

BROWARD COUNTY SUPERVISOR OF ELECTIONS

FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

**BROWARD COUNTY SUPERVISOR OF ELECTIONS
FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

TABLE OF CONTENTS

	PAGE(S)
Independent Auditors' Report.....	1-2
 BASIC FINANCIAL SECTION	
Balance Sheet – Governmental Fund	3
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund.....	4
Notes to the Financial Statements	5-10
 REQUIRED SUPPLEMENTARY INFORMATION	
Statement of Revenues, Expenditures, and Changes in Fund Balance – General Fund – Budget and Actual	11
 COMPLIANCE SECTION	
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.....	12-13
Schedule of Findings and Questioned Costs	14-19
Independent Accountants' Report On Compliance Requirements Of Section 218.415, Florida Statutes.....	20
Management Letter In Accordance With The Rules Of The Auditor General Of The State Of Florida	21-22



ANTHONY BRUNSON P.A.

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

INDEPENDENT AUDITORS' REPORT

To the Honorable Joe Scott
Broward County Supervisor of Elections
Broward County, Florida

We have audited the accompanying financial statements of the Broward County Supervisor of Elections (the "Supervisor of Elections") as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' 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 from material misstatement.

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

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



Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Supervisor of Elections of Broward County, Florida as of September 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that budgetary comparison information on page 11 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the accompanying financial statements present the financial position and the changes in financial position of the Supervisor of Elections. These financial statements do not purport to, and do not present fairly the financial position of Broward County, Florida, as of September 30, 2020, and the changes in financial position and cash flows, where applicable 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2021 on our consideration of the Supervisor of Elections' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Supervisor of Elections' internal control over financial reporting and compliance.



Miramar, Florida
February 12, 2021

**BROWARD COUNTY SUPERVISOR OF ELECTIONS
BALANCE SHEET – GOVERNMENTAL FUND
SEPTEMBER 30, 2020**

ASSETS

Cash and cash equivalents	\$ 2,387,320
Accounts receivable	227,329
Prepaid expenses	<u>2,721,331</u>
Total Assets	<u><u>\$ 5,335,980</u></u>

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable and accrued expenses	\$ 1,785,108
Accrued payroll	343,761
Due to Board of County Commissioners	<u>3,207,111</u>
Total liabilities	<u>5,335,980</u>
Fund balance	<u>-</u>
Total Liabilities and Fund Balance	<u><u>\$ -</u></u>

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

**BROWARD COUNTY SUPERVISOR OF ELECTIONS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – GOVERNMENTAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	<u>General Fund</u>	<u>Grant Fund</u>	<u>Total Governmental Funds</u>
REVENUES			
Appropriation from Board of County Commissioners	\$ 24,061,501	\$ -	\$ 24,061,501
Grant revenue	<u>-</u>	<u>2,072,134</u>	<u>2,072,134</u>
Total Revenues	<u>24,061,501</u>	<u>2,072,134</u>	<u>26,133,635</u>
EXPENDITURES			
Current:			
Personnel services	10,947,563	190,553	11,138,116
Operating expenditures	9,648,762	1,007,264	10,656,026
Capital expenditures	<u>3,465,176</u>	<u>874,317</u>	<u>4,339,493</u>
Total Expenditures	<u>24,061,501</u>	<u>2,072,134</u>	<u>26,133,635</u>
Net change in fund balance	\$ -	\$ -	\$ -
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

BROWARD COUNTY SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

The Supervisor of Elections (“the Supervisor”) is an elected official in Broward County, Florida (“the County”), who is responsible for conducting all elections in the County, maintaining voter records, and organizing various outreach programs, including seminars and voter registration drives. The Supervisor of Elections’ Office 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:

Measurement Focus, Basis of Accounting and Basis of Presentation

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.

General Fund: The General Fund, a governmental fund, is the government’s primary operating fund. It 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.

Grant Fund: The Grant Fund is used to account for grant funds received from federal and state donors.

As a general rule, the effect of interfund activity has been eliminated from the governmental financial statements.

**BROWARD COUNTY SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

Note 1 - Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require 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.

Budgetary Requirements

The Supervisor operates under budget procedures pursuant to Florida Statute 129.202. 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 total expenditures do 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.

As of September 30, 2020, \$3,207,111 was owed to the County. This was subsequently paid on February 12, 2021.

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 the Supervisor's policy, 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.

BROWARD COUNTY SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Note 2 - Cash and Cash Equivalents

At September 30, 2020, the carrying amount of the Supervisor's cash and cash equivalents, which consists solely of demand deposits, was \$2,387,320. 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.

As of September 30, 2020, 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 - 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 the County. 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 the County for the fiscal year ended September 30, 2020.

The Supervisor's contributions to the FRS for fiscal years ended September 30, 2018 through 2020 were \$404,548, \$430,210, and \$630,192, respectively, which were equal to the required contribution for each fiscal year. Employee contributions for this purpose amounted to \$96,873, \$103,834, and \$129,608 for the fiscal years ended September 30, 2018 through 2020, respectively, which were equal to the required contribution for each fiscal year.

**BROWARD COUNTY SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

Note 4 - 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. The County is self-insured for workers’ compensation and general liability. 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.

Note 5 - Compensated Absences

The Supervisor calculates 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 compensated absences for the fiscal year ended September 30, 2020, is as follows:

	<u>Balance</u> <u>October 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>September 30, 2020</u>	<u>Due within</u> <u>One Year</u>
Compensated absences	<u>\$ 655,485</u>	<u>\$ 357,353</u>	<u>\$ 199,692</u>	<u>\$ 813,146</u>	<u>\$ 203,481</u>

The liability is reported in the financial statements of the County.

Note 6 - 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 the County.

**BROWARD COUNTY SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

Note 7 - Operating Leases

The Supervisor is committed under various leases for printers and certain equipment used in its operations. These leases are considered for accounting purposes to be operating leases. Future minimum lease payments under the operating lease agreements at September 30, 2020 are as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2021	\$ 93,757
2022	93,757
2023	68,900
2024	<u>27,470</u>
Total	<u>\$ 283,884</u>

Lease expenditures for the year ended September 30, 2020, amounted to \$173,259.

Note 8 - Contingencies

The Supervisor receives grant funding from the Help America Vote Act (“HAVA”), through the State of Florida (“the State”). These grants are 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. HAVA grants received amounting to \$1,833,674 for the year ended September 30, 2020, were awarded through the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act.

The Supervisor’s 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, more than insurance coverage, if any, would not be material to its financial position or results of operations.

Note 9 - Related Parties

The Supervisor’s office collects cash from the sale of voter rolls, precinct maps, etc. and reimbursements for municipal election expenditures, on behalf of the County. The amount collected during fiscal 2020 was \$256,168. As of September 30, 2020, \$38,500 was due to the County. These amounts are remitted to the County at the end of each fiscal year.

BROWARD COUNTY SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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, 2020 through February 12, 2021, the date the financial statements were available to be issued. As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to impact the operations of the Supervisor. However, the related financial impact on operations and duration cannot be reasonably estimated at this time. Management has determined that there were no subsequent events that require recognition or disclosure in the financial statements.

BROWARD COUNTY SUPERVISOR OF ELECTIONS

FINANCIAL STATEMENTS

REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED SEPTEMBER 30, 2020

**BROWARD COUNTY SUPERVISOR OF ELECTIONS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – GENERAL FUND
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	<u>Original Budget</u>	<u>Appropriated Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Appropriation from Board of County Commissioners	\$ 25,253,180	\$ 27,268,612	\$ 24,061,501	\$ (3,207,111)
Grant revenue	<u>-</u>	<u>-</u>	<u>2,072,134</u>	<u>2,072,134</u>
Total Revenues	<u>25,253,180</u>	<u>27,268,612</u>	<u>26,133,635</u>	<u>(1,134,977)</u>
EXPENDITURES				
Current:				
Personnel services	11,959,320	12,039,320	11,138,116	901,204
Operating expenditures	10,410,860	11,190,860	10,656,026	534,834
Capital expenditures	<u>2,883,000</u>	<u>4,038,432</u>	<u>4,339,493</u>	<u>(301,061)</u>
Total Expenditures	<u>25,253,180</u>	<u>27,268,612</u>	<u>26,133,635</u>	<u>(1,134,977)</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>

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.

BROWARD COUNTY SUPERVISOR OF ELECTIONS

FINANCIAL STATEMENTS

COMPLIANCE SECTION

FOR THE YEAR ENDED SEPTEMBER 30, 2020



ANTHONY BRUNSON P.A.

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

**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**

To the Honorable Joe Scott
Broward County Supervisor of Elections
Broward 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 Standard* issued by the Comptroller General of the United States, the special-purpose financial statements of the Supervisor of Elections of Broward County as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' basic financial statements, and have issued our report thereon dated February 12, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Supervisor of Elections internal control over financial reporting (internal control) 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 Supervisor of Elections' internal control.

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

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

12



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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Supervisor of Elections' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.



Miramar, Florida
February 12, 2021

**BROWARD COUNTY SUPERVISOR OF ELECTIONS
FINANCIAL STATEMENTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Section I – Current Year - Financial Statement Findings

2020-01 Maintenance of an Accounting Policies and Procedures Manual

Criteria

The existence of a comprehensive, formal, documented manual of accounting policies and procedures can help the Supervisor establish and reinforce a clear internal control framework and ensure accountability and consistency in daily transactions as well as for financial reporting. In addition, fully documented accounting policies and procedures can be used as a training tool for new staff and can play an important role in continuity and transition of personnel.

Condition

The Supervisor does not maintain a comprehensive accounting policies and procedures manual for all key accounting processes that are updated regularly as processes and systems change. In addition, the current Employee Handbook was last updated in August 2009.

Cause of Condition

Comprehensive accounting policies and procedures have not been established and maintained over time.

Potential Effect of Condition

Lack of a complete, formal, documented accounting policy may result in a weak control environment as processes and procedures are not clearly communicated, understood, and implemented.

Recommendation

We recommend that the Supervisor develop a more comprehensive accounting policies and procedures manual for all key accounting and financial processes.

Client Response

Management agrees that the current policies and procedures manual is outdated and do understand the significance of updating it to reflect currently implemented policies and procedures. Throughout fiscal year 2020, some of the policies and procedures were updated, however, it is not complete. Management's goal is to have a completed file by the end of the current fiscal year.

**BROWARD COUNTY SUPERVISOR OF ELECTIONS
FINANCIAL STATEMENTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Section II – Prior Year- Financial Statement Findings

2019-01 Supervision and Review

Condition

We noted that the bank reconciliations are prepared timely, however, there is no evidence of supervisor review and approval.

We noted payroll processing is performed by the finance department, however, there is no evidence of supervisor review and approval.

Recommendation

Management should consider reevaluating its staffing needs to ensure internal controls are adequate to provide for proper segregation of duties and supervisory review.

Management's Response

Currently, evidence of supervisory approval is indicated on every bank reconciliation and payroll register. We agree with the auditor that in order strengthen our system of internal controls, specifically as it relates to proper segregation of duties, there should be an additional full-time staff person assigned to the finance department.

Current Year Update

Effective fiscal year 2020, review and approval of bank reconciliations were evidenced by Management's signature on the printed bank reconciliation. In addition, effective fiscal year 2020, review and approval of payroll processing were indicated by Management's digital approval via email. This condition no longer exists.

**BROWARD COUNTY SUPERVISOR OF ELECTIONS
FINANCIAL STATEMENTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Section II – Prior Year- Financial Statement Findings

2019-02 Election Day Worker Disbursements

Condition

Election day workers' sign-in sheets documenting the provision of service are maintained by the field personnel. The field personnel transfers payroll related data to an excel spreadsheet and submits it to the finance department for payment. There is no evidence of supervision and review.

The finance department prepares disbursements based on the excel spreadsheets submitted from the field. There is no evidence of supervision and review.

Recommendation

Management should consider documenting their review of the transfer of data by the field personnel to the excel spreadsheet used to make election day worker payments. Additionally, the processing of payments of election day workers by finance should have documentation of review and approval.

Management's Response

Payment to a substantial amount of election workers, via a transfer of data described by the auditor, is completed through a download of payment information from the voter registration system directly to Microsoft Excel, a process that was initiated by the previous IT Director. In the future, some election workers will be required to enter their time directly into ADP's time and attendance module, which includes a robust internal control system related to the review and approval of timecards. Any additional transfer of payroll data to ADP will include proper approvals by the Department Directors responsible for hiring seasonal election workers.

Current Year Update

Effective fiscal year 2020, a new process was implemented for election payroll.

For election day payroll, Director approved spreadsheets were provided by each department, detailing the demographic and pay data for all workers, including amounts to be paid. The finance department followed a conservative quality control process, followed by uploading the data to ADP for payroll processing. Once processed checks were received from ADP, the finance department followed a second quality control process, followed by remitting the checks to each department Director.

For early voting payroll, the Site Managers and Clerks were tasked with maintaining the payroll sheets, and for inputting each worker's time (hours worked) into ADP's time and attendance online portal, within a timely manner. Timesheets were returned to the finance department on a regular basis, at which time finance staff compared time on the payroll sheet to time entered in ADP, for accuracy.

**BROWARD COUNTY SUPERVISOR OF ELECTIONS
FINANCIAL STATEMENTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Section II – Prior Year- Financial Statement Findings

2019-03 Check Inventory

Condition

We noted that the check inventory (unused checks) is not stored in a secure location. Additionally, we noted that several fraudulent checks, identified by management during the bank reconciliation process cleared the bank as of September 30, 2019 and many have not been reimbursed by the financial institution.

Recommendation

Management should consider maintaining a log of utilization of blank checks. The check inventory and check log should be maintained in a secured location.

Management's Response

Despite a contrary insinuation, the fraudulent checks at issue were not connected, in any way, to the maintenance of check stock because the fraudulent checks represent images of checks already issued and/or check numbers that do not exist. Currently, the last check available in our operating account is check number 64001, while some of the fraudulent checks were issued using check numbers in the 9 series, which does not exist. Currently, check stock is maintained under lock and key.

Since July 2019, the current administration ordered Bank of America to attach positive pay to all bank accounts as an internal control measure to protect against fraud. It took Bank of America over 3 months to implement this important feature, which is now in effect. Moreover, Bank of America cleared fraudulent checks with the signatures of Dr. Brenda Snipes and Linda Levinson, long after both employees had resigned from office. In addition, in the teeth of Bank of America's recalcitrance, the current administration further reported these checks to legal counsel to pursue the recovery of funds.

Because Bank of America has been unresponsive, the current administration will transfer its banking relationship to SunTrust Bank in early 2020.

Current Year Update

Effective fiscal year 2020, check inventory was being stored in a secured cabinet, located in the finance department. The cabinet is kept locked outside of business hours and while no finance staff is in the office. The key is maintained by the Assistant Finance Director. In addition, effective fiscal year 2020, positive pay was implemented on all checks processed in-house. This condition no longer exists.

**BROWARD COUNTY SUPERVISOR OF ELECTIONS
FINANCIAL STATEMENTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Section II – Prior Year- Financial Statement Findings

2019-04 Documentation of Approved Rates of Pay

Condition

We noted that there was no documentation of the approved rate of pay for certain employees in their personnel file.

Recommendation

Management should consider documenting approvals of all pay rates.

Management's Response

While management included a general pay rate approval letter in each employee's file, we agree that the letter could have been more specific. This recommendation will be implemented.

Current Year Update

Effective fiscal year 2020, all pay rate changes were documented in a signed memo from Senior Management to the employee, detailing the change. A copy of the memo is maintained in the employee file. For payroll purposes, documentation and approval of the rate change is also maintained in the finance payroll folder, applicable to the payroll period the change is made effective. This condition no longer exists.

**BROWARD COUNTY SUPERVISOR OF ELECTIONS
FINANCIAL STATEMENTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Section II – Prior Year- Financial Statement Findings

2019-05 Disbursement Approval

Condition

We noted a vendor payment which did not adhere to the purchase order policy and there was no evidence of supervisor approval.

Recommendation

Management should adhere to their policy for procurement.

Management's Response

Management strictly adheres to its policies and procedures; and it is unsurprising that out of 4,988 checks written in fiscal year 2019, audit testing revealed only 1 instance otherwise. The current administration modernized its procurement policy to comport with industry best practices, and similar practices used by other Florida Election Supervisors.

Current Year Update

Effective fiscal year 2020, and in accordance with the procurement policy and procedures, all vendor invoices were paid by the finance department only upon written approval by the Director. This condition no longer exists.



ANTHONY BRUNSON P.A.

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH THE REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES

To the Honorable Joe Scott
Broward County Supervisor of Elections
Broward County, Florida

We have examined the Supervisor of Elections of Broward County, Florida ("Supervisor of Elections"), compliance with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2020. Management is responsible for the Supervisor of Elections' compliance with those requirements. Our responsibility is to express an opinion on the Supervisor of Elections' compliance based on our examination.

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

In our opinion, the Supervisor of Elections of Broward County, Florida complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2020.

Miramar, Florida
February 12, 2021





ANTHONY BRUNSON P.A.

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

To the Honorable Joe Scott
Broward County Supervisor of Elections
Broward County, Florida

We have audited the special-purpose financial statements of the Supervisor of Elections of Broward County, Florida (the "Supervisor of Elections"), as of and for the fiscal year ended September 30, 2020 and have issued our report thereon dated February 12, 2021.

Auditor's Responsibility

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

Other Report and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated February 12, 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. Refer to the "Schedule of Findings and Questioned Costs" for discussion of corrective actions that have been taken to address the 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. The name or official title and legal authority of the primary government and component unit are disclosed in the notes to the financial statements.

21



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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 made a recommendation that is discussed in the “Schedule of Findings and Questioned Costs”.

Other 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, and the Supervisor of Elections and is not intended to be and should not be used by anyone other than these specified parties.



Miramar, Florida
February 12, 2021