

SANTA ROSA COUNTY, FLORIDA SHERIFF
FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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

Honorable Robert Johnson, Sheriff
Santa Rosa County, Florida

Opinions

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, 2023, and the related notes to the financial statements, which collectively comprise the Sheriff's financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Sheriff as of September 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above have been prepared for the purpose of complying with the *Rules of the Auditor General* (Rules), 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, 2023, 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.

Responsibilities of Management for the Financial Statements

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

Responsibilities of Management for the Financial Statements - Continued

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Sheriff's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's basic 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 the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2024, on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Sheriff's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.

Warren Averett, LLC

Pensacola, Florida
February 23, 2024

**SANTA ROSA COUNTY, FLORIDA SHERIFF
BALANCE SHEET – GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023**

	Major Funds			Non-Major	
	General	Jail		Other Governmental Funds	Total
		Commissary	Grants		
ASSETS					
Cash	\$ 5,466,087	\$ 596,277	\$ 81,375	\$ 596,552	\$ 6,740,291
Due from other funds	1,768,074	652	29,286	-	1,798,012
Due from other governmental units	707,295	-	1,016,331	292,132	2,015,758
Accounts receivable	43,805	33,245	-	-	77,050
Inventory	51,766	-	-	-	51,766
TOTAL ASSETS	\$ 8,037,027	\$ 630,174	\$ 1,126,992	\$ 888,684	\$ 10,682,877
LIABILITIES					
Accounts payable and accrued payroll	\$ 2,981,275	\$ 12,642	\$ 71,671	\$ 30,000	\$ 3,095,588
Due to other funds	29,938	48,325	1,003,697	716,052	1,798,012
Due to other governmental units	4,959,986	-	32,020	-	4,992,006
Unearned revenue	14,062	-	19,604	-	33,666
Total liabilities	7,985,261	60,967	1,126,992	746,052	9,919,272
FUND BALANCES					
Restricted for inmate welfare and recreation	-	569,207	-	-	569,207
Restricted for law enforcement training	-	-	-	142,632	142,632
Nonspendable - inventory	51,766	-	-	-	51,766
Total fund balances	51,766	569,207	-	142,632	763,605
TOTAL LIABILITIES AND FUND BALANCES	\$ 8,037,027	\$ 630,174	\$ 1,126,992	\$ 888,684	\$ 10,682,877

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, 2023**

	Major Funds			Non-Major	
	General	Jail		Other Governmental Funds	Total
		Commissary	Grants		
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ 3,550,803	\$ 3,550,803
Intergovernmental	-	-	4,635,622	31,960	4,667,582
Commissions	-	612,457	-	-	612,457
Miscellaneous	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>16</u>	<u>15,016</u>
Total revenues	15,000	612,457	4,635,622	3,582,779	8,845,858
EXPENDITURES					
Current					
General government:					
Judicial:					
Personal services	1,788,066	-	-	-	1,788,066
Operating	37,782	-	-	-	37,782
Public safety:					
Law enforcement:					
Personal services	29,360,206	-	4,328,402	-	33,688,608
Operating	5,364,052	-	279,738	256,871	5,900,661
Capital outlay	895,752	-	27,482	4,672,909	5,596,143
Debt service	96,218	-	-	141,455	237,673
Correction and detention:					
Personal services	14,263,867	70,426	-	-	14,334,293
Operating	5,745,577	465,242	-	-	6,210,819
Capital outlay	420,244	539,287	-	-	959,531
Debt service	45,410	-	-	-	45,410
Total expenditures	<u>58,017,174</u>	<u>1,074,955</u>	<u>4,635,622</u>	<u>5,071,235</u>	<u>68,798,986</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES					
	(58,002,174)	(462,498)	-	(1,488,456)	(59,953,128)
OTHER FINANCING SOURCES (USES)					
BOCC appropriation	61,194,083	-	-	-	61,194,083
BOCC unspent funds	(4,179,928)	-	-	-	(4,179,928)
Lease financing proceeds	585,908	-	-	1,506,379	2,092,287
Debt proceeds	396,010	390,745	-	-	786,755
Total other financing sources	<u>57,996,073</u>	<u>390,745</u>	<u>-</u>	<u>1,506,379</u>	<u>59,893,197</u>
NET CHANGES IN FUND BALANCES					
	(6,101)	(71,753)	-	17,923	(59,931)
FUND BALANCES, BEGINNING OF YEAR	57,867	640,960	-	124,709	823,536
FUND BALANCES, END OF YEAR	\$ 51,766	\$ 569,207	\$ -	\$ 142,632	\$ 763,605

See notes to the financial statements.

**SANTA ROSA COUNTY, FLORIDA SHERIFF
STATEMENT OF FIDUCIARY NET POSITION – CUSTODIAL FUNDS
SEPTEMBER 30, 2023**

ASSETS	
Cash	\$ 160,817
TOTAL ASSETS	<u>160,817</u>
LIABILITIES	
Accrued child support purges and levies	24,623
Due to florists	<u>90</u>
TOTAL LIABILITIES	<u>24,713</u>
NET POSITION	
Restricted for:	
Seizure	111,526
Flowers or donations	<u>24,578</u>
TOTAL NET POSITION	<u>\$ 136,104</u>

See notes to the financial statements.

**SANTA ROSA COUNTY, FLORIDA SHERIFF
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – CUSTODIAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

ADDITIONS

Child support purges and levies	\$ 34,499
Cash seized	84,054
Contributions from employees	<u>3,597</u>
Total additions	122,150

DEDUCTIONS

Purges and levies paid to other government agencies	34,499
Paid to BOCC LET	114,339
Payments for flowers or donations	<u>2,263</u>
Total deductions	<u>151,101</u>

NET CHANGE IN FIDUCIARY NET POSITION (28,951)

NET POSITION, OCTOBER 1, 2022 165,055

NET POSITION, SEPTEMBER 30, 2023 \$ 136,104

See notes to the financial statements.

**SANTA ROSA COUNTY, FLORIDA SHERIFF
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

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, 2023**

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.

LOST accounts for the half-penny local options sales tax (LOST), which is used towards capital projects.

Fiduciary Funds

The Sheriff uses custodial 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. Proceeds from general long-term debt are reported as other financing sources. Custodial 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 \$5,000 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.

Depreciation of vehicles and equipment is calculated using the straight-line method over the estimated useful lives of the assets of three to 10 years.

**SANTA ROSA COUNTY, FLORIDA SHERIFF
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Accounting for Capital Assets – Continued

Capital assets and related depreciation expense are reported as a component of the County's annual comprehensive financial report and are not reflected in the Sheriff's governmental fund financial statements. Buildings and improvements are owned by the Board.

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 annual comprehensive 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 "custodial" 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, 2023, the reported amount of the Sheriff's deposits was \$6,895,909, and the bank balance was \$7,304,108, consisting entirely of deposits in checking accounts with a financial institution.

**SANTA ROSA COUNTY, FLORIDA SHERIFF
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

3. INTERFUND BALANCES

Interfund balances at September 30, 2023, consisted of the following:

Fund	Receivable	Payable
General Fund	\$ 1,768,074	\$ 29,938
Jail Commissary Fund	652	48,325
Grants	29,286	1,003,697
Non-major governmental funds	-	716,052
	<u>\$ 1,798,012</u>	<u>\$ 1,798,012</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, 2023**

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 (eight years under certain circumstances). 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, 2023, were as follows: regular employees – 12.33%; special risk employees – 29.04%; elected officials – 57.42%; senior management employees – 32.31%; and DROP participants – 19.23%. 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 \$7,826,260, \$6,670,025 and \$5,513,485 for the years ended September 30, 2023, 2022 and 2021, 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 annual comprehensive financial report and is not a current liability of the governmental funds. All required disclosures and schedules may be found in the annual comprehensive financial report of the County.

**SANTA ROSA COUNTY, FLORIDA SHERIFF
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

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 annual comprehensive financial report.

6. GRANT ASSISTANCE

The Sheriff receives grants that are presented in the schedule of expenditures of federal awards and state financial assistance within the Santa Rosa County Annual Comprehensive Financial Report under the Uniform Guidance.

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 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 workers' compensation 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. Annual premium costs under the workers' compensation coverage were \$1,146,927 and \$1,040,495 for the years ended September 30, 2023 **and 2022**, respectively.

