Collier County, Florida
Clerk of the Circuit Court and Comptroller

Financial Statements and Supplemental Reports

Year Ended September 30, 2020



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Collier County, Florida
Clerk of the Circuit Court and Comptroller

Financial Statements and Other Reports

Year Ended September 30, 2020

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INDEPENDENT AUDITORS' REPORT

Honorable Crystal K. Kinzel
Clerk of the Circuit Court and Comptroller
Collier 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 Collier County, Florida Clerk of the Circuit Court and Comptroller (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 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund and the aggregate remaining fund information only for that portion of the major funds and the aggregate remaining fund information of Collier County, Florida that is attributable to the Clerk. They do not purport to, and do not, present fairly the financial position of Collier 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

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk's basic financial statements. The combining statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic 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 statements are 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 January 5, 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, 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 Clerk'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 Clerk's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Naples, Florida
January 5, 2021

Collier County, Florida
Clerk of the Circuit Court and Comptroller

Balance Sheet – Governmental Funds

September 30, 2020

	General	Court Services	Other Special Revenue	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 1,450,515	$ 1,377,579	$ 5,671,252	$ 8,499,346
Accounts receivable, net	11,442	-	-	11,442
Due from Collier County, Florida Board of County Commissioners	3,104	-	-	3,104
Due from other governments	9,223	26,420	-	35,643
Total assets	$ 1,474,284	$ 1,403,999	$ 5,671,252	$ 8,549,535
Liabilities and fund balances				
Liabilities:				
Vouchers payable and accrued liabilities	$ 546,804	$ 139,120	$ 24,260	$ 710,184
Due to Collier County, Florida Board of County Commissioners	224,519	-	-	224,519
Due to other governments	-	1,111,879	-	1,111,879
Deferred revenue	-	153,000	-	153,000
Deposits	702,961	-	-	702,961
Total liabilities	1,474,284	1,403,999	24,260	2,902,543
Fund balance:				
Restricted	-	-	5,646,992	5,646,992
Total fund balance	-	-	5,646,992	5,646,992
Total liabilities and fund balance	$ 1,474,284	$ 1,403,999	$ 5,671,252	$ 8,549,535

See accompanying Notes to Financial Statements.

Collier County, Florida
Clerk of the Circuit Court and Comptroller

Statement of Revenues, Expenditures, and Changes in Fund Balance Governmental Funds

Year Ended September 30, 2020

	General	Court Services	Other Special Revenue	Total Governmental Funds
Revenues:				
Intergovernmental	$ -	$ 446,545	$ -	$ 446,545
Charges for services	3,641,909	6,475,135	1,366,682	11,483,726
Miscellaneous	1,542	-	-	1,542
Interest income	61,974	30,986	32,142	125,102
Total revenues	3,705,425	6,952,666	1,398,824	12,056,915
Expenditures:				
General government:				
Personal services	8,614,242	5,532,341	442,370	14,588,953
Operating	2,118,775	487,538	-	2,606,313
Capital outlay	632,045	-	-	632,045
Debt service principal	28,150	-	-	28,150
Debt service interest	740	-	-	740
Total expenditures	11,393,952	6,019,879	442,370	17,856,201
Excess (deficiency) of revenues over (under) expenditures	(7,688,527)	932,787	956,454	(5,799,286)
Other financing sources (uses):				
Proceeds from right to use leases	32,946	-	-	32,946
Transfers in:				
Collier County, Florida Board of County Commissioners appropriations	7,880,100	-	-	7,880,100
Transfers out:				
Distribution of excess fees to State of Florida	-	(932,787)	-	(932,787)
Distribution of excess appropriations to Collier County, Florida Board of County Commissioners	(224,519)	-	-	(224,519)
Total other financing sources (uses)	7,688,527	(932,787)	-	6,755,740
Net change in fund balance	-	-	956,454	956,454
Fund balances – beginning of year	-	-	4,690,538	4,690,538
Fund balances – end of year	$ -	$ -	$ 5,646,992	$ 5,646,992

See accompanying Notes to Financial Statements.

Collier County, Florida
Clerk of the Circuit Court and Comptroller

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
General Fund

Year Ended September 30, 2020

	Budget			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for services	$ 3,056,600	$ 3,456,600	$ 3,641,909	$ 185,309
Miscellaneous	-	-	1,542	1,542
Interest income	66,000	66,000	61,974	(4,026)
Total revenues	3,122,600	3,522,600	3,705,425	182,825
Expenditures:				
General government:				
Personal services	8,703,000	8,626,322	8,614,242	12,080
Operating expenditures	2,009,200	2,172,878	2,118,775	54,103
Capital outlay	290,500	603,500	632,045	(28,545)
Debt Service Principal	-	-	28,150	(28,150)
Debt Service Interest	-	-	740	(740)
Total expenditures	11,002,700	11,402,700	11,393,952	8,748
Excess (deficiency) of revenues over (under) expenditures	(7,880,100)	(7,880,100)	(7,688,527)	191,573
Other financing sources (uses):				
Proceeds from right to use leases	-	-	32,946	32,946
Transfers in:				
Collier County, Florida Board of County Commissioners appropriations	7,880,100	7,880,100	7,880,100	-
Transfers out:				
Distribution of excess appropriations to Collier County, Florida Board of County Commissioners	-	-	(224,519)	(224,519)
Total other financing sources (uses)	7,880,100	7,880,100	7,688,527	(191,573)
Net change in fund balance	-	-	-	-
Fund balance – beginning of year	-	-	-	-
Fund balance – end of year	$ -	$ -	$ -	$ -

See accompanying Notes to Financial Statements.

Collier County, Florida
Clerk of the Circuit Court and Comptroller

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Court Services Fund

Year Ended September 30, 2020

	Budget			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	$ 435,309	$ 435,309	$ 446,545	$ 11,236
Charges for services	6,481,308	5,683,250	6,475,135	791,885
Interest income	47,000	43,900	30,986	(12,914)
Total revenues	6,963,617	6,162,459	6,952,666	790,207
Expenditures:				
General government:				
Personal services	6,198,408	5,601,450	5,532,341	69,109
Operating expenditures	765,209	561,009	487,538	73,471
Total expenditures	6,963,617	6,162,459	6,019,879	142,580
Excess of revenues over expenditures	-	-	932,787	932,787
Other financing uses:				
Transfers out:				
Distribution of excess fees to State of Florida	-	-	(932,787)	(932,787)
Total other financing uses	-	-	(932,787)	(932,787)
Net change in fund balance	-	-	-	-
Fund balance – beginning of year	-	-	-	-
Fund balance – end of year	$ -	$ -	$ -	$ -

See accompanying Notes to Financial Statements.

Collier County, Florida
Clerk of the Circuit Court and Comptroller

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Other Special Revenue Fund

Year Ended September 30, 2020

	Budget			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Charges for services	$ 1,100,000	$ 1,100,000	$ 1,366,682	$ 266,682
Interest income	70,000	70,000	32,142	(37,858)
Total revenues	1,170,000	1,170,000	1,398,824	228,824
Expenditures:				
General government:				
Personal services	1,105,400	1,105,400	442,370	663,030
Operating expenditures	1,598,100	1,628,100	-	1,628,100
Capital outlay	-	507,000	-	507,000
Total expenditures	2,703,500	3,240,500	442,370	2,798,130
Net change in fund balance	(1,533,500)	(2,070,500)	956,454	3,026,954
Fund balance – beginning of year	4,058,861	4,100,799	4,690,538	589,739
Fund balance – end of year	$ 2,525,361	$ 2,030,299	$ 5,646,992	$ 3,616,693

See accompanying Notes to Financial Statements.

Collier County, Florida
Clerk of the Circuit Court and Comptroller

Statement of Fiduciary Net Position
Agency Funds

September 30, 2020

Assets	
Cash and cash equivalents	$ 21,037,834
Total assets	$ 21,037,834
Liabilities	
Due to the Collier County,	
Florida Board of County Commissioners	$ 309,027
Due to other governments	1,338,231
Deposits	19,390,576
Total liabilities	$ 21,037,834

See accompanying Notes to Financial Statements.

Collier County, Florida
Clerk of the Circuit Court and Comptroller

Notes to Financial Statements

September 30, 2020

1. Summary of Significant Accounting Policies

Reporting Entity

The Collier County, Florida Clerk of the Circuit Court and Comptroller (Clerk) is an elected constitutional officer as provided for by the Constitution of the State of Florida. The Clerk's Budget is presented pursuant to Chapter 218, *Florida Statutes*. Additionally, a budget is submitted to the Florida Clerks of Court Operations Corporation for the Court Services Fund.

The financial statements presented include the general fund, special revenue funds, and agency funds of the Clerk's office. The accompanying financial statements were prepared for the purpose of complying with Section 218.39(2), *Florida Statutes*, and Chapter 10.550, *Rules of the Auditor General - Local Governmental Entity Audits*, which allows the Clerk to only present fund financial statements. These financial statements present only the portion of the funds of Collier County, Florida that are attributable to the Clerk. They are not intended to present fairly the financial position and results of operations of Collier County, Florida in conformity with accounting principles generally accepted in the United States of America.

The financial activities of the Clerk, as a constitutional officer, are included in the Collier County, Florida Comprehensive Annual Financial Report. There are no separate legal entities (component units) for which the Clerk is considered to be financially accountable.

The general operations of the Clerk are funded by: fees from third parties, transfer in lieu of fees from the Collier County, Florida Board of County Commissioners (Board), appropriations from the State of Florida, and interest income. Pursuant to Chapter 218 *Florida Statutes*, funds remaining in the general fund at fiscal year-end, in excess of amounts expended, are returned to the Board. Excess revenues returned to the Board are reflected as transfers out in the Clerk's general fund. Court-related operations are funded by the collection of fines, fees costs and service charges and a child support grant. Any surplus of revenues after expenditures in this fund is remitted to the State in January of the next year. Special revenue funds are retained by the Clerk and budgeted according to requirements of each source.

Measurement Focus, Basis of Accounting, and Basis of Presentation

These fund financial statements report detailed information about the Clerk. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column.

1. Summary of Significant Accounting Policies (continued)

Governmental Funds

Governmental funds are accounted for using the flow of current financial resources measurement focus. Only current assets and current liabilities, generally, are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The Clerk reports the following major governmental funds:

General Fund – The general fund is used to account for all revenue and expenditures applicable to the general operations of the Clerk, which are not accounted for in another fund. All operating revenue not specifically restricted or designated as to use, is recorded in the general fund.

Court Services Fund – The court services fund is a special revenue fund established to account for court-related filing fees, service charges, fines, court costs, appropriations and expenses of the Clerk as mandated by Section 28.35, *Florida Statutes.*

Other Special Revenue Fund – The other special revenue fund is a special revenue fund used to account for revenues mandated by Section 28.24(12)(d), *Florida Statutes*, to be held in trust by the Clerk and used exclusively for equipment and maintenance of equipment, personnel training, and technical assistance in modernizing the public records system of the office; and revenues mandated by Section 28.24(12)(e) and Section 28.37(5), *Florida Statutes*, to be used exclusively for funding court-related technology needs.

The modified accrual basis of accounting is used by governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become measurable and available to finance liabilities of the current fiscal year). For this purpose, the Clerk considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for certain compensated absences, which are recognized as expenditures to the extent they have matured.

Charges for services, interest income, and other revenues are recognized as they are earned and become measurable and available to pay liabilities of the current period.

With the implementation of Revision 7 to Article V on July 1, 2004, the Clerk's activities are classified as court-related and non-court-related. The Clerk's general fund activity, which is classified as non-court-related, is funded through service charges for recording instruments and documents into the official records, interest income and through transfers in from the Board of County Commissioners.

1. Summary of Significant Accounting Policies (continued)

Governmental Funds (continued)

Florida Statutes provide that the amount by which revenues and transfers exceed annual expenditures for the general fund be remitted to the Board immediately following the fiscal year for which the funding was provided or following the fiscal year during which other revenues were recognized. The amount of this distribution is recorded as a liability and as an other financing use in the accompanying purpose financial statements.

Capital outlays expended in governmental funds are capitalized in the basic financial statements of Collier County, Florida rather than in the governmental funds of the Clerk.

Additionally, the Clerk reports the following fund type:

Fiduciary Funds – Agency Funds – Agency funds are used to account for assets held by the Clerk in a trustee capacity or as an agent for individuals, private organizations, other governments, and other funds. The agency funds are custodial in nature (assets equal liabilities), and do not involve measurement of results of operations or have a measurement focus. Agency funds are accounted for using the full accrual basis of accounting.

Cash Equivalents

Cash equivalents are defined as highly liquid investments with original maturities of three months or less. The Clerk does not currently hold investments.

Compensated Absences

All full-time employees of the Clerk are allowed to accumulate an unlimited number of hours of unused sick leave and up to 240 hours of unused vacation leave (with limited exceptions per the employee manual). Upon termination, employees receive 100% of allowable accumulated vacation hours and a percentage of unused sick leave, depending on years of service. Vacation leave and sick leave are included in governmental funds when the payments are made to employees. The Clerk is not legally required to accumulate financial resources for these un-matured obligations. Accordingly, the liability for compensated absences is not reported in the Clerk's funds, but rather is reported in the basic financial statements of Collier County, Florida.

1. Summary of Significant Accounting Policies (continued)

Prepaid Expenses

The Clerk has elected to follow GASB Codification 1600.127 *Other Expenditure Recognition Alternatives* and expends maintenance costs as they are incurred and does not allocate the cost between periods.

Use of Estimates

The preparation of these financial statements requires management of the Clerk to make a number of estimates and assumptions relating to the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the period. Actual results could differ slightly from those estimates.

Fund Balance Reporting and Governmental Fund-Type Definitions

Fund balances are classified either as non-spendable or as spendable. Spendable fund balances are further classified in a hierarchy based on the extent to which there are external and/or internal constraints in how fund balance amounts may be spent.

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. There were no non-spendable fund balances at the Clerk as of September 30, 2020.

Spendable fund balances are classified based on a hierarchy of the Clerk's ability to control the spending of these fund balances and are reported in the following categories: restricted, committed, assigned and unassigned. The Clerk's fund balances for the special revenue funds fall into the spendable restricted category. Fund balances maintained in the special revenue funds are restricted pursuant to certain Florida Statutes and have been presented as restricted fund balances in the fund financial statements in accordance with GASB Statement No. 54.

1. Summary of Significant Accounting Policies (continued)

Fund Balance Reporting and Governmental Fund-Type Definitions (continued)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Clerk considers restricted funds to have been spent first.

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Clerk considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Clerk has provided otherwise in its commitment or assignment actions.

2. Budgetary Process

Florida Statutes govern the preparation, adoption, and administration of the Clerk's annual budget. The Clerk prepares and approves the budget for the Clerk's non-court functions, including special revenue fund and the budget related to the recording function based on anticipated fees. The budget of the Clerk for services to the Board is submitted to the Board.

Pursuant to Section 28.36*, Florida Statutes*, a balanced court-related budget must be prepared on or before June 1 (for the period starting the next October 1 through September 30) and submitted to the Florida Clerks of Court Operations Corporation (Corporation).

If the Clerk estimates that projected revenues are insufficient to meet anticipated expenditures, the Clerk must report the revenue deficit to the Corporation. Once the Corporation verifies the revenue deficit, the Clerk can increase fees up to the maximum amounts specified by law to resolve the deficit. If a deficit is still projected, a request can be submitted to release funds from the Department of Revenue Clerks of the Court Trust Fund. For the year ending September 30, 2020, the Clerk had sufficient revenues to meet expenditures.

2. Budgetary Process (continued)

The budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America, except for the classification and presentation of the distribution of excess court revenue to the State for the court services fund, which is treated as other financing use (transfer out) for budgetary purposes and as an expenditure in the statement of revenues, expenditures, and changes in fund balance in the court services fund. The annual budget serves as the legal authorization for expenditures. Any subsequent amendments to the Board approved transfer must be approved by the Board; amendments to the Clerk's fee budget are at the discretion of the Clerk, and any amendments that increase or decrease the court budget must be approved by the Corporation for the court services fund. Budgetary changes within the court services fund not affecting the overall budget are made at the discretion of the Clerk.

Expenditures may not legally exceed appropriations at the fund level. Appropriations lapse at year-end. Budgetary control is maintained at the departmental major object expenditure level. Budgetary changes within major object expenditure categories are made at the discretion of the Clerk.

The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized changes applicable to the fiscal year.

3. Cash and Cash Equivalents

At September 30, 2020, the carrying value of the Clerk's cash and cash equivalents was as follows:

Type	Maturity	Carrying Value	Credit Rating
Cash on hand	N/A	$ 9,100	N/A
Demand deposits	N/A	29,528,080	N/A
Total cash and cash equivalents		$ 29,537,180	

The Clerk maintains a cash pool for the deposits of all governmental and agency funds. Each fund type's portion of these balances is presented as cash and cash equivalents in the accompanying financial statements. Interest income is allocated to each fund based on its proportionate balance in the pool.

3. Cash and Cash Equivalents (continued)

Cash and cash equivalents as of September 30, 2020 are reported as $8,499,346 and $21,037,834 in the governmental funds and fiduciary funds, respectively.

Custodial Credit Risk

At September 30, 2020, the Clerk's deposits were entirely covered by Federal Depository Insurance or by collateral pledged with the State Treasurer pursuant to Chapter 280, *Florida Statutes.* Under this Chapter, in the event of default by a participating financial institution (a qualified public depository), all participating institutions are obligated to reimburse the governmental entity for the loss.

Credit Risk

The Clerk's policy is to follow the guidance in Section 219.075, *Florida Statutes,* regarding the deposit of funds received and the investment of surplus funds. Sections 219.075 and 218.415, *Florida Statutes*, authorize the Clerk to invest in Florida PRIME or any intergovernmental investment pool authorized pursuant to the Florida Inter-local Cooperation Act; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; direct obligations of the United States Treasury, federal agencies and instrumentalities, or interest-bearing time deposits or savings accounts in banks organized under the laws of the United States and doing business and situated in the State of Florida, savings and loan associations which are under state supervision, or in federal savings and loan associations located in the State of Florida and organized under federal law and federal supervision, provided that any such deposits are secured by collateral as may be prescribed by law. Additionally, *Florida Statutes* allow local governments to place public funds with institutions that participate in a collateral pool under the Florida Security for Public Deposits Act. The pool is administered by the State Treasurer, who may make additional assessments to ensure that no public funds will be lost.

Interest Rate Risk

Investment of Clerk's funds is based on maintaining 24 hour liquidity. All Clerks funds are held in local banks or short term investment instruments.

4. Interest Income and Investment of County Funds

Pursuant to *Florida Statutes*, Section 28.33, the Clerk invests all County funds in excess of those required to meet expenses. Interest income is allocated to each fund based on its proportionate balance in the pool. Interest income of $61,974 is reported in the general fund for the year ended September 30, 2020, as the portion of interest earned on Clerk funds.

5. Capital Assets

Capital assets used by the governmental fund type operations are capitalized in the basic financial statements of Collier County, Florida rather than in the governmental funds of the Clerk. Upon acquisition, such assets are recorded as expenditures in the governmental funds of the Clerk and are capitalized at cost in the basic financial statements of Collier County, Florida. Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at acquisition value on the date received.

The Clerk maintains custodial responsibility for capital assets used by the office. No depreciation expense has been provided on capital assets in these financial statements. However, depreciation expense on these assets is recorded in the basic financial statements of Collier County, Florida.

The following is a summary of changes in capital assets, which are reported in the basic financial statements of Collier County, Florida:

	October 1, 2019	Additions	Deductions	Transfer-out	September 30, 2020
Capital assets depreciated:					
Machinery and equipment	$ 6,523,860	$ 599,099	$ (201,442)	$ (4,074)	$ 6,917,443
Less accumulated depreciation	(5,590,393)	(488,027)	201,442	4,074	(5,872,904)
Total capital assets depreciated	933,467	111,072	-	-	1,044,539
Total capital assets, net	$ 933,467	$ 111,072	$ -	$ -	$ 1,044,539

6. Long-Term Liabilities

The following is a summary of changes in long-term liabilities which are reported in the basic financial statements of Collier County, Florida:

	October 1, 2019	Additions	Deletions	September 30, 2020
Accrued compensated absences	$ 1,931,145	$ 965,441	$ (807,355)	$ 2,089,231

Of these liabilities, $841,800 is expected to be paid during the fiscal year ending September 30, 2021. These long-term liabilities are not reported in the financial statements of the Clerk since they have not matured.

The Clerk leases assets for various terms under certain agreements that meet the definition of a lease under GASB Statement No. 87 – *Leases*. Detailed information about the Clerk's leases can be found in the Collier County comprehensive annual financial report or County-wide financial statements.

Leases entered into by the Clerk 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.

During the year ended September 30, 2020, the Clerk entered into leases in the amount of $32,946. During the year ended September 30, 2020, the Clerk's payments of principal on leases totaled $28,150.

7. Pension Plans

Background

The Florida Retirement System (FRS) was created by Chapter 121, *Florida Statutes*, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, *Florida Statutes*, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance.

7. Pension Plans (continued)

Background (continued)

Essentially all regular employees of the Clerk are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, *Florida Statutes*; Chapter 112, Part IV, *Florida Statutes*; Chapter 238, *Florida Statutes*; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Web site (www.dms.myflorida.com).

Florida Retirement System Pension Plan

Plan Description

The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers Class* – Members who hold specified elective offices in local government.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.
- *Special Risk Class* – Members who are special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the FRS Plan may include up to 4 years of credit for military service toward

7. Pension Plans (continued)

Plan Description (continued)

creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, *Florida Statutes*, permits employees eligible for normal retirement under the FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided

Benefits under the FRS Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

As provided in Section 121.101, *Florida Statutes*, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Detailed information about the County's proportionate share of FRS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

7. Pension Plans (continued)

Retiree Health Insurance Subsidy Program

Plan Description

The Retiree Health Insurance Subsidy Program (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 Florida Department of Management Services, Division of Retirement.

Benefits Provided

For the fiscal year ended June 30, 2020, 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.

Detailed information about the County's proportionate share of HIS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

FRS Investment Plan

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Clerk employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance

7. Pension Plans (continued)

FRS Investment Plan (continued)

Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members.

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2020, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Clerk.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

Contributions

Participating employer contributions are based upon statewide rates established by the State of Florida. The Clerk's contributions made to the plans during the years ended September 30, 2020, 2019, and 2018 were $1,138,484, $1,009,015, and $877,162, respectively, equal to the actuarially determined contribution requirements for each year.

Additional information about pension plans can be found in the Collier County comprehensive annual financial report or County-wide financial statements.

8. Related Party Transactions

The Board provided funding for the Clerk in the amount of $7,880,100. The Supervisor of Elections provided funding in the amount of a $47,000 fee for financial services performed by the Clerk. At September 30, 2020, the Clerk had a payable due to the Board of $533,546, comprised as follows:

Distribution of excess fees	$ 224,519
Agency funds due	309,027
Total due to Board of County Commissioners	$ 533,546

9. Risk Management

Collier County, Florida (County) is exposed to various risks of loss, including, but not limited to, general liability, health and life, property and casualty, auto and physical damage, and workers' compensation. The County is substantially self-insured and accounts for and finances its risk of uninsured losses through an internal service fund. All liabilities associated with these self-insured risks are reported in the basic financial statements of the County. During the year ended September 30, 2020, the Clerk was charged $2,442,415 by the County for participation in the risk management program.

The County retains the first $500,000 per claim for workers' compensation and has purchased outside excess coverage for up to the statutory limits for each injury and illness. The County also provides coverage for $250,000 per occurrence for general liability and $300,000 per occurrence for auto liability coverage and has purchased outside excess coverage for up to $5 million per claim. Negligence claims in excess of the statutory limits set in Section 768.28, *Florida Statutes*, which provide for limited sovereign immunity of $200,000/$300,000 per occurrence can only be recovered through an act of the State Legislature. Property claims are subject to a 3% wind deductible and a $50,000 deductible for all other perils. The County retains the first $100,000 per claim/$200,000 per occurrence for public official errors and omissions and crime coverage and has purchased outside excess coverage for up to $5 million per claim. There have been no significant reductions in insurance coverage in the last year. Settled claims have not exceeded the insurance provided by third-party carriers in any of the last three years.

The County is self-insured for health claims covering all of its employees and their eligible dependents. The County retains the first $450,000 per covered member and has purchased outside excess coverage for all claims exceeding this amount. An actuarial valuation is performed each year to estimate the amounts needed to pay prior and future claims and to establish reserves.

10. Other Postemployment Healthcare Benefits (OPEB) Plan

In accordance with Section 112.0801, *Florida Statutes*, the Clerk participates with Collier County in offering retiring employees the opportunity to continue participation in the County's health insurance plan. The participating retirees pay 100% of the premium cost applicable to an active employee. The liability and expense for other postemployment benefits, calculated in accordance with Governmental Accounting Standards Board Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, are reported in the financial statements of the County.

11. Claims and Contingencies

Litigation

The Clerk is routinely involved as defendant, plaintiff and as a "party in interest" in carrying out its statutorily and constitutionally assigned tasks. During the year ended September 30, 2020, the Clerk was involved in approximately 118,578 collection cases. These are court actions designed to collect fees and costs imposed by the courts in criminal cases. The Clerk was involved in 95 bond forfeiture actions. Those cases involve collecting forfeitures of criminal appearance bonds. There are 15 active actions for foreclosure of property in which the Clerk has been a named defendant.

In the opinion of the Clerk and legal counsel, the range of potential recoveries or liabilities from matters involving litigation will not materially affect the financial position of the Clerk. The Clerk's Office carries insurance to protect against loss.

Collier County, Florida
Clerk of the Circuit Court and Comptroller

Combining Statements of Fiduciary Net Position
All Agency Funds

September 30, 2020

	Clerk's Agency	Court Registry	Jury and Ordinary Witness	Total
Assets				
Cash and cash equivalents	$ 6,855,717	$ 14,154,729	$ 27,388	$ 21,037,834
Total assets	$ 6,855,717	$ 14,154,729	$ 27,388	$ 21,037,834
Liabilities				
Due to Collier County, Florida Board of County Commissioners	$ 309,027	$ -	$ -	$ 309,027
Due to other governments	1,310,843	-	27,388	1,338,231
Deposits	5,235,847	14,154,729	-	19,390,576
Total liabilities	$ 6,855,717	$ 14,154,729	$ 27,388	$ 21,037,834

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 Crystal K. Kinzel
Clerk of the Circuit Court and Comptroller
Collier 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 of each major fund and the aggregate remaining fund information of the Collier County, Florida Clerk of the Circuit Court and Comptroller (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 basic financial statements, and have issued our report thereon dated January 5, 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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 determination of financial statement amounts. 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Naples, Florida
January 5, 2021

MANAGEMENT LETTER

Honorable Crystal K. Kinzel
Clerk of the Circuit Court and Comptroller
Collier County, Florida

Report on the Financial Statements

We have audited the financial statements of the Collier County, Florida Clerk of the Circuit Court and Comptroller (Clerk), as of and for the fiscal year ended September 30, 2020 and have issued our report thereon dated January 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 Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on 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 January 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. There were no findings or recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. See Note 1 in the notes to the financial statements.

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, Federal and other granting agencies, the Clerk and applicable management, and is not intended to be, and should not be used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Naples, Florida
January 5, 2021

INDEPENDENT ACCOUNTANTS' REPORT

Honorable Crystal K. Kinzel
Clerk of the Circuit Court and Comptroller
Collier County, Florida

We have examined the Collier County, Florida Clerk of the Circuit Court and Comptroller's (Clerk) compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds; Section 61.181, *Florida Statutes*, regarding clerks of the courts alimony and child support payments; and Sections 28.35 and 28.36, *Florida Statutes*, regarding clerks of the courts performance standards and budgets, during the year ended September 30, 2020. Management of the Clerk is responsible for the Clerk's compliance with the specified requirements. Our responsibility is to express an opinion on the Clerk's compliance with the specified requirements 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 referenced above. 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 judgement, 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 Section 218.415, *Florida Statutes*, regarding the investment of public funds; Section 61.181, *Florida Statutes*, regarding clerks of the courts alimony and child support payments; and Sections 28.35 and 28.36, *Florida Statutes*, regarding clerks of the courts performance standards and budgets during the year ended September 30, 2020.

This report is intended solely for the information and use of the Clerk and the Auditor General, State of Florida and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Naples, Florida
January 5, 2021

Collier County, Florida
Property Appraiser

Financial Statements and Supplemental Reports

Year Ended September 30, 2020



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WEALTH ADVISORY

OUTSOURCING

AUDIT, TAX, AND CONSULTING

Collier County, Florida
Property Appraiser

Financial Statements and Other Reports

Year Ended September 30, 2020

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INDEPENDENT AUDITORS' REPORT

Honorable Abe Skinner
Property Appraiser
Collier County, Florida

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 and budgetary comparison of its general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the general fund, only for that portion of the major funds of Collier County, Florida that is attributable to the Property Appraiser. They do not purport to, and do not, present fairly the financial position of Collier 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

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 6, 2021 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, 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 result of that testing, and not to provide an opinion on the effectiveness of the Property Appraiser'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 Property Appraiser's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Naples, Florida
February 6, 2021

Collier County, Florida
Property Appraiser

Balance Sheet – General Fund

September 30, 2020

Assets	
Cash and cash equivalents	$ 1,873,868
Total assets	$ 1,873,868
Liabilities and fund balance	
Liabilities:	
Accounts payable and accrued expenses	$ 130,553
Due to Collier County, Florida Board of County Commissioners	586,532
Due to other taxing districts	1,156,783
Total liabilities	1,873,868
Fund balance	-
Total liabilities and fund balance	$ 1,873,868

See accompanying Notes to Financial Statements.

Collier County, Florida
Property Appraiser

Statement of Revenues, Expenditures, and Changes in Fund Balance
General Fund

Year Ended September 30, 2020

Revenues:	
Commissions and fees	$ 9,597,644
Miscellaneous	7,404
Total revenues	9,605,048
Expenditures:	
General government:	
Personal services	6,214,810
Operating	1,508,917
Capital outlay	31,576
Debt service - principal	55,849
Debt service - interest	11,576
Total expenditures	7,822,728
Excess of revenues over expenditures	1,782,320
Other financing uses:	
Distribution of excess fees and commissions to Collier County, Florida Board of County Commissioners	(586,532)
Distribution of excess fees and commissions to other governmental agencies	(1,195,788)
Total other financing uses	(1,782,320)
Net change in fund balance	-
Fund balance, beginning of year	-
Fund balance, end of year	$ -

See accompanying Notes to Financial Statements.

Collier County, Florida
Property Appraiser

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP) and Actual
General Fund

Year Ended September 30, 2020

	Budget			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Commissions and fees	$ 8,423,695	$ 8,423,695	$ 8,423,735	$ 40
Interest revenue	-	-	-	-
Miscellaneous	-	-	7,404	7,404
Total revenues	8,423,695	8,423,695	8,431,139	7,444
Expenditures:				
General government:				
Personal services	6,595,833	6,595,833	6,214,810	381,023
Operating	1,792,862	1,792,862	1,490,974	301,888
Capital outlay	35,000	35,000	-	35,000
Debt service - principal	-	-	55,849	(55,849)
Debt service - interest	-	-	11,576	(11,576)
Total expenditures	8,423,695	8,423,695	7,773,209	650,486
Excess of revenues over expenditures	-	-	657,930	657,930
Other financing uses:				
Distribution of excess fees to Collier County, Florida Board of County Commissioners	-	-	(586,532)	(586,532)
Distribution of excess commissions and fees to other governmental agencies	-	-	(71,398)	(71,398)
Total other financing uses	-	-	(657,930)	(657,930)
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ -	$ -	$ -	$ -

See accompanying Notes to Financial Statements.

Collier County, Florida
Property Appraiser

Notes to Financial Statements

September 30, 2020

1. Summary of Significant Accounting Policies

The following is a summary of significant accounting principles and policies used in the preparation of the financial statements of the Collier County, Florida Property Appraiser (Property Appraiser).

Reporting Entity

The Property Appraiser is an elected official of the County, pursuant to the Constitution of the State of Florida, Article VIII, Section 1(d). The Property Appraiser is part of the primary government of the County. Although the Board and the Florida Department of Revenue approve the Property Appraiser's total operating budget, the Property Appraiser is responsible for the administration and the operation of the Property Appraiser's office. The Property Appraiser's financial statements include only the funds of the Property Appraiser's office. There are no separate legal entities (component units) for which the Property Appraiser is considered to be financially accountable.

The financial activities of the Property Appraiser, as a constitutional officer, are included in the Collier County, Florida Comprehensive Annual Financial Report.

Measurement Focus, Basis of Accounting, and Basis of Presentation

These financial statements have been prepared for the purpose of complying with Section 218.39(2), *Florida Statutes*, and Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*, which allows the Property Appraiser to only present fund financial statements. These financial statements present only the portion of the funds of Collier County, Florida that are attributable to the Property Appraiser. They are not intended to present fairly the financial position and results of operations of Collier County, Florida in conformity with accounting principles generally accepted in the United States of America. The financial activities of the Property Appraiser, as a constitutional officer, are included in the Collier County, Florida Comprehensive Annual Financial Report.

