6.0953
2014	\$ 11,632,334,984	\$ 605,255,817	\$ 4,497,322,031	\$ 50,842,317	\$ 4,548,164,348	\$ 7,135,012,953	\$ 554,413,500	\$ 12,237,590,801	\$ 7,689,426,453	6.0953
2015	\$ 11,995,646,721	\$ 627,728,822	\$ 4,514,497,235	\$ 349,017,918	\$ 4,863,515,153	\$ 7,481,149,486	\$ 278,710,904	\$ 12,623,375,543	\$ 7,759,860,390	6.0953
2016	\$ 12,499,933,594	\$ 661,823,887	\$ 4,740,517,328	\$ 51,988,439	\$ 4,792,505,767	\$ 7,759,416,266	\$ 609,835,448	\$ 13,161,757,481	\$ 8,369,251,714	6.0953
2017	\$ 13,127,940,336	\$ 680,101,947	\$ 4,967,098,700	\$ 48,847,262	\$ 5,015,945,962	\$ 8,160,841,636	\$ 631,254,685	\$ 13,808,042,283	\$ 8,792,096,321	6.0953
2018	\$ 14,345,023,878	\$ 747,289,282	\$ 4,746,010,616	\$ 75,186,719	\$ 4,821,197,335	\$ 9,599,013,262	\$ 672,102,563	\$ 15,092,313,160	\$ 10,271,115,825	6.0953
2019	\$ 15,536,241,039	\$ 780,898,125	\$ 5,898,391,227	\$ 91,223,721	\$ 5,989,614,948	\$ 9,637,849,812	\$ 689,674,404	\$ 16,317,139,164	\$ 10,327,524,216	6.0953
2020	\$ 16,961,974,463	\$ 823,083,072	\$ 6,503,125,337	\$ 85,395,842	\$ 6,588,521,179	\$ 10,458,849,126	\$ 737,687,230	\$ 17,785,057,535	\$ 11,196,536,356	6.0953

Source: Property Appraiser, Santa Rosa County

**SANTA ROSA COUNTY, FLORIDA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(UNAUDITED)**

YEAR	SANTA ROSA COUNTY OPERATING MILLAGE				OVERLAPPING RATES							TOTAL MILLAGE
	GENERAL FUND	ROAD & BRIDGE FUND	FINE & FORFEITURE FUND	TOTAL COUNTY	SCHOOL BOARD OPERATING MILLAGE	CITY OF GULF BREEZE OPERATING MILLAGE	CITY OF MILTON OPERATING MILLAGE	CITY OF JAY OPERATING MILLAGE	AVALON- MULAT FIRE DISTRICT MILLAGE	MIDWAY FIRE DISTRICT MILLAGE	NW FLORIDA WATER MANAGEMENT MILLAGE	
2011	5.9793	0.1040	0.0120	6.0953	7.7260	1.9000	3.2373	2.0000	1.0000	1.4000	0.0450	23.4036
2012	5.9793	0.1040	0.0120	6.0953	7.9160	1.9000	3.2373	2.0000	1.0000	1.4000	0.0400	23.5886
2013	5.9793	0.1040	0.0120	6.0953	7.6680	1.9000	3.2730	2.0000	1.0000	1.6000	0.0400	23.5763
2014	6.0856	-	0.0097	6.0953	7.4430	1.9723	3.2373	2.0000	2.0000	1.7500	0.0390	24.5369
2015	6.0953	-	-	6.0953	7.2020	1.9723	3.2373	2.0000	2.0000	1.7500	0.0378	24.2947
2016	6.0953	-	-	6.0953	6.8400	1.9723	3.2373	2.0000	2.0000	1.8500	0.0366	24.0315
2017	6.0953	-	-	6.0953	6.8400	1.9723	3.2373	2.0000	2.0000	1.8500	0.0353	24.0302
2018	6.0953	-	-	6.0953	6.2990	1.9723	3.2373	2.5000	2.0000	2.2000	0.0338	24.3377
2019	6.0953	-	-	6.0953	6.0910	1.9723	3.2373	2.5000	2.0000	2.2000	0.0327	24.1286
2020	6.0953	-	-	6.0953	6.0500	1.9723	3.0841	2.5000	2.0000	2.2000	0.0311	23.9328

Source: Tax Collector, Santa Rosa County

SANTA ROSA COUNTY, FLORIDA
PRINCIPAL TAXPAYERS
Current Year and Ten Years Ago
(UNAUDITED)

TAXPAYER	2020			2011		
	ASSESSED VALUATION	Rank	PERCENTAGE OF TOTAL ASSESSED VALUATION	ASSESSED VALUATION	Rank	PERCENTAGE OF TOTAL ASSESSED VALUATION
Gulf Power	\$ 151,734,965	1	1.35%	\$ 91,100,715	1	1.24%
Florida Gas Transmission	\$ 92,040,562	2	0.82%	\$ 53,518,255	3	0.73%
Breitbart Operating LP	\$ 68,302,783	3	0.61%			
BellSouth Telecomm	\$ 53,653,081	4	0.48%	\$ 42,218,261	5	0.57%
Tamirco Us	\$ 47,690,285	5	0.43%	\$ 18,121,558	8	0.25%
WalMart Stores East	\$ 33,488,985	6	0.30%	\$ 30,815,041	6	0.42%
PHVIF II Navarre Beach LLC	\$ 27,267,373	7	0.24%			
Skylarco LLC	\$ 23,650,000	8	0.21%			
Escambia River Electric Coop	\$ 21,857,648	9	0.20%			
Pier Rock LLC	\$ 21,614,936	10	0.19%			
Quantum Resources				\$ 64,487,334	2	0.88%
Santa Rosa Energy				\$ 46,677,496	4	0.64%
Santa Rosa II LLC				\$ 23,661,042	7	0.32%
Mediacom Southeast LLC				\$ 19,602,427	9	0.27%
Andrews Institute Medical Park				\$ 16,276,661	10	0.22%
Total assessed	\$ 11,199,709,606			\$ 7,346,831,855		

Source: Property Appraiser, Santa Rosa County

SANTA ROSA COUNTY, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
ALL GOVERNMENTAL FUND TYPES
LAST TEN FISCAL YEARS
(UNAUDITED)

YEAR	TOTAL TAX LEVY	CURRENT AND PRIOR YEARS ADJUSTMENTS	OUTSTANDING DELINQUENT TAXES	DISCOUNTS ALLOWED	CURRENT TAX COLLECTIONS	PERCENT OF CURRENT TAX COLLECTIONS TO TOTAL LEVY	TOTAL TAX COLLECTION	PERCENT OF TOTAL TAX COLLECTION TO TOTAL LEVY	PERCENT OF DELINQUENT TAXES TO TAX LEVY
2011	\$ 46,151,773	\$ (5,338)	\$ 859,288	\$ 1,364,326	\$ 43,933,827	95.19%	\$ 45,298,153	98.15%	1.86%
2012	\$ 44,944,141	\$ (12,852)	\$ 416,988	\$ 1,379,496	\$ 42,951,863	95.57%	\$ 44,331,359	98.64%	0.93%
2013	\$ 44,054,676	\$ 8,243	\$ 328,356	\$ 1,375,961	\$ 42,284,295	95.98%	\$ 43,660,256	99.10%	0.75%
2014	\$ 44,620,332	\$ 8,315	\$ 266,157	\$ 1,433,608	\$ 42,836,934	96.00%	\$ 44,270,542	99.22%	0.60%
2015	\$ 46,948,088	\$ 10,720	\$ 47,384	\$ 1,588,836	\$ 45,266,448	96.42%	\$ 46,855,284	99.80%	0.10%
2016	\$ 49,217,480	\$ 23,618	\$ 43,820	\$ 1,687,131	\$ 47,091,704	95.68%	\$ 48,778,836	99.11%	0.09%
2017	\$ 51,164,884	\$ 2,450	\$ 27,116	\$ 1,768,619	\$ 49,122,581	96.01%	\$ 50,891,200	99.47%	0.05%
2018	\$ 53,680,748	\$ 1,473	\$ 28,909	\$ 1,880,853	\$ 51,692,210	96.30%	\$ 53,573,063	99.80%	0.05%
2019	\$ 58,620,914	\$ 1,413	\$ 412,688	\$ 2,026,716	\$ 56,030,367	95.58%	\$ 58,057,083	99.04%	0.70%
2020	\$ 63,128,171	\$ 25,827	\$ 254,041	\$ 2,205,184	\$ 60,560,940	95.93%	\$ 62,766,125	99.43%	0.40%

Source: Tax Collector, Santa Rosa County

SANTA ROSA COUNTY, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)

YEAR	General Obligation Debt	Governmental Activities			Business-Type Activities		Percentage of Personal Income	Per Capita
		Revenue- Backed Debt	Special Assessment Debt	Capital Leases	Revenue Debt	Total		
2011	\$ 3,629,311	\$ 2,642,478	\$ 6,553,226	\$ -	\$ 6,117,601	\$ 18,942,616	0.340%	\$ 122.29
2012	\$ -	\$ 2,296,306	\$ 5,166,457	\$ -	\$ 5,451,581	\$ 12,914,344	0.219%	\$ 83.11
2013	\$ -	\$ 1,942,442	\$ 4,089,724	\$ -	\$ 4,765,239	\$ 10,797,405	0.178%	\$ 68.63
2014	\$ -	\$ 1,580,707	\$ 3,192,183	\$ -	\$ 4,058,392	\$ 8,831,282	0.144%	\$ 54.04
2015	\$ -	\$ 1,210,908	\$ 2,368,788	\$ -	\$ 3,330,357	\$ 6,910,053	0.103%	\$ 41.51
2016	\$ 4,564,519	\$ 832,801	\$ 1,688,055	\$ -	\$ 2,580,741	\$ 9,666,116	0.139%	\$ 57.88
2017	\$ 3,837,034	\$ 740,509	\$ 1,079,284	\$ -	\$ 2,102,521	\$ 7,759,348	0.104%	\$ 45.42
2018	\$ 3,096,555	\$ 58,348	\$ 2,137,218	\$ -	\$ 1,606,035	\$ 6,898,156	0.086%	\$ 39.44
2019	\$ 2,342,849	\$ 24,074	\$ 2,100,118	\$ -	\$ 1,090,588	\$ 5,557,629	0.071%	\$ 31.06
2020	\$ 1,575,683	\$ 2,700,000	\$ 4,215,549	\$ -	\$ 1,090,588	\$ 9,581,820	0.113%	\$ 51.89

SANTA ROSA COUNTY, FLORIDA
RATIOS OF GENERAL OBLIGATION DEBT
LAST TEN FISCAL YEARS
(UNAUDITED)

YEAR	Governmental Activities	Percentage of Actual Taxable Value of Property (2)	Per Capita (1)
	General Obligation Debt		
2011	\$ 3,629,311	0.049%	\$ 23.43
2012	\$ -	0.000%	\$ -
2013	\$ -	0.000%	\$ -
2014	\$ -	0.000%	\$ -
2015	\$ -	0.000%	\$ -
2016	\$ 4,564,519	0.055%	\$ 27.33
2017	\$ 3,837,034	0.000%	\$ 22.46
2018	\$ 3,096,555	0.000%	\$ 17.71
2019	\$ 2,342,849	0.000%	\$ 13.09
2020	\$ 1,575,683	0.000%	\$ 8.53

(1) US Bureau of Economic and Business Research

(2) Property Appraiser, Santa Rosa County

**SANTA ROSA COUNTY, FLORIDA
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS
(UNAUDITED)**

REVENUE BONDS

YEAR	Gross Revenues (1)	Less: Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2011	\$ 5,642,439	\$ -	\$ 5,642,439	\$ 261,981	\$ 30,876	1927%
2012	\$ 5,735,395	\$ -	\$ 5,735,395	\$ 539,984	\$ 45,628	979%
2013	\$ 6,019,063	\$ -	\$ 6,019,063	\$ 549,387	\$ 35,973	1028%
2014	\$ 6,401,628	\$ -	\$ 6,401,628	\$ 558,953	\$ 26,274	1094%
2015	\$ 6,780,568	\$ -	\$ 6,780,568	\$ 568,686	\$ 13,636	1164%
2016	\$ 7,276,083	\$ -	\$ 7,276,083	\$ 578,589	\$ 6,381	1244%
2017	\$ 7,714,651	\$ -	\$ 7,714,651	\$ -	\$ -	0%
2018	\$ 7,484,101	\$ -	\$ 7,484,101	\$ -	\$ -	0%
2019	\$ 8,585,746	\$ -	\$ 8,585,746	\$ -	\$ -	0%
2020	\$ 9,092,163	\$ -	\$ 9,092,163	\$ -	\$ -	0%

NOTES PAYABLE

YEAR	Gross Revenues (2)	Less: Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2011	\$ 2,512,990	\$ 1,248,551	\$ 1,264,439	\$ 418,618	\$ 221,906	197%
2012	\$ 2,170,996	\$ 1,242,849	\$ 928,147	\$ 472,209	\$ 235,191	131%
2013	\$ 2,416,466	\$ 1,251,933	\$ 1,164,533	\$ 490,818	\$ 216,716	165%
2014	\$ 2,525,419	\$ 1,431,119	\$ 1,094,300	\$ 509,629	\$ 198,179	155%
2015	\$ 2,771,930	\$ 1,305,460	\$ 1,466,470	\$ 529,150	\$ 178,960	207%
2016	\$ 2,884,659	\$ 1,472,189	\$ 1,412,470	\$ 549,133	\$ 159,339	199%
2017	\$ 3,041,022	\$ 1,634,259	\$ 1,406,763	\$ 570,512	\$ 138,171	199%
2018	\$ 3,223,716	\$ 1,802,065	\$ 1,421,651	\$ 592,381	\$ 116,619	201%
2019	\$ 3,511,284	\$ 1,938,442	\$ 1,572,842	\$ 548,720	\$ 72,661	253%
2020	\$ 3,324,165	\$ 2,144,205	\$ 1,179,960	\$ 569,293	\$ 53,385	189%

SPECIAL ASSESSMENT NOTES

YEAR	Gross Revenues (3)	Less: Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2011	\$ 3,079,904	\$ -	\$ 3,079,904	\$ 1,790,959	\$ 294,681	148%
2012	\$ 1,872,823	\$ -	\$ 1,872,823	\$ 1,509,919	\$ 254,225	106%
2013	\$ 921,029	\$ -	\$ 921,029	\$ 870,216	\$ 204,483	86%
2014	\$ 1,155,998	\$ -	\$ 1,155,998	\$ 897,493	\$ 174,533	108%
2015	\$ 991,352	\$ -	\$ 991,352	\$ 823,894	\$ 88,461	109%
2016	\$ 772,276	\$ -	\$ 772,276	\$ 680,682	\$ 78,340	102%
2017	\$ 727,529	\$ -	\$ 727,529	\$ 592,839	\$ 44,387	114%
2018	\$ 641,896	\$ -	\$ 641,896	\$ 470,195	\$ 27,468	129%
2019	\$ 789,091	\$ -	\$ 789,091	\$ 210,380	\$ 21,284	341%
2020	\$ 2,448,261	\$ -	\$ 2,448,261	\$ 553,212	\$ 63,642	397%

(1) Racetrack and Landfill revenues until 2010. Sales tax revenues from 2011

(2) Electric Franchise Fees

(3) Special Assessments

SANTA ROSA COUNTY, FLORIDA
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

FISCAL YEAR	POPULATION (1)	PERSONAL INCOME (2) (Thousands)	PER CAPITA PERSONAL INCOME (2)	UNEMPLOYMENT RATE (3)
2011	154,901	\$ 5,569,461	\$ 36,141	9.0%
2012	155,390	\$ 5,906,842	\$ 37,264	7.5%
2013	157,317	\$ 6,079,598	\$ 37,739	6.6%
2014	163,422	\$ 6,146,309	\$ 37,610	5.4%
2015	166,486	\$ 6,721,674	\$ 40,506	4.3%
2016	167,009	\$ 6,943,907	\$ 41,869	4.6%
2017	170,835	\$ 7,477,766	\$ 42,909	3.2%
2018	174,887	\$ 7,985,954	\$ 44,527	2.9%
2019	178,928	\$ 7,841,227	\$ 44,615	2.7%
2020	184,653	\$ 8,474,829 *	\$ 45,981 *	4.1%

* Projected

(1) Florida Legislature, Office of Economic and Demographic Research

(2) US Bureau of Economic Analysis

(3) US Bureau of Labor Statistics

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO
(UNAUDITED)**

EMPLOYER	2020			2011		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT
Santa Rosa County School District	3,156	1	3.76%	2,600	1	4.00%
Federal Government	2,183	2	2.60%	785	5	1.21%
Federal Military	1,981	3	2.36%			
State Government	1,450	4	1.73%	1,367	2	2.10%
Santa Rosa County Government	1,404	5	1.67%	965	4	1.49%
Wal-Mart	1,311	6	1.56%	1,225	3	1.89%
Baptist Healthcare Systems	555	7	0.66%	634	6	0.98%
Santa Rosa Medical Center	487	8	0.58%	498	7	0.77%
Publix	340	9	0.40%			0.00%
Mediacom	334	10	0.40%	300	8	0.46%
Lowe's				270	9	0.42%
Tata Business Support Services				217	10	0.33%
Total	13,201		16%	8,861		14%
Total employment			84,000			64,976

Source: Santa Rosa County Economic Development Office

SANTA ROSA COUNTY, FLORIDA
COUNTY EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS
(UNAUDITED)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General government	283	265	273	269	269	261	268	280	290	301
Public safety	450	452	451	451	445	451	450	444	486	508
Physical environment	52	52	46	64	65	60	58	63	64	64
Transportation	109	103	105	111	110	108	107	105	105	103
Economic environment	2	2	2	10	11	7	12	9	9	9
Human services	23	22	23	25	25	25	24	22	21	21
Culture and recreation	35	33	32	35	38	37	37	41	39	38
Total	<u>954</u>	<u>929</u>	<u>932</u>	<u>965</u>	<u>963</u>	<u>949</u>	<u>956</u>	<u>964</u>	<u>1,014</u>	<u>1,044</u>

Source: Departmental reports.

SANTA ROSA COUNTY, FLORIDA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS
(UNAUDITED)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public safety										
Law Enforcement										
Service calls	122,807	122,336	118,150	119,731	126,423	144,727	149,702	139,233	142,655	125,022
DUI arrests	272	175	148	236	215	273	352	331	269	247
Jail inmates	7,301	6,618	6,315	6,577	7,249	7,746	7,807	7,383	7,431	5,612
Physical environment										
Transportation										
Economic environment										
Human services										
Animal Services										
Service calls	7,270	8,100	6,995	7,201	7,162	6,520	6,970	6,572	5,206	4,120
Adoptions	529	517	511	571	616	570	583	511	926	1,196
Animal visits to shelter	7,857	7,875	7,538	6,592	6,631	6,137	6,038	5,990	4,050	2,826
Culture and recreation										
Libraries										
Items circulated	466,608	434,571	425,484	434,571	420,730	405,000	398,597	401,333	411,656	311,742
Registered borrowers	39,422	46,111	51,581	46,111	49,771	52,343	57,568	63,238	69,206	72,488

Indicators are not available for the general government function.

Source: Departmental reports

SANTA ROSA COUNTY, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS
(UNAUDITED)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Public safety										
Sheriff's Officers Vehicles	241	308	282	285	285	275	293	296	281	326
Fire Districts	15	15	15	15	15	15	15	15	15	15
Physical environment										
Landfills	2	2	2	2	2	2	2	2	2	2
Transfer stations	1	1	1	1	1	1	1	1	1	1
Water taps	1,876	1,904	1,904	1,955	2,137	2,152	2,171	2,190	2,220	2,247
Sewer taps	1,864	1,893	1,893	1,942	2,124	2,139	2,158	2,177	2,207	2,234
Transportation										
Airports	1	1	1	1	1	1	1	1	1	1
Airport hangers	16	16	16	16	16	16	16	16	16	16
Economic environment										
Industrial Parks	2	2	2	2	2	2	2	2	2	2
Human services										
Animal Services Vehicles	10	13	10	11	11	11	11	10	11	9
Culture and recreation										
Libraries	5	5	5	5	5	5	6	6	6	6
Items in library collection	132,626	138,565	149,133	138,565	156,786	148,288	155,149	156,773	156,152	156,111
Parks	56	56	56	56	56	56	56	56	56	56

Indicators are not available for the general government function.

Source: Departmental reports

COMPLIANCE SECTION

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

The Honorable Board of County Commissioners
Santa Rosa County, Florida

We have examined Santa Rosa County, Florida's, (hereinafter referred to as the "the County") compliance with the following requirements for the year ended September 30, 2020:

- (1) Florida Statute 218.415 in regards to investments.
- (2) Florida Statute 288.8018 in regards to the Deepwater Horizon Oil Spill receipts and expenditures.
- (3) Florida Statutes 365.172 and 365.173 in regards to use of E-911 revenues and expenditures.

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

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the County's compliance with specified requirements.

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

Warren Averett, LLC

Pensacola, Florida
March 26, 2021

**INDEPENDENT AUDITORS' REPORT ON THE SCHEDULE OF RECEIPTS AND
EXPENDITURES OF FUNDS RELATED TO THE DEEPWATER HORIZON OIL SPILL**

The Honorable Board of County Commissioners
Santa Rosa County, Florida

We have audited the financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of Santa County, Florida as of and for the year ended September 30, 2020, and have issued our report thereon dated March 26, 2021 which contained an unmodified opinion on those financial statements.

The Schedule of Receipts and Expenditures of Funds related to the Deepwater Horizon Oil Spill on page 141 is presented for the purpose of additional analysis as required by Florida Statute 288.8018 and the Rules of the Auditor General Chapter 10.557(3)(f), and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Warren Averett, LLC

Pensacola, Florida
March 26, 2021

**SANTA ROSA COUNTY, FLORIDA
SCHEDULE OF RECEIPTS AND EXPENDITURES OF
FUNDS RELATED TO THE DEEPWATER HORIZON OIL SPILL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

Source	Amount Received in the 2019-20 Fiscal Year	Amount Expended in the 2019-20 Fiscal Year
Triumph Gulf Coast, Inc.		
Agreement No. Whiting Field MRO/Project #72	\$ -	\$ 1,980,906
Office of Gulf Coast Restoration:		
Gulf Coast Discover Center, Phase I 1 RDCGR210037-01-00	-	23,400
Oyster Habitat Restoration Project 1 RDCGR210076-01-00	-	14,532
	-	37,932
TOTAL:	<u>\$ -</u>	<u>2,018,838</u>

Note: The Office of Gulf Coast Restoration funds relate to the Deepwater Horizon Oil Spill and are considered Federal awards which are reported on the Schedule of Expenditures of Federal Awards and State Financial Assistance under CFDA #21.015.

This schedule is prepared on the cash basis of accounting.

MANAGEMENT LETTER

The Honorable Board of County Commissioners
Santa Rosa County, Florida

Report on the Financial Statements

We have audited the financial statements Santa Rosa County, Florida (hereinafter referred to as the "County"), as of and for the year ended September 30, 2020, and have issued our report thereon dated March 26, 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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance); and Chapter 10.550 *Rules of the Florida Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Report on Examination of Compliance Requirements in Accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated March 26, 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 findings reported in the prior year audit report.

Financial Condition and Management

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

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

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.

Special District Component Units

Section 10.554(1)(i)5.d, *Rules of the Auditor General*, requires that we determine whether or not a special district that is a component unit of the County provided the financial information necessary for proper reporting of the component unit, within the audited financial statements of the County in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that all special district component units provided the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

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 Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, 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
March 26, 2021

**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 Honorable Board of County Commissioners
Santa Rosa County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of Santa Rosa County, Florida, (hereinafter referred to as "County"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 26, 2021.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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 County'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 communication is not suitable for any other purpose.

Warren Averett, LLC

Pensacola, Florida
March 26, 2021

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

Board of County Commissioners
Santa Rosa County, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited the compliance of Santa Rosa County, Florida (hereinafter referred to as "County"), with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Compliance Supplement*, and the requirements described in the State of Florida Department of Financial Services' *State Projects Compliance Supplement*, that could have a direct and material effect on each of the County's major federal programs and state projects for the year ended September 30, 2020. The County's major federal program and state projects are identified in the summary of auditor results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Auditor General*. Those standards, the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program and State Project

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2020.

Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Santa Rosa County, Florida, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 26, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance is presented for the purposes of additional analysis as required by the Uniform Guidance, and Chapter 10.550, *Rules of the Auditor General*, and is not a required part of the financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and State Financial Assistance is fairly stated in all material respects in relation to the financial statements as a whole.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

Warren Averett, LLC

Pensacola, Florida
March 26, 2021

**SANTA ROSA COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Federal Grantor/Pass-through Grantor/Program Title	CFDA Number	Contract / Grant Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Commerce National Oceanic and Atmospheric Administration				
Passed Through Florida Department of Environmental Protection				
Coastal Zone Management Administration	11.419	CM917	\$ 4,106	\$ -
Coastal Zone Management Administration	11.419	CZ221	70,282	-
			74,388	-
Passed Through Florida Department of Environmental Protection				
Office for Coastal Management	11.473	NA17NOS4730140	24,925	-
U.S. Department of Housing and Urban Development				
Passed Through Escambia County Consortium				
Home Investment Partnerships Program	14.239	M-14DC-12-0225	164,603	-
Passed Through Department of Economic Opportunity				
Community Development Block Grant	14.228	17DB-OL-01-67-01-N30	12,860	-
U.S. Department of the Interior				
Passed Through National Park Service				
Outdoor Recreation, Acquisition, Development and Planning - Land and Water Conservation Fund Grants	15.916	LW687	200,000	-
U.S. Department of Justice				
Direct Program				
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-1208	38,306	-
Passed Through Florida Office of the Attorney General				
Crime Victim Assistance	16.575	VOCA-2019-SRCSO-00107	135,386	-
Passed Through Florida Coalition Against Domestic Violence				
Violence Against Women Formula Grants FCADV	16.588	20-8027-SAO	41,359	-
Violence Against Women Formula Grants DCF	16.588	LN096	29,818	-
			71,177	-
Direct Program				
Bulletproof Vest Partnership Program	16.607	2019 Bulletproof Vest Grant Award	31,488	-
Direct Program				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-DJ-BX-0048	16,276	-
Passed Through Florida Department of Law Enforcement				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-JAGC-SANT-2-5R-007	26,821	-
			43,097	-
Direct Program				
Equitable Sharing Program	16.922	2019-DJ-BX-0048	7,906	-
U.S. Department of Transportation				
Direct Program				
Airport Improvement Program	20.106	3-12-0052-14-2019	337,743	-
Airport Improvement Program	20.106	3-12-0052-17-2020	10,810	-
			348,553	-
Passed Through Florida Dept. of Transportation				
Highway Planning and Construction	20.205	G0K37	167,425	-
Highway Planning and Construction	20.205	G0V24	245,344	-
Highway Planning and Construction	20.205	G0V25	132,795	-
Highway Planning and Construction	20.205	G0W43	253,854	-
Highway Planning and Construction	20.205	G1A87	384,770	-
Highway Planning and Construction	20.205	G1A88	666,467	-
			1,850,655	-
Passed Through Florida Dept. of Transportation				
Formula Grants for Rural Areas	20.509	G0Z61	13,590	13,590
Formula Grants for Rural Areas	20.509	G1D42	154,857	154,857
			168,447	168,447
Passed Through Florida Dept. of Transportation				
National Priority Safety Program	20.616	M5HVE-20-06-17/G1F00	32,935	-

The accompanying notes are an integral part of this schedule.

**SANTA ROSA COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE – (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Federal Grantor/Pass-through Grantor/Program Title	CFDA Number	Contract / Grant Number	Expenditures	Passed Through to Subrecipients
U.S. Department of the Treasury				
Direct Program				
RESTORE Act	21.015	1 RDCGR210104-01-00	10,740	10,740
RESTORE Act	21.015	1 RDCGR210100-01-00	23,400	23,400
RESTORE Act	21.015	1 RDCGR210076-01-00	14,532	14,532
			<u>48,672</u>	<u>48,672</u>
Direct Program				
Equitable Sharing	21.016	N/A	7,599	-
Passed Through Florida Division of Emergency Management				
COVID-19 Coronavirus Relief Fund	21.019	Y2279	21,288,364	-
Passed Through Florida Housing Finance Corporation				
COVID-19 Coronavirus Relief Fund	21.019	091-2020	168,486	-
			<u>21,456,850</u>	<u>-</u>
U.S. Department of Energy				
Passed Through Florida Department of Agriculture and Consumer Services				
State Energy Program Efficient Lighting Program	81.041	025432/LG009	9,060	-
U.S. Election Assistance Commission				
Passed Through Florida Department of State				
Help America Vote Act	90.401	N/A	25,867	-
Passed Through Florida Department of State				
Help America Vote Act Election Security Grants	90.404	2020-2019-01	59,958	-
COVID-19 Help America Vote Act Election Security Grants	90.404	MOA #2020-001-SAN	125,413	-
			<u>185,371</u>	<u>-</u>
U.S. Department of Health and Human Services				
Passed Through Florida Dept. of Revenue				
Child Support Enforcement Program	93.563	COC57	95,486	-
Child Support Enforcement Program	93.563	CSU-57	1,313	-
Child Support Enforcement Program	93.563	CST-57	10,667	-
			<u>107,466</u>	<u>-</u>
Executive Office of the President				
Passed Through Office of National Drug Policy				
High Intensity Drug Trafficking Areas Program	95.001	G18GC0007A/G19GC0007A/G20GC0007A	89,228	75,335
U.S. Department of Homeland Security				
Passed Through Florida Division of Emergency Management				
Hazard Mitigation Grant	97.039	16HM-6B-01-67-01-196	1,882,429	-
Hazard Mitigation Grant	97.039	18HM-H4-01-67-01-367	1,440,992	-
			<u>3,323,421</u>	<u>-</u>
Passed Through Volunteer Florida				
Emergency Management Performance Grant	97.042	N/A	5,000	-
Passed Through Florida Division of Emergency Management				
Emergency Management Performance Grant	97.042	N/A	58,624	-
			<u>63,624</u>	<u>-</u>
Passed Through Florida Division of Emergency Management				
Fire Management Assistance Grant	97.046	EST 5 Mile Swamp Fire	30,918	-
Passed Through Florida Division of Emergency Management				
Homeland Security Grant Program	97.067	R0162	20,000	-
Homeland Security Grant Program	97.067	R0170	5,371	-
Homeland Security Grant Program	97.067	R0038	23,820	-
Homeland Security Grant Program	97.067	R0063	55,425	-
			<u>104,616</u>	<u>-</u>
Total Federal Awards			<u>\$ 28,657,418</u>	<u>\$ 292,454</u>

(Continued)

The accompanying notes are an integral part of this schedule.