**SANTA ROSA COUNTY, FLORIDA SHERIFF
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

7. RISK MANAGEMENT – CONTINUED

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, 2023**

10. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

Change in Accounting Principle

Effective October 1, 2022, the Sheriff adopted the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, which provides accounting and financial reporting guidance for SBITAs. The objective of this statement is to better meet the informational needs of financial statement users by improving accounting and financial reporting for leases by governments. The adoption of this statement did not affect the Sheriff's financial statements.

11. LEASES

The Sheriff leases equipment under certain agreements that meet the definition of a lease under GASB Statement No. 87, *Leases*. Detailed information about the Sheriff's leases can be found in the Santa Rosa County Annual Comprehensive Financial Report or County-wide financial statements.

Leases entered into by the Sheriff are included as other financing sources and capital outlay expenditures in the Statement of Revenues, Expenditures and Changes in Fund Balance in the year of inception. Payments made in accordance with the lease terms are reported as debt service expenditures in the Statement of Revenues, Expenditures and Changes in Fund Balance as they are incurred.

12. NOTE PAYABLE

During the year ended September 30, 2023, the Sheriff entered into a non-interest-bearing note for \$786,755. The loan is to be paid in full at maturity on November 1, 2024.

The long-term debt activity for the Sheriff is included in the government-wide financial statements of Santa Rosa County, Florida, for the year ended September 30, 2023. The following is a summary of the changes in the note payable of the Sheriff for fiscal year ended September 30, 2023.

	October 1 2022	Increases	Decreases	September 30 2023
Note payable	\$ _____	- \$ 786,755	\$ _____	- \$ 786,755

**SANTA ROSA COUNTY, FLORIDA SHERIFF
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

12. NOTE PAYABLE - CONTINUED

Debt service requirements to maturity on long-term debt at September 30, 2023 are as follows:

Year ending September 30,	Loan	
	Principal	Interest
2024	\$ 393,378	\$ -
2025	<u>393,377</u>	<u>-</u>
	<u><u>\$ 786,755</u></u>	<u><u>\$ -</u></u>

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, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 15,000	\$ 15,000
Total revenues	- -	- -	15,000	15,000
EXPENDITURES				
Current:				
General government:				
Judicial:				
Personal services	1,710,350	1,804,389	1,788,066	16,323
Operating	43,269	48,953	37,782	11,171
Public safety:				
Law enforcement:				
Personal services	29,410,029	29,410,029	29,360,206	49,823
Operating	6,842,391	7,685,937	5,364,052	2,321,885
Capital outlay	- -	334,081	895,752	(561,671)
Debt service	- -	- -	96,218	(96,218)
Correction and detention:				
Personal services	14,910,571	14,910,571	14,263,867	646,704
Operating	7,000,123	7,000,123	5,745,577	1,254,546
Capital outlay	- -	- -	420,244	(420,244)
Debt service	- -	- -	45,410	(45,410)
Total expenditures	<u>59,916,733</u>	<u>61,194,083</u>	<u>58,017,174</u>	<u>3,176,909</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	(59,916,733)	(61,194,083)	(58,002,174)	3,191,909
OTHER FINANCING SOURCES (USES)				
BOCC appropriation	59,916,733	61,194,083	61,194,083	-
BOCC unspent funds	- -	- -	(4,179,928)	(4,179,928)
Lease financing proceeds	- -	- -	585,908	585,908
Debt proceeds	- -	- -	396,010	396,010
Total other financing sources	<u>59,916,733</u>	<u>61,194,083</u>	<u>57,996,073</u>	<u>(3,198,010)</u>
NET CHANGES IN FUND BALANCE				
	- -	- -	(6,101)	(6,101)
FUND BALANCE, BEGINNING OF YEAR				
	<u>- -</u>	<u>- -</u>	<u>57,867</u>	<u>57,867</u>
FUND BALANCE, END OF YEAR				
	<u>\$ - -</u>	<u>\$ - -</u>	<u>\$ 51,766</u>	<u>\$ 51,766</u>

See notes to the required supplementary information.

**SANTA ROSA COUNTY, FLORIDA SHERIFF
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2023**

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, 2023

	LOST Fund	Second Dollar Fund	Totals
ASSETS			
Cash	\$ 451,479	\$ 145,073	\$ 596,552
Due from other governmental units	292,132	-	292,132
TOTAL ASSETS	\$ 743,611	\$ 145,073	\$ 888,684
LIABILITIES			
Accounts payable	\$ 30,000	\$ -	\$ 30,000
Due to other funds	713,611	2,441	716,052
Total liabilities	743,611	2,441	746,052
FUND BALANCES			
Restricted for law enforcement training	-	142,632	142,632
TOTAL LIABILITIES AND FUND BALANCES	\$ 743,611	\$ 145,073	\$ 888,684

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, 2023

	LOST Fund	Second Dollar Fund	Totals
REVENUES			
Taxes	\$ 3,550,803	\$ -	\$ 3,550,803
Intergovernmental	-	31,960	31,960
Miscellaneous	-	16	16
Total revenues	<u>3,550,803</u>	<u>31,976</u>	<u>3,582,779</u>
EXPENDITURES			
Current:			
Public safety:			
Law enforcement:			
Operating	242,818	14,053	256,871
Capital outlay	4,672,909	-	4,672,909
Debt service	<u>141,455</u>	<u>-</u>	<u>141,455</u>
Total expenditures	<u>5,057,182</u>	<u>14,053</u>	<u>5,071,235</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	(1,506,379)	17,923	(1,488,456)
OTHER FINANCING SOURCES			
Lease financing proceeds	<u>1,506,379</u>	<u>-</u>	<u>1,506,379</u>
Total other financing sources	<u>1,506,379</u>	<u>-</u>	<u>1,506,379</u>
NET CHANGES IN FUND BALANCES			
	-	17,923	17,923
FUND BALANCES, BEGINNING OF YEAR			
	-	124,709	124,709
FUND BALANCES, END OF YEAR			
	<u>\$ -</u>	<u>\$ 142,632</u>	<u>\$ 142,632</u>

See independent auditors' report.

SANTA ROSA COUNTY, FLORIDA SHERIFF
COMBINING STATEMENT OF FIDUCIARY NET POSITION – ALL CUSTODIAL FUNDS
SEPTEMBER 30, 2023

	Suspense Fund	Seizure Fund	Flower Fund	Totals
ASSETS				
Cash	\$ 22,859	\$ 113,290	\$ 24,668	\$ 160,817
TOTAL ASSETS	22,859	113,290	24,668	160,817
LIABILITIES				
Accrued child support purges and levies	22,859	1,764	-	24,623
Due to florists	-	-	90	90
TOTAL LIABILITIES	22,859	1,764	90	24,713
NET POSITION				
Restricted for:				
Seizure	-	111,526	-	111,526
Flowers or donations	-	-	24,578	24,578
TOTAL NET POSITION	\$ -	\$ 111,526	\$ 24,578	\$ 136,104

See independent auditors' report.

**SANTA ROSA COUNTY, FLORIDA SHERIFF
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION –
ALL CUSTODIAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Suspense Fund	Seizure Fund	Flower Fund	Totals
ADDITIONS				
Child support purges and levies	\$ 34,499	\$ -	\$ -	\$ 34,499
Cash seized	-	84,054	-	84,054
Contributions from employees	-	-	3,597	3,597
Total additions	34,499	84,054	3,597	122,150
DEDUCTIONS				
Purges and levies paid to other govt agencies	34,499	-	-	34,499
Paid to BOCC LET	-	114,339	-	114,339
Payments for flowers or donations	-	-	2,263	2,263
Total deductions	34,499	114,339	2,263	151,101
NET CHANGE IN FIDUCIARY NET POSITION				
	-	(30,285)	1,334	(28,951)
NET POSITION, OCTOBER 1, 2022	-	141,811	23,244	165,055
NET POSITION, SEPTEMBER 30, 2023	\$ -	\$ 111,526	\$ 24,578	\$ 136,104

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 the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements (hereinafter referred to as "financial statements") of each major fund and the aggregate remaining fund information of the Office of the Sheriff of Santa Rosa County, Florida (hereinafter referred to as "Sheriff"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Sheriff's financial statements, and have issued our report thereon dated February 23, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the 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 23, 2024

**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, 2023. 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.

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

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

In our opinion, the Sheriff complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2023.

Warren Averett, LLC

Pensacola, Florida
February 23, 2024

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, 2023, and the related notes to the financial statements, and have issued our report thereon dated February 23, 2024.

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 an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated February 23, 2024, 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 23, 2024

**SANTA ROSA COUNTY, FLORIDA SHERIFF
MANAGEMENT'S RESPONSE TO MANAGEMENT LETTER
SEPTEMBER 30, 2023**

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