These fund financial statements report detailed information about the Property Appraiser. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column.

1. Summary of Significant Accounting Policies (continued)

Governmental Funds

Governmental funds are accounted for using the flow of current financial resources measurement focus. Only current assets and current liabilities, generally, are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. The Property Appraiser's only governmental fund is the general fund. The general fund is used to account for the general operations of the Property Appraiser.

The modified accrual basis of accounting is used by governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become measurable and available to finance liabilities of the current fiscal year). For this purpose, the Property Appraiser considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for certain compensated absences, which are recognized as expenditures to the extent they have matured.

Interest revenue and miscellaneous revenue are recognized as they are earned and become measurable and available to pay liabilities of the current period.

Substantially all of the Property Appraiser's revenue is received from taxing authorities. These monies are virtually unrestricted and are revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenue at the time of receipt, earlier if the "susceptible to accrual" criteria are met.

Florida Statutes provide that the amount by which revenues exceed annual expenditures be remitted to each governmental agency or the Board immediately following the fiscal year for which the funding was provided or following the fiscal year during which other revenue was recognized.

Capital outlays expended in the general fund operations are capitalized in the basic financial statements of Collier County, Florida rather than in the governmental fund of the Property Appraiser.

1. Summary of Significant Accounting Policies (continued)

Refund of "Excess Fees"

Florida Statutes further provide that the excess of revenues over expenditures held by the Property Appraiser be distributed to each governmental agency or the Board in the same proportion as the fees paid by each governmental agency bear to total fee revenues. The amount of this distribution is recorded as a liability and as an other financing use-transfer out in the accompanying financial statements.

Cash and Cash Equivalents

Cash and cash equivalents are highly liquid investments with original maturities of three months or less.

Compensated Absences

All full-time employees of the Property Appraiser are allowed to accumulate an unlimited number of hours of unused sick leave and up to 200 hours of unused vacation leave. Upon termination, employees receive 100% of allowable accumulated vacation hours and a percentage of unused sick leave, depending on years of service, not to exceed 1,040 hours. Vacation and sick leave payments are included in operating costs of the general fund when the payments are made to the employees. The Property Appraiser does not, nor is legally required to, accumulate financial resources for these unmatured obligations. Accordingly, the liability for compensated absences is not reported in the general fund of the Property Appraiser, but rather is reported in the basic financial statements of Collier County, Florida.

Prepaid Expenses

The Property Appraiser has elected to follow GASB Codification 1600.127 *Other Expenditure Recognition Alternatives* and expends maintenance costs as they are incurred and does not allocate the cost between periods.

1. Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of the financial statements requires management of the Property Appraiser to make a number of estimates and assumptions relating to the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the period. Actual results could differ from those estimates.

2. Budgetary Process

Florida Statutes govern the preparation, adoption, and administration of the Property Appraiser's annual budget. The Property Appraiser prepares a budget for the general fund and submits it to the Florida Department of Revenue for approval. A copy of the approved budget is provided to the Board. Any subsequent amendments to the Property Appraiser's total budget must be approved by the Florida Department of Revenue. The annual budget serves as the legal authorization for expenditures. Expenditures may not legally exceed appropriations at the fund level. Appropriations lapse at year-end. Budget control is maintained at the departmental major object expenditure level. Budgetary changes within major object expenditure categories are made at the discretion of the Property Appraiser.

The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized changes applicable to the fiscal year, whenever legally authorized.

The Property Appraiser's budget is prepared under a budgetary basis of accounting that differs from generally accepted accounting principles (GAAP). Certain revenues received from non-ad valorem commissions, expenditures of such revenue, and other financing uses related to non-ad valorem revenue are not recognized under the budgetary basis of accounting; however, these items have been recognized under GAAP.

2. Budgetary Process (continued)

A reconciliation of revenues, expenditures, and other financing uses on a budgetary basis to a GAAP is as follows:

Total revenues - budgetary basis	$ 8,431,139
Revenues not budgeted:	
Non-ad valorem commissions are not budgeted	1,173,909
Non-ad valorem interest is not budgeted	-
Total revenues - GAAP basis	$ 9,605,048
Total expenditures - budgetary basis	$ 7,773,209
Expenditures not budgeted:	
Non-ad valorem related expenditures are not budgeted	49,519
Total expenditures - GAAP basis	$ 7,822,728
Total other financing uses - budgetary basis	$ (657,930)
Other financing uses not budgeted:	
Distribution of non-ad valorem excess fees are not budgeted	(1,124,390)
Total other financing uses - GAAP basis	$ (1,782,320)

3. Cash

At September 30, 2020, the carrying value of the Property Appraiser's cash was as follows:

Type	Carrying Value
Cash on hand	$ 125
Demand deposits	1,873,743
Total cash	$ 1,873,868

3. Cash (continued)

Custodial Credit Risk

At September 30, 2020, the Property Appraiser's deposits were entirely covered by Federal Depository Insurance or by collateral pledged with the State Treasurer pursuant to Chapter 280, *Florida Statutes*. Under this Chapter, in the event of default by a participating financial institution (a qualified public depository), all participating institutions are obligated to reimburse the governmental entity for the loss.

Credit Risk

The Property Appraiser's policy is to follow the guidance in Section 219.075, *Florida Statutes*, regarding the deposit of funds received and the investment of surplus funds. Sections 219.075 and 218.415, *Florida Statutes*, authorize the Property Appraiser to invest in Florida PRIME (formerly the Local Government Surplus Funds Trust Fund) or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; direct obligations of the United States Treasury; federal agencies and instrumentalities or interest-bearing time deposits or savings accounts in banks organized under the laws of the United States and doing business and situated in the State of Florida, savings and loan associations which are under state supervision; or in federal savings and loan associations located in the State of Florida and organized under federal law and federal supervision, provided that any such deposits are secured by collateral as may be prescribed by law.

Interest Rate Risk

The Property Appraiser has no specific investment policy regarding interest rate risk.

4. Capital Assets

Capital assets used by the Property Appraiser are capitalized in the basic financial statements of Collier County, Florida rather than in the governmental funds of the Property Appraiser. Upon acquisition, such assets are recorded as expenditures in the general fund of the Property Appraiser, and are capitalized at cost in the basic financial statements of Collier County, Florida. Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at acquisition value on the date received. The Property Appraiser maintains custodial responsibility for the capital assets used by the office. No depreciation expense has been provided on capital assets in these financial statements. However, depreciation expense on these assets is recorded in the basic financial statements of Collier County, Florida.

The following is a summary of changes in capital assets for the year ended September 30, 2020:

	October 1, 2019	Additions	Deductions	September 30, 2020
Improvements other than buildings	$ 15,332	$ -	$ -	$ 15,332
Machinery and equipment	1,555,338	31,576	-	1,586,914
Total capital assets	1,570,670	31,576	-	1,602,246
Less: accumulated depreciation	(1,354,151)	(88,869)	-	(1,443,020)
Total capital assets, net	$ 216,519	$ (57,293)	$ -	$ 159,226

5. Long-Term Liabilities

The following is a summary of changes in long-term liabilities, which are reported in the basic financial statements of Collier County, Florida:

	October 1, 2019	Increase	Decrease	September 30, 2020
Accrued compensated absences	$ 356,098	$ 518,462	$ (296,877)	$ 577,683

5. Long-Term Liabilities (continued)

Of these liabilities, approximately $150,000 is expected to be paid during the fiscal year ending September 30, 2020, which will be included in the operating costs of the general fund when expended. These long-term liabilities are not reported in the financial statements of the Property Appraiser since they have not matured.

6. Pension Plans

Background

The Florida Retirement System (FRS) was created by Chapter 121, *Florida Statutes*, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, *Florida Statutes*, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the Property Appraiser are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, *Florida Statutes*; Chapter 112, Part IV, *Florida Statutes*; Chapter 238, *Florida Statutes*; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Web site (www.dms.myflorida.com).

6. Pension Plans (continued)

Florida Retirement System Pension Plan

Plan Description

The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers Class* – Members who hold specified elective offices in local government.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.
- *Special Risk Class* – Members who are special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62, or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the FRS Plan may include up to 4 years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

6. Pension Plans (continued)

DROP, subject to provisions of Section 121.091, *Florida Statutes*, permits employees eligible for normal retirement under the FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided

Benefits under the FRS Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

As provided in Section 121.101, *Florida Statutes*, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Detailed information about the County's proportionate share of FRS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

6. Pension Plans (continued)

Retiree Health Insurance Subsidy Program

Plan Description

The Retiree Health Insurance Subsidy Program (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 Florida Department of Management Services, Division of Retirement.

Benefits Provided

For the fiscal year ended June 30, 2020, 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.

Detailed information about the County's proportionate share of HIS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

FRS Investment Plan

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, *Florida Statutes*, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Property Appraiser employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds.

6. Pension Plans (continued)

Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members.

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2020, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Property Appraiser.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

6. Pension Plans (continued)

Contributions

The contribution requirements of the Property Appraiser are established and may be amended by the State of Florida. The Property Appraiser's employer contributions to the plan for the years ended September 30, 2020, 2019, and 2018, were $573,446, $512,315, and $472,875, respectively, equal to the required contributions for each year.

Additional information about pension plans can be found in the County's comprehensive annual financial report or County-wide financial statements.

7. Other Postemployment Benefits

In accordance with Section 112.0801, *Florida Statutes*, the Property Appraiser participates with Collier County in offering retiring employees the opportunity to continue participation in the County's health insurance plan. The participating retirees pay 100% of the premium cost applicable to an active employee. The liability and expense for other postemployment benefits, calculated in accordance with Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, are reported in the financial statements of the County.

8. Related Party Transactions

During the fiscal year ended September 30, 2020, the Board paid fees to the Property Appraiser that amounted to $7,503,412. At September 30, 2020, the Property Appraiser had a payable due to the Board as follows:

Distribution of excess commissions and fees	$ 586,532

9. Risk Management

Collier County, Florida (County) is exposed to various risks of loss including but not limited to, general liability, health and life, property and casualty, auto and physical damage, and workers' compensation. The County is substantially self-insured and accounts for and finances its risk of uninsured losses through an internal service fund. All liabilities associated with these self-insured risks are reported in the basic financial statements of the County. The Property Appraiser participates in the County's self-insurance program. During the year ended September 30, 2020, the Property Appraiser was charged $1,160,524 by the County for participation in the risk management program.

The County retains the first $500,000 per claim for workers' compensation, and has purchased outside excess coverage for up to the statutory limits for each injury or illness. The County also provides coverage for up to $250,000 per occurrence for general liability and $300,000 per occurrence for auto liability coverage and has purchased outside excess coverage for up to $5 million per claim. Negligence claims in excess of the statutory limits set in Section 768.20, *Florida Statutes*, which provide for limited sovereign immunity of $200,000/$300,000 per occurrence can only be recovered through an act of the State Legislature. Property claims are subject to a 3% wind deductible and a $50,000 deductible for all other perils. The County retains the first $100,000 per claim/$200,000 per occurrence for public official errors and omissions and crime coverage and has purchased outside excess coverage for up to $5 million per claim. There have been no significant reductions in insurance coverage in the last year. Settled claims have not exceeded the insurance provided by third-party carriers in any of the last three years.

The County is self-insured for health claims covering all of its employees and their eligible dependents. The County retains the first $450,000 per covered member and has purchased outside excess coverage for all claims exceeding this amount. An actuarial valuation is performed each year to estimate the amounts needed to pay prior and future claims and to establish reserves.

10. Commitments and Contingencies

Litigation

The Property Appraiser is involved as a defendant or plaintiff in certain litigation and claims arising from the ordinary course of operations. In the opinion of the Property Appraiser and legal counsel, the range of potential recoveries or liabilities will not materially affect the financial position of the Property Appraiser.

10. Commitments and Contingencies (continued)

Leases

The Property Appraiser leases assets for various terms under certain agreements that meet the definition of a lease under GASB Statement No. 87 – *Leases*. Detailed information about the Property Appraiser's leases can be found in the Collier County comprehensive annual financial report or County-wide financial statements.

Leases entered into by the Property Appraiser 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.

During the year ended September 30, 2020, the Property Appraiser did not enter into any new leases. During the year ended September 30, 2020, the Property Appraiser's payments of principal on leases totaled $55,849.

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 Abe Skinner
Property Appraiser
Collier 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 of the general fund of the Collier County, Florida Property Appraiser (Property Appraiser), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Property Appraiser's financial statements, and have issued our report thereon dated February 6, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Property Appraiser's internal control over financial reporting (internal control) to determine 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 determination of financial statement amounts. 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 result 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 communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Naples, Florida
February 6, 2021

MANAGEMENT LETTER

Honorable Abe Skinner
Property Appraiser
Collier County, Florida

Report on the Financial Statements

We have audited the financial statements of the Collier County, Florida Property Appraiser (Property Appraiser) as of and for the year ended September 30, 2020, and have issued our report thereon dated February 6, 2021.

Auditors' Responsibility

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 and Chapter 10.550, Rules of the Florida Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on 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 6, 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. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. See Note 1 in the notes to financial statements.

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, Federal and other granting agencies, and the Property Appraiser and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Naples, Florida
February 6, 2021

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INDEPENDENT ACCOUNTANTS' REPORT

Honorable Abe Skinner
Property Appraiser
Collier County, Florida

We have examined the Collier County Property Appraiser, Collier County, Florida's (Property Appraiser) compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2020. Management of the Property Appraiser is responsible for the Property Appraiser's compliance with the specified requirements. Our responsibility is to express an opinion on the Property Appraiser's compliance with the specified requirements 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 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 Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2020.

This report is intended solely for the information and use of the Property Appraiser and the Auditor General, State of Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Naples, Florida
February 6, 2021

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Collier County, Florida
Sheriff

Financial Statements and Supplemental Reports

Year Ended September 30, 2020



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WEALTH ADVISORY

OUTSOURCING

AUDIT, TAX, AND CONSULTING

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INDEPENDENT AUDITORS' REPORT

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 each major fund and the aggregate remaining fund information for the Sheriff as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows and budgetary comparison thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Collier County that is attributable to the Sheriff. They do not purport to, and do not, present fairly the financial position of Collier 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 Schedule of Changes in Total OPEB Liability and Related Ratios, 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.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's financial statements. The combining statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2021 on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Naples, Florida
March 4, 2021

Collier County, Florida
Sheriff

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

Year Ended September 30, 2020

	General	Grant Special Revenue Fund	Prisoner Welfare	Federal Equitable Sharing	Other Non-Major Special Revenue Funds	Total
Assets						
Cash and cash equivalents	$ 9,614,232	$ 1,198,550	$ 2,518,473	$ –	$ –	$ 13,331,255
Accounts receivable	132,883	–	–	–	–	$ 132,883
Other receivable	14,068	–	–	–	–	$ 14,068
Due from other funds	1,164,931	–	54,647	–	–	$ 1,219,578
Due from other governments	11,944	556,119	–	–	–	$ 568,063
Due from Collier County, Florida Board of County Commissioners	–	223,388	–	–	1,172,603	$ 1,395,991
Total assets	$ 10,938,058	$ 1,978,057	$ 2,573,120	$ –	$ 1,172,603	$ 16,661,838
Liabilities and fund balances						
Liabilities:						
Accounts payable	$ 1,846,470	$ 2,500	$ 6,224	$ –	$ 66,048	$ 1,921,242
Accrued expenses	7,879,244	3,649	128	–	4,310	$ 7,887,331
Due to other funds	500,000	–	52,224	–	1,102,245	$ 1,654,469
Due to Collier County, Florida Board of County Commissioners	709,461	–	–	–	–	$ 709,461
Due to other governments	424	–	–	–	–	$ 424
Unearned revenue	2,459	62,053	–	–	–	$ 64,512
Total liabilities	10,938,058	68,202	58,576	-	1,172,603	12,237,439
Fund balances:						
Restricted	–	1,909,855	2,514,544	–	–	4,424,399
Total liabilities and fund balances	$ 10,938,058	$ 1,978,057	$ 2,573,120	$ –	$ 1,172,603	$ 16,661,838

See accompanying Notes to Financial Statements.

