

Escambia County, Florida

COMPREHENSIVE ANNUAL FINANCIAL REPORT Fiscal Year Ended September 30, 2016



ESCAMBIA COUNTY, FLORIDA



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For the Fiscal Year Ended
September 30, 2016**

*Prepared by:
Pam Childers, CPA
and the Finance Staff
Office of the Clerk of
the Circuit Court and
Comptroller*



Introductory Section

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Financial Reporting

County Officials

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Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Escambia County
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2015

Executive Director/CEO

ESCAMBIA COUNTY, FLORIDA COUNTY OFFICIALS

BOARD OF COUNTY COMMISSIONERS

Grover C. Robinson, IVChairman – District 4
Wilson B. Robertson Vice Chair – District 1
Douglas Underhill Commissioner – District 2
Lumon J. May..... Commissioner – District 3
Steven L. Barry..... Commissioner – District 5

ELECTED COUNTY OFFICERS

Pam Childers Clerk of the Circuit Court and Comptroller
Chris Jones..... Property Appraiser
David Morgan.....Sheriff
David StaffordSupervisor of Elections
Janet Holley Tax Collector

OTHER OFFICIALS

Jack Brown County Administrator
Alison RogersCounty Attorney



ESCAMBIA COUNTY, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2016

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Escambia County Clerk of the Circuit Court and Comptroller
Escambia County Property Appraiser
Escambia County Sheriff
Escambia County Supervisor of Elections
Escambia County Tax Collector



Pam Childers

Clerk of the Circuit Court and Comptroller, Escambia

Clerk of Courts • County Comptroller • Clerk of the Board of County Commissioners • Recorder • Auditor

February 24, 2017

To the Honorable Members of the
Board of County Commissioners and
Citizens of Escambia County, Florida

Florida Statutes require that all general-purpose local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP), and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby submit the Comprehensive Annual Financial Report (CAFR) of the County of Escambia (County), Florida for the fiscal year ended September 30, 2016 which fulfills this requirement.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of the information contained in this report. To provide a reasonable basis for making these representations, the County has established a comprehensive framework of internal control designed both to protect the government's assets from unauthorized use or disposition, loss or theft, and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's financial statements have been audited by an independent firm of certified public accountants, Warren Averett CPAs and Advisors. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended September 30, 2016, are free of material misstatements. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

The independent audit firm of Warren Averett CPAs and Advisors has issued an unmodified (“clean”) opinion on the Escambia County, Florida financial statements for the year ended September 30, 2016. The independent auditor’s report is located at the front of the financial section of this report.

The independent audit of the financial statements of the County was also designed to meet the requirements of the Office of Management and Budget (OMB) Single Audit Act; and the requirements of the Code of Federal Regulations Subpart F of 2 C.F.R. part 200. The standards governing single audit engagements require the independent auditor to report on the government’s internal controls and compliance with legal requirements with special emphasis on the administration of federal awards and state financial assistance. These reports are in the compliance section of this report.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of the Management’s Discussion and Analysis (MD&A). The MD&A complements this Letter of Transmittal and the two should be read in conjunction with each other. Escambia County’s MD&A can be found immediately following the Independent Auditors’ Report.

Profile of the County of Escambia, Florida

Escambia County, located in the northwestern part of the state, was established July 21, 1821 as a non-charter government when the Provisional Governor Andrew Jackson signed an ordinance making the County one of the first two counties in Florida, the other being St. Johns County. Escambia County encompasses approximately 661 square miles with 64,000 acres of water area and serves a population of approximately 311,003. There are two municipalities within the County, the City of Pensacola, the County seat, and the Town of Century which is located 38 miles from the County seat.

Escambia County is a political subdivision of the State of Florida. As such, it is governed by and derives its operating authority from the constitution and laws of the State of Florida. The County operates under a commission/administrator form of government, with a governing board consisting of five elected County Commissioners who are elected by district to staggered four-year terms. The Chairman presides over the Board and the chair is rotated annually in sequential order by district. In addition to the Board of County Commissioners, there are five elected constitutional officers performing specifically designated governmental functions: The Clerk of the Circuit Court and Comptroller (Clerk), Property Appraiser, Sheriff, Supervisor of Elections and Tax Collector.

The Clerk serves the function of “Clerk to the Board” for County Commissioners. The Clerk also performs the duties of auditor, accountant, recorder and custodian of County funds. Such duties are set forth in the Florida Constitution.

The financial reporting entity (the County) includes all the funds of the primary government (Escambia County Board of County Commissioners) as well as its

component units. Component units are legally separate entities for which the primary government is financially accountable. The County provides a full range of services including fire protection, emergency medical services, county jail and detention facilities, planning and zoning, solid waste disposal, construction and maintenance of highways, streets, and other infrastructure, mass transportation services, conservation and resource management, cultural and recreational programs, library, tourism and economic development.

Although legally separate entities, the general funds of the Clerk, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector are included as a General Fund component of the County.

The Santa Rosa Island Authority (SRIA) and the Law Library are reported separately as discrete component units within Escambia County's financial statements. SRIA operations include management services and leasing activities for County owned property on Santa Rosa Island. For additional information on Escambia County's Component Units, please refer to the Notes Section of this report.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

Local Economy

Escambia County is located in Florida's Panhandle, along the emerald shores of the Gulf Coast wherein the tourism sector employs approximately 22,200 in the leisure and hospitality industry with accommodations and food services representing 11.7% of the area workforce. The largest major industry sector is health care and social assistance with 17.2% of the area workforce. There are four major hospitals located in Escambia County, all of which have surgical centers; Baptist Hospital, West Florida Regional Medical Center, Navy Hospital and Sacred Heart Hospital. There are approximately 22,000 employed in the health and other health related services.

The military is another large factor in the area's economy. Navy and Air Force expenditures, including construction, have historically accounted for nearly half the total payroll in the Pensacola metro area. Navy installations include Pensacola Naval Air Station, Saufley Field and Corry Station. Whiting Field is located in Milton Florida, about 30 miles northeast of Pensacola. In neighboring Okaloosa County, Eglin Air Force Base and Hurlburt Field have an impact on the local economy as well as serving as magnets for high-tech businesses.

Escambia County has several commercial/industrial parks. The County's commerce parks consist of Central and Heritage Oaks as well as the downtown Technology Park. The properties in the Central Commerce Park and the downtown Technology Park are

being marketed in partnership with the Greater Pensacola Chamber of Commerce. This will allow the County to reach a wider audience for promoting economic development and attracting new businesses to the area.

The Heritage Oaks Commerce Park, home to Navy Federal Credit Union, continues to stimulate growth in the local economy by increasing job creation and expanding operations in the area. Navy Federal Credit Union continues to add jobs bringing its regional employment to over 5,571 employees. Continued expansion at the Pensacola campus will include facilities and parking for additional employees. The total number of jobs is expected to increase to 10,000 by the year 2026.

Escambia County's unemployment rate has fallen for the fifth straight year. The unemployment rate of 5.1% locally reflects a decrease of .1% from the previous year's rate of 5.2%.

Long-term Financial Planning and Major Initiatives

Unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) in the general fund at year end exceeded 2 months of operating expenditures and transfers out. This amount is favorable based on the policy guidelines set by the County for budgetary and planning purposes.

The adopted budget is developed around the framework set by the County's strategic planning initiative. The primary themes of the strategic initiative are to improve customer service, restore public trust and confidence, economic development, maintenance of infrastructure, and fiscal responsibility.

Process improvement is key to improving customer service. We continue to promote and adopt process improvements, and undertake a thorough review of the processes to determine ways to improve them. The County's website www.myescambia.com contains many updates for greater utility, transparency and accessibility by citizens. The improved website utilizes the citizen's portal powered by GovQA which allows questions on a variety of subjects and to get a quick response from the County. The County continues this positive trend into the future.

The County will increase the number of vehicles with tracking systems and continue the fraud abuse hotline; these initiatives will allow continuous tracking and reporting, allowing employees and citizens to have more involvement in their government. Other efficiency gains include a new integrated Value Adjustment Board (VAB) software system. By partnering the Clerk's office with the Property Appraiser's office, this software incorporates services between county government agencies which will reduce cost and increase functionality.

A long term goal of the County is to foster economic growth and development. The County uses Tax Increment Financing (TIF) Districts to fund a variety of Community Redevelopment Areas (CRA) in the County. For the upcoming fiscal year the TIF rate

was increased from 65% to 75% for the 15 budgeted districts. These funds are used to pay for infrastructure improvements, neighborhood programs, and safety initiatives in these districts.

With tourism as a major part of the economy, newer and more up-to-date hotel/motel facilities have led to increasing revenue streams approaching \$10 million annually in bed tax collections. Additional funding expected from grant revenues, associated with the Restore Act, Natural Resource Damage Assessment (NRDA), and the National Fish and Wildlife Federation (NFWF) will provide future revenue sources for environmental, economic, and tourism related activities.

The County is involved in a land swap with the United States Navy for design of an additional commerce park to grow the local economy. The property is geographically close to Navy Federal Credit Union and is a prime location for economic growth with close access to Interstate 10. A new I-10 exit is also in the planning stage to facilitate this potential growth going forward.

The County and Greater Pensacola Chamber of Commerce are promoting the Technology Park located in the downtown Pensacola area by providing business lots, and incentives to targeted industries as part of an initiative to stimulate and grow the local economy.

Between 2008 and 2018, the County will have invested more than \$378 million in infrastructure with current allocations of the One Cent Local Option Sales Tax (LOST). Proceeds of this tax are scheduled to fund road reconstruction, dirt road paving, drainage improvements and vehicle replacements for Emergency Medical Service, the Fire Department and Sheriff's Office. It is anticipated that a portion of this tax will be contributed toward the construction of the new Escambia County Jail Facility. LOST funding was scheduled to expire December 2017. In November 2014, a 10 year extension was approved by public referendum; this vote extends the tax to December 2028.

The County is moving forward with building a modern 1,476 bed County Jail Facility funded through the use of LOST, insurance, FEMA grant funding, and the issuance of bonds. Jail construction is estimated to cost approximately \$100 million, with \$7.56 million budgeted for the design phase in the next fiscal year. This new Facility will eliminate the much older main jail and replace the central booking and detention facility damaged during the flood and subsequent explosion in 2014. This new facility will have enhanced observation and infirmary capabilities, as well as open dormitory style housing areas, state of the art video monitoring, and key control technology. Cost savings and efficient operations will benefit the county for years to come.

The County's incorporation of the public works and public safety aspects of the Santa Rosa Island Authority (SRIA) will improve service levels and response times on Pensacola Beach in the next fiscal year. This increased efficiency is coupled with an estimated \$4 million SRIA budget reduction.

The RESTORE Act established the Gulf Coast Restoration Trust Fund in the U.S. Treasury Department to account for civil penalties paid under the Federal Water Pollution Control Act in connection with the Deepwater Horizon oil spill. Grants will be used for programs, projects, and activities which restore and protect the environment and the economy of the Gulf Coast region. Escambia County's calculated proportion which is cumulative through 2031 is estimated at \$70.6 million. A list of prioritized projects has been submitted for consideration to the Board of County Commissioners. Once the projects are selected and the public comment period is complete, the Multi-Year Implementation Plan (MYIP) will be submitted to the U.S. Treasury Department for final review and acceptance. The MYIP is expected to include two - five projects to be funded in the next fiscal year.

The fiscal year 2017 adopted budget increased by \$24.4 million over the prior year to \$436.6 million. While the total direct millage rate for property tax remained unchanged at 7.661 mills, property values increased an average of 6% over the prior year for both the County-wide and unincorporated areas of Escambia County.

Discussions are on-going with regard to gaining efficiencies through consolidation efforts and promoting cost effectiveness on a range of issues. The County will continue to control cost by reviewing the economy and efficiency of all programs presented.

Relevant Financial Policies

The County has established a fund balance policy in accordance with GASB Statement No. 54 *"Fund Balance Reporting and Governmental Fund Type Definitions"*. The adopted policy outlines the County's goal to maintain an unrestricted general fund balance of at least 2 months of regular operating expenditures and transfers out to mitigate risks of either natural or man-made disasters and to provide for revenue shortfalls.

The County is in the second year of implementation for GASB Statement No 68 *"Accounting and Financial Reporting for Pensions"* and GASB Statement No 71 *"Pension Transition for Contributions Made Subsequent to the Measurement Date"* to recognize its unfunded portion of the statewide plan as a liability. The County provides pension benefits for all employees through a statewide plan managed by the Florida Department of Management Services, Division of Retirement. The statewide plan is a contributory plan. While a liability has been recorded in accordance with GASB requirements, the County currently has no obligation in connection with employee pension benefits offered through this plan beyond its monthly payments to the Division of Retirement.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Escambia County for its comprehensive annual financial report for the fiscal year ended September 30, 2015. This was the 20th consecutive year that Escambia County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, Escambia County must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Escambia County also received the GFOA's Distinguished Budget Presentation Award for its Annual Budget Document for fiscal year beginning October 1, 2015. This is the 20th consecutive year that Escambia County has received this award. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communication device.

The preparation of this comprehensive annual financial report (CAFR) would not have been possible without the skill, effort, and dedication of the entire financial staff of the Clerk of the Circuit Court and Comptroller. I would like to express my appreciation to Financial Reporting and Grants Department: Sharon Harrell, Manager; Beth Parker, Harold Coats, Kara Cowen, John Huddleston, and Judy-Ann Stanley. I also wish to thank all government departments for their assistance in providing the data necessary to prepare this report; and to thank Visit Pensacola for providing the photographs used in this document. Credit is due to the Board of County Commissioners for their unfailing support for maintaining the highest standards of professionalism in the management of Escambia County.

Respectfully submitted,

Pam Childers

Pam Childers

Honorable Pam Childers
Clerk of the Circuit Court & Comptroller

CITIZENS OF ESCAMBIA COUNTY

BOARD OF COUNTY COMMISSIONERS

COUNTY ADMINISTRATOR

COUNTY ATTORNEY

ASSISTANT COUNTY ADMINISTRATOR

ASSISTANT COUNTY ADMINISTRATOR

Natural Resources Management

- Code Enforcement
- UF/IFAS Extension
- Marine Resources
- Mosquito Control
- Natural Resources Conservation
- RESTORE
- Water Quality/Land Management

Corrections

- Community Corrections
- Check Diversion
- Community Work Release
- Community Services Work
- Misdemeanor Probation
- Pre-Trial Diversion
- Pre-Trial Release
- Community Detention

Public Safety

- Communications
- Emergency Business Operations
- Emergency Management
- Emergency Medical Services
- Fire Rescue
- SRI Public Safety

OMB

- Budget
- Contract Management
- Property Sales

Library Services

Waste Services

Purchasing Office

Risk Management Office

Information Technology

Bay Center

Facilities Management

- Custodial Services
- Design/Construction
- Maintenance
- Utilities

Building Services

- Animal Services
- Building Inspections

Public Works

- Design & Traffic
- Bob Sikes Toll Booth
- Mass Transit
- Surveying
- Roads & Bridges
- Construction
- Engineering
- Fleet/Fuel
- SRI Public Works
- Stormwater

Development Services

- Developmental Review
- GIS
- Permitting
- Planning & Zoning

Neighborhood & Human Services

- Community Centers
- Community Redevelopment Agencies
- Community Resource Centers
- Direct Assistance
- Indigent Burial
- Job Skills Training
- Neighborhood Enterprise
- Safe Neighborhoods

Parks & Recreation

- Community Centers
- Equestrian Center
- Park Maintenance
- Park Construction
- Recreational Services

Human Resources

Economic Development

Military Affairs & Relations

Community & Media Relations



Cdr Dave Moss

Blue Angels



FINANCIAL SECTION

Independent Auditors' Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Other Supplementary Information

REPORT OF INDEPENDENT AUDITORS'

The Honorable Board of County Commissioners
Escambia County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Escambia County, Florida, (hereinafter referred to as "County") as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents. We did not audit the financial statements of the Santa Rosa Island Authority, a business type activities-discrete component unit, as of and for the year ended September 30, 2016, which statements reflect total assets of \$10,751,365 and total revenues of \$13,618,601.

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 did not audit the financial statements of the Santa Rosa Island Authority, which are included in the basic financial statements as a discretely presented component unit. Those statements were audited by another auditor whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Santa Rosa Island Authority, is based solely on the report of the other auditor. 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 County'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 County'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, based on our audit and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of September 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the general fund, community redevelopment agency fund, and the disaster recovery fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of funding progress, schedule of the County's proportionate share of the net pension liability, and schedule of the County's contributions, 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 Supplementary Information

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

The combining financial statements and individual fund budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2017 on our consideration of the County'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Warren Averett, LLC

February 24, 2017
Pensacola, Florida

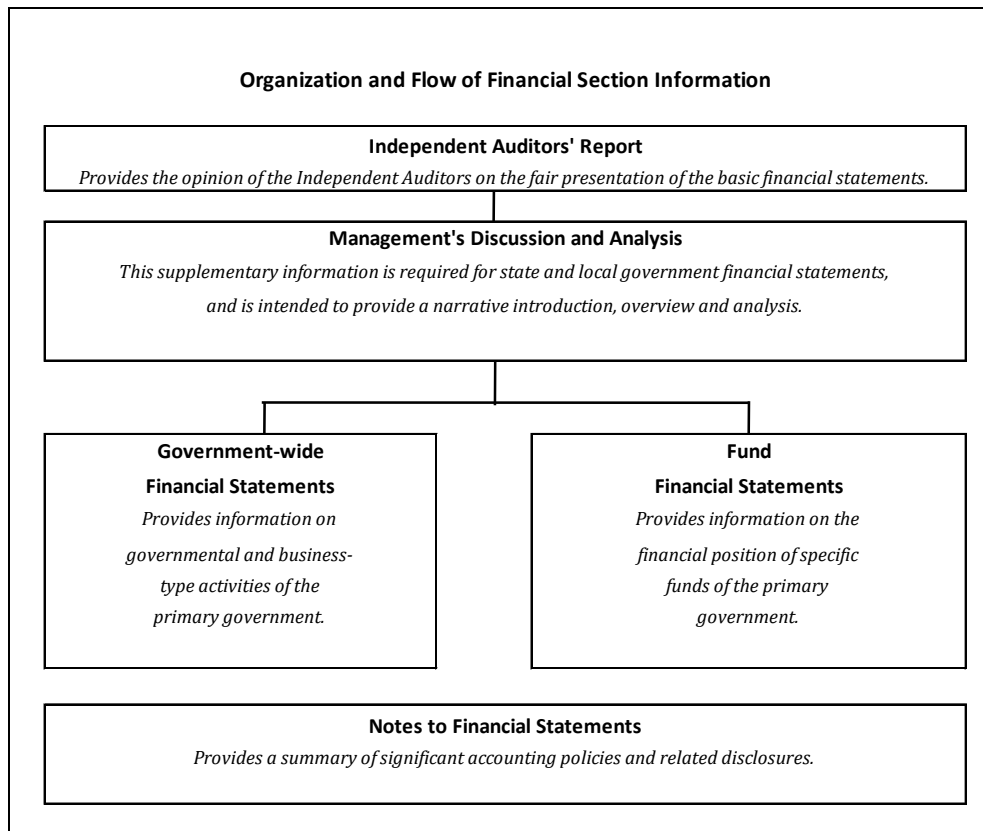
This Management's Discussion and Analysis ("MD&A") presents the readers of the financial statements a narrative overview of the financial activities of Escambia County, Florida (the "County") for the fiscal year ended September 30, 2016. We encourage readers to consider the information presented here in conjunction with additional information that has been furnished in the Letter of Transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$599,108,669 (net position). Of this amount, (\$42,117,788) represents unrestricted net position.
- The County's total net position increased by \$23,762,163; governmental activities increased by \$18,968,608 and business-type activities increased by \$4,793,555.
- At the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$210,842,039, an increase of \$18,563,371 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance available for spending at the government's discretion for the General Fund was \$27,682,315 or 16% of total general fund expenditures and transfers out.
- At the end of the current fiscal year, unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the General Fund was \$46,634,578, or approximately 27% of total general fund expenditures and transfers out.
- Governmental funds revenues increased \$7,960,961 or 2.6% from the prior fiscal year primarily due to increases in property tax revenue, sales tax revenues, and fuel tax revenues. Grant funding for transportation infrastructure projects and disaster recovery increased. Sales tax collected on the one-cent local option sales tax for funding primarily transportation and infrastructure projects of the County increased due to increased consumer spending. Special assessments increased primarily due to an increase in MSBU fees for fire protection.
- At the end of the current fiscal year, the net pension liability increased \$72,076,976 for governmental funds and \$6,687,104 for business-type activities for an ending net pension liability of \$178,132,650, an approximate increase of 79.2% from the prior fiscal year end. These liabilities are actuarially determined and provided by the State of Florida Retirement System (FRS).

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.



Government-wide financial statements

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

The *statement of net position* presents financial information on all of the County's assets, liabilities and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. Additionally, nonfinancial factors, such as a change in the County's property tax base or the condition of County facilities and infrastructure, should be considered to assess the overall health of the County.

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

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public safety, physical environment, transportation, economic environment, human services, culture/recreation, and court related activities. The business-type activities of the County include solid waste disposal/landfill operations, emergency medical/ambulance services, building inspections, and the Pensacola Bay Center (Bay Center).

The government-wide financial statements include not only the County itself (known as the primary government) but also legally separate entities the Santa Rosa Island Authority (SRIA) and the Escambia County Law Library for which the County is financially accountable. These entities are known as "component units". Financial information for these component units is reported separately from the financial information presented for the primary government itself. The County's component units will not be addressed in this MD&A.

Fund financial statements

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

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

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

The County maintains dozens of individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Disaster Recovery Fund, Community Redevelopment Agency Fund, Mass Transit Fund, and Local Option Sales Tax (LOST) Capital Projects Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* in the other supplementary information section of this report.

The County adopts an annual appropriated budget for its general, special revenue, debt service, and capital projects funds. Budgetary comparison statements have been provided for the General Fund to demonstrate budgetary compliance. Due to the nature of the Disaster Recovery Fund, the original budget is generally adopted with an appropriation of zero.

The County maintains two different types of *proprietary funds*. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for the fiscal activities relating to solid waste disposal/landfill operations, emergency medical/ambulance services, building inspections, and the Bay Center. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses the internal service fund to account for fleet and fuel activities, insurance activities and for certain costs related to the Clerk of Circuit Court and Comptroller's compensated absences policy. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Solid Waste and Emergency Medical Service (EMS) funds, which are considered to be major funds of the County. Non-major funds include the Inspection and Bay Center funds, which are combined into a single, aggregated

presentation in the proprietary fund financial statements. Individual fund data for each of these non-major enterprise funds are provided in the form of combining statements in the other supplementary information section of this report. Internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for internal service funds are also provided in the form of combining statements in the other supplementary information section of this report.

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

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information

In addition to the basic financial statements and accompanying notes, *required supplementary information* is presented concerning the County's progress in funding its obligation to provide other post employment benefits (OPEB) to its employees; and for the County's proportionate share of the net pension liability and contributions for employee participation in the Florida Retirement System pension plan and health insurance subsidy program.

The *other supplementary information* section contains the combining statements referred to earlier in connection with nonmajor governmental funds, proprietary and internal service funds, and fiduciary funds, along with budgetary comparison schedules for the County's major capital project fund (LOST) and for all nonmajor governmental funds.

Government-wide Financial Analysis

Net position over time may serve as a useful indicator of a government's financial position. For the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$599,108,669 at the close of the most recent fiscal year.

At the end of fiscal year 2016, the County is able to report positive balances in restricted categories of net position, for the government as a whole, as well as for its separate governmental and business-type activities. Negative unrestricted net position was reported for governmental activities. The same situation held true for the prior fiscal year.

The County's restricted net position represents resources that are subject to external restrictions on how they may be used. The County's restricted net position is primarily for capital projects and other special revenue purposes. The largest portion of the County's net position reflects its investment in capital assets (e.g., land, buildings, and equipment); less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The remaining balance (\$42,117,788) is negative unrestricted net position.

ESCAMBIA COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2016

Escambia County, Florida
Net Position

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 266,125,537	\$ 242,819,547	\$ 56,105,776	\$ 47,285,549	\$ 322,231,313	\$ 290,105,096
Capital Assets (Net)	538,798,424	538,016,533	47,462,685	49,136,497	586,261,109	587,153,030
Total Assets	804,923,961	780,836,080	103,568,461	96,422,046	908,492,422	877,258,126
T total deferred outflow of resources	82,564,923	37,147,181	7,205,271	2,977,573	89,770,194	40,124,754
Current and other liabilities	29,101,761	27,130,015	3,784,792	2,352,768	32,886,553	29,482,783
Long-term Liabilities	314,511,616	248,007,891	31,787,129	24,985,088	346,298,745	272,992,979
Total Liabilities	343,613,377	275,137,906	35,571,921	27,337,856	379,185,298	302,475,762
T total deferred inflow of resources	18,606,341	36,544,797	1,362,308	3,015,815	19,968,649	39,560,612
Net Position:						
Net Investment in Capital Assets	437,791,704	436,375,323	47,462,685	51,827,018	485,254,389	488,202,341
Restricted	155,972,068	128,528,592	-	-	155,972,068	128,528,592
Unrestricted	(68,494,606)	(58,603,357)	26,376,818	17,218,930	(42,117,788)	(41,384,427)
Total Net Position	\$ 525,269,166	\$ 506,300,558	\$ 73,839,503	\$ 69,045,948	\$ 599,108,669	\$ 575,346,506

The County's total net position increased \$23,762,163 from the prior year. Key reasons for the overall increase are presented in the following pages for governmental and business-type activities.

ESCAMBIA COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2016

Escambia County, Florida						
Changes in Net Position						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
REVENUES						
Program Revenues:						
Charges for Services	\$ 59,625,228	\$ 59,281,332	\$ 35,529,308	\$ 32,168,598	\$ 95,154,536	\$ 91,449,930
Operating Grants and Contributions	24,286,565	18,433,894	-	-	24,286,565	18,433,894
Capital Grants and Contributions	8,255,173	8,104,311	161,071	735,206	8,416,244	8,839,517
General Revenues:						
Property Taxes	109,691,072	108,848,380	-	-	109,691,072	108,848,380
Other Taxes	97,526,803	94,702,864	-	-	97,526,803	94,702,864
Other	15,697,998	17,174,053	499,327	464,142	16,197,325	17,638,195
Total Revenues	315,082,839	306,544,834	36,189,706	33,367,946	351,272,545	339,912,780
EXPENSES						
General Government	59,270,220	52,405,548	-	-	59,270,220	52,405,548
Public Safety	146,708,348	127,345,145	-	-	146,708,348	127,345,145
Physical Environment	2,735,811	2,422,618	-	-	2,735,811	2,422,618
Transportation	56,117,785	51,235,018	-	-	56,117,785	51,235,018
Economic Environment	12,460,443	11,486,757	-	-	12,460,443	11,486,757
Human Services	2,601,945	2,689,144	-	-	2,601,945	2,689,144
Culture/Recreation	10,248,426	9,140,097	-	-	10,248,426	9,140,097
Court-Related	11,686,120	12,955,208	-	-	11,686,120	12,955,208
Interest on Long-term Debt	3,276,975	3,440,725	-	-	3,276,975	3,440,725
Solid Waste	-	-	10,142,652	9,956,214	10,142,652	9,956,214
Emergency Management Services	-	-	12,678,124	10,977,764	12,678,124	10,977,764
Inspection Fund	-	-	2,435,111	2,187,090	2,435,111	2,187,090
Bay Center	-	-	6,837,256	6,684,702	6,837,256	6,684,702
Total Expenses	305,106,073	273,120,260	32,093,143	29,805,770	337,199,216	302,926,030
Excess (Deficiency) Before Transfers	9,976,766	33,424,574	4,096,563	3,562,176	14,073,329	36,986,750
Transfers	(696,992)	(715,439)	696,992	715,439	-	-
Special Item	9,688,834	-	-	-	9,688,834	-
Extraordinary item	-	(11,481,234)	-	-	-	(11,481,234)
Change in Net Position	18,968,608	21,227,901	4,793,555	4,277,615	23,762,163	25,505,516
Beginning Net Position	506,300,558	485,072,657	69,045,948	64,768,333	575,346,506	549,840,990
Ending Net Position	\$ 525,269,166	\$ 506,300,558	\$ 73,839,503	\$ 69,045,948	\$ 599,108,669	\$ 575,346,506

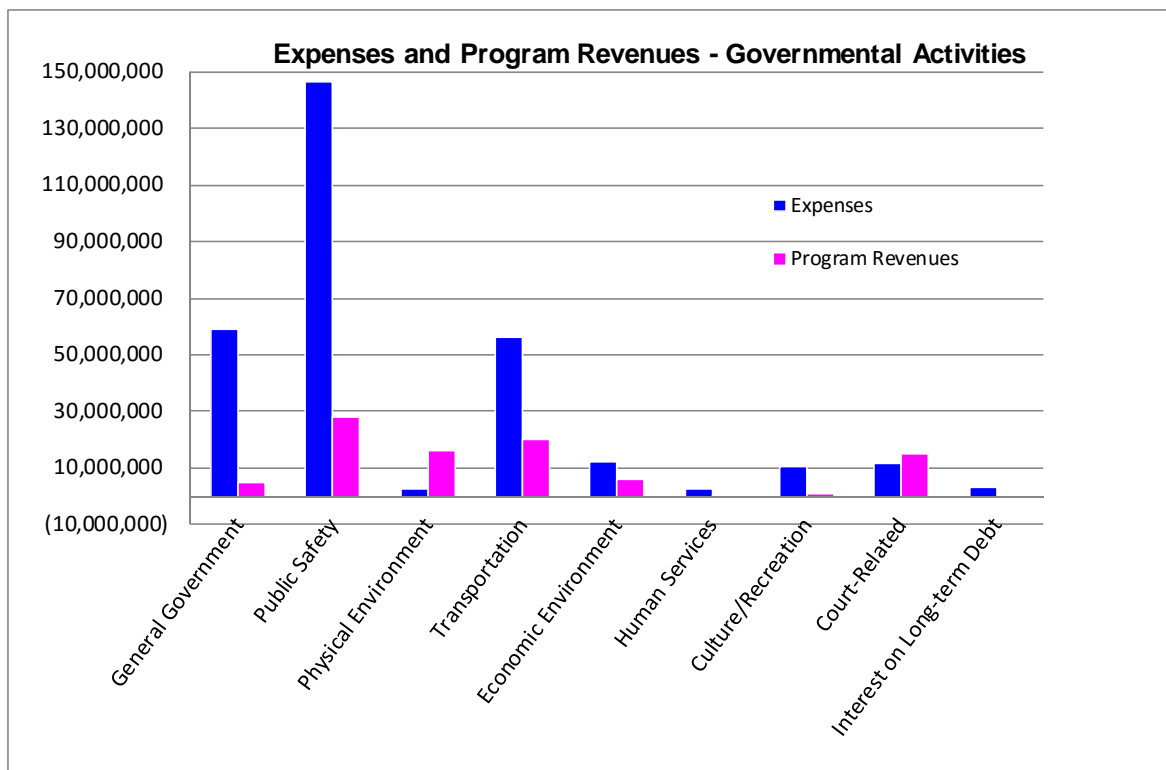
Governmental Activities

Governmental activities increased the County's net position by \$18,968,608 from the prior fiscal year for an ending balance of \$525,269,166. Although millage rates remained the same, property tax revenue increased due to rising taxable assessed values. Sales tax revenue and capital grant revenue increased primarily for LOST infrastructure projects and public transportation. Revenue increases were attributable to general government operating grants and contributions.

Public Safety and General Government increases were primarily due to cost absorbed for pension activity and, operating expenses for the consolidation of the Santa Rosa Island Authority. Additional increases were attributable to non-recurring capital and economic development project costs. A special item was recorded for the transfer of the public works and public safety operations of the Santa Rosa Island authority to the County. The transfer primarily consisted of public works facilities and equipment.

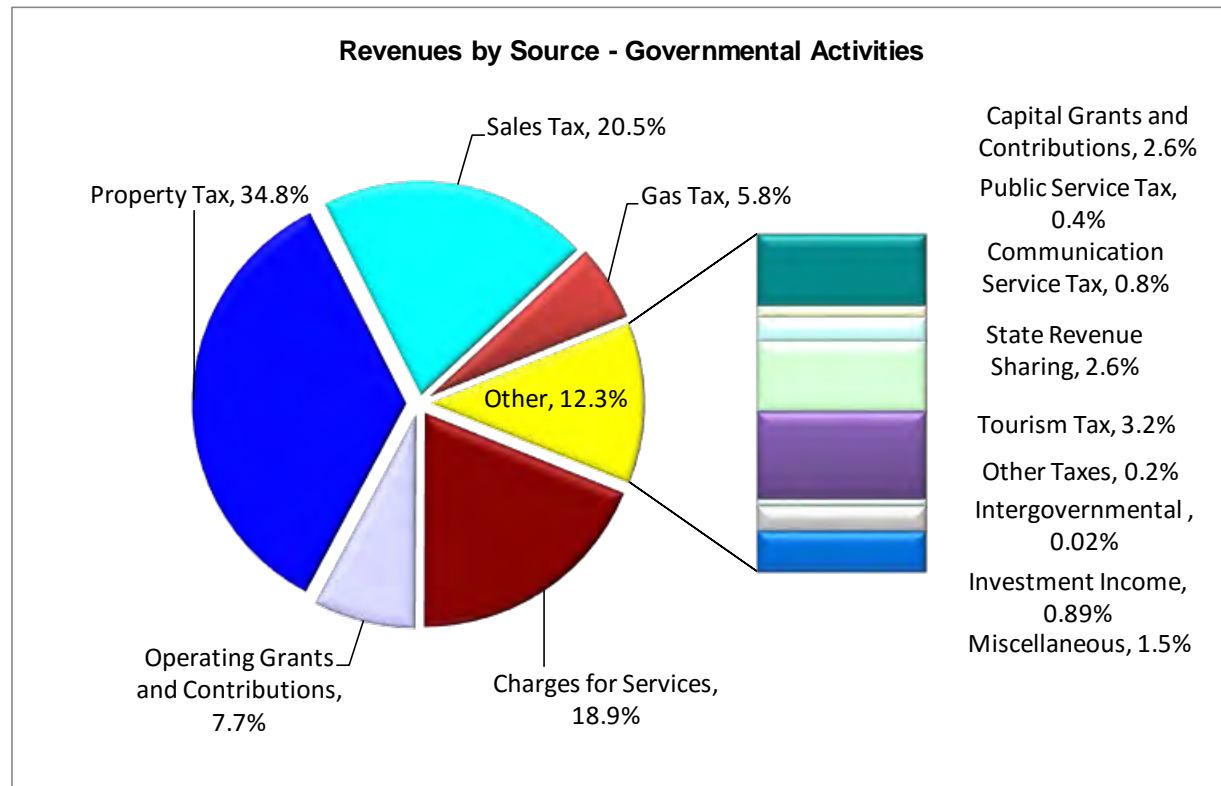
Expenses and Program Revenues – Governmental

Functions/Programs	Expenses	% of Total	Program Revenues	% of Total	Net (Expense) Revenue
General Government	\$ 59,270,220	19.4%	\$ 5,126,636	5.6%	\$ (54,143,584)
Public Safety	146,708,348	48.1%	28,120,985	30.5%	(118,587,363)
Physical Environment	2,735,811	0.9%	16,295,305	17.7%	13,559,494
Transportation	56,117,785	18.4%	20,002,503	21.7%	(36,115,282)
Economic Environment	12,460,443	4.1%	6,220,023	6.7%	(6,240,420)
Human Services	2,601,945	0.9%	190,490	0.2%	(2,411,455)
Culture/Recreation	10,248,426	3.4%	1,135,839	1.2%	(9,112,587)
Court-Related	11,686,120	3.8%	15,075,185	16.4%	3,389,065
Interest on Long-term Debt	3,276,975	1.1%	-	-	(3,276,975)
	<u>\$ 305,106,073</u>	<u>100.0%</u>	<u>\$ 92,166,966</u>	<u>100.0%</u>	<u>\$ (212,939,107)</u>



Revenue by Source – Governmental Activities

Description	Revenues	% of Total
Charges for Services	\$ 59,625,228	18.9%
Operating Grants & Contributions	24,286,565	7.7%
Capital Grants & Contributions	8,255,173	2.6%
Property Tax	109,691,072	34.8%
Sales Tax	64,633,710	20.5%
Public Service Tax	1,313,029	0.4%
Communication Service Tax	2,659,111	0.8%
Gas Tax	18,177,540	5.8%
State Revenue Sharing	8,168,290	2.6%
Tourist Development Tax	9,955,914	3.2%
Other Taxes	787,499	0.2%
Intergovernmental Revenues	47,480	0.02%
Investment Income	2,805,223	0.89%
Miscellaneous	4,677,005	1.5%
	<u>\$ 315,082,839</u>	<u>100.0%</u>



Business-type Activities

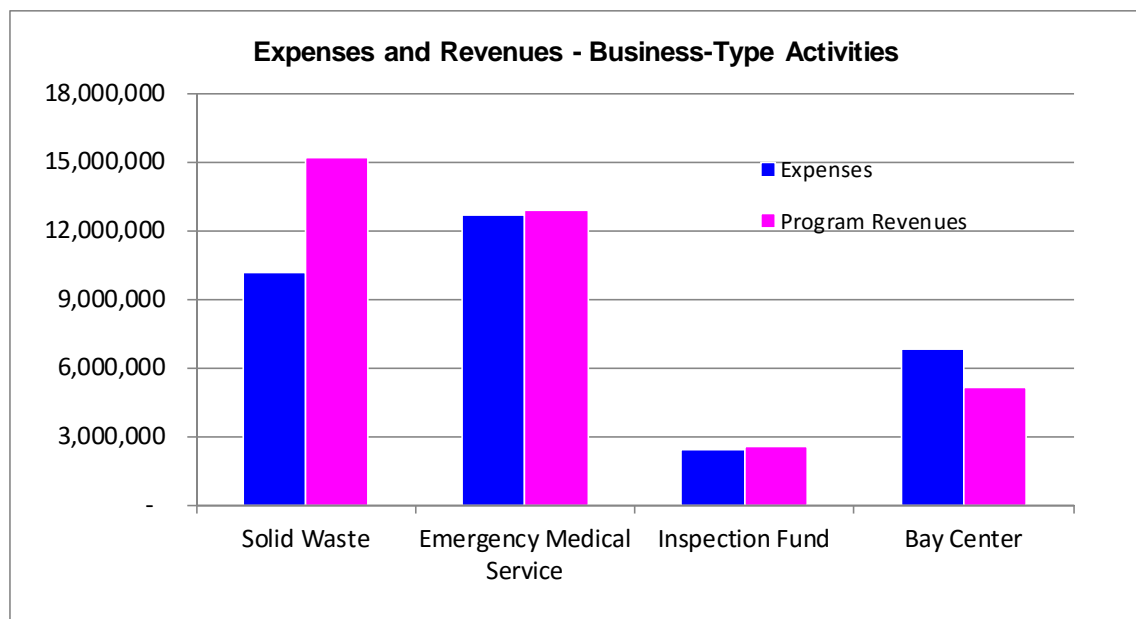
Business-type activities increased the County's net position by \$4,793,555, a 6.49% growth from the prior fiscal year, for an ending balance of \$73,839,503. Charges for services contributed 99.55% of the total program revenues for the County's business-type activities. The Solid Waste and EMS funds were primarily responsible for the overall increase in net position. The increase in the EMS Fund's net position was primarily due to increase in rates for services as well as additional ambulance transports, along with reduced third party contractual adjustments. The net position increase for the Solid Waste Fund was primarily due to increased franchise fees and dumping fees and savings attributable to lower fuel rates. Revenue increases in the Inspection Fund were due to the increased permit activity. The Bay Center expenses exceeded program revenues by \$1.7 million and operations were subsidized by a transfer from the Tourist Promotion Fund of \$1.3 million. While the Bay Center's operating revenues increased during the current fiscal year, the increase was not sufficient to cover operating costs and required maintenance.

Expenses and Program Revenues – Business-type Activities

Functions/Programs	Expenses	% of Total	Program Revenues	% of Total	Net (Expense) Revenue
Solid Waste	\$ 10,142,652	31.6%	\$ 15,141,298	42.4%	\$ 4,998,646
Emergency Medical Service	12,678,124	39.5%	12,845,791	36.0%	167,667
Inspection Fund	2,435,111	7.6%	2,581,356	7.2%	146,245
Bay Center	<u>6,837,256</u>	<u>21.3%</u>	<u>5,121,934</u>	<u>14.4%</u>	<u>(1,715,322)</u>
	<u>\$ 32,093,143</u>	<u>100.0%</u>	<u>\$ 35,690,379</u>	<u>100.0%</u>	<u>\$ 3,597,236</u>

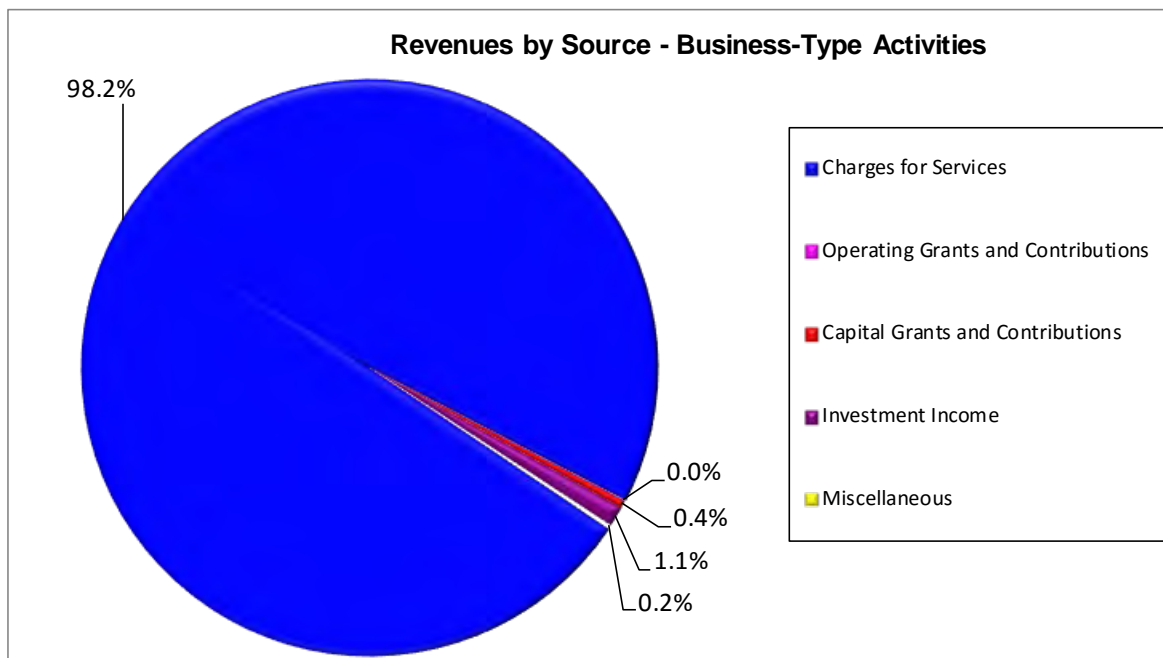
% Revenue over Expenses

Solid Waste	49.3%
Emergency Medical Service	1.3%
Inspection Fund	6.0%
Bay Center	-25.1%



Revenues by Source – Business-type Activities

Description	Revenues	% of Total
Charges for Services	\$ 35,529,308	98.2%
Operating Grants and Contributions	-	0.0%
Capital Grants and Contributions	161,071	0.4%
Investment Income	416,062	1.1%
Miscellaneous	83,265	0.2%
	<u>\$ 36,189,706</u>	<u>100.0%</u>



Financial Analysis of the County's Funds

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

Governmental funds

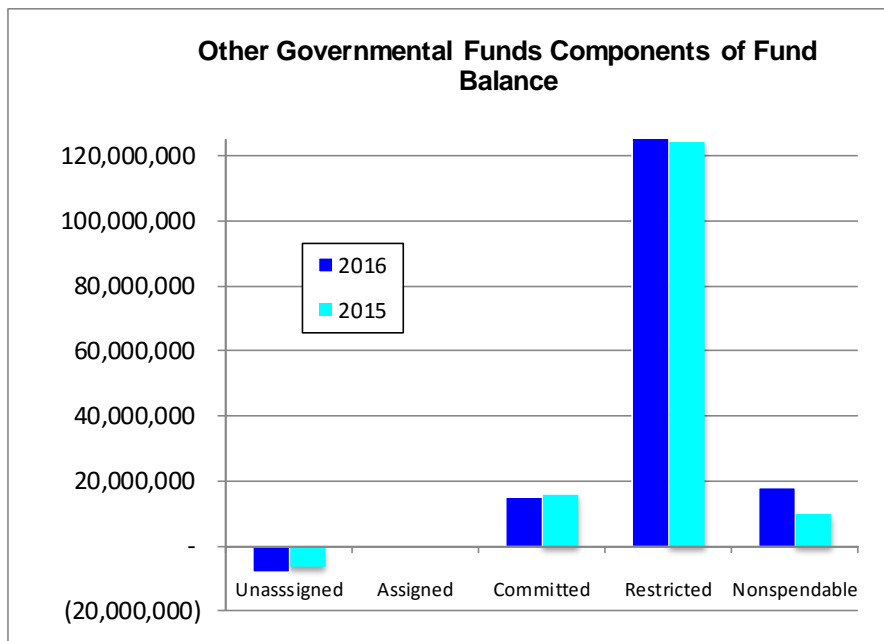
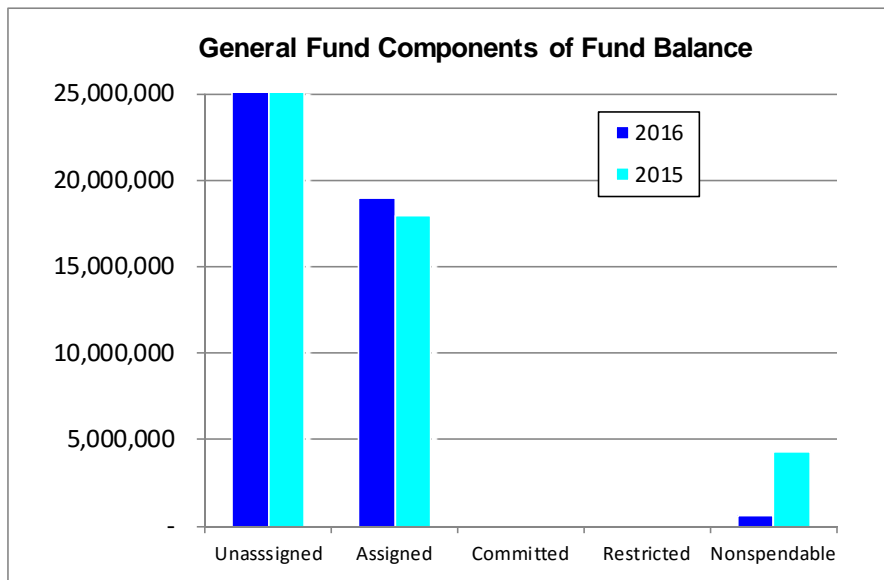
The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of *spendable resources*. Such information is useful in assessing the County's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's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

At the end of fiscal year 2016, the County's governmental funds reported combined fund balances of \$210,842,039, an increase of \$18,536,371 in comparison with the prior year. Approximately 9% of this amount, \$19,478,126 constitutes *unassigned fund balance*, which is available for spending at the County's discretion. The remainder of the fund balance is either nonspendable, restricted, committed or assigned.

Restricted fund balances of \$138,897,758 represent amounts that can only be spent for specific purposes as stipulated by external resource providers either constitutionally or through enabling legislation such as Florida Statutes, laws and regulations or grantors. *Committed fund balances* of \$14,915,765 represent amounts committed by County ordinance, whereas *assigned fund balances* of \$18,952,263 consists of funds budgeted in the subsequent year to balance the 2017 budget. *Nonspendable fund balances* are not available for spending because they are not in spendable form, or are legally required to be maintained intact. The ending *nonspendable fund balances* consists of \$1,144,695 for inventories and \$17,453,432 for long term other assets.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year unassigned fund balance of the General Fund was \$27,682,315, while total fund balance decreased to \$47,278,469. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 17.4% of the total General Fund expenditures, while total fund balance represents 29.6% of that same amount.

The following graphs represent the components of fund balance in the General Fund, and the components of fund balance in the other governmental funds:

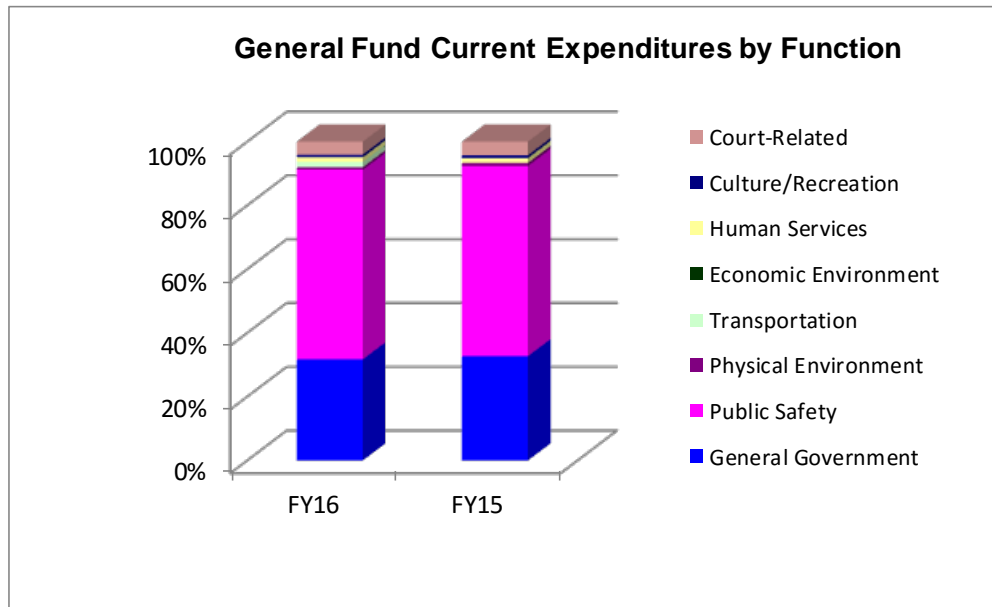


The decrease in fund balance of the County's General Fund was \$460,265 during the current fiscal year, however, the change from prior year decreased by \$10,111,024. Key factors in this are as follows:

- An overall decrease in revenues and transfers in over fiscal year 2015 was primarily attributable to a prior year receipt of BP settlement funds. Property taxes increased due to higher certified property values and increased collections of prior year taxes. Sales tax and tourist development tax increased due to efforts to stimulate the economy. Local half cent sales tax and state revenue sharing increased intergovernmental revenue. Miscellaneous revenue decreased from prior year due to a non-recurring \$4 million related to the BP Settlement. Transfers in increased primarily due to cost reimbursements for various programs.

- An increase in expenditures and increase in transfers out over fiscal year 2015 are attributable to transportation and public safety as a result of the County taking over the public works and public safety operations of the Santa Rosa Island Authority. Public safety costs increased \$4 million, partially due to the SRIA transfer and partially due to Disaster Recovery Fund repairs. Transportation cost increased \$1.5 million due to the SRIA transfer of the public works function to the County. Public safety increases are also due to security and detention personnel and operating expenditures.

The following graph displays the General Fund's current expenditures by function for FY16 and FY15 (it does not include debt service or other financing uses).



The Disaster Recovery Fund was established to account for the costs and related funding assistance from state and federal sources for hurricane or other major disaster events. The negative fund balance of \$8,204,189 represents expenditures for the April 2014 flood event that the County believes will ultimately be reimbursed by federal or state sources. An advance from the LOST Fund provided the initial resources to pay for these costs and the advance will be paid off as these outstanding reimbursement claims are resolved. Should the County be denied reimbursement for these claims, the County will have to use resources from other funds to pay off the LOST advance and fund deficit. In 2016, the County collected approximately \$7.9 million from federal sources and incurred an additional \$9.9 million in disaster costs.

The CRA fund was established to account for the operations of the community redevelopment initiative. There are six established redevelopment districts which are funded by tax increment financing (TIF) portions of property taxes for each respective district. At the end of fiscal year 2016 restricted fund balance was \$2,815,820 and this represents 188% of the fund's total expenditures and transfers out. The fund balance decreased \$109,027. While the TIF funding increased to 65% from the prior year of 50%, the decrease was primarily due to more projects expenditures within the TIF districts in order to expedite cleaner, safer neighborhoods and increase property values.

ESCAMBIA COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2016

The restricted components of the fund balance of the CRA are comprised of the following:

	2016	2015
Warrington CRA	\$ 1,104,192	\$ 996,977
Brownsville CRA	348,246	390,477
Englewood CRA	94,984	103,518
Palafox CRA	724,910	795,883
Barrancas CRA	339,963	343,682
Cantonment CRA	18,356	5,242
Neighborhood Restoration	185,169	289,068
	<u>\$ 2,815,820</u>	<u>\$ 2,924,847</u>

The Mass Transit Fund was established to account for the revenues associated with the operations and maintenance of the Escambia County Area Transit (ECAT). The primary sources of revenue are the 4 cent Local Option Fuel Tax, Federal Transit Administration (FTA) grants and fees charged for service. Revenues exceeded expenditures by \$33,903 for a fund balance of \$1,087,098. Revenue from fuel tax increased 5%, while grant revenues decreased 12% from the prior fiscal year.

The Local Option Sales Tax Fund's primary revenue is a 1% local option sales tax imposed by Escambia County, which was restricted by voter referendum primarily for capital projects and public safety expenditures. At the end of the current fiscal year, restricted fund balance was \$99,817,810 or 336% of the fund's total expenditures and transfers out. Nonspendable fund balance was \$17,453,432 for long term other assets. Fund balance increased \$16,843,468, primarily as a result of increased local option sales tax revenue, and includes a contribution from the Santa Rosa Island authority for a Pensacola Beach transportation project. Other factors include a 4.2% increase in the sales tax revenue, driven by improvements in the local economy, and capital expenditure decreases of 12.3%. Even though the revenue source is stable and predictable, the planning, budgeting, and execution of large projects results in variances from year to year in the amount of actual expenditure for projects.

Proprietary funds

The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The Solid Waste and the Emergency Medical Service Funds are reported as major enterprise funds. The Inspection and Bay Center Funds are reported as non-major enterprise funds. As previously discussed, the internal service fund is combined with governmental funds to arrive at governmental activities.

Unrestricted net position of proprietary funds at the end of the year amounted to:

	Unrestricted Net Position	
Fund	2016	2015
Solid Waste	\$ 13,062,720	\$ 6,209,440
Emergency Medical Service	11,317,058	9,379,550
Inspection	1,575,260	1,475,271
Bay Center	421,780	154,669
Total	<u>\$ 26,376,818</u>	<u>\$ 17,218,930</u>

Unrestricted net position for proprietary funds increased \$9,157,888 which is a 34.72 % increase from the prior fiscal year. The total change in net position for proprietary funds for the Solid Waste, Emergency Medical Services, Inspection and Bay Center funds was \$4,929,666, \$58,893, \$202,797 and (\$397,801) respectively.

Solid Waste increases are due to franchise fees, and dumping fees attributable to increased tonnage from debris, construction and demolition waste.

General Fund Budgetary Highlights

The General Fund's original budget was increased by \$4,376,316, to arrive at the final amended budget for expenditures and transfers out. During the year there was a need to make an amendment to reallocate appropriations among departments when the prior year fund balances were finalized and purchase commitments were approved for re-budgeting. Generally the movement between departments was not significant. The largest change was to general government, transfers out for community redevelopment and debt service. The changes within functions are summarized in the following table.

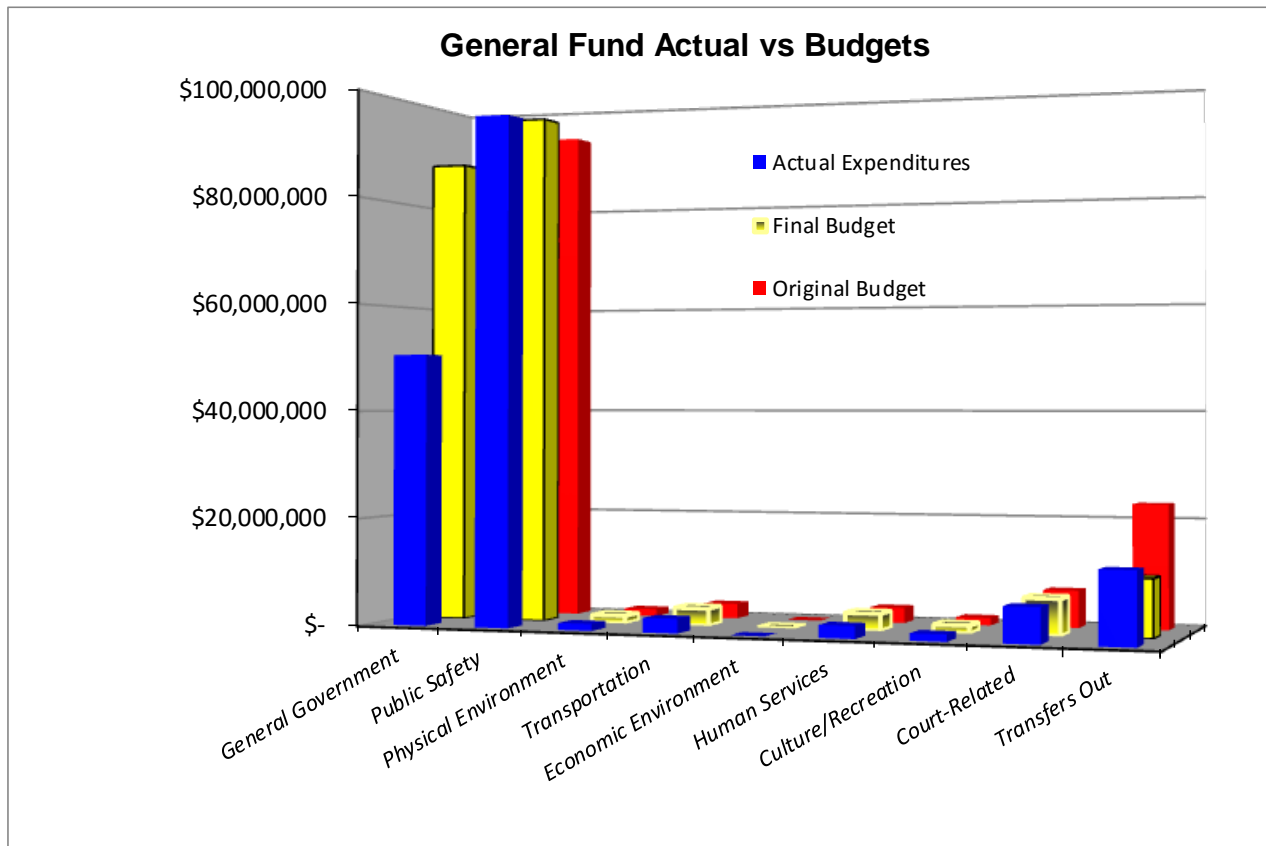
	Original Budget	Final Budget	Change
General Government	\$ 73,254,975	\$ 87,370,618	\$ 14,115,643
Public Safety	93,616,398	95,751,839	2,135,441
Physical Environment	1,309,027	1,382,233	73,206
Transportation	2,754,636	3,166,815	412,179
Economic Environment	-	-	-
Human Services	2,843,950	3,081,995	238,045
Culture/Recreation	1,392,295	1,411,457	19,162
Court-Related	6,864,352	6,631,277	(233,075)
Transfers Out	22,994,932	10,610,647	(12,384,285)
	<u>\$ 205,030,565</u>	<u>\$ 209,406,881</u>	<u>\$ 4,376,316</u>

The General Fund under spent the final budget by \$36,742,947 or 17.5% for expenditures and transfers out. The variance within functions is summarized in the table below:

	Actual	Final Budget	Variance	
	Expenditures			
General Government	\$ 50,526,487	\$ 87,370,618	\$ 36,844,131	42.2%
Public Safety	94,840,340	95,751,839	911,499	1.0%
Physical Environment	1,270,631	1,382,233	111,602	8.1%
Transportation	2,665,813	3,166,815	501,002	15.8%
Economic Environment	-	-	-	
Human Services	2,331,312	3,081,995	750,683	24.4%
Culture/Recreation	1,330,272	1,411,457	81,185	5.8%
Court-Related	6,500,461	6,631,277	130,816	2.0%
Transfers Out	13,198,618	10,610,647	(2,587,971)	-24.4%
	<u>\$ 172,663,934</u>	<u>\$ 209,406,881</u>	<u>\$ 36,742,947</u>	<u>17.5%</u>

General fund actual expenditures were less than anticipated expenditures by \$36,742,947; of this amount \$19 million for purchase commitments was re-budgeted and assigned to the subsequent year budget. A review of actual expenditures compared to appropriations in the final budget yields no significant variances with the exception of an overall reduction of \$1.6 million in salary and \$2.6 million in operating. Transfers out are offset

by the elimination of budgeted General Fund transfers in, so they are not an actual budgeted expenditure. Cost and fuel allocation in the amount of \$2.9 million in general government are budgeted, but eliminated expenditures. The remainder of unspent budget is primarily due to unspent budgeted contingency and reserves.



Capital Asset and Debt Administration

Capital assets

The County's investment in capital assets for its governmental and business-type activities as of September 30, 2016 amounts to \$586,261,109 (net of accumulated depreciation and amortization). This investment in capital assets includes land, buildings, improvements other than buildings (including leasehold improvements), equipment, software, infrastructure, and construction in progress. The total decrease in the County's investment in capital assets for the current fiscal year was .2%.

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

- Several building projects completed during the year include the Judicial Center Courtroom Renovations, the 4-H Center and the Sheriff Evidence Storage.
- Planning and construction began on the design phase of the new Jail Facility.
- Ongoing transportation infrastructure projects include the Olive Road Corridor, Navy Boulevard and the Portofino Traffic Calming project.
- Net construction in progress (CIP) increased to \$12,711,971 primarily due to improvements to

transportation infrastructure consisting of more than 70 projects for roads, paving, drainage, sidewalks and bridge renovations.

- Buildings and improvements along with equipment having a net value of \$9.7 million were transferred to the County by the Santa Rosa Island Authority.
- The net increase of \$1.4 million in land was largely due to development cost of the OLFX land which consists of 640 acres for the Navy Federal Expansion project.
- Equipment purchases include public transportation buses, trolleys, ambulances, maintenance equipment, trucks and vehicles, computers in addition to equipment transferred to the County from the Santa Rosa Island Authority.
- Software increases consist primarily of the purchase of Bob Sikes Toll Facility software, court-related redaction software and, value adjustment board software.

Escambia County, Florida
Capital Assets (Net)

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 50,613,707	\$ 49,059,201	\$ 5,793,269	\$ 5,793,269	\$ 56,406,976	\$ 54,852,470
Construction in Progress	12,711,971	12,361,792	482,408	-	13,194,379	12,361,792
Equipment	136,214,390	131,771,507	26,326,615	24,393,315	162,541,005	156,164,822
Buildings and Improvements	231,508,755	224,987,155	37,585,407	37,544,747	269,094,162	262,531,902
Software	8,241,172	5,984,741	191,255	191,255	8,432,427	6,175,996
Infrastructure	800,078,206	774,611,801	45,037,499	44,897,643	845,115,705	819,509,444
	1,239,368,201	1,198,776,197	115,416,453	112,820,229	1,354,784,654	1,311,596,426
Less: Accumulated Depreciation	(700,569,777)	(660,759,664)	(67,953,768)	(63,683,732)	(768,523,545)	(724,443,396)
Capital Assets, net	<u>\$ 538,798,424</u>	<u>\$ 538,016,533</u>	<u>\$ 47,462,685</u>	<u>\$ 49,136,497</u>	<u>\$ 586,261,109</u>	<u>\$ 587,153,030</u>

Additional information on the County's capital assets, including major construction commitments, can be found in Note 3 of this report.

Long-term debt

At the end of the current fiscal year, the County had total notes and bonded debt outstanding of \$103,336,000. Of this amount, \$31,792,000 consists of debt backed by Non-Ad valorem tax revenue. The remainder of the debt, \$71,544,000 represents bonds and notes secured solely by specified revenue sources (i.e., sales tax and tourist development taxes).

Escambia County, Florida
Outstanding Notes and Bonded Debt

	Governmental Activities	
	2016	2015
Revenue Bonds	\$ 42,610,000	\$ 44,820,000
Revenue Notes	60,726,000	65,675,000
	<u>\$ 103,336,000</u>	<u>\$ 110,495,000</u>

The County's outstanding debt had a net decrease of \$7,160,000 or 6.48% during fiscal year 2016. Decreases were attributable to normal debt service principal reductions for revenue notes and revenue bonds.

Additional information on the County's debt, including any major changes to the County's credit ratings, can be found in Note 6 of this report.

There is no outstanding debt for Business-type activities.

Economic Factors and Next Year's Budgets and Rates

The following economic factors currently affect Escambia County and were considered in developing the 2016-2017 fiscal year budget.

- The annual average unemployment rate for the County for 2016 was 5.1%. The average adjusted rate for 2015 was 5.2%. This represents a decrease of .1% from the prior year unemployment rate.
- The taxable assessed value increased 5% in the 2016 fiscal year.
- Population remains at 311,003 at September 30, 2016. Based on adjusted population figures, population has continued to increase over the past several years.

During the current fiscal year, unassigned fund balance in the General Fund increased to \$27,682,315. The County has budgeted \$199,287,522 for spending in the 2017 fiscal year budget, and assigned \$18,952,263 of the ending 2016 fund balance to the subsequent year's budget. The total ad valorem tax rate remained the same at 7.661 mills for the 2017 fiscal year budget.

In an effort to help stimulate job creation and the economy the County continues to work with the Greater Pensacola Chamber of Commerce and the City of Pensacola to recruit new industry to the area and stimulate job growth.

Requests for information

This financial report is designed to present users with a general overview of the County's finances and to demonstrate the County's accountability. If you have questions concerning any of the information provided in this report or need additional financial information, contact the Escambia County Clerk of the Circuit Court and Comptroller, Finance Department, 221 Palafox Place Suite 130 Pensacola Florida 32502; 850-595-4825. This report is also available at the following web address: <http://www.escambiaclerk.com>.

ESCAMBIA COUNTY, FLORIDA
STATEMENT OF NET POSITION
September 30, 2016

	Governmental	Business-type		Component
	Activities	Activities	Total	Units
ASSETS				
Cash and Cash Equivalents	\$ 135,262,156	\$ 28,686,899	\$ 163,949,055	\$ 6,322,725
Investments	87,022,399	19,407,547	106,429,946	521,795
Accounts Receivable, Net	2,680,294	7,638,488	10,318,782	329,437
Accrued Interest Receivable	391,346	-	391,346	-
Due from Other Governments	18,270,099	-	18,270,099	2,990,772
Internal Balances	-	-	-	-
Inventories	1,404,172	372,307	1,776,479	-
Prepaid Items	27,318	535	27,853	32,653
Other Assets	21,067,753	-	21,067,753	-
Capital Assets Not Being Depreciated	63,325,678	6,275,677	69,601,355	-
Capital Assets Net of Accumulated Depreciation	475,472,746	41,187,008	516,659,754	618,215
Total Assets	804,923,961	103,568,461	908,492,422	10,815,597
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	2,329,280	-	2,329,280	-
Pension Costs and Subsequent Contributions	80,235,643	7,205,271	87,440,914	421,710
Total deferred outflow of resources	82,564,923	7,205,271	89,770,194	421,710
LIABILITIES				
Accounts Payable	13,898,466	963,667	14,862,133	1,705,015
Contracts Payable	1,345,737	-	1,345,737	-
Accrued Liabilities	8,050,244	600,459	8,650,703	57,187
Compensated Absences Payable	-	122,636	122,636	-
Due to Other Governments	4,319,389	18,717	4,338,106	1,260,271
Deposits	413,291	27,892	441,183	-
Unearned Revenue	736,224	-	736,224	491,931
Other Current Liabilities	338,410	1,658,142	1,996,552	-
Escrow Deposits - restricted	-	393,279	393,279	-
Noncurrent Liabilities:				
Due Within One Year	12,750,559	86,410	12,836,969	-
Due in More Than One Year	301,761,057	31,700,719	333,461,776	6,169,955
Total Liabilities	343,613,377	35,571,921	379,185,298	9,684,359
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	1,316,039	-	1,316,039	736,475
Pension Costs	17,290,302	1,362,308	18,652,610	432,469
Total deferred inflow of resources	18,606,341	1,362,308	19,968,649	1,168,944
NET POSITION				
Net Investment in Capital Assets	437,791,704	47,462,685	485,254,389	618,215
Restricted for:				
Debt Service	864,390	-	864,390	-
Capital	117,592,372	-	117,592,372	387,627
Law Enforcement	6,823,262	-	6,823,262	-
Fire and Rescue	3,105,932	-	3,105,932	-
Economic & Community	9,623,967	-	9,623,967	-
Transportation	3,045,941	-	3,045,941	-
Other Purposes	14,916,204	-	14,916,204	-
Unrestricted	(68,494,606)	26,376,818	(42,117,788)	(621,838)
Total Net Position	\$ 525,269,166	\$ 73,839,503	\$ 599,108,669	\$ 384,004

The notes to the financial statements are an integral part of the financial statements.

ESCAMBIA COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2016

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 59,270,220	\$ 4,933,067	\$ 124,122	\$ 69,447
Public Safety	146,708,348	19,471,790	8,593,197	55,998
Physical Environment	2,735,811	15,707,384	213,828	374,093
Transportation	56,117,785	6,853,477	6,333,717	6,815,309
Economic Environment	12,460,443	580,703	5,077,032	562,288
Human Services	2,601,945	-	190,490	-
Culture/Recreation	10,248,426	519,489	588,312	28,038
Court-Related	11,686,120	11,559,318	3,165,867	350,000
Interest on Long-Term Debt	3,276,975	-	-	-
Total Governmental Activities	305,106,073	59,625,228	24,286,565	8,255,173
Business-type Activities:				
Solid Waste	10,142,652	15,141,298	-	-
Emergency Medical Services	12,678,124	12,831,723	-	14,068
Inspection Fund	2,435,111	2,581,356	-	-
Bay Center	6,837,256	4,974,931	-	147,003
Total Business-type Activities	32,093,143	35,529,308	-	161,071
Total Primary Government	\$ 337,199,216	\$ 95,154,536	\$ 24,286,565	\$ 8,416,244
Component Units:				
Escambia County Law Library	\$ 101,036	\$ 68,194	\$ -	\$ -
Santa Rosa Island Authority	21,450,640	4,463,987	-	9,107,548
Total Component Units	\$ 21,551,676	\$ 4,532,181	\$ -	\$ 9,107,548

General Revenues:

- Property Tax
- Sales Tax
- Public Service Tax
- Communication Service Tax
- Gas Tax
- Unrestricted State Revenue Sharing
- Tourist Development Tax
- Other Taxes
- Unrestricted Intergovernmental Revenues
- Investment Income
- Miscellaneous
- Transfers In (Out)
- Total General Revenues and Transfers
- Special Item - SRIA Transfer of Operations/Capital
- Change in Net Position
- Beginning Net Position
- Ending Net Position

The notes to the financial statements are an integral part of the financial statements.

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-type Activities	Total	Component Units
\$ (54,143,584)	\$ -	\$ (54,143,584)	
(118,587,363)	-	(118,587,363)	
13,559,494	-	13,559,494	
(36,115,282)	-	(36,115,282)	
(6,240,420)	-	(6,240,420)	
(2,411,455)	-	(2,411,455)	
(9,112,587)	-	(9,112,587)	
3,389,065	-	3,389,065	
(3,276,975)	-	(3,276,975)	
<u>(212,939,107)</u>	<u>-</u>	<u>(212,939,107)</u>	
-	4,998,646	4,998,646	
-	167,667	167,667	
-	146,245	146,245	
-	(1,715,322)	(1,715,322)	
<u>-</u>	<u>3,597,236</u>	<u>3,597,236</u>	
<u>(212,939,107)</u>	<u>3,597,236</u>	<u>(209,341,871)</u>	
			\$ (32,842)
			<u>(7,879,105)</u>
			(7,911,947)
109,691,072	-	109,691,072	-
64,633,710	-	64,633,710	-
1,313,029	-	1,313,029	-
2,659,111	-	2,659,111	-
18,177,540	-	18,177,540	-
8,168,290	-	8,168,290	-
9,955,914	-	9,955,914	-
787,499	-	787,499	-
47,480	-	47,480	-
2,805,223	416,062	3,221,285	15,879
4,677,005	83,265	4,760,270	31,548
(696,992)	696,992	-	-
<u>222,218,881</u>	<u>1,196,319</u>	<u>223,415,200</u>	<u>47,427</u>
<u>9,688,834</u>	<u>-</u>	<u>9,688,834</u>	<u>(9,688,834)</u>
<u>18,968,608</u>	<u>4,793,555</u>	<u>23,762,163</u>	<u>(17,553,354)</u>
<u>506,300,558</u>	<u>69,045,948</u>	<u>575,346,506</u>	<u>17,937,358</u>
<u>\$ 525,269,166</u>	<u>\$ 73,839,503</u>	<u>\$ 599,108,669</u>	<u>\$ 384,004</u>

ESCAMBIA COUNTY, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2016

	General Fund - County Wide	Disaster Recovery Fund	Community Redevelopment Agency Fund	Mass Transit Fund
ASSETS				
Cash and Cash Equivalents	\$ 31,942,678	\$ 156,567	\$ 1,697,420	\$ 2,405,925
Investments	17,864,791	113,140	1,226,605	1,738,591
Accounts Receivable	1,212,300	-	-	114,407
Accrued Interest Receivable	391,346	-	-	-
Due from Other Funds	4,091,823	-	-	-
Advances Receivable from Other Funds	-	-	-	-
Due from Other Governments	3,168,877	3,211,113	-	3,561,994
Inventories	643,891	-	-	163,200
Other Assets	3,614,321	-	-	-
Total Assets	\$ 62,930,027	\$ 3,480,820	\$ 2,924,025	\$ 7,984,117
LIABILITIES				
Accounts Payable	\$ 2,038,415	\$ 576,390	\$ 67,138	\$ 2,895,474
Contracts Payable	23,356	106,621	7,200	-
Accrued Liabilities	6,215,056	8,565	33,867	-
Due to Other Funds	467,524	-	-	4,000,000
Advances Payable to Other Funds	-	10,993,433	-	-
Due to Other Governments	2,633,027	-	-	1,545
Deposits	209,216	-	-	-
Unearned Revenue	124,311	-	-	-
Other Current Liabilities	338,410	-	-	-
Total Liabilities	12,049,315	11,685,009	108,205	6,897,019
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Capital Lease	3,602,243	-	-	-
Total deferred inflow of resources	3,602,243	-	-	-
FUND BALANCES (deficits):				
Nonspendable:				
Inventories	643,891	-	-	163,200
Long Term Other Assets	-	-	-	-
Restricted for:				
Court Related Functions	-	-	-	-
Community Service	-	-	-	-
Debt Service	-	-	-	-
Economic & Community Development	-	-	2,815,820	-
Fire & Rescue	-	-	-	-
Health Services	-	-	-	-
Inmate Welfare	-	-	-	-
Law Enforcement	-	-	-	-
Library	-	-	-	-
Mass Transit System	-	-	-	923,898
Public Safety	-	-	-	-
Records Modernization Tech	-	-	-	-
Resource Conservation	-	-	-	-
Road Acquisition & Construction	-	-	-	-
Housing Assistance	-	-	-	-
Tourism	-	-	-	-
Transportation & Drainage Improvements	-	-	-	-
Transportation Maintenance	-	-	-	-
Committed to:				
Community Service	-	-	-	-
Infrastructure Maintenance	-	-	-	-
Public Safety	-	-	-	-
Transportation Maintenance	-	-	-	-
Assigned to:				
Subsequent Year's Budget	18,952,263	-	-	-
Unassigned	27,682,315	(8,204,189)	-	-
Total Fund Balances	47,278,469	(8,204,189)	2,815,820	1,087,098
Total Liabilities, deferred inflows of resources, and Fund Balance (deficit)	\$ 62,930,027	\$ 3,480,820	\$ 2,924,025	\$ 7,984,117

The notes to the financial statements are an integral part of the financial statements.

Local Option Sales Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 50,332,067	\$ 34,793,562	\$ 121,328,219
36,371,424	20,279,393	77,593,944
-	807,406	2,134,113
-	-	391,346
-	341,536	4,433,359
14,295,151	-	14,295,151
5,384,555	2,865,683	18,192,222
-	337,604	1,144,695
17,453,432	-	21,067,753
<u>\$ 123,836,629</u>	<u>\$ 59,425,184</u>	<u>\$ 260,580,802</u>
\$ 4,378,434	\$ 2,182,181	\$ 12,138,032
1,199,015	9,545	1,345,737
78,871	1,666,799	8,003,158
89,255	2,396	4,559,175
601,779	3,301,718	14,896,930
217,033	904,962	3,756,567
1,000	152,071	362,287
-	611,913	736,224
-	-	338,410
<u>6,565,387</u>	<u>8,831,585</u>	<u>46,136,520</u>
-	-	3,602,243
-	-	3,602,243
-	337,604	1,144,695
17,453,432	-	17,453,432
-	3,720,520	3,720,520
-	298,637	298,637
-	864,390	864,390
17,590,686	587,273	20,993,779
-	3,105,932	3,105,932
-	34,568	34,568
-	2,074,052	2,074,052
-	426,813	426,813
-	2,560,085	2,560,085
-	320,582	1,244,480
-	4,115,225	4,115,225
-	2,735,993	2,735,993
-	391,125	391,125
-	548	548
-	5,918,471	5,918,471
-	5,473,913	5,473,913
82,227,124	2,136,362	84,363,486
-	575,741	575,741
-	1,587,589	1,587,589
-	8,622,963	8,622,963
-	884,052	884,052
-	3,821,161	3,821,161
-	-	18,952,263
-	-	19,478,126
<u>117,271,242</u>	<u>50,593,599</u>	<u>210,842,039</u>
<u>\$ 123,836,629</u>	<u>\$ 59,425,184</u>	<u>\$ 260,580,802</u>

ESCAMBIA COUNTY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
as of September 30, 2016

Total fund balances of governmental funds \$ 210,842,039

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported in governmental funds. The cost of assets is \$1,237,754,397 Accumulated depreciation and amortization is \$699,679,604. The difference does not include the net capital assets of the internal service funds \$723,631 which are included below. 538,074,793

The internal service fund is used by management to charge the costs of risk management services to individual funds. The assets, liabilities, and outflows/inflows of the internal service fund are included in activities in the Statement of Net Position. 11,572,890

At the governmental fund level, certain other long term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds. 2,286,204

Deferred outflow of resources:
Deferred charge on refunding (to be amortized as interest expense) 2,329,280

Deferred outflows and inflows of resources related to pensions are applicable to future periods and not reported in governmental funds. The difference does not include certain amounts from the internal service fund which is included above.

Deferred outflows of resources - Pensions	79,937,277	
Deferred inflows of resources - Pensions	(17,233,392)	
		62,703,885

Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities--both current and long-term--are reported in the Statement of Net Position. The difference does not include the internal service funds \$11,971,691 which is included above. Long-term liabilities at year-end consist of:

Bonds payable	42,610,000	
Notes payable	60,726,000	
Pollution remediation	275,000	
Compensated absences	25,855,141	
Other post employment benefits	10,090,667	
Net pension liability proportionate share	162,983,117	
		(302,539,925)

Total net position of governmental activities \$ 525,269,166

The notes to the financial statements are an integral part of the financial statements.

ESCAMBIA COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2016

	General Fund - County Wide	Disaster Recovery Fund	Community Redevelopment Agency Fund
REVENUES			
Taxes	\$ 106,149,091	\$ -	\$ 1,339,085
Permits and Fees	-	-	-
Franchise Fees	12,988,847	-	-
Special Assessments	899,754	-	-
Intergovernmental Revenues	33,105,706	7,891,697	-
Charges for Services	10,053,635	-	-
Judgments and Fines	1,234,263	25,000	-
Investment Income	919,588	22,804	29,623
Miscellaneous Revenues	3,202,308	-	6,068
Total Revenues	168,553,192	7,939,501	1,374,776
EXPENDITURES			
Current:			
General Government	50,526,487	-	1,500,803
Public Safety	94,840,340	9,903,653	-
Physical Environment	1,270,631	-	-
Transportation	2,665,813	-	-
Economic Environment	-	-	-
Human Services	2,331,312	-	-
Culture/Recreation	1,330,272	-	-
Court-Related	6,500,461	-	-
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Capital Outlay	-	-	-
Total Expenditures	159,465,316	9,903,653	1,500,803
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,087,876	(1,964,152)	(126,027)
OTHER FINANCING SOURCES (USES)			
Transfers In	3,650,477	-	17,000
Transfers (Out)	(13,198,618)	-	-
Total Other Financing Sources and (Uses)	(9,548,141)	-	17,000
Net Change in Fund Balances	(460,265)	(1,964,152)	(109,027)
Fund Balances - Beginning	47,738,734	(6,240,037)	2,924,847
Fund Balances - Ending	\$ 47,278,469	\$ (8,204,189)	\$ 2,815,820

The notes to the financial statements are an integral part of the financial statements.

Mass Transit Fund	Local Option Sales Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 4,819,674	\$ 41,215,661	\$ 23,788,582	\$ 177,312,093
-	-	331,995	331,995
-	-	1,893,966	14,882,813
-	-	14,733,794	15,633,548
6,332,817	5,986,258	17,135,048	70,451,526
1,444,000	243,586	12,227,025	23,968,246
-	-	1,269,580	2,528,843
3,485	1,121,696	522,395	2,619,591
66,020	314,964	2,902,766	6,492,126
<u>12,665,996</u>	<u>48,882,165</u>	<u>74,805,151</u>	<u>314,220,781</u>
-	1,257	3,515,005	55,543,552
-	-	27,405,162	132,149,155
-	2,976	836,892	2,110,499
12,632,093	1,111,090	17,989,220	34,398,216
-	-	12,321,511	12,321,511
-	114,307	103,305	2,548,924
-	1,528,766	4,818,278	7,677,316
-	-	4,040,928	10,541,389
-	-	7,160,000	7,160,000
-	3,248	3,123,217	3,126,465
-	26,983,268	434,551	27,417,819
<u>12,632,093</u>	<u>29,744,912</u>	<u>81,748,069</u>	<u>294,994,846</u>
<u>33,903</u>	<u>19,137,253</u>	<u>(6,942,918)</u>	<u>19,225,935</u>
-	-	18,385,498	22,052,975
-	(2,293,785)	(7,250,136)	(22,742,539)
-	(2,293,785)	11,135,362	(689,564)
33,903	16,843,468	4,192,444	18,536,371
1,053,195	100,427,774	46,401,155	192,305,668
<u>\$ 1,087,098</u>	<u>\$ 117,271,242</u>	<u>\$ 50,593,599</u>	<u>\$ 210,842,039</u>

ESCAMBIA COUNTY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2016

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

Net change in fund balances - total governmental funds	\$	18,536,371
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<p>Governmental funds report capital purchases as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital additions (\$45,238,875) exceeds depreciation (\$44,102,099) in the current period. Total capital additions consist of capital expenditures of \$34,576,519, and non-cash contributions of \$10,662,356 which includes assets transferred from the Santa Rosa Island Authority.</p>		1,136,776
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Collections of principal on long-term sales type lease receivable provides current financial resources to governmental funds.		(66,275)
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The issuance of bonds and similar long-term debt provides current financial resources to governmental funds and thus contributes to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds, but reduces the liability in the statement of net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The amounts of the items that make up these differences in the treatment of long-term debt and related items are:

Debt issued or repaid:		
Principal repayments	7,160,000	
Amortization of deferred discount and deferred charge on refunding	<u>(150,510)</u>	
		7,009,490

Continued

ESCAMBIA COUNTY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES - Continued
For the Year Ended September 30, 2016

Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. These adjustments are as follows:

Changes in compensated absences	1,163,052	
Changes in other post employment benefits	(450,062)	
Changes in pollution remediation	<u>(100,000)</u>	
		612,990

Governmental funds report County pension contributions as expenditures. In the statement of activities, the cost of the pension benefits earned net of contributions is reported as pension expense.

Difference between pension contribution and net pension expense	(8,653,073)
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In the statement of activities, only the loss on the sale/disposal of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets sold/disposed.

(281,810)

The internal service fund is used by management to charge the costs of risk management and other services to other funds. The net income of the internal service fund is reported with governmental activities.

674,139

Change in net position of governmental activities:

\$ 18,968,608

The notes to the financial statements are an integral part of the financial statements.

ESCAMBIA COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND - COUNTY WIDE
For the Year Ended September 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Over (Under)
REVENUES				
Taxes	\$ 102,632,807	\$ 102,632,816	\$ 106,149,091	\$ 3,516,275
Franchise Fees	11,732,975	11,732,975	12,988,847	1,255,872
Special Assessments	915,084	915,084	899,754	(15,330)
Intergovernmental Revenues	29,129,287	28,896,212	33,105,706	4,209,494
Charges for Services	9,523,456	9,784,667	10,053,635	268,968
Judgments and Fines	1,148,100	1,148,100	1,234,263	86,163
Investment Income	-	-	919,588	919,588
Miscellaneous Revenues	2,138,254	2,481,367	3,202,308	720,941
Total Revenues	157,219,963	157,591,221	168,553,192	10,961,971
EXPENDITURES				
Current:				
General Government	73,254,975	87,370,618	50,526,487	36,844,131
Public Safety	93,616,398	95,751,839	94,840,340	911,499
Physical Environment	1,309,027	1,382,233	1,270,631	111,602
Transportation	2,754,636	3,166,815	2,665,813	501,002
Human Services	2,843,950	3,081,995	2,331,312	750,683
Culture/Recreation	1,392,295	1,411,457	1,330,272	81,185
Court-Related	6,864,352	6,631,277	6,500,461	130,816
Total Expenditures	182,035,633	198,796,234	159,465,316	39,330,918
Excess (Deficiency) of Revenues Over (Under) Expenditures	(24,815,670)	(41,205,013)	9,087,876	50,292,889
OTHER FINANCING SOURCES (USES)				
Transfers In	9,347,696	1,644,994	3,650,477	2,005,483
Transfers (Out)	(22,994,932)	(10,610,647)	(13,198,618)	(2,587,971)
Total Other Financing Sources and (Uses)	(13,647,236)	(8,965,653)	(9,548,141)	(582,488)
Net Change in Fund Balance	(38,462,906)	(50,170,666)	(460,265)	49,710,401
Fund Balance - Beginning	38,462,906	50,170,666	47,738,734	(2,431,932)
Fund Balance - Ending	\$ -	\$ -	\$ 47,278,469	\$ 47,278,469

The notes to the financial statements are an integral part of the financial statements.

ESCAMBIA COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
DISASTER RECOVERY FUND
For the Year Ended September 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental Revenues	\$ -	\$ 16,058,213	\$ 7,891,697	\$ (8,166,516)
Judgments and Fines	-	-	25,000	25,000
Investment Income	-	-	22,804	22,804
Total Revenues	<u>-</u>	<u>16,058,213</u>	<u>7,939,501</u>	<u>(8,118,712)</u>
EXPENDITURES				
Current:				
Public Safety	-	16,058,213	9,903,653	6,154,560
Total Expenditures	<u>-</u>	<u>16,058,213</u>	<u>9,903,653</u>	<u>6,154,560</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(1,964,152)</u>	<u>(1,964,152)</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>(1,964,152)</u>	<u>(1,964,152)</u>
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>(6,240,037)</u>	<u>(6,240,037)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,204,189)</u>	<u>\$ (8,204,189)</u>

The notes to the financial statements are an integral part of the financial statements.

ESCAMBIA COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
COMMUNITY REDEVELOPMENT AGENCY FUND
For the Year Ended September 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Over (Under)
REVENUES				
Taxes	\$ 1,365,000	\$ 1,339,085	\$ 1,339,085	\$ -
Intergovernmental Revenues	17,000	17,000	-	(17,000)
Investment Income	-	-	29,623	29,623
Miscellaneous Revenues	-	-	6,068	6,068
Total Revenues	1,382,000	1,356,085	1,374,776	18,691
EXPENDITURES				
Current:				
General Government	2,216,674	4,280,932	1,500,803	2,780,129
Total Expenditures	2,216,674	4,280,932	1,500,803	2,780,129
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(834,674)	(2,924,847)	(126,027)	2,798,820
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	17,000	17,000
Total Other Financing				
Sources and (Uses)	-	-	17,000	17,000
Net Change in Fund Balance	(834,674)	(2,924,847)	(109,027)	2,815,820
Fund Balance - Beginning	834,674	2,924,847	2,924,847	-
Fund Balance - Ending	\$ -	\$ -	\$ 2,815,820	\$ 2,815,820

The notes to the financial statements are an integral part of the financial statements.

ESCAMBIA COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
MASS TRANSIT FUND
For the Year Ended September 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Over (Under)</u>
REVENUES				
Taxes	\$ 4,320,000	\$ 4,453,489	\$ 4,819,674	\$ 366,185
Permits and Fees	-	-	-	-
Intergovernmental Revenues	5,042,353	5,890,522	6,332,817	442,295
Charges for Services	1,545,690	1,558,000	1,444,000	(114,000)
Investment Income	-	-	3,485	3,485
Miscellaneous Revenues	-	-	66,020	66,020
Total Revenues	<u>10,908,043</u>	<u>11,902,011</u>	<u>12,665,996</u>	<u>763,985</u>
EXPENDITURES				
Current:				
Transportation	10,903,043	12,627,094	12,632,093	(4,999)
Debt Service				
Interest and Fiscal Charges	5,000	5,000	-	5,000
Total Expenditures	<u>10,908,043</u>	<u>12,632,094</u>	<u>12,632,093</u>	<u>1</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>-</u>	<u>(730,083)</u>	<u>33,903</u>	<u>763,986</u>
Net Change in Fund Balance	<u>-</u>	<u>(730,083)</u>	<u>33,903</u>	<u>763,986</u>
Fund Balance - Beginning	<u>-</u>	<u>730,083</u>	<u>1,053,195</u>	<u>323,112</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,087,098</u>	<u>\$ 1,087,098</u>

The notes to the financial statements are an integral part of the financial statements.

ESCAMBIA COUNTY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2016

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Solid Waste Fund	Emergency Medical Services Fund	Nonmajor Enterprise Funds	Totals	
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 8,468,735	\$ 7,989,851	\$ 3,824,355	\$ 20,282,941	\$ 13,933,937
Restricted Assets Available for Current Liabilities	203,256	-	276,433	479,689	-
Investments	11,991,064	5,773,484	1,642,999	19,407,547	9,428,455
Accounts Receivable, Net of Allowance for Uncollectable Accounts	2,149,797	5,390,803	97,888	7,638,488	546,181
Due from Other Funds	-	-	-	-	233,336
Due from Other Governments	-	-	-	-	77,877
Inventories	-	302,941	69,366	372,307	259,477
Prepaid Items	-	-	535	535	27,318
Total Current Assets	22,812,852	19,457,079	5,911,576	48,181,507	24,506,581
Noncurrent Assets:					
Restricted Assets:					
Escrow Deposits - restricted	116,846	-	276,433	393,279	-
Saufley C&D - restricted	530,491	-	-	530,491	-
Landfill Escrow	7,480,188	-	-	7,480,188	-
Less: Portion Classified as Current	(203,256)	-	(276,433)	(479,689)	-
Total restricted assets	7,924,269	-	-	7,924,269	-
Advances Due from Other Funds	-	-	-	-	601,779
Capital Assets:					
Land	5,786,826	6,443	-	5,793,269	-
Buildings	10,701,163	1,100,349	25,783,895	37,585,407	399,564
Improvements Other than Buildings	41,946,962	16,875	3,073,662	45,037,499	937,373
Machinery, Equipment and Vehicles	14,748,235	8,914,007	2,664,373	26,326,615	276,867
Intangibles	15,000	176,255	-	191,255	-
Construction in Progress	436,604	45,804	-	482,408	-
Less: Accumulated Depreciation	(35,508,022)	(6,711,344)	(25,734,402)	(67,953,768)	(890,173)
Total Capital Assets (Net)	38,126,768	3,548,389	5,787,528	47,462,685	723,631
Total Noncurrent Assets	46,051,037	3,548,389	5,787,528	55,386,954	1,325,410
Total Assets	68,863,889	23,005,468	11,699,104	103,568,461	25,831,991
DEFERRED OUTFLOWS OF RESOURCES					
Pension Cost and Subsequent Contributions	838,031	5,664,898	702,342	7,205,271	298,366
Total deferred outflows of resources	838,031	5,664,898	702,342	7,205,271	298,366

Continued

ESCAMBIA COUNTY, FLORIDA
STATEMENT OF NET POSITION - Continued
PROPRIETARY FUNDS
September 30, 2016

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Solid Waste Fund	Emergency Medical Services Fund	Nonmajor Enterprise Funds	Totals	
LIABILITIES					
Current Liabilities:					
Accounts Payable	187,702	176,325	599,640	963,667	\$ 1,760,434
Accrued Liabilities	115,741	390,240	94,478	600,459	47,086
Compensated Absences Payable	50,269	41,368	30,999	122,636	104,987
Estimated Claims Payable	-	-	-	-	2,572,057
Due to Other Funds	-	-	-	-	107,520
Due to Other Governments	-	1,242	17,475	18,717	562,822
Deposits	2,022	-	25,870	27,892	51,004
Other Current Liabilities	-	-	1,658,142	1,658,142	-
Current Liabilities Payable from Restricted Assets:					
Landfill Closure Costs Payable	86,410	-	-	86,410	-
Escrow Deposits - restricted	116,846	-	276,433	393,279	-
Total Current Liabilities	558,990	609,175	2,703,037	3,871,202	5,205,910
Noncurrent Liabilities:					
Compensated Absences Payable	452,421	372,313	278,992	1,103,726	944,888
Other Post Employment Benefits	126,497	388,960	91,943	607,400	52,889
Net Pension Liability	1,726,871	11,405,323	1,414,593	14,546,787	602,746
Estimated Claims Payable	-	-	-	-	7,694,124
Advances To Other Funds	-	-	-	-	-
Landfill Closure Costs Payable	15,442,806	-	-	15,442,806	-
Total Noncurrent Liabilities	17,748,595	12,166,596	1,785,528	31,700,719	9,294,647
Total Liabilities	18,307,585	12,775,771	4,488,565	35,571,921	14,500,557
DEFERRED INFLOWS OF RESOURCES					
Unamortized Pension Costs	204,847	1,029,148	128,313	1,362,308	56,910
Total deferred inflows of resources	204,847	1,029,148	128,313	1,362,308	56,910
NET POSITION					
Net Investment in Capital Assets	38,126,768	3,548,389	5,787,528	47,462,685	723,631
Unrestricted	13,062,720	11,317,058	1,997,040	26,376,818	10,849,259
Total Net Position	\$ 51,189,488	\$ 14,865,447	\$ 7,784,568	\$ 73,839,503	\$ 11,572,890

The notes to the financial statements are an integral part of the financial statements.

ESCAMBIA COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended September 30, 2016

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Solid Waste Fund	Emergency Medical Services Fund	Nonmajor Enterprise Funds	Total	
Operating Revenues:					
Charges for Services	\$ 15,141,298	\$ 12,831,723	\$ 7,556,287	\$ 35,529,308	\$ 39,198,850
Miscellaneous Revenues	35,495	2,966	44,804	83,265	-
Total Operating Revenues	15,176,793	12,834,689	7,601,091	35,612,573	39,198,850
Operating Expenses:					
Personal Services	2,654,208	9,132,297	1,903,588	13,690,093	1,409,805
Contracted Services	635,201	213,150	6,034,405	6,882,756	-
Claims Incurred and change in estimate	-	-	-	-	9,309,658
Supplies and Materials	462,052	818,854	37,621	1,318,527	-
Repairs and Maintenance	1,029,448	634,587	181,199	1,845,234	219,126
Other Services and Charges	1,372,844	795,375	292,153	2,460,372	3,786,601
Depreciation	3,092,117	939,510	812,474	4,844,101	73,075
Provision for Closure and Long Term Care	558,910	-	-	558,910	-
Premiums/Claims Expense	342,413	144,351	10,927	497,691	23,904,650
Total Operating Expenses	10,147,193	12,678,124	9,272,367	32,097,684	38,702,915
Operating Income (Loss)	5,029,600	156,565	(1,671,276)	3,514,889	495,935
Nonoperating Revenues (Expenses):					
Investment Income	246,091	140,702	29,269	416,062	185,632
Interest and Fiscal Charges Expense	(1,364)	-	-	(1,364)	-
Gain (Loss) on Disposal of Capital Assets	5,905	-	-	5,905	-
Total Nonoperating Revenues (Expenses)	250,632	140,702	29,269	420,603	185,632
Income (Loss) Before Transfers and Contributions	5,280,232	297,267	(1,642,007)	3,935,492	681,567
Transfer In	-	-	1,300,000	1,300,000	-
Transfer (Out)	(350,566)	(252,442)	-	(603,008)	(7,428)
Capital Contributions	-	14,068	147,003	161,071	-
Change in Net Position	4,929,666	58,893	(195,004)	4,793,555	674,139
Net Position - Beginning	46,259,822	14,806,554	7,979,572	69,045,948	10,898,751
Net Position - Ending	\$ 51,189,488	\$ 14,865,447	\$ 7,784,568	\$ 73,839,503	\$ 11,572,890

The notes to the financial statements are an integral part of the financial statements.

ESCAMBIA COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2016

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Solid Waste Fund	Emergency Medical Services Fund	Nonmajor Enterprise Funds	Total	
Cash Flows from Operating Activities					
Receipts from customers and users	\$ 14,780,107	\$ 11,168,728	\$ 8,233,192	\$ 34,182,027	\$ 5,402,116
Receipts from interfund risk/benefits management	-	-	-	-	30,733,766
Receipts from interfund fleet/fuel management	-	-	-	-	2,823,876
Payments to suppliers	(3,847,288)	(2,521,164)	(6,330,649)	(12,699,101)	(35,597,373)
Payments to employees	(2,525,436)	(8,463,444)	(1,831,164)	(12,820,044)	(767,840)
Net Cash Provided (Used) by Operating Activities	8,407,383	184,120	71,379	8,662,882	2,594,545
Cash Flows from Noncapital Financing Activities					
Transfers to other funds	(350,566)	(252,442)	-	(603,008)	(7,428)
Transfers from other funds	-	-	1,300,000	1,300,000	-
Advances due to/from other funds	(782,793)	-	-	(782,793)	1,231,365
Net Cash Provided (Used) by Noncapital Financing Activities	(1,133,359)	(252,442)	1,300,000	(85,801)	1,223,937
Cash Flows from Capital and Related Financing Activities					
Acquisition/construction of capital assets	(1,541,963)	(1,352,957)	(113,270)	(3,008,190)	-
Proceeds from disposal of capital assets	-	(5,026)	9,903	4,877	-
Landfill closure costs paid	(57,022)	-	-	(57,022)	-
Net Cash (Used) by Capital and Related Financing Activities	(1,598,985)	(1,357,983)	(103,367)	(3,060,335)	-
Cash Flows from Investing Activities					
Sale (purchase) of investments	9,007	2,194,569	343,146	2,546,722	320,665
Interest received	246,091	140,702	29,269	416,062	185,632
Net Cash Provided (Used) by Investing Activities	255,098	2,335,271	372,415	2,962,784	506,297
Net Increase (Decrease) in Cash and Cash Equivalents	5,930,137	908,966	1,640,427	8,479,530	4,324,779
Cash and cash equivalents at beginning of year	10,666,123	7,080,885	2,460,361	20,207,369	9,609,158
Cash and cash equivalents at end of year	<u>\$ 16,596,260</u>	<u>\$ 7,989,851</u>	<u>\$ 4,100,788</u>	<u>\$ 28,686,899</u>	<u>\$ 13,933,937</u>
Cash and Cash Equivalents Classified As:					
Current assets	\$ 8,468,735	\$ 7,989,851	\$ 3,824,355	\$ 20,282,941	\$ 13,933,937
Current restricted assets	203,256	-	276,433	479,689	-
Noncurrent restricted assets	7,924,269	-	-	7,924,269	-
Total Cash and Cash Equivalents	<u>\$ 16,596,260</u>	<u>\$ 7,989,851</u>	<u>\$ 4,100,788</u>	<u>\$ 28,686,899</u>	<u>\$ 13,933,937</u>

Continued

ESCAMBIA COUNTY, FLORIDA
STATEMENT OF CASH FLOWS - Continued
PROPRIETARY FUNDS
For the Year Ended September 30, 2016

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Solid Waste Fund	Emergency Medical Services Fund	Nonmajor Enterprise Funds	Total	
Reconciliation of Operating Income (Loss) to Net Cash					
Provided (Used) by Operating Activities					
Operating Income (Loss)	\$ 5,029,600	\$ 156,565	\$ (1,671,276)	\$ 3,514,889	\$ 495,935
Depreciation	3,092,117	939,510	812,474	4,844,101	73,075
Provision for closure and postclosure	558,910	-	-	558,910	-
Change in Assets and Liabilities:					
Accounts receivable	(406,683)	(1,665,961)	5,774	(2,066,870)	439,633
Inventories	-	(28,242)	(10,834)	(39,076)	(34,624)
Prepays	-	-	(44)	(44)	261
Accounts payable	(5,330)	114,904	233,018	342,592	(409,318)
Accrued liabilities	18,217	40,679	17,852	76,748	13,302
Due to other governments	-	(1,509)	3,516	2,007	147,501
Customer deposits	9,997	-	3,096	13,093	(37,874)
Other current liabilities	-	-	623,231	623,231	-
Compensated absences	17,887	(59,866)	(33,958)	(75,937)	(46,246)
Other post employment benefits	5,237	48,738	9,364	63,339	754
Net pension liability proportionate share and related deferred outflows/inflows of resources	87,431	639,302	79,166	805,899	33,304
Claims payable	-	-	-	-	1,918,842
Total Adjustments	3,377,783	27,555	1,742,655	5,147,993	2,098,610
Net Cash Provided (Used) by Operating Activities	\$ 8,407,383	\$ 184,120	\$ 71,379	\$ 8,662,882	\$ 2,594,545
Schedule of non-cash capital activities:					
Contributions of capital assets	\$ -	\$ 14,068	\$ 147,003	\$ 161,071	\$ -

The notes to the financial statements are an integral part of the financial statements.

ESCAMBIA COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
September 30, 2016

ASSETS

Cash and Cash Equivalents	\$ 10,027,346
Accounts Receivable	<u>323,515</u>
Total Assets	<u><u>\$ 10,350,861</u></u>

LIABILITIES

Due to Other Governments	\$ 3,247,384
Due to Individuals	2,670,260
Other Current Liabilities	<u>4,433,217</u>
Total Liabilities	<u><u>\$ 10,350,861</u></u>

The notes to the financial statements are an integral part of the financial statements

ESCAMBIA COUNTY, FLORIDA
STATEMENT OF NET POSITION
COMPONENT UNITS
September 30, 2016

	Governmental Activities	Business-Type Activities	Total Component Units
	Escambia County Law Library Board	Santa Rosa Island Authority	
ASSETS			
Cash and Cash Equivalents	\$ 51,358	\$ 5,190,558	\$ 5,241,916
Investments	-	521,795	521,795
Accounts Receivable	-	329,437	329,437
Due from Other Governments	3,482	2,987,290	2,990,772
Prepaid Items	-	32,653	32,653
Total Current Assets	54,840	9,061,733	9,116,573
Noncurrent Assets:			
Restricted Assets:			
Cash and Cash Equivalents	-	1,080,809	1,080,809
Capital Assets, Net of Depreciation	9,392	608,823	618,215
Total Noncurrent Assets	9,392	1,689,632	1,699,024
Total Assets	64,232	10,751,365	10,815,597
DEFERRED OUTFLOWS OF RESOURCES			
Pension	-	421,710	421,710
Total deferred outflow of resources	-	421,710	421,710
LIABILITIES			
Accounts Payable	3,482	1,701,533	1,705,015
Accrued Liabilities	-	57,187	57,187
Due to Other Governments	-	1,260,271	1,260,271
Unearned Revenue	-	491,931	491,931
Total Current Liabilities	3,482	3,510,922	3,514,404
Noncurrent Liabilities:			
Compensated Absences	-	70,217	70,217
Other Post Employment Benefits	-	75,192	75,192
Net Pension Liability	-	1,064,546	1,064,546
Other Noncurrent Liabilities	-	4,960,000	4,960,000
Total Noncurrent Liabilities	-	6,169,955	6,169,955
Total Liabilities	3,482	9,680,877	9,684,359
DEFERRED INFLOW OF RESOURCES			
Unearned Revenues	-	142,879	142,879
Unearned Consideration fees	-	593,596	593,596
Pension	-	432,469	432,469
Total Deferred Inflow of Resources	-	1,168,944	1,168,944
NET POSITION			
Invested in Capital Assets	9,392	608,823	618,215
Restricted for Capital Improvements	-	387,627	387,627
Unrestricted	51,358	(673,196)	(621,838)
Total Net Position	\$ 60,750	\$ 323,254	\$ 384,004

The notes to the financial statements are an integral part of the financial statements.

ESCAMBIA COUNTY, FLORIDA
STATEMENT OF ACTIVITIES - COMPONENT UNITS
For the Year Ended September 30, 2016

	Governmental Activities	Business-Type Activities	Total Component Units
	Escambia County Law Library Board	Santa Rosa Island Authority	
EXPENSES			
Governmental Activities:			
General Government	\$ 101,036	\$ -	\$ 101,036
Business Type Activities:			
Operating Expenses	-	21,450,640	21,450,640
Total Program Expenses	<u>101,036</u>	<u>21,450,640</u>	<u>21,551,676</u>
PROGRAM REVENUES			
Charges for Services	68,194	4,463,987	4,532,181
Capital Grants and Contributions	-	9,107,548	9,107,548
Total Program Revenue	<u>68,194</u>	<u>13,571,535</u>	<u>13,639,729</u>
Net Program (Revenue) Expenses	<u>32,842</u>	<u>7,879,105</u>	<u>7,911,947</u>
GENERAL REVENUES			
Investment Income	-	15,879	15,879
Miscellaneous	361	31,187	31,548
Total General Revenues	<u>361</u>	<u>47,066</u>	<u>47,427</u>
SPECIAL ITEM			
Loss on disposal of operations	-	(9,688,834)	(9,688,834)
Change in Net Position	(32,481)	(17,520,873)	(17,553,354)
Net Position - Beginning	93,231	17,844,127	17,937,358
Net Position - Ending	<u>\$ 60,750</u>	<u>\$ 323,254</u>	<u>\$ 384,004</u>

The notes to the financial statements are an integral part of the financial statements.

ESCAMBIA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2016

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Government-wide Financial Statements

The financial statements of Escambia County, Florida (the “County”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. Significant County accounting policies are described below.

B. Financial Reporting Entity

Escambia County, Florida (the County) is a political subdivision of the State of Florida created pursuant to Chapter 7 of the Florida Statutes. The County is governed by a five member Board of County Commissioners (the Board), elected from single-member districts. The Board has no powers other than those expressly vested in it by State Statute. In addition to the Board, there are five elected Constitutional Officers: pursuant to Article 8, Section 1(d), of the Constitution of the State of Florida; the Clerk of the Circuit Court and Comptroller, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector. The Constitutional Officers maintain separate accounting records and budgets. The Board funds a portion or, in certain instances, all of the operating budgets of the County’s Constitutional Officers.

The combining financial statements include the operations of the Board of County Commissioners, Clerk of the Circuit Court and Comptroller, Sheriff, Tax Collector, Property Appraiser, Supervisor of Elections and those separately administered organizations for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government’s operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government.

Blended Component Unit

Community Redevelopment Agency (CRA) – Pursuant to Florida Statutes section 163 Part III, the Community Redevelopment Act of 1969 authorized governments to use tax increment financing as a means for community redevelopment. The primary purpose of this act is to provide local governments with a source of funds to revitalize the deteriorated portions of their communities; thus establishing a financial benefit or burden relationship between the primary government and the CRA. The primary government also has operational responsibility for the Community Redevelopment Agency. In 1995, the Board of County Commissioners adopted Ordinance No. 95-6 which established the Community Redevelopment Agency (CRA) of Escambia County. Six redevelopment areas are included under the CRA jurisdiction. The County Board serves as the CRA Board and has all rights, powers, duties, privileges and immunities authorized by the Act. The CRA is reported as a major special revenue fund in the fund financial statements of the County; a copy of this report may be found at the Community Redevelopment Agency Office; 221 Palafox Place; Suite 305, Pensacola Florida 32502.

Discretely Presented Component Units

Governmental Fund Type:

Escambia County Law Library Board – The Escambia County Law Library Board (Law Library), created under Special Act, Chapter 69-1048, Laws of Florida, provides for the maintenance of a central law library for the use of citizens, county officials, judges and officers of the courts of Escambia County. The County establishes the fees charged and collected on court actions in support of the Law Library, therefore the County is financially accountable. The Law Library is located in the M.C. Blanchard Judicial Building. The Law Library Board is composed of two (2) circuit judges, two (2) county judges and one (1) lawyer appointed by the local Bar Association. The operations of the Law Library are reported in the Escambia County Law Library Board, a special revenue fund. While the Law Library Board is an independently reported special district, it is presented in the County's Comprehensive Annual Financial Report as a discretely presented component unit. Financial statements for the Escambia County Law Library Board can be obtained from the Library staff at 190 West Government Street, Pensacola, Florida 32502-5773.

Proprietary Fund Type:

Santa Rosa Island Authority (SRIA) – The Santa Rosa Island Authority (SRIA) was established by the provisions of Chapter 24-500, Laws of Florida, Special Acts of 1947, as amended. The County appoints five (5) members of the Authority's six (6) member Board, and one (1) member is elected by the eligible voters who are full time residents of the Island. The County approves the SRIA's budget and issuance of debt. The County has veto power over decisions of the SRIA. The SRIA serves as the County's leasing agent for property on Santa Rosa Island owned by the County. The operations of SRIA are reported in the SRIA Fund, a discrete component unit in this report. Financial statements for the SRIA can be obtained at 1 Via Deluna, Pensacola Beach, Florida 32561.

Joint Ventures:

As defined in Governmental Accounting Standards Board (GASB) Statement No. 14, a joint venture is a separate legal entity or other organization that results from a contractual arrangement (or interlocal agreement) and that is owned, operated or governed by two or more participants as a separate and specific activity subject to joint control in which the participants retain (a) an on-going financial interest or (b) an on-going financial responsibility. The County participates and provides financial support to the following non-equity joint ventures:

Human Relations Commission (HRC) – The Commission was created by an Interlocal Agreement between Escambia County and the City of Pensacola in 1978, pursuant to Florida Statutes, Chapter 163.01, for the purpose of being "responsible for the promotion of fair treatment and equal opportunity to all citizens of the local community." The Commission is composed of nine (9) members; four (4) selected by the County and four (4) selected by the City of Pensacola, with one (1) additional member jointly selected by the preceding eight. The County does not control budgeting or financing for the Commission. Separate financial statements are available from the Commission at 2257 Baylen Street, Pensacola, Florida 32501.

Pensacola – Escambia County Promotion and Development Commission (PEDC) – This Commission was created in 1967 by Chapter 67-1365, Laws of Florida, amended in 1980 by Chapter 80-579, to promote and develop tourism and industry in Escambia County and in the City of Pensacola. The nine (9) member Commission consists of the President of the Chamber of Commerce, two (2) members of the Pensacola City Council, two (2) members of the Escambia County Commission, one (1) member of the Century City Council, one (1) representative of the Committee of 100 or the Tourist Advisory Council, one (1) at-large member appointed by the Pensacola City Council and one (1) at-large member appointed by the Escambia County Commission. The County and the City of Pensacola each contribute funds annually for the operation of the Commission, but neither has control of the budget or finances of the Commission. Separate financial statements are available from the Pensacola – Escambia County Promotion and Development Commission at 117 West Garden Street, Pensacola, Florida 32593-0550.

Summary financial statements as of September 30, 2016, for the joint ventures are as follows:

STATEMENTS OF NET POSITION
SEPTEMBER 30, 2016

	<u>HRC</u>	<u>PEDC</u>
Assets	\$ 18,469	\$ 6,598,393
Liabilities	<u>3,969</u>	<u>2,169,480</u>
Net Position		
Restricted:	-	61,198
Unrestricted:		
Committed	-	52,309
Unassigned	<u>14,500</u>	<u>4,315,406</u>
Total net position	<u>\$ 14,500</u>	<u>\$ 4,428,913</u>

STATEMENTS OF ACTIVITIES
FISCAL YEAR ENDED SEPTEMBER 30, 2016

	<u>HRC</u>	<u>PEDC</u>
Revenues	\$ 184,553	\$ 700,000
Expenses	<u>(181,944)</u>	<u>(631,005)</u>
Change in net position	2,609	68,995
Net position - beginning	<u>11,891</u>	<u>4,337,746</u>
Prior Period Adjustment	<u>-</u>	<u>(22,172)</u>
Net position - ending, restated	<u>\$ 14,500</u>	<u>\$ 4,384,569</u>

C. Basis of Presentation – Government-wide and Fund Financial Statements

The basic financial statements consist of the government-wide (based on the County as a whole, including its component units) and fund financial statements. Both sets of statements categorize primary activities as either governmental or business-type activities.

The government-wide financial statements include a statement of net position and a statement of activities which report on the government as a whole and provide a consolidated financial picture of the government. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Interfund activities are eliminated to avoid distorted financial results. The amounts reported as internal balances represent the residual amounts due between governmental and business-type activities. Fiduciary Funds of the government are also eliminated from this presentation since these resources are not available for general government funding purposes.

The statement of activities reports functional categories of programs provided by the County, and demonstrate how and to what degree those programs are supported by specific revenue. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on external fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given program are supported by specific revenues. *Direct expenses* are those that are clearly identifiable with a specific program. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. *General revenues* consist of all taxes and other items collected that help support all functions of Escambia County government.

Individual fund financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The general fund includes the Board of County Commissioners, Clerk of Circuit Court and Comptroller, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector.

The *Disaster Recovery Fund* accounts for financing provided from various grants, or reimbursements to aid the County's recovery from either natural or man-made disasters. Due to the nature of this major fund, the County generally adopts an appropriated budget of zero.

The *Community Redevelopment Agency Fund (CRA)* was established to account for the revenues and expenditures of the redevelopment areas established within the County. The CRA Fund is a blended component unit of Escambia County. Pursuant to Florida Statutes Section 163 Part III, the Community Redevelopment Act of 1969 authorized government to use tax increment financing as a means for community redevelopment.

The *Mass Transit Fund* was created to account for the operation and maintenance of the Escambia County Transit System. The 1 to 5 Cents Local Option Fuel Tax (4 cents levied) is used to fund public transportation operations and maintenance pursuant to Sections 206 and 336, Florida Statutes. Funding is also by Federal Transit Administration operating grants, user fees and reimbursements for non-transit activities.

The *Local Option Sales Tax Fund (LOST)* accounts for monies collected pursuant to Florida Statutes 212.055, which authorizes the County to impose a one percent (1%) local option infrastructure sales surtax upon taxable transactions occurring within Escambia County, to provide for road and drainage projects and improvements, recreation projects, public safety, expansion of jail and court facilities, and community redevelopment projects. This tax was approved by referendum on March 10, 1992, and set to expire on December 31, 2017. On November 4, 2014, this tax was extended by referendum through December 31, 2028, as permitted by law.

The County reports the following major proprietary funds:

The *Solid Waste Fund* accounts for solid waste disposal (landfill) operations, primarily financed through franchise fees and user charges.

The *Emergency Medical Service Fund* accounts for the cost of emergency medical services provided in Escambia County. All activities necessary to provide such services are accounted for in this fund.

Additionally, the government reports the following fund types:

The *Internal Service Fund* accounts for risk management activities, activities for garage and fuel services provided to County departments, and for administration of employee benefits. Additionally, the internal service fund is used to account for balances and activity related to compensated absences policies of the Clerk of the Circuit Court and Comptroller, for court related activities.

Agency Funds are custodial in nature, and are therefore excluded from the governmental-wide financial statements. These funds are used to account for assets held by the County as an agent for individuals, private organizations and governments. Agency funds are utilized by the Clerk of the Circuit Court and Comptroller, the Tax Collector, and the Sheriff. Resources include fines, forfeitures, and filing fees collected for other governmental agencies, child support payments, jury and witness services, posted bonds collected for individuals, prisoner's funds, confiscated monies held as evidence, property taxes and fees for licenses.

D. Measurement Focus and Basis of Accounting

The **government-wide financial statements** and the **proprietary fund and fiduciary fund financial statements** are reported 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. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. State shared revenues, sales taxes, franchise taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Expenditures generally are recorded when a liability is incurred, except debt service expenditures and expenditures related to compensated absences and claims and judgments, which are recorded only when payment is due. Capital asset acquisitions are recorded as expenditures in governmental funds. Monies received from issuing long-term debt and acquisitions under capital leases are reported as *other financing sources*.

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end).

Escambia County allocates indirect costs comprised of administrative overhead costs to functional activities using various allocation charge methods. Therefore, expenses reported for functional activities include these allocated indirect costs. Elimination of these charges would distort the direct costs of the functions concerned.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements, with the exception of administrative overhead components as discussed above.

Amounts reported as program revenue include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments. All taxes, including those dedicated for specific purposes, and others internally dedicated resources are reported as general revenues rather than as program revenue. Internally dedicated resources are reported as general revenues rather than program revenues.

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

E. Budgetary Information

Annual budgets are adopted on a basis consistent with *generally accepted accounting principles* as required by Florida Statute 129 for all governmental funds. In fiscal year 2016, the Disaster Recovery Fund adopted an original budget appropriation of zero, which was subsequently amended.

On or before May 1 of each year, the Clerk of the Circuit Court and Comptroller, Property Appraiser, Supervisor of Elections, Sheriff and Tax Collector each submit to the Board of County Commissioners a tentative budget for the ensuing fiscal year.

Within fifteen days after certification of the ad valorem tax roll by the Property Appraiser, the County's Office of Management and Budget submits to the Board of County Commissioners a proposed budget for the fiscal year commencing the following October 1st. Pursuant to the provisions of Section 129.01, Florida Statutes, the proposed budgets as submitted contain balanced statements of estimated revenue and proposed appropriations for each fund required to be presented by law or sound financial practice, including the general, special revenue, debt service, and capital projects funds.

The Board holds public hearings and a final budget must be prepared and adopted no later than September 30. The County's budget is legally enacted through passage of a resolution.

The appropriated budget is prepared by fund, function and department. The Office of Management and Budget is authorized to transfer budgeted amounts within departments of a fund and between departments of a fund; however, the Board of County Commissioners must approve any revisions that alter the total expenditures of any fund. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. The Board of County Commissioners approved supplemental budget amendments during the year that increased the original budget.

All appropriations lapse at the end of each fiscal year, although the county expects to honor purchase orders and contracts in process, subject to authority provided in the subsequent year's budget.

F. Property Taxes

Under Florida law, the assessments of all properties and the collections of all county, municipal, and school board property taxes are consolidated in the offices of the County Property Appraiser and the County Tax Collector. The laws of the state regulating tax assessments are also designed to assure a consistent property valuation method statewide. Pursuant to the State Constitution, Florida Statutes permit counties to levy ad valorem taxes on real and tangible personal property taxes at a rate not to exceed 10 mills for countywide purposes, exclusive of taxes levied for the payments of bonds and taxes levied for periods of not longer than 2 years and approved by a vote of the electors. All property is assessed at 100% of just value. For fiscal year 2016, the County-wide operating millage rate was 6.6165 mills. The County-wide operating millage rate for the Library was .359 mills for a total of 6.9755 mills. The Law Enforcement MSTU rate is .685 for a total direct rate of 7.6605 mills.

The tax levy of the County is established by the Board of County Commissioners prior to October 1 of each year and the Tax Collector incorporates the millage into the total tax levy, which includes the municipalities, special districts, and the County School Board tax requirements and produces the tax bill.

All property is reassessed by the Property Appraiser, according to its fair market value on January 1 of each year. The certified assessment roll is delivered by the Property Appraiser to the Tax Collector.

All property taxes are billed in arrears and become due and payable on November 1 of each year. All unpaid taxes become delinquent on April 1 following the year which they are assessed. The legal lien date is January 1 of each year. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January, and 1% in the month of February. Taxes paid in March are without discount. Tax certificates are sold for all delinquent taxes on real property. Virtually all unpaid taxes are collected via the sale of tax certificates prior to year end. The county does not accrue its portion of the County-held tax sale certificates or personal property tax warrants because such amounts are not considered to be material.

G. Cash and Cash Equivalents

The County defines cash and cash equivalents as cash held at a depository and cash on hand for operating purposes and those investments which are short term and highly liquid. Generally, those investments have original maturities of three (3) months or less from the date of acquisition. The County maintains an equity in pooled cash fund. All monies which are not legally restricted to separate administration are pooled together for investment and are maintained on a daily transaction basis. Investment earnings are distributed in accordance with the participating funds' relative equity. The County's cash deposits are held by banks that qualify as public depositories under the Florida Security for Public Deposits Act as required by Chapter 280, Florida Statutes. The County's cash deposits are fully insured by the Public Deposits Trust Fund.

H. Investments

Investments for the County are reported at fair value (generally based on quoted market prices) except for the Florida Prime Investment Pool and FLCLASS Investment Pool, which are reported at amortized cost. Investments are pooled together for investment purposes with each individual fund and/or account maintained on a daily transaction basis. Investment earnings are distributed in accordance with the participating funds' relative equity. Such investments consist of Certificates of deposit, U.S. Treasury Securities, Federal Instruments, Commercial Paper, Corporate Notes, and State and/or Local Government Debt.

I. Inventories and Prepaid Items

Inventories are valued at cost, using the first-in/first-out method. Annual inventory expenditures reflect supplies consumed. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. These payments are recorded as expenditures/expenses when consumed rather than when purchased.

J. Restricted Assets

The use of certain assets of both governmental and business-type activities is restricted by resolution or ordinance. Assets are designated as restricted since their use is limited. Restricted assets reported represent escrow deposits for customers, funds held for the Saufley Construction and Demolition (C&D) project closure, and the Landfill Escrow held for landfill closure and post closure liability.

K. Accounts Receivable

Accounts Receivable are shown net of an allowance for uncollectible accounts. The Solid Waste Fund records an allowance for receivables older than 90 days, while the Internal Service Fund provides an allowance for receivables without collections during the past year. All other County funds record an allowance on accounts older than 120 days. Accounts in the General Fund consist primarily of franchise fees receivable. The receivables at the end of the fiscal year include an estimated total allowance for uncollectable accounts in the amount of \$4.078 million. This allowance is comprised of \$3.350 million for ambulance receivables in the Emergency Medical Services Fund; \$611,000 for the Internal Service Funds related to the self insurance third party receivables; \$63,000 for the Local Option Sales Tax Fund; \$51,000 for HUD-CDBG housing programs, \$2,000 for the Mass Transit Fund and \$1,000 for the Bay Center.

L. Interfund Transactions

Reimbursements to a fund for expenditures/expenses initially made from it, which are applicable to another, fund are recorded as expenditures/expenses in the reimbursing fund, and reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

M. Interfund Payables and Receivables

Unpaid amounts of interfund transactions at year end are reflected as "due from other funds" or "due to other funds" in the related fund financial statements. Noncurrent portions of interfund payables and receivables are reported as advances. In governmental funds, advances are offset equally by nonspendable fund balance unless the funds are restricted or committed. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

N. Capital Assets

Capital Assets, which include property, plant, equipment, intangibles, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Purchased or constructed assets are recorded at historical cost or at a price that would be paid to acquire the asset with equivalent service potential in an orderly market transaction at the acquisition date. Donated capital assets are recorded at acquisition value at the acquisition date.

The County capitalizes items costing \$1,000 and having an estimated useful life in excess of one year. Buildings, public domain, and system infrastructure assets which represent major expenditures for such items as roads, water and sewer lines, landfill improvements, parks, and drainage systems are capitalized at historical cost. Major outlays for capital assets and improvements are capitalized as projects are constructed.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital Assets are depreciated over their estimated useful lives unless they are inexhaustible or are intangible assets with indefinite useful lives. The term depreciation (and related forms of the term) includes amortization of intangible assets.

Depreciation has been provided using the straight-line method. The estimated useful lives of the various classes of depreciable capital assets are as follows:

Buildings	10 – 50 years
Improvements	20 – 50 years
Infrastructure	20 – 50 years
Equipment	3 – 10 years
Intangibles	3 – 5 years

O. Unearned Revenues

Unearned revenues include amounts collected before revenue recognition criteria are met. Expenditure-driven grants and excess revenue for exchange type transactions are reported as unearned at the end of the fiscal year.

P. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will *not* be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent and acquisition of net position that applies to future periods and, will not be recognized as an inflow of resources (revenue) until that applicable time.

The County has two items that qualify for reporting as deferred outflows of resources. The first is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second is the deferred outflow of resources related to pensions reported in the government-wide and proprietary statements of net position. The deferred outflows for pensions are an aggregate of items related to pensions as calculated in accordance with GASB Statements No. 68, *Accounting and Financial Reporting for Pensions* and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These deferred outflows for pension will be recognized as pension expense or a reduction of the net pension liability in future reporting years.

The County also reports deferred inflows of resources in the government-wide and proprietary statements of net position. The unavailable revenue for capital lease is deferred and recognized as an inflow of resources in the period that the amounts become available. The SRIA also has deferred inflows for fees collected prior to the time requirements being met. The deferred inflows for pensions are an aggregate of items related to pensions as calculated under the same principles as the deferred outflows for pensions, and will be recognized as a reduction to pension expense in future reporting years.

Q. Self-Insurance Claims

Liabilities for reported claims and incurred but not reported claims (IBNR) are estimated based on an actuarial review of claims pending and historical experience.

R. Landfill Closure and Postclosure Care Payable

The County recognizes municipal solid waste landfill closure and post closure care costs under the State of Florida's Solid Waste Management Act of 1988, regulations of the Federal Environmental Protection agency and the GASB Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Post closure Care Costs*. The County is required to place a final cover on closed landfills and to provide long-term care for up to thirty years after final cover. These obligations for closure and postclosure are recognized in the Solid Waste Fund over the active life of the landfill, based on landfill capacity used to date.

S. Long Term Obligations

Payments on long term liabilities which are expected to be financed from governmental funds are accounted for as debt service expenditures. For proprietary fund types, long term debt and other obligations are reported as liabilities in the fund financing the obligation. In the government-wide and the proprietary fund financial statements are reported as liabilities in the statement of net position.

Debt issuance cost, except for prepaid insurance, are expensed in the period incurred. Prepaid insurance cost are reported as an asset and amortized in a systematic and rational manner over the duration of the related debt.

Legal debt margin for bond payments are governed by Florida Statutes 200.181. None of the provisions of this chapter limit or restrict the rate or amount of ad valorem taxes levied for the payment of the principal and the interest on any debt service secured by revenue certificates or by bonds for which the full faith and credit of any taxing district may be pledged.

The County reports pollution remediation obligations, in accordance with GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. The circumstances under which the County will have to estimate, record, and disclose its expected outlays for pollution remediation include: the pollution is an imminent danger to public health or welfare; the government is in violation of a pollution prevention-related permit or license; the government has been named as a responsible party under Superfund or similar state laws; the government is named in a lawsuit that would require participation in remediation activities; or the government legally commits itself to conduct remediation activities.

T. Compensated Absences

The County's reporting of accumulated compensated absences complies with GASB Statement No. 16. The County's policy permits eligible employees to accumulate a limited amount of earned but unused leave based on years of employment. While employees are encouraged to use their annual leave in the year that it is earned, unused leave time is paid upon separation of service. Compensated absences are recorded as a liability when the benefits are earned in the government-wide and proprietary fund financial statements. The governmental funds recognize an expenditure at the time payments are made to employees.

U. Other Post Employment Benefits (OPEB)

Under the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits* (OPEB) the government-wide and proprietary fund financial statements report the annual OPEB expense and related OPEB liabilities (assets) of postemployment benefits other than pensions. The government-wide financial statements include the liability of all plan participants for the Board of County Commissioners, the Constitutional Officers, and the Santa Rosa Island Authority

V. Net Pension Liability

The government-wide and proprietary fund financial statements net pension liability represents the County's proportionate share of the net pension liability of the cost-sharing pension plan in which it participates. The County participates in the Florida Retirement System (FRS) and the Health Insurance Subsidy Program (HIS) which are administered by the Florida Division of Retirement. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, additions to/deductions, and information about the fiduciary's net position have been determined on the same basis as they are reported by this cost-sharing plan. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The government-wide financial

statements include the liability of all plan participants for the Board of County Commissioners and the Constitutional Officers.

W. Fund Balance Reporting and Governmental Fund-Type Definitions

GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions* clarify governmental fund balance classifications and fund-type definitions. The Board of County Commissioners is the Countys highest level of decision-making authority. Governmental fund balances are classified either as nonspendable or spendable. Spendable fund balances (restricted, committed, assigned, or unassigned) are further classified below in a hierarchy based on the extent to which there are external and internal constraints on spending of these fund balances. These classifications are described as follows:

Nonspendable 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. Nonspendable types consist of inventories, prepaid amounts, long-term amounts of other assets, loans, notes, and advances receivable, and may include property acquired for resale.

Restricted fund balance – include amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance – Amounts that can be used only for the specific purposes determined by a formal action of an ordinance of the Board of County Commissioners, the highest level of decision making authority. Commitments may be changed or lifted only by the Board of County Commissioners taking the same formal action of an ordinance that imposed the constraint originally.

Assigned fund balance – comprises amounts intended to be used by the government for specific purposes. The Board of County Commissioners or management designee (via action by the Board of County Commissioners) has the authority as the official authorized to assign fund balance to a specific purpose as provided by the fund balance policy. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that the resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

Unassigned fund balance – is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. Unassigned amounts are technically available for any purpose. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The County has adopted a formal fund balance policy. It is the County's goal to maintain a targeted minimum unrestricted fund balance (the sum of the Committed, Assigned and Unassigned fund balance) equal to 2 months of the current fiscal year's operating expenditures and transfers out budgeted for the fund. This unrestricted fund balance is needed to cover short-term cash flow variations, economic downturns, or unanticipated events that would adversely affect the financial condition of the County and jeopardize the continuation of necessary public services.

Compliance with the provisions of the fund balance policy is reviewed as part of the annual budget adoption process and revisions to the levels of fund balance can be determined during this process. Budgeting of amounts of unassigned fund balance for the purpose of balancing the budget requires the Board of County Commissioners' approval.

When multiple categories of fund balance are available for expenditures, the County will start with the most restricted category, unless there are legal documents/contracts that prohibit this order, such as grant agreements requiring dollar for dollar spending. Unassigned fund balance is used when expenditures are incurred for purposes which amounts in any classification could be used.

X. Net Position

The net positions of proprietary funds, governmental activities and business-type activities are made up of three components. *Net Investment in Capital Assets* which represents net capital assets less related long-term liabilities; unspent debt proceeds will increase this amount. The *Restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. The restricted component represents assets that are legally restricted. They include reserve funds, special revenues restricted by statute or ordinance, bond proceeds, and other sources restricted for capital or improvements. The *unrestricted* component of net position is the balance not included in the determination of net investment in capital assets or the restricted component of net position.

NOTE 2 - DEPOSITS AND INVESTMENTS

A. Cash and Cash Equivalents

At September 30, 2016, the County's carrying value of cash and cash equivalents totaled \$173,976,401, which is presented as \$163,949,055 in the statement of net position and \$10,027,346 in the statement of fiduciary net position.

Additionally, funds are placed with the State Board of Administration for participation in the Florida Prime Investment Pool, created by Section 218.405, Florida Statutes. This investment pool operates under investment guidelines established by Section 215.47, Florida Statutes. The County's investment in the Florida Prime Investment Pool, a Security and Exchange Commission (SEC) Rule 2a7-like external investment pool is reported at amortized cost, which is not materially different from fair value. Rule 2a-7 is the rule that permits money market funds to use amortized cost to maintain a constant Net Asset Value (NAV) of \$1.00 per share, provided that such funds meet certain conditions. The Florida Prime Investment Pool has a dollar weighted average days to maturity "WAM" of 50 days as of September 30, 2016. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of Florida Prime at September 30, 2016 is 70 days. The Florida Prime Investment Pool is rated by Standard and Poors. The current rating is AAAM.

The County also participates in the Florida Cooperative Liquid Asset Securities System (FLCLASS). This investment pool is a stable NAV Government Investment Pool established under Section 218.415, Florida Statutes; and is an intergovernmental investment authorized pursuant to the Florida Interlocal Cooperation Act of 1969. The County's investment in FLCLASS is reported at amortized cost, which is not materially different from fair value. FLCLASS has a dollar weighted averages to maturity "WAM" of 54 days as of September 30, 2016. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of FLCLASS at September 30, 2016 is 68 days. FLCLASS is rated by Standard and Poors. The current rating is AAAM.

The County's cash deposits are held by banks that qualify as public depositories under the Florida Security for Public Deposits Act as required by Chapter 280, Florida Statutes. At September 30, 2016 the carrying amount of the County's cash deposits totaled \$62,600,748, cash in money market funds totaled \$51,692,467, the County's investment in the Florida Prime Investment Pool totaled \$54,681,552, and the County's investment in FLCLASS totaled \$5,001,634.

B. Investment Portfolio

The Escambia County Board of County Commissioners and Escambia County Clerk of the Circuit Court and Comptroller (Clerk) formally adopted the comprehensive investment policy in January 2010. The policy was created pursuant to Section 218.415, Florida Statutes and established permitted investments, asset allocation limits, issuer limits, credit ratings requirements, and maturity limits to protect the County's cash and investment assets. The County maintains a common cash and investment pool for the use of all funds.

Section 218.415, Florida Statutes, limits the types of investments that a government can invest in unless specifically authorized in the County's investment policy. The Board adopted a list of permitted investments by ordinance, and updated the investment policy in June 2013. The policy allows for the following investments: US Government Securities, US Government Agencies, Federal Instruments, Interest Bearing Time Deposit or Savings Accounts, Repurchase Agreements, Commercial Paper, Corporate Notes, Bankers' Acceptances, State and/or Local Government Taxable and/or Tax Exempt Debt, Registered Investment Companies (Money Market Mutual Funds), and Intergovernmental Investment Pools that contain no derivatives. Derivatives and reverse repurchase agreements are not permitted by the County's investment policy.

The County's investment policy provides asset allocation, issuer, and maturity limits to protect the County's cash and investments. The policy allows for a short-term strategy (maturities of 12 months or less) to provide for operating funds and a longer-term strategy (maturities not exceeding 5 years) for the "core" portion of the portfolio. As defined by GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, money market investments are reported at amortized costs rather than fair value. The County's investments as defined by GASB Statement No. 72 "*Fair Value Measurement and Application*" are reported at fair value based on level 1 inputs for quoted prices for identical investments in active markets.

The Constitutional Officers electing not to adopt a written investment policy are limited to investing funds pursuant to Section 218.415, Florida Statutes, and subsection (17). Those investments include the Local Government Surplus Trust Fund, or any authorized intergovernmental investment pool, SEC 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, and direct obligations of the U.S. Treasury.

The County's investment portfolio consists of \$106,429,946 in direct obligations of United States Treasury Securities, Federal Instruments, Commercial Paper, Corporate Notes, and State and/or Local Government debt which are reported at fair value in accordance with GASB Statement No. 31 "*Accounting and Financial Reporting for Certain Investments and for External Investment Pools*" and GASB Statement No. 72 "*Fair Value Measurement and Application*".

As of September 30, 2016, interest receivable on the County's investment portfolio amounted to \$391,349.

ESCAMBIA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

The County had the following investment types by issuer and effective duration presented in terms of years:

<u>Security Type</u>	<u>Fair Value</u>	<u>Weighted Average Duration (Years)</u>	<u>Credit Rating</u>	<u>Percentage of Portfolio</u>
Short Term Investments:				
Commercial Paper	\$ 3,062,616	0.23	A-1+	2.88%
Corporate Notes	3,998,802	0.65	A	3.76%
Total short term investments	7,061,418			6.63%
Long Term Investments:				
United States Treasury Securities	30,080,764	3.46	AA+	28.26%
Federal Instruments	47,560,829	2.57	AA+	44.69%
Corporate Notes	17,742,872	1.69	AA-	16.67%
State and/or Local Government Debt	3,984,063	2.74	AA	3.74%
Total long term investments	99,368,528			93.37%
Total Fair Value	\$ 106,429,946			100.00%

Portfolio Weighted Average Duration 2.54

C. Fair Value of Investments

Escambia County measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and
- *Level 3:* Unobservable inputs

At September 30, 2016, Escambia County had the following recurring fair value measurements.

	<u>9/30/2016</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by fair value level				
Debt Securities				
Corporate Notes - Long Term	\$ 3,062,616	\$ 3,062,616	\$ -	\$ -
Corporate Notes - Short Term	3,998,802	3,998,802	-	-
United States Treasury Securities	30,080,764	30,080,764	-	-
Federal Instruments	47,560,829	47,560,829	-	-
Corporate Notes	17,742,872	17,742,872	-	-
State and/or Local Government Debt	3,984,063	3,984,063	-	-
Total debt securities	\$ 106,429,946	\$ 106,429,946	\$ -	\$ -
Investments (cash equivalents) measured at the net asset value (NAV)				
LGIP - Florida Prime Investment Pool	\$ 54,681,552			
LGIP - FLCLASS	5,001,634			
Total investments measured at the NAV	59,683,186			
Total investments measured at fair value	\$ 166,113,132			

D. Interest Rate Risk

The County's investment policy sets limits for investment maturities to match known cash needs and anticipated cash flow requirements. Investments of current operating funds have maturities no longer than twelve (12) months. For core funds, investments of reserves, project funds, debt proceeds, and other non-operating funds have a term appropriate for the needs of the funds in accordance with debt covenants, with a maximum term of five (5) years, and the average duration of the funds as a whole may not exceed three (3) years.

The County utilizes "weighted average duration" as a measurement of interest rate risk; as of September 30, 2016, the investments had a weighted average duration of 2.54 years.

The County had \$4,767,386 of securities with embedded options consisting of the option at the discretion of the issuer to call their obligation or pay a stated increase in the interest rate as follows:

CUSIP	Description	Maturity Date	Market Value	Call Schedule	Call Date
06406HDB2	Bank of New York Mellon Corp (Callable) Notes	5/22/2018	\$2,011,924	Continuous	4/22/2018
46623EKD0	JP Morgan Chase Corp (Callable) Notes	3/1/2018	2,006,008	Continuous	2/1/2018
166764AA8	Chevron Corp (Callable) Notes	12/5/2017	749,454	Continuous	11/5/2017
			<u>\$4,767,386</u>		

The County has no federal instrumentalities mortgage pass-through securities.

E. Credit Risk

The County's investment policy permits the following investments, which are limited to credit quality ratings from nationally recognized rating agencies as described below:

- U.S. Government Treasury Securities, U.S. Government Agency, and Federal Instruments.
- Commercial paper of any United States company that is rated, at the time of purchase, "Prime-1" by Moody's and "A-1" by Standard & Poor's (prime commercial paper).
- Corporate notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States that have a long-term debt rating, at the time of purchase, at a minimum "A" by Moody's and a minimum long-term debt rating of "A" by Standard & Poor's.
- Bankers' acceptances issued by a domestic bank or a federally chartered domestic office of a foreign bank, which are eligible for purchase by the Federal Reserve System, if at the time of purchase, the short-term paper is rated, at a minimum "P-1" by Moody's Investors Services and "A-1" by Standard & Poor's.
- State and/or local government taxable and/or tax-exempt debt, general obligation and/or revenue bonds, rated at least "Aa" by Moody's and "AA" by Standard & Poor's for long-term debt, or rated at least "MIG-2" by Moody's and "SP-2" by Standard & Poor's for short-term debt.

- Registered Investment Companies (Money Market Mutual Funds) rated “AAAm” by Standard & Poor’s or the equivalent by another rating agency.
- Intergovernmental Investment Pool rated “AAAm” by Standard & Poor’s or the equivalent by another rating agency.

As of September 30, 2016, the majority of the County’s investment securities in the amount of \$106,429,946 were all individually rated AA+, A+ or A-1 by Standard & Poors Rating Services. The County’s \$54,681,552 investment in the Florida State Board of Administration’s Local Government Surplus Funds Trust Fund (Florida Prime Investment Pool) was rated by Standard and Poors. The current rating as of September 30, 2016 was AAAm. Additional information for the Florida Prime Investment Pool can be found at <https://www.sbafla.com/prime/>.

The County’s \$5,001,634 investment in Florida Cooperative Liquid Asset Securities System (FLCLASS) Local Government Investment Pool, was rated by Standard and Poors. The current rating as of September 30, 2016 was AAAm. Additional information for FLCLASS can be found at <https://www.flclass.com>.

F. Custodial Credit Risk

The County’s investment policy requires securities, with the exception of certificates of deposits, to be held with a third party custodian; and all securities purchased by, and all collateral obtained by the County to be properly designated as an asset of the County. The securities must be held in an account separate and apart from the assets of the financial institution. Certificates of deposits are placed in the provider’s safekeeping department for the term of the deposit.

As of September 30, 2016, the County’s securities portfolio was held with a third-party custodian as required by the County’s investment policy.

G. Concentration of Credit Risk

The County’s investment policy establishes asset allocation and issuer limits on the following investments to reduce concentration of credit risk of the County’s investment portfolio:

	Asset Allocation Maximum	Individual Issuer Limit
United States Government Securities (1)	100%	N/A
United States Government Agencies	50%	10%
Federal Instruments	100%	25%
Interest Bearing Time Deposit or Saving Account	20%	10%
Repurchase Agreements	20%	10%
Commercial Paper	25%	5%
Corporate Notes	20%	5%
Bankers’ Acceptances	25%	5%
State and/or Local Government Taxable and/or Tax-Exempt Debt	25%	10%
Registered Investment Companies (Money Market Mutual Funds)	50%	25%
Intergovernmental Investment Pool (2)	25%	N/A

(1) Treasury Strips are limited to 10% of available funds

(2) Fund may not contain derivatives

ESCAMBIA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE 3 – CAPITAL ASSETS

A. Changes in Capital Assets

The following show the changes in capital assets of governmental activities:

Governmental Activities	Primary Government			Ending Balance 9/30/2016
	Beginning Balance 10/1/2015	Increases	Decreases	
Capital Assets, Not Being Depreciated:				
Land	\$ 49,059,201	\$ 1,554,506	\$ -	\$ 50,613,707
Construction In Progress	12,361,792	6,706,060	(6,355,881)	12,711,971
Total Capital Assets, Not Being Depreciated	61,420,993	8,260,566	(6,355,881)	63,325,678
Capital Assets, Being Depreciated and Amortized:				
Buildings and Improvements	224,987,155	6,521,600	-	231,508,755
Equipment	131,771,507	9,089,754	(4,646,871)	136,214,390
Intangible Computer Software	5,984,741	2,256,431	-	8,241,172
Infrastructure	774,611,801	25,466,405	-	800,078,206
Total Capital Assets Being Depreciated	1,137,355,204	43,334,190	(4,646,871)	1,176,042,523
Less Accumulated Depreciation For:				
Buildings and Improvements	(97,949,481)	(6,301,536)	-	(104,251,017)
Equipment	(102,160,181)	(10,486,136)	4,365,061	(108,281,256)
Intangible Computer Software	(4,807,815)	(512,282)	-	(5,320,097)
Infrastructure	(455,842,187)	(26,875,220)	-	(482,717,407)
Total Accumulated Depreciation	(660,759,664)	(44,175,174)	4,365,061	(700,569,777)
Total Capital Assets, Being Depreciated, Net	476,595,540	(840,984)	(281,810)	475,472,746
Governmental Activities Capital Assets, Net	\$ 538,016,533	\$ 7,419,582	\$ (6,637,691)	\$ 538,798,424

The following is a summary of governmental activities depreciation and amortization expense by function. As used in this section, the term depreciation includes amortization of intangible assets:

Depreciation Governmental Activities:

General Government	\$ 4,762,983
Public Safety	9,917,358
Physical Environment	584,071
Transportation	23,360,951
Economic Environment	851,268
Human Services	103,760
Culture/Recreation	3,039,171
Court Related	1,482,537
Capital Assets held by the government's Internal Service Fund and charged to individual functions based on usage	73,075
Total Depreciation Expense - Governmental Activities	\$ 44,175,174

ESCAMBIA COUNTY, FLORIDA
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The following shows the changes in capital assets of business type activities:

Business-type Activities	Primary Government			Ending Balance 9/30/2016
	Beginning Balance 10/1/2015	Increases	Decreases	
Capital Assets, Not Being Depreciated:				
Land	\$ 5,793,269	\$ -	\$ -	\$ 5,793,269
Construction In Progress	-	482,408	-	482,408
Total Capital Assets, Not Being Depreciated	5,793,269	482,408	-	6,275,677
Capital Assets, Being Depreciated:				
Buildings and Improvement	37,544,747	40,660	-	37,585,407
Equipment	24,393,315	2,507,460	(574,160)	26,326,615
Intangible Computer Software	191,255	-	-	191,255
Infrastructure	44,897,643	139,856	-	45,037,499
Total Capital Assets Being Depreciated	107,026,960	2,687,976	(574,160)	109,140,776
Less Accumulated Depreciation For:				
Buildings and Improvements	(26,466,210)	(984,230)	-	(27,450,440)
Equipment	(15,879,641)	(2,132,083)	574,065	(17,437,659)
Intangible Computer Software	(140,929)	(33,551)	-	(174,480)
Infrastructure	(21,196,952)	(1,694,237)	-	(22,891,189)
Total Accumulated Depreciation	(63,683,732)	(4,844,101)	574,065	(67,953,768)
Total Capital Assets, Being Depreciated, Net	43,343,228	(2,156,125)	(95)	41,187,008
Total Business-Type Activities				
Capital Assets, Net	\$ 49,136,497	\$ (1,673,717)	\$ (95)	\$ 47,462,685

The following is a summary of business-type activities depreciation expense by program:

Depreciation Business-type activities:	
Solid Waste Fund	\$ 3,092,117
Inspections Fund	23,382
Emergency Medical Service Fund	939,510
Bay Center Fund	789,092
Total Depreciation Expense - Business-type Activities	\$ 4,844,101

B. Summaries of Capital Assets

The following summarizes capital assets found on the statement of net position for governmental activities and business-type activities:

ESCAMBIA COUNTY, FLORIDA
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	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Capital Assets, Not Being Depreciated:			
Land	\$ 50,613,707	\$ 5,793,269	\$ 56,406,976
Construction In Progress	12,711,971	482,408	13,194,379
Total Capital Assets, Not Being Depreciated:	63,325,678	6,275,677	69,601,355
Capital Assets, Being Depreciated and Amortized, Net:			
Buildings	231,508,755	37,585,407	269,094,162
Equipment	136,214,390	26,326,615	162,541,005
Intangible Computer Software	8,241,172	191,255	8,432,427
Infrastructure	800,078,206	45,037,499	845,115,705
Capital Assets, Being Depreciated:	1,176,042,523	109,140,776	1,285,183,299
Less: Accumulated Depreciation	(700,569,777)	(67,953,768)	(768,523,545)
Total Capital Assets, Being Depreciated, Net:	475,472,746	41,187,008	516,659,754
Total Capital Assets, Net	\$ 538,798,424	\$ 47,462,685	\$ 586,261,109

C. Construction and Other Contractual Commitments

The following is a summary of major construction and other contractual commitments outstanding as of September 30, 2016:

Projects	Spent-to-Date	Remaining Commitment
Governmental Activities:		
Building Projects	\$ 297,655	\$ 1,499,584
County Jail Facility	1,134,997	2,999,893
Road & Bridge Projects	26,443,558	16,266,125
Environmental Projects	798,392	722,145
Economic Development Projects	14,753,677	11,019,427
Parks Projects	8,882	241,613
Pensacola Beach Projects	1,755,770	1,208,740
Toll Facility Projects	766,499	3,998,109
Vehicles and Equipment	57,282	544,495
Transit	710,135	583,607
Disaster Recovery-Flood Projects	15,289,426	5,501,495
Total	\$ 62,016,273	\$ 44,585,233
Business Type Activities		
Solid Waste Landfill Projects	\$ 1,161,180	\$ 5,229,843
Solid Waste Landfill Equipment	-	229,471
Public Safety Ambulances & Vehicles	437,771	1,536,025
Public Safety Emergency Management Projects	58,854	64,546
Total	\$ 1,657,805	\$ 7,059,885

ESCAMBIA COUNTY, FLORIDA
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D. Discretely Presented Component Units

Capital assets activity for the Santa Rosa Island Authority, a discretely presented component unit, for the year ended September 30, 2016, was as follows:

	Component Unit			Ending Balance 9/30/2016
	Beginning Balance 10/1/2015	Increases	Decreases	
Santa Rosa Island Authority				
Capital Assets, Being Depreciated:				
Buildings	4,128,547	-	(3,018,275)	1,110,272
Improvements other than Buildings	16,286,164	-	(16,275,357)	10,807
Equipment	<u>1,869,219</u>	<u>1,398</u>	<u>(1,651,207)</u>	<u>219,410</u>
Total Capital Assets Being Depreciated	22,283,930	1,398	(20,944,839)	1,340,489
Less Accumulated Depreciation For:				
Capital Assets	<u>(11,819,346)</u>	<u>(45,724)</u>	<u>11,133,404</u>	<u>(731,666)</u>
Capital Assets, Net	<u>\$ 10,464,584</u>	<u>\$ (44,326)</u>	<u>\$ (9,811,435)</u>	<u>\$ 608,823</u>

The following is a summary of the component unit business-type activities depreciation expense by program:

Depreciation component unit:	
Santa Rosa Island Authority	\$ 45,724
Total Depreciation Expense - Component Unit	<u>\$ 45,724</u>

E. Transfer of Capital Assets

The Santa Rosa Island Authority (component unit) conveyed capital assets to the County totaling \$9.7 million. These assets including buildings, improvements and equipment are included in the governmental activities of the County. Pursuant to an interlocal agreement, the component unit transferred assets, and the operational responsibilities for the public works and public safety functions on Santa Rosa Island to the County effective October 1, 2015. This transfer was made as an effort to reduce operational cost for the Santa Rosa Island Authority in response to the reduction of lease fees charged. The annual cost of operations absorbed by the County's General Fund is approximately \$4 million to be funded from recurring County and Pensacola Beach property taxes. The transfer of assets and operations is recognized as a special item in the statement of activities.

NOTE – 4 INTERFUND RECEIVABLES, PAYABLES, ADVANCES, AND TRANSFERS

The composition of interfund balances as of September 30, 2016 is as follows:

	Receivable From Other Funds	Payable to Other Funds
Major Funds:		
General Fund	\$ 4,091,823	\$ 467,524
Major Special Revenue Funds:		
Mass Transit	-	4,000,000
Major Capital Project Fund:		
Local Option Sales Tax Fund (LOST)	-	89,255
Non-major Funds:		
Special Revenue Funds	341,536	2,396
Internal Service Fund	233,336	107,520
	<u>\$ 4,666,695</u>	<u>\$ 4,666,695</u>
	Advances Receivable from Other Funds	Advances Payable to Other Funds
Major Funds:		
Major Special Revenue Funds:		
Disaster Recovery Fund	\$ -	\$ 10,993,433
Major Capital Project Fund:		
Local Option Sales Tax Fund (LOST)	14,295,151	601,779
Non-major Funds:		
Special Revenue Funds	-	3,301,718
Internal Service Fund	601,779	-
	<u>\$ 14,896,930</u>	<u>\$ 14,896,930</u>

Interfund receivables and payables resulted primarily from revenues accrued in certain funds that are transferred to other funds. Advances consist primarily of transactions between funds to finance operations, provide services, construction of assets and to service debt.

ESCAMBIA COUNTY, FLORIDA
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	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
General Fund	\$ 3,650,477	\$ 13,198,618
Major Special Revenue Funds:		
CRA	17,000	-
Major Capital Project Fund:		
Local Option Sales Tax (LOST)	-	2,293,785
Major Enterprise Fund:		
Solid Waste Fund	-	350,566
Emergency Medical Service Fund	-	252,442
Non-major Funds:		
Special Revenue Funds	8,202,298	7,250,136
Debt Service Funds	10,183,200	-
Enterprise Funds	1,300,000	-
Internal Service Fund	-	7,428
	<u>\$ 23,352,975</u>	<u>\$ 23,352,975</u>

Transfers to or from other funds are based on budgetary requirements. Transfers are also used to move pledged revenue for debt service from the funds collecting the revenue to the debt service fund as required for bond coverage.

NOTE 5 – OTHER ASSETS

A summary of other assets as of September 30, 2016 is as follows:

	<u>General Fund</u>	<u>LOST Fund</u>	<u>Total</u>
PEDC receivable	\$ 12,078	\$ 2,155,989	\$ 2,168,067
IHMC loan receivable	-	9,142,443	9,142,443
SRIA loan receivable	-	6,155,000	6,155,000
PDC lease receivable	3,602,243	-	3,602,243
	<u>\$ 3,614,321</u>	<u>\$ 17,453,432</u>	<u>\$ 21,067,753</u>

A. PEDC Receivable

The County has an interlocal agreement with the Pensacola Economic Development Commission (PEDC) to fund the development of the Downtown Technology Park Infrastructure. The majority of the funding source is from Local Option Sales Tax. There is no time limitation on the repayment; however, net proceeds from the sale of each Downtown Technology Park lot will be applied to the outstanding balance.

B. IHMC Note Receivable

On November 14, 2013, the County and the Florida Institute for Human and Machine Cognition, Inc., (IHMC) entered into an agreement whereby the County's LOST Fund committed to loan up to \$12 million to IHMC for paying off existing indebtedness and expansion of facilities in downtown Pensacola. As of September 30, 2016 the cumulative amounts borrowed by IHMC totaled \$11,771,348. The remaining available amount to borrow of \$228,652 is expected to be drawn in 2017 as construction and renovation is concluded. The loan bears interest at 3.14% and is payable to the County over a 15 year period under a payment plan whereby fixed payments are required based upon the assumption that all \$12 million was drawn by IHMC at inception of the agreement. The principal balance owed at September 30, 2016 was \$9,142,443. IHMC is committed to making the following payments to the County under the payment plan:

<u>Year</u>	
2017	\$ 1,011,592
2018	1,011,675
2019	1,012,067
2020	1,011,736
2021	1,011,684
2022-2028	<u>7,081,847</u>
	<u>\$ 12,140,601</u>

C. SRIA Note Receivable

On September 30, 2014, the County and the Santa Rosa Island Authority (SRIA) entered into an interlocal agreement with the County for the County to provide up to \$8.5 million of financing for sand re-nourishment and restoration on Santa Rosa Island. During 2016, SRIA borrowed the remaining balance of \$6.375 million under this agreement at a variable interest rate. The loan is payable to the County over a 7 year period under a payment plan whereby fixed payments are required based on the assumption that all \$8.5 million was drawn by SRIA at inception of the agreement. The principal balance owed at September 30, 2016 was \$6,155,000. SRIA is committed to making the following payments to the County under the payment plan:

<u>Year</u>	
2017	\$ 1,195,000
2018	1,215,000
2019	1,230,000
2020	1,250,000
2021	<u>1,265,000</u>
	<u>\$ 6,155,000</u>

D. PDC Capital Lease Receivable

The County has a capital lease agreement with Pensacola Developmental Center (PDC) for 7.08 acres of property and buildings used as an intermediate care facility for the developmentally disabled. The lease provides for transfer of ownership of the buildings and property at the conclusion of the lease. Terms of the lease include monthly payments of principal and interest at 5% per annum. The lease expires June 30, 2036.

The remaining lease payments are a deferred inflow of resources of the General Fund. As of September 30, 2016 future lease payments totaling \$3,602,243 consists of principal of \$2,286,204, and interest of \$1,316,039. In the government-wide financial statements, only the interest is reported as a deferred inflow.

The future capital lease receivable and the net present value of the minimum lease payments as of September 30, 2016, were as follows:

Capital Lease Receivable

Balance 10/01/2015	\$	2,352,479
Additions		-
Principal reductions		(66,275)
Balance 09/30/2016	\$	<u>2,286,204</u>

Future Lease Payments

2017	\$	182,392
2018		182,392
2019		182,392
2020		182,392
2021		182,392
2022-2036		<u>2,690,283</u>
Total minimum lease payment		3,602,243
less: amount representing interest		<u>(1,316,039)</u>
Present value of minimum lease payments	\$	<u>2,286,204</u>

E. Leasing Arrangements

Substantially all the Santa Rosa Island Authority's (SRIA) revenue is derived from leasing activities. The Authority leases the land on County-owned Santa Rosa Island to residents and businesses under residential and commercial leases that typically run for a period of 99 years. Many of the 99-year leases have options to renew for another 99-year term. Many leases, particularly those for restaurants and concessions, are generally for a shorter period.

In August 2015, the SRIA Board of Directors approved a lease fee reduction policy based upon the County taking over and assuming all monetary, operational and administrative responsibilities for the SRIA public works and public safety departments during fiscal year 2016. On October 1, 2015 all residential and commercial lease fees were reduced by 50%. Lease revenues in future years are estimated to average approximately \$1.85 million per year.

NOTE 6 - LONG TERM LIABILITIES

A. Schedule of Changes in Long Term Liabilities

The County's outstanding long-term debt includes bonds payable, revenue notes payable, claims payable, compensated absences, other post employment benefits, net pension liability-proportionate share, claims and judgments, accrued landfill closure costs, and remediation costs.

The following is a schedule of changes in the County's long term liabilities for the fiscal year ended September 30, 2016:

	Balance 10/1/15	Additions	Reductions	Balance 9/30/2016	Due Within One Year
Governmental Activities:					
Revenue bonds payable	\$ 44,820,000	\$ -	\$ (2,210,000)	\$ 42,610,000	\$ 2,275,000
Revenue notes payable	65,676,000	-	(4,950,000)	60,726,000	5,068,000
Total bonds/notes payable	110,496,000	-	(7,160,000)	103,336,000	7,343,000
Claims payable	8,347,339	26,685,106	(24,766,264)	10,266,181	2,572,057
Compensated absences	28,114,314	13,371,765	(14,581,063)	26,905,016	2,690,502
Net other post employment benefits	9,692,740	905,792	(454,976)	10,143,556	-
Net pension liability *	91,508,887	72,076,976	-	163,585,863	-
Pollution remediation obligation	175,000	100,000	-	275,000	145,000
Governmental activities					
long-term liabilities	<u>\$ 248,334,280</u>	<u>\$ 113,139,639</u>	<u>\$ (46,962,303)</u>	<u>\$ 314,511,616</u>	<u>\$ 12,750,559</u>
Business-type Activities:					
Compensated absences	\$ 1,302,299	\$ 938,767	\$ (1,014,704)	\$ 1,226,362	\$ 122,636
Net other post employment benefits	544,061	63,339	-	607,400	-
Net pension liability *	7,859,683	6,687,104	-	14,546,787	-
Landfill closure costs	15,027,328	501,888	-	15,529,216	86,410
Business-type activities					
Long-term liabilities	<u>\$ 24,733,371</u>	<u>\$ 8,191,098</u>	<u>\$ (1,014,704)</u>	<u>\$ 31,909,765</u>	<u>\$ 209,046</u>

* presented net increases (decreases)

Compensated absences, other net post employment benefits, and net pension liability will be liquidated in future periods primarily by the General Fund.

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B. Bonds and Notes Payable

The County has revenue bonds and revenue notes payable outstanding at year end. As of September 30, 2016, there are no business type-activity notes or bonds payable.

The following is a schedule of bonds and notes outstanding at September 30, 2016:

	<u>Purpose of Issue</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>	<u>Interest Rates</u>	<u>Final Maturity</u>
Governmental Activities:					
Revenue Bonds:					
Capital Improvement Refunding Revenue Bond					
Series 2011	Refunding	\$ 19,345,000	\$ 15,650,000	3.110%	10/1/2031
Sales Tax Refunding Revenue Bond					
Series 2011	Refunding	29,535,000	<u>26,960,000</u>	3.060%	10/1/2031
Total Revenue Bonds			<u>42,610,000</u>		
Revenue Notes:					
Sales Tax Refunding Revenue Note					
Series 2012	Refunding	\$ 48,040,000	\$ 40,830,000	2.820%	10/1/2032
Tourist Development Refunding Revenue Note					
Series 2012	Refunding	8,406,000	3,754,000	1.599%	10/1/2019
Capital Improvement Revenue Note					
Series 2013	Capital Project	12,000,000	9,987,000	3.140%	10/1/2028
Capital Improvement Revenue Note					
Series 2014	Capital Project	8,500,000	<u>6,155,000</u>	1.390%	10/1/2021
Total Revenue Notes			<u>60,726,000</u>		
Total Bonds & Notes Payable - Governmental Activities			<u>\$ 103,336,000</u>		

ESCAMBIA COUNTY, FLORIDA
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C. Pledged Revenues

Escambia County has pledged certain revenues to repay certain bonds and notes outstanding at September 30, 2016. The following table reports the revenues, sometimes net of related operating expenses, pledged for each debt issue, the amount of such revenues received in the current year, the current year principal and interest paid on the debt, the approximate percentage of each revenue which is pledged to meet the debt obligation, the date through which the revenue is pledged under the debt agreement, and the total pledged future revenues for each debt, which is the amount of the remaining principal and interest on the bonds and notes at September 30, 2016:

		Current Year Total Revenue	Pledged Outstanding Principal & Interest	Estimated Revenue Percentage Pledged	Principal & Interest Paid	Maturity Calendar Year
Governmental Activities		Revenue Pledged				
Revenue Bonds and Notes:						
Capital Improvement Refunding Revenue Bond - 2011	Non-Ad valorem	\$ 1,322,206	\$ 19,821,287	100%	\$ 1,321,838	2031
Sales Tax Refunding Revenue Bond - 2011	Half Cent Sales Tax	23,418,049	34,022,316	9.7%	2,267,716	2031
Sales Tax Refunding Revenue Note - 2012	Half Cent Sales Tax	23,418,049	51,901,713	13.9%	3,104,496	2032
Tourist Development Refunding Revenue Note - 2012	Tourist Development Tax	8,655,914	3,874,613	14.9%	1,292,422	2019
Capital Improvement Revenue Note - 2013	Non-Ad valorem	1,012,250	12,140,600	100%	1,011,792	2019
Capital Improvement Revenue Note - 2014	Non-Ad valorem	1,282,457	6,414,096	100%	1,281,957	2021
Total Revenue Bonds and Notes - Governmental Activities			\$ 128,174,625		\$ 10,280,221	

D. Compensated Absences

Compensated absences are accrued in proprietary funds at year end. The County does not accrue compensated absences in governmental funds; however, compensated absences paid in governmental funds are charged to the fund and function in which the employee was related and are reported as a liability on the governmental activities statement of net position. The following is a summary schedule of compensated absences as of September 30, 2016:

	Balance 10/1/15	Additions	(Reductions)	Balance 9/30/16
Governmental Activities:				
Board of County Commissioners	\$ 13,155,085	\$ 6,708,082	\$ (6,828,474)	\$ 13,034,693
Clerk	580,453	351,605	(338,222)	593,836
Property Appraiser	438,517	317,726	(349,890)	406,353
Supervisor of Elections	132,019	73,409	(33,329)	172,099
Sheriff	12,160,796	5,052,743	(6,056,995)	11,156,544
Tax Collector	551,323	317,558	(377,265)	491,616
Internal Service Fund - BCC	237,942	152,835	(127,694)	263,083
Internal Service Fund - Clerk	858,179	397,807	(469,194)	786,792
	<u>\$ 28,114,314</u>	<u>\$ 13,371,765</u>	<u>\$ (14,581,063)</u>	<u>\$ 26,905,016</u>
Business-type Activities:				
Solid Waste Fund	\$ 484,803	\$ 195,237	\$ (177,350)	\$ 502,690
Inspection Fund	343,949	484,472	(518,430)	309,991
Emergency Medical Service Fund	473,547	259,058	(318,924)	413,681
	<u>\$ 1,302,299</u>	<u>\$ 938,767</u>	<u>\$ (1,014,704)</u>	<u>\$ 1,226,362</u>

E. Other Post Employment Benefits (OPEB)

Other Post Employment Benefits (OPEB) are accrued in proprietary funds at year end. The County does not accrue OPEB in governmental funds; however, these benefits in governmental funds are charged to the fund and function in which the employee was related and are reported as a liability on the governmental activities statement of net position. The following is a summary schedule of OPEB as of September 30, 2016:

	Balance 10/1/15	Additions	(Reductions)	Balance 9/30/16
Governmental Activities:				
Governmental Activities	\$ 9,692,740	\$ 905,792	\$ (454,976)	\$ 10,143,556
	<u>\$ 9,692,740</u>	<u>\$ 905,792</u>	<u>\$ (454,976)</u>	<u>\$ 10,143,556</u>
Business-type Activities:				
Solid Waste Fund	\$ 121,260	\$ 5,237	\$ -	\$ 126,497
Emergency Medical Service Fund	340,222	48,738	-	388,960
Inspections Fund	82,579	9,364	-	91,943
	<u>\$ 544,061</u>	<u>\$ 63,339</u>	<u>\$ -</u>	<u>\$ 607,400</u>

F. Net Pension Liability

The following is a summary schedule of net pension liability as of September 30, 2016:

Net pension liability FRS

	Balance 10/1/15	Increase (Decrease)	Balance 9/30/16
Governmental Activities:			
Governmental Activities	\$ 58,411,240	\$ 66,516,051	\$ 124,927,291
	<u>\$ 58,411,240</u>	<u>\$ 66,516,051</u>	<u>\$ 124,927,291</u>
Business-type Activities:			
Solid Waste Fund	\$ 639,196	\$ 669,514	\$ 1,308,710
Inspections Fund	483,656	606,201	1,089,857
Emergency Medical Service Fund	3,894,079	4,895,462	8,789,541
	<u>\$ 5,016,931</u>	<u>\$ 6,171,177</u>	<u>\$ 11,188,108</u>
Total NPL FRS	<u>\$ 63,428,171</u>	<u>\$ 72,687,228</u>	<u>\$ 136,115,399</u>

Net pension liability HIS

	Balance 10/1/15	Increase (Decrease)	Balance 9/30/16
Governmental Activities:			
Governmental Activities	\$ 33,097,647	\$ 5,560,925	\$ 38,658,572
	<u>\$ 33,097,647</u>	<u>\$ 5,560,925</u>	<u>\$ 38,658,572</u>
Business-type Activities:			
Solid Waste Fund	\$ 362,188	\$ 55,973	\$ 418,161
Inspections Fund	274,056	50,680	324,736
Emergency Medical Fund	2,206,508	409,274	2,615,782
	<u>\$ 2,842,752</u>	<u>\$ 515,927</u>	<u>\$ 3,358,679</u>
Total NPL HIS	<u>\$ 35,940,399</u>	<u>\$ 6,076,852</u>	<u>\$ 42,017,251</u>
Governmental Activities:	\$ 91,508,887	\$ 72,076,976	\$ 163,585,863
Business-type Activities:	7,859,683	6,687,104	14,546,787
Total NPL	<u>\$ 99,368,570</u>	<u>\$ 78,764,080</u>	<u>\$ 178,132,650</u>

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G. Debt Service Requirements

The following schedule shows debt service requirements to maturity for the County's bonds payable and notes payable:

Governmental Activities:

<u>Fiscal Year</u>	<u>Revenue Bonds Payable</u>		<u>Revenue Notes Payable</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2017	\$ 2,275,000	\$ 1,311,691	\$ 5,068,000	\$ 1,626,571	\$ 10,281,262
2018	2,350,000	1,241,659	5,174,000	1,512,827	10,278,486
2019	2,415,000	1,169,319	5,293,000	1,396,463	10,273,782
2020	2,495,000	1,094,977	4,121,000	1,279,845	8,990,822
2021	2,570,000	1,018,173	4,220,000	1,175,502	8,983,675
2022-2026	14,095,000	3,851,819	16,128,000	4,438,620	38,513,439
2027-2031	16,410,000	1,545,965	15,497,000	2,025,393	35,478,358
2032	-	-	5,225,000	149,801	5,374,801
Total	\$ 42,610,000	\$ 11,233,603	\$ 60,726,000	\$ 13,605,022	\$ 128,174,625

The following schedule shows the minimum and maximum future principal installments.

Governmental Activities:

Annual Principal Installment Amounts

Revenue Bonds:

Capital Improvement Refunding Revenue Bond, Series 2011	\$ 835,000	to	\$ 1,280,000
Sales Tax Refunding Revenue Bond, Series 2011	\$ 1,440,000	to	\$ 2,205,000

Revenue Notes:

Sales Tax Refunding Revenue Note, Series 2012	\$ 1,940,000	to	\$ 5,225,000
Tourist Development Refunding Revenue Note, Series 2012	\$ 1,235,000	to	\$ 1,270,000
Capital Improvement Revenue Note, Series 2013	\$ 698,000	to	\$ 981,000
Capital Improvement Revenue Note, Series 2014	\$ 1,195,000	to	\$ 1,265,000

H. Long-Term Debt – Bonds and Notes

The **Sales Tax Refunding Revenue Bond, Series 2011** in the aggregate amount of \$29,535,000 was issued on October 21, 2011. The bonds have a fixed interest rate of 3.060% and a maturity date of October 1, 2031. The proceeds of this bond were used to advance refund a portion of the Sales Tax Revenue Refunding Bonds Series 2002. The Bond is secured by certain pledged revenues consisting primarily of amounts received by the County as proceeds of the Local Government Half-Cent Sales Tax.

The **Capital Improvement Refunding Revenue Bond, Series 2011** in the aggregate amount of \$19,345,000 was issued on December 9, 2011. The Bonds have a fixed interest rate of 3.110% and a maturity date of October 1, 2031. The proceeds of the 2011 Bond were used to advance refund all of the outstanding Capital Improvement Revenue Bonds Series 2002. The Bond is secured by a covenant to budget and appropriate from available Non-Ad Valorem revenues.

The **Sales Tax Refunding Revenue Note, Series 2012** in the aggregate amount of \$48,040,000 was issued on August 1, 2012. The Note has a fixed interest rate of 2.820% and a maturity date of October 1, 2032. The proceeds of the 2012 Note refunded on a current basis the balance of the Sales Tax Revenue

Refunding Bonds Series 2002. The Bond is secured by certain pledged revenues consisting primarily of amounts received by the County as proceeds of the local Government Half-Cent Sales Tax.

The **Tourist Development Refunding Revenue Note, Series 2012** in the aggregate amount of \$8,406,000 was issued on November 19, 2012. The note has a fixed interest rate of 1.599% and a maturity date of October 1, 2019. The proceeds of this note advance refunded the Tourist Development Revenue Refunding Bond, Series 2002. The Bond is secured by a covenant to budget and appropriate from available Non-Ad Valorem revenues, and certain pledged revenues consisting of amounts received by the County as proceeds of the local Tourist Development Tax.

The **Capital Improvement Revenue Note, Series 2013** in the amount of \$12,000,000 was issued on November 14, 2013. The Note has a fixed interest rate of 3.140% and a maturity date of October 1, 2028. The proceeds were used to reimburse the LOST fund for acquisition and construction of certain transportation and drainage related capital improvements of the County. The Note is secured by a covenant to budget and appropriate from legally available Non-Ad Valorem revenues.

The **Capital Improvement Revenue Note, Series 2014** in the amount of \$8,500,000 was issued on September 30, 2014. The Note has a fixed interest rate of 1.390% and a maturity date of October 1, 2021. The proceeds of this note, in addition to matching funds approved by the State of Florida, were used to re-nourish 8.2 miles of Pensacola Beach located on Santa Rosa Island. The Note is secured by a covenant to budget and appropriate from legally available Non-Ad Valorem revenues.

I. Conduit Debt Obligations

Conduit debt obligations have been established in the County's name by private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans and leases. Neither the County, nor the State, nor any political subdivision thereof, is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of September 30, 2016, the outstanding conduit debt of Escambia County is \$3,280,414,601.

J. Landfill Closure and Postclosure Care Liability

State and federal laws and regulations require the County to place a final cover on its landfill when closed and to perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The cost of closure and postclosure care is allocated based on landfill capacity used to date and the type of waste being collected. The Beulah, Klondike, Mobile Highway, and Camp Five landfills are closed. Perdido Landfill is the only currently open landfill. Perdido Landfill is in the permit process for future landfill cells that will provide disposal capacity through 2055.

As of September 30, 2016, Perdido Landfill's Class I capacity is at 90%, and the Class III capacity is at 88%, leaving an estimated life of three (3) years remaining. The accrued cost for closure care and postclosure care as of September 30, 2016, is \$15,529,216. The remaining closure and postclosure costs to be recognized, based upon the current engineering estimates are \$1,446,902, and will be recognized as the remaining estimated capacity is used. All amounts recognized are based on an estimate by the County's engineers of the cost to perform all closure and postclosure care as of September 30, 2016. Actual costs may be different due to inflation, deflation, changes in technology, or changes in laws and regulations. The landfill is in the process of expansion to add additional capacity and useful life.

The County is required by state and federal laws and regulations to establish escrow accounts for closure and postclosure costs of the landfill. The County has complied with these requirements by depositing required amounts into a landfill management escrow account. Any balance in the account is reported as a restricted asset on the statement of net position of the Solid Waste Enterprise Fund. The restricted escrow balance as of September 30, 2016 is \$7,480,188.

Closure and Postclosure Care Liability:

	2016	2015
Current	\$ 86,410	\$ 123,299
Long-term	15,442,806	14,904,029
Total Liability	<u>\$ 15,529,216</u>	<u>\$ 15,027,328</u>

K. Pollution Remediation Obligation

The County has identified potential pollution sites within the County which may require remediation. The county tracks, but does not report a liability for sites which are part of the State of Florida Department of Environmental Protection (FDEP) cleanup program funded by the State. Information on these locations and on scoring of projects is located on the FDEP website at www.dep.state.fl.us/waste.

The former Escambia County Mosquito Control Facility pollution remediation expenditures were approximately \$122,000 during fiscal year 2016. Revised estimates for projected costs through 2018 are \$125,000.

Pollution remediation obligations are an estimate and subject to changes resulting from price increases or reductions, technology or changes in applicable laws or regulations. The government does not expect to recover any amounts for remediation cost from any other party. The total pollution remediation obligation reported at September 30, 2016 in the governmental activities statement of net position is estimated to be approximately \$275,000.

NOTE 7 - RISK MANAGEMENT PROGRAM

The County maintains a risk management program whereby the County is responsible for specific workers' compensation, general property and casualty, and auto liability claims. The risk management program is additionally responsible for active employee and retiree medical, prescription drug, and dental plans. The Santa Rosa Island Authority and Escambia County Law Library Board are also covered through the County's risk management program. The following are the types of risks and coverage:

Workers Compensation – The County is covered for workers' compensation claims through a policy with the Florida Municipal Insurance Trust. Coverage limits under the policy include statutory limits, as well as \$1,000,000 bodily injury for each accident and \$1,000,000 bodily injury by disease for each employee with an aggregate \$1,000,000 policy limit.

Casualty and Property – The County is self-insured for liability. Limits, unless immunity is waived, are \$200,000 per claim with a \$300,000 aggregate limit pursuant to Florida's Sovereign Immunity Statute § 768.28. Property limits are \$75 million for all Risks including flood and wind with a \$25,000 deductible per occurrence.

Medical – The County offers medical and dental benefits to employees and retirees, under self-insured plans administered by Florida Blue and Delta Dental. Effective January 1, 2016 medical limits are self-insured for \$250,000 annually per covered individual, with annual \$1,000,000 aggregate stop loss coverage.

The County currently reports all of its risk management activities, including claims liabilities, in the Internal Service Fund. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities on workers compensation, casualty and property claims prior to June 9, 2008 include an amount for claims that have been incurred but not reported (IBNR). The

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claims liabilities totaling \$10,266,181 reported in the Internal Service Fund at September 30, 2016 are actuarially determined based on historical and current information regarding the Fund. There were no settlements in excess of the insurance coverage in any of the three prior fiscal years.

Changes in the estimated liability for self-insured losses for the past two years are as follows:

Workers compensation, casualty & property:

	2016	2015
Unpaid claims, beginning	\$ 8,347,339	\$ 6,104,081
Claims incurred and changes in estimates	9,309,658	8,552,038
Less: claims paid	(8,287,816)	(6,308,780)
Unpaid claims, ending	\$ 9,369,181	\$ 8,347,339
Estimated claims due within one year	(1,675,057)	(1,405,853)
Estimated claims due longer than one year	\$ 7,694,124	\$ 6,941,486

Medical:

	2016	2015
Unpaid claims, beginning	\$ -	\$ -
Claims incurred and changes in estimates	17,375,448	-
Less: claims paid	(16,478,448)	-
Unpaid claims, ending	\$ 897,000	\$ -
Estimated claims due within one year	(897,000)	-
Estimated claims due longer than one year	\$ -	\$ -

NOTE 8 - RETIREMENT SYSTEM

The County participates in the Florida Retirement System (FRS) which is a cost sharing multiple employer contributory retirement system administered by the State of Florida (State). The FRS was established in 1970 by Chapter 121, Florida Statutes. In 2002 the FRS was amended to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. Rules governing the operation and administration of the system may be found in Chapter 60S of the Florida Administrative Code. 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 cost of health insurance.

The State of Florida Retirement System issues a publicly available stand-alone financial report (CAFR) which includes financial statements and required supplementary information. Also available are the pension systems actuarial reports to support the schedules of employer allocations and schedules of pension amounts by employer. These reports are available on the division's website at <http://www.dms.myflorida.com> or by email at rep@dms.myflorida.com. The CAFR and actuarial reports may also be obtained by contacting the Division of Retirement at:

Department of Management Services
Division of Retirement
Research and Education Section
P.O. Box 9000
Tallahassee, FL 32315-9000

850-488-5709 or toll free 844-377-1737

There are six classes of membership applicable to the County. Members are eligible for normal retirement when they have met the requirements listed below. Early retirement may be taken any time after vesting within 20 years of normal retirement age; however, there is a 5 percent benefit reduction for each year prior to the normal retirement age.

- ***Regular Class, Senior Management Service Class, and Elected Officers' Class Members*** – For members initially enrolled in the FRS before July 1, 2011, six or more years of creditable service and age 62, or the age after completing six years of creditable service if after age 62. Thirty years of creditable service regardless of age before age 62. For members initially enrolled in the FRS on or after July 1, 2011, eight or more years of creditable service and age 65, or the age after completing eight years of creditable service if after age 65. Thirty-three years of creditable service regardless of age before age 65.
- ***Special Risk Class and Special Risk Administrative Support Class Members*** – For members initially enrolled in the FRS before July 1, 2011, six or more years of Special Risk Class service and age 55, or the age after completing six years of Special Risk Class service if after age 55. Twenty-five years of special risk service regardless of age before age 55. A total of 25 years of service including special risk service and up to four years of active duty wartime service and age 52. Without six years of Special Risk Class service, members of the Special Risk Administrative Support Class must meet the requirements of the Regular Class. For members initially enrolled in the FRS on or after July 1, 2011, eight or more years of Special Risk Class service and age 60, or the age after completing eight years of Special Risk Class service if after age 60. Thirty years of special risk service regardless of age before age 60. Without eight years of Special Risk Class service, members of the Special Risk Administrative Support Class must meet the requirements of the Regular Class.
- ***The Deferred Retirement Option Program (DROP)*** is available under the FRS Pension Plan when the member first reaches eligibility for normal retirement. The DROP allows a member to retire while continuing employment for up to 60 months.

FRS Membership and Plan Benefits - The FRS Pension Plan provides retirement and disability benefits, death benefits and survivor's benefits. Members are also eligible for in-line-of-duty or regular disability benefits if permanently disabled and unable to work. Benefits are established by State Statutes. Retirement benefits are based on a formula comprised of age, average compensation, length of FRS service, and membership class. Average compensation is computed as the average of an individual's five highest years of earnings for employees hired before July 1, 2011 or eight highest years of earnings for employees hired on or after July 1, 2011. The amount of benefit payments is also affected by the retirement income option chosen by the plan participant.

Pension plan participants may choose to receive benefit in retirement under one of four options which will include a 3% cost-of-living adjustment each July (adjustments are only applicable for FRS service earned prior to July 1, 2011).

If a pension plan participant leaves FRS-covered employment, the pension plan benefit is frozen until the employee returns to FRS-covered employment or begins receiving early or normal retirement benefit.

HIS Membership and Plan Benefits - The HIS membership is available to all members within the FRS and defined contribution Investment Plan. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$160 per month, pursuant to section 112.363 Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-

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administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

Contribution Requirements -The County is required to contribute at an actuarially determined rate; these rates are a percent of annual covered payroll. Employees are required to contribute 3% of their annual salary, while members participating in DROP are not required to make the 3% contribution. The County's contractually required contribution rate includes the HIS contribution, .06% administrative and educational fee and any applicable unfunded actuarial liability "UAL" rates. The HIS required contribution rate is 1.66% for both the 2015 and 2016 FRS plan years. This contribution when combined with the employee contribution is expected to finance the cost of the benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Descriptions and contribution rates in effect during the period ended September 30, 2016 and two preceding FRS fiscal years are as follows:

	<u>7/1/16-</u> <u>9/30/16</u>	<u>7/1/15-</u> <u>6/30/16</u>	<u>7/1/14-</u> <u>6/30/15</u>	<u>7/1/13-</u> <u>6/30/14</u>
Regular Class - Members not qualifying for other classes:	7.52%	7.26%	7.37%	6.95%
Senior Management:	21.77%	21.43%	21.14%	18.31%
Elected Officials Class:	42.47%	42.27%	43.23%	33.03%
Deferred Retirement Option Program (DROP):	12.99%	12.88%	12.28%	12.84%
Special Risk Class - Members employed as law enforcement officers, firefighters, or correctional officers meet the criteria to qualify for this class	22.57%	22.04%	19.82%	19.06%
Special Risk Administrative Support:	28.06%	32.95%	42.07%	35.96%

For the years ending September 30, 2016, 2015, 2014, the County contributed \$16,500,788, \$15,080,049, and \$13,650,948 respectively, equal to 100% of the required contributions for each year.

The Florida Legislature has the authority for establishing or amending retirement legislation and related bills of significance to members of the Florida Retirement System (FRS). Passed bills are presented to the Governor and approved before they may be enacted into law.

Net pension liability, deferred outflows/inflows of resources and pension expense related to the County defined benefit pension plan

At September 30, 2016, the County reported a liability of \$178,132,650 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The County's proportion of the net pension liability was based on the County's long-term share of contributions to the FRS relative to the contributions of all participating governments. At June 30, 2016, the County's change in proportion was an increase from its proportion measured as of June 30, 2015.

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The following table presents the information on the County's proportionate share of the FRS and HIS:

	<u>FRS</u>	<u>HIS</u>	<u>County Total</u>
Proportionate Share of Net Pension			
Liability at June 30, 2016	\$ 136,115,399	\$ 42,017,251	\$ 178,132,650
County's proportion at June 30, 2016	0.0053907	0.0036052	
County's proportion at June 30, 2015	0.0049107	0.0035241	
Change in proportion during current year	<u>0.0004800</u>	<u>0.0000811</u>	

For the fiscal year ended September 30, 2016, the County recognized pension expense of \$9,492,280.

At September 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>FRS</u>		<u>HIS</u>		<u>County Total</u>
	<u>Deferred Outflow</u>	<u>Deferred Inflow</u>	<u>Deferred Outflow</u>	<u>Deferred Inflow</u>	<u>Deferred Outflow (Deferred Inflow)</u>
Differences between expected and actual experience	\$10,422,043	\$ 1,267,327	\$ -	\$ 95,700	\$ 9,059,016
Changes in assumptions	8,234,574	-	6,593,574	-	14,828,148
Net difference between projected and actual earnings on pension plan investments	35,184,171	-	21,245	-	35,205,416
Changes in proportion and differences Between County contributions and proportionate share of contributions	17,775,619	13,613,901	4,835,222	3,675,681	5,321,259
County contributions subsequent to the measurement date	3,882,777	-	491,688	-	4,374,465
	<u>\$75,499,184</u>	<u>\$14,881,228</u>	<u>\$ 11,941,729</u>	<u>\$ 3,771,381</u>	<u>\$ 68,788,304</u>

The \$4,374,465 reported as deferred outflows related to pensions resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2017. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

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Reporting year Ending Sept 30,	FRS	HIS	County Total Deferred Outflow (Deferred Inflow)
2017	\$ (7,814,990)	\$ (1,374,850)	\$ (9,189,840)
2018	(7,814,990)	(1,374,850)	(9,189,840)
2019	(22,617,800)	(1,370,086)	(23,987,886)
2020	(15,479,447)	(1,367,799)	(16,847,246)
2021	(2,276,826)	(1,183,352)	(3,460,178)
Thereafter	(731,126)	(1,007,723)	(1,738,849)
TOTALS	<u>\$ (56,735,179)</u>	<u>\$ (7,678,660)</u>	<u>\$ (64,413,839)</u>

The total FRS pension liability as of the actuarial valuation date of July 1, 2016 was determined based on the discount rate using the following actuarial assumptions, applied to all periods included in the measurement. The total pension liability is calculated using the Individual Entry Age Normal cost allocation method, which differs from the Ultimate Entry Age Normal cost allocation method used in the funding valuation for the system.

FRS actuarial methods and assumptions are:

Actuarial cost allocation method	Individual Entry Age Normal
Amortization method	Level Percentage of Pay, Closed
Equivalent single amortization period	30 years
Asset valuation method	Fair market value
Actuarial Assumptions:	
Discount rate	7.60%
Long-term expected rate of return, net of investment expense, including inflation	7.60%
Municipal bond rate	N/A
Inflation	2.60%
Salary increases including inflation	3.25%

Mortality rates were based on the Generational RP-2000 with projection scale BB.

HIS actuarial methods and assumptions are:

Actuarial Assumptions:	
Discount rate	2.85%
Long-term expected rate of return, net of investment expense, including inflation	N/A
Municipal bond rate	2.85%
Inflation	2.60%
Salary increases including inflation	3.25%

Mortality rates were based on the Generational RP-2000 with projection scale BB.

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The actuarial assumptions that determined the total pension liability as of June 30, 2016 were based on the results of an actuarial experience study for the period of July 1, 2008 – June 30, 2013.

The discount rate used for calculating the total FRS pension liability was 7.60%. The FRS plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long term expected rate of return. The discount rate used for calculating the total HIS pension liability is equal to the single rate that results in the same actuarial present value as would be calculated by using two different discount rates for the discount at the long-term expected rate of return for benefit payments prior to the projected depletion of the fiduciary net pension (trust assets) and the discount at a municipal bond rate for benefit payments after the projected depletion date. The HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor.

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

The target allocation and best estimates of arithmetic and geometric real rates of returns for each major asset class are summarized in the following table:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1%	3.0%	3.0%	1.7%
Fixed income	18%	4.7%	4.6%	4.7%
Global equity	53%	8.1%	6.8%	17.7%
Real estate	10%	6.4%	5.8%	12.0%
Private equity	6%	11.5%	7.8%	30.0%
Strategic investments	<u>12%</u>	6.1%	5.6%	11.1%
	100.0%			
Assumed Inflation - Mean			2.6%	1.9%

(1) As outlined in the Plan's investment policy

Sensitivity of the County's proportionate share of the pension liability to changes in the discount rate is calculated using the discount rate for the respective plans, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

FRS Net Pension Liability (Asset)			HIS Net Pension Liability (Asset)		
1% decrease	Current Discount Rate	1% Increase	1% decrease	Current Discount Rate	1% Increase
6.60%	7.60%	8.60%	1.85%	2.85%	3.85%
\$ 250,597,666	\$ 136,115,399	\$ 40,824,032	\$ 48,203,333	\$ 42,017,251	\$ 36,883,141

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

NOTE 9 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Other postemployment benefits are provided by the County in the form of life and health insurance for pre-Medicare eligible retirees at the same rate as active participants. In health insurance plans where a government's retirees and current employees are insured together as a group, the premiums paid by the retirees may be lower than they would have been if the retirees were insured separately. This is called an *implicit rate subsidy*. Under this single-employer plan, benefit provisions are essentially the same for the Board of County Commissioners and all of the other Constitutional Officers, except for the Sheriff, who maintains a separate health insurance contract and therefore has different costs associated with the premium payments on behalf of the Sheriff's employees. The County may amend the OPEB plan at its discretion. A stand-alone financial report is not prepared for the OPEB plan.

The County engaged an actuarial firm to determine the estimated obligation associated with the plan. As of the valuation date of October 1, 2015, there were no significant changes in the benefits of the plan.

At October 1, 2015, the date of the latest actuarial valuation, plan participation consisted of:

OPEB plan participants	2,446
Retirees receiving benefits	285

The County has the authority to establish and amend the OPEB funding policy, and is not required by law or other contractual agreement to provide funding for the implicit rate subsidy other than the pay-as-you-go amount necessary to provide current benefits for participants in its health insurance plan. During 2016, the County made \$905,792 in contributions toward the implicit rate subsidy.

The County's annual OPEB cost (expense) is calculated based on the Annual Required Contribution (ARC) of the employer, an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the County's OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation:

	FY16 Valuation as of 10/01/15
Normal Cost (service cost for one year)	802,483
Amortization of Unfunded Actuarial Accrued Liability (UAAL)	586,234
Interest on Normal Cost and Amortization	-
Annual Required Contribution (ARC)	<u>1,388,717</u>
Annual Required Contribution (ARC)	1,388,717
Interest on Net OPEB Obligation	409,472
Adjustment to ARC	<u>(378,242)</u>
Annual OPEB Cost (Expense)	1,419,947
Employer Contributions Made	<u>905,792</u>
Increase (Decrease) in Net OPEB Obligation	514,155
Net OPEB Obligation at beginning of year	<u>10,236,801</u>
Net OPEB Obligation at end of Year	<u>\$ 10,750,956</u>

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The County's annual OPEB cost, the percentage of annual expected employer contributions toward OPEB cost and the net OPEB obligation for 2016 with two applicable preceding years was as follows:

Fiscal Year Ending	Annual OPEB Cost	Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
9/30/2014	\$ 1,634,852	\$ 934,558	57.16%	\$ 9,479,240
9/30/2015	\$ 1,684,678	\$ 927,117	55.03%	\$ 10,236,801
9/30/2016	\$ 1,419,947	\$ 905,792	63.79%	\$ 10,750,956

Funding Policy and Status - As of October 1, 2015, the valuation date, the plan was 0% funded. The actuarial accrued liability (AAL) for benefits was \$15,865,973 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$15,865,973. The covered payroll (annual payroll of active employees covered by the OPEB Plan) was approximately \$110 million and the ratio of the UAAL to the covered payroll was 14.42%.

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. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Calculations for financial reporting purposes are based on the plan as understood by the employer and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The OPEB-specific actuarial assumptions used in the actuarial valuation described below are consistent with those used by the Florida Retirement System actuary and adopted by the Florida Retirement System.

The actuarial methods and assumptions are:

Actuarial cost method	Projected unit credit cost
Amortization method	Level percent of pay, open
Amortization period remaining	30 years
Asset valuation method	Unfunded - Market value of assets
Actuarial assumptions:	
Investment rate of return*	4% compounded annually
Projected salary increases*	3.0%
Payroll growth assumptions	3.0%
Medical cost trend rate*	
Pre-Medicare	7.5%
Ultimate trend rate*	
Pre-Medicare	5.0%
Year of ultimate trend rate	2020
*Includes general inflation at	3.25%

NOTE 10 – NET POSITION RESTRICTED FOR OTHER PURPOSES

Net position restricted for other purposes in the governmental-wide statement of net position at September 30, 2016 are as follows:

Court-Related	\$ 3,720,520
Culture & Recreation	2,560,085
Health	34,568
Resource Conservation	391,125
Records Modernization	2,735,993
Tourism	5,473,913
	<u>\$ 14,916,204</u>

NOTE 11 – COMMITMENTS AND CONTINGENCY

A. Litigation

The County is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of operations. Claims covered by the risk management self-insurance program are reviewed and losses are accrued as required in the judgment of management. The County is a defendant in various lawsuits. In the opinion of management, based on the advice of legal counsel, the ultimate disposition of lawsuits and claims will not have a material adverse effect on the financial position of the County.

B. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. If expenditures are disallowed as a result of these audits, the claim for reimbursement to the grantor agency would become a liability of the County. In the opinion of management, any such adjustments would not be significant, and therefore not have a material adverse effect on the financial position of the County.

C. Deficit Fund Equity

At September 30, 2016 the Disaster Recovery Special Revenue Fund, a major fund, has a deficit fund balance of \$8,204,189. The deficit is due to expenditures due to the April 2014 flood event, and expenditures that were unreimbursed through grant funding.

NOTE 12 – SUBSEQUENT EVENTS

The County has evaluated events and transactions that occurred between September 30, 2016, and February 24, 2017, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements. No other subsequent events have been recognized or disclosed.

REQUIRED SUPPLEMENTARY INFORMATION

Other Post Employment Benefits:

- Schedule of funding progress for other post employment benefits

Retirement System Benefits:

- Schedule of the County's proportionate share of the net pension liability
- Schedule of the County's contributions

**ESCAMBIA COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION**

SCHEDULE OF FUNDING PROGRESS FOR OTHER POSTEMPLOYMENT BENEFITS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered payroll (c)	UAAL as a Percentage of Covered Payroll ([b-a]/c)
10/1/2011	\$ -	\$ 16,618,209	\$ 16,618,209	0.00%	\$ 103,012,933	16.13%
10/1/2013	\$ -	\$ 17,763,326	\$ 17,763,326	0.00%	\$ 105,128,055	16.90%
10/1/2015	\$ -	\$ 15,865,973	\$ 15,865,973	0.00%	\$ 110,057,073	14.42%

ESCAMBIA COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Last 10 Fiscal Years*

Florida Retirement System (FRS)	2016	2015	2014
County's proportion of the net pension liability (asset)	0.539069213%	0.491069200%	0.478135639%
County's proportion of the net pension liability (asset)	\$ 136,115,399	\$ 63,428,173	\$ 29,173,305
County's covered payroll	\$ 86,066,707	\$ 82,216,864	\$ 83,923,116
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	158.15%	77.15%	34.76%
FRS plan fiduciary net position as a percentage of the total pension liability	84.88%	92.00%	96.09%
Health Insurance Subsidy (HIS)	2016	2015	2014
County's proportion of the net pension liability (asset)	0.360521192%	0.352411204%	0.341734437%
County's proportion of the net pension liability (asset)	\$ 42,017,251	\$ 35,940,399	\$ 31,953,004
County's covered payroll	\$ 111,319,337	\$ 100,474,785	\$ 96,394,207
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	37.74%	35.77%	33.15%
FRS plan fiduciary net position as a percentage of the total pension liability	0.97%	0.50%	0.99%

* The amounts presented for each fiscal year were determined as of June 30.

This Schedule is presented to illustrate the requirement to show information for 10 years. However until a full 10-year trend is compiled, governments should present information for those years which information is available.

ESCAMBIA COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE COUNTY'S CONTRIBUTIONS
Last 10 Fiscal Years*

Florida Retirement System (FRS)	2016	2015	2014
Contractually required contribution	\$ 13,146,062	\$ 11,972,684	\$ 10,473,200
Contributions in relation to the contractually required contribution	(13,146,062)	(11,972,684)	\$ (10,473,200)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 87,227,854	\$ 87,179,508	\$ 86,379,678
Contributions as a percentage of covered payroll	15.07%	13.73%	12.12%

Health Insurance Subsidy (HIS)	2016	2015	2014
Contractually required contribution	\$ 1,847,901	\$ 1,347,135	\$ 1,170,667
Contributions in relation to the contractually required contribution	(1,847,901)	(1,347,135)	\$ (1,170,667)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 103,777,681	\$ 103,414,127	\$ 97,555,583
Contributions as a percentage of covered payroll	1.78%	1.30%	1.20%

* The amounts presented for each fiscal year were determined as of September 30.

<p>This Schedule is presented to illustrate the requirement to show information for 10 years. However until a full 10-year trend is compiled, governments should present information for those years which information is available.</p>
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ESCAMBIA COUNTY, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

The following changes in actuarial assumptions occurred in 2016:

FRS: There were no changes in actuarial assumptions. The inflation rate assumption remained at 2.60%, the real payroll growth assumption remained at 0.65%, and the overall payroll growth rate assumption remained at 3.25%. The long-term expected rate of return remained at 7.6%.

HIS: The municipal rate used to determine total pension liability was decreased from 3.5% to 2.85%.

OTHER SUPPLEMENTARY INFORMATION

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
LOCAL OPTION SALES TAX FUND
For the Year Ended September 30, 2016

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Over (Under)</u>
REVENUES			
Taxes	\$ 33,746,533	\$ 41,215,661	\$ 7,469,128
Intergovernmental Revenues	27,073,940	5,986,258	(21,087,682)
Charges for Services	190,000	243,586	53,586
Investment Income	-	1,121,696	1,121,696
Miscellaneous Revenues	1,132,726	314,964	(817,762)
Total Revenues	<u>62,143,199</u>	<u>48,882,165</u>	<u>(13,261,034)</u>
EXPENDITURES			
Current:			
General Government	17,493,889	1,257	17,492,632
Physical Environment	3,000	2,976	24
Transportation	1,289,064	1,111,090	177,974
Human Services	136,474	114,307	22,167
Culture/Recreation	1,673,103	1,528,766	144,337
Debt Service			
Principal Retirement	582,240	-	582,240
Interest and Fiscal Charges	17,760	3,248	14,512
Capital Outlay	135,571,552	26,983,268	108,588,284
Total Expenditures	<u>156,767,082</u>	<u>29,744,912</u>	<u>127,022,170</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(94,623,883)</u>	<u>19,137,253</u>	<u>113,761,136</u>
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	(66,567)	(2,293,785)	(2,227,218)
Total Other Financing Sources and (Uses)	<u>(66,567)</u>	<u>(2,293,785)</u>	<u>(2,227,218)</u>
Net Change in Fund Balance	(94,690,450)	16,843,468	111,533,918
Fund Balance - Beginning	<u>94,690,450</u>	<u>100,427,774</u>	<u>5,737,324</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 117,271,242</u>	<u>\$ 117,271,242</u>

GOVERNMENTAL FUNDS

GENERAL FUND

The *General Fund* is the government's primary operating fund. It is used to account for and report all financial resources not account for and reported in another fund. The General Fund includes the Board of County Commissioners, Clerk of Circuit Court and Comptroller, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector:

Board of County Commissioners

This fund is the primary operating fund of Escambia County. It is used to account for all financial resources of the general government except those required to be accounted for in other funds.

Clerk of the Circuit Court and Comptroller

This fund reflects the activities of the Office of the Clerk of Circuit Court. Services provided are in accordance with provisions of the Florida Statutes related primarily to the county and circuit court systems, recording operations, and various other services.

Property Appraiser

This fund reflects the operations of the Office of the Property Appraiser who provides independent appraisals of tangible and personal property for all taxing authorities within the County.

Sheriff

This fund reflects the operations of the Office of the Sheriff. Services provided are for all the law enforcement activities within the County.

Supervisor of Elections

This fund reflects the operations of the Office of the Supervisor of Elections in the performance of its duties in accordance with Florida Statutes.

Tax Collector

This fund reflects the operations of the Office of the Tax Collector who collects and remits ad valorem taxes, licenses, and other revenues, to the related taxing authorities.

ESCAMBIA COUNTY, FLORIDA
COMBINING BALANCE SHEET
GENERAL FUND BY CATEGORY
September 30, 2016

	Board Of County Commissioners	Clerk of the Circuit Court and Comptroller	Property Appraiser
ASSETS			
Cash and Cash Equivalents	\$ 24,727,840	\$ 3,755,791	\$ 356,166
Investments	17,864,791	-	-
Accounts Receivable	1,198,734	-	-
Accrued Interest Receivable	391,346	-	-
Due from Other Funds	5,184,185	-	-
Due from Other Governments	3,014,468	2,801	-
Inventories	436,719	-	-
Other Assets	3,614,321	-	-
Total Assets	\$ 56,432,404	\$ 3,758,592	\$ 356,166
LIABILITIES			
Accounts Payable	\$ 1,435,298	\$ 29,431	\$ 18,997
Contracts Payable	2,531	20,825	-
Accrued Liabilities	3,212,677	473,627	145,388
Due to Other Funds	2,556	1,129,302	191,318
Due to Other Governments	599,910	2,031,920	463
Deposits	209,216	-	-
Unearned Revenue	-	31,753	-
Other Current Liabilities	296,676	41,734	-
Total Liabilities	5,758,864	3,758,592	356,166
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Capital Lease	3,602,243	-	-
Total deferred inflow of resources	3,602,243	-	-
FUND BALANCES			
Nonspendable:			
Inventories	436,719	-	-
Assigned to:			
Subsequent Year's Budget	18,952,263	-	-
Unassigned	27,682,315	-	-
Total Fund Balances	47,071,297	-	-
Total Liabilities, deferred inflow of resources, and fund balances	\$ 56,432,404	\$ 3,758,592	\$ 356,166

Sheriff	Supervisor of Elections	Tax Collector	Eliminations	Total General Funds
\$ 2,498,348	\$ -	\$ 604,533	\$ -	\$ 31,942,678
-	-	-	-	17,864,791
300	-	13,266	-	1,212,300
-	-	-	-	391,346
91,823	-	-	(1,184,185)	4,091,823
15,000	136,608	-	-	3,168,877
207,172	-	-	-	643,891
-	-	-	-	3,614,321
<u>\$ 2,812,643</u>	<u>\$ 136,608</u>	<u>\$ 617,799</u>	<u>\$ (1,184,185)</u>	<u>\$ 62,930,027</u>
\$ 152,334	\$ 105,803	\$ 296,552	\$ -	\$ 2,038,415
-	-	-	-	23,356
2,174,125	30,193	179,046	-	6,215,056
279,012	-	49,521	(1,184,185)	467,524
-	612	122	-	2,633,027
-	-	-	-	209,216
-	-	92,558	-	124,311
-	-	-	-	338,410
<u>2,605,471</u>	<u>136,608</u>	<u>617,799</u>	<u>(1,184,185)</u>	<u>12,049,315</u>
-	-	-	-	3,602,243
-	-	-	-	3,602,243
207,172	-	-	-	643,891
-	-	-	-	18,952,263
-	-	-	-	27,682,315
<u>207,172</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,278,469</u>
<u>\$ 2,812,643</u>	<u>\$ 136,608</u>	<u>\$ 617,799</u>	<u>\$ (1,184,185)</u>	<u>\$ 62,930,027</u>

ESCAMBIA COUNTY, FLORIDA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GENERAL FUND BY CATEGORY
For the Year Ended September 30, 2016

	Board Of County Commissioners	Clerk of the Circuit Court and Comptroller	Property Appraiser
REVENUES			
Taxes	\$ 106,149,091	\$ -	\$ -
Franchise Fees	12,988,847	-	-
Special Assessments	899,754	-	-
Intergovernmental Revenues	32,287,001	818,705	-
Charges for Services	1,308,453	5,620,803	14,591
Judgments and Fines	64,849	1,169,414	-
Investment Income	742,556	177,032	-
Miscellaneous Revenues	5,526,784	424,899	2,783
Total Revenues	<u>159,967,335</u>	<u>8,210,853</u>	<u>17,374</u>
EXPENDITURES			
Current:			
General Government	34,484,900	3,804,997	5,346,503
Public Safety	39,730,466	-	-
Physical Environment	1,270,631	-	-
Transportation	2,665,813	-	-
Human Services	2,331,312	-	-
Culture/Recreation	1,330,272	-	-
Court-Related	-	6,500,461	-
Total Expenditures	<u>81,813,394</u>	<u>10,305,458</u>	<u>5,346,503</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>78,153,941</u>	<u>(2,094,605)</u>	<u>(5,329,129)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	4,789,763	2,818,594	5,520,447
Transfers (Out)	(83,392,857)	(723,989)	(191,318)
Total Other Financing Sources and (Uses)	<u>(78,603,094)</u>	<u>2,094,605</u>	<u>5,329,129</u>
Net Change in Fund Balances	(449,153)	-	-
Fund Balances - Beginning	<u>47,520,450</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ 47,071,297</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Sheriff	Supervisor of Elections	Tax Collector	Eliminations	Total General Fund
\$ -	\$ -	\$ -	\$ -	\$ 106,149,091
-	-	-	-	12,988,847
-	-	-	-	899,754
-	-	-	-	33,105,706
-	10,683	3,099,105	-	10,053,635
-	-	-	-	1,234,263
-	-	-	-	919,588
-	-	114,136	(2,866,294)	3,202,308
-	10,683	3,213,241	(2,866,294)	168,553,192
-	2,096,529	7,659,852	(2,866,294)	50,526,487
55,109,874	-	-	-	94,840,340
-	-	-	-	1,270,631
-	-	-	-	2,665,813
-	-	-	-	2,331,312
-	-	-	-	1,330,272
-	-	-	-	6,500,461
55,109,874	2,096,529	7,659,852	(2,866,294)	159,465,316
(55,109,874)	(2,085,846)	(4,446,611)	-	9,087,876
55,280,648	2,090,899	4,496,132	(71,346,006)	3,650,477
(181,886)	(5,053)	(49,521)	71,346,006	(13,198,618)
55,098,762	2,085,846	4,446,611	-	(9,548,141)
(11,112)	-	-	-	(460,265)
218,284	-	-	-	47,738,734
\$ 207,172	\$ -	\$ -	\$ -	\$ 47,278,469

ESCAMBIA COUNTY, FLORIDA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended September 30, 2016

Board Of County Commissioners			
	Original Budget	Final Budget	Actual Amounts
REVENUES			
Taxes	\$ 102,632,807	\$102,632,816	\$ 106,149,091
Franchise Fees	11,732,975	11,732,975	12,988,847
Special Assessments	915,084	915,084	899,754
Intergovernmental Revenues	27,974,935	27,974,935	32,287,001
Charges for Services	1,278,415	1,305,841	1,308,453
Judgments and Fines	17,100	17,100	64,849
Investment Income	-	-	742,556
Miscellaneous Revenues	4,537,248	4,859,637	5,526,784
Total Revenues	149,088,564	149,438,388	159,967,335
EXPENDITURES			
Current:			
General Government	57,060,626	70,694,106	34,484,900
Public Safety	39,841,564	40,471,191	39,730,466
Physical Environment	1,309,027	1,382,233	1,270,631
Transportation	2,754,636	3,166,815	2,665,813
Human Services	2,843,950	3,081,995	2,331,312
Culture/Recreation	1,392,295	1,411,457	1,330,272
Court-Related	-	-	-
Total Expenditures	105,202,098	120,207,797	81,813,394
Excess (Deficiency) of Revenues Over (Under) Expenditures	43,886,466	29,230,591	78,153,941
OTHER FINANCING SOURCES (USES)			
Transfers In	2,018,106	3,643,049	4,789,763
Transfers (Out)	(84,367,478)	(83,044,306)	(83,392,857)
Total Other Financing Sources and (Uses)	(82,349,372)	(79,401,257)	(78,603,094)
Net Change in Fund Balances	(38,462,906)	(50,170,666)	(449,153)
Fund Balances - Beginning	38,462,906	50,170,666	47,520,450
Fund Balances - Ending	\$ -	\$ -	\$ 47,071,297

Clerk of the Circuit Court and Comptroller		
Original Budget	Final Budget	Actual Amounts
\$ -	\$ -	\$ -
-	-	-
-	-	-
1,154,352	921,277	818,705
5,291,200	5,291,200	5,620,803
1,131,000	1,131,000	1,169,414
-	-	177,032
374,800	374,800	424,899
<u>7,951,352</u>	<u>7,718,277</u>	<u>8,210,853</u>
3,901,369	3,905,594	3,804,997
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
6,864,352	6,631,277	6,500,461
<u>10,765,721</u>	<u>10,536,871</u>	<u>10,305,458</u>
<u>(2,814,369)</u>	<u>(2,818,594)</u>	<u>(2,094,605)</u>
2,814,369	2,818,594	2,818,594
-	-	(723,989)
<u>2,814,369</u>	<u>2,818,594</u>	<u>2,094,605</u>
-	-	-
-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Property Appraiser		
Original Budget	Final Budget	Actual Amounts
\$ -	\$ -	\$ -
-	-	-
-	-	-
-	-	-
12,556	12,556	14,591
-	-	-
-	-	-
-	-	2,783
<u>12,556</u>	<u>12,556</u>	<u>17,374</u>
5,500,907	5,551,292	5,346,503
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>5,500,907</u>	<u>5,551,292</u>	<u>5,346,503</u>
<u>(5,488,351)</u>	<u>(5,538,736)</u>	<u>(5,329,129)</u>
5,488,351	5,538,736	5,520,447
-	-	(191,318)
<u>5,488,351</u>	<u>5,538,736</u>	<u>5,329,129</u>
-	-	-
-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ESCAMBIA COUNTY, FLORIDA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -Continued
GENERAL FUND

For the Year Ended September 30, 2016

	Sheriff		
	Original Budget	Final Budget	Actual Amounts
REVENUES			
Taxes	\$ -	\$ -	\$ -
Franchise Fees	-	-	-
Special Assessments	-	-	-
Intergovernmental Revenues	-	-	-
Charges for Services	-	-	-
Judgments and Fines	-	-	-
Investment Income	-	-	-
Miscellaneous Revenues	-	-	-
Total Revenues	-	-	-
EXPENDITURES			
Current:			
General Government	-	-	-
Public Safety	53,774,834	55,280,648	55,109,874
Physical Environment	-	-	-
Transportation	-	-	-
Human Services	-	-	-
Culture/Recreation	-	-	-
Court-Related	-	-	-
Total Expenditures	53,774,834	55,280,648	55,109,874
Excess (Deficiency) of Revenues Over (Under) Expenditures	(53,774,834)	(55,280,648)	(55,109,874)
OTHER FINANCING SOURCES (USES)			
Transfers In	53,774,834	55,280,648	55,280,648
Transfers (Out)	-	-	(181,886)
Total Other Financing Sources and (Uses)	53,774,834	55,280,648	55,098,762
Net Change in Fund Balances	-	-	(11,112)
Fund Balances - Beginning	-	-	218,284
Fund Balances - Ending	\$ -	\$ -	\$ 207,172

Supervisor of Elections			Tax Collector		
Original Budget	Final Budget	Actual Amounts	Original Budget	Final Budget	Actual Amounts
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	10,683	2,941,285	3,175,070	3,099,105
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	92,500	113,224	114,136
-	-	10,683	3,033,785	3,288,294	3,213,241
2,339,041	2,351,169	2,096,529	7,319,326	7,734,751	7,659,852
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,339,041	2,351,169	2,096,529	7,319,326	7,734,751	7,659,852
(2,339,041)	(2,351,169)	(2,085,846)	(4,285,541)	(4,446,457)	(4,446,611)
2,339,041	2,351,169	2,090,899	4,494,356	4,496,132	4,496,132
-	-	(5,053)	(208,815)	(49,675)	(49,521)
2,339,041	2,351,169	2,085,846	4,285,541	4,446,457	4,446,611
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

ESCAMBIA COUNTY, FLORIDA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - Continued
GENERAL FUND

For the Year Ended September 30, 2016

	Eliminations		
	Original Budget	Final Budget	Actual Amounts
REVENUES			
Taxes	\$ -	\$ -	\$ -
Franchise Fees	-	-	-
Special Assessments	-	-	-
Intergovernmental Revenues	-	-	-
Charges for Services	-	-	-
Judgments and Fines	-	-	-
Investment Income	-	-	-
Miscellaneous Revenues	(2,866,294)	(2,866,294)	(2,866,294)
Total Revenues	(2,866,294)	(2,866,294)	(2,866,294)
EXPENDITURES			
Current:			
General Government	(2,866,294)	(2,866,294)	(2,866,294)
Public Safety	-	-	-
Physical Environment	-	-	-
Transportation	-	-	-
Human Services	-	-	-
Culture/Recreation	-	-	-
Court-Related	-	-	-
Total Expenditures	(2,866,294)	(2,866,294)	(2,866,294)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-
OTHER FINANCING SOURCES (USES)			
Transfers In	(61,581,361)	(72,483,334)	(71,346,006)
Transfers (Out)	61,581,361	72,483,334	71,346,006
Total Other Financing Sources and (Uses)	-	-	-
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	-	-	-
Fund Balances - Ending	\$ -	\$ -	\$ -

TOTAL

Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Over (Under)
\$ 102,632,807	\$ 102,632,816	\$ 106,149,091	\$ 3,516,275
11,732,975	11,732,975	12,988,847	1,255,872
915,084	915,084	899,754	(15,330)
29,129,287	28,896,212	33,105,706	4,209,494
9,523,456	9,784,667	10,053,635	268,968
1,148,100	1,148,100	1,234,263	86,163
-	-	919,588	919,588
2,138,254	2,481,367	3,202,308	720,941
<u>157,219,963</u>	<u>157,591,221</u>	<u>168,553,192</u>	<u>10,961,971</u>
73,254,975	87,370,618	50,526,487	36,844,131
93,616,398	95,751,839	94,840,340	911,499
1,309,027	1,382,233	1,270,631	111,602
2,754,636	3,166,815	2,665,813	501,002
2,843,950	3,081,995	2,331,312	750,683
1,392,295	1,411,457	1,330,272	81,185
6,864,352	6,631,277	6,500,461	130,816
<u>182,035,633</u>	<u>198,796,234</u>	<u>159,465,316</u>	<u>39,330,918</u>
<u>(24,815,670)</u>	<u>(41,205,013)</u>	<u>9,087,876</u>	<u>50,292,889</u>
9,347,696	1,644,994	3,650,477	2,005,483
<u>(22,994,932)</u>	<u>(10,610,647)</u>	<u>(13,198,618)</u>	<u>(2,587,971)</u>
<u>(13,647,236)</u>	<u>(8,965,653)</u>	<u>(9,548,141)</u>	<u>(582,488)</u>
<u>(38,462,906)</u>	<u>(50,170,666)</u>	<u>(460,265)</u>	<u>49,710,401</u>
<u>38,462,906</u>	<u>50,170,666</u>	<u>47,738,734</u>	<u>(2,431,932)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,278,469</u>	<u>\$ 47,278,469</u>

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The County has the following Special Revenue Funds:

Escambia County Restricted Fund

Created to account for monies donated to the County for a specific purpose.

Economic Development Fund

Created pursuant to the Economic Development Incentive Program Ordinance to account for revenues associated with land sales at the various County commerce parks and other economic development related revenues. Expenditures will be used to promote economic development initiatives Escambia County.

Code Enforcement Fund

Created to account for the enforcement of ordinances and statutes to enhance the quality of life for and protect citizens from environmentally unsafe conditions.

M and A State Revenue Fund

Created to account for the cost of mosquito and other arthropod control. Financing is provided by State matching funds on a dollar for dollar basis.

Tourist Promotion Fund

Created to account for revenues restricted for promotion, development and advertisement of Escambia County tourism. Financing is provided by a tourist development tax levied under Chapter 125.0104 Florida Statutes.

Other Grant Projects Fund

Created to account for financing provided from various State and Federal grants.

Detention/Jail Commissary Fund

Created to account for the cost of the inmate commissary and the inmate welfare fund; operated in the detention facility pursuant to Section 951.23, Florida Statutes. The fiscal management of the commissary is audited in conjunction with the audit of the County.

Library Fund

Created to account for the revenue and expenditures associated with administrative and operational functions of the West Florida Library System. A countywide Library MSTU assessment is imposed for the purpose of funding library services.

Misdemeanor Probation Fund

Created to account for the cost of supervision of the misdemeanor program. Financing is provided by a fee charged to a person on parole pursuant to Section 945.30, Florida Statutes.

Article V Fund

Created to account for revenues and costs for court related fees, charges, costs, fines and other monetary penalties.

Development Review Fund

Created to account for fees generated by the review of all development plans within the County and support of the Development Review Committee, the Planning Board, the Board of Adjustments, the Rezoning Hearing Examiner and the Board of County Commissioners.

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS - Continued

Perdido Key Beach Mouse Fund

Created to account for the Perdido Key Beach Mouse Special Assessment revenue established by Ordinance 2006-1 and 2006-2 and by interlocal agreement with the US Fish and Wildlife Service and the Florida Fish and Wildlife Commission. This revenue will be utilized for the mitigation process for impacts to the Perdido Key Beach Mouse habitat.

Restore Fund

Created in accordance with the Resources and Ecosystem Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012 (RESTORE Act; Subtitle F of Public Law 112-141); to account for revenues and expenditures for programs, projects and activities that restore and protect the environment and economy of the Gulf Coast Region.

State Housing Initiative Partnership Fund (SHIP)

Created to account for the revenues and expenditures of the SHIP program, authorized pursuant to Section 420.907-420.9079, Florida Statutes. State revenue sharing proceeds received by the County for the SHIP program are used to create partnerships that produce and preserve affordable homeownership and multifamily housing.

Law Enforcement Trust Fund

Created pursuant to the provisions of Section 932.704, Florida Statutes, to account for the net proceeds from the sale or conversion of forfeited properties. Expenditures payable from this fund are legally restricted to nonrecurring obligations of the Sheriff's office, including equipment purchases. Although legally entitled as a trust fund, this fund is more properly accounted for as a special revenue fund due to the nature of the transactions recorded therein.

Escambia County Affordable Housing Fund

Created to account for funding to assist with delivery of affordable housing assistance and support for low income families in Escambia County and the City of Pensacola, primarily in conjunction with the Escambia Consortium Home Program. The fund also provides a source for payment of up-front costs while awaiting reimbursement from the HOME program letter of credit.

CDBG HUD Entitlement Fund

Created to account for Federal HUD Block Grant revenues and the expenditures. The HUD funded Community Block Grant program provides financial support primarily for low and moderate-income families in the County.

Handicapped Parking Fines Fund

Created to account for monies collected under Chapter 316, Florida Statutes, also known as the State Uniform Traffic Control, which authorizes counties to regulate the parking of vehicles and to enforce regulations relating to disabled persons parking.

Family Mediation Fund

Created to account for monies provided through a private grant and authorized under Chapters 44.102 and 44.108, Florida Statutes. These funds were used to assure each minor child frequent and continuing contact with both parents after separation or dissolved marriages and to encourage parents to share the rights and responsibilities of child rearing.

Fire Protection Fund

Created to account for monies assessed by the Board of County Commissioners to property owners in unincorporated areas of Escambia County to provide for fire protection.

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS - Continued

Emergency 911 Operations Fund

Created in accordance with the provisions of the Florida Emergency Telephone Act (Sections 365.171 and 365.172, Florida Statutes) to account for the Enhanced 911 (E911) fees imposed and collected from local telephone exchange customers and subscribers of wireless telephone services. 911 service directs 911 calls to the appropriate public safety answering point and provides for automatic number and location identification. The E911 Board may adjust the allocation percentages or adjust the amount of the fee, or both, if necessary, to ensure full cost recovery or prevent over recovery of costs incurred in the provision of E911. Expenditures are restricted to the establishment and maintenance of an enhanced emergency telephone number 911 system or enhanced 911 service.

HUD-CDBG Housing Rehabilitation Loan Fund

Created to account for funding to provide assistance for low/moderate income families within the unincorporated county through the rehabilitation of several substandard homes.

HUD Home Fund

Created to account for the HUD Housing Assistance revenues and expenditures. This grant provides for the rehabilitation of severely substandard homes.

Southwest Sector Road Project Fund

Created to account for revenues and expenditures associated with the planning and development of the County's "Southwest Corridor" road project.

Bob Sikes Toll Facilities Fund

Established by County Ordinance No. 93-23 which authorizes the collection of bridge tolls for uses of the Bob Sikes Toll Bridge by passage seekers. The Board of County Commissioners establish toll rates for the Bob Sikes Bridge in order to pay for the proper maintenance, administration, debt service of the bridge, and other expenses for parks and recreation on Santa Rosa Island as approved by the Board of County Commissioners. In addition to cash tolls, annual permits (transponder sales) may be purchased for access to the Bridge.

Transportation Trust Fund

Created pursuant to the provisions of Section 129.02 Florida Statutes, to account for transportation related revenues and expenditures. The primary revenue source is fuel taxes which are the Seventh-cent/1 cent County, Ninth-cent, Local Option fuel tax, and Constitutional fuel tax. Fuel tax revenues are used to fund transportation expenditures allowable pursuant to Sections 206 and Section 366, Florida Statutes.

MSBU Assessment Program Fund

Created to account for monies collected for Municipal Service Benefit Units (MSBU) pursuant to County Ordinance No. 94-24 and Chapter 125, Florida Statutes.

Master Drainage Basin Fund

Created to account for monies to provide drainage within specific districts.

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS - Continued

Clerk Programs

This fund reflects the activities of the Office of the Clerk of the Circuit Court and Comptroller Trust Funds. Services provide are in accordance with provisions of the Florida Statutes Chapter 28.24 for Records Modernization.

Sheriff Programs

This fund reflects the activities of the Escambia County Sheriff's Office; primarily to account for the collection and expenditures of US Treasury and US Justice forfeiture sharing programs, and for revenues and disbursements of various Federal and State Grants.

Supervisor Programs

This fund reflects the activities of the Escambia Supervisor of Elections Office; primarily to account for the revenues and disbursements of various Federal and State Grants.

DEBT SERVICE FUND

Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt Service funds are also report resources if legally mandated and financial resources that are being accumulated for principal and interest maturing in future. The County has the following Debt Service Fund:

Debt Service Fund – Created to account for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital outlay. Capital Project funds exclude capital-related outflows financed by proprietary fund or for assets held in trust for individuals, private organizations, or other governments. The County has the following Capital Projects Funds:

Federal Transit Administration Fund

Created to account for the revenue received from the United States Department of Transportation and the costs associated federal transportation assistance. The Federal Transit Administration (FTA) provides capital assistance for mass transit projects including mass transit fixed route and ADA paratransit services for citizens through urban areas of Escambia County. FTA Funding is provided by Grants, State matching funds, and County matching funds.

New Road Construction Fund

Created account for the disbursements from the Local Option Gas Tax used for acquisition and construction of new roads.

ESCAMBIA COUNTY, FLORIDA
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
September 30, 2016

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 34,094,804	\$ 501,785	\$ 196,973	\$ 34,793,562
Investments	19,774,449	362,605	142,339	20,279,393
Accounts Receivable	807,406	-	-	807,406
Due from Other Funds	341,536	-	-	341,536
Due from Other Governments	2,774,607	-	91,076	2,865,683
Inventories	337,604	-	-	337,604
Total Assets	\$ 58,130,406	\$ 864,390	\$ 430,388	\$ 59,425,184
LIABILITIES				
Accounts Payable	\$ 2,092,596	\$ -	\$ 89,585	\$ 2,182,181
Contracts Payable	9,545	-	-	9,545
Accrued Liabilities	1,666,799	-	-	1,666,799
Due to Other Funds	2,396	-	-	2,396
Advances Payable to Other Funds	3,301,718	-	-	3,301,718
Due to Other Governments	885,289	-	19,673	904,962
Deposits	152,071	-	-	152,071
Unearned Revenue	611,913	-	-	611,913
Total Liabilities	8,722,327	-	109,258	8,831,585
FUND BALANCES (deficits)				
Nonspendable				
Inventories	337,604	-	-	337,604
Restricted for				
Court Related Functions	3,720,520	-	-	3,720,520
Community Services	298,637	-	-	298,637
Debt Service	-	864,390	-	864,390
Economic & Community Development	587,273	-	-	587,273
Fire & Rescue	3,105,932	-	-	3,105,932
Health Services	34,568	-	-	34,568
Inmate Welfare	2,074,052	-	-	2,074,052
Law Enforcement	426,813	-	-	426,813
Library	2,560,085	-	-	2,560,085
Mass Transit System	-	-	320,582	320,582
Public Safety	4,115,225	-	-	4,115,225
Records Modernization Technology	2,735,993	-	-	2,735,993
Resource Conservation	391,125	-	-	391,125
Road Acquisition & Construction	-	-	548	548
Housing Assistance	5,918,471	-	-	5,918,471
Tourism	5,473,913	-	-	5,473,913
Transportation & Drainage Improvements	2,136,362	-	-	2,136,362
Transportation Maintenance	575,741	-	-	575,741
Committed to:				
Community Services	1,587,589	-	-	1,587,589
Infrastructure Maintenance	8,622,963	-	-	8,622,963
Public Safety	884,052	-	-	884,052
Transportation Maintenance	3,821,161	-	-	3,821,161
Total Fund Balances	49,408,079	864,390	321,130	50,593,599
Total Liabilities, deferred inflow of resources, and fund balances	\$ 58,130,406	\$ 864,390	\$ 430,388	\$ 59,425,184

ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2016

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 23,788,582	\$ -	\$ -	\$ 23,788,582
Permits and Fees	331,995	-	-	331,995
Franchise Fees	1,893,966	-	-	1,893,966
Special Assessments	14,733,794	-	-	14,733,794
Intergovernmental Revenues	16,324,038	60,000	751,010	17,135,048
Charges for Services	12,227,025	-	-	12,227,025
Judgments and Fines	1,269,580	-	-	1,269,580
Investment Income	473,761	46,642	1,992	522,395
Miscellaneous Revenues	2,862,173	-	40,593	2,902,766
Total Revenues	73,904,914	106,642	793,595	74,805,151
EXPENDITURES				
Current:				
General Government	3,515,005	-	-	3,515,005
Public Safety	27,405,162	-	-	27,405,162
Physical Environment	836,892	-	-	836,892
Transportation	17,632,168	-	357,052	17,989,220
Economic Environment	12,321,511	-	-	12,321,511
Human Services	103,305	-	-	103,305
Culture/Recreation	4,818,278	-	-	4,818,278
Court-Related	4,040,928	-	-	4,040,928
Debt Service:				
Principal Retirement	-	7,160,000	-	7,160,000
Interest and Fiscal Charges	2,996	3,120,221	-	3,123,217
Capital Outlay	-	-	434,551	434,551
Total Expenditures	70,676,245	10,280,221	791,603	81,748,069
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,228,669	(10,173,579)	1,992	(6,942,918)
OTHER FINANCING SOURCES (USES)				
Transfers In	8,202,298	10,183,200	-	18,385,498
Transfers (Out)	(7,250,136)	-	-	(7,250,136)
Total Other Financing Sources and (Uses)	952,162	10,183,200	-	11,135,362
Net Change in Fund Balances	4,180,831	9,621	1,992	4,192,444
Fund Balances - Beginning	45,227,248	854,769	319,138	46,401,155
Fund Balances - Ending	\$ 49,408,079	\$ 864,390	\$ 321,130	\$ 50,593,599

ESCAMBIA COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
September 30, 2016

	Escambia County Restricted Fund	Economic Development Fund	Code Enforcement Fund	M&A State Revenue Fund	Tourist Promotion Fund
ASSETS					
Cash and Cash Equivalents	\$ 974,461	\$ 346,668	\$ 374,841	\$ 27,519	\$ 3,393,607
Investments	630,350	250,513	270,871	-	2,452,319
Accounts Receivable	49,600	-	288,191	-	-
Due from Other Funds	26,281	-	18,250	-	104
Due from Other Governments	-	-	2,004	7,885	-
Inventories	3,766	-	-	-	-
Total Assets	\$ 1,684,458	\$ 597,181	\$ 954,157	\$ 35,404	\$ 5,846,030
LIABILITIES					
Accounts Payable	\$ 40,903	\$ 9,908	\$ 22,753	\$ 836	\$ 366,899
Contracts Payable	-	-	-	-	-
Accrued Liabilities	8,388	-	47,352	-	5,206
Due to Other Funds	-	-	-	-	12
Advances Payable to Other Funds	-	-	-	-	-
Due to Other Governments	43,512	-	-	-	-
Deposits	300	-	-	-	-
Unearned Revenue	-	-	-	-	-
Total Liabilities	93,103	9,908	70,105	836	372,117
FUND BALANCES					
Nonspendable:					
Inventories	3,766	-	-	-	-
Restricted for:					
Court Related Functions	-	-	-	-	-
Community Services	-	-	-	-	-
Economic & Community Development	-	587,273	-	-	-
Fire & Rescue	-	-	-	-	-
Health Services	-	-	-	34,568	-
Inmate Welfare	-	-	-	-	-
Law Enforcement	-	-	-	-	-
Library	-	-	-	-	-
Public Safety	-	-	-	-	-
Records Modernization Technology	-	-	-	-	-
Resource Conservation	-	-	-	-	-
Housing Assistance	-	-	-	-	-
Tourism	-	-	-	-	5,473,913
Transportation & Drainage Improvements	-	-	-	-	-
Transportation Maintenance	-	-	-	-	-
Committed to:					
Community Services	1,587,589	-	-	-	-
Infrastructure Maintenance	-	-	-	-	-
Public Safety	-	-	884,052	-	-
Transportation Maintenance	-	-	-	-	-
Total Fund Balances	1,591,355	587,273	884,052	34,568	5,473,913
Total Liabilities, deferred inflow of resources, and fund balances	\$ 1,684,458	\$ 597,181	\$ 954,157	\$ 35,404	\$ 5,846,030

Continued

Other Grant Projects Fund	Detention/Jail Commissary Fund	Library Fund	Misdemeanor Probation Fund	Article V Fund	Development Review Fund
\$ 387,715	\$ 1,308,157	\$ 1,604,128	\$ 1,594,953	\$ 2,207,188	\$ 532,536
280,175	841,327	1,158,257	1,152,560	1,594,977	384,826
-	99,356	13	-	15,052	-
4,294	-	-	107,520	178,436	-
439,315	-	9,161	-	89,798	-
-	82,010	-	-	-	-
<u>\$ 1,111,499</u>	<u>\$ 2,330,850</u>	<u>\$ 2,771,559</u>	<u>\$ 2,855,033</u>	<u>\$ 4,085,451</u>	<u>\$ 917,362</u>
\$ 118,958	\$ 22,814	\$ 66,333	\$ 25,006	\$ 89,050	\$ 458
-	-	-	-	-	-
7,353	7,860	141,397	92,032	29,100	19,053
-	-	-	-	-	-
-	-	-	-	-	-
-	216	3,744	3,455	695,327	-
-	143,898	-	-	-	-
144,457	-	-	-	-	-
<u>270,768</u>	<u>174,788</u>	<u>211,474</u>	<u>120,493</u>	<u>813,477</u>	<u>19,511</u>
-	82,010	-	-	-	-
344,919	-	-	-	3,271,974	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	2,074,052	-	-	-	-
-	-	-	-	-	-
-	-	2,560,085	-	-	-
482,834	-	-	2,734,540	-	897,851
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
12,978	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>840,731</u>	<u>2,156,062</u>	<u>2,560,085</u>	<u>2,734,540</u>	<u>3,271,974</u>	<u>897,851</u>
<u>\$ 1,111,499</u>	<u>\$ 2,330,850</u>	<u>\$ 2,771,559</u>	<u>\$ 2,855,033</u>	<u>\$ 4,085,451</u>	<u>\$ 917,362</u>

ESCAMBIA COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
September 30, 2016

	Perdido Key Beach Mouse Fund	RESTORE Fund	State Housing Initiative Partnership (SHIP) Fund	Law Enforcement Trust Fund
ASSETS				
Cash and Cash Equivalents	\$ 213,439	\$ 1,140,049	\$ 3,842,041	\$ 243,024
Investments	154,238	823,832	-	175,617
Accounts Receivable	-	-	6,365	-
Due from Other Funds	-	-	-	-
Due from Other Governments	-	76,064	-	8,172
Inventories	-	-	-	-
Total Assets	\$ 367,677	\$ 2,039,945	\$ 3,848,406	\$ 426,813
LIABILITIES				
Accounts Payable	\$ -	\$ 13,629	\$ 62,118	\$ -
Contracts Payable	-	-	-	-
Accrued Liabilities	-	2,868	2,265	-
Due to Other Funds	-	-	2,384	-
Advances Payable to Other Funds	-	2,000,000	-	-
Due to Other Governments	-	-	72	-
Deposits	-	-	-	-
Unearned Revenue	-	-	-	-
Total Liabilities	-	2,016,497	66,839	-
FUND BALANCES				
Nonspendable:				
Inventories	-	-	-	-
Restricted for:				
Court Related Functions	-	-	-	-
Community Services	-	-	-	-
Economic & Community Development	-	-	-	-
Fire & Rescue	-	-	-	-
Health Services	-	-	-	-
Inmate Welfare	-	-	-	-
Law Enforcement	-	-	-	426,813
Library	-	-	-	-
Public Safety	-	-	-	-
Records Modernization Technology	-	-	-	-
Resource Conservation	367,677	23,448	-	-
Housing Assistance	-	-	3,781,567	-
Tourism	-	-	-	-
Transportation & Drainage Improvements	-	-	-	-
Transportation Maintenance	-	-	-	-
Committed to:				
Community Services	-	-	-	-
Infrastructure Maintenance	-	-	-	-
Public Safety	-	-	-	-
Transportation Maintenance	-	-	-	-
Total Fund Balances	367,677	23,448	3,781,567	426,813
Total Liabilities, deferred inflow of resources, and fund balances	\$ 367,677	\$ 2,039,945	\$ 3,848,406	\$ 426,813

Continued

Escambia County Affordable Housing Fund	CDBG - HUD Entitlement Fund	Handicapped Parking Fines Fund	Family Mediation Fund	Fire Protection Fund	Emergency 911 Operations Fund	HUD-CDBG Housing Rehabilitation Loan Fund
\$ 730,661	\$ 428,145	\$ 173,298	\$ 60,171	\$ 1,716,934	\$ 284,308	\$ 29,580
527,997	309,390	125,230	43,480	1,240,707	205,449	21,376
300,000	-	-	-	-	-	8,202
2,384	-	1,957	-	2,310	-	-
300	196,485	-	-	51,850	303,000	-
-	-	-	-	-	-	-
<u>\$ 1,561,342</u>	<u>\$ 934,020</u>	<u>\$ 300,485</u>	<u>\$ 103,651</u>	<u>\$ 3,011,801</u>	<u>\$ 792,757</u>	<u>\$ 59,158</u>
\$ 1,600	\$ 160,488	\$ 1,848	\$ 24	\$ 77,158	\$ 37,409	\$ -
-	-	-	-	-	-	-
-	11,774	-	-	561,499	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	90,000	-	-	3,203	19,357	-
-	-	-	-	-	-	-
-	354,142	-	-	-	-	-
<u>1,600</u>	<u>616,404</u>	<u>1,848</u>	<u>24</u>	<u>641,860</u>	<u>56,766</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	103,627	-	-	-
-	-	298,637	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	2,369,941	735,991	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,559,742	317,616	-	-	-	-	59,158
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,559,742</u>	<u>317,616</u>	<u>298,637</u>	<u>103,627</u>	<u>2,369,941</u>	<u>735,991</u>	<u>59,158</u>
<u>\$ 1,561,342</u>	<u>\$ 934,020</u>	<u>\$ 300,485</u>	<u>\$ 103,651</u>	<u>\$ 3,011,801</u>	<u>\$ 792,757</u>	<u>\$ 59,158</u>

ESCAMBIA COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
September 30, 2016

	HUD Home Fund	Southwest Sector Road Project Fund	Bob Sikes Toll Facilities Fund	Transportation Trust Fund
ASSETS				
Cash and Cash Equivalents	\$ 104,863	\$ 840,733	\$ 5,611,926	\$ 2,221,035
Investments	75,776	607,538	4,054,620	1,604,934
Accounts Receivable	18,697	-	-	10,165
Due from Other Funds	-	-	-	-
Due from Other Governments	12,958	-	-	1,274,069
Inventories	-	-	-	251,828
Total Assets	<u>\$ 212,294</u>	<u>\$ 1,448,271</u>	<u>\$ 9,666,546</u>	<u>\$ 5,362,031</u>
LIABILITIES				
Accounts Payable	\$ 10,000	\$ -	\$ 290,539	\$ 577,234
Contracts Payable	-	-	-	-
Accrued Liabilities	1,906	-	5,222	698,349
Due to Other Funds	-	-	-	-
Advances Payable to Other Funds	-	-	742,252	-
Due to Other Governments	-	-	5,570	5,586
Deposits	-	-	-	7,873
Unearned Revenue	-	-	-	-
Total Liabilities	<u>11,906</u>	<u>-</u>	<u>1,043,583</u>	<u>1,289,042</u>
FUND BALANCES				
Nonspendable:				
Inventories	-	-	-	251,828
Restricted for:				
Court Related Functions	-	-	-	-
Community Services	-	-	-	-
Economic & Community Development	-	-	-	-
Fire & Rescue	-	-	-	-
Health Services	-	-	-	-
Inmate Welfare	-	-	-	-
Law Enforcement	-	-	-	-
Library	-	-	-	-
Public Safety	-	-	-	-
Records Modernization Technology	-	-	-	-
Resource Conservation	-	-	-	-
Housing Assistance	200,388	-	-	-
Tourism	-	-	-	-
Transportation & Drainage Improvements	-	1,448,271	-	-
Transportation Maintenance	-	-	-	-
Committed to:				
Community Services	-	-	-	-
Infrastructure Maintenance	-	-	8,622,963	-
Public Safety	-	-	-	-
Transportation Maintenance	-	-	-	3,821,161
Total Fund Balances	<u>200,388</u>	<u>1,448,271</u>	<u>8,622,963</u>	<u>4,072,989</u>
Total Liabilities, deferred inflow of resources, and fund balances	<u>\$ 212,294</u>	<u>\$ 1,448,271</u>	<u>\$ 9,666,546</u>	<u>\$ 5,362,031</u>

Continued

MSBU Assessment Program Fund	Master Drainage Basin Fund	Clerk Programs	Sheriff Programs	Supervisor of Elections Programs	Total Nonmajor Special Revenue Funds
\$ 678,169	\$ 412,414	\$ 2,524,097	\$ 88,144	\$ -	\$ 34,094,804
490,067	298,023	-	-	-	19,774,449
-	-	-	11,765	-	807,406
-	-	-	-	-	341,536
6,337	-	268,804	15,000	13,405	2,774,607
-	-	-	-	-	337,604
<u>\$ 1,174,573</u>	<u>\$ 710,437</u>	<u>\$ 2,792,901</u>	<u>\$ 114,909</u>	<u>\$ 13,405</u>	<u>\$ 58,130,406</u>
\$ 39,119	\$ 25,779	\$ 31,733	\$ -	\$ -	2,092,596
-	9,545	-	-	-	9,545
-	-	25,175	-	-	1,666,799
-	-	-	-	-	2,396
559,466	-	-	-	-	3,301,718
247	-	-	15,000	-	885,289
-	-	-	-	-	152,071
-	-	-	99,909	13,405	611,913
<u>598,832</u>	<u>35,324</u>	<u>56,908</u>	<u>114,909</u>	<u>13,405</u>	<u>8,722,327</u>
-	-	-	-	-	337,604
-	-	-	-	-	3,720,520
-	-	-	-	-	298,637
-	-	-	-	-	587,273
-	-	-	-	-	3,105,932
-	-	-	-	-	34,568
-	-	-	-	-	2,074,052
-	-	-	-	-	426,813
-	-	-	-	-	2,560,085
-	-	-	-	-	4,115,225
-	-	2,735,993	-	-	2,735,993
-	-	-	-	-	391,125
-	-	-	-	-	5,918,471
-	-	-	-	-	5,473,913
-	675,113	-	-	-	2,136,362
575,741	-	-	-	-	575,741
-	-	-	-	-	1,587,589
-	-	-	-	-	8,622,963
-	-	-	-	-	884,052
-	-	-	-	-	3,821,161
<u>575,741</u>	<u>675,113</u>	<u>2,735,993</u>	<u>-</u>	<u>-</u>	<u>49,408,079</u>
<u>\$ 1,174,573</u>	<u>\$ 710,437</u>	<u>\$ 2,792,901</u>	<u>\$ 114,909</u>	<u>\$ 13,405</u>	<u>\$ 58,130,406</u>

ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2016

	Escambia County Restricted Fund	Economic Development Fund	Code Enforcement Fund	M&A State Revenue Fund	Tourist Promotion Fund
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 9,955,914
Permits and Fees	-	-	-	-	-
Franchise Fees	-	-	1,893,966	-	-
Special Assessments	-	-	-	-	-
Intergovernmental Revenues	192,550	264,676	-	31,540	-
Charges for Services	455,565	-	-	-	-
Judgments and Fines	-	-	399,300	-	-
Investment Income	14,953	5,560	11,656	-	39,557
Miscellaneous Revenues	86,863	23,978	56,953	-	40
Total Revenues	<u>749,931</u>	<u>294,214</u>	<u>2,361,875</u>	<u>31,540</u>	<u>9,995,511</u>
EXPENDITURES					
Current:					
General Government	19,469	-	-	-	-
Public Safety	279,174	-	1,591,195	-	-
Physical Environment	396,562	-	-	-	184,542
Transportation	-	-	-	-	-
Economic Environment	-	771,767	-	-	7,895,785
Human Services	6,600	-	-	14,171	-
Culture/Recreation	41,597	-	-	-	-
Court-Related	-	-	-	-	-
Debt Service:					
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	<u>743,402</u>	<u>771,767</u>	<u>1,591,195</u>	<u>14,171</u>	<u>8,080,327</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>6,529</u>	<u>(477,553)</u>	<u>770,680</u>	<u>17,369</u>	<u>1,915,184</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	-	440,000	-	-	-
Transfers (Out)	-	-	(1,624,943)	-	(2,527,070)
Total Other Financing Sources and (Uses)	<u>-</u>	<u>440,000</u>	<u>(1,624,943)</u>	<u>-</u>	<u>(2,527,070)</u>
Net Change in Fund Balances	6,529	(37,553)	(854,263)	17,369	(611,886)
Fund Balances - Beginning	<u>1,584,826</u>	<u>624,826</u>	<u>1,738,315</u>	<u>17,199</u>	<u>6,085,799</u>
Fund Balances - Ending	<u>\$ 1,591,355</u>	<u>\$ 587,273</u>	<u>\$ 884,052</u>	<u>\$ 34,568</u>	<u>\$ 5,473,913</u>

Continued

Other Grant Projects Fund	Detention/Jail Commissary Fund	Library Fund	Misdemeanor Probation Fund	Article V Fund	Development Review Fund
\$ -	\$ -	\$ 5,140,506	\$ -	\$ -	\$ -
-	-	-	-	-	225,300
-	-	-	-	-	-
-	-	-	-	-	-
1,084,611	-	135,469	-	1,023,743	-
20,501	1,284,625	34,106	3,553,964	2,054,685	496,216
1,205	-	96,966	13,400	-	-
6,747	15,643	32,797	19,725	36,325	7,103
19,398	-	41,426	69,185	830	8,692
<u>1,132,462</u>	<u>1,300,268</u>	<u>5,481,270</u>	<u>3,656,274</u>	<u>3,115,583</u>	<u>737,311</u>
-	-	-	-	-	420,207
439,863	505,793	-	2,405,413	158,250	-
195,661	-	-	-	-	-
-	-	-	-	-	-
115,277	-	-	-	-	-
65,767	-	-	-	-	-
20,137	-	4,731,103	-	-	-
440,713	-	-	-	2,354,085	-
-	-	-	-	-	-
<u>1,277,418</u>	<u>505,793</u>	<u>4,731,103</u>	<u>2,405,413</u>	<u>2,512,335</u>	<u>420,207</u>
<u>(144,956)</u>	<u>794,475</u>	<u>750,167</u>	<u>1,250,861</u>	<u>603,248</u>	<u>317,104</u>
-	-	-	-	114,440	-
-	-	-	-	(855,000)	-
-	-	-	-	(740,560)	-
(144,956)	794,475	750,167	1,250,861	(137,312)	317,104
<u>985,687</u>	<u>1,361,587</u>	<u>1,809,918</u>	<u>1,483,679</u>	<u>3,409,286</u>	<u>580,747</u>
<u>\$ 840,731</u>	<u>\$ 2,156,062</u>	<u>\$ 2,560,085</u>	<u>\$ 2,734,540</u>	<u>\$ 3,271,974</u>	<u>\$ 897,851</u>

ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2016

	Perdido Key Beach Mouse Fund	RESTORE Fund	State Housing Initiative Partnership (SHIP) Fund	Law Enforcement Trust Fund
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Permits and Fees	-	-	-	-
Franchise Fees	-	-	-	-
Special Assessments	137,340	-	-	-
Intergovernmental Revenues	-	85,288	3,558,376	-
Charges for Services	-	-	-	-
Judgments and Fines	-	-	-	456,239
Investment Income	2,715	20,446	-	5,591
Miscellaneous Revenues	-	-	347,780	25,530
Total Revenues	<u>140,055</u>	<u>105,734</u>	<u>3,906,156</u>	<u>487,360</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	746,278
Physical Environment	280	59,847	-	-
Transportation	-	-	-	-
Economic Environment	-	-	1,393,195	-
Human Services	-	-	-	-
Culture/Recreation	-	25,441	-	-
Court-Related	-	-	-	-
Debt Service:				
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>280</u>	<u>85,288</u>	<u>1,393,195</u>	<u>746,278</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>139,775</u>	<u>20,446</u>	<u>2,512,961</u>	<u>(258,918)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers (Out)	-	-	-	-
Total Other Financing Sources and (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	139,775	20,446	2,512,961	(258,918)
Fund Balances - Beginning	<u>227,902</u>	<u>3,002</u>	<u>1,268,606</u>	<u>685,731</u>
Fund Balances - Ending	<u>\$ 367,677</u>	<u>\$ 23,448</u>	<u>\$ 3,781,567</u>	<u>\$ 426,813</u>

Continued

Escambia County Affordable Housing Fund	CDBG - HUD Entitlement Fund	Handicapped Parking Fines Fund	Family Mediation Fund	Fire Protection Fund	Emergency 911 Operations Fund	HUD-CDBG Housing Rehabilitation Loan Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	105,795	-	-
-	-	-	-	-	-	-
-	-	-	-	13,568,306	-	-
-	1,363,610	-	-	24,510	1,313,029	-
-	-	21,993	-	-	-	-
-	-	-	-	-	-	-
21,101	6,493	2,832	1,006	52,864	3,400	924
82,365	175,320	-	-	94,213	-	7,447
103,466	1,545,423	24,825	1,006	13,845,688	1,316,429	8,371
-	-	-	-	-	-	-
-	-	2,962	-	14,299,575	693,188	-
-	-	-	-	-	-	-
60,082	1,488,713	-	-	-	-	-
-	-	16,767	-	-	-	-
-	-	-	-	-	-	-
-	-	-	4,693	-	-	-
-	-	-	-	-	-	-
60,082	1,488,713	19,729	4,693	14,299,575	693,188	-
43,384	56,710	5,096	(3,687)	(453,887)	623,241	8,371
-	-	-	-	-	-	-
-	(17,000)	-	-	(252,442)	(658,222)	-
-	(17,000)	-	-	(252,442)	(658,222)	-
43,384	39,710	5,096	(3,687)	(706,329)	(34,981)	8,371
1,516,358	277,906	293,541	107,314	3,076,270	770,972	50,787
\$ 1,559,742	\$ 317,616	\$ 298,637	\$ 103,627	\$ 2,369,941	\$ 735,991	\$ 59,158

ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2016

	HUD Home Fund	Southwest Sector Road Project Fund	Bob Sikes Toll Facilities Fund	Transportation Trust Fund
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 8,692,162
Permits and Fees	-	-	-	900
Franchise Fees	-	-	-	-
Special Assessments	-	-	-	-
Intergovernmental Revenues	562,288	791,090	-	4,665,703
Charges for Services	-	-	3,452,765	257,669
Judgments and Fines	-	-	-	-
Investment Income	2,730	13,680	94,980	34,785
Miscellaneous Revenues	89,965	-	190,651	1,541,410
Total Revenues	654,983	804,770	3,738,396	15,192,629
EXPENDITURES				
Current:				
General Government	-	-	3,012,324	-
Public Safety	-	-	-	6,102,481
Physical Environment	-	-	-	-
Transportation	-	213,614	-	16,446,401
Economic Environment	596,692	-	-	-
Human Services	-	-	-	-
Culture/Recreation	-	-	-	-
Court-Related	-	-	-	-
Debt Service:				
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	596,692	213,614	3,012,324	22,548,882
Excess (Deficiency) of Revenues Over (Under) Expenditures	58,291	591,156	726,072	(7,356,253)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	7,642,805
Transfers (Out)	-	-	(1,315,459)	-
Total Other Financing Sources and (Uses)	-	-	(1,315,459)	7,642,805
Net Change in Fund Balances	58,291	591,156	(589,387)	286,552
Fund Balances - Beginning	142,097	857,115	9,212,350	3,786,437
Fund Balances - Ending	\$ 200,388	\$ 1,448,271	\$ 8,622,963	\$ 4,072,989

Continued

MSBU Assessment Program Fund	Master Drainage Basin Fund	Clerk Programs	Sheriff Programs	Supervisor of Elections Programs	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,788,582
-	-	-	-	-	331,995
-	-	-	-	-	1,893,966
864,127	164,021	-	-	-	14,733,794
-	-	1,008,202	161,506	57,847	16,324,038
-	-	594,936	-	-	12,227,025
-	-	282,986	19,484	-	1,269,580
12,850	7,193	-	-	105	473,761
-	-	127	-	-	2,862,173
<u>876,977</u>	<u>171,214</u>	<u>1,886,251</u>	<u>180,990</u>	<u>57,952</u>	<u>73,904,914</u>
-	-	-	-	63,005	3,515,005
-	-	-	180,990	-	27,405,162
-	-	-	-	-	836,892
750,058	222,095	-	-	-	17,632,168
-	-	-	-	-	12,321,511
-	-	-	-	-	103,305
-	-	-	-	-	4,818,278
-	-	1,241,437	-	-	4,040,928
<u>2,996</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,996</u>
<u>753,054</u>	<u>222,095</u>	<u>1,241,437</u>	<u>180,990</u>	<u>63,005</u>	<u>70,676,245</u>
<u>123,923</u>	<u>(50,881)</u>	<u>644,814</u>	<u>-</u>	<u>(5,053)</u>	<u>3,228,669</u>
-	-	-	-	5,053	8,202,298
-	-	-	-	-	(7,250,136)
-	-	-	-	5,053	952,162
123,923	(50,881)	644,814	-	-	4,180,831
451,818	725,994	2,091,179	-	-	45,227,248
<u>\$ 575,741</u>	<u>\$ 675,113</u>	<u>\$ 2,735,993</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,408,079</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
ESCAMBIA COUNTY RESTRICTED FUND
For the Year Ended September 30, 2016

	Budget	Actual Amounts	Variance with Budget - Over (Under)
REVENUES			
Intergovernmental Revenues	\$ 197,173	\$ 192,550	\$ (4,623)
Charges for Services	436,050	455,565	19,515
Investment Income	-	14,953	14,953
Miscellaneous Revenues	96,542	86,863	(9,679)
Total Revenues	729,765	749,931	20,166
EXPENDITURES			
Current:			
General Government	162,183	19,469	142,714
Public Safety	931,595	279,174	652,421
Physical Environment	912,940	396,562	516,378
Transportation	5,337	-	5,337
Human Services	23,521	6,600	16,921
Culture and Recreation	153,709	41,597	112,112
Total Expenditures	2,189,285	743,402	1,445,883
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,459,520)	6,529	1,466,049
Net Change in Fund Balance	(1,459,520)	6,529	1,466,049
Fund Balance - Beginning	1,459,520	1,584,826	125,306
Fund Balance - Ending	\$ -	\$ 1,591,355	\$ 1,591,355

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
ECONOMIC DEVELOPMENT FUND
For the Year Ended September 30, 2016

	Budget	Actual Amounts	Variance with Budget - Over (Under)
REVENUES			
Intergovernmental Revenues	\$ 291,720	\$ 264,676	\$ (27,044)
Investment Income	-	5,560	5,560
Miscellaneous Revenues	-	23,978	23,978
Total Revenues	<u>291,720</u>	<u>294,214</u>	<u>2,494</u>
EXPENDITURES			
Current:			
Economic Environment	<u>1,356,546</u>	<u>771,767</u>	<u>584,779</u>
Total Expenditures	<u>1,356,546</u>	<u>771,767</u>	<u>584,779</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,064,826)</u>	<u>(477,553)</u>	<u>587,273</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	<u>440,000</u>	<u>440,000</u>	<u>-</u>
Total Other Financing Sources and (Uses)	<u>440,000</u>	<u>440,000</u>	<u>-</u>
Net Change in Fund Balance	<u>(624,826)</u>	<u>(37,553)</u>	<u>587,273</u>
Fund Balance - Beginning	<u>624,826</u>	<u>624,826</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 587,273</u>	<u>\$ 587,273</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
CODE ENFORCEMENT FUND
For the Year Ended September 30, 2016

	Budget	Actual Amounts	Variance with Budget - Over (Under)
REVENUES			
Franchise Fees	\$1,591,250.00	\$ 1,893,966.00	\$ 302,716.00
Judgments and Fines	190,000	399,300	209,300
Investment Income	-	11,656	11,656
Miscellaneous Revenues	59,742	56,953	(2,789)
Total Revenues	1,840,992	2,361,875	520,883
EXPENDITURES			
Current:			
Public Safety	1,954,364	1,591,195	363,169
Total Expenditures	1,954,364	1,591,195	363,169
Excess (Deficiency) of Revenues Over (Under) Expenditures	(113,372)	770,680	884,052
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	(1,624,943)	(1,624,943)	-
Total Other Financing Sources and (Uses)	(1,624,943)	(1,624,943)	-
Net Change in Fund Balance	(1,738,315)	(854,263)	884,052
Fund Balance - Beginning	1,738,315	1,738,315	-
Fund Balance - Ending	\$ -	\$ 884,052.00	\$ 884,052.00

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
M & A STATE REVENUE FUND
For the Year Ended September 30, 2016

	Budget	Actual Amounts	Variance with Budget - Over (Under)
REVENUES			
Intergovernmental	\$ 31,540	\$ 31,540	\$ -
Total Revenues	<u>31,540</u>	<u>31,540</u>	<u>-</u>
EXPENDITURES			
Current:			
Human Services	48,739	14,171	34,568
Total Expenditures	<u>48,739</u>	<u>14,171</u>	<u>34,568</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(17,199)</u>	<u>17,369</u>	<u>34,568</u>
Net Change in Fund Balance	<u>(17,199)</u>	<u>17,369</u>	<u>34,568</u>
Fund Balance - Beginning	<u>17,199</u>	<u>17,199</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 34,568</u>	<u>\$ 34,568</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
TOURIST PROMOTION FUND
For the Year Ended September 30, 2016

	Budget	Actual Amounts	Variance with Budget - Over (Under)
REVENUES			
Taxes	\$ 7,698,678	\$ 9,955,914	\$ 2,257,236
Intergovernmental Revenues	33,501	-	(33,501)
Investment Income	-	39,557	39,557
Miscellaneous Revenues	36,386	40	(36,346)
Total Revenues	<u>7,768,565</u>	<u>9,995,511</u>	<u>2,226,946</u>
EXPENDITURES			
Current:			
Physical Environment	188,390	184,542	3,848
Economic Environment	11,080,718	7,895,785	3,184,933
Total Expenditures	<u>11,269,108</u>	<u>8,080,327</u>	<u>3,188,781</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,500,543)</u>	<u>1,915,184</u>	<u>5,415,727</u>
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	(2,527,070)	(2,527,070)	-
Total Other Financing Sources and (Uses)	<u>(2,527,070)</u>	<u>(2,527,070)</u>	<u>-</u>
Net Change in Fund Balance	(6,027,613)	(611,886)	5,415,727
Fund Balance - Beginning	<u>6,027,613</u>	<u>6,085,799</u>	<u>58,186</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 5,473,913</u>	<u>\$ 5,473,913</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
OTHER GRANT PROJECTS FUND
For the Year Ended September 30, 2016

	Budget	Actual Amounts	Variance with Budget - Over (Under)
REVENUES			
Intergovernmental Revenues	\$ 4,764,991	\$ 1,084,611	\$ (3,680,380)
Charges for Services	-	20,501	20,501
Judgments and Fines	-	1,205	1,205
Investment Income	-	6,747	6,747
Miscellaneous Revenues	6,000	19,398	13,398
Total Revenues	<u>4,770,991</u>	<u>1,132,462</u>	<u>(3,638,529)</u>
EXPENDITURES			
Current:			
General Government	268,182	-	268,182
Public Safety	1,796,295	439,863	1,356,432
Physical Environment	1,269,891	195,661	1,074,230
Transportation	6,877	-	6,877
Economic Environment	830,957	115,277	715,680
Human Services	133,682	65,767	67,915
Culture and Recreation	653,881	20,137	633,744
Court-Related	1,008,915	440,713	568,202
Total Expenditures	<u>5,968,680</u>	<u>1,277,418</u>	<u>4,691,262</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,197,689)</u>	<u>(144,956)</u>	<u>1,052,733</u>
Net Change in Fund Balance	<u>(1,197,689)</u>	<u>(144,956)</u>	<u>1,052,733</u>
Fund Balance - Beginning	<u>1,197,689</u>	<u>985,687</u>	<u>(212,002)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 840,731</u>	<u>\$ 840,731</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
DETENTION/JAIL COMMISSARY FUND
For the Year Ended September 30, 2016

	Budget	Actual Amounts	Variance with Budget - Over (Under)
REVENUES			
Charges for Services	\$ 760,000	\$ 1,284,625	\$ 524,625
Investment Income	-	15,643	15,643
Total Revenues	<u>760,000</u>	<u>1,300,268</u>	<u>540,268</u>
EXPENDITURES			
Current:			
Public Safety	2,170,360	505,793	1,664,567
Total Expenditures	<u>2,170,360</u>	<u>505,793</u>	<u>1,664,567</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,410,360)</u>	<u>794,475</u>	<u>2,204,835</u>
Net Change in Fund Balance	<u>(1,410,360)</u>	<u>794,475</u>	<u>2,204,835</u>
Fund Balance - Beginning	<u>1,410,360</u>	<u>1,361,587</u>	<u>(48,773)</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ 2,156,062</u></u>	<u><u>\$ 2,156,062</u></u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
LIBRARY FUND
For the Year Ended September 30, 2016

	Budget	Actual Amounts	Variance with Budget - Over (Under)
REVENUES			
Taxes	\$ 5,044,810	\$ 5,140,506	\$ 95,696
Intergovernmental Revenues	134,909	135,469	560
Charges for Services	-	34,106	34,106
Judgments and Fines	104,500	96,966	(7,534)
Investment Income	-	32,797	32,797
Miscellaneous Revenues	129,969	41,426	(88,543)
Total Revenues	5,414,188	5,481,270	67,082
EXPENDITURES			
Current:			
Culture and Recreation	7,103,832	4,731,103	2,372,729
Total Expenditures	7,103,832	4,731,103	2,372,729
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,689,644)	750,167	2,439,811
Net Change in Fund Balance	(1,689,644)	750,167	2,439,811
Fund Balance - Beginning	1,689,644	1,809,918	120,274
Fund Balance - Ending	\$ -	\$ 2,560,085	\$ 2,560,085

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
MISDEMEANOR PROBATION FUND
For the Year Ended September 30, 2016

	Budget	Actual Amounts	Variance with Budget - Over (Under)
REVENUES			
Charges for Services	\$ 2,277,102	\$ 3,553,964	\$ 1,276,862
Judgements and Fines	14,250	13,400	(850)
Investment Income	-	19,725	19,725
Miscellaneous Revenue	41,610	69,185	27,575
Total Revenues	<u>2,332,962</u>	<u>3,656,274</u>	<u>1,323,312</u>
EXPENDITURES			
Current:			
Public Safety	3,816,641	2,405,413	1,411,228
Total Expenditures	<u>3,816,641</u>	<u>2,405,413</u>	<u>1,411,228</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,483,679)</u>	<u>1,250,861</u>	<u>2,734,540</u>
Net Change in Fund Balance	<u>(1,483,679)</u>	<u>1,250,861</u>	<u>2,734,540</u>
Fund Balance - Beginning	<u>1,483,679</u>	<u>1,483,679</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 2,734,540</u>	<u>\$ 2,734,540</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
ARTICLE V FUND
For the Year Ended September 30, 2016

	Budget	Actual Amounts	Variance with Budget - Over (Under)
REVENUES			
Intergovernmental	\$ 717,250	\$ 1,023,743	\$ 306,493
Charges for Services	1,693,850	2,054,685	360,835
Investment Income	-	36,325	36,325
Miscellaneous Revenues	-	830	830
Total Revenues	2,411,100	3,115,583	704,483
EXPENDITURES			
Current:			
Public Safety	759,294	158,250	601,044
Court-Related	5,100,946	2,354,085	2,746,861
Total Expenditures	5,860,240	2,512,335	3,347,905
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,449,140)	603,248	4,052,388
OTHER FINANCING SOURCES (USES)			
Transfers In	114,440	114,440	-
Transfers (Out)	(855,000)	(855,000)	-
Total Other Financing Sources and (Uses)	(740,560)	(740,560)	-
Net Change in Fund Balance	(4,189,700)	(137,312)	4,052,388
Fund Balance - Beginning	4,189,700	3,409,286	(780,414)
Fund Balance - Ending	\$ -	\$ 3,271,974	\$ 3,271,974

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
DEVELOPMENT REVIEW FUND
For the Year Ended September 30, 2016

	Budget	Actual Amounts	Variance with Budget - Over (Under)
REVENUES			
Permits and Fees	\$ 154,850	\$ 225,300	\$ 70,450
Charges for Services	280,250	496,216	215,966
Investment Income	-	7,103	7,103
Miscellaneous Revenues	285	8,692	8,407
Total Revenues	435,385	737,311	301,926
EXPENDITURES			
Current:			
General Government	1,018,302	420,207	598,095
Transportation	-	-	-
Total Expenditures	1,018,302	420,207	598,095
Excess (Deficiency) of Revenues Over (Under) Expenditures	(582,917)	317,104	900,021
Net Change in Fund Balance	(582,917)	317,104	900,021
Fund Balance - Beginning	582,917	580,747	(2,170)
Fund Balance - Ending	\$ -	\$ 897,851	\$ 897,851

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
PERDIDO KEY BEACH MOUSE FUND
For the Year Ended September 30, 2016

	Budget	Actual Amounts	Variance with Budget - Over (Under)
REVENUES			
Special Assessments	\$ -	\$ 137,340	\$ 137,340
Investment Income	-	2,715	2,715
Total Revenues	<u>-</u>	<u>140,055</u>	<u>140,055</u>
EXPENDITURES			
Current:			
Physical Environment	227,902	280	227,622
Total Expenditures	<u>227,902</u>	<u>280</u>	<u>227,622</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(227,902)</u>	<u>139,775</u>	<u>367,677</u>
Net Change in Fund Balance	<u>(227,902)</u>	<u>139,775</u>	<u>367,677</u>
Fund Balance - Beginning	<u>227,902</u>	<u>227,902</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ 367,677</u></u>	<u><u>\$ 367,677</u></u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
RESTORE FUND
For the Year Ended September 30, 2016

	Budget	Actual Amounts	Variance with Budget - Over (Under)
REVENUES			
Intergovernmental Revenues	\$ 15,912,510	\$ 85,288	\$ (15,827,222)
Investment Income	-	20,446	20,446
Total Revenues	<u>15,912,510</u>	<u>105,734</u>	<u>(15,806,776)</u>
EXPENDITURES			
Current:			
Physical Environment	11,685,080	59,847	11,625,233
Culture/Recreation	4,227,430	25,441	4,201,989
Total Expenditures	<u>15,912,510</u>	<u>85,288</u>	<u>15,827,222</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>20,446</u>	<u>20,446</u>
Net Change in Fund Balance	-	20,446	20,446
Fund Balance - Beginning	<u>-</u>	<u>3,002</u>	<u>3,002</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 23,448</u>	<u>\$ 23,448</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
STATE HOUSING INITIATIVE PARTNERSHIP FUND (SHIP)
For the Year Ended September 30, 2016

	Budget	Actual Amounts	Variance with Budget - Over (Under)
REVENUES			
Intergovernmental Revenues	\$ 4,868,772	\$ 3,558,376	\$ (1,310,396)
Miscellaneous Revenues	200,000	347,780	147,780
Total Revenues	<u>5,068,772</u>	<u>3,906,156</u>	<u>(1,162,616)</u>
EXPENDITURES			
Current:			
Economic Environment	5,068,772	1,393,195	3,675,577
Total Expenditures	<u>5,068,772</u>	<u>1,393,195</u>	<u>3,675,577</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>2,512,961</u>	<u>2,512,961</u>
Net Change in Fund Balance	-	2,512,961	2,512,961
Fund Balance - Beginning	<u>-</u>	<u>1,268,606</u>	<u>1,268,606</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 3,781,567</u>	<u>\$ 3,781,567</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
LAW ENFORCEMENT TRUST FUND
For the Year Ended September 30, 2016

	Budget	Actual Amounts	Variance with Budget - Over (Under)
REVENUES			
Judgments and Fines	\$ 230,000	\$ 456,239	\$ 226,239
Investment Income	-	5,591	5,591
Miscellaneous Revenues	-	25,530	25,530
Total Revenues	<u>230,000</u>	<u>487,360</u>	<u>257,360</u>
EXPENDITURES			
Current:			
Public Safety	916,056	746,278	169,778
Total Expenditures	<u>916,056</u>	<u>746,278</u>	<u>169,778</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(686,056)</u>	<u>(258,918)</u>	<u>427,138</u>
Net Change in Fund Balance	(686,056)	(258,918)	427,138
Fund Balance - Beginning	<u>686,056</u>	<u>685,731</u>	<u>(325)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 426,813</u>	<u>\$ 426,813</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
ESCAMBIA COUNTY AFFORDABLE HOUSING FUND
For the Year Ended September 30, 2016

	Budget	Actual Amounts	Variance with Budget - Over (Under)
REVENUES			
Intergovernmental	\$ -	\$ -	\$ -
Investment Income	9,000	21,101	12,101
Miscellaneous Revenues	30,000	82,365	52,365
Total Revenues	39,000	103,466	64,466
EXPENDITURES			
Current:			
Economic Environment	1,555,358	60,082	1,495,276
Total Expenditures	1,555,358	60,082	1,495,276
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,516,358)	43,384	1,559,742
Net Change in Fund Balance	(1,516,358)	43,384	1,559,742
Fund Balance - Beginning	1,516,358	1,516,358	-
Fund Balance - Ending	\$ -	\$ 1,559,742	\$ 1,559,742

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
CDBG - HUD ENTITLEMENT FUND
For the Year Ended September 30, 2016

	Budget	Actual Amounts	Variance with Budget - Over (Under)
REVENUES			
Intergovernmental Revenues	\$ 4,713,323	\$ 1,363,610	\$ (3,349,713)
Investment Income	-	6,493	6,493
Miscellaneous Revenues	400,517	175,320	(225,197)
Total Revenues	<u>5,113,840</u>	<u>1,545,423</u>	<u>(3,568,417)</u>
EXPENDITURES			
Current:			
Economic Environment	5,096,840	1,488,713	3,608,127
Total Expenditures	<u>5,096,840</u>	<u>1,488,713</u>	<u>3,608,127</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>17,000</u>	<u>56,710</u>	<u>39,710</u>
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	(17,000)	(17,000)	-
Total Other Financing Sources and (Uses)	<u>(17,000)</u>	<u>(17,000)</u>	<u>-</u>
Net Change in Fund Balance	-	39,710	39,710
Fund Balance - Beginning	-	277,906	277,906
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 317,616</u>	<u>\$ 317,616</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
HANDICAPPED PARKING FINES FUND
For the Year Ended September 30, 2016

	Budget	Actual Amounts	Variance with Budget - Over (Under)
REVENUES			
Charges for Services	\$ 28,500	\$ 21,993	\$ (6,507)
Investment Income	-	2,832	2,832
Total Revenues	<u>28,500</u>	<u>24,825</u>	<u>(3,675)</u>
EXPENDITURES			
Current:			
Public Safety	107,395	2,962	104,433
Human Services	214,646	16,767	197,879
Total Expenditures	<u>322,041</u>	<u>19,729</u>	<u>302,312</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(293,541)</u>	<u>5,096</u>	<u>298,637</u>
Net Change in Fund Balance	(293,541)	5,096	298,637
Fund Balance - Beginning	<u>293,541</u>	<u>293,541</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 298,637</u>	<u>\$ 298,637</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
FAMILY MEDIATION FUND
For the Year Ended September 30, 2016

	Budget	Actual Amounts	Variance with Budget - Over (Under)
REVENUES			
Investment Income	\$ -	\$ 1,006	\$ 1,006
Total Revenues	<u>-</u>	<u>1,006</u>	<u>1,006</u>
EXPENDITURES			
Current:			
Court-Related	107,314	4,693	102,621
Total Expenditures	<u>107,314</u>	<u>4,693</u>	<u>102,621</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(107,314)</u>	<u>(3,687)</u>	<u>103,627</u>
 Net Change in Fund Balance	 (107,314)	 (3,687)	 103,627
Fund Balance - Beginning	<u>107,314</u>	<u>107,314</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 103,627</u>	<u>\$ 103,627</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
FIRE PROTECTION FUND
For the Year Ended September 30, 2016

	Budget	Actual Amounts	Variance with Budget - Over (Under)
REVENUES			
Permits and Fees	\$ 58,900	\$ 105,795	\$ 46,895
Special Assessments	12,547,522	13,568,306	1,020,784
Intergovernmental Revenues	17,575	24,510	6,935
Investment Income	47,500	52,864	5,364
Miscellaneous Revenues	-	94,213	94,213
Total Revenues	<u>12,671,497</u>	<u>13,845,688</u>	<u>1,174,191</u>
EXPENDITURES			
Current:			
Public Safety	15,495,325	14,299,575	1,195,750
Total Expenditures	<u>15,495,325</u>	<u>14,299,575</u>	<u>1,195,750</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,823,828)</u>	<u>(453,887)</u>	<u>2,369,941</u>
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	(252,442)	(252,442)	-
Total Other Financing Sources and (Uses)	<u>(252,442)</u>	<u>(252,442)</u>	<u>-</u>
Net Change in Fund Balance	<u>(3,076,270)</u>	<u>(706,329)</u>	<u>2,369,941</u>
Fund Balance - Beginning	<u>3,076,270</u>	<u>3,076,270</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 2,369,941</u>	<u>\$ 2,369,941</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
EMERGENCY 911 OPERATIONS FUND
For the Year Ended September 30, 2016

	Budget	Actual Amounts	Variance with Budget - Over (Under)
REVENUES			
Intergovernmental Revenues	\$ 1,344,250	\$ 1,313,029	\$ (31,221)
Investment Income	-	3,400	3,400
Total Revenues	<u>1,344,250</u>	<u>1,316,429</u>	<u>(27,821)</u>
EXPENDITURES			
Current:			
Public Safety	1,457,000	693,188	763,812
Total Expenditures	<u>1,457,000</u>	<u>693,188</u>	<u>763,812</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(112,750)</u>	<u>623,241</u>	<u>735,991</u>
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	(658,222)	(658,222)	-
Total Other Financing Sources and (Uses)	<u>(658,222)</u>	<u>(658,222)</u>	<u>-</u>
Net Change in Fund Balance	<u>(770,972)</u>	<u>(34,981)</u>	<u>735,991</u>
Fund Balance - Beginning	<u>770,972</u>	<u>770,972</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 735,991</u>	<u>\$ 735,991</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
HUD-CDGB HOUSING REHABILITATION LOAN FUND
For the Year Ended September 30, 2016

	Budget	Actual Amounts	Variance with Budget - Over (Under)
REVENUES			
Intergovernmental Revenues	\$ 48,000	\$ -	\$ (48,000)
Investment Income	2,000	924	(1,076)
Miscellaneous Revenues	-	7,447	7,447
Total Revenues	<u>50,000</u>	<u>8,371</u>	<u>(41,629)</u>
EXPENDITURES			
Current:			
Economic Environment	<u>100,787</u>	<u>-</u>	<u>100,787</u>
Total Expenditures	<u>100,787</u>	<u>-</u>	<u>100,787</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(50,787)</u>	<u>8,371</u>	<u>59,158</u>
Net Change in Fund Balance	<u>(50,787)</u>	<u>8,371</u>	<u>59,158</u>
Fund Balance - Beginning	<u>50,787</u>	<u>50,787</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 59,158</u>	<u>\$ 59,158</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
HUD HOME FUND
For the Year Ended September 30, 2016

	Budget	Actual Amounts	Variance with Budget - Over (Under)
REVENUES			
Intergovernmental Revenues	\$ 3,733,637	\$ 562,288	\$ (3,171,349)
Investment Income	-	2,730	2,730
Miscellaneous Revenues	95,000	89,965	(5,035)
Total Revenues	<u>3,828,637</u>	<u>654,983</u>	<u>(3,173,654)</u>
EXPENDITURES			
Current:			
Economic Environment	3,828,637	596,692	3,231,945
Total Expenditures	<u>3,828,637</u>	<u>596,692</u>	<u>3,231,945</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>58,291</u>	<u>58,291</u>
Net Change in Fund Balance	-	58,291	58,291
Fund Balance - Beginning	<u>-</u>	<u>142,097</u>	<u>142,097</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 200,388</u>	<u>\$ 200,388</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
SOUTHWEST SECTOR ROAD PROJECT FUND
For the Year Ended September 30, 2016

	Budget	Actual Amounts	Variance with Budget - Over (Under)
REVENUES			
Intergovernmental Revenues	\$ -	\$ 791,090	\$ 791,090
Investment Income	-	13,680	13,680
Miscellaneous Revenues	-	-	-
Total Revenues	<u>-</u>	<u>804,770</u>	<u>804,770</u>
EXPENDITURES			
Current:			
Transportation	857,115	213,614	643,501
Total Expenditures	<u>857,115</u>	<u>213,614</u>	<u>643,501</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(857,115)</u>	<u>591,156</u>	<u>1,448,271</u>
Net Change in Fund Balance	<u>(857,115)</u>	<u>591,156</u>	<u>1,448,271</u>
Fund Balance - Beginning	<u>857,115</u>	<u>857,115</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ 1,448,271</u></u>	<u><u>\$ 1,448,271</u></u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
BOB SIKES TOLL FACILITIES FUND
For the Year Ended September 30, 2016

	Budget	Actual Amounts	Variance with Budget - Over (Under)
REVENUES			
Charges for Services	\$ 3,116,000	\$ 3,452,765	\$ 336,765
Investment Income	-	94,980	94,980
Miscellaneous Revenues	-	190,651	190,651
Total Revenues	<u>3,116,000</u>	<u>3,738,396</u>	<u>622,396</u>
EXPENDITURES			
Current:			
General Government	3,534,171	3,012,324	521,847
Total Expenditures	<u>3,534,171</u>	<u>3,012,324</u>	<u>521,847</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(418,171)</u>	<u>726,072</u>	<u>1,144,243</u>
OTHER FINANCING SOURCES			
Transfers (Out)	(1,321,906)	(1,315,459)	6,447
Total Other Financing Sources	<u>(1,321,906)</u>	<u>(1,315,459)</u>	<u>6,447</u>
Net Change in Fund Balance	<u>(1,740,077)</u>	<u>(589,387)</u>	<u>1,150,690</u>
Fund Balance - Beginning	<u>1,740,077</u>	<u>9,212,350</u>	<u>7,472,273</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 8,622,963</u>	<u>\$ 8,622,963</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
TRANSPORTATION TRUST FUND
For the Year Ended September 30, 2016

	Budget	Actual Amounts	Variance with Budget - Over (Under)
REVENUES			
Taxes	\$ 7,984,750	\$ 8,692,162	\$ 707,412
Permits and Fees	-	900	900
Intergovernmental Revenues	4,052,243	4,665,703	613,460
Charges for Services	284,050	257,669	(26,381)
Investment Income	-	34,785	34,785
Miscellaneous Revenues	1,023,008	1,541,410	518,402
Total Revenues	13,344,051	15,192,629	1,848,578
EXPENDITURES			
Current:			
Public Safety	6,405,051	6,102,481	302,570
Transportation	18,173,002	16,446,401	1,726,601
Total Expenditures	24,578,053	22,548,882	2,029,171
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,234,002)	(7,356,253)	3,877,749
OTHER FINANCING SOURCES			
Transfers In	7,642,805	7,642,805	-
Total Other Financing Sources	7,642,805	7,642,805	-
Net Change in Fund Balance	(3,591,197)	286,552	3,877,749
Fund Balance - Beginning	3,591,197	3,786,437	195,240
Fund Balance - Ending	\$ -	\$ 4,072,989	\$ 4,072,989

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
MSBU ASSESSMENT PROGRAM FUND
For the Year Ended September 30, 2016

	Budget	Actual Amounts	Variance with Budget - Over (Under)
REVENUES			
Special Assessments	\$ 823,000	\$ 864,127	\$ 41,127
Investment Income	-	12,850	12,850
Total Revenues	<u>823,000</u>	<u>876,977</u>	<u>53,977</u>
EXPENDITURES			
Current:			
Transportation	1,205,138	750,058	455,080
Debt Service			
Principal Retirement	50,475	-	50,475
Interest and Fiscal Charges	21,309	2,996	18,313
Total Expenditures	<u>1,276,922</u>	<u>753,054</u>	<u>523,868</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(453,922)</u>	<u>123,923</u>	<u>577,845</u>
Net Change in Fund Balance	(453,922)	123,923	577,845
Fund Balance - Beginning	<u>453,922</u>	<u>451,818</u>	<u>(2,104)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 575,741</u>	<u>\$ 575,741</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
MASTER DRAINAGE BASIN FUND
For the Year Ended September 30, 2016

	Budget	Actual Amounts	Variance with Budget - Over (Under)
REVENUES			
Special Assessments	\$ 71,675	\$ 164,021	\$ 92,346
Investment Income	-	7,193	7,193
Total Revenues	<u>71,675</u>	<u>171,214</u>	<u>99,539</u>
EXPENDITURES			
Current:			
Transportation	797,669	222,095	575,574
Total Expenditures	<u>797,669</u>	<u>222,095</u>	<u>575,574</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(725,994)</u>	<u>(50,881)</u>	<u>675,113</u>
Net Change in Fund Balance	(725,994)	(50,881)	675,113
Fund Balance - Beginning	<u>725,994</u>	<u>725,994</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 675,113</u>	<u>\$ 675,113</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
CLERK PROGRAMS
For the Year Ended September 30, 2016

	Budget	Actual Amounts	Variance with Budget - Over (Under)
REVENUES			
Intergovernmental Revenues	\$ 577,800	\$ 1,008,202	\$ 430,402
Charges for Services	481,250	594,936	113,686
Judgments and Fines	280,000	282,986	2,986
Miscellaneous Revenues	150	127	(23)
Total Revenues	1,339,200	1,886,251	547,051
EXPENDITURES			
Current:			
Court-Related	2,137,051	1,241,437	895,614
Total Expenditures	2,137,051	1,241,437	895,614
Excess (Deficiency) of Revenues Over (Under) Expenditures	(797,851)	644,814	1,442,665
 Net Change in Fund Balance	 (797,851)	 644,814	 1,442,665
 Fund Balance - Beginning	 797,851	 2,091,179	 1,293,328
 Fund Balance - Ending	 <u>\$ -</u>	 <u>\$ 2,735,993</u>	 <u>\$ 2,735,993</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
SHERIFF PROGRAMS
For the Year Ended September 30, 2016

	Budget	Actual Amounts	Variance with Budget - Over (Under)
REVENUES			
Intergovernmental	\$ 240,716	\$ 161,506	\$ (79,210)
Judgments and Fines	119,394	19,484	(99,910)
Total Revenues	<u>360,110</u>	<u>180,990</u>	<u>(179,120)</u>
EXPENDITURES			
Current:			
Public Safety	360,110	180,990	179,120
Total Expenditures	<u>360,110</u>	<u>180,990</u>	<u>179,120</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
SUPERVISOR OF ELECTIONS PROGRAMS
For the Year Ended September 30, 2016

	Budget	Actual Amounts	Variance with Budget - Over (Under)
REVENUES			
Intergovernmental	\$ 50,370	\$ 57,847	\$ 7,477
Investment Income	-	105	105
Total Revenues	<u>50,370</u>	<u>57,952</u>	<u>7,582</u>
EXPENDITURES			
Current:			
General Government	68,828	63,005	5,823
Total Expenditures	<u>68,828</u>	<u>63,005</u>	<u>5,823</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(18,458)</u>	<u>(5,053)</u>	<u>13,405</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	18,458	5,053	(13,405)
Total Other Financing Sources and (Uses)	<u>18,458</u>	<u>5,053</u>	<u>(13,405)</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
For the Year Ended September 30, 2016

	Budget	Actual Amounts	Variance with Budget - Over (Under)
REVENUES			
Intergovernmental	\$ -	60,000	60,000
Investment Income	9,375	46,642	37,267
Miscellaneous	2,293,807	-	(2,293,807)
Total Revenues	<u>2,303,182</u>	<u>106,642</u>	<u>(2,196,540)</u>
EXPENDITURES			
Debt Service			
Principal Retirement	7,926,781	7,160,000	766,781
Interest and Fiscal Charges	3,962,153	3,120,221	841,932
Total Expenditures	<u>11,888,934</u>	<u>10,280,221</u>	<u>1,608,713</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(9,585,752)</u>	<u>(10,173,579)</u>	<u>(587,827)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	8,293,330	10,183,200	1,889,870
Total Other Financing Sources and (Uses)	<u>8,293,330</u>	<u>10,183,200</u>	<u>1,889,870</u>
Net Change in Fund Balance	<u>(1,292,422)</u>	<u>9,621</u>	<u>1,302,043</u>
Fund Balance - Beginning	<u>1,292,422</u>	<u>854,769</u>	<u>(437,653)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 864,390</u>	<u>\$ 864,390</u>

ESCAMBIA COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS
September 30, 2016

	Federal Transit Administration Fund	New Road Construction Fund	Total Nonmajor Capital Projects Funds
ASSETS			
Cash and Cash Equivalents	\$ 196,655	\$ 318	\$ 196,973
Investments	142,109	230	142,339
Due from Other Governments	91,076	-	91,076
Total Assets	429,840	548	430,388
LIABILITIES			
Accounts Payable	89,585	-	89,585
Due to Other Governments	19,673	-	19,673
Total Liabilities	109,258	-	109,258
FUND BALANCES			
Restricted for:			
Mass Transit Capital	320,582	-	320,582
Road Construction	-	548	548
Total Fund Balances	320,582	548	321,130
Total Liabilities, deferred inflow of resources, and fund balances	\$ 429,840	\$ 548	\$ 430,388

ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS
For the Year Ended September 30, 2016

	Federal Transit Administration Fund	New Road Construction Fund	Total Nonmajor Capital Projects Funds
REVENUES			
Intergovernmental Revenues	\$ 751,010	\$ -	\$ 751,010
Investment Income	1,987	5	1,992
Miscellaneous Revenues	40,593	-	40,593
Total Revenues	<u>793,590</u>	<u>5</u>	<u>793,595</u>
EXPENDITURES			
Current:			
Transportation	357,052	-	357,052
Capital Outlay	434,551	-	434,551
Total Expenditures	<u>791,603</u>	<u>-</u>	<u>791,603</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,987</u>	<u>5</u>	<u>1,992</u>
Net Change in Fund Balances	1,987	5	1,992
Fund Balances - Beginning	<u>318,595</u>	<u>543</u>	<u>319,138</u>
Fund Balances - Ending	<u>\$ 320,582</u>	<u>\$ 548</u>	<u>\$ 321,130</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
FEDERAL TRANSIT ADMINISTRATION FUND
For the Year Ended September 30, 2016

	Budget	Actual Amounts	Variance with Budget - Over (Under)
REVENUES			
Intergovernmental Revenues	\$ 2,995,582	\$ 751,010	\$ (2,244,572)
Investment Income	-	1,987	1,987
Miscellaneous Revenues	40,593	40,593	-
Total Revenues	<u>3,036,175</u>	<u>793,590</u>	<u>(2,242,585)</u>
EXPENDITURES			
Current:			
Transportation	842,896	357,052	485,844
Capital Outlay	2,193,279	434,551	1,758,728
Total Expenditures	<u>3,036,175</u>	<u>791,603</u>	<u>2,244,572</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>1,987</u>	<u>1,987</u>
Net Change in Fund Balance	-	1,987	1,987
Fund Balance - Beginning	<u>-</u>	<u>318,595</u>	<u>318,595</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 320,582</u>	<u>\$ 320,582</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NEW ROAD CONSTRUCTION FUND
For the Year Ended September 30, 2016

	Budget	Actual Amounts	Variance with Budget - Over (Under)
REVENUES			
Investment Income	\$ -	\$ 5	\$ 5
Total Revenues	<u>-</u>	<u>5</u>	<u>5</u>
EXPENDITURES			
Capital Outlay	543	-	543
Total Expenditures	<u>543</u>	<u>-</u>	<u>543</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(543)</u>	<u>5</u>	<u>548</u>
Net Change in Fund Balance	<u>(543)</u>	<u>5</u>	<u>548</u>
Fund Balance - Beginning	<u>543</u>	<u>543</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 548</u>	<u>\$ 548</u>

NONMAJOR PROPRIETARY FUNDS

ENTERPRISE FUNDS

Proprietary funds are used to account for Business-Type activities. The focus is on the determination of operating income, changes in net position (or cost recovery), financial position and cash flows.

Inspection Fund

Used to account for building inspection services provided to the residents of Escambia County.

Bay Center Fund

Used to account for the operation, maintenance and improvements of the Pensacola Bay Center.

ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS
September 30, 2016

	Business-type Activities - Enterprise Funds		
	Inspection Fund	Bay Center Fund	Totals
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 1,596,398	\$ 2,227,957	\$ 3,824,355
Restricted Assets Available for			
Current Liabilities	276,433	-	276,433
Investments	1,352,856	290,143	1,642,999
Accounts Receivable, Net of Allowance			
for Uncollectable Accounts	372	97,516	97,888
Due from Other Governments	-	-	-
Inventories	-	69,366	69,366
Prepaid Items	-	535	535
Total Current Assets	<u>3,226,059</u>	<u>2,685,517</u>	<u>5,911,576</u>
Noncurrent Assets:			
Restricted Assets:			
Escrow Deposits - restricted	276,433	-	276,433
Less: Portion Classified as Current	<u>(276,433)</u>	<u>-</u>	<u>(276,433)</u>
Total Restricted Assets	-	-	-
Capital Assets:			
Buildings	-	25,783,895	25,783,895
Improvements Other than Buildings	-	3,073,662	3,073,662
Machinery, Equipment and Vehicles	495,602	2,168,771	2,664,373
Less: Accumulated Depreciation	<u>(285,472)</u>	<u>(25,448,930)</u>	<u>(25,734,402)</u>
Total Capital Assets (Net)	<u>210,130</u>	<u>5,577,398</u>	<u>5,787,528</u>
Total Noncurrent Assets	<u>210,130</u>	<u>5,577,398</u>	<u>5,787,528</u>
Total Assets	<u>3,436,189</u>	<u>8,262,915</u>	<u>11,699,104</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Cost and Subsequent			
Contributions	<u>702,342</u>	<u>-</u>	<u>702,342</u>
Total deferred outflows of resources	<u>702,342</u>	<u>-</u>	<u>702,342</u>

Continued

ESCAMBIA COUNTY, FLORIDA
STATEMENT OF NET POSITION - Continued
NONMAJOR PROPRIETARY FUNDS
September 30, 2016

	Business-type Activities - Enterprise Funds		
	Inspection Fund	Bay Center Fund	Totals
LIABILITIES			
Current Liabilities:			
Accounts Payable	11,520	588,120	599,640
Accrued Liabilities	94,478	-	94,478
Compensated Absences Payable	30,999	-	30,999
Due to Other Governments	-	17,475	17,475
Deposits	25,870	-	25,870
Other Current liabilities	-	1,658,142	1,658,142
Current Liabilities Payable from Restricted Assets:			
Escrow Deposits - restricted	276,433	-	276,433
Total Current Liabilities	439,300	2,263,737	2,703,037
Noncurrent Liabilities:			
Compensated Absences Payable	278,992	-	278,992
Other Post Employment Benefits	91,943	-	91,943
Net Pension Liability Proportionate Share	1,414,593	-	1,414,593
Total Noncurrent Liabilities	1,785,528	-	1,785,528
Total Liabilities	2,224,828	2,263,737	4,488,565
DEFERRED INFLOWS OF RESOURCES			
Unamortized Pension Costs	128,313	-	128,313
Total deferred inflows of resources	128,313	-	128,313
NET POSITION			
Net Investment in Capital Assets	210,130	5,577,398	5,787,528
Unrestricted	1,575,260	421,780	1,997,040
Total Net Position	\$ 1,785,390	\$ 5,999,178	\$ 7,784,568

ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR PROPRIETARY FUNDS
For the Year Ended September 30, 2016

	Business-type Activities - Enterprise Funds		
	Inspection Fund	Bay Center Fund	Total
Operating Revenues:			
Charges for Services	\$ 2,581,356	\$ 4,974,931	\$ 7,556,287
Miscellaneous Revenues	30,503	14,301	44,804
Total Operating Revenues	2,611,859	4,989,232	7,601,091
Operating Expenses:			
Personal Services	1,903,588	-	1,903,588
Contracted Services	-	6,034,405	6,034,405
Supplies and Materials	37,621	-	37,621
Repairs and Maintenance	181,000	199	181,199
Other Services and Charges	281,477	10,676	292,153
Depreciation	23,382	789,092	812,474
Premiums/Claims Expense	8,043	2,884	10,927
Total Operating Expenses	2,435,111	6,837,256	9,272,367
Operating Income (Loss)	176,748	(1,848,024)	(1,671,276)
Nonoperating Revenues (Expenses):			
Investment Income	26,049	3,220	29,269
Gain (Loss) on Disposal of Capital Assets	-	-	-
Total Nonoperating Revenues (Expenses)	26,049	3,220	29,269
Income Before Transfers and Contributions	202,797	(1,844,804)	(1,642,007)
Transfer In	-	1,300,000	1,300,000
Capital Contributions	-	147,003	147,003
Change in Net Position	202,797	(397,801)	(195,004)
Net Position - Beginning	1,582,593	6,396,979	7,979,572
Net Position - Ending	\$ 1,785,390	\$ 5,999,178	\$ 7,784,568

ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
For the Year Ended September 30, 2016

	Business-type Activities - Enterprise Funds		
	Inspection Fund	Bay Center Fund	Total
Cash Flows from Operating Activities			
Receipts from customers and users	\$ 2,614,641	\$ 5,618,551	\$ 8,233,192
Payments to suppliers	(600,305)	(5,730,344)	(6,330,649)
Payments to employees	(1,831,164)	-	(1,831,164)
Net Cash Provided (Used) by Operating Activities	183,172	(111,793)	71,379
Cash Flows from Noncapital Financing Activities			
Transfers from other funds	-	1,300,000	1,300,000
Net Cash Provided (Used) by Noncapital Financing Activities	-	1,300,000	1,300,000
Cash Flows from Capital and Related Financing Activities			
Acquisition/construction of capital assets	(136,093)	22,823	(113,270)
Proceeds from disposal of capital assets	9,903	-	9,903
Net Cash (Used) by Capital and Related Financing Activities	(126,190)	22,823	(103,367)
Cash Flows from Investing Activities			
Sale (purchase) of investments	310,767	32,379	343,146
Interest received	26,049	3,220	29,269
Net Cash Provided (Used) by Investing Activities	336,816	35,599	372,415
Net Increase (Decrease) in Cash and Cash Equivalents	393,798	1,246,629	1,640,427
Cash and cash equivalents at beginning of year	1,479,033	981,328	2,460,361
Cash and cash equivalents at end of year	<u>\$ 1,872,831</u>	<u>\$ 2,227,957</u>	<u>\$ 4,100,788</u>
Cash and Cash Equivalents Classified As:			
Current assets	\$ 1,596,398	\$ 2,227,957	\$ 3,824,355
Current restricted assets	276,433	-	276,433
Total Cash and Cash Equivalents	<u>\$ 1,872,831</u>	<u>\$ 2,227,957</u>	<u>\$ 4,100,788</u>

Continued

ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF CASH FLOWS - Continued
NONMAJOR PROPRIETARY FUNDS
For the Year Ended September 30, 2016

Business-type Activities - Enterprise Funds			
	Inspection Fund	Bay Center Fund	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating income (loss)	\$ 176,748	\$ (1,848,024)	\$ (1,671,276)
Depreciation	23,382	789,092	812,474
Change in Assets and Liabilities:			
Accounts receivable	(314)	6,088	5,774
Inventories	-	(10,834)	(10,834)
Prepays	-	(44)	(44)
Accounts payable	(92,157)	325,175	233,018
Contracts payable	-	-	-
Accrued liabilities	17,852	-	17,852
Due to other governments	(7)	3,523	3,516
Customer deposits	3,096	-	3,096
Other current liabilities	-	623,231	623,231
Compensated absences	(33,958)	-	(33,958)
Post employment benefits	9,364	-	9,364
Net pension liability proportionate share and related deferred outflows/inflows of resources	79,166	-	79,166
Claims payable	-	-	-
Total Adjustments	6,424	1,736,231	1,742,655
Net Cash Provided (Used) by Operating Activities	\$ 183,172	\$ (111,793)	\$ 71,379
Schedule of non-cash capital activities:			
Contributions of capital assets	\$ -	\$ 147,003	\$ 147,003

BUSINESS -TYPE FUNDS

INTERNAL SERVICE FUNDS

Internal service funds are used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government and its component unit, or to other governments, on a cost-reimbursement basis.

Board of County Commissioners - ISF

Used to account for risk management services, garage and fuel services provided to County departments, and for the administration of employee benefits.

Clerk of Circuit Court and Comptroller- ISF

Used to account for annual costs related to compensated absence policy and activities for the Court Related employees of the Clerk of the Circuit Court and Comptroller's Office.

ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
September 30, 2016

	Governmental Activities- Internal Service funds		
	Clerk		Totals
	BCC Internal Service Fund	Internal Service Fund	
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 13,147,145	\$ 786,792	\$ 13,933,937
Investments	9,428,455	-	9,428,455
Accounts Receivable, Net of Allowance for Uncollectable Accounts	546,181	-	546,181
Due from Other Funds	233,336	-	233,336
Due from Other Governments	77,877	-	77,877
Inventories	259,477	-	259,477
Prepaid Items	27,318	-	27,318
Total Current Assets	<u>23,719,789</u>	<u>786,792</u>	<u>24,506,581</u>
Advances Due from Other Funds	601,779	-	601,779
Capital Assets:			
Buildings	399,564	-	399,564
Improvements Other than Buildings	937,373	-	937,373
Machinery, Equipment and Vehicles	276,867	-	276,867
Less: Accumulated Depreciation	(890,173)	-	(890,173)
Total Capital Assets (Net)	<u>723,631</u>	<u>-</u>	<u>723,631</u>
Total Noncurrent Assets	<u>1,325,410</u>	<u>-</u>	<u>1,325,410</u>
Total Assets	<u>25,045,199</u>	<u>786,792</u>	<u>25,831,991</u>
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized Pension Cost and Subsequent Contributions	<u>298,366</u>	<u>-</u>	<u>298,366</u>
Total deferred outflows of resources	<u>298,366</u>	<u>-</u>	<u>298,366</u>

Continued

ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
September 30, 2016

	Governmental Activities- Internal Service funds		
		Clerk	
	BCC Internal	Internal	
	Service Fund	Service Fund	Totals
LIABILITIES			
Current Liabilities:			
Accounts Payable	1,760,434	-	1,760,434
Accrued Liabilities	47,086	-	47,086
Compensated Absences Payable	26,308	78,679	104,987
Estimated Claims Payable	2,572,057	-	2,572,057
Due to Other Funds	107,520	-	107,520
Due to Other Governments	562,822	-	562,822
Deposits	51,004	-	51,004
Total Current Liabilities	5,127,231	78,679	5,205,910
Noncurrent Liabilities:			
Compensated Absences Payable	236,775	708,113	944,888
Other Post Employment Benefits	52,889	-	52,889
Net Pension Liability	602,746	-	602,746
Estimated Claims Payable	7,694,124	-	7,694,124
Total Noncurrent Liabilities	8,586,534	708,113	9,294,647
Total Liabilities	13,713,765	786,792	14,500,557
DEFERRED INFLOWS OF RESOURCES			
Unamortized Pension Costs	56,910	-	56,910
Total deferred inflows of resources	56,910	-	56,910
NET POSITION			
Net Investment in Capital Assets	723,631	-	723,631
Unrestricted	10,849,259	-	10,849,259
Total Net Position	\$ 11,572,890	\$ -	\$ 11,572,890

ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2016

	Governmental Activities- Internal Service funds		
	BCC Internal Service Fund	Clerk Internal Service Fund	Total
Operating Revenues:			
Charges for Services	\$ 38,801,043	\$ 397,807	\$ 39,198,850
Miscellaneous Revenues	-	-	-
Total Operating Revenues	38,801,043	397,807	39,198,850
Operating Expenses:			
Personal Services	1,011,998	397,807	1,409,805
Claims Incurred and Changes in Estimate	9,309,658	-	9,309,658
Repairs and Maintenance	219,126	-	219,126
Other Services and Charges	3,786,601	-	3,786,601
Depreciation	73,075	-	73,075
Premiums/Claims Expense	23,904,650	-	23,904,650
Total Operating Expenses	38,305,108	397,807	38,702,915
Operating Income (Loss)	495,935	-	495,935
Nonoperating Revenues (Expenses):			
Investment Income	185,632	-	185,632
Total Nonoperating Revenues (Expenses)	185,632	-	185,632
Income Before Transfers and Contributions	681,567	-	681,567
Transfer In	-	-	-
Transfer (Out)	(7,428)	-	(7,428)
Change in Net Position	674,139	-	674,139
Net Position - Beginning	10,898,751	-	10,898,751
Net Position - Ending	\$ 11,572,890	\$ -	\$ 11,572,890

ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2016

	Governmental Activities- Internal Service funds		
	BCC Internal Service Fund	Clerk Internal Service Fund	Total
Cash Flows from Operating Activities			
Receipts from customers and users	\$ 5,402,116	\$ -	\$ 5,402,116
Receipts from interfund risk/benefits management	30,733,766	-	30,733,766
Receipts from interfund fleet/fuel management	2,823,876	-	2,823,876
Payments to suppliers	(35,597,373)	-	(35,597,373)
Payments to employees	(696,453)	(71,387)	(767,840)
Net Cash Provided (Used) by Operating Activities	2,665,932	(71,387)	2,594,545
Cash Flows from Noncapital Financing Activities			
Transfers to Other Funds	(7,428)	-	(7,428)
Advances due to/from other funds	1,231,365	-	1,231,365
Net Cash Provided (Used) by Noncapital Financing Activities	1,223,937	-	1,223,937
Cash Flows from Capital and Related Financing Activities			
Acquisition/construction of capital assets	-	-	-
Net Cash (Used) by Capital and Related Financing Activities	-	-	-
Cash Flows from Investing Activities			
Sale (purchase) of investments	320,665	-	320,665
Interest received	185,632	-	185,632
Net Cash Provided (Used) by Investing Activities	506,297	-	506,297
Net Increase (Decrease) in Cash and Cash Equivalents	4,396,166	(71,387)	4,324,779
Cash and cash equivalents at beginning of year	8,750,979	858,179	9,609,158
Cash and Cash Equivalents at End of Year	\$ 13,147,145	\$ 786,792	\$ 13,933,937
Cash and Cash Equivalents Classified As:			
Current assets	\$ 13,147,145	\$ 786,792	\$ 13,933,937
Total Cash and Cash Equivalents	\$ 13,147,145	\$ 786,792	\$ 13,933,937

Continued

ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF CASH FLOWS - Continued
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2016

	Governmental Activities - Internal Service Funds		
	BCC Internal Service Fund	Clerk Internal Service Fund	Total
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities			
Operating Income	\$ 495,935	\$ -	\$ 495,935
Depreciation	73,075	-	73,075
Change in Assets and Liabilities:			
(Increase) Decrease in accounts receivable	439,633	-	439,633
(Increase) Decrease in inventories	(34,624)	-	(34,624)
(Increase) Decrease in prepaids	261	-	261
Increase (Decrease) in accounts payable	(409,318)	-	(409,318)
Increase (Decrease) in accrued liabilities	13,302	-	13,302
Increase (Decrease) in due to other governments	147,501	-	147,501
Increase (Decrease) in customer deposits	(37,874)	-	(37,874)
Increase (Decrease) in compensated absences	25,141	(71,387)	(46,246)
Increase (Decrease) in Post Employment Benefits	754	-	754
Increase (Decrease) in net pension liability and related deferred outflows/inflows of resources	33,304	-	33,304
Increase (Decrease) in claims payable	1,918,842	-	1,918,842
Total Adjustments	2,169,997	(71,387)	2,098,610
Net Cash Provided (Used for) Operating Activities	\$ 2,665,932	\$ (71,387)	\$ 2,594,545
Schedule of non-cash capital activities:			
Contributions of capital assets	\$ -	\$ -	\$ -

FIDUCIARY FUNDS

AGENCY FUNDS

Agency funds are used to account for assets held by the County as an agent for individuals, private organizations, and other governments.

Clerk of the Circuit Court and Comptroller

Used to account for resources received and held by the Clerk in a fiduciary capacity. These resources represent fines, forfeitures and filing fees collected for other governmental agencies and support payments, jury and witness services and posted bonds collected for individuals.

Sheriff

Used to account for the assets held by the Sheriff for individuals such as prisoner's funds, confiscated monies held as evidence, and prepayments of the Sheriff's fees for serving papers.

Tax Collector

Used to account for property taxes and fees for licenses.

ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
September 30, 2016

	Clerk General Agency	Sheriff General Agency	Tax Collector General	Totals
ASSETS				
Cash and Cash Equivalents	\$ 5,968,355	\$ 265,769	\$ 3,793,222	\$ 10,027,346
Accounts Receivable	-	-	323,515	323,515
Total Assets	<u>\$ 5,968,355</u>	<u>\$ 265,769</u>	<u>\$ 4,116,737</u>	<u>\$ 10,350,861</u>
LIABILITIES				
Due to Other Governments	\$ 35,166	\$ -	\$ 3,212,218	\$ 3,247,384
Due to Individuals	1,499,972	265,769	904,519	2,670,260
Other Current Liabilities	4,433,217	-	-	4,433,217
Total Liabilities	<u>\$ 5,968,355</u>	<u>\$ 265,769</u>	<u>\$ 4,116,737</u>	<u>\$ 10,350,861</u>

ESCAMBIA COUNTY, FLORIDA
STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Year Ended September 30, 2016

CLERK GENERAL AGENCY FUNDS

	Balance 10/01/15	Additions	Deductions	Balance 09/30/16
ASSETS				
Cash and Cash Equivalents	\$ 3,653,298	\$ 24,109,363	\$ 21,794,306	\$ 5,968,355
Accounts Receivable	8,082	5,059	13,141	-
Total Assets	\$ 3,661,380	\$ 24,114,422	\$ 21,807,447	\$ 5,968,355
LIABILITIES				
Accounts Payable	\$ -	\$ 106,739	\$ 106,739	\$ -
Due to Other Governments	36,723	143,039	144,596	35,166
Due to Individuals	1,471,377	3,244,521	3,215,926	1,499,972
Other Current Liabilities	2,153,280	21,256,042	18,976,105	4,433,217
Total Liabilities	\$ 3,661,380	\$ 24,750,341	\$ 22,443,366	\$ 5,968,355

SHERIFF GENERAL AGENCY FUNDS

	Balance 10/01/15	Additions	Deductions	Balance 09/30/16
ASSETS				
Cash and Cash Equivalents	\$ 779,640	\$ 1,232,118	\$ 1,745,989	\$ 265,769
Accounts Receivable	-	-	-	-
Total Assets	\$ 779,640	\$ 1,232,118	\$ 1,745,989	\$ 265,769
LIABILITIES				
Due to Other Governments	\$ -	\$ -	\$ -	\$ -
Due to Individuals	779,630	1,232,118	1,745,979	265,769
Other Current Liabilities	10	-	10	-
Total Liabilities	\$ 779,640	\$ 1,232,118	\$ 1,745,989	\$ 265,769

TAX COLLECTOR GENERAL AGENCY FUNDS

	Balance 10/01/15	Additions	Deductions	Balance 09/30/16
ASSETS				
Cash and Cash Equivalents	\$ 3,491,577	\$ 1,626,528,503	\$ 1,626,226,858	\$ 3,793,222
Accounts Receivable	240,025	31,082,452	30,998,962	323,515
Total Assets	\$ 3,731,602	\$ 1,657,610,955	\$ 1,657,225,820	\$ 4,116,737
LIABILITIES				
Due to Other Governments	\$ 3,141,194	\$ 23,761,246	\$ 23,690,222	\$ 3,212,218
Due to Individuals	590,408	623,851,518	623,537,407	904,519
Total Liabilities	\$ 3,731,602	\$ 647,612,764	\$ 647,227,629	\$ 4,116,737

Continued

ESCAMBIA COUNTY, FLORIDA
STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES - Continued
AGENCY FUNDS

For the Year Ended September 30, 2016

AGENCY COMBINED TOTALS

	Balance 10/01/15	Additions	Deductions	Balance 09/30/16
ASSETS				
Cash and Cash Equivalents	\$ 7,924,515	\$ 1,651,869,984	\$ 1,649,767,153	\$ 10,027,346
Accounts Receivable	248,107	31,087,511	31,012,103	323,515
Total Assets	\$ 8,172,622	\$ 1,682,957,495	\$ 1,680,779,256	\$ 10,350,861
LIABILITIES				
Accounts Payable	\$ -	\$ 106,739	\$ 106,739	\$ -
Due to Other Governments	3,177,917	23,904,285	23,834,818	3,247,384
Due to Individuals	2,841,415	628,328,157	628,499,312	2,670,260
Other Current Liabilities	2,153,290	21,256,042	18,976,115	4,433,217
Total Liabilities	\$ 8,172,622	\$ 673,595,223	\$ 671,416,984	\$ 10,350,861



Statistical Section

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

Financial Trends

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

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

Schedule 1
Escambia County, Florida

NET POSITION BY COMPONENT

Last Ten Fiscal Years
(accrual basis of accounting)
(Amounts Expressed in Thousands)

	Fiscal Year			
	<u>2016</u>	<u>2015</u>	<u>2014*</u>	<u>2013</u>
Governmental activities				
Net investment in capital assets	\$ 437,792	\$ 436,375	\$ 442,851	\$ 452,717
Restricted	155,972	128,529	64,981	102,728
Unrestricted	(68,495)	(58,603)	(22,759)	15,359
Total governmental activities net assets	<u>\$ 525,269</u>	<u>\$ 506,301</u>	<u>\$ 485,073</u>	<u>\$ 570,804</u>
Business-type activities				
Net investment in capital assets	47,463	51,827	50,952	52,502
Unrestricted	26,377	17,218	13,816	15,992
Total business-type activities net assets	<u>\$ 73,840</u>	<u>\$ 69,045</u>	<u>\$ 64,768</u>	<u>\$ 68,494</u>
Primary government				
Net investment in capital assets	485,255	488,202	493,803	505,219
Restricted	155,972	128,529	64,981	102,728
Unrestricted	(42,118)	(41,384)	(8,943)	31,351
Total primary government net position	<u>\$ 599,109</u>	<u>\$ 575,347</u>	<u>\$ 549,841</u>	<u>\$ 639,298</u>

* As restated for change in Accounting Principle

Continued next page

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 458,089	\$ 458,331	\$ 445,075	\$ 421,039	\$ 411,670	\$ 406,635
86,651	85,670	91,990	9,422	766	747
30,839	10,083	10,312	100,805	88,968	80,027
<u>\$ 575,579</u>	<u>\$ 554,084</u>	<u>\$ 547,377</u>	<u>\$ 531,266</u>	<u>\$ 501,404</u>	<u>\$ 487,409</u>
49,930	49,870	48,811	47,589	43,157	41,604
14,852	14,200	10,707	880	2,422	4,318
<u>\$ 64,782</u>	<u>\$ 64,070</u>	<u>\$ 59,518</u>	<u>\$ 48,469</u>	<u>\$ 45,579</u>	<u>\$ 45,922</u>
508,019	508,201	493,887	468,628	454,827	448,239
86,651	85,670	91,990	9,422	766	747
45,691	24,283	21,019	101,685	91,390	84,345
<u>\$ 640,361</u>	<u>\$ 618,154</u>	<u>\$ 606,896</u>	<u>\$ 579,735</u>	<u>\$ 546,983</u>	<u>\$ 533,331</u>

Schedule 2
Escambia County, Florida

CHANGES IN NET POSITION

Last Ten Fiscal Years
(accrual basis of accounting)
(Amounts Expressed in Thousands)

	Fiscal Year				
Expenses	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Governmental activities:					
General government	\$ 59,270	\$ 52,406	\$ 63,252	\$ 74,163	\$ 67,918
Public Safety	146,708	127,345	127,213	107,598	120,918
Physical environment	2,736	2,423	1,618	2,057	4,694
Transportation	56,118	51,235	48,542	52,130	49,084
Economic environment	12,461	11,486	12,139	11,274	13,225
Human services	2,602	2,689	2,462	2,493	2,781
Culture and recreation	10,248	9,140	8,930	4,464	7,024
Court related	11,686	12,955	11,215	10,152	7,922
Interest	3,277	3,441	3,392	3,058	4,388
Total governmental activities expenses	<u>305,106</u>	<u>273,120</u>	<u>278,763</u>	<u>267,389</u>	<u>277,954</u>
Business-type activities:					
Solid waste	\$ 10,143	\$ 9,956	\$ 9,919	\$ 9,988	\$ 10,254
Emergency medical services	12,678	10,978	10,796	9,912	9,723
Inspection fund	2,435	2,187	2,079	1,876	2,285
Bay Center	6,837	6,685	6,560	6,583	5,876
Total business-type activities expenses	<u>32,093</u>	<u>29,806</u>	<u>29,354</u>	<u>28,359</u>	<u>28,138</u>
Total primary government expenses	<u>\$ 337,199</u>	<u>\$ 302,926</u>	<u>\$ 308,117</u>	<u>\$ 295,748</u>	<u>\$ 306,092</u>
Program Revenues					
Governmental activities:					
Charges for services					
General government	4,933	4,471	4,273	4,285	25,380
Public safety	19,472	17,998	17,947	17,725	18,629
Physical environment	15,707	17,732	14,935	13,582	2,625
Transportation	6,854	6,746	6,509	6,249	1,254
Economic environment	581	270	380	321	6
Culture/recreation	520	522	494	380	397
Court related	11,559	11,543	10,021	6,674	2,791
Operating grants and contributions	24,286	18,434	18,946	19,239	45,950
Capital grants and contributions	8,255	8,104	10,655	4,813	10,683
Total governmental activities program revenue	<u>92,167</u>	<u>85,820</u>	<u>84,160</u>	<u>73,268</u>	<u>107,716</u>
Business-type activities:					
Charges for services					
Solid waste	15,141	13,485	13,618	11,998	11,674
Emergency medical services	12,832	12,013	12,158	11,454	9,386
Inspection fund	2,581	2,262	2,299	2,091	1,970
Bay Center	4,975	4,409	4,558	3,905	3,735
Operating grants and contributions	-	-	103	2	236
Capital grants and contributions	161	735	131	1,556	92
Total business-type activities program revenue	<u>35,690</u>	<u>32,904</u>	<u>32,867</u>	<u>31,006</u>	<u>27,093</u>
Total primary government program revenues	<u>\$ 127,857</u>	<u>\$ 118,724</u>	<u>\$ 117,027</u>	<u>\$ 104,274</u>	<u>\$ 134,809</u>
Net (Expense)/Revenue					
Governmental activities	\$ (212,939)	\$ (187,300)	\$ (194,603)	\$ (194,121)	\$ (170,237)
Business-type activities	3,597	3,098	3,513	2,647	(1,046)
Total primary government net expense	<u>\$ (209,342)</u>	<u>\$ (184,202)</u>	<u>\$ (191,090)</u>	<u>\$ (191,474)</u>	<u>\$ (171,283)</u>

Continued next page

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 66,068	\$ 58,525	\$ 68,563	\$ 74,196	\$ 21,405
117,657	120,345	118,799	126,128	142,624
6,892	4,418	4,348	7,351	13,576
47,726	44,860	43,887	45,859	80,398
13,361	19,468	11,326	16,955	22,639
2,790	3,318	3,386	4,654	5,299
6,073	5,647	5,851	5,312	11,311
8,405	8,446	8,607	8,911	10,086
5,165	5,397	6,471	5,909	7,245
<u>274,137</u>	<u>270,424</u>	<u>271,238</u>	<u>295,275</u>	<u>314,583</u>

\$ 11,941	\$ 11,822	\$ 7,861	\$ 10,330	\$ 9,164
9,387	9,563	14,195	15,036	14,760
2,580	2,874	3,141	3,448	3,871
5,743	6,509	5,523	6,197	6,415
<u>29,651</u>	<u>30,769</u>	<u>30,720</u>	<u>35,011</u>	<u>34,210</u>

<u>\$ 303,788</u>	<u>\$ 301,193</u>	<u>\$ 301,958</u>	<u>\$ 330,286</u>	<u>\$ 348,793</u>
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25,142	25,084	26,578	24,133	25,538
17,679	17,469	14,589	16,180	17,023
2,364	2,566	2,452	3,156	3,132
1,444	1,241	1,023	1,306	1,534
42	5	18	170	194
300	311	266	357	259
3,070	3,007	9,930	9,717	10,369
32,687	31,039	15,183	10,769	20,137
11,704	27,450	33,056	22,750	42,096
<u>94,432</u>	<u>108,172</u>	<u>103,096</u>	<u>88,538</u>	<u>120,282</u>

12,489	11,681	9,830	12,008	8,963
11,548	13,924	14,074	13,828	13,395
1,904	1,829	1,997	2,542	3,507
3,490	3,974	3,473	3,629	4,307
14	107	6	82	30
718	1,624	972	1,647	623
<u>30,163</u>	<u>33,138</u>	<u>30,352</u>	<u>33,736</u>	<u>30,825</u>

<u>\$ 124,595</u>	<u>\$ 141,310</u>	<u>\$ 133,448</u>	<u>\$ 122,274</u>	<u>\$ 151,107</u>
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\$ (179,705)	\$ (162,252)	\$ (168,142)	\$ (206,737)	\$ (194,301)
512	2,369	(369)	(1,275)	(3,385)
<u>\$ (179,193)</u>	<u>\$ (159,883)</u>	<u>\$ (168,511)</u>	<u>\$ (208,012)</u>	<u>\$ (197,686)</u>

Continued next page

Schedule 2
Escambia County, Florida

CHANGES IN NET POSITION (Continued)

Last Ten Fiscal Years
(accrual basis of accounting)
(Amounts Expressed in Thousands)

	Fiscal Year			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	\$ 109,691	\$ 108,848	\$ 101,076	\$ 93,789
Sales tax	64,634	62,074	59,450	56,515
Gasoline taxes	18,178	17,507	16,107	12,621
Tourist development tax	9,956	9,160	8,396	7,801
Other taxes and payments in lieu of taxes	4,759	5,961	6,028	7,865
Intergovernmental-unrestricted	8,216	7,987	7,408	7,024
Investment income	2,805	2,659	1,348	390
Gain (loss) on sale of capital assets	-	-	-	-
Miscellaneous	4,677	6,528	8,131	4,249
Gain (loss) on sale of capital assets	-	(11,481)	-	-
Transfers - internal activities	(697)	(715)	(763)	(907)
Special Item	9,689	-	-	-
Total general revenues and transfers	<u>231,908</u>	<u>208,528</u>	<u>207,181</u>	<u>189,347</u>
Business-type activities:				
Investment income	416	386	177	53
Gain (loss) on sale of capital assets	-	-	-	-
Miscellaneous	83	79	400	104
Capital contributions	-	-	-	-
Transfers - internal activities	697	715	763	907
Total business-type activities	<u>1,196</u>	<u>1,180</u>	<u>1,340</u>	<u>1,064</u>
Total primary government	<u>\$ 233,104</u>	<u>\$ 209,708</u>	<u>\$ 208,521</u>	<u>\$ 190,411</u>
Change in Net Position				
Governmental activities	\$ 18,969	\$ 21,228	\$ 12,578	\$ (4,774)
Business-type activities	4,793	4,278	4,853	3,711
Total change in net position	<u>\$ 23,762</u>	<u>\$ 25,506</u>	<u>\$ 17,431</u>	<u>\$ (1,063)</u>

Continued next page

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$	99,683	\$ 105,428	\$ 103,386	\$ 107,317	\$ 130,009	\$ 125,233	\$ 98,875
	54,113	53,164	49,382	49,756	54,403	57,121	60,802
	13,069	13,315	13,388	13,441	13,750	14,631	13,837
	7,156	6,462	5,051	5,333	5,533	5,260	4,870
	-	-	-	-	-	-	-
	8,333	8,189	8,227	8,151	9,058	8,729	8,888
	3,617	1,509	1,163	3,364	6,042	11,665	11,159
	5,246	104	133	-	290	366	563
	1,619	1,698	2,180	13,472	1,861	2,716	4,075
	-	-	-	-	-	-	3,875
	(1,104)	(3,456)	(8,044)	(2,830)	(214)	259	(88)
	-	-	-	-	-	-	-
	<u>191,732</u>	<u>186,413</u>	<u>174,866</u>	<u>198,005</u>	<u>220,732</u>	<u>225,980</u>	<u>206,856</u>
	615	228	130	176	593	1,202	1,137
	-	146	90	198	58	(299)	12
	38	209	416	55	67	48	207
	-	-	-	-	-	-	730
	<u>1,104</u>	<u>3,456</u>	<u>8,044</u>	<u>2,830</u>	<u>214</u>	<u>(259)</u>	<u>88</u>
	<u>1,757</u>	<u>4,039</u>	<u>8,680</u>	<u>3,259</u>	<u>932</u>	<u>692</u>	<u>2,174</u>
\$	<u>193,489</u>	<u>\$ 190,452</u>	<u>\$ 183,546</u>	<u>\$ 201,264</u>	<u>\$ 221,664</u>	<u>\$ 226,672</u>	<u>\$ 209,030</u>
\$	21,495	\$ 6,708	\$ 12,614	\$ 29,863	\$ 13,995	\$ 31,679	\$ 49,647
	711	4,551	11,049	2,890	(343)	(2,693)	1,880
\$	<u>22,206</u>	<u>\$ 11,259</u>	<u>\$ 23,663</u>	<u>\$ 32,753</u>	<u>\$ 13,652</u>	<u>\$ 28,986</u>	<u>\$ 51,527</u>

Schedule 3
Escambia County, Florida

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

	Fiscal Year					
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Fund:						
Nonspendable	\$ 644	\$ 4,292	\$ 4,367	\$ 4,805	\$ 5,021	\$ 579
Restricted	-	-	-	52	-	-
Committed	-	-	-	-	-	-
Assigned	18,952	17,911	10,073	8,402	4,908	903
Unassigned	27,682	25,536	23,647	19,361	16,868	27,954
Total general fund	<u>47,278</u>	<u>47,739</u>	<u>38,087</u>	<u>32,620</u>	<u>26,798</u>	<u>29,437</u>
All Other Governmental Funds:						
Nonspendable	17,954	10,118	5,609	2,567	7,776	18,896
Restricted	138,898	124,568	123,349	99,764	86,651	85,670
Committed	14,916	16,121	14,267	13,545	9,100	8,418
Assigned	-	-	-	-	8,777	7,655
Unassigned	(8,204)	(6,240)	(3,836)	(3,980)	(6,088)	(18,135)
Total all other governmental funds	<u>163,564</u>	<u>144,567</u>	<u>139,389</u>	<u>111,896</u>	<u>106,216</u>	<u>102,504</u>
Total all governmental funds	<u><u>\$ 210,842</u></u>	<u><u>\$ 192,306</u></u>	<u><u>\$ 177,476</u></u>	<u><u>\$ 144,516</u></u>	<u><u>\$ 133,014</u></u>	<u><u>\$ 131,941</u></u>

Note: Prior to 2010, amounts have not been restated for the implementation of GASB Statement No. 54.

Continued next page

	Fiscal Year			
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Fund:				
Reserved	\$ 1,458	\$ 1,529	\$ 1,941	\$ 815
Unreserved	31,274	31,636	46,959	32,965
Total general fund	<u>32,732</u>	<u>33,165</u>	<u>48,900</u>	<u>33,780</u>
All Other Governmental Funds:				
Reserved	52,433	56,106	43,306	40,543
Unreserved, reported in:				
Special revenue funds	17,321	14,431	8,769	30,189
Debt service fund	-	-	-	-
Capital projects funds	39,352	38,056	33,670	23,909
Total all other governmental funds	<u>109,106</u>	<u>108,593</u>	<u>85,745</u>	<u>94,641</u>
Total all governmental funds	<u><u>\$ 141,838</u></u>	<u><u>\$ 141,758</u></u>	<u><u>\$ 134,645</u></u>	<u><u>\$ 128,421</u></u>

Schedule 4
Escambia County, Florida

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

	Fiscal			
	2016	2015	2014	2013
REVENUES				
Taxes	\$ 177,312	\$ 173,928	\$ 161,956	\$ 149,265
Permits, fees and special assessments	15,966	16,027	13,916	13,546
Franchise fees	14,883	15,140	14,608	13,308
Intergovernmental revenue	70,451	62,617	62,337	57,770
Charges for services	23,968	23,618	21,677	18,111
Fines and forfeits	2,529	2,606	2,407	2,262
Investment income	2,620	2,504	1,344	418
Miscellaneous	6,492	9,820	11,935	8,992
Total revenues	<u>314,221</u>	<u>306,260</u>	<u>290,180</u>	<u>263,672</u>
EXPENDITURES				
General government	55,544	53,032	56,079	58,979
Public safety	132,149	124,781	119,698	103,464
Physical environment	2,110	4,173	1,731	2,279
Transportation	34,398	30,601	27,584	26,812
Economic environment	12,322	11,227	12,796	10,419
Human services	2,549	2,686	2,337	2,079
Culture and recreation	7,677	7,450	6,867	2,271
Court-related	10,541	11,693	10,071	9,132
Debt service:				
Principal	7,160	6,812	4,397	3,526
Interest	3,127	3,290	3,241	3,148
Capital outlay	27,418	34,970	32,156	32,279
Total expenditures	<u>294,995</u>	<u>290,715</u>	<u>276,957</u>	<u>254,388</u>
Excess of revenues over (under) expenditures	<u>19,226</u>	<u>15,545</u>	<u>13,223</u>	<u>9,284</u>
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	-	-	-	8,406
Refunding notes issued	-	-	-	-
Notes issued	-	-	20,500	-
Payments made to bond escrow agents	-	-	-	(8,362)
Insurance recoveries	-	-	-	-
Transfers in	22,053	21,251	18,331	18,256
Transfers out	(22,743)	(21,966)	(19,094)	(16,083)
Total other financing sources (uses)	<u>(690)</u>	<u>(715)</u>	<u>19,737</u>	<u>2,217</u>
Net change in fund balances	<u>\$ 18,536</u>	<u>\$ 14,830</u>	<u>\$ 32,960</u>	<u>\$ 11,501</u>
Debt service as a percentage of noncapital expenditures	3.95%	4.09%	3.21%	3.08%

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Year

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$	153,137	\$ 157,787	\$ 152,344	\$ 158,587	\$ 181,972	\$ 179,404
	12,893	12,074	12,180	11,365	12,039	12,714
	13,372	13,811	14,109	13,809	13,246	13,114
	81,844	68,947	85,534	59,002	64,356	84,636
	17,627	17,218	16,885	18,612	20,192	22,514
	1,145	1,207	990	3,757	4,381	4,294
	3,415	1,395	1,042	3,126	5,355	10,722
	5,180	10,453	6,987	16,401	4,742	9,859
	<u>288,613</u>	<u>282,892</u>	<u>290,071</u>	<u>284,659</u>	<u>306,283</u>	<u>337,257</u>
	59,147	61,209	51,716	59,419	66,939	77,273
	112,270	112,160	108,184	113,003	125,171	113,799
	5,251	6,432	5,490	4,831	8,228	12,637
	26,183	26,172	23,898	24,615	28,870	38,916
	12,517	13,428	18,973	11,731	16,701	21,627
	2,254	2,323	2,786	2,872	4,166	4,759
	1,556	2,186	1,409	1,645	2,126	2,985
	9,308	9,576	9,603	9,533	10,507	8,819
	3,670	3,998	13,052	6,168	4,866	14,718
	4,388	5,165	5,397	6,471	5,909	7,361
	50,446	42,539	46,438	37,920	26,807	53,786
	<u>286,991</u>	<u>285,188</u>	<u>286,946</u>	<u>278,208</u>	<u>300,290</u>	<u>356,680</u>
	<u>1,622</u>	<u>(2,296)</u>	<u>3,125</u>	<u>6,453</u>	<u>5,993</u>	<u>(19,423)</u>
	48,880	-	-	-	-	-
	48,040	-	-	-	-	-
	-	-	-	1,227	273	-
	(96,700)	-	-	-	-	-
	749	301	308	2,312	171	7,778
	36,443	26,941	35,798	40,548	35,065	40,141
	(38,057)	(34,843)	(38,842)	(43,378)	(35,280)	(40,332)
	<u>(645)</u>	<u>(7,601)</u>	<u>(2,736)</u>	<u>709</u>	<u>229</u>	<u>7,587</u>
\$	<u>976</u>	<u>(9,897)</u>	<u>389</u>	<u>7,162</u>	<u>6,222</u>	<u>(11,836)</u>
	3.54%	4.06%	8.10%	5.46%	3.94%	7.29%

Schedule 5
Escambia County, Florida

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years
(Amounts Expressed in Thousands)

Fiscal Year	Net Assessed Value of Real Property (1)				Total	Total Direct Tax Rate
	Residential Property	Commercial and Industrial Property	Other Property	Personal Property (2)		
2007	9,837,506	2,770,555	352,741	1,938,757	14,899,559	9.5030
2008	10,751,338	2,840,855	344,121	2,014,988	15,951,302	8.7020
2009	9,654,407	2,917,677	345,944	1,939,783	14,857,811	7.6605
2010	9,186,381	2,766,220	346,699	1,939,980	14,239,280	7.6605
2011	8,839,770	2,656,914	322,662	1,790,615	13,609,961	7.6605
2012	8,950,022	2,721,547	367,921	1,708,852	13,748,342	7.6605
2013	8,838,568	2,620,683	377,736	1,802,882	13,639,869	7.6605
2014	9,343,620	2,712,327	400,351	1,789,770	14,246,068	7.6605
2015	9,796,441	2,754,003	382,271	1,857,164	14,789,879	7.6605
2016	10,289,657	2,879,091	385,920	1,830,128	15,384,796	7.6605

Source: Escambia County Property Appraiser

www.escpa.org

(1) Taxable value of property subject to direct tax rate.

(2) Personal property includes centrally assessed property, furniture, fixtures, tools, machinery, equipment, etc. and is taxed at various rates

Schedule 6
Escambia County, Florida

DIRECT AND OVERLAPPING PROPERTY TAX RATES

Last Ten Years
(rates per \$1,000 of assessed value)
Millage rates levied for the fiscal year ending September 30

	Fiscal Year			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Direct:				
Escambia County	6.6165	6.6165	6.6165	6.9755
Library	0.3590	0.3590	0.359	-
Escambia County Law Enforcement Service Taxing Unit	<u>0.685</u>	<u>0.685</u>	<u>0.685</u>	<u>0.685</u>
Total direct rate	<u>7.6605</u>	<u>7.6605</u>	<u>7.6605</u>	<u>7.6605</u>
Overlapping:				
Escambia County School Board	6.8760	7.1130	7.557	7.558
City of Pensacola	4.2895	4.2895	4.2895	4.2895
City of Pensacola Downtown Improvement Board	2.0000	2.0000	2.000	2.000
Northwest Florida Water Management	0.0366	0.0378	0.039	0.040
Town of Century	<u>0.9732</u>	<u>0.9006</u>	<u>0.9006</u>	<u>0.9048</u>
Total overlapping rates	<u>14.1753</u>	<u>14.3409</u>	<u>14.7861</u>	<u>14.7921</u>

Source: Escambia County Property Appraiser
www.escpa.org

Continued next page

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
6.9755	6.9755	6.9755	6.9755	8.017	8.756
-	-	-	-	-	-
0.685	0.685	0.685	0.685	0.685	0.747
7.6605	7.6605	7.6605	7.6605	8.702	9.503
7.821	7.860	7.860	7.720	7.720	7.894
4.2895	4.5395	4.5395	4.5395	4.598	4.950
2.000	2.000	2.000	2.000	2.000	2.000
0.040	0.045	0.045	0.045	0.045	0.050
0.9048	0.9048	0.823	0.817	0.781	0.764
15.0553	15.3493	15.2675	15.1215	15.144	15.658

**Schedule 7
Escambia County, Florida**

PRINCIPAL PROPERTY TAX PAYERS

**Current and Nine Years Ago
(Amounts Expressed in Thousands)**

<u>Taxpayer</u>	Fiscal Year 2016			Fiscal Year 2007		
	Assessed Value	Rank	Percentage of Total County Assessed Value	Assessed Value	Rank	Percentage of Total County Assessed Value
Gulf Power Company	\$ 647,615	1	4.21%	\$ 426,161	1	2.86%
International Paper Corp	288,767	2	1.88%	240,445	2	1.61%
West FL Medical/ Regional Medical Ctr	104,471	3	0.68%	95,500	7	0.64%
Ascend Performance Material*	110,617	4	0.72%	160,098	3	1.07%
Simon Debar/Simon Prop/Univer	66,896	5	0.43%	47,855	9	0.32%
Walmart/Sams	70,468	6	0.46%	52,859	8	0.35%
City of Pensacola	80,648	7	0.52%			0.00%
Navy Federal Credit Union	82,770	8	0.54%			0.00%
Bellsouth Tele/Southern Bell	46,384	9	0.30%	98,773	6	
Armstrong World Industries	31,112	10	0.20%			0.00%
Sacred Heart Health Systems				147,155	4	0.99%
Pensacola Christian College				113,224	5	0.76%
WCI Communities, Inc.				47,329	10	0.32%
Total	<u>\$ 1,529,748</u>		<u>9.94%</u>	<u>\$ 1,429,399</u>		<u>8.92%</u>
	(1) \$ 15,384,796			(1) \$ 14,899,559		

Sources:

Escambia County Tax Roll compiled by the Escambia County Property Appraiser

www.escpa.org

Tangible personal property records on file in the Escambia County Tax Collector's office.

www.escambiataxcollector.com

(1) Total Estimated Assessed Value Countywide per Schedule 5

*Formerly Solutia, Inc.

**Schedule 8
Escambia County, Florida**

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

Fiscal Year Ended Sept. 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Original Levy		Amount	Percentage of Levy
2007	137,425,098	124,999,953	90.96%	233,133	125,233,086	91.13%
2008	133,791,557	121,091,537	90.51%	1,035,168	122,126,705	91.28%
2009	111,259,343	105,074,368	94.44%	214,915	105,289,283	94.63%
2010	107,040,913	100,137,279	93.55%	3,248,703	103,385,982	96.59%
2011	101,512,715	93,343,444	91.95%	12,084,191 (1)	105,427,635	103.86%
2012	99,330,134	99,249,940	99.92%	432,641	99,682,581	100.35%
2013	100,092,915	94,930,127	94.84%	188,794	95,118,921	95.03%
2014	101,167,730	100,380,170	99.22%	695,427	101,075,597	99.91%
2015	106,013,064	103,697,542	97.82%	5,150,838 (2)	108,848,380	102.67%
2016	110,249,860	106,512,637	96.61%	3,178,435 (3)	109,691,072	99.49%

Note: Property Tax data includes County wide and Municipal Services Taxing Units only.
Data does not include the School Board.

(1) 2011 Collections in Subsequent Years includes \$10,606,316 for collections held in reserve pending the outcome of court litigation.

(2) 2015 Collections in Subsequent Years includes \$4,463,110 for collections held in reserve pending the outcome of court litigation.

(3) 2016 Collections in Subsequent Years includes \$2,938,543 for collections held in reserve pending the outcome of court litigation.

Schedule 9
Escambia County, Florida

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business Activities		Total Outstanding Debt
	Bonds	Capital Leases	Notes	Bonds	Notes	
2007	118,390,000	2,737,266	10,505,835	-	-	131,633,101
2008	115,210,000	1,799,730	10,030,500	-	-	127,040,230
2009	111,930,000	1,164,512	9,005,000	-	-	122,099,512
2010	108,540,000	507,504	-	-	-	109,047,504
2011	105,050,000	-	-	-	-	105,050,000
2012	56,680,000	-	48,040,000	-	-	104,720,000
2013	47,545,000	-	53,660,000	-	-	101,205,000
2014	46,780,000	-	70,528,000	-	-	117,308,000
2015	44,820,000	-	65,676,000	-	-	110,496,000
2016	42,610,000	-	60,726,000	-	-	103,336,000

Note: Details regarding the county's outstanding debt can be found in the notes to the financial statements

- (1) See Schedule 12 for more Demographic and Economic Statistics.
- (2) This is the amount restricted for debt service principal payments
- (3) Population and Personal income data can be found in the Schedule of Demographic and Economic Statistics on Schedule 12.

Continued next page

Less: Amounts Available in Debt Service Fund (2)	Total	Percentage of Personal Income (1)	Population (1)	Debt Per Capita (1)	Percentage of Per Capita (3)
747,291	130,885,810	1269.21%	297,393	440	0.026%
765,816	126,274,414	1207.12%	296,854	425	0.028%
9,422,145	112,677,367	1092.86%	297,015	379	0.031%
5,392,681	103,654,823	983.51%	297,619	348	0.034%
3,743,038	101,306,962	917.60%	299,653	338	0.036%
2,654,985	102,065,015	892.11%	304,191	336	0.037%
1,903,446	99,301,554	845.84%	377,753	263	0.039%
2,060,290	115,247,710	1012.72%	309,034	373	0.032%
854,768	109,641,232	963.45%	311,003	353	0.033%
864,390	102,471,610	900.45%	311,003	329	0.036%

Schedule 10
Escambia County, Florida

Direct and Overlapping Governmental Activities Debt and Computation of Legal Debt Margin
As of September 30, 2016

Computation of Direct and Overlapping Debt (1)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to This Governmental Unit</u>
Direct debt:		
Escambia County - Revenue Bonds	\$ 42,610,000	100.00%
Escambia County - Revenue Notes	\$ 60,726,000	100.00%
Total direct debt	\$ 103,336,000	

Overlapping:

County Governments are encouraged, but not required to present information about Direct or Overlapping Debt. Overlapping debt is not presented.

Computation of Legal Debt Margin (2)

The Constitution of the State of Florida, Florida Statute 200.181 and Escambia County set no legal debt limit.

Note: Escambia County has no general obligation debt as of September 30, 2016.

(1) Source: Escambia County Government

(2) Source: Florida Statutes

**Schedule 11
Escambia County, Florida**

PLEDGED REVENUE COVERAGE

Last Ten Fiscal Years

Fiscal Year	Sales Tax Bond/Note				Capital Improvement Bond/Note			
	Half-Cent Sales Tax Revenues	Debt Service Requirements		Coverage	Covenant to Budget (1)	Debt Service Requirements		Coverage
		Principal	Interest			Principal	Interest	
2007	21,143,626	1,755,000	3,993,358	3.68	2,337,732	450,000	996,498	1.62
2008	20,076,803	1,800,000	3,947,728	3.49	2,091,663	465,000	982,248	1.45
2009	18,213,848	1,865,000	3,880,328	3.17	1,952,547	480,000	968,298	1.35
2010	18,089,862	1,925,000	3,824,378	3.15	2,136,856	495,000	952,938	1.48
2011	19,531,628	1,985,000	3,761,815	3.40	2,770,775	510,000	936,108	1.92
2012	19,793,471	2,050,000	3,695,318	3.45	2,423,968	530,000	917,748	1.67
2013	20,617,921	2,120,000	3,625,618	3.59	1,447,388	740,000	582,971	1.09
2014	21,735,479	1,775,000	2,227,994	5.43	2,337,204	1,445,000	891,904	1.00
2015	22,513,589	3,005,000	2,177,244	4.34	3,616,947	2,606,000	1,010,186	1.00
2016	23,418,049	3,280,000	2,092,212	4.36	3,616,913	2,667,000	948,587	1.00

(1) Covenant to budget and appropriate from available Non-ad valorem revenues.

(2) Operating Expenses are defined pursuant to the ordinance 89-7, as amended, providing authority to pledge Tourism tax revenues.

Continued next page

Tourist Development Tax Bond/Note					
Tourist Development Tax Revenues	Less Operating Expense (2)	Net Available for Debt Service	Debt Service Requirements		Coverage
			Principal	Interest	
5,260,038	(1,578,011)	3,682,027	890,000	534,375	3.69
5,532,834	(1,929,311)	3,603,523	915,000	513,015	3.87
5,332,852	(3,371,913)	1,960,939	935,000	488,310	3.75
5,051,422	(1,700,000)	3,351,422	970,000	460,260	3.53
6,461,694	(1,974,810)	4,486,884	995,000	430,190	4.53
7,156,095	(1,400,000)	5,756,095	1,025,000	398,350	5.03
7,801,334	(1,200,000)	6,601,334	1,650,000	364,525	3.87
8,395,717	(1,300,000)	7,095,717	1,177,000	117,447	6.49
9,159,624	(1,300,000)	7,859,624	1,201,000	98,626	7.05
9,955,914	(1,300,000)	8,655,914	1,213,000	79,422	7.70

Schedule 12
Escambia County, Florida

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

Year	Population (1)	Median Age (2)	Per Capita Personal Income (1)	Personal Income (thousands of dollars) (3)	School Enrollment (4)	Unemployment Rate (1)
2007	297,393	36.9	34,676	10,312,400	42,025	3.9%
2008	296,854	36.9	35,239	10,460,838	41,068	6.5%
2009	297,015	38.4	34,713	10,310,282	40,325	9.8%
2010	297,619	37.0	35,412	10,539,284	40,049	10.1%
2011	299,653	37.5	36,868	11,047,607	39,658	9.9%
2012	304,191	38.0	37,682	11,462,525	39,870	8.1%
2013	307,753	37.6	38,389	11,814,330	40,082	6.5%
2014	309,034	37.6	36,632	11,320,533	43,010	6.1%
2015	311,003	37.3	38,408	11,945,003	42,082	5.2%
2016	311,003	36.9	38,408	11,945,003	39,284	5.1%

Sources:

(1) Florida Research and Economic Information Database (FRIEDA) <http://freida.labormarketinfo.com>

2016 Population was not available at the time of issue, and is based on 2015 data

2016 Per Capita Personal Income was not available at the time of issue, and is based on 2015 data

Unemployment Rate is monthly adjusted as of September

(2) University of West Florida HAAS Center www.haas.uwf.edu

(3) Personal income is a calculated amount based on population and per capita personal income.

(4) Escambia County School District - School Board Budget Department www.escambia.k12.fl.us

**Schedule 13
Escambia County, Florida**

PRINCIPAL EMPLOYERS

Current and Nine Years Ago

<u>Employer</u>	2016 (1)			2007 (2)		
	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
Local government	15,500	1	31.68%	15,790	1	33.84%
Federal government	6,800	2	13.90%	7,403	2	15.86%
State government	6,300	3	12.88%	5,970	3	12.79%
Baptist Health Care	5,571	4	11.39%	3,500	5	7.50%
Navy Federal Credit Union	5,325	5	10.89%	1,200	10	2.57%
Sacred Heart Health Systems	4,820	6	9.85%	4,100	4	8.79%
Gulf Power Company	1,774	7	3.63%	1,400	8	3.00%
West Florida Healthcare	1,200	8	2.45%	1,300	9	2.79%
Ascend Performance Materials	830	9	1.70%	1,300	9	2.79%
West Corporation	800	10	1.64%	800		1.71%
University of West Florida (State of FL)				2,400	6	5.14%
Lakeview Center (Baptist Health Care)				1,500	7	3.21%
Total Employees	48,920			46,663		

Source:

(1) Pensacola Bay Area Chamber of Commerce. The figures include both Escambia and Santa Rosa Counties (Pensacola MSA) www.pensacolachamber.com and Florida Research and Economic Information Database Applications (Total Government) www.FREIDA.labