



Financial Statements and Report of Independent Certified Public Accountants

Broward County Supervisor of Elections

September 30, 2018

Supervisor of Elections' Office
Broward County, Florida

Financial Statements

September 30, 2018

Table of Contents

Report of Independent Certified Public Accountants.....	1-2
Financial Statements:	
Balance Sheet – Governmental Fund.....	3
Statement of Revenues, Expenditures, and Changes in Fund Balance – Government Fund.....	4
Notes to Financial Statements	5-8
Required Supplementary Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund.....	9
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	10-11
Independent Accountant’s Report.....	12
Independent Auditor’s Management Letter	13-14

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Honorable Peter Antonacci
Broward County Supervisor of Elections
Broward County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the Broward County, Florida Supervisor of Elections (the "Supervisor of Elections") as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' 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.

Auditor's 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Supervisor of Elections as of September 30, 2018, and the respective change in financial position and the budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.



Emphasis-of-Matter

As described in Note 1 to the financial statements, the accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557(3), *Rules of the Auditor General for Local Governmental Entity Audits*. These financial statements are not intended to be a complete presentation of financial position of Broward County, Florida as of September 30, 2018, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 11, 2019, on our consideration of the Supervisor of Elections' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Supervisor of Elections' internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "C. Borders-Byrd, CPA LLC".

Lauderhill, Florida
January 11, 2019

**Supervisor of Elections' Office
Broward County, Florida**

BALANCE SHEET - GOVERNMENTAL FUND

September 30, 2018

	<u>General Fund</u>
ASSETS	
Cash	\$ 2,755,098
Total assets	<u>\$ 2,755,098</u>
 LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable and accrued expenses	\$ 966,968
Accrued payroll	274,849
Due to Board of County Commissioners	488,014
Unearned revenue	<u>1,025,267</u>
Total liabilities	<u>2,755,098</u>
 Fund balance	 -
Total liabilities and fund balance	<u>\$ 2,755,098</u>

The accompanying notes are an integral part of this financial statement.

**Supervisor of Elections' Office
Broward County, Florida**

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

For the Year Ended September 30, 2018

Revenues:	
Appropriation from Board of County Commissioners	\$ 18,236,356
Grant revenue	<u>426,427</u>
Total revenue	18,662,783
Expenditures:	
Current:	
Personal services	8,615,769
Operating expenses	6,473,327
Capital expenditures	<u>3,573,687</u>
Total expenditures	18,662,783
Net change in fund balance	-
Fund balance, beginning of year	<u>-</u>
Fund balance, end of year	<u><u>\$ -</u></u>

See accompanying notes to the special-purpose financial statements.

**Supervisor of Elections' Office
Broward County, Florida**

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Supervisor of Elections is an elected official in Broward County, Florida (the "County"), who is responsible for conducting all elections in the County, maintaining voter records and conducting various outreach programs, including seminars and voter registration drives. The Supervisor of Elections' Office (the "Supervisor") is part of the overall entity of the County and is included in the financial statements of the County.

The financial statements include the General Fund of the Supervisor's office. The financial statements were prepared for the purpose of complying with Section 10.557, *Rules of the Auditor General for Local Governmental Entity Audits*, and are not intended to be a complete presentation of the financial position of the County, or the changes in financial position and cash flows, where applicable, thereof in conformity with accounting principles generally accepted in the United States of America. Pursuant to Florida Statutes, the Supervisor's financial statements are included in the County's Comprehensive Annual Financial Report ("CAFR").

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

Basis of Presentation

Fund Financial Statements: The fund financial statements provide information about the Supervisor's General Fund. The General Fund, a governmental fund, is used to account for all financial resources applicable to the general operations of the Supervisor. The emphasis of fund financial statements is on major governmental funds.

Basis of Accounting and Measurement Focus

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Supervisor considers all revenues reported in the General Fund to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred. The extent to which General Fund revenues exceeded General Fund expenditures is reflected as a liability in compliance with Florida Statutes.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

**Supervisor of Elections' Office
Broward County, Florida**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

For the Year Ended September 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Budgetary Requirements

The Supervisor operates under budget procedures pursuant to Florida Statutes. The Supervisor's budgeting process is based on estimates of revenue and expenditures and requires that all budgets be approved by the Broward County Board of County Commissioners (the "Board") after a public hearing is held. Subsequent amendments to the budget, if any, are approved by the Board.

Budgets are prepared on the basis of accounting consistent with accounting principles generally accepted in the United States of America. Expenditures may exceed the approved budget amounts for individual categories as long as the total does not exceed the approved budget. Budget appropriations lapse at the end of the year and are not carried over to the following year. Any remaining fund balances are remitted to the Board at the end of each year.

Accrued Vacation and Sick Pay

The Supervisor's employees accumulate vacation and sick pay based on the number of years of continuous service. Upon termination of employment, employees can receive payment for accumulated leave in accordance with Florida Statutes, if they meet certain criteria. The cost of vested vacation and sick pay benefits is recognized when payments are made to employees, using the modified accrual basis of accounting.

Capital Assets

Capital assets (vehicles, equipment, and other tangible property costing at least \$1,000 with a useful life of more than one year) are recorded as capital expenditures in the fund level financial statements. Capital assets used in the operations of the Supervisor's office are recorded in the property records of the County.

NOTE 2 - CASH

At September 30, 2018, the carrying amount of the Supervisor's cash, which consists solely of demand deposits, was approximately \$2,755,098. Under the State of Florida Statutes, Chapter 280, "Florida Security for Public Deposits Act," the State Treasurer requires all qualified public depositories to deposit with the Treasurer or banking institution eligible collateral having an average daily balance for each month of all public deposits that meet certain statutory requirements. The percentage of eligible collateral (generally, U.S. Government and agency securities, state or local government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280. In the event of a failure of a public depository, the remaining public depositories would be responsible for covering any resulting losses. Therefore, all cash deposits in an approved Florida banking institution are collateralized and insured and not subject to a concentration of credit risk nor a custodial credit risk, as defined in Governmental Accounting Standards Board ("GASB") Statement No. 40.

**Supervisor of Elections' Office
Broward County, Florida**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

For the Year Ended September 30, 2018

NOTE 2 - CASH - Continued

As of September 30, 2018, all the depositories utilized by the Supervisor were qualified and eligible for public deposits pursuant to Florida Statute 280, Department Financial Services, State of Florida.

NOTE 3 - UNEARNED REVENUE

Unearned revenue represents grant funding received but not earned. As funds are expended for a specific purpose, grant revenue is recognized in accordance with the grant agreement.

NOTE 4 - RETIREMENT PLAN

The Supervisor participates in the Florida Retirement System ("FRS"), a cost-sharing, multiple-employer Public Employment Retirement System ("PERS") totally administered by the Florida Department of Management Services. Effective July 1, 2011, the FRS requires a 3% contribution from all employees, except those enrolled in the Deferred Retirement Option Program ("DROP") plan. As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the state of Florida. For financial reporting purposes, the Supervisor is deemed to be part of the primary government of Broward County, Florida. Effective October 1, 2014, the County implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. A liability, if any, related to the Supervisor's proportionate share of the FRS retirement benefits, along with a detailed plan description, is reported in the financial statements of Broward County, Florida for the fiscal year ended September 30, 2018.

The Supervisor's contributions to the FRS for fiscal years ended September 30, 2016 through 2018 were \$363,786, \$371,737 and \$404,548, respectively, which were equal to the required contribution for each fiscal year. Employee withholdings for this purpose amounted to \$94,352, \$94,294 and \$96,873 for the fiscal years ended September 30, 2016 through 2018, respectively, which were equal to the required contribution for each fiscal year.

NOTE 5 - INSURANCE COVERAGE

The Supervisor participates in the County's self-insurance program for services other than medical and dental insurance. Payments are made to the County in the amounts needed to pay prior and current-year claims. All required payments have been made during the fiscal year. Broward County is self-insured for workers' compensation and dental claims. Commercial insurance is purchased for all other risks, including property and casualty, vehicle, and public officials. Claims settlements have not exceeded insurance coverage during the fiscal year.

**Supervisor of Elections' Office
Broward County, Florida**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

For the Year Ended September 30, 2018

NOTE 6 - LONG-TERM LIABILITIES

The Supervisor accrues a liability for employees' rights to receive compensation for future absences when certain conditions are met. The Supervisor is not legally required to and does not accumulate expendable, available financial resources to liquidate this obligation. A summary of changes in long-term liabilities for the fiscal year ended September 30, 2018 is as follows:

	<u>Balance October 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2018</u>	<u>Due Within One Year</u>
Compensated absences	\$528,150	\$326,385	\$256,792	\$597,743	\$210,969

NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS

Plan Description and Funding Policy and Annual OPEB Cost

The Supervisor has a single-employer, defined-benefit healthcare plan, which allows its employees and their beneficiaries to continue obtaining health, dental, and other insurance benefits upon retirement. The plan does not issue separate financial reports.

Effective October 1, 2017, the County implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. A liability, if any, related to the Supervisor's proportionate share of these benefits, along with a detailed plan description, is reported in the financial statements of Broward County, Florida.

NOTE 8 – CONTINGENCIES

The Supervisor of Elections received grant funding from the State of Florida. This grant is subject to audit by the State and if found to be in error or noncompliance, could result in refunds to the grantor or decreases to future grant awards. The Supervisor of Elections' Office from time to time is involved in litigation incidental to the conduct of its business. In the opinion of management, the expected liability, from these claims, in excess of insurance coverage, if any, would not be material to its financial position or results of operations.

NOTE 9 – RELATED PARTIES

The Supervisor of Elections' Office on behalf of Broward County, Florida collects cash from the sale of voter rolls, precinct maps, etc. and reimbursements for municipal election expenditures. The amount collected during fiscal 2018 was approximately \$1,142,000. These amounts are remitted to the County regularly.

NOTE 10 - SUBSEQUENT EVENTS

Management has evaluated events and transactions for subsequent events that would impact the financial statements for the year ended September 30, 2018, through January 11, 2019, the date the financial statements were available to be issued. There were no subsequent events that require recognition or disclosure in the financial statements.

Required Supplementary Information

Supervisor of Elections' Office
Broward County, Florida

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

For the Year Ended September 30, 2018

	Original Budget	Appropriated Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Appropriation from Board of County Commissioners	\$ 18,536,370	\$ 18,724,370	\$ 18,236,356	\$ (488,014)
Grant revenue	-	-	426,427	426,427
Total revenue	<u>18,536,370</u>	<u>18,724,370</u>	<u>18,662,783</u>	<u>(61,587)</u>
Expenditures:				
Current:				
Personal services	8,775,390	8,775,390	8,615,769	159,621
Operating expenditures	6,417,120	6,417,120	6,473,327	(56,207)
Capital expenditures	<u>3,343,860</u>	<u>3,531,860</u>	<u>3,573,687</u>	<u>(41,827)</u>
Total expenditures	<u>18,536,370</u>	<u>18,724,370</u>	<u>18,662,783</u>	<u>61,587</u>
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Notes to Required Supplementary Information:

The appropriated budget is prepared by fund on the same basis of accounting as required for governmental fund types and conforms with GAAP. By County budget policy, transfers of appropriations between departments and increase of appropriations at the department level require the approval of the Board. The County's legal level of budgetary control, the level at which expenditures may not legally exceed appropriations, is at the department level.

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

To the Honorable Peter Antonacci
Broward County Supervisor of Elections
Broward County, Florida

We have audited the financial statements of the Broward County, Florida Supervisor of Elections (the "Supervisor of Elections") as of and for the year ended September 30, 2018, and have issued our report thereon dated January 11, 2019. 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.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Supervisor of Elections' internal control over financial reporting (internal control) 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 Supervisor of Elections' internal control. Accordingly, we do not express an opinion on the effectiveness of the Supervisor of Elections' internal control.

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

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



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Supervisor of Elections' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Supervisor of Elections in a separate letter dated January 11, 2019.

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.

C. Sanders-Byrd, CPA LLC

Lauderhill, Florida
January 11, 2019

INDEPENDENT ACCOUNTANT'S REPORT

To the Honorable Peter Antonacci
Broward County Supervisor of Elections
Broward County, Florida

We have examined the Broward County, Florida Supervisor of Elections' (the "Supervisor of Elections") compliance with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2018. Management is responsible for the Supervisor of Elections' compliance with those requirements. Our responsibility is to express an opinion on the Supervisor of Elections' compliance based on our examination.

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

In our opinion, the Supervisor of Elections complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2018.



Lauderhill, Florida
January 11, 2019

MANAGEMENT LETTER - SUPERVISOR OF ELECTIONS' OFFICE

To the Honorable Peter Antonacci
Broward County Supervisor of Elections
Broward County, Florida

Report on the Financial Statements

We have audited the basic financial statements of the Broward County, Florida Supervisor of Elections (the "Supervisor of Elections") as of and for the fiscal year ended September 30, 2018 and have issued our report thereon dated January 11, 2019.

Auditor's 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 Auditor's 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 Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated January 11, 2019, 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. In connection with the preceding audit, there were no findings or recommendations.

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. The legal authority is disclosed in the notes to the financial statements.



Financial Management

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we have the following recommendation.

2018-01 Closing the Books

We noted several transactions that were not properly accrued. We proposed and passed the adjustments.

Recommendation

Management should consider contacting vendors prior to year end and request the timely submission of outstanding invoices to facilitate proper cut off.

Management's Response

We concur with this recommendation and will ensure that we adhere to our policy of requesting vendors submit invoices timely at year end.

Additional Matters

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

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the Supervisor of Elections and applicable management and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "C. Andrew Byrd, CPA, LLC".

Lauderhill, Florida
January 11, 2019