Collier County, Florida
Sheriff

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
Year Ended September 30, 2020

	General	Grant Special Revenue Fund	Prisoner Welfare	Federal Equitable Sharing	Other Non-Major Special Revenue Funds	Total
Revenues:						
Grant revenue	$ –	$ 2,409,465	$ –	$ –	$ –	$ 2,409,465
Charges for services	1,355,444	–	574,211	–	–	$ 1,929,655
Other revenue	–	–	–	56,532	–	$ 56,532
Total revenues	1,355,444	2,409,465	574,211	56,532	–	4,395,652
Expenditures:						
General government:						
Personal services	4,683,585	–	–	–	–	4,683,585
Operating expenditures	84,496	–	–	–	–	84,496
Capital outlay	2,025	–	–	–	–	2,025
Public safety:						
Personal services	147,953,257	539,805	280,340	–	581,754	149,355,156
Operating expenditures	31,286,279	581,987	116,111	–	1,382,003	33,366,380
Capital outlay	14,466,333	659,812	–	–	877,853	16,003,998
Debt service - principal	170,791	3,288	–	–	–	174,079
Debt service - interest	6,122	11	–	–	–	6,133
Total expenditures	198,652,888	1,784,903	396,451	–	2,841,610	203,675,852
Excess (deficiency) of revenues over (under) expenditures	(197,297,444)	624,562	177,760	56,532	(2,841,610)	(199,280,200)
Other financing sources (uses):						
Proceeds from capital leases	179,262	101,370	–	–	–	280,632
Transfers in:						
Collier County, Florida Board of County Commissioners appropriations	197,691,900	–	–	–	–	197,691,900
Collier County, Florida Board of County Commissioners	127,509	–	–	–	2,841,610	2,969,119
Transfers out:						
Transfer out to Collier County, Florida Board of County Commissioners	–	–	–	(690,602)	–	(690,602)
Distribution of excess appropriations to Collier County, Florida Board of County Commissioners	(701,227)	–	–		–	(701,227)
Total other financing sources (uses)	197,297,444	101,370	–	(690,602)	2,841,610	199,549,822
Net change in fund balances	–	725,932	177,760	(634,070)	–	269,622
Fund balances – beginning of year	–	1,183,923	2,336,784	634,070	–	4,154,777
Fund balances – end of year	$ –	$ 1,909,855	$ 2,514,544	$ –	$ –	$ 4,424,399

See accompanying Notes to Financial Statements.

Collier County, Florida
Sheriff

Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP) and Actual
General Fund

Year Ended September 30, 2020

	Budget			Variance With Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Charges for services	–	$ 1,060,400	$ 1,355,444	$ 295,044
Total revenues	–	1,060,400	1,355,444	295,044
Expenditures:				
General government:				
Personal services	4,309,900	4,309,900	4,683,585	(373,685)
Operating expenditures	173,400	173,400	84,496	88,904
Capital outlay	–	–	2,025	(2,025)
Public safety:				–
Personal services	156,146,900	157,144,000	147,953,257	9,190,743
Operating expenditures	30,356,800	30,420,100	31,286,279	(866,179)
Capital outlay	6,704,900	6,704,900	14,466,333	(7,761,433)
Debt service - principal	–	–	170,791	(170,791)
Debt service - interest	–	–	6,122	(6,122)
Total expenditures	197,691,900	198,752,300	198,652,888	99,412
Excess of expenditures over revenues	(197,691,900)	(197,691,900)	(197,297,444)	394,456
Other financing sources:				
Transfers in:				
Proceeds from Capital Leases	–	–	179,262	179,262
Collier County, Florida Board of County Commissioners appropriations	197,691,900	197,691,900	197,691,900	–
Transfers out:				
Distribution of excess appropriations to Collier County, Florida Board of County Commissioners	–	–	(701,227)	(701,227)
Total other financing sources	197,691,900	197,691,900	197,169,935	(521,965)
Net change in fund balance	–	–	–	–
Fund balance – beginning of year	–	–	–	–
Fund balance – end of year	$ –	$ –	$ –	$ –

Total expenditures - budgetary basis	$ 198,652,888
Expenditures not budgeted:	
Expenditures for multi-period projects that are not budgeted	127,509
Total expenditure - GAAP basis	$ 198,780,397
Total other financing sources - budgetary basis	$ 197,169,935
Transfers in from Collier County Florida Board of County Commissioners (non-appropriations)	127,509
Total other financing sources (uses) - GAAP basis	$ 197,297,444

See accompanying Notes to Financial Statements.

Collier County, Florida
Sheriff

Statement of Net Position – Internal Service Fund

September 30, 2020

Assets:		
Cash and cash equivalents	$	3,993,830
Investments		11,496,111
Due from stop loss		265,036
Due from other		470
Due from other funds		500,000
Interest receivable		39,461
Total assets		16,294,908
Liabilities:		
Claims payable		472,043
Self insurance claims payable		2,901,000
Unearned revenue		108,130
Total liabilities		3,481,173
Net position:		
Unrestricted		12,813,735
Total net position	$	12,813,735

See accompanying Notes to Financial Statements.

Collier County, Florida
Sheriff

Statement of Revenues, Expenses, and Changes in Net Position – Internal Service Fund

Year Ended September 30, 2020

Operating revenues:		
Charges for services	$	30,553,505
Interest		9,914
Total operating revenues		30,563,419
Operating expenses:		
Claims and claims expenses		26,062,032
Reinsurance premiums		1,725,668
Administrative and other expenses		696,204
Total operating expenses		28,483,904
Operating income		2,079,515
Nonoperating revenues:		
Interest income, net of management fees		152,285
Realized gain on sale of investments		102,596
Decrease in fair value of investments		(112,058)
Total nonoperating revenues		142,823
Change in net position		2,222,338
Net position – beginning of year		10,591,397
Net position – end of year	$	12,813,735

See accompanying Notes to Financial Statements.

Collier County, Florida
Sheriff

Statement of Cash Flows – Internal Service Fund

Year Ended September 30, 2020

Operating activities		
Cash payments for claims and claims related services	$	(25,743,475)
Cash payments for reinsurance premiums		(1,725,668)
Cash payments for administrative services and supplies		(686,290)
Cash received from other funds for services		29,750,000
Cash received from retirees for services		1,318,632
Net cash provided by operating activities		2,913,199
Investing activities		
Interest earnings, net of management fees		112,824
Purchase of securities		(14,866,350)
Proceeds from sales of securities		11,753,526
Net cash used by investing activities		(3,000,000)
Net decrease in cash, cash equivalents, and investments		(86,801)
Cash, cash equivalents, and investments – beginning of year		4,080,631
Cash, cash equivalents, and investments – end of year	$	3,993,830
Reconciliation of operating income to net cash provided by operating activities		
Operating income	$	2,079,515
Adjustments to reconcile operating income to net cash provided by operating activities:		
Due from stop loss		(108,089)
Decrease in due from other funds		500,000
Increase in self-insurance claims payable		(45,000)
Increase in claims payable		472,043
Increase in unearned revenue		14,730
Net cash provided by operating activities	$	2,913,199

See accompanying Notes to Financial Statements.

Collier County, Florida
Sheriff

Statement of Fiduciary Net Position – Agency Funds

September 30, 2020

Assets:		
Cash and cash equivalents	$	626,911
Due from individuals and businesses		5,123
Total assets	$	632,034
Liabilities:		
Due to other funds	$	65,109
Due to Collier County, Florida Board of County Commissioners		13,629
Due to individuals and businesses		553,296
Total liabilities	$	632,034

See accompanying Notes to Financial Statements.

1. Summary of Significant Accounting Policies

Reporting Entity

The Collier County, Florida Sheriff (Sheriff) is an elected constitutional officer as provided for by the Constitution of the State of Florida. Pursuant to Chapter 129, *Florida Statutes,* the Sheriff's budget is submitted to the Collier County, Florida Board of County Commissioners (Board) for approval. The Sheriff is the chief law enforcement officer of Collier County, Florida (County) and is responsible for operating the County's corrections facilities.

The financial statements include the general fund, special revenue funds, proprietary fund (internal service fund), and agency funds of the Sheriff's office. The accompanying financial statements were prepared for the purpose of complying with Section 218.39(2), *Florida Statutes,* and Chapter 10.550, *Rules of the Auditor General - Local Governmental Entity Audits,* which allows the Sheriff to only present fund financial statements. These financial statements present only the portion of the funds of Collier County, Florida that are attributable to the Sheriff. They are not intended to present fairly the financial positions and results of operations of Collier County, Florida in conformity with accounting principles generally accepted in the United States of America. There are no separate legal entities (component units) for which the Sheriff is financially accountable.

Chapter 10.550, *Rules of the Auditor General - Local Governmental Entity Audits,* requires the Sheriff to only present fund financial statements. Accordingly, due to the omission of government-wide financial statements and related disclosures, including management's discussion and analysis, these financial statements do not constitute a complete presentation of the financial position of the Sheriff as of September 30, 2020 and the changes in its financial position and its cash flows, where applicable, for the year then ended, in conformity with Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments,* but otherwise constitute financial statements prepared in conformity with accounting principles generally accepted in the United States of America.

As a result of the budgetary oversight by the Board and the financial dependency on the Board, the financial activities of the Sheriff are included in the Collier County, Florida Comprehensive Annual Financial Report.

1. Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting, and Basis of Presentation

Transfers are provided by appropriations from the Board pursuant to law. Estimated receipts and budgeted fund balances must equal appropriations. The Sheriff is required to refund to the Board all excess appropriations annually; therefore, no unappropriated general fund balance is carried forward.

The fund financial statements report detailed information about the Sheriff. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column.

Governmental Funds

Governmental funds are accounted for using the flow of current financial resources measurement focus. Only current assets and current liabilities, generally, are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become measurable and available to finance liabilities of the current fiscal year). For this purpose, the Sheriff considers revenues to be available if they are collected within 60 days after year-end with the exception of grants, which have a period of availability of one year. Grants are recognized as revenue as soon as all eligibility requirements have been met. Expenditures are recorded when the related fund liability is incurred, except for compensated absences, which are recognized as expenditures to the extent they have matured.

Substantially all of the Sheriff's funding is appropriated by the Board. In applying the susceptible to accrual concept to intergovernmental revenue, there are essentially two types of revenue. In one, money must be expended on the specific purpose or project before any amounts will be paid to the Sheriff; therefore, revenue is recognized based upon the expenditures incurred. In the other, money is virtually unrestricted and is revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenue at the time of receipt, or earlier, if the "susceptible to accrual" criteria are met.

Other revenue is recognized as earned and becomes measurable and available to pay liabilities of the current period.

1. Summary of Significant Accounting Policies (continued)

Governmental Funds (continued)

Florida Statutes provide that the amount by which revenues and transfers exceed annual expenditures be remitted to the Board immediately following the fiscal year for which the funding was provided or following the fiscal year during which other revenue was recognized. The amount of this distribution is recorded as a liability and as another financing use in the accompanying financial statements.

Capital outlays expended in governmental fund operations are capitalized in the basic financial statements of Collier County, Florida rather than in the governmental funds of the Sheriff.

The Sheriff has four major governmental funds:

General Fund – The general fund is used to account for the general operations of the Sheriff and includes all transactions which are not accounted for in another fund.

Grant Special Revenue Fund – This fund is used to account for the proceeds of federal and state grant revenues that are legally restricted to specified purposes. It also includes funds donated to the Collier County Sheriff's Office. Donated funds are used in accordance with how each donor designates the use of funds. The majority of donated funds are usually designated for youth programs; however, funds have also been donated for officer safety, use by specific districts/substations for community activities, or other programs/activities in the community.

Prisoner Welfare Fund – This fund is used to account for the proceeds of inmate-related services and is legally restricted to specified purposes, which benefit the inmate population.

Federal Equitable Sharing Fund – The revenue from this fund is the result of joint investigations with federal agencies that result in the equitable sharing of the net proceeds of the forfeiture. Effective September 30, 2020, all Federal Equitable Sharing funds were transitioned to the County finance office, per The Department of Justice's Money Laundering and Asset Recovery Section (MLARS) and the Department of the Treasury Executive Office for Asset Forfeiture (TEOAF).

1. Summary of Significant Accounting Policies (continued)

Governmental Funds (continued)

The Sheriff also has the following non-major funds:

Reported as Other Non-major Special Revenue Funds

Confiscated Trust Fund – This fund is used to account for the proceeds of funds collected pursuant to Florida Statute 932.705. Funds are generally used for local match for grants, drug abuse education and prevention programs, and for other law enforcement purposes as the Board deems appropriate.

Civil Citation – This fund is used to account for the proceeds of funds collected pursuant to Florida Statute 775.083. Funds are used for local match for grants and to defray the costs for crime prevention programs in the county.

Education Trust Fund – This fund is used to account for the proceeds of funds collected pursuant to Florida Statute 943.25. Funds are used to defray training costs.

E911 – This fund is used to account for the proceeds of funds collected pursuant to Florida Statute 365.172. Funds are used to pay certain costs associated with the Emergency 911 System.

Criminal Justice Education and Training – This fund is used to account for the proceeds of funds collected pursuant to Florida Statute 943.25. Funds are used to defray training costs.

Domestic Violence Training Fund – This fund is used to account for the proceeds of funds collected pursuant to Florida Statute 938.08. Funds are used to defray of incarcerating persons sentenced under Florida Statute 741.283 and to provide additional training to law enforcement personnel in combating domestic violence.

Fund balances reported in these funds are to be used for the specified purpose of the respective fund.

Fiduciary Funds

Fiduciary Funds – Agency Funds – These funds are used to account for assets held by the Sheriff as an agent for individuals, private organizations, and other governments. Agency funds are custodial in nature (assets equal liabilities), and do not involve measurement of results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting.

1. Summary of Significant Accounting Policies (continued)

Proprietary Fund

Internal Service Fund – This fund is used to account for the health and dental insurance services provided to departments and retirees of the Sheriff on a cost-reimbursement basis. Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Cash Equivalents and Investments

Cash equivalents are defined as highly liquid investments with original maturities of three months or less.

The Sheriff invests funds throughout the year with Florida PRIME, an investment pool administered by the State Board of Administration (SBA), under the regulatory oversight of the State of Florida. Investments in Florida PRIME are made pursuant to Chapter 125.31, *Florida Statutes.* Florida PRIME is considered a qualifying external investment pool that meets all the necessary criteria to elect to measure all of the investments at amortized cost. Therefore, the fair value of the Sheriff's position in the pool is the same as the value of the pool shares. The investments are not categorized because they are not evidenced by securities that exist in physical or book entry form. Throughout the year, and as of September 30, 2020, Florida PRIME contained certain floating and adjustable rate securities. These investments represented 23.5% of Florida PRIME's portfolio at September 30, 2020.

In accordance with GASB Statement No. 79, as a participant in a qualifying external investment pool, the Sheriff should disclose the presence of any limitations or restrictions on withdrawals (such as redemption notice periods, maximum transaction amounts, and the qualifying external investment pool's authority to impose liquidity fees or redemption gates in the notes to the financial statements).

1. Summary of Significant Accounting Policies (continued)

Cash Equivalents and Investments (continued)

With regards to redemption gates, Chapter 218.409(8)(a), *Florida Statutes*, states that "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory council. The Trustees shall convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days."

With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

At September 30, 2020, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

Compensated Absences

All full-time employees of the Sheriff are allowed to accumulate an unlimited number of hours of unused sick time and up to 500 hours of unused vacation leave. As of March 16, 2020, the Sheriff authorized unused vacation balances to be temporarily raised to 600 hours, effective through December 31, 2020. This change was made as a result of the COVID-19 pandemic. Upon termination, employees receive 100% of allowable accumulated vacation hours. If the member leaves in good standing they will also receive a percentage of unused sick leave, depending on years of service, not to exceed 2,000 hours. Vacation time and sick leave are included in operating costs when the payments are made to the employees. The Sheriff does not, nor is the Sheriff legally required to, accumulate expendable financial resources for these unmatured obligations. Accordingly, the liability for compensated absences is not reported in the governmental funds, but rather is reported in the basic financial statements for the County.

1. Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of the financial statements requires management of the Sheriff to make a number of estimates and assumptions relating to the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the period. Significant items subject to such estimates and assumptions include the self-insurance claims payable. Actual results could differ from those estimates.

Fund Balance Reporting and Governmental Fund-Type Definitions

Fund balances are classified either as non-spendable or as spendable. Spendable fund balances are further classified in a hierarchy based on the extent to which there are external and/or internal constraints in how fund balance amounts may be spent.

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 Sheriff did not have any non-spendable fund balances as of September 30, 2020.

Spendable fund balances are classified based on a hierarchy of the Sheriff's ability to control the spending of these fund balances and are reported in the following categories: restricted, committed, assigned, and unassigned. The Sheriff's fund balances for the Grant Special Revenue Fund, Prisoner Welfare Fund, and Federal Equitable Sharing Fund fall into this category.

Fund balances maintained in the Grant Special Revenue Fund, Prisoner Welfare Fund, and the Federal Equitable Sharing Fund are constrained for specific purposes that are externally imposed by donors, grantors, laws, or regulations or imposed by law through constitutional provisions or enabling legislation, and are reports as restricted fund balances.

2. Budgetary Process

Florida Statutes govern the preparation, adoption, and administration of the Sheriff's annual budget. The Sheriff prepares a budget for the general fund and submits it to the Board for approval. The budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America, except that the proceeds from leases and the related capital outlay are not budgeted and certain expenditures for long-term projects which are reimbursed by the Board are also not budgeted. Any subsequent amendments to the budget must be approved by the Board. The annual budget serves as the legal authorization for expenditures.

2. Budgetary Process (continued)

Expenditures may not legally exceed appropriations at the fund level. Appropriations lapse at year-end. Budgetary control is maintained at the departmental major object expenditure level. Budgetary changes within the major object expenditure categories are made at the discretion of the Sheriff.

The Sheriff does not budget for the grant special revenue fund as it is funded by federal and state grants and is governed by those documents. Additionally, the prisoner welfare and federal equitable sharing funds do not have legally adopted budgets.

The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized changes applicable to the fiscal year, whenever legally authorized.

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3. Cash, Cash Equivalents and Investments

At September 30, 2020, the carrying value of the Sheriff's cash, cash equivalents, and investments was as follows:

Type	Maturity	Carrying Value	Credit Rating *
Cash on hand	N/A	$ 18,792	N/A
Demand deposits	N/A	17,135,357	N/A
Local government surplus funds trust fund:			
Florida Prime (SBA)	N/A	797,847	Aaa
Total cash and cash equivalents		$ 17,951,996	
Money Market	N/A	191,085	Not rated
Federal Farm Credit Bank	10/21/2021	500,460	AA+
Federal Farm Credit Bank	9/16/2025	499,260	AA+
Federal Farm Credit Bank	11/27/2023	500,025	AA+
Federal Farm Credit Bank	12/2/2021	551,194	AA+
Federal Farm Credit Bank	1/13/2022	250,833	AA+
Federal Farm Credit Bank	6/9/2022	499,855	AA+
Federal Farm Credit Bank	12/23/2021	500,005	AA+
Federal Farm Credit Bank	4/13/2023	499,530	AA+
Federal Farm Credit Bank	1/22/2024	250,015	AA+
Federal Farm Credit Bank	8/11/2023	500,025	AA+
Federal Farm Credit Bank	5/13/2025	500,135	AA+
Federal Farm Credit Bank	3/28/2024	499,760	AA+
Federal Home Loan Mortgage Corp.	12/9/2022	500,280	Aaa
Federal Home Loan Mortgage Corp.	5/28/2024	500,355	Aaa
Certificate of Deposit	4/4/2022	246,000	Not rated
Certificate of Deposit	4/4/2022	246,000	Not rated
Treasury Note	4/15/2022	516,330	AA+
Treasury Note	5/15/2022	516,210	AA+
Treasury Note	2/28/2022	511,445	AA+
Treasury Note	11/15/2020	501,535	AA+
Treasury Note	7/31/2021	504,180	AA+
Treasury Note	9/30/2021	252,442	AA+
Treasury Note	10/31/2020	250,335	AA+
Treasury Note	12/31/2020	483,830	AA+
Treasury Note	6/30/2022	400,000	AA+
Treasury Note	8/31/2022	324,987	AA+
Total Investments		11,496,111	
Total cash, cash equivalents and investments		$ 29,448,107	

*Credit ratings are Standard & Poor ratings except for FHLMC and Florida Prime which are Moody ratings.

3. Cash, Cash Equivalents and Investments (continued)

The total cash, cash equivalent and investments balances at September 30, 2020, were as follows:

General fund	$	9,614,232
Grant special revenue fund		1,198,550
Prisoner welfare fund		2,518,473
Internal service fund		15,489,941
Agency funds		626,911
	$	29,448,107

Custodial Credit Risk

At September 30, 2020, the Sheriff's demand deposits were entirely covered by Federal Depository Insurance or by collateral pledged with the State Treasurer pursuant to Chapter 280, *Florida Statutes.* Under this Chapter, in the event of default by a participating financial institution (a qualified public depository), all participating institutions are obligated to reimburse the government entity for the loss.

The investments in the Internal Service Fund are part of the Florida Sheriffs Employer Benefits Trust (FSEBT) and are administered by FSEBT. FSEBT's policy requires execution of a third-party custodial safekeeping agreement for purchased securities and collateral, and requires that securities be held in the Sheriff's name.

Credit Risk

The Sheriff's policy is to follow the guidance in Sections 218.415 and 219.075, *Florida Statutes*, regarding the deposit of funds received and the investment of surplus funds. The Sheriff's Investment Policy authorizes investments in Florida PRIME (formerly the Local Government Surplus Funds Trust Fund), or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, as provided in s. 163.01, F.S.; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; interest-bearing time deposits or savings accounts in qualified public depositories, as defined in s. 280.02, F.S.; and direct obligations of the U.S. Treasury.

3. Cash, Cash Equivalents and Investments (continued)

Credit Risk (continued)

Additionally, *Florida Statutes* allow local governments to place public funds with institutions that participate in a collateral pool under the Florida Security for Public Deposits Act. The pool is administered by the State Treasurer, who may make additional assessments to ensure that no public funds will be lost.

Florida PRIME is administered by the State Board of Administration. Florida PRIME consisted of money market appropriate assets. At September 30, 2020, the Sheriff had $797,847 invested in Florida PRIME. Florida PRIME is rated "Aaa" by Moody's Ratings Services.

Interest Rate Risk

The Sheriff has no specific investment policy regarding interest rate risk.

Concentration of Credit Risk

The Sheriff's investments are included in the internal service fund which is used to account for the Sheriff's self-insured health plan. FSEBT administers the investments for the Sheriff's self-insured health plan and has an investment policy that allows for the investment of funds that exceed one month's required funding by more than $100,000. Investments can be made in government securities. The Sheriff's portfolio managed by FSEBT includes investments in U.S. government instrumentalities, and demand deposits. There are also demand deposits that are not managed by FSEBT and are available dollars managed by the Sheriff to cover daily operations.

The portion of the Sheriff's portfolio invested in FSEBT is detailed as follows, at September 30, 2020:

	% of Portfolio
Money Market	2%
Treasury Note	37%
Certificate of Deposit	4%
Federal Home Loan Mortgage Corp.	9%
Federal Farm Credit Bank	48%
Total	100%

3. Cash, Cash Equivalents and Investments (continued)

Fair Value Measurements

The Sheriff categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Sheriff has the following recurring fair value measurements as of September 30, 2020:

- U.S. Treasury Notes classified as level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

- U.S. Agency obligations classified as level 2 of the fair value hierarchy are valued using quoted prices for similar assets in active markets.

4. Capital Assets

Capital assets used by the Sheriff are capitalized in the basic financial statements of Collier County, Florida rather than in the governmental funds of the Sheriff. Upon acquisition, such assets are recorded as expenditures in the governmental funds of the Sheriff and are capitalized at cost in the basic financial statements of the County. Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at acquisition value on the date received. The Sheriff maintains custodial responsibility for the capital assets used by his office. No depreciation expense has been provided on capital assets in these financial statements. However, depreciation expense on these assets is recorded in the basic financial statements of Collier County, Florida.

4. Capital Assets (continued)

The following is a summary of changes in capital assets which are reported in the basic financial statements of Collier County, Florida:

	October 1, 2019	Additions	Deductions/ Reclassifications	September 30, 2020
Governmental Activities				
Capital assets not depreciated:				
Construction in Progress	$ 1,930,319	$ 2,387,491	$ (1,883,329)	$ 2,434,481
Total capital assets not depreciated	1,930,319	2,387,491	(1,883,329)	2,434,481
Capital assets depreciated :				
Machinery and equipment	91,648,442	14,052,567	(3,310,052)	102,390,957
Total capital assets depreciated	91,648,442	14,052,567	(3,310,052)	102,390,957
Less accumulated depreciation:				
Machinery and equipment	(58,962,436)	(11,304,295)	5,193,381	(65,073,350)
Total Accumulated depreciation	(58,962,436)	(11,304,295)	5,193,381	(65,073,350)
Total Depreciable capital assets, net	32,686,006	2,748,272	1,883,329	37,317,607
Total Governmental Activities capital assets, net	$ 34,616,325	$ 5,135,763	$ –	$ 39,752,088

5. Long-Term Liabilities

The following is a summary of changes in long-term liabilities, which are reported in the basic financial statements of Collier County, Florida:

	October 1, 2019	Additions	Deductions/ Reclassifications	September 30, 2020
Compensated Absences	20,495,173	3,612,849	(2,270,574)	$ 21,837,448

Of these liabilities, approximately $1,050,000 is expected to be paid during the fiscal year ending September 30, 2021. These long-term liabilities are not reported in the financial statements of the Sheriff since they have not matured.

5. Long-Term Liabilities (continued)

The Sheriff leases assets for various terms 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 Collier County Comprehensive Annual 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.

During the year ended September 30, 2020, the Sheriff entered into leases in the amount of $280,632. During the year ended September 30, 2020, the Sheriff's principal and interest payments on leases totaled $180,212.

6. Interfund Balances and Transfers

Due from and due to other funds at September 30, 2020, were as follows:

	Due From	Due To
General Fund	$ 1,164,931	$ 500,000
Prisoner Welfare Fund	54,647	52,224
Internal Service Fund	500,000	–
Other non-major special revenue funds	–	1,102,245
Agency Funds	–	65,109
Total	$ 1,719,578	$ 1,719,578

Interfund receivables and payables generally represent recurring activities between funds.

7. Related Party Transactions

The Board provided funding for the Sheriff for the year of $197,691,900. At September 30, 2020, the Sheriff had a payable due to the Board of $723,090 comprised of the following:

General fund:		
Distributions of excess appropriations	$	701,227
Distribution of interest collected		6,436
Miscellaneous payables		1,798
Agency fund		13,629
Total	$	723,090

Additionally, the Sheriff had a receivable from the Board related to services provided to the County of $1,395,991 at September 30, 2020.

Agency Funds

The Sheriff's Office administers funds for the Collier County Sheriff's Office Explorers Program. The program is funded by donations from employees through payroll deduction and donations from outside organizations. The program is designed for students to explore the opportunity to learn about and interact with law enforcement and to help stimulate further interest in the possibility of a law enforcement career.

8. Pension Plans

Background

The Florida Retirement System (FRS) was created by Chapter 121, *Florida Statutes*, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, *Florida Statutes*, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance.

8. Pension Plans (continued)

Background (continued)

Essentially all regular employees of the Sheriff are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, *Florida Statutes*; Chapter 112, Part IV, *Florida Statutes*; Chapter 238, *Florida Statutes*; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Web site (www.dms.myflorida.com).

Florida Retirement System Pension Plan

Plan Description

The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other *classes*.
- *Elected County Officers Class* – Members who hold specified elective offices in local government.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.
- *Special Risk Class* – Members who are special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.
- *Renewed Membership Class* –Members who retired from July 1, 1991 through June 30, 2010, and are reemployed in a regularly established position with a covered employer, upon vesting again, are eligible for an additional retirement benefit based on service as a renewed member. Retirees of the FRS Investment Plan who are employed on or after July 1, 2017 are eligible for renewed membership in the Investment Plan.

8. Pension Plans (continued)

Florida Retirement System Pension Plan (continued)

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the FRS Plan may include up to 4 years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, *Florida Statutes*, permits employees eligible for normal retirement under the FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided

Benefits under the FRS Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

8. Pension Plans (continued)

Florida Retirement System Pension Plan (continued)

As provided in Section 121.101, *Florida Statutes*, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Detailed information about the County's proportionate share of FRS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

Retiree Health Insurance Subsidy Program

Plan Description

The Retiree Health Insurance Subsidy Program (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 Florida Department of Management Services, Division of Retirement.

Benefits Provided

For the fiscal year ended June 30, 2020, 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.

Detailed information about the County's proportionate share of HIS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

8. Pension Plans (continued)

FRS Investment Plan

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, *Florida Statutes*, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Sheriff employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members.

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2020, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Sheriff.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

8. Pension Plans (continued)

Contributions

Participating employer contributions are based upon statewide rates established by the State of Florida. The Sheriff's contributions made to the plans during the years ended September 30, 2020, 2019, and 2018 were $19,677,937, $18,763,457, and $17,500,632, respectively, equal to the actuarially determined contribution requirements for each year.

Additional information about pension plans can be found in the County's comprehensive annual financial report.

9. Other Postemployment Benefits

The Sheriff follows the provisions of GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* for its other postemployment benefits (OPEB). The liability, expense, deferred outflows of resources and deferred inflows of resources for OPEB, calculated in accordance with GASB Statement No. 75, are reported in the financial statements of the County.

Plan Description

The Sheriff administers a single-employer defined benefit plan (OPEB Plan) and can amend the benefit provisions. Prior to 2010, the Sheriff offered an OPEB Plan that subsidized the cost of health care for retirees who have six years of creditable service with the Sheriff and who receive a monthly retirement benefit from the Florida Retirement System. The Sheriff subsidizes approximately 26% for both single coverage and family coverage for qualifying individuals. In 2010, the subsidy was no longer made available to eligible retirees who chose to continue their health insurance coverage. Approximately 22% of retirees receive the subsidy. Additionally, in accordance with Florida Statute 112.0801, Sheriff's employees who retire and immediately begin receiving benefits from the FRS have the option of paying premiums to continue in the Sheriff's health insurance plan at the same group rate as for active employees.

Participant Data

At September 30, 2020, the Sheriff's plan participation consisted of:

Active employees	1,138
Inactive employees or beneficiaries currently receiving benefit payments	130

Funding Policy

The Sheriff has the authority to establish and amend funding policy. The OPEB Plan is currently being funded on a pay-as-you go basis. No trust or agency fund has been established for the plan.

9. Other Postemployment Benefits (continued)

Total OPEB Liability

The Sheriff's OPEB liability of $27,920,433 was measured as of September 30, 2020, and was determined by an actuarial valuation as of October 1, 2020. The following table shows the changes in the Sheriff's total OPEB liability for the year ended September 30, 2020.

	Liability
Balance, as of October 1, 2019	$ 21,786,049
Changes:	
Service cost	555,065
Interest	435,838
Differences between expected and actual experience	5,292,054
Changes in assumptions or other inputs	949,878
Benefit payments	(1,098,451)
Net changes	6,134,384
Balance, as of September 30, 2020	$ 27,920,433

The following presents the total OPEB liability of the Sheriff, as well as what the Sheriff's total OPEB liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease 0.60%	Discount Rate 1.60%	1% Increase 2.60%
Total OPEB Liability	$ 30,594,983	$ 27,920,433	$ 25,553,103

The following presents the total OPEB liability of the Sheriff, as well as what the Sheriff's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% point lower (5% decreasing to 4.0%) or 1% point higher (7% decreasing to 6%) than the current healthcare cost trend rates:

	Healthcare rate sensitivity		
	1% Decrease (5% decreasing to 4%)	Discount Rate (6% decreasing to 5%)	1% Increase (7% decreasing to 6%)
Total OPEB Liability	$ 25,410,106	$ 27,920,433	$ 30,806,872

9. Other Postemployment Benefits (continued)

Deferred Outflows and Inflows of Resources Related to OPEB

For the year ended September 30, 2020, the Sheriff's OPEB expense was $1,457,290. In addition the Sheriff reported deferred outflow of resources and deferred inflow of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 6,769,118	$ 49,528
Changes in assumptions	2,883,018	648,216
Total	$ 9,652,136	$ 697,744

Amounts reported as deferred inflows of resources and deferred outflows of resources as an increase/decrease to OPEB expense will be recognized as follows:

Year beginning October 1	Deferred Outflows of Resources	Deferred Inflows of Resources
2020	$ 1,486,003	$ 136,740
2021	1,486,003	136,740
2022	1,486,003	136,740
2023	1,486,003	136,740
2024	1,486,003	129,469
Thereafter	2,222,121	21,315

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, mortality, and the healthcare cost trend. 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.

9. Other Postemployment Benefits (continued)

Actuarial Methods and Assumptions (continued)

Calculations for financial reporting purposes are based on the benefits provided under terms of the plan as understood by the employer and the plan members in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, 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.

The actuarial methods are:

Actuarial cost method	Entry Age Actuarial

The actuarial assumptions are:

Discount rate	1.6% (Based on 20-year AA municipal bond rate)
Healthcare cost trend rate	6%
Salary increase	None
New employees	None

Mortality rates were based on the RP-2014 Mortality Fully Generational tables using Projection Scale MP-2019.

The following changes have been made since the prior year valuation:

- The discount rate was changed from 2.0% to 1.6%
- The mortality assumption has been updated from RP-2014 Mortality Fully Generational using Projection Scale MP-2017 to RP-2014 Mortality Fully Generational Projection Scale MP-2019.

10. Self-Insurance Program

The Sheriff's Office participates in the Statewide Florida Sheriff's Self-Insurance Fund (the Fund) for its professional liability insurance. The Fund is managed by representatives of the participating Sheriff offices and provides professional liability insurance to participating agencies. The Fund provides liability insurance coverage subject to the following limitations: $5,000,000 for any one incident, and $10,000,000 for an annual aggregate. The Sheriff also participates in the Fund for workers' compensation coverage. The Florida Sheriffs Workers' Compensation Self Insurance Program is a self-insurance program providing coverage for the first $1,000,000 of every claim. Reinsurance is purchased by the Program to cover claims exceeding $1,000,000 (or $500,000 or $350,000 where applicable, based upon occurrence year of claim) up to $18,000,000. Reinsurance coverage up to $20,000,000 for any one person on a catastrophic basis is available when applicable. Settled claims have not exceeded the insurance provided by third-party carriers in any of the past three years.

Premiums charged to participating Sheriffs are based upon amounts believed by the Fund management to meet the estimated annual payout during the fiscal year and to pay for the estimated operating costs of the program. All liabilities associated with these self-insured risks are reported in the basic financial statements of the Fund.

The Sheriff has also established a self-funded employee health plan for active employees and retirees. An internal service fund is used to account for the activities of the plan. Excess coverage has been purchased which provides specific claim excess coverage for any one incident exceeding $200,000. In FY20 there were two covered individuals who had higher deductible amounts because of a history of high claims. Both individuals had deductibles of $350,000. Specific claim excess coverage for these individuals was for claims exceeding $350,000. The maximum annual individual stop loss payment amount is unlimited. Payments to the internal service fund are based on actuarial estimates of amounts needed to pay prior year and current year claims including claims incurred but not yet reported.

The Sheriff's Office uses a Third-Party Administrator (TPA) to administer and pay claims for the health plan. Meritain Health, Inc. has been the TPA since July 1, 2013.

Changes in the balance of estimated insurance claims payable for the fiscal year ended September 30, 202020 and 2019 are as follows:

Fiscal year ending:	Balance October 1	New Claims and Changes in Estimates	Claim Payments	Balance September 30
2019	$2,884,000	$26,143,340	($26,081,340)	$2,946,000
2020	$2,946,000	$26,017,032	($26,062,032)	$2,901,000

11. Commitments and Contingencies

Litigation

The Sheriff is involved in various claims and legal actions arising in the ordinary course of operations. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Sheriff.

Federal and State Grants

Grant funds received by the Sheriff are subject to audit by grantor agencies. Audits of these grants may result in disallowed costs, which may constitute a liability of the Sheriff. In the opinion of management, disallowed costs, if any, would be immaterial to the financial position of the Sheriff.

COVID

During the fiscal year, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Collier County Sheriff's Office, COVID-19 may impact various parts of its 2021 operations and financial results. Management believes the Collier County Sheriff's Office is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as events associated with the pandemic continue to develop.

Collier County, Florida
Sheriff

Required Supplementary Information

Schedule of Changes in Total OPEB Liability and Related Ratios

September 30, 2020

	2020	2019	2018	2017
Total OPEB Liability				
Service cost	$ 555,065	$ 485,365	$ 520,082	$ 491,420
Interest	435,838	631,825	503,525	502,621
Differences between expected and actual experience	5,292,054	–	2,048,462	(83,607)
Changes in assumptions or other inputs	949,878	2,250,569	(898,977)	–
Benefit payments	(1,098,451)	(1,074,207)	(941,061)	(871,353)
Net change in total OPEB Liability	6,134,384	2,293,552	1,232,031	39,081
Total OPEB Liability, beginning	21,786,049	19,492,497	18,260,466	18,221,385
Total OPEB Liability, ending	$ 27,920,433	$ 21,786,049	$ 19,492,497	$ 18,260,466
Covered-employee payroll	$ 83,944,157	$ 81,378,975	$ 80,473,682	$ 91,192,818
Total OPEB Liability as a percentage of covered-employee payroll	33.26%	26.77%	24.22%	20.02%

Notes to Schedule

Changes in Assumptions: Change in the discount rate of 2.0% as of September 30, 2019 to 1.6% as of September 30, 2020.

The mortality assumption has been updated from RP-2014 Mortality Fully Generational using Projection Scale MP-2017 to RP-2014 Mortality Fully Generational Projection Scale MP-2019.

Note: Information is required to be presented for 10 years. However, until a full 10-year trend is completed, the County will present information for only those years for which information is available.

Collier County, Florida
Sheriff

Combining Statement of Fiduciary Net Position – Agency Funds

September 30, 2020

	Civil Trust	Evidence Trust	Flexible Spending	Inmate Trust	Explorers	Total Agency Funds
Assets:						
Cash and cash equivalents	$ 34,697	$ 204,714	$ 272,912	$ 93,513	21,075	$ 626,911
Due from individuals and businesses	–	–	–	5,123	–	5,123
Total assets	$ 34,697	$ 204,714	$ 272,912	$ 98,636	$ 21,075	$ 632,034
Liabilities:						
Due to other funds	$ –	$ –	$ –	$ 65,109	–	$ 65,109
Due to Collier County, Florida Board of County Commissioners	7,530	–	–	6,099	–	13,629
Due to individuals and businesses	27,167	204,714	272,912	27,428	21,075	553,296
Total liabilities	$ 34,697	$ 204,714	$ 272,912	$ 98,636	$ 21,075	$ 632,034

Collier County, Florida
Sheriff

Statement of Changes in Assets and Liabilities – Agency Funds

September 30, 2020

	October 1, 2019	Additions	Deletions	September 30, 2020
Assets:				
Cash and cash equivalents	$ 613,876	$ 626,911	$ (613,876)	$ 626,911
Due from individuals and businesses	9,646	5,123	(9,646)	5,123
Total assets	$ 623,522	$ 632,034	$ (623,522)	$ 632,034
Liabilities:.				
Due to other funds	$ 75,594	$ 65,109	$ (75,594)	$ 65,109
Due to Collier County, Florida Board of County Commissioners	19,534	13,629	(19,534)	13,629
Due to individuals and businesses	528,394	553,296	(528,394)	553,296
Total liabilities	$ 623,522	$ 632,034	$ (623,522)	$ 632,034



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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 Kevin Rambosk
Sheriff
Collier 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 of each major fund and the aggregate remaining fund information of the Collier County, Florida Sheriff (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 basic financial statements, and have issued our report thereon dated March 4, 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 the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Sheriff's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Naples, Florida
March 4, 2021

MANAGEMENT LETTER

Honorable Kevin Rambosk
Sheriff
Collier County, Florida

Report on the Financial Statements

We have audited the financial statements of the Collier County, Florida Sheriff (Sheriff), as of and for the fiscal year ended September 30, 2020 and have issued our report thereon dated March 4, 2021.

Auditors' Responsibility

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; 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 Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and our Independent Accountants' 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 March 4, 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 or recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. See Note 1 in the notes to the financial statements.

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, Federal and other granting agencies, and the Sheriff and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Naples, Florida
March 4, 2021

INDEPENDENT ACCOUNTANTS' REPORT

Honorable Kevin Rambosk
Sheriff
Collier County, Florida

We have examined the Collier County, Florida Sheriff's (Sheriff) compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2020. Management of the Sheriff is responsible for the Sheriff's compliance with the specified requirements. Our responsibility is to express an opinion on the Sheriff's compliance with the specified requirements 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 referenced above. 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 Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2020.

This report is intended solely for the information and use of the Sheriff and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Naples, Florida
March 4, 2021

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Honorable Kevin Rambosk
Sheriff
Collier County, Florida

We have performed the procedures enumerated below, which were agreed to by management of the Collier County, Florida Sheriff (Sheriff) on the Sheriff's policies and procedures as defined by the Sheriff over its investigative funds for the year ended September 30, 2020. The Sheriff's management is responsible for the Sheriff's compliance with those procedures and policies. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed and our findings are summarized as follows:

We randomly selected 25 investigative fund disbursements during the fiscal year ended September 30, 2020 (the population sampled included transactions from October 1, 2019 through September 30, 2020), and performed the following procedures with respect to the Sheriff's policies and procedures over investigative funds:

1. We obtained the "Disbursement for Investigation" form and observed the form was properly completed and authorized by appropriate personnel. No exceptions were noted.

2. We obtained the "Purchase of Evidence/Information Voucher" and observed the form was properly completed to reflect the expenses incurred within the investigation procedures, the investigative expenditures were properly supported, and the use of funds was for authorized purposes. No exceptions were noted.

3. We observed the unused funds returned, if applicable, agreed to the corresponding deposit and bank statement detail and observed the amount deposited agreed to the amount returned per the "Receipt for Funds Received" form detail. No exceptions were noted.

Honorable Kevin Rambosk
Sheriff

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not, conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the policies and procedures as defined by the Sheriff over its investigative funds. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the management of the Sheriff and is not intended to be, and should not be, used by anyone other than this specified party.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Naples, Florida
March 4, 2021

Collier County, Florida
Supervisor of Elections

Financial Statements and Supplemental Reports

Year Ended September 30, 2020



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AUDIT, TAX, AND CONSULTING

Collier County, Florida
Supervisor of Elections

Financial Statements and Other Reports

Year Ended September 30, 2020

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INDEPENDENT AUDITORS' REPORT

Honorable Jennifer J. Edwards
Supervisor of Elections
Collier County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund of the Collier County, Florida Supervisor of Elections (Supervisor), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Supervisor'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 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 each major fund of the Supervisor as of September 30, 2020, and the respective changes in financial position and budgetary comparison of its general fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, only for that portion of the major funds of Collier County, Florida that is attributable to the Supervisor. They do not purport to, and do not, present fairly the financial position of Collier 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

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated February 13, 2021 on our consideration of the Supervisor'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 Supervisor'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 Supervisor's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Naples, Florida
February 13, 2021

Collier County, Florida
Supervisor of Elections

Balance Sheet – Governmental Funds

September 30, 2020

	General	Grant Special Revenue	Total
Assets			
Cash and cash equivalents	$ 188,343	$ 38,056	$ 226,399
Total assets	$ 188,343	$ 38,056	$ 226,399
Liabilities and fund balance			
Liabilities:			
Accounts payable	$ 32,033	$ -	$ 32,033
Accrued liabilities	63,223	-	63,223
Due to Collier County, Florida Board of County Commissioners	93,087	-	93,087
Unearned revenue	-	38,008	38,008
Total liabilities	188,343	38,008	226,351
Fund balances:			
Restricted	-	48	48
Total fund balances	-	48	48
Total liabilities and fund balances	$ 188,343	$ 38,056	$ 226,399

See accompanying Notes to Financial Statements

Collier County, Florida
Supervisor of Elections

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

Year Ended September 30, 2020

	General	Grant Special Revenue	Total
Revenues:			
Intergovernmental	$ -	$ 314,857	$ 314,857
Interest	-	257	257
Total revenues	-	315,114	315,114
Expenditures:			
General government:			
Personal services	2,359,406	-	2,359,406
Operating	1,774,881	409,241	2,184,122
Capital outlay	199,677	13,509	213,186
Debt service principal	1,056	-	1,056
Debt service interest	105	-	105
Total expenditures	4,335,125	422,750	4,757,875
Excess (deficiency) of expenditures over revenues	(4,335,125)	(107,636)	(4,442,761)
Other financing sources (uses):			
Proceeds from right to use leases	8,823	-	8,823
Transfers in:			
General Fund	-	68,187	68,187
Collier County, Florida Board of County Commissioners appropriations	4,478,200	-	4,478,200
Transfers out:			
Special revenue fund	(68,187)	-	(68,187)
Distribution of excess appropriations:			
Collier County, Florida Board of County Commissioners	(83,711)	-	(83,711)
Total other financing sources (uses)	4,335,125	68,187	4,403,312
Net change in fund balances	-	(39,449)	(39,449)
Fund balances – beginning of the year	-	39,497	39,497
Fund balances – end of the year	$ -	$ 48	$ 48

See accompanying Notes to Financial Statements

Collier County, Florida
Supervisor of Elections

Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
General Fund

Year Ended September 30, 2020

	Budget			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues	$ -	$ -	$ -	$ -
Expenditures:				
General government:				
Personal services	2,499,600	2,434,600	2,359,406	75,194
Operating	1,927,600	1,833,613	1,774,881	58,732
Capital outlay	51,000	141,800	199,677	(57,877)
Debt Service Principal	-	-	1,056	(1,056)
Debt Service Interest	-	-	105	(105)
Total expenditures	4,478,200	4,410,013	4,335,125	74,888
Deficiency of expenditures over revenues	(4,478,200)	(4,410,013)	(4,335,125)	74,888
Other financing sources (uses):				
Proceeds from right to use leases	-	-	8,823	8,823
Transfers in:				-
Collier County, Florida Board of				-
County Commissioners appropriations	4,478,200	4,478,200	4,478,200	-
Transfers out:				-
Special Revenue Fund	-	(68,187)	(68,187)	-
Distribution of excess appropriations:				-
Collier County, Florida Board of				-
County Commissioners	-	-	(83,711)	(83,711)
Total other financing sources	4,478,200	4,410,013	4,335,125	(74,888)
Net change in fund balance	-	-	-	-
Fund balance – beginning of the year	-	-	-	-
Fund balance – end of the year	$ -	$ -	$ -	$ -

See accompanying Notes to Financial Statements

Collier County, Florida
Supervisor of Elections

Notes to Financial Statements

September 30, 2020

1. Summary of Significant Accounting Policies

Reporting Entity

The Collier County, Florida Supervisor of Elections (Supervisor) is an elected constitutional officer as provided for by the Constitution of the State of Florida. Pursuant to Chapter 129, *Florida Statutes*, the Supervisor of Elections' budget is submitted to the Collier County, Florida Board of County Commissioners (Board) for approval.

The financial statements presented include the general fund and grant special revenue fund of the Supervisor's office. The accompanying financial statements have been prepared for the purpose of complying with Section 218.39(2), *Florida Statutes*, and Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*, which allows the Supervisor to only present fund financial statements. These financial statements present only the portion of the funds of Collier County, Florida that are attributable to the Supervisor. They are not intended to present fairly the financial position and results of operations of Collier County, Florida in conformity with accounting principles generally accepted in the United States of America.

The financial activities of the Supervisor, as a constitutional officer, are included in the Collier County, Florida Comprehensive Annual Financial Report. There are no separate legal entities (component units) for which the Supervisor is considered to be financially accountable.

The general operations of the Supervisor are funded by appropriations from the Collier County, Florida Board of County Commissioners (Board), and grant revenue is funded from the State of Florida. Pursuant to Chapter 218, *Florida Statutes*, funds remaining in the general fund at fiscal year-end, in excess of amounts expended, are returned to the Board. Excess revenues returned to the Board are reflected as transfers out in the Supervisor's general fund. The special revenue fund of the Supervisor is not budgeted and is governed by grant agreements.

As a result of the budgetary oversight by the Board and financial dependency on the Board, the financial activities of the Supervisor are included in the Collier County, Florida Comprehensive Annual Financial Report.

Measurement Focus, Basis of Accounting, and Basis of Presentation

These fund financial statements report detailed information about the Supervisor. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column.

1. Summary of Significant Accounting Policies (continued)

Governmental Funds

Governmental funds are accounted for using the flow of current financial resources measurement focus. Only current assets and current liabilities, generally, are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The Supervisor has the following major governmental funds:

General Fund – The general fund is used to account for the general operations of the Supervisor and includes all revenues and expenditures which are not accounted for in another fund.

Grant Special Revenue Fund – The grants fund is used to account for the activities of voter education and poll worker training grants from the State of Florida.

The modified accrual basis of accounting is used by governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become measurable and available to finance liabilities of the current fiscal year). For this purpose, the Supervisor considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for compensated absences, which are recognized as expenditures to the extent they have matured.

The appropriations from the Board are the primary source of funds considered to be susceptible to accrual.

Intergovernmental revenues are recognized when eligibility requirements are met and related amounts are available from the grantor.

Interest income and other revenues are recognized as they are earned and become measurable and available to pay liabilities of the current period.

Florida Statutes provide that the amount by which revenues and transfers exceed annual expenditures be remitted to the Board immediately following the fiscal year for which the funding was provided or following the fiscal year during which other revenue was recognized. The amount of this distribution is recorded as a liability and as an other financing use in the accompanying financial statements.

1. Summary of Significant Accounting Policies (continued)

Governmental Funds (continued)

Capital outlays expended in general fund operations are capitalized in the basic financial statements of Collier County, Florida rather than in the governmental funds of the Supervisor.

Cash Equivalents

Cash equivalents are defined as highly liquid investments with original maturities of three months or less.

Compensated Absences

All full-time employees of the Supervisor are allowed to accumulate an unlimited number of hours of unused sick time and up to 440 hours of unused vacation leave. Effective October 1, 2007, the vacation leave limit was increased to 480 hours, with Supervisor approval. Upon termination, employees receive 100% of allowable accumulated vacation hours and a percentage of unused sick leave, depending on years of service. Vacation time and sick leave are included in operating costs of the general fund when the payments are made to employees. The Supervisor does not, nor is legally required to accumulate financial resources for these unmatured obligations. Accordingly, the liability for compensated absences is not reported in the general fund of the Supervisor, but rather is reported in the basic financial statements of Collier County, Florida.

Use of Estimates

The preparation of the financial statements requires management of the Supervisor to make a number of estimates and assumptions relating to the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the period. Actual results could differ from those estimates.

Fund Balance Reporting and Governmental Fund-Type Definitions

Fund balances are classified either as non-spendable or as spendable. Spendable fund balances are further classified in a hierarchy based on the extent to which there are external and/or internal constraints in how fund balance amounts may be spent.

1. Summary of Significant Accounting Policies (continued)

Fund Balance Reporting and Governmental Fund-Type Definitions (continued)

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 Supervisor did not have any non-spendable fund balances as of September 30, 2020.

Spendable fund balances are classified based on a hierarchy of the Supervisor's ability to control the spending of these fund balances and are reported in the following categories: restricted, committed, assigned and unassigned. The Supervisor's fund balances for the Grant Special Revenue Fund fall into the spendable restricted category. Fund balances maintained in the Grant Special Revenue Fund are restricted pursuant to specific grant agreements and have been presented in the fund financial statements in accordance with GASB Statement No. 54.

2. Budgetary Process

Florida Statutes govern the preparation, adoption and administration of the Supervisor's annual budget. The Supervisor submits a budget for the general fund to the Board for approval. The budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America. The annual budget serves as the legal authorization for expenditures. Any subsequent amendments to the Supervisor's total budget must be approved by the Board.

Expenditures may not legally exceed appropriations at the fund level. Appropriations lapse at year-end. Budgetary control is maintained at the departmental major object expenditure level. Budgetary changes within major object expenditure categories are made at the discretion of the Supervisor.

The Supervisor does not budget for the grant special revenue fund as it is funded by state grants and is governed by those documents.

The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized changes applicable to the fiscal year, whenever legally authorized.

3. Cash and Cash Equivalents

At September 30, 2020, the carrying value of the Supervisor's cash and cash equivalents was as follows:

Type	Carrying Value	Credit Rating
Cash on hand	$ 200	N/A
Demand deposits	226,199	N/A
Total cash and cash equivalents	$ 226,399	

Custodial Credit Risk

At September 30, 2020, the Supervisor's deposits were entirely covered by Federal Depository Insurance or by collateral pledged with the State Treasurer pursuant to Chapter 280, *Florida Statutes*. Under this Chapter, in the event of default by a participating financial institution (a qualified public depository), all participating institutions are obligated to reimburse the governmental entity for the loss.

Credit Risk

The Supervisor's policy is to follow the guidance in Section 219.075, *Florida Statutes*, regarding the deposit of funds received and the investment of surplus funds. Sections 219.075 and 218.415, *Florida Statutes*, authorize the Supervisor to invest in Florida PRIME (formerly the Local Government Surplus Funds Trust Fund) or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; direct obligations of the United States Treasury; federal agencies and instrumentalities or interest-bearing time deposits or savings accounts in banks organized under the laws of the United States and doing business and situated in the State of Florida, savings and loan associations which are under state supervision, or in federal savings and loan associations located in the State of Florida and organized under federal law and federal supervision, provided that any such deposits are secured by collateral as may be prescribed by law. The pool is administered by the State Treasurer, who may make additional assessments to ensure that no public funds will be lost.

3. Cash and Cash Equivalents (continued)

Interest Rate Risk

The Supervisor has no specific investment policy regarding interest rate risk.

4. Capital Assets

Capital assets used by the Supervisor are capitalized in the basic financial statements of Collier County, Florida rather than in the governmental funds of the Supervisor. Upon acquisition, such assets are recorded as expenditures in the governmental funds of the Supervisor and are capitalized at cost in the basic financial statements of Collier County, Florida. Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at acquisition value on the date received.

The Supervisor maintains custodial responsibility for the capital assets used by the office. No depreciation expense has been provided on capital assets in these financial statements. However, depreciation expense is recorded in the basic financial statements of Collier County, Florida.

The following is a summary of changes in capital assets, which are reported in the basic financial statements of Collier County, Florida:

	October 1, 2019	Additions	Deductions	September 30, 2020
Machinery and equipment	$ 863,544	$ 204,363	$ (23,334)	$ 1,044,573
Less accumulated depreciation	(562,364)	(112,394)	23,334	(651,424)
Machinery and equipment, net	$ 301,180	$ 91,969	$ -	$ 393,149

5. Long-Term Liabilities

The following is a summary of changes in long-term liabilities, which are reported in the basic financial statements of Collier County, Florida:

	October 1, 2019	Additions	Deductions	September 30, 2020
Accrued Compensated Absences	$ 205,735	$ 111,673	$ (102,730)	$ 214,678

5. Long-Term Liabilities (continued)

Of these liabilities, approximately $103,046 is expected to be paid during the fiscal year ending September 30, 2021, which will be included in the operating costs of the general fund when expended. These long-term liabilities are not reported in the financial statements of the Supervisor since they have not matured.

The Supervisor leases assets for various terms under certain agreements that meet the definition of a lease under GASB Statement No. 87 – *Leases*. Detailed information about the Supervisor's leases can be found in the Collier County comprehensive annual financial report or County-wide financial statements.

Leases entered into by the Supervisor 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.

During the year ended September 30, 2020, the Supervisor entered into leases in the amounts of $8,823. During the year ended September 30, 2020, the Supervisor's payments of principal on leases totaled $1,056.

6. Pension Plans

Background

The Florida Retirement System (FRS) was created by Chapter 121, *Florida Statutes*, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, *Florida Statutes*, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance.

6. Pension Plans (continued)

Background (continued)

Essentially all regular employees of the Supervisor are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, *Florida Statutes*; Chapter 112, Part IV, *Florida Statutes*; Chapter 238, *Florida Statutes*; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Web site (www.dms.myflorida.com).

Florida Retirement System Pension Plan

Plan Description

The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

Regular Class – Members of the FRS who do not qualify for membership in the other classes.

Elected County Officers Class – Members who hold specified elective offices in local government.

Senior Management Service Class (SMSC) – Members in senior management level positions.

Special Risk Class – Members who are special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

6. Pension Plans (continued)

Florida Retirement System Pension Plan (continued)

Plan Description (continued)

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62, or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the FRS Plan may include up to 4 years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, *Florida Statutes*, permits employees eligible for normal retirement under the FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

6. Pension Plans (continued)

Florida Retirement System Pension Plan (continued)

Benefits Provided

Benefits under the FRS Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

As provided in Section 121.101, *Florida Statutes*, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Detailed information about the County's proportionate share of FRS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

Retiree Health Insurance Subsidy Program

Plan Description

The Retiree Health Insurance Subsidy Program (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 Florida Department of Management Services, Division of Retirement.

6. Pension Plans (continued)

Retiree Health Insurance Subsidy Program (continued)

Benefits Provided

For the fiscal year ended June 30, 2020, 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.

Detailed information about the County's proportionate share of HIS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

FRS Investment Plan

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, *Florida Statutes*, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Supervisor employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members.

6. Pension Plans (continued)

FRS Investment Plan (continued)

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2020, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Supervisor.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

Contributions

Participating employer contributions are based upon statewide rates established by the State of Florida. The Supervisor's contributions made to the plans during the years ended September 30, 2020, 2019, and 2018, were $149,241, $137,154, $130,124 respectively, equal to the actuarially determined contribution requirements for each year.

Additional information about pension plans can be found in the County's comprehensive annual financial report.

7. Related-Party Transactions

For the year ended September 30, 2020, the Board provided funding for the Supervisor that amounted to $4,478,200. At September 30, 2020, the Supervisor had a payable due to the Board of $93,087 comprised as follows:

Distribution of excess appropriations	$	83,711
Distribution of interest earnings		9,291
Amounts due for various services		85
Total due to Board of County Commissioners	$	93,087

8. Risk Management

Collier County, Florida (County) is exposed to various risks of loss including, but not limited to, general liability, health and life, property and casualty, auto and physical damage and workers' compensation. The County is substantially self-insured and accounts for and finances its risk of uninsured losses through an internal service fund. All liabilities associated with these self-insured risks are reported in the basic financial statements of the County. The Supervisor participates in the County's self-insurance program. During the year ended September 30, 2020, the Supervisor was charged $307,117 by the County for participation in the risk management program.

The County retains the first $500,000 per claim for workers' compensation and has purchased outside excess coverage for up to statutory limit for each injury or illness. The County also provides coverage for up to $250,000 per occurrence for general liability and $300,000 per occurrence for auto liability coverage and has purchased outside excess coverage for up to $5 million per claim. Negligence claims in excess of the statutory limits set in Section 768.28, *Florida Statutes*, which provide for limited sovereign immunity of $200,000/$300,000 per occurrence can only be recovered through an act of the State Legislature. Property claims are subject to a 3 percent wind deductible and a $50,000 deductible for all other perils. The County retains the first $100,000 per claim/$200,000 per occurrence for public official errors and omissions and crime coverage and has purchased outside excess coverage for up to $5 million per claim. There have been no significant reductions in insurance coverage in the last year. Settled claims have not exceeded the insurance provided by third-party carriers in any of the last three years.

8. Risk Management (continued)

The County is self-insured for health claims covering all of its employees and their eligible dependents. The County retains the first $450,000 per covered member and has purchased outside excess coverage for all claims exceeding this amount. An actuarial valuation is performed each year to estimate the amounts needed to pay prior and future claims and to establish reserves.

9. Other Postemployment Benefits

In accordance with Section 112.0801, *Florida Statutes*, the Supervisor participates with Collier County in offering retiring employees the opportunity to continue participation in the County's health insurance plan. The participating retirees pay 100% of the premium cost applicable to an active employee. The liability and expense for other postemployment benefits, calculated in accordance with Governmental Accounting Standards Board Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, are reported in the financial statements of the County.

10. Contingencies

Grant funds received by the Supervisor are subject to audit by grantor agencies. Audits of these grants may result in disallowed costs, which may constitute a liability of the office of the Supervisor. In the opinion of management, disallowed costs, if any, would not have a significant impact on the financial position of the Supervisor.

11. Transfers

Transfers between funds are for the purpose of providing matching funds to the Supervisor's grants. Transfers were required in the amount of $68,187 for the year ending September 30, 2020.

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 Jennifer J. Edwards
Supervisor of Elections
Collier 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 of each major fund of the Collier County, Florida Supervisor of Elections (Supervisor), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Supervisor's financial statements, and have issued our report thereon dated February 13, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Supervisor's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Supervisor's internal control. Accordingly, we do not express an opinion on the effectiveness of the Supervisor'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 Supervisor'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 determination of financial statement amounts. 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Naples, Florida
February 13, 2021

MANAGEMENT LETTER

Honorable Jennifer J. Edwards
Supervisor of Elections
Collier County, Florida

Report on the Financial Statements

We have audited the financial statements of each major fund of the Collier County, Florida Supervisor of Elections (Supervisor) as of and for the fiscal year ended September 30, 2020 and have issued our report thereon dated February 13, 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 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 13, 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 and recommendations reported in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. See Note 1 in the notes to the financial statements.

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, Federal and other granting agencies, the Supervisor and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Naples, Florida
February 13, 2021

INDEPENDENT ACCOUNTANTS' REPORT

Honorable Jennifer J. Edwards
Supervisor of Elections
Collier County, Florida

We have examined the Collier County, Florida Supervisor of Elections' (Supervisor) compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds, during the year ended September 30, 2020. Management of the Supervisor is responsible for the Supervisor's compliance with the specified requirements. Our responsibility is to express an opinion on the Supervisor's compliance with the specified requirements based on our examination.

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

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

In our opinion, the Supervisor complied, in all material respects, with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2020.

This report is intended solely for the information and use of the Supervisor and the Auditor General, State of Florida and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Naples, Florida
February 13, 2021

Collier County, Florida
Tax Collector

Financial Statements and Supplemental Reports

Year Ended September 30, 2020



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WEALTH ADVISORY

OUTSOURCING

AUDIT, TAX, AND CONSULTING

Collier County, Florida
Tax Collector

Financial Statements and Other Reports

Year Ended September 30, 2020

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INDEPENDENT AUDITORS' REPORT

Honorable Rob Stoneburner
Tax Collector
Collier County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the general fund and the aggregate remaining fund information of the Tax Collector, Collier County, Florida (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 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Collier County, Florida that is attributable to the Tax Collector. They do not purport to, and do not, present fairly the financial position of Collier 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

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 7, 2021 on our consideration of the Tax Collector's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. 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 Tax Collector'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 Tax Collector's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Naples, Florida
January 7, 2021

Collier County, Florida
Tax Collector

Balance Sheet – General Fund

Year Ended September 30, 2020

Assets		
Cash and cash equivalents	$	4,598,526
Accounts receivable		54,437
Due from other funds		102,007
Prepaid rent		32,252
Prepaid expense		1,000
Security deposit		14,868
Total assets	$	4,803,090
Liabilities and fund balance		
Liabilities:		
Accounts payable	$	12,392
Due to Collier County, Florida Board of County Commissioners		4,073,807
Due to other governmental agencies		716,891
Total liabilities		4,803,090
Fund balance		-
Total liabilities and fund balance	$	4,803,090

See accompanying Notes to Financial Statements.

Collier County, Florida
Tax Collector

Statement of Revenues, Expenditures, and Changes in Fund Balance
General Fund

Year Ended September 30, 2020

Revenues:	
Commissions and fees	$ 24,579,942
Miscellaneous	318,697
Total revenues	24,898,639
Expenditures:	
General government:	
Personal services	11,671,144
Operating	1,984,173
Capital outlay	1,253,893
Debt Service - Principal	190,706
Debt Service - Interest	43,230
Total expenditures	15,143,146
Excess of revenues over expenditures	9,755,493
Other financing uses:	
Proceeds from Lease	35,205
Distribution of excess commissions and fees to Collier County, Florida Board of County Commissioners	(4,073,807)
Distribution of excess commissions and fees to other governmental agencies	(716,891)
Transfer out to Collier County Florida Board of County Commissioners - Appropriation Reserved for Subsequent Year Capital Project	(5,000,000)
Total other financing uses	(9,755,493)
Net change in fund balance	-
Fund balance, beginning of year	-
Fund balance, end of year	$ -

See accompanying Notes to Financial Statements.

Collier County, Florida
Tax Collector

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual General Fund

Year Ended September 30, 2020

	Budget			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Commissions and fees	$ 23,919,960	$ 23,919,960	$ 24,579,942	$ 659,982
Miscellaneous	369,800	369,800	318,697	(51,103)
Total revenues	24,289,760	24,289,760	24,898,639	608,879
Expenditures:				
General government:				
Personal services	12,236,920	12,236,920	11,671,144	565,776
Operating	2,807,498	2,807,498	1,984,173	823,325
Capital outlay	7,026,510	7,026,510	1,253,893	5,772,617
Debt Service - Principal	-	-	190,706	(190,706)
Debt Service - Interest	-	-	43,230	(43,230)
Total expenditures	22,070,928	22,070,928	15,143,146	6,927,782
Balance of revenues over expenditures	2,218,832	2,218,832	9,755,493	7,536,661
Other financing uses:				
Proceeds from Lease	-	-	35,205	35,205
Distribution of excess commissions and fees to Collier County, Florida Board of County Commissioners	(1,886,801)	(1,886,801)	(4,073,807)	(2,187,006)
Distribution of excess commissions and fees to other governmental agencies	(332,031)	(332,031)	(716,891)	(384,860)
Transfer out to Collier County Florida Board of County Commissioners - Appropriation Reserved for Subsequent Year Capital Project	-	-	(5,000,000)	(5,000,000)
Total other financing uses	(2,218,832)	(2,218,832)	(9,755,493)	(7,536,661)
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ -	$ -	$ -	$ -

See accompanying Notes to Financial Statements.

Collier County, Florida
Tax Collector

Statement of Fiduciary Net Position
Agency Funds

September 30, 2020

Assets		
Cash and cash equivalents	$	6,798,864
Accounts receivable		25,050
Total assets	$	6,823,914
Liabilities		
Due to other funds	$	102,007
Due to Collier County, Florida Board of County Commissioners		1,320,195
Due to other governmental agencies		5,235,858
Due to individuals and businesses		165,854
Total liabilities	$	6,823,914

See accompanying Notes to Financial Statements.

Collier County, Florida
Tax Collector

Notes to Financial Statements

September 30, 2020

1. Summary of Significant Accounting Policies

Reporting Entity

The Tax Collector is an elected official of the County, pursuant to the Constitution of the State of Florida, Article VIII, Section 1(d). The Tax Collector is part of the primary government of the County. Although the Florida Department of Revenue approves the Tax Collector's operating budget, the Tax Collector is responsible for the administration and the operation of the Tax Collector's office. Upon approval, the operating budget is provided to the Collier County Board of County Commissioners (Board). The Tax Collector's financial statements include only the funds of the Tax Collector's office. There are no separate legal entities (component units) for which the Tax Collector is considered to be financially accountable.

Measurement Focus, Basis of Accounting, and Basis of Presentation

These financial statements have been prepared for the purpose of complying with Section 218.39(2), *Florida Statutes*, and Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*, which allows the Tax Collector to only present fund financial statements. These financial statements present only the portion of the funds of Collier County, Florida that are attributable to the Tax Collector. They are not intended to present fairly the financial position and results of operations of Collier County, Florida in conformity with accounting principles generally accepted in the United States of America.

The financial activities of the Tax Collector, as a constitutional officer, are included in the Collier County, Florida Comprehensive Annual Financial Report.

These fund financial statements report detailed information about the Tax Collector. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column.

1. Summary of Significant Accounting Policies (continued)

Governmental Funds

Governmental funds are accounted for using the flow of current financial resources measurement focus. Only current assets and current liabilities, generally, are included on the balance sheets. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. The Tax Collector's only governmental fund is the general fund. The general fund is used to account for the general operations of the Tax Collector and includes all transactions not accounted for in another fund.

The modified accrual basis of accounting is used by governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become measurable and available to finance liabilities of the current fiscal year). For this purpose, the Tax Collector considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for certain compensated absences, which are recognized as expenditures to the extent they have matured.

Interest income and other revenue are recognized as they are earned and become measurable and available to pay liabilities of the current period.

Substantially all of the Tax Collector's revenue is received from taxing authorities. These monies are virtually unrestricted and are revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenue at the time of receipt, earlier if the "susceptible to accrual" criteria are met.

Florida Statutes provide that the amount by which revenues exceed annual expenditures be remitted to each governmental agency or the Board immediately following the fiscal year for which the funding was provided or following the fiscal year during which other revenue was recognized.

Capital outlays expended in the general fund operations are capitalized in the basic financial statements of Collier County, Florida rather than in the governmental funds of the Tax Collector.

1. Summary of Significant Accounting Policies (continued)

Fiduciary Funds

Agency funds – Fiduciary funds are used to account for assets held by the Tax Collector in a trustee capacity or as an agent for individuals, private organizations, and other governments. Agency funds are custodial in nature (assets equal liabilities), and do not involve measurement of results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting.

Refund of "Excess Fees"

Florida Statutes further provide that the excess of revenues over expenditures held by the Tax Collector be distributed to each governmental agency or the Board in the same proportion as the fees paid by each governmental agency bear to total fee revenues. The amount of this distribution is recorded as a liability and as an other financing use-transfer out in the accompanying financial statements.

Compensated Absences

All full-time, non-exempt employees of the Tax Collector are allowed to accumulate an unlimited number of hours of unused sick leave and up to 240 hours of unused vacation leave. Exempt employees do not accrue sick time, however, many of them have a balance that will remain until they terminate employment, and vacation accrual is the same for both classes of employees. Upon termination, employees receive 100% of allowable accumulated vacation hours and a percentage of unused sick leave, depending on years of service. Vacation and sick leave payments are included in operating costs of the general fund when the payments are made to the employees. The Tax Collector does not, nor is legally required to, accumulate financial resources for these unmatured obligations. Accordingly, the liability for compensated absences is not reported in the general fund of the Tax Collector, but rather is reported in the basic financial statements of Collier County, Florida.

1. Summary of Significant Accounting Policies (continued)

Property Taxes

Property taxes in Collier County are levied by the Board and other taxing authorities. The millage levies are determined on the basis of estimates of revenue needs and the total taxable valuations within the jurisdiction of the Board and other taxing authorities. No aggregate ad valorem tax millage in excess of 10 mills on the dollar can be levied by the Board against property in the County as specified in *Florida Statutes*, Section 200.071.

Each year the total taxable property valuation is established by the Collier County, Florida Property Appraiser, and the list of property assessments is submitted to the State Department of Revenue for approval. Taxes, assessed as of January 1 of each year, are due and payable on November 1 of each year or as soon thereafter as the assessment roll is opened for collection. Pursuant to Florida law, all owners of property have the responsibility of ascertaining the amount due and paying it before April 1 of the year following the year in which the tax was assessed.

Chapter 197, *Florida Statutes*, governs property tax collections as follows:

Current Taxes

All property taxes become due and payable on November 1, and are delinquent on April 1 of the following year. Discounts are allowed for early payment of 4% in November; 3% in December; 2% in January; and 1% for payment in February.

Unpaid Taxes – Sale of Tax Certificates

The Tax Collector advertises, as required by *Florida Statutes*, and sells tax certificates on all real property for unpaid taxes. The taxes assessed on the property are struck off the tax roll to the purchaser of the tax certificate. Certificates not sold are struck off to the County. The Tax Collector must receive payment before the certificates are delivered. Any person owning land upon which a tax certificate has been sold may redeem the tax certificate by paying the Tax Collector the face amount of the tax certificate plus interest and other costs.

Tax Deeds

Two years after the purchase of a tax certificate the owner may file an application for tax deed sale. The County, as a certificate owner, exercises similar procedures. Tax deeds are issued to the highest bidder for the property which is sold at public auction. The Clerk of the Circuit Court administers these sales.

1. Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of these financial statements requires management of the Tax Collector to make a number of estimates and assumptions relating to the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the period. Actual results could differ from those estimates.

2. Budgetary Process

Florida Statutes govern the preparation, adoption, and administration of the Tax Collector's annual budget. The Tax Collector submits a budget for the general fund to the Florida Department of Revenue for approval. A copy of the approved budget is provided to the Board. Any subsequent amendments to the Tax Collector's total budget must be approved by the Florida Department of Revenue. The budget for the general fund is prepared on a basis consistent with accounting principles generally accepted in the United States of America. The annual budget serves as the legal authorization for expenditures.

Expenditures may not legally exceed appropriations at the fund level. Appropriations lapse at year-end. Budget control is maintained at the departmental major object expenditure level. Budgetary changes within major object expenditure categories are made at the discretion of the Tax Collector.

The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized changes applicable to the fiscal year, whenever legally authorized.

3. Cash

At September 30, 2020, the carrying value of the Tax Collector's cash was as follows:

Type	2020 Carrying Value
Cash on hand	$ 33,642
Demand deposits	11,363,748
Total cash and cash equivalents	$ 11,397,390

Such amounts are reported as $4,598,526 and $6,798,864 for 2020 in the general and agency funds, respectively.

Custodial Credit Risk

At September 30, 2020, the Tax Collector's deposits were entirely covered by Federal Depository Insurance or by collateral pledged with the State Treasurer pursuant to Chapter 280, *Florida Statutes*. Under this Chapter, in the event of default by a participating financial institution (a qualified public depository), all participating institutions are obligated to reimburse the governmental entity for the loss.

Credit Risk

The Tax Collector's policy is to follow the guidance in Section 219.075, *Florida Statutes*, regarding the deposit of funds received and the investment of surplus funds. Sections 219.075 and 218.415, *Florida Statutes*, authorize the Tax Collector to invest in Florida PRIME or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; direct obligations of the United States Treasury; federal agencies and instrumentalities or interest-bearing time deposits or savings accounts in banks organized under the laws of the United States and doing business and situated in the State of Florida, savings and loan associations which are under state supervision, or in federal savings and loan associations located in the State of Florida and organized under federal law and federal supervision, provided that any such deposits are secured by collateral as may be prescribed by law.

3. Cash (continued)

Interest Rate Risk

The Tax Collector has no specific investment policy regarding interest rate risk.

4. Capital Assets

Capital assets used by the Tax Collector are capitalized in the basic financial statements of Collier County, Florida rather than in the governmental funds of the Tax Collector. Upon acquisition, such assets are recorded as expenditures in the general fund of the Tax Collector, and are capitalized at cost in the basic financial statements of Collier County, Florida. Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at acquisition value on the date received.

The Tax Collector maintains custodial responsibility for the capital assets used by the office. No depreciation expense has been provided on capital assets in these financial statements. However, depreciation expense on these assets is recorded in the basic financial statements of Collier County, Florida.

The following is a summary of changes in capital assets for the year ended September 30, 2020:

	October 1, 2019	Additions	Deletions/ Reclassifications	September 30, 2020
Capital assets not depreciated:				
Construction in progress	$ 18,200	$ 1,140,593	$ (366,885)	$ 791,908
Total assets not depreciated	18,200	1,140,593	(366,885)	791,908
Infrastructure	11,735	10,253	-	21,988
Improvements other than buildings	105,093	-	-	105,093
Machinery and equipment	1,912,355	67,842	(93,762)	1,886,435
Total capital assets	2,047,383	1,218,688	(460,647)	2,805,424
Less accumulated depreciation:	(1,696,312)	(113,223)	87,407	(1,722,128)
Total capital assets, net	$ 351,071	$ 1,105,465	$ (373,240)	$ 1,083,296

4. Capital Assets (continued)

During the fiscal year ended September 30, 2020, costs related to completed leasehold improvements totaling $366,885 were transferred to Collier County, Florida.

5. Long-Term Liabilities

The following is a summary of changes in long-term liabilities which are reported in the basic financial statements of Collier County, Florida:

	October 1, 2019	Increase	Decrease	September 30, 2020
Accrued compensated absences	$ 1,278,140	$ 825,826	$ (740,334)	$ 1,363,632

Of these liabilities, approximately $748,300 is expected to be paid during the fiscal year ending September 30, 2021, which will be included in the operating costs of the general fund when expended. These long-term liabilities are not reported in the financial statements of the Tax Collector since they have not matured.

6. Pension Plans

Background

The Florida Retirement System (FRS) was created by Chapter 121, *Florida Statutes*, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, *Florida Statutes*, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the Tax Collector are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, *Florida Statutes*; Chapter 112, Part IV, *Florida Statutes*; Chapter 238, *Florida Statutes*; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Web site (www.dms.myflorida.com).

6. Pension Plans (continued)

Florida Retirement System Pension Plan

Plan Description

The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers Class* – Members who hold specified elective offices in local government.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.
- *Special Risk Class* – Members who are special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62, or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the FRS Plan may include up to 4 years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

6. Pension Plans (continued)

Florida Retirement System Pension Plan (continued)

Plan Description (continued)

DROP, subject to provisions of Section 121.091, *Florida Statutes*, permits employees eligible for normal retirement under the FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided

Benefits under the FRS Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

As provided in Section 121.101, *Florida Statutes*, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Detailed information about the County's proportionate share of FRS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

6. Pension Plans (continued)

Retiree Health Insurance Subsidy Program

Plan Description

The Retiree Health Insurance Subsidy Program (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 Florida Department of Management Services, Division of Retirement.

Benefits Provided

For the fiscal year ended June 30, 2020, 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.

Detailed information about the County's proportionate share of HIS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

FRS Investment Plan

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

6. Pension Plans (continued)

FRS Investment Plan (continued)

As provided in Section 121.4501, *Florida Statutes*, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Tax Collector employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04% of payroll and by forfeited benefits of plan members.

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2020, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Tax Collector.

6. Pension Plans (continued)

FRS Investment Plan (continued)

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

Contributions

Participating employer contributions are based upon statewide rates established by the State of Florida. The Tax Collector's contributions made to the plans during the years ended September 30, 2020, 2019, and 2018 were $843,840, $768,338, and $716,867, respectively, equal to the actuarially determined contribution requirements for each year.

Additional information about pension plans can be found in the County's comprehensive annual financial report or County-wide financial statements.

7. Other Postemployment Benefits (OPEB)

In accordance with Section 112.0801, *Florida Statutes,* the Tax Collector participates with Collier County in offering retiring employees the opportunity to continue participation in the County's health insurance plan. The participating retirees pay 100% of the premium cost applicable to an active employee. The liability and expense for other postemployment benefits, calculated in accordance with Governmental Accounting Standards Board Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* are reported in the financial statements of the County.

8. Related Party Transactions

During the fiscal year ended September 30, 2020, the Board paid commissions and fees to the Tax Collector that amounted to $17,890,872.

At September 30, 2020, the Tax Collector had a payable due to the Board of $5,394,002 comprised as follows:

	2020
Distribution of unused commissions and fees	$ 4,073,807
Agency funds due to the Board	1,320,195
Total	$ 5,394,002

9. Risk Management

Collier County, Florida (County) is exposed to various risks of loss including but not limited to, general liability, health and life, property and casualty, auto and physical damage, and workers' compensation. The County is substantially self-insured and accounts for and finances its risk of uninsured losses through an internal service fund. All liabilities associated with these self-insured risks are reported in the basic financial statements of the County. The Tax Collector participates in the County's self-insurance program. During the year ended September 30, 2020 the Tax Collector was charged $3,052,702 by the County for participation in the risk management program.

9. Risk Management (continued)

The County provides coverage for up to $500,000 per claim for workers' compensation, and has purchased outside excess coverage for up to the statutory limits for each injury or illness. The County also provides coverage for up to $500,000 per occurrence for general liability and $300,000 per occurrence for auto liability coverage and has purchased outside excess coverage for up to $5 million per claim. Negligence claims in excess of the statutory limits set in Section 768.20, *Florida Statutes*, which provide for limited sovereign immunity of $200,000/$300,000 per occurrence can only be recovered through an act of the State Legislature. Property claims are subject to a 5% wind deductible and a $50,000 deductible for all other perils. The County retains the first $100,000 per claim/$200,000 per occurrence for public official errors and omissions and crime coverage and has purchased outside excess coverage for up to $5 million per claim. There have been no significant reductions in insurance coverage in the last year. Settled claims have not exceeded the insurance provided by third-party carriers in any of the last three years.

The County is self-insured for health claims covering all of its employees and their eligible dependents. The County retains the first $400,000 per covered member and has purchased outside excess coverage for all claims exceeding this amount. An actuarial valuation is performed each year to estimate the amounts needed to pay prior and future claims and to establish reserves.

10. Commitments and Contingencies

Leases

The Collier County Tax Collector leases assets for various terms under certain agreements that meet the definition of a lease under GASB Statement No. 87 - Leases. Detailed information about the Collier County Tax Collector's leases can be found in the Collier County comprehensive annual financial report or County-wide financial statements.

Leases entered into by the Collier County Tax Collector 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.

10. Commitments and Contingencies (continued)

Leases (continued)

During the year ended September 30, 2020, the Collier County Tax Collector entered into leases in the amount of $35,205. During the year ended September 30, 2020, the Collier County Tax Collector's payments on leases totaled $190,706.

Litigation

The Tax Collector is involved as a defendant or plaintiff in certain litigation and claims arising from the ordinary course of operations. In the opinion of the Tax Collector and legal counsel, the range of potential recoveries or liabilities will not materially affect the financial position of the Tax Collector

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 Rob Stoneburner
Tax Collector
Collier 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 of the general fund and the aggregate remaining fund information of the Tax Collector, Collier County, Florida (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 basic financial statements, and have issued our report thereon dated January 7, 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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Tax Collector's internal control. Accordingly, we do not express an opinion on the effectiveness of the Tax Collector's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Tax Collector's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 result of that testing, and not to provide an opinion on the effectiveness of the Tax Collector'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 Tax Collector's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Naples, Florida
January 7, 2021

MANAGEMENT LETTER

Honorable Rob Stoneburner
Tax Collector
Collier County, Florida

Report on the Financial Statements

We have audited the financial statements of the general fund and the aggregate remaining fund information of the Collier County, Florida Tax Collector (Tax Collector) as of and for the year ended September 30, 2020, and have issued our report thereon dated January 7, 2021.

Auditors' Responsibility

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 and Chapter 10.550, Rules of the Florida Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on 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 January 7, 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. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. See Note 1 in the notes to the financial statements.

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, federal and other granting agencies, the Tax Collector and applicable management and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Naples, Florida
January 7, 2021

INDEPENDENT ACCOUNTANTS' REPORT

Honorable Rob Stoneburner
Tax Collector
Collier County, Florida

We have examined the Collier County Tax Collector, Collier County, Florida's (Tax Collector) compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2020. Management of the Tax Collector is responsible for the Tax Collector's compliance with the specified requirements. Our responsibility is to express an opinion on the Tax Collector's compliance with the specified requirements 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 referenced above. 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 Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2020.

This report is intended solely for the information and use of the Tax Collector and the Auditor General, State of Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Naples, Florida
January 7, 2021

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