SANTA ROSA COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE – (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2020

State Grantor/Pass-through Grantor/Program Title	CSFA Number	Contract / Grant Number	Expenditures	Passed Through to Subrecipients
Florida Division of Emergency Management				
Emergency Management Programs	31.063	19-BG-21-01-67-01-045	\$ 80,817	\$ -
Emergency Management Projects - Hazards Analysis	31.067	T0047	9,516	-
Florida Department of Environmental Protection				
Florida Recreation Development Assistance Program	37.017	P9041	250,000	-
Florida Recreation Development Assistance Program	37.017	P9042	24,963	-
			<u>274,963</u>	<u>-</u>
Florida Coastal Resilient Program	37.098	R1902	63,917	-
Florida Department of Economic Opportunity				
Local Economic Development Initiatives - Defense Infrastructure	40.012	S0088	275,800	-
Economic Development Partnerships	40.014	S0132	48,736	-
Economic Development Partnerships	40.014	S0145	6,300	-
			<u>55,036</u>	<u>-</u>
Florida Housing Finance Corporation				
State Housing Initiative Partnership Program	40.901	N/A	574,016	-
Florida Department of Agriculture and Consumer Services				
Mosquito Control	42.003	026496	34,497	-
Agriculture Nonpoint Source Best Management Practices	42.017	026219	19,977	-
Agriculture Education and Promotion Facility Program	42.047	025293	37,649	-
Florida Department of State				
State Aid to Libraries	45.030	20-ST-74	45,228	-
Florida Department of Transportation				
Aviation Development Grants - Joint Participation Agreement	55.004	G0J95 (415931-2-94-01)	404,208	-
Aviation Development Grants - Joint Participation Agreement	55.004	G1995 (425633-5-94-01)	54,000	-
			<u>458,208</u>	<u>-</u>
Florida Department of Health				
County Grant Awards	64.005	C8055	33,137	-
Florida Department of Management Services				
E911 State Grant Program	72.002	S14-16-12-16	62,450	-
E911 State Grant Program	72.002	S14-16-12-17	9,894	-
			<u>72,344</u>	<u>-</u>
Florida Fish and Wildlife Conservation Commission				
Derelict Vessel Removal	77.005	FWC-19128	15,750	-
Florida Boating Improvement Program	77.006	FWC-17207	13,198	-
Florida Boating Improvement Program	77.006	FWC-18079	73,240	-
Florida Boating Improvement Program	77.006	FWC-19032	25,000	-
Florida Boating Improvement Program	77.006	FWC-19033	100,000	-
			<u>211,438</u>	<u>-</u>
TOTAL STATE AWARDS			<u>\$ 2,262,293</u>	<u>\$ -</u>
TOTAL FEDERAL AND STATE AWARDS			<u>\$ 30,919,711</u>	<u>\$ 292,454</u>

The accompanying notes are an integral part of this schedule.

SANTA ROSA COUNTY, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) includes the federal and state grant activity of Santa Rosa County, Florida under programs of the federal and state government for the year ended September 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), Chapter 69I-5, State Financial Assistance, Rules of the Department of Financial Services, and Chapter 10.550, *Rules of the Auditor General*. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and Chapter 69I-5, State Financial Assistance, Rules of the Department of Financial Services, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Santa Rosa County, Florida elected to utilize the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**SANTA ROSA COUNTY, FLORIDA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

A. SUMMARY OF AUDITOR RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued: Unmodified Opinion

Internal control over financial reporting:

Material weakness(es) identified? _____ yes ☒ no

Significant deficiency (ies) identified that are
not considered to be material weakness(es)? _____ yes ☒ none reported

Noncompliance material to financial statements
noted? _____ yes ☒ no

FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

Internal control over major programs:

Material weakness(es) identified? _____ yes ☒ no

Significant deficiency (ies) identified that are
not considered to be material weakness(es)? _____ yes ☒ none reported

Type of auditor's report issued on compliance
for major programs: Unmodified opinion

Any audit findings disclosed that are required
to be reported in accordance with the Uniform
Guidance or Chapter 10.550, *Rules of
the Auditor General*? _____ yes ☒ no

IDENTIFICATION OF MAJOR PROGRAM

Federal Program

CFDA No. 20.205 Highway Planning and Construction
CFDA No. 21.019 Coronavirus Relief Fund

Dollar threshold used to distinguish
between type A and type B programs: \$859,723

Auditee qualified as low-risk auditee? ☒ yes _____ no

**SANTA ROSA COUNTY, FLORIDA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

A. SUMMARY OF AUDITOR RESULTS (CONTINUED)

State Projects

CSFA No. 40.012 Local Economic Development Initiatives
CSFA No. 40.901 State Housing Initiative Program
CSFA No. 55.004 Aviation Development Grants

Dollar threshold used to distinguish
between type A and type B programs: \$678,688

B. FINANCIAL STATEMENT FINDING

There were no findings which were required to be reported in accordance with government auditing standards generally accepted in the United States of America.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL PROGRAM

There were no findings which were required to be reported in accordance with the Uniform Guidance.

D. FINDINGS AND QUESTIONED COSTS - MAJOR STATE FINANCIAL ASSISTANCE

There were no findings which were required to be reported in accordance with Chapter 10.550, *Rules of the Auditor General*.

**SANTA ROSA COUNTY, FLORIDA
CLERK OF COURT AND COMPTROLLER**

FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

**SANTA ROSA COUNTY, FLORIDA CLERK OF COURT AND COMPTROLLER
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SEPTEMBER 30, 2020**

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INDEPENDENT AUDITORS' REPORT

Honorable Donald Spencer – Clerk of Court and Comptroller
Santa Rosa 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 Clerk of Court and Comptroller of Santa Rosa County, Florida (hereinafter referred to as “Clerk”) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Clerk’s financial statements, as listed in the table of contents.

Management’s Responsibility for the Financial Statements

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

Auditors’ Responsibility

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

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

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

Opinions

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above have been prepared for the purpose of complying with the Rules of the Auditor General, State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, and aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Santa Rosa County, Florida that are attributable to the Clerk. They do not purport to, and do not present fairly the financial position of Santa Rosa County, Florida, as of September 30, 2020, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules and notes on pages 14-16 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements. The accompanying supplementary information, the combining fund financial statement on page 17, is presented for purposes of additional analysis and is not a required part of these financial statements. These 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.

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 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 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 March 15, 2021, 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.*" 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* and should be considered in assessing the results of our audit.

Warren Averett, LLC

Pensacola, Florida
March 15, 2021

SANTA ROSA COUNTY, FLORIDA CLERK OF COURT AND COMPTROLLER
BALANCE SHEET – ALL GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	Major Funds				Non-Major	
			Courts	Records	Child Support	
	General	Courts	Technology	Modernization	Title	Total
				Trust	IV-D	
ASSETS						
Cash and cash equivalents	\$ 1,016,366	\$ 908,446	\$ 872,654	\$ 809,903	\$ -	\$ 3,607,369
Accounts receivable, net	3,555	-	-	-	-	3,555
Due from other funds	6,000	13,431	-	-	-	19,431
Due from other governmental units	3,661	-	-	-	13,431	17,092
TOTAL ASSETS	\$ 1,029,582	\$ 921,877	\$ 872,654	\$ 809,903	\$ 13,431	\$ 3,647,447
LIABILITIES						
Accounts payable	\$ 27,746	\$ 2,067	\$ 970	\$ -	\$ -	\$ 30,783
Accrued wages and salaries	78,099	148,634	8,951	-	-	235,684
Due to BOCC	766,803	-	-	-	-	766,803
Due to other funds	-	6,000	-	-	13,431	19,431
Due to other governmental units	109,211	748,895	44,373	-	-	902,479
Deposits	47,723	-	-	-	-	47,723
TOTAL LIABILITIES	1,029,582	905,596	54,294	-	13,431	2,002,903
FUND BALANCES						
Restricted for state court operations	-	16,281	-	-	-	16,281
Restricted for records modernization	-	-	-	809,903	-	809,903
Restricted for court equipment and technology	-	-	818,360	-	-	818,360
TOTAL FUND BALANCES	-	16,281	818,360	809,903	-	1,644,544
TOTAL LIABILITIES & FUND BALANCES	\$ 1,029,582	\$ 921,877	\$ 872,654	\$ 809,903	\$ 13,431	\$ 3,647,447

See notes to the financial statements.

SANTA ROSA COUNTY, FLORIDA CLERK OF COURT AND COMPTROLLER
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – ALL GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Major Funds				Non-Major Child Support Title IV-D	
	General	Courts	Courts Technology	Records Modernization Trust		Total
REVENUES						
Intergovernmental	\$ -	\$ 310,434	\$ -	\$ -	\$ 95,486	\$ 405,920
Charges for services	1,385,300	2,159,693	479,140	155,195	-	4,179,328
Fines and forfeitures	-	1,268,123	-	-	1,155	1,269,278
Miscellaneous	69,096	49,464	-	-	-	118,560
Total revenues	1,454,396	3,787,714	479,140	155,195	96,641	5,973,086
EXPENDITURES						
Current:						
General government:						
Financial and administrative:						
Personal services	2,866,865	-	-	-	-	2,866,865
Operating	475,760	-	-	-	-	475,760
Capital outlay	197,778	-	-	-	-	197,778
Judicial:						
Personal services	-	2,798,344	202,004	-	96,641	3,096,989
Operating	-	158,746	228,456	-	-	387,202
Capital outlay	-	-	-	-	-	-
Total expenditures	3,540,403	2,957,090	430,460	-	96,641	7,024,594
Excess (deficiency) of revenue over expenditures	(2,086,007)	830,624	48,680	155,195	-	(1,051,508)
OTHER FINANCING SOURCES (USES)						
BOCC appropriation	2,844,386	-	-	-	-	2,844,386
BOCC unspent revenues	(758,379)	-	-	-	-	(758,379)
Payments to Clerks of the Court Trust Fund	-	(814,343)	-	-	-	(814,343)
Total other financing sources (uses)	2,086,007	(814,343)	-	-	-	1,271,664
NET CHANGE IN FUND BALANCES	-	16,281	48,680	155,195	-	220,156
FUND BALANCES, BEGINNING	-	-	769,680	654,708	-	1,424,388
FUND BALANCES, ENDING	\$ -	\$ 16,281	\$ 818,360	\$ 809,903	\$ -	\$ 1,644,544

See notes to the financial statements.

SANTA ROSA COUNTY, FLORIDA CLERK OF COURT AND COMPTROLLER
STATEMENT OF ASSETS AND LIABILITIES – AGENCY FUNDS
SEPTEMBER 30, 2020

ASSETS

Cash and cash equivalents	<u>\$ 7,062,270</u>
TOTAL ASSETS	<u><u>\$ 7,062,270</u></u>

LIABILITIES

Accounts payable	\$ 1,561
Due to other governmental units	4,410,001
Deposits	<u>2,650,708</u>
TOTAL LIABILITIES	<u><u>\$ 7,062,270</u></u>

See notes to the financial statements.

**SANTA ROSA COUNTY, FLORIDA CLERK OF COURT AND COMPTROLLER
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the financial statements follows:

Reporting Entity

The Office of the Clerk of Court and Comptroller of Santa Rosa County, Florida (the "Clerk") was established as a constitutional office of Santa Rosa County, Florida (the "County") by Article VIII, Section 1 (d) of the Constitution of the State of Florida. The Clerk is an elected official of the County and serves as Clerk of the Circuit Court (duties described in Chapter 28, Florida Statutes), Clerk of the County Court (duties described in Chapter 34, Florida Statutes) and Clerk and Accountant to the Santa Rosa County Board of County Commissioners (the "BOCC") (in this capacity the Clerk is required to keep the minutes of the county commission, keep the accounts of the County, invest county funds and perform such other duties as provided by law). The Clerk's office is funded by appropriations from the BOCC and by fees charged for providing court-related services. Although the Clerk is operationally autonomous from the BOCC, it does not hold sufficient corporate powers to be considered a legally separate entity for financial reporting purposes. Therefore, the Clerk is considered part of the County's primary government.

These financial statements of the Clerk are not intended to be a complete presentation of the financial position and results of operations of the County, taken as a whole. As permitted by Chapter 10.556(4), Rules of the Auditor General State of Florida, the financial statements consist of only the *fund level* financial statements, as defined in GASB Statement No. 34, and do not include presentations of *government-wide* financial statements of the Clerk.

Fund Accounting

The accounting system of the Clerk's office is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and financial resources, together with all related liabilities and residual equities or balances and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The funds utilized by the Clerk are as follows:

Governmental Funds

These funds utilize a modified accrual basis of accounting. The measurement focus is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources rather than upon net income determination).

**SANTA ROSA COUNTY, FLORIDA CLERK OF COURT AND COMPTROLLER
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

1. SUMMARY OF ACCOUNTING POLICIES – CONTINUED

Governmental Funds – Continued

The Clerk reports the following major governmental funds:

General Fund is used to account for all financial resources that are generated from operations of the office, appropriations from the BOCC and any other resources not required to be accounted for in another fund.

Courts Fund is a special revenue fund used to account for all court-related activities and court-related financial resources of the Clerk.

Courts Technology Fund is a special revenue fund used to account for the court-related technology needs of the Clerk.

Records Modernization Trust Fund is a special revenue fund used to account for monies collected according to Chapter 28.24, Florida Statutes, to be used exclusively for equipment, personnel training and technical assistance in modernizing the official records system and to pay for equipment and start-up costs necessitated by a statewide recording system.

Non-major governmental fund of the Clerk is as follows:

Title IV-D Fund is a special revenue fund used to account for activities related to Title IV-D child support cases. The funding provides assistance to the plaintiff and enforcement of collections through the Office of Child Support Enforcement.

Fiduciary Funds

The Clerk uses agency funds to account for assets being held in a custodial capacity for individuals, private organizations and/or other governments. Assets equal liabilities in agency funds.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. The basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied. All governmental funds are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available as net current assets. 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 recognized when the related fund liability is incurred. Agency funds use the accrual basis of accounting.

Cash and Cash Equivalents

The Clerk's cash and cash equivalents consists of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition

**SANTA ROSA COUNTY, FLORIDA CLERK OF COURT AND COMPTROLLER
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

1. SUMMARY OF ACCOUNTING POLICIES – CONTINUED

Accounting for Capital Assets

Capital assets (vehicles, equipment and other tangible property and certain intangible 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 are accounted for in the County's government-wide financial statements.

Compensated Absences

Employees accumulate a limited amount of earned, but unused annual, sick and compensatory leave, which will be paid upon separation from service. Unpaid, compensated absences are recorded as a liability when the benefits are earned in the County's government-wide financial statements. For the governmental fund statements, expenditures are recognized when payments are made to employees.

Unspent Revenue

Annually, the Clerk must remit to the Board any unspent revenues attributable to non-court-related functions. Additionally, the Clerk must calculate and remit to the Department of Revenue Clerks of Courts Trust Fund the unspent revenues attributable to state-funded, court-related functions. These amounts are reported as due to other governmental units at year-end.

Fund Balances

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 of these fund balances.

2. CASH

At September 30, 2020, the banks reported deposits before outstanding checks of approximately \$10.9 million, all of which were held by 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.

3. PENSION AND RETIREMENT PLAN

Substantially, all full-time employees of the Clerk are covered by the Florida Retirement System (FRS). The FRS was established in 1970 by Chapter 121, Florida Statutes and is administered by the Florida Department of Management Services, Division of Retirement. Changes to the FRS can be made only 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 FRS issues a financial report that includes financial statements and required supplementary information. The report may be obtained at www.myfrs.com or by writing to FRS, 2639-C North Monroe Street, Tallahassee, Florida 32399.

SANTA ROSA COUNTY, FLORIDA CLERK OF COURT AND COMPTROLLER
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

3. PENSION AND RETIREMENT PLAN – CONTINUED

The FRS offers two retirement plans – the FRS Pension Plan and the FRS Investment Plan. An employee may participate in only one of the plans. Both plans, effective July 1, 2011, are funded monthly by a combination of employer and employee contributions.

The FRS Pension Plan is a multiple employer, cost sharing defined benefit plan, which provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. 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. Early retirement is available after six years of service with a 5% reduction of benefits for each year prior to the normal retirement age.

For employees enrolling in the plan for the first time on or 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 after eight years of service 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. 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 (if enrolled prior to July 1, 2011) or eight (if enrolled on or after July 1, 2011) fiscal years of earnings.

The FRS Investment Plan is a defined contribution plan funded monthly by employer and employee contributions based on salary and membership class. Employer contributions vest after one year of service, whereas employee contributions vest immediately. 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 (DROP).

DROP is available for members of the FRS Pension Plan, who are vested and elect to participate in DROP within one year after reaching normal retirement age. Under this program, a member effectively retires while continuing to be employed for up to five years. While in DROP, the member's deferred monthly retirement benefits accumulate, earning interest and cost-of-living increases. When the DROP period is over, the participant terminates covered employment and begins receiving their predetermined monthly retirement benefit, as well as the accrued DROP benefit. Disability retirees are not eligible to participate in DROP, and DROP participants do not qualify for disability retirement.

Prior to July 2011, the plans were noncontributory for employees with all contributions being the participating FRS employer's responsibility. Effective July 1, 2011, participating employees contribute 3% of their gross salaries each pay period to the plan. Participating employer contributions are based upon rates established by the State of Florida.

**SANTA ROSA COUNTY, FLORIDA CLERK OF COURT AND COMPTROLLER
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

3. PENSION AND RETIREMENT PLAN – CONTINUED

Blended contribution rates for the fiscal year ended September 30, 2020, were as follows: regular employees – 8.85%, special risk employees – 25.22%, elected officials – 48.91%, senior management employees – 25.88% and DROP participants – 15.20%. The Clerk's contributions to the Pension Plan, funded on a pay-as-you-go basis, were equal to the actuarially determined contributions for each year. Contributions to the Investment Plan were equal to the legislatively-mandated contribution rates. Contributions to both plans totaled \$441,755, \$387,572 and \$355,131 for the years ended September 30, 2020, 2019 and 2018, respectively.

Net Pension Liability – 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 County's Comprehensive Annual Financial Report of Santa Rosa County, Florida.

4. OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN

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 are 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.

5. FUND BALANCES

Fund balances consist 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. The Clerk does not have any non-spendable fund balances.

SANTA ROSA COUNTY, FLORIDA CLERK OF COURT AND COMPTROLLER
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

5. FUND BALANCES – CONTINUED

The remaining fund balances are classified as follows depending on the Clerk's ability to control their spending:

Restricted fund balances can only be used for specific purposes, which are externally imposed by creditors, grantors, contributors or laws or regulations or are imposed by law through constitutional provisions or enabling legislation. As of September 30, 2020, the Clerk had restricted fund balances of 809,903 for court records modernization and \$818,360 for court equipment and technology.

Committed fund balances can only be used for specific purposes imposed internally by the Clerk's formal action of highest level of decision-making authority. At year end, the Clerk 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. At year end, the Clerk 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. At year end, the Clerk had no unassigned fund balances because all unspent revenues of the General Fund are required to be returned to the BOCC, and there were no negative residual balances in the special revenue funds.

6. CLAIMS AND CONTINGENCIES

The Clerk is involved from time to time in routine civil litigation incidental to the ordinary course of operations. In the opinion of management and legal counsel, there are no lawsuits or claims outstanding, which might materially affect the financial position of the Clerk's Office.

7. RISK MANAGEMENT

The Clerk is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board maintains a Self-Insurance Fund (an internal service fund) to account for and finance its uninsured risks of loss.

Under this program the County is self-insured with respect to the following exposures:

- Workers Compensation
- Auto Physical Damage
- Auto Liability
- Construction and Road Equipment
- Portable Communication Equipment

**SANTA ROSA COUNTY, FLORIDA CLERK OF COURT AND COMPTROLLER
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

7. RISK MANAGEMENT – CONTINUED

The County is covered by outside insurance for the following exposures:

- Building and contents, \$5,000 deductible
- Employee Fidelity
- General Liability, \$25,000 deductible
- Public Officials' Liability, \$25,000 deductible

Conventional insurance remains in effect for buildings and contents. There also were no significant reductions in insurance coverage from the prior year and settled claims resulting from conventional insurance risks have not exceeded coverage in any of the past three fiscal years. The County is a member of the Florida Association of Counties Trust, a pooled liability program providing general liability coverage and public official's liability coverage. The Clerk participates in the program and makes payments to the Self-Insurance Fund based on historical estimates of amounts needed to pay prior and current year claims and to establish a reserve for catastrophe losses.

REQUIRED SUPPLEMENTARY INFORMATION

SANTA ROSA COUNTY, FLORIDA CLERK OF COURT AND COMPTROLLER
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	General Fund				Special Revenue Fund Courts Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 310,434	\$ 310,434
Charges for services	1,376,000	1,376,000	1,385,300	9,300	2,240,700	2,240,700	2,159,693	(81,007)
Fines & forfeitures	-	-	-	-	1,252,500	1,252,500	1,268,123	15,623
Miscellaneous	46,300	46,300	69,096	22,796	49,500	49,500	49,464	(36)
Total revenues	1,422,300	1,422,300	1,454,396	32,096	3,542,700	3,542,700	3,787,714	245,014
EXPENDITURES								
Current:								
General government:								
Financial and administrative:								
Personal services	2,681,669	2,720,879	2,866,865	(145,986)	-	-	-	-
Operating	609,229	730,382	475,760	254,622	-	-	-	-
Capital outlay	40,993	176,946	197,778	(20,832)	-	-	-	-
Judicial:								
Personal services	-	-	-	-	2,874,610	2,997,110	2,798,344	198,766
Operating	-	-	-	-	182,769	222,344	158,746	63,598
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	3,331,891	3,628,207	3,540,403	87,804	3,057,379	3,219,454	2,957,090	262,364
Excess (deficiency) of revenues over expenditures	(1,909,591)	(2,205,907)	(2,086,007)	119,900	485,321	323,246	830,624	507,378
OTHER FINANCING SOURCES (USES)								
BOCC appropriation	2,844,386	2,844,386	2,844,386	-	-	-	-	-
BOCC unspent revenues	(934,795)	(638,479)	(758,379)	(119,900)	-	-	-	-
Payments to Clerks of the Court Trust Fund	-	-	-	-	-	-	(814,343)	(814,343)
Total other financing sources (uses)	1,909,591	2,205,907	2,086,007	(119,900)	-	-	(814,343)	(814,343)
NET CHANGE IN FUND BALANCES	-	-	-	-	485,321	323,246	16,281	(306,965)
FUND BALANCES, BEGINNING	-	-	-	-	-	-	-	-
FUND BALANCES, ENDING	\$ -	\$ -	\$ -	\$ -	\$ 485,321	\$ 323,246	\$ 16,281	\$ (306,965)

See notes to required supplementary information.

SANTA ROSA COUNTY, FLORIDA CLERK OF COURT AND COMPTROLLER
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS – CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue Fund Courts Technology Fund				Special Revenue Fund Records Modernization Trust Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES								
Charges for services	\$ 473,000	\$ 473,000	\$ 479,140	\$ 6,140	\$ 153,000	\$ 153,000	\$ 155,195	\$ 2,195
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	473,000	473,000	479,140	6,140	153,000	153,000	155,195	2,195
EXPENDITURES								
Current:								
General government:								
Financial and administrative:								
Operating	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Judicial:								
Personal services	114,870	278,870	202,004	76,866	-	-	-	-
Operating	172,647	172,647	228,456	(55,809)	65,200	65,200	-	65,200
Capital outlay	-	-	-	-	114,800	114,800	-	114,800
Total expenditures	287,517	451,517	430,460	21,057	180,000	180,000	-	180,000
Excess (deficiency) of revenues over expenditures	185,483	21,483	48,680	27,197	(27,000)	(27,000)	155,195	182,195
FUND BALANCES, BEGINNING	-	112,516	769,680	657,164	40,000	70,000	654,708	584,708
FUND BALANCES, ENDING	<u>\$ 185,483</u>	<u>\$ 133,999</u>	<u>\$ 818,360</u>	<u>\$ 684,361</u>	<u>\$ 13,000</u>	<u>\$ 43,000</u>	<u>\$ 809,903</u>	<u>\$ 766,903</u>

See notes to required supplementary information.

**SANTA ROSA COUNTY, FLORIDA CLERK OF COURT AND COMPTROLLER
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2020**

BUDGET AND BUDGETARY ACCOUNTING

The Clerk establishes annual budgets for its general fund and special revenue funds pursuant to Section 218.35, Florida Statutes. The Clerk's 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 the fund level.

SUPPLEMENTARY INFORMATION

**COMBINING FUND
FINANCIAL STATEMENT**

SANTA ROSA COUNTY, FLORIDA CLERK OF COURT AND COMPTROLLER
COMBINING STATEMENT OF ASSETS AND LIABILITIES –
ALL AGENCY FUNDS
SEPTEMBER 30, 2020

	<u>Court Registry</u>	<u>Fine and Cost</u>	<u>Intangible Tax</u>	<u>State Documentary Stamp</u>	<u>Suspense</u>	<u>Tax Redemption</u>	<u>Ordinary Witness</u>	<u>Bail Bonds</u>	<u>Flower Trust Fund</u>	<u>Totals</u>
ASSETS										
Cash and cash equivalents	\$ 1,365,351	\$ 186,898	\$ 687,179	\$ 3,447,298	\$ 50,408	\$ 1,006,621	\$ 36,737	\$ 280,038	\$ 1,740	\$ 7,062,270
TOTAL ASSETS	<u>\$ 1,365,351</u>	<u>\$ 186,898</u>	<u>\$ 687,179</u>	<u>\$ 3,447,298</u>	<u>\$ 50,408</u>	<u>\$ 1,006,621</u>	<u>\$ 36,737</u>	<u>\$ 280,038</u>	<u>\$ 1,740</u>	<u>\$ 7,062,270</u>
LIABILITIES										
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 1,561	\$ -	\$ -	\$ -	\$ -	\$ 1,561
Due to other governmental units	3,042	186,898	687,179	3,447,298	48,847	-	36,737	-	-	4,410,001
Deposits	1,362,309	-	-	-	-	1,006,621	-	280,038	1,740	2,650,708
TOTAL LIABILITIES	<u>\$ 1,365,351</u>	<u>\$ 186,898</u>	<u>\$ 687,179</u>	<u>\$ 3,447,298</u>	<u>\$ 50,408</u>	<u>\$ 1,006,621</u>	<u>\$ 36,737</u>	<u>\$ 280,038</u>	<u>\$ 1,740</u>	<u>\$ 7,062,270</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 Donald Spencer – Clerk of Court and Comptroller
Santa Rosa County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the Office of Clerk of Court and Comptroller of Santa Rosa County, Florida (hereinafter referred to as "Clerk"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Clerk's financial statements and have issued our report thereon dated March 15, 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. 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

March 15, 2021

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


Honorable Donald Spencer – Clerk of Court and Comptroller
Santa Rosa County, Florida

We have examined the Office of Clerk of Court and Comptroller of Santa Rosa County, Florida's (hereinafter referred to as the "Clerk") compliance with Florida Statute 218.415 in regards to investments, Florida Statutes 28.35 and 28.36 in regard to certain court-related functions and Florida Statute 61.181 in regard to operation of a depository for alimony and child support for the year ended September 30, 2020. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination.

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

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

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


Pensacola, Florida
March 15, 2021

MANAGEMENT LETTER

Honorable Donald Spencer – Clerk of Court and Comptroller
Santa Rosa County, Florida

Report on the Financial Statements

We have audited the financial statements (“financial statements”) of each major fund and the aggregate remaining fund information of the Office of Clerk of Court and Comptroller of Santa Rosa County, Florida (hereinafter referred to as “Clerk”), as of and for the year ended September 30, 2020, and have issued our report thereon dated March 15, 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 March 15, 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 Santa Rosa 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

March 15, 2021

**SANTA ROSA COUNTY, FLORIDA CLERK OF COURT AND COMPTROLLER
MANAGEMENT'S RESPONSE TO MANAGEMENT LETTER
SEPTEMBER 30, 2020**

There are no findings, which require a response from management.

**SANTA ROSA COUNTY, FLORIDA
PROPERTY APPRAISER**

FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

**SANTA ROSA COUNTY, FLORIDA
PROPERTY APPRAISER
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INDEPENDENT AUDITORS' REPORT

Honorable Gregory S. Brown
Santa Rosa County Property Appraiser

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the general fund of the Property Appraiser. They do not purport to and do not present fairly the financial position of Santa Rosa County, Florida as of September 30, 2020, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Matters***Required Supplementary Information***

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report on our consideration of the Property Appraiser's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts and grant agreements and other matters included under the heading "Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*." The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Property Appraiser's internal control over financial reporting and compliance.



Pensacola, Florida
December 3, 2020

**SANTA ROSA COUNTY, FLORIDA PROPERTY APPRAISER
BALANCE SHEET – GENERAL FUND
SEPTEMBER 30, 2020**

ASSETS

Cash	\$ 535,122
------	------------

LIABILITIES

Accounts payable	\$ 14,433
Due to Board of County Commissioners	464,940
Accrued payroll and benefits	<u>55,749</u>
Total liabilities	535,122

FUND BALANCE

Fund balance - unassigned	<u>-</u>
Total liabilities and fund balance	<u>\$ 535,122</u>

See notes to the financial statements.

**SANTA ROSA COUNTY, FLORIDA PROPERTY APPRAISER
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

REVENUES

Charges for services	\$ 38,897
Miscellaneous	<u>1,017</u>
Total revenues	39,914

EXPENDITURES

Current:	
General government:	
Personal services	2,859,262
Operating expenditures	423,655
Capital outlay	<u>120,765</u>
Total expenditures	<u>3,403,682</u>
Deficiency of revenues over expenditures	(3,363,768)

OTHER FINANCING SOURCES (USES)

Board of County Commissioners appropriation	3,828,708
Board of County Commissioners unspent revenue	<u>(464,940)</u>
Total other financing sources	<u>3,363,768</u>

NET CHANGE IN FUND BALANCE

FUND BALANCE, BEGINNING OF YEAR

FUND BALANCE, END OF YEAR

-
<u>-</u>
<u>\$ -</u>

See notes to the financial statements.

**SANTA ROSA COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

1. SUMMARY OF ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the financial statements follows.

Reporting Entity

The Santa Rosa County, Florida Property Appraiser (the "Property Appraiser"), as established by Article VIII of the Constitution of the State of Florida, is an elected official of Santa Rosa County, Florida (the "County"). Although the Property Appraiser is operationally autonomous from the Santa Rosa County Board of County Commissioners (the "Board"), it does not hold sufficient corporate powers to be considered a legally separate entity for financial reporting purposes. Therefore, the Property Appraiser is considered part of the County's primary government.

The financial statements of the Property Appraiser are not intended to be a complete presentation of the financial position and results of operations of the County taken as a whole. As permitted by Chapter 10.556(4), Rules of the Auditor General State of Florida, the financial statements consist of only the fund level financial statements as defined in GASB Statement No. 34, and do not include presentations of government-wide financial statements of the Property Appraiser.

Fund Accounting

The accounting system of the Property Appraiser is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The general fund of the Property Appraiser is used to account for all financial resources, which are generated from operations of the office, appropriations from the Board or any other resources not required to be accounted for in another fund. The measurement focus is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources rather than upon net income determination).

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. The basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The general fund uses the modified accrual basis of accounting. Its revenues are recognized when they become both measurable and available as net current assets. 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 are recognized when the related fund liability is incurred, except for compensated absences.

Accounting for Capital Assets

Capital assets (vehicles, equipment and other tangible and certain intangible 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 accounted for in the County's government-wide financial statements.

**SANTA ROSA COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

1. SUMMARY OF ACCOUNTING POLICIES – CONTINUED

Compensated Absences

Employees accumulate a limited amount of earned, but unused annual and sick leave, which will be paid upon separation from service. Unpaid compensated absences are recorded as a liability when the benefits are earned in the County's government-wide financial statements. For the general fund, compensated absence expenditures are recognized when payments are made to employees.

Unspent Revenue and Fund Balance

In accordance with Section 218.36(2), Florida Statutes, unspent revenue is remitted to the Board at fiscal year-end. This unspent revenue is reported as "Due to Board of County Commissioners." Therefore, fund balance is zero.

Subsequent Events

The Property Appraiser has evaluated events and transactions that occurred between September 30, 2020 and December 3, 2020, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

2. CASH

At September 30, 2020, the bank reported deposits before outstanding checks of \$604,157, all of which were held by 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.

3. PENSION AND RETIREMENT PLAN

Substantially all full-time employees of the Property Appraiser are covered by the Florida Retirement System (FRS). The FRS was established in 1970 by Chapter 121, Florida Statutes and is administered by the Florida Department of Management Services, Division of Retirement. Changes to the FRS can be made only 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 FRS issues a financial report that includes financial statements and required supplementary information. The report may be obtained at www.myfrs.com or by writing to FRS, 2639-C North Monroe Street, Tallahassee, Florida 32399.

The FRS offers two retirement plans – the FRS Pension Plan and the FRS Investment Plan. An employee may participate in only one of the plans. Both plans are funded monthly by a combination of employer and employee contributions.

The FRS Pension Plan is a multiple employer, cost-sharing defined benefit plan, which provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. 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.

**SANTA ROSA COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

3. PENSION AND RETIREMENT PLAN – CONTINUED

Early retirement is available after six years of service with a 5% reduction of benefits for each year prior to the normal retirement age. For employees enrolling in the plan for the first time on or 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 after eight years of service 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.

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 (if enrolled prior to July 1, 2011) or eight (if enrolled on or after July 1, 2011) fiscal years of earnings.

The FRS Investment Plan is a defined contribution plan funded monthly by employer and employee contributions based on salary and membership class. Employer contributions vest after one year of service, whereas employee contributions vest immediately. 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 (DROP).

The Deferred Retirement Option Program (DROP) is available for members of the FRS Pension Plan, who are vested and elect to participate in DROP within one year after reaching normal retirement age. Under this program, a member effectively retires while continuing to be employed for up to five years. While in DROP, the member's deferred monthly retirement benefits accumulate, earning interest and cost-of-living increases. When the DROP period is over, the participant terminates covered employment and begins receiving their predetermined monthly retirement benefit, as well as the accrued DROP benefit.

Disability retirees are not eligible to participate in DROP and DROP participants do not qualify for disability retirement.

Participating employees contribute 3% of their gross salaries each pay period to the plan, whereas employer contributions are based upon statewide rates established by the State of Florida. Average contribution rates for the fiscal year ended September 30, 2020, were as follows: regular employees-8.85%, special risk employees-25.22%, elected officials-48.91%, senior management employees-25.88%, and DROP participants-15.20%.

The Property Appraiser's contributions to the Pension Plan, funded on a pay-as-you-go basis, were equal to the actuarially determined contributions for each year. Contributions to the Investment Plan were equal to the legislatively-mandated contribution rates.

**SANTA ROSA COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

3. PENSION AND RETIREMENT PLAN – CONTINUED

Contributions to both plans totaled \$214,784, \$193,353 and \$190,046 for the years ended September 30, 2020, 2019, and 2018, respectively.

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 countywide financial statements and is not a current liability of the general fund. All required disclosures and schedules may be found in the countywide financial statements of Santa Rosa County, Florida.

4. OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN

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 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 Property Appraiser's Office. Accordingly, these calculations and disclosures can be found in the County's Comprehensive Annual Financial Report.

5. RISK MANAGEMENT

The Property Appraiser is exposed to various risks of loss related to torts: theft and damage of assets, errors and omissions, injuries to employees and natural disasters. The Board has a Self-Insurance Fund (an internal service fund) to account for and finance its uninsured risks of loss.

The County is self-insured with respect to the following exposures:

- Workers Compensation
- Auto Physical Damage
- Auto Liability
- Construction and Road Equipment
- Portable Communication Equipment

**SANTA ROSA COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

5. RISK MANAGEMENT – CONTINUED

The County is covered by outside insurance for the following exposures:

- Buildings and contents – \$5,000 deductible
- Boats
- Employee Fidelity
- General Liability – \$25,000 deductible
- Public Officials' Liability – \$25,000 deductible

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The County is a member of the Florida Association of Counties Trust, a pooled liability program providing general liability coverage and public official's liability coverage.

The Property Appraiser participates in the County's self-insurance program and makes payments to the Self-Insurance Fund based on historical estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses.

6. 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 might have a material adverse effect on the financial position of the Property Appraiser's Office.

REQUIRED SUPPLEMENTARY INFORMATION

**SANTA ROSA COUNTY, FLORIDA PROPERTY APPRAISER
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Charges for services	\$ -	\$ -	\$ 38,897	\$ 38,897
Miscellaneous	-	-	1,017	1,017
Total revenues	-	-	39,914	39,914
EXPENDITURES				
Current:				
General government:				
Personal services	3,077,732	3,169,695	2,859,262	310,433
Operating expenditures	547,311	547,311	423,655	123,656
Capital outlay	24,422	24,422	120,765	(96,343)
Special contingency	90,964	-	-	-
Total expenditures	3,740,429	3,741,428	3,403,682	337,746
Excess (deficiency) of revenues over expenditures	(3,740,429)	(3,741,428)	(3,363,768)	377,660
OTHER FINANCING SOURCES (USES)				
BOCC appropriation	3,740,429	3,741,428	3,828,708	87,280
BOCC unspent revenue	-	-	(464,940)	(464,940)
Total other financing sources (uses)	3,740,429	3,741,428	3,363,768	(377,660)
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to the required supplementary information.

**SANTA ROSA COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Budget and Budgetary Accounting

The Property Appraiser operates under budget procedures pursuant to Section 195.087, Florida Statutes. The Property Appraiser's 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 Gregory S. Brown
Santa Rosa 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 Santa Rosa County, Florida Property Appraiser (the Property Appraiser) as of and for the year ended September 30, 2020, and the related notes to the financial statements, and have issued our report thereon dated December 3, 2020.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in cursive script that reads "Warren Averett, LLC".

Pensacola, Florida
December 3, 2020

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

Honorable Gregory S. Brown
Santa Rosa County Property Appraiser

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

Management is responsible for the Property Appraiser's compliance with those requirements. Our responsibility is to express an opinion on the Property Appraiser's compliance based on our examination.

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

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

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

Warren Averett, LLC

Pensacola, Florida
December 3, 2020

MANAGEMENT LETTER

Honorable Gregory S. Brown
Santa Rosa 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 Santa Rosa County, Florida, as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, and have issued our report thereon dated December 3, 2020.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on Examination of Compliance Requirements in Accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports which are dated December 3, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Financial Management

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

Additional Matters

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

Purpose of this Letter

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

Warren Averett, LLC

Pensacola, Florida
December 3, 2020

**SANTA ROSA COUNTY, FLORIDA
PROPERTY APPRAISER
MANAGEMENT'S RESPONSE TO MANAGEMENT LETTER
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

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

SANTA ROSA COUNTY, FLORIDA SHERIFF

FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

**SANTA ROSA COUNTY, FLORIDA SHERIFF
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INDEPENDENT AUDITORS' REPORT

Honorable Robert Johnson, Sheriff
Santa Rosa 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 Santa Rosa County, Florida ("Sheriff"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Sheriff's financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above have been prepared for the purpose of complying with the Rules of the Auditor General, State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund and aggregate remaining fund information, only for that portion of the major funds and the aggregate remaining fund information of Santa Rosa County, Florida that are attributable to the Sheriff. They do not purport to and do not present fairly the financial position of Santa Rosa County, Florida as of September 30, 2020, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, as listed in the table of contents, 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 combining fund financial 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. 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 on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters.

Other Reporting Required by *Government Auditing Standards* – Continued

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

February 5, 2021

**SANTA ROSA COUNTY, FLORIDA SHERIFF
BALANCE SHEET – GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

	Major Funds			Non-Major	
		Jail		Other	
	General	Commissary	Grants	Governmental	Total
				Funds	
ASSETS					
Cash	\$ 2,179,577	\$ 688,159	\$ 674,112	\$ 213,161	\$ 3,755,009
Due from other funds	1,428,662	-	19,802	-	1,448,464
Due from other governmental units	307,488	-	666,221	-	973,709
Accounts receivable	980	24,012	-	-	24,992
Inventory	34,595	-	-	-	34,595
TOTAL ASSETS	\$ 3,951,302	\$ 712,171	\$ 1,360,135	\$ 213,161	\$ 6,236,769
LIABILITIES					
Accounts payable and accrued payroll	\$ 2,768,514	\$ 14,649	\$ 34,963	\$ -	\$ 2,818,126
Due to other funds	19,802	34,262	1,282,323	112,077	1,448,464
Due to other governmental units	1,103,452	-	18,610	-	1,122,062
Unearned revenue	24,939	-	24,239	-	49,178
Total liabilities	3,916,707	48,911	1,360,135	112,077	5,437,830
FUND BALANCES					
Restricted for inmate welfare and recreation	-	663,260	-	-	663,260
Restricted for law enforcement training	-	-	-	101,084	101,084
Nonspendable - inventory	34,595	-	-	-	34,595
Total fund balances	34,595	663,260	-	101,084	798,939
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,951,302	\$ 712,171	\$ 1,360,135	\$ 213,161	\$ 6,236,769

See notes to the financial statements.

**SANTA ROSA COUNTY, FLORIDA SHERIFF
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Major Funds			Non-Major	Total
	General	Jail Commissary	Grants	Other Governmental Funds	
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ 1,027,595	\$ 1,027,595
Intergovernmental	-	-	3,639,717	40,641	3,680,358
Commissions	-	390,855	-	-	390,855
Miscellaneous	-	-	-	702	702
Total revenues	-	390,855	3,639,717	1,068,938	5,099,510
EXPENDITURES					
Current					
General government:					
Judicial:					
Personal services	1,201,620	-	-	-	1,201,620
Operating	27,549	-	-	-	27,549
Public safety:					
Law enforcement:					
Personal services	22,957,425	-	3,397,571	-	26,354,996
Operating	5,419,617	-	191,552	8,202	5,619,371
Capital outlay	4,046,144	-	50,594	1,043,100	5,139,838
Correction and detention:					
Personal services	11,234,166	112,720	-	-	11,346,886
Operating	5,809,859	298,379	-	-	6,108,238
Capital outlay	-	75,410	-	-	75,410
Total expenditures	50,696,380	486,509	3,639,717	1,051,302	55,873,908
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(50,696,380)	(95,654)	-	17,636	(50,774,398)
OTHER FINANCING SOURCES (USES)					
BOCC appropriation	51,273,391	-	-	-	51,273,391
BOCC unspent funds	(575,771)	-	-	-	(575,771)
Total other financing sources (uses)	50,697,620	-	-	-	50,697,620
NET CHANGES IN FUND BALANCES	1,240	(95,654)	-	17,636	(76,778)
FUND BALANCES, BEGINNING OF YEAR	33,355	758,914	-	83,448	875,717
FUND BALANCES, END OF YEAR	\$ 34,595	\$ 663,260	\$ -	\$ 101,084	\$ 798,939

See notes to the financial statements.

**SANTA ROSA COUNTY, FLORIDA SHERIFF
STATEMENT OF ASSETS AND LIABILITIES – AGENCY FUNDS
SEPTEMBER 30, 2020**

ASSETS

Cash	<u>\$ 37,178</u>
TOTAL ASSETS	<u><u>\$ 37,178</u></u>

LIABILITIES

Accounts payable	\$ 4,733
Deposits	<u>32,445</u>
TOTAL LIABILITIES	<u><u>\$ 37,178</u></u>

See notes to the financial statements.

**SANTA ROSA COUNTY, FLORIDA SHERIFF
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the financial statements is as follows:

Reporting Entity

The Office of the Sheriff of Santa Rosa County, Florida (the "Sheriff"), as established by Article VIII of the Constitution of the State of Florida, is an elected official of Santa Rosa County, Florida (the "County"). Although the Sheriff is operationally autonomous from the Santa Rosa County Board of County Commissioners (the "Board"), the Sheriff does not hold sufficient corporate powers to be considered a legally separate entity for financial reporting purposes. Therefore, the Sheriff is considered part of the County's primary government.

These financial statements are not intended to be a complete presentation of the financial position and results of operations of the County taken as a whole. As permitted by Chapter 10.556(4), Rules of the Auditor General State of Florida, the financial statements consist of only the *fund level* financial statements as defined in Governmental Accounting Standards Board ("GASB") Statement No. 34, and do not include presentations of *government-wide* financial statements of the Sheriff.

Fund Accounting

The accounting system of the Sheriff is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The funds utilized by the Sheriff's office are as follows:

Governmental Funds

These funds utilize a modified accrual basis of accounting. The measurement focus is based upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources rather than upon net income determination). The Sheriff reports the following major governmental funds:

General Fund is used to account for all financial resources, which are generated from operations of the office, appropriations from the Board or any other resources not required to be accounted for in another fund.

Jail Commissary Fund accounts for jail commissary and vending machine revenues that are used to provide recreational facilities and equipment for inmates.

Grants Fund accounts for grant revenues and expenditures according to the terms of each grant.

**SANTA ROSA COUNTY, FLORIDA SHERIFF
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Governmental Funds – Continued

Non-major governmental funds of the Sheriff are as follows:

Second Dollar accounts for shared fine revenues from the Board, which are used for law enforcement training purposes.

Federal Seizure accounts for shared seizure revenues from the United States Department of Justice, which are used for law enforcement purposes.

LOST accounts for the half-penny local options sales tax (LOST), which is used towards capital projects.

Fiduciary Funds

The Sheriff uses agency funds to account for assets held in a custodial capacity for others.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements and relates 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. Revenues are recognized when they become both measurable and available as net current assets. The Sheriff considers receivables collected within 60 days after year-end to be available and recognizes them as revenues of the current year. Expenditures are recognized when the related fund liability is incurred. Agency funds use the accrual basis of accounting.

Cash and Cash Equivalents

For financial statement reporting, all highly-liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents.

Inventory

Inventory, which consists of expendable supplies held for consumption, is stated at cost using the average cost method. Inventory is recorded when consumed rather than when purchased.

Accounting for Capital Assets

Capital assets (vehicles, equipment and other tangible and certain intangible property costing at least \$1,000 with a useful life of more than one year) are recorded as expenditures by the acquiring fund at the time of purchase. The Sheriff does not engage in the acquisition of public domain (infrastructure) assets.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at estimated acquisition value on the date donated.

**SANTA ROSA COUNTY, FLORIDA SHERIFF
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Accounting for Capital Assets – Continued

Depreciation of vehicles and equipment is calculated using the straight-line method over the estimated useful lives of the assets of 3 to 10 years.

Capital assets and related depreciation expense are reported as a component of the County's comprehensive annual financial report and are not reflected in the Sheriff's governmental fund financial statements. Buildings and improvements are owned by the Board of County Commissioners.

Compensated Absences

Employees accumulate a limited amount of earned but unused sick leave, annual leave and compensatory time, which will be paid upon separation from service. Unpaid compensated absences are recorded as a liability when the benefits are earned in the County's comprehensive annual financial report. For the governmental fund financial statements, expenditures are not recognized until payments are made to employees.

Unspent Appropriations from the Board

In accordance with Section 30.50 (6), Florida Statutes, excess appropriations are returned to the Board at fiscal year-end and are reported in the "due to other governmental units" liability account. Charges for services, interest income and other miscellaneous revenues collected by the Sheriff are considered to be "agency" transactions, not available for expenditure by the Sheriff and are remitted to the Board on a monthly basis.

Fund Balances

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

2. CASH

The Sheriff's deposits at year-end were held by 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. At September 30, 2020, the reported amount of the Sheriff's deposits was \$3,792,188, and the bank balance was \$5,110,815, consisting entirely of deposits in checking accounts with a financial institution.

**SANTA ROSA COUNTY, FLORIDA SHERIFF
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

3. INTERFUND BALANCES

Interfund balances at September 30, 2020, consisted of the following:

Fund	Receivable	Payable
General Fund	\$ 1,428,662	\$ 19,802
Jail Commissary Fund	-	34,262
Grants	19,802	1,282,323
Non-major governmental funds	-	112,077
	<u>\$ 1,448,464</u>	<u>\$ 1,448,464</u>

Amounts due to the General Fund from grants and non-major governmental funds are related to advances which will be paid back to the General Fund after taxes are collected and reimbursement is received from grantors, respectively. Amounts due to the General Fund from the Jail Commissary Fund are for various expenditures paid by the General Fund on behalf of the Jail Commissary Fund.

4. PENSION AND RETIREMENT PLAN

Substantially all full-time employees of the Sheriff are covered by the Florida Retirement System (FRS). The FRS was established in 1970 by Chapter 121, Florida Statutes, and is administered by the Florida Department of Management Services, Division of Retirement. Changes to the FRS can be made only 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 FRS issues a financial report that includes financial statements and required supplementary information. The report may be obtained at www.myfrs.com or by writing to FRS, 2639-C North Monroe Street, Tallahassee, Florida 32399.

The FRS offers two retirement plans – the FRS Pension Plan and the FRS Investment Plan. An employee may participate in only one of the plans. Both plans, effective July 1, 2011, are funded monthly by a combination of employer and employee contributions.

The FRS Pension Plan is a multiple employer cost sharing defined benefit plan, which provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. 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. Early retirement is available after six years of service with a 5% reduction of benefits for each year prior to the normal retirement age.

For employees enrolling in the plan for the first time on or 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.

**SANTA ROSA COUNTY, FLORIDA SHERIFF
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

4. PENSION AND RETIREMENT PLAN – CONTINUED

Early retirement is available after eight years of service, 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. 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 (if enrolled prior to July 1, 2011) or eight (if enrolled on or after July 1, 2011) fiscal years of earnings.

The FRS Investment Plan is a defined contribution plan funded monthly by employer and employee contributions based on salary and membership class. Employer contributions vest after one year of service, whereas employee contributions vest immediately. 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 (DROP).

DROP is available for members of the FRS Pension Plan who are vested and elect to participate in DROP within one year after reaching normal retirement age. Under this program, a member effectively retires while continuing to be employed for up to five years. While in DROP, the member's deferred monthly retirement benefits accumulate, earning interest and cost-of-living increases.

When the DROP period is over, the participant terminates covered employment and begins receiving their predetermined monthly retirement benefit, as well as the accrued DROP benefit. Disability retirees are not eligible to participate in DROP, and DROP participants do not qualify for disability retirement.

Prior to July 2011, the plans were noncontributory for employees with all contributions being the participating FRS employer's responsibility. Effective July 1, 2011, participating employees contribute 3% of their gross salaries each pay period to the plan. Participating employer contributions are based upon state-wide rates established by the State of Florida. Average contribution rates for the fiscal year ended September 30, 2020, were as follows: regular employees – 8.85%, special risk employees – 25.22%, elected officials – 48.91%, senior management employees – 25.88%, and DROP participants – 15.20%. The Sheriff's contributions to the Pension Plan, funded on a pay-as-you-go basis, were equal to the actuarially determined contributions for each year. Contributions to the Investment Plan were equal to the legislatively-mandated contribution rates. Contributions to both plans totaled \$5,290,728, \$4,770,306 and \$3,890,234 for the years ended September 30, 2020, 2019 and 2018, respectively.

Net Pension Liability – 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's comprehensive annual financial report 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 Santa Rosa County, Florida.

**SANTA ROSA COUNTY, FLORIDA SHERIFF
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

5. OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN

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, the annual cost and the total OPEB liability is measured as the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service. The total OPEB liability and other required disclosures have been calculated for the County as a whole and not separately for the Sheriff. Accordingly, these calculations and disclosures can be found in the County’s comprehensive annual financial report.

6. GRANT ASSISTANCE

The Sheriff serves as implementing agency for various grants, which are reported in the Single Audit Report prepared by the Board.

7. RISK MANAGEMENT

The Sheriff is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board of County Commissioners has established a Self-Insurance Fund (an internal service fund) to account for and finance its uninsured risks of loss. Under this program, the County is self-insured with respect to the following exposures:

- Auto Physical Damage
- Auto Liability
- Construction and Road Equipment
- Portable Communication Equipment
- Workers’ Compensation

The County is covered by outside insurance for the following exposures:

- Employee Fidelity
- General Liability, \$25,000 deductible
- Public Officials’ Liability, \$25,000 deductible
- Building Contents, \$5,000 deductible

Conventional insurance provided by the Florida Sheriff’s Risk Management Fund remains in effect for the Sheriff’s general and professional liability, the Sheriff’s automobiles and the Sheriff’s medical catastrophic insurance for treatment of prisoners. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**SANTA ROSA COUNTY, FLORIDA SHERIFF
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

7. RISK MANAGEMENT – CONTINUED

Workers' compensation coverage is provided by the Florida Sheriff's Workers' Compensation Self Insurance Fund. Annual premium costs under this coverage were \$965,498 and \$804,271 for the years ended September 30, 2020 and 2019, respectively. Coverage limits under the policy include \$1,000,000 bodily injury for each accident and \$1,000,000 bodily injury by disease for each employee with a \$1,000,000 limit.

8. FUND BALANCES

Fund balances are classified as follows:

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.

Other fund balance amounts are classified depending on the Sheriff's ability to control the spending of the fund balances as follows:

Restricted fund balances can only be used for specific purposes, which are externally imposed by creditors, grantors, contributors and other governments (via laws and regulations) or are imposed by law through constitutional provisions or enabling legislation.

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. At year-end, the Sheriff 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. At year-end, 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. At year-end, the Sheriff had no unassigned fund balances because all unspent Board appropriations of the General Fund are required to be remitted to the Board, and there were no negative residual balances in the special revenue funds.

9. CLAIMS AND CONTINGENCIES

The Sheriff is involved from time to time in routine civil litigation incidental to the ordinary course of operations. In the opinion of management and legal counsel, there are no lawsuits or claims outstanding, which might materially affect the financial position of the Sheriff's Office.

**SANTA ROSA COUNTY, FLORIDA SHERIFF
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

10. COMMITMENTS AND CONTINGENCIES

Operating Lease

The Sheriff is committed to an operating lease for equipment with terms in excess of one year. Future minimum lease payments are as follows:

<u>Year</u>	<u>Amount</u>
2021	\$ 59,447
2022	59,447
2023	59,447
2024	59,447
	<u>\$ 237,788</u>

Rent expense for the year ended September 30, 2020 was \$59,447.

REQUIRED SUPPLEMENTARY INFORMATION

**SANTA ROSA COUNTY, FLORIDA SHERIFF
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES				
Current:				
General government:				
Judicial:				
Personal services	1,259,938	1,259,938	1,201,620	58,318
Operating	43,348	43,348	27,549	15,799
Public safety:				
Law enforcement:				
Personal services	24,541,663	22,963,480	22,957,425	6,055
Operating	5,199,361	5,453,043	5,419,617	33,426
Capital outlay	1,654,238	4,046,149	4,046,144	5
Correction and detention:				
Personal services	11,608,861	11,608,861	11,234,166	374,695
Operating	6,923,982	5,898,572	5,809,859	88,713
Total expenditures	51,231,391	51,273,391	50,696,380	577,011
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(51,231,391)	(51,273,391)	(50,696,380)	577,011
OTHER FINANCING SOURCES (USES)				
BOCC appropriation	51,231,391	51,273,391	51,273,391	-
BOCC unspent funds	-	-	(575,771)	(575,771)
Total other financing sources (uses)	51,231,391	51,273,391	50,697,620	(575,771)
NET CHANGES IN FUND BALANCE	-	-	1,240	1,240
FUND BALANCE, BEGINNING OF YEAR	-	-	33,355	33,355
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ 34,595	\$ 34,595

See notes to the required supplementary information.

**SANTA ROSA COUNTY, FLORIDA SHERIFF
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2020**

BUDGETS AND BUDGETARY ACCOUNTING

The Sheriff operates under budget procedures pursuant to Chapters 30 and 129, Florida Statutes. The General Fund's budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America. The Sheriff is not legally required to prepare a budget for the other governmental funds; therefore, comparative budget and actual results are not presented for these funds. The legal level of budgetary control is the fund level.

**SUPPLEMENTARY INFORMATION – COMBINING FUND
FINANCIAL STATEMENTS**

**SANTA ROSA COUNTY, FLORIDA SHERIFF
COMBINING BALANCE SHEET – ALL NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

	<u>LOST Fund</u>	<u>Second Dollar Fund</u>	<u>Federal Seizure Fund</u>	<u>Totals</u>
ASSETS				
Cash	\$ 1,732	\$ 102,059	\$ 109,370	\$ 213,161
TOTAL ASSETS	<u>\$ 1,732</u>	<u>\$ 102,059</u>	<u>\$ 109,370</u>	<u>\$ 213,161</u>
LIABILITIES				
Due to other funds	\$ 1,732	\$ 975	\$ 109,370	\$ 112,077
Total liabilities	1,732	975	109,370	112,077
FUND BALANCES				
Restricted for law enforcement training	-	101,084	-	101,084
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,732</u>	<u>\$ 102,059</u>	<u>\$ 109,370</u>	<u>\$ 213,161</u>

See independent auditors' report.

**SANTA ROSA COUNTY, FLORIDA SHERIFF
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – ALL NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	LOST Fund	Second Dollar Fund	Federal Seizure Fund	Totals
REVENUES				
Taxes	\$ 1,027,595	\$ -	\$ -	\$ 1,027,595
Intergovernmental	-	25,528	15,113	40,641
Miscellaneous	-	310	392	702
Total revenues	1,027,595	25,838	15,505	1,068,938
EXPENDITURES				
Current:				
Public safety:				
Law enforcement:				
Operating	-	8,202	-	8,202
Capital outlay	1,027,595	-	15,505	1,043,100
Total expenditures	1,027,595	8,202	15,505	1,051,302
NET CHANGES IN FUND BALANCES	-	17,636	-	17,636
FUND BALANCES, BEGINNING OF YEAR	-	83,448	-	83,448
FUND BALANCES, END OF YEAR	\$ -	\$ 101,084	\$ -	\$ 101,084

See independent auditors' report.

**SANTA ROSA COUNTY, FLORIDA SHERIFF
COMBINING STATEMENT OF ASSETS AND LIABILITIES – ALL AGENCY FUNDS
SEPTEMBER 30, 2020**

	<u>Suspense Fund</u>	<u>Seizure Fund</u>	<u>Flower Fund</u>	<u>Totals</u>
ASSETS				
Cash	\$ 4,646	\$ 13,070	\$ 19,462	\$ 37,178
TOTAL ASSETS	<u>\$ 4,646</u>	<u>\$ 13,070</u>	<u>\$ 19,462</u>	<u>\$ 37,178</u>
LIABILITIES				
Accounts payable	\$ 4,646	\$ -	\$ 87	\$ 4,733
Deposits	-	13,070	19,375	32,445
TOTAL LIABILITIES	<u>\$ 4,646</u>	<u>\$ 13,070</u>	<u>\$ 19,462</u>	<u>\$ 37,178</u>
	-	-	-	-

See independent auditors' report.

**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 Robert Johnson, Sheriff
Santa Rosa County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the Office of the Sheriff of Santa Rosa County, Florida (hereinafter referred to as the "Sheriff"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Sheriff's financial statements, and have issued our report thereon dated February 5, 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 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 Sheriff's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Warren Averett, LLC

Pensacola, Florida

February 5, 2021

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

Honorable Robert Johnson, Sheriff
Santa Rosa County, Florida

We have examined the Office of the Sheriff of Santa Rosa County, Florida's (hereinafter referred to as the "Sheriff") compliance with Florida Statute 218.415 in regard to investments for the year ended September 30, 2020. Management is responsible for the Sheriff's compliance with those requirements. Our responsibility is to express an opinion on the Sheriff's compliance based on our examination.

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

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

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

Warren Averett, LLC

Pensacola, Florida
February 5, 2021

MANAGEMENT LETTER

Honorable Robert Johnson, Sheriff
Santa Rosa County, Florida

Report on the Financial Statements

We have audited the financial statements of each major fund and the aggregate remaining fund information of the Office of the Sheriff of Santa Rosa County, Florida (hereinafter referred to as the "Sheriff"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, and have issued our report thereon dated February 5, 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 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 February 5, 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 which 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 Santa Rosa 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
February 5, 2021

**SANTA ROSA COUNTY, FLORIDA SHERIFF
MANAGEMENT'S RESPONSE TO MANAGEMENT LETTER
SEPTEMBER 30, 2020**

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

**SANTA ROSA COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

**SANTA ROSA COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
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INDEPENDENT AUDITORS' REPORT

Honorable Tappie Villane
Supervisor of Elections of Santa Rosa County, Florida

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express 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 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 Supervisor of Elections' 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 Supervisor of Elections, as of September 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to previously were prepared solely for the purpose of complying with the *Rules of the Auditor General of the State of Florida* (the “Rules”). In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of that portion of the general fund attributable solely to the operations of the Supervisor of Elections. They do not purport to and do not present fairly the financial position of Santa Rosa County, Florida, as of September 30, 2020, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the 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 Supervisor of Elections’ internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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
March 2, 2021

**SANTA ROSA COUNTY, FLORIDA SUPERVISOR OF ELECTIONS
BALANCE SHEET – GENERAL FUND
SEPTEMBER 30, 2020**

ASSETS

Due from Board of County Commissioners	<u>\$ 151,621</u>
--	-------------------

LIABILITIES

Accounts payable	\$ 97,228
Accrued expenses	43,553
Advances on grants	8,033
Unearned Revenue	<u>2,807</u>
Total liabilities	151,621

FUND BALANCE

Fund balance	<u>-</u>
Total liabilities and fund balance	<u>\$ 151,621</u>

See notes to the financial statements.

**SANTA ROSA COUNTY, FLORIDA SUPERVISOR OF ELECTIONS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

REVENUES

Grant revenue	\$ 85,825
Miscellaneous revenue	<u>41,018</u>
Total revenues	126,843

EXPENDITURES

Current:	
General government:	
Personal services	753,198
Operating	<u>940,763</u>
Total expenditures	<u>1,693,961</u>
Excess (deficiency) of revenues over expenditures	(1,567,118)

OTHER FINANCING SOURCES

Board of County Commissioners appropriation	<u>1,567,118</u>
---	------------------

NET CHANGE IN FUND BALANCE

-

FUND BALANCE, BEGINNING OF YEAR

-

FUND BALANCE, END OF YEAR

\$ -

See notes to the financial statements.

SANTA ROSA COUNTY, FLORIDA SUPERVISOR OF ELECTIONS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

1. SUMMARY OF ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the financial statements follows.

Reporting Entity

The Santa Rosa County, Florida Supervisor of Elections (the "Supervisor of Elections"), as established by Article VIII of the Constitution of the State of Florida, is an elected official of Santa Rosa County, Florida (the "County"). Although the Supervisor of Elections is operationally autonomous from the Santa Rosa County Board of County Commissioners (the "Board"), it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, the Supervisor of Elections is reported as a part of the primary government of the County.

These financial statements are not intended to be a complete presentation of the financial position and results of operations of the County, taken as a whole. As permitted by Chapter 10.556(4), *Rules of the Auditor General State of Florida*, the financial statements consists of only the *fund level* financial statements, as defined in Government Accounting Standards Board (GASB) Statement No. 34, and do not include presentations of *government-wide* financial statements of the Supervisor of Elections.

Pursuant to the provisions of 129.202, Florida Statutes, the Supervisor of Elections has elected to have the Office of the Clerk of Court and Comptroller of Santa Rosa County maintain the books and records pertaining to the operations of the Supervisor of Elections. Therefore, the Supervisor of Elections does not maintain a separate cash account, and all cash activity for the Supervisor of Elections is recorded in the common cash account of the Board. The "Due from Board of County Commissioners" account on the balance sheet represents the amount of cash held on behalf of the Supervisor of Elections.

Fund Accounting

The accounting system of the Supervisor of Elections is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, recording cash and financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The general fund of the Supervisor of Elections is used to account for all financial resources, which are generated from operations of the office, appropriations from the Board or any other resources not required to be accounted for in another fund.

This fund utilizes a modified accrual basis of accounting. The measurement focus is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources rather than upon net income determination).

SANTA ROSA COUNTY, FLORIDA SUPERVISOR OF ELECTIONS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

1. SUMMARY OF ACCOUNTING POLICIES – CONTINUED

Basis of Accounting

Basis of accounting refers to *when* revenues and expenditures are recognized in the accounts and reported in the financial statement. The basis of accounting relates 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. Their revenues are recognized when they become both measurable and available as net current assets. 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. Expenditures are recognized when the related fund liability is incurred.

Accounting for Capital Assets

Capital assets (vehicles, equipment and other tangible and certain intangible property costing at least \$1,000 with a useful life of more than one year) are recorded as expenditures in the fund level financial statements at the time of purchase. These assets are also capitalized at cost and accounted for in the County's comprehensive annual financial report.

Compensated Absences

Employees accumulate a limited amount of earned, but unused sick and annual leave, which will be paid upon separation from service. Unpaid compensated absences are recorded as a liability when the benefits are earned in the County's comprehensive annual financial report. For the governmental fund statements, expenditures are recognized when payments are made to employees.

2. PENSION AND RETIREMENT PLAN

Substantially, all full-time employees of the Supervisor of Elections are covered by the Florida Retirement System (FRS). The FRS was established in 1970 by Chapter 121, Florida Statutes and is administered by the Florida Department of Management Services, Division of Retirement. Changes to the FRS can be made only 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 FRS issues a financial report that includes financial statements and required supplementary information. The report may be obtained at www.myfrs.com or by writing to FRS, 2639-C North Monroe Street, Tallahassee, Florida 32399.

SANTA ROSA COUNTY, FLORIDA SUPERVISOR OF ELECTIONS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

2. PENSION AND RETIREMENT PLAN – CONTINUED

The FRS offers two retirement plans – the FRS Pension Plan and the FRS Investment Plan. An employee may participate in only one of the plans. Both plans are funded monthly by a combination of employer and employee contributions.

The FRS Pension Plan is a multiple employer, cost-sharing defined benefit plan, which provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. 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. Early retirement is available after six years of service with a 5% reduction of benefits for each year prior to the normal retirement age.

For employees enrolling in the plan for the first time on or 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 after eight years of service 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. 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 (if enrolled prior to July 1, 2011) or eight (if enrolled on or after July 1, 2011) fiscal years of earnings.

The FRS Investment Plan is a defined contribution plan funded monthly by employer and employee contributions based on salary and membership class. Employer contributions vest after one year of service whereas employee contributions vest immediately. 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 (DROP).

DROP is available for members of the FRS Pension Plan who are vested and elect to participate in DROP within one year after reaching normal retirement age. Under this program, a member effectively retires while continuing to be employed for up to five years. While in DROP, the member's deferred monthly retirement benefits accumulate, earning interest and cost-of-living increases. When the DROP period is over, the participant terminates covered employment and begins receiving their predetermined monthly retirement benefit, as well as the accrued DROP benefit. Disability retirees are not eligible to participate in DROP, and DROP participants do not qualify for disability retirement.

**SANTA ROSA COUNTY, FLORIDA SUPERVISOR OF ELECTIONS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

2. PENSION AND RETIREMENT PLAN – CONTINUED

Participating employees contribute 3% of their gross salaries each pay period to the plan, whereas employer contributions are based upon state-wide rates established by the State of Florida. Average contribution rates for the fiscal year ended September 30, 2020, were as follows: regular employees, 8.85%; special risk employees, 25.22%; elected officials, 48.91%; senior management employees, 25.88%; and DROP participants, 15.20%.

The Supervisor of Elections contributions to the Pension Plan, funded on a pay-as-you-go basis, were equal to the actuarially determined contributions for each year. Contributions to the Investment Plan were equal to the legislatively-mandated contribution rates. Contributions to both plans totaled \$95,222, \$88,831 and \$80,715 for the years ended September 30, 2020, 2019 and 2018, respectively.

Net Pension Liability - 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 General Fund. All required disclosures and schedules may be found in the county's comprehensive annual financial report of Santa Rosa County, Florida.

3. OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN

The Board offers post-employment health care benefits (OPEB) to all retired employees of the Supervisor of Election'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 Supervisor of Election's Office. Accordingly, these calculations and disclosures can be found in the County's comprehensive annual financial report.

SANTA ROSA COUNTY, FLORIDA SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

4. RISK MANAGEMENT

The Supervisor of Elections is exposed to various risks of loss related to torts; theft of, damage to and damage of assets; errors and omissions; injuries to employees; and natural disasters. The Board uses a Self-Insurance Fund (an internal service fund) to account for and finance its uninsured risks of loss.

The County is self-insured with respect to the following exposures:

- Workers Compensation
- Auto Physical Damage
- Auto Liability
- Construction and Road Equipment
- Portable Communication Equipment

The County is covered by outside insurance for the following exposures:

- Buildings and contents – \$5,000 deductible
- Boats
- Employee Fidelity
- General Liability – \$25,000 deductible
- Public Officials' Liability – \$25,000 deductible

Conventional insurance remains in effect for buildings and their contents. Also, there were no significant reductions in insurance coverage from the prior year, and settled claims resulting from conventional insurance risks have not exceeded coverage in any of the past three fiscal years. The County is a member of the Florida Association of Counties Trust, a pooled liability program providing general liability coverage and public officials' liability coverage. The Supervisor of Elections participates in the program and makes payments to the Self-Insurance Fund based on historical estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses.

REQUIRED SUPPLEMENTARY INFORMATION

**SANTA ROSA COUNTY, FLORIDA SUPERVISOR OF ELECTIONS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL –
GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Grant revenues	\$ 31,030	\$ 90,988	\$ 85,825	\$ (5,163)
Miscellaneous revenues	-	-	41,018	41,018
Total revenues	31,030	90,988	126,843	35,855
EXPENDITURES				
Current				
General government				
Personal services	724,382	724,382	753,198	(28,816)
Operating	730,050	986,922	940,763	46,159
Total expenditures	1,454,432	1,711,304	1,693,961	17,343
Excess (deficiency) of revenues over expenditures	(1,423,402)	(1,620,316)	(1,567,118)	53,198
OTHER FINANCING SOURCES				
Board of County Commissioners appropriation	1,423,402	1,620,316	1,567,118	(53,198)
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to the required supplementary information.

**SANTA ROSA COUNTY, FLORIDA SUPERVISOR OF ELECTIONS
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Budgets and Budgetary Accounting

The Supervisor of Elections operates under budget procedures pursuant to Florida Statutes. The Supervisor of Elections' budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. Budget appropriations lapse at the end of the year and are not carried over to the following year. 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 THE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Honorable Tappie Villane
Supervisor of Elections of Santa Rosa County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the general fund of the Office of the Supervisor of Elections of Santa Rosa County, Florida (hereinafter referred to as "Supervisor of Elections"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, and have issued our report thereon dated March 2, 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Supervisor of Elections' internal control. Accordingly, we do not express an opinion on the effectiveness of the Supervisor of Elections' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency or 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 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 communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Warren Averett, LLC".

Pensacola, Florida
March 2, 2021

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

Honorable Tappie Villane
Supervisor of Elections of Santa Rosa County, Florida

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

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

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and accordingly, included examining, on a test basis, evidence about the Supervisor of Elections' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Supervisor of Elections' compliance with specified requirements.

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

Warren Averett, LLC

Pensacola, Florida
March 2, 2021

MANAGEMENT LETTER

Honorable Tappie Villane
Supervisor of Elections of Santa Rosa County, Florida

Report on the Financial Statements

We have audited the financial statements of the general fund of the Office of the Supervisor of Elections of Santa Rosa County, Florida (hereinafter referred to as the "Supervisor of Elections"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, and have issued our report thereon dated March 2, 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 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 March 2, 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 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 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, Santa Rosa 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
March 2, 2021

**SANTA ROSA COUNTY, FLORIDA SUPERVISOR OF ELECTIONS
MANAGEMENT'S RESPONSE TO MANAGEMENT LETTER
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

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

**SANTA ROSA COUNTY, FLORIDA
TAX COLLECTOR**

FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

**SANTA ROSA COUNTY, FLORIDA
TAX COLLECTOR
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INDEPENDENT AUDITORS' REPORT

Honorable Stan Colie Nichols
Tax Collector of Santa Rosa County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements (hereinafter referred to as "financial statements") of the general fund and the tax fund of the Office of the Tax Collector of Santa Rosa County, Florida (hereinafter referred to as "Tax Collector"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Tax Collector's financial statements 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 Tax Collector'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 Tax Collector'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 respective financial position of the general fund and tax fund of the Tax Collector, as of September 30, 2020, and the respective changes in financial position, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General of the State of Florida* (the "Rules"). In conformity with the Rules, the accompanying financial statements are intended to present the financial position of the general fund and tax fund and changes in financial position of the general fund of Santa Rosa County that are attributable to the Tax Collector. They do not purport to and do not present fairly the financial position of Santa Rosa County as of September 30, 2020, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, 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 our 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, rules, regulations, contracts and grant agreements and other matters included under the heading "*Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.*" The 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 Tax Collector's internal control over financial reporting and compliance.

Warren Averett, LLC

January 14, 2021
Pensacola, Florida

**SANTA ROSA COUNTY, FLORIDA TAX COLLECTOR
BALANCE SHEET – GENERAL FUND
SEPTEMBER 30, 2020**

ASSETS

Cash	\$ 385,969
Investments	<u>1,032</u>
Total assets	<u><u>\$ 387,001</u></u>

LIABILITIES

Accounts payable	\$ 6,454
Accrued payroll, taxes and benefits	116,729
Unearned revenues	100,396
Due to other governmental units	<u>163,422</u>
Total liabilities	387,001

FUND BALANCE

Fund balance	<u>-</u>
Total liabilities and fund balance	<u><u>\$ 387,001</u></u>

See notes to the financial statements.

**SANTA ROSA COUNTY, FLORIDA TAX COLLECTOR
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

REVENUES

Charges for services	\$ 4,602,320
Miscellaneous	<u>17,267</u>
Total revenues	4,619,587

EXPENDITURES

Current:	
General government:	
Personal services	3,653,760
Operating	747,051
Capital outlay	<u>68,554</u>
Total expenditures	<u>4,469,365</u>
Excess of revenues over expenditures	150,222

OTHER FINANCING SOURCES (USES)

Unspent revenues	<u>(150,222)</u>
Total other financing sources (uses)	<u>(150,222)</u>

Net change in fund balance	-
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FUND BALANCE, BEGINNING OF YEAR	<u>-</u>
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FUND BALANCE, END OF YEAR	<u><u>\$ -</u></u>
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See notes to the financial statements.

**SANTA ROSA COUNTY, FLORIDA TAX COLLECTOR
STATEMENT OF FIDUCIARY NET POSITION –
AGENCY FUND – TAX FUND
SEPTEMBER 30, 2020**

ASSETS

Cash	\$ 1,396,017
Miscellaneous receivables	<u>261,204</u>
Total assets	1,657,221

LIABILITIES

Accounts payable	18,000
Due to other governmental units	1,596,734
Miscellaneous liabilities	<u>42,487</u>
Total liabilities	<u>1,657,221</u>

NET POSITION

Net position	<u><u>\$ -</u></u>
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See notes to the financial statements.

SANTA ROSA COUNTY, FLORIDA TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

1. SUMMARY OF ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the financial statements follows.

Reporting Entity

The Office of the Tax Collector of Santa Rosa County, Florida (the "Tax Collector"), as established by Article VIII, Section 1(d), of the Constitution of the State of Florida, is an elected official of Santa Rosa County, Florida (the "County"). Although the Tax Collector is operationally autonomous from the Santa Rosa County Board of County Commissioners (the "Board"), it does not hold sufficient corporate powers to be considered a legally separate entity for financial reporting purposes. Therefore, the Tax Collector is considered part of County's primary government for external financial reporting purposes.

These financial statements of the Tax Collector are not intended to be a complete presentation of the financial position and results of operations of the County taken as a whole. As permitted by Chapter 10.556(4), *Rules of the Auditor General State of Florida*, the financial statements consist of only the fund level financial statements, as defined in Governmental Accounting Standards Board ("GASB") Statement No. 34, and do not include presentations of government-wide financial statements of the Tax Collector.

Fund Accounting

The accounting system of the Tax Collector is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The funds utilized by the Tax Collector are as follows:

Governmental Funds

These funds utilize a modified accrual basis of accounting. The measurement focus is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources rather than upon net income determination).

General Fund – The general fund of the Tax Collector is used to account for all financial resources which are generated from operations of the office and any other resources not required to be accounted for in another fund.

Fiduciary Funds

The Tax Collector's sole fiduciary fund is an agency fund (the "Tax Fund"). Agency funds are used to account for assets held in a custodial capacity for others. Assets equal liabilities in agency funds and results of operations are not measured. The Tax Fund is used primarily to account for receipts of various types of taxes, licenses and fees collected on behalf of state, county and municipal governmental agencies.

SANTA ROSA COUNTY, FLORIDA TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

1. SUMMARY OF ACCOUNTING POLICIES – CONTINUED

Basis of Accounting

Basis of accounting refers to *when* revenues and expenditures are recognized in the accounts and reported in the financial statements. The basis of accounting relates 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. The revenues are recognized when they become both measurable and available as net current assets. 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 are recognized when the related fund liability is incurred. Agency funds use the accrual basis of accounting.

Cash and Cash Equivalents

Cash equivalents are highly-liquid investments with maturities of three months or less when purchased.

Accounting for Capital Assets

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

Compensated Absences

Employees accumulate a limited amount of earned, but unused annual and sick leave, which will be paid upon separation from service. Compensated absence expenditures are not recognized in the General Fund until payments are made to employees. However, these unpaid compensated absences are recorded as a liability when the benefits are earned in the County's government-wide financial statements.

Unspent Revenue and Fund Balance

In accordance with Section 218.36, Florida Statutes, unspent revenue is remitted proportionately to the various taxing districts at fiscal year-end. As a result, no fund balance exists at year end in the General Fund.

2. CASH

At September 30, 2020, the bank reported deposits before outstanding checks and deposits of \$1,915,173; all of which was held by 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, the Tax Collector does not believe it is exposed to any significant credit risk on its cash balances.

**SANTA ROSA COUNTY, FLORIDA TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

3. INVESTMENTS

Florida Statutes authorize the Tax Collector to invest in obligations of the U.S. Treasury and interest-bearing time deposits or savings accounts in banks participating in the multiple financial institution collateral pool.

The Tax Collector invests surplus funds in the Florida Fixed Income Trust ("FL-FIT") Cash Pool, an external investment pool. The investment in the pool is measured and reported at fair market value using the guidelines established by Generally Accepted Accounting Principles ("GAAP"). FL-FIT follows Financial Accounting Standards Board ("FASB") Accounting Standards Topic ASC 820 *Fair Value Measurement and Disclosure* for financial reporting purposes. ASC 820 defines fair value, establishes a single framework for measuring fair value, and requires disclosures about fair value measurement. FL-FIT does not meet all of the specific criteria outlined in GASB 79 paragraph 4, therefore the Tax Collector measures this investment in the FL-FIT pool at fair value in accordance with paragraph 11 of GASB Statement 31.

The FL-FIT Cash Pool is rated by S&P Global. The current rating is AAAf/S1+. The dollar weighted average days to maturity to final ("WAM") of FL-FIT Cash Pool at September 30, 2020, is 127 days.

The Trust is not required to register (and has not registered) with the SEC; however, the fund is an external investment pool that has historically adopted operating procedures consistent with those required by Florida Statutes. At September 30, 2020, the Tax Collector had \$1,032 invested in the FL-FIT Cash Pool.

4. PENSION AND RETIREMENT PLAN

Substantially all full-time employees of the Tax Collector are covered by the Florida Retirement System (FRS). The FRS was established in 1970 by Chapter 121, Florida Statutes and is administered by the Florida Department of Management Services, Division of Retirement. Changes to the FRS can be made only 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 FRS issues a financial report that includes financial statements and required supplementary information. The report may be obtained at www.myfrs.com or by writing to FRS, 2639-C North Monroe Street, Tallahassee, Florida 32399.

The FRS offers two retirement plans – the FRS Pension Plan and the FRS Investment Plan. An employee may participate in only one of the plans. Both plans, effective July 1, 2011, are funded monthly by a combination of employer and employee contributions.

The FRS Pension Plan is a multiple employer, cost-sharing defined benefit plan, which provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. 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.

SANTA ROSA COUNTY, FLORIDA TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

4. PENSION AND RETIREMENT PLAN – CONTINUED

Early retirement is available after six years of service with a 5% reduction of benefits for each year prior to the normal retirement age. For employees enrolling in the plan for the first time on or 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 after eight years of service 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. Retirement benefits are based upon age, average compensation and years-of-service credit, where average compensation is computed as the average of the member's highest five (if enrolled prior to July 1, 2011) or eight (if enrolled on or after July 1, 2011) fiscal years of earnings.

The FRS Investment Plan is a defined contribution plan funded monthly by employer and employee contributions based on salary and membership class. Employer contributions vest after one year of service whereas employee contributions vest immediately. 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 (DROP).

DROP is available for members of the FRS Pension Plan, who are vested and elect to participate in DROP within one year after reaching normal retirement age. Under this program, a member effectively retires while continuing to be employed for up to five years. While in DROP, the member's deferred monthly retirement benefits accumulate, earning interest and cost-of-living increases. When the DROP period is over, the participant terminates covered employment and begins receiving their predetermined monthly retirement benefit, as well as the accrued DROP benefit. Disability retirees are not eligible to participate in DROP, and DROP participants do not qualify for disability retirement.

Participating employees contribute 3% of their gross salaries each pay period to the plan. Participating employer contributions are based upon state-wide rates established by the State of Florida. Average contribution rates for the fiscal year ended September 30, 2020, were as follows: regular employees – 8.85%, special risk employees – 25.22%, elected officials – 48.91%, senior management employees – 25.88%, and DROP participants – 15.20%. The Tax Collector's contributions to the Pension Plan, funded on a pay-as-you-go basis, were equal to the actuarially determined contributions for each year. Contributions to the Investment Plan were equal to the legislatively-mandated contribution rates. Contributions to both plans totaled \$278,592, \$237,683 and \$215,015 for the years ended September 30, 2020, 2019 and 2018, respectively.

**SANTA ROSA COUNTY, FLORIDA TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

4. PENSION AND RETIREMENT PLAN – CONTINUED

Net Pension Liability-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 General Fund. All required disclosures and schedules may be found in the comprehensive annual financial report of Santa Rosa County, Florida

5. OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN

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.

6. LEASES

The Tax Collector leases certain office space and equipment under operating lease agreements with expiration dates through February 2021. Future minimum rental commitments under these leases are as follows:

Fiscal year end September 30:

2021	<u>\$ 12,000</u>
Total minimum future rental payments	<u><u>\$ 12,000</u></u>

Total lease payments for the year ended September 30, 2020 were \$28,800.

7. RISK MANAGEMENT

The Tax Collector is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board has established a Self-Insurance Fund (an internal service fund) to account for and finance its uninsured risks of loss.

SANTA ROSA COUNTY, FLORIDA TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

7. RISK MANAGEMENT – CONTINUED

Under this program the County is self-insured with respect to the following exposures:

- Workers Compensation
- Auto Physical Damage
- Auto Liability
- Construction and Road Equipment
- Portable Communication Equipment

The County is covered by outside insurance for the following exposures:

- Buildings and Contents, \$5,000 deductible
- Boats
- Employee Fidelity
- General Liability, \$25,000 deductible
- Public Officials' Liability, \$25,000 deductible

Conventional insurance remains in effect for buildings and their contents. There also were no significant reductions in insurance coverage from the prior year and settled claims resulting from conventional insurance risks have not exceeded coverage in any of the past three fiscal years. The County is a member of the Florida Association of Counties Trust, a pooled liability program providing general liability coverage and public officials' liability coverage. The Tax Collector participates in the program and makes payments to the Self-Insurance Fund based on historical estimates of amounts needed to pay prior and current year claims and to establish a reserve for catastrophe losses.

8. 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
(UNAUDITED)**

SANTA ROSA COUNTY, FLORIDA TAX COLLECTOR
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL –
GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Charges for services	\$ 4,657,315	\$ 4,657,315	\$ 4,602,320	\$ (54,995)
Miscellaneous	40,490	40,490	17,267	(23,223)
Total revenues	4,697,805	4,697,805	4,619,587	(78,218)
EXPENDITURES				
Current:				
General government:				
Personal services	3,687,359	3,687,359	3,653,760	33,599
Operating	779,527	777,527	747,051	30,476
Capital outlay	31,623	33,623	68,554	(34,931)
Total expenditures	4,498,509	4,498,509	4,469,365	29,144
Excess of revenues over expenditures	199,296	199,296	150,222	(49,074)
OTHER FINANCING SOURCES (USES)				
Unspent revenues	(199,296)	(199,296)	(150,222)	49,074
Total other financing sources (uses)	(199,296)	(199,296)	(150,222)	49,074
Net change in fund balance	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to the required supplementary information.

**SANTA ROSA COUNTY, FLORIDA TAX COLLECTOR
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2020**

Budgets and Budgetary Accounting

The Tax Collector establishes an annual budget pursuant to Section 195.087, Florida Statutes. The budget is submitted to the Florida Department of Revenue for approval. A copy is provided to the Board and is incorporated into the overall county budget. The Tax Collector's 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 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 Stan Colie Nichols
Tax Collector of Santa Rosa 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 tax fund of the Tax Collector of Santa Rosa County, Florida (hereinafter referred to as "Tax Collector"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Tax Collector's financial statements, and have issued our report thereon dated January 14, 2021.

Internal Control Over Financial Reporting

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

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

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

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 communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Warren Averett, LLC".

January 14, 2021
Pensacola, Florida

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

Honorable Stan Colie Nichols
Tax Collector of Santa Rosa County, Florida

We have examined the Office of the Tax Collector of Santa Rosa County, Florida's (hereinafter referred to as "Tax Collector") compliance with Florida Statute 218.415, in regard to investments for the year ended September 30, 2020. Management is responsible for the Tax Collector's compliance with those requirements. Our responsibility is to express an opinion on the Tax Collector's compliance based on our examination.

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

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

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

Warren Averett, LLC

January 14, 2021
Pensacola, Florida

MANAGEMENT LETTER

Honorable Stan Colie Nichols
Tax Collector of Santa Rosa 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 tax fund of the Office of the Tax Collector of Santa Rosa County, Florida (hereinafter referred to as “Tax Collector”), as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, and have issued our report thereon dated January 14, 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 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 14, 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 Tax Collector, the Santa Rosa 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 14, 2021

**SANTA ROSA COUNTY, FLORIDA TAX COLLECTOR
MANAGEMENT'S RESPONSE TO MANAGEMENT LETTER
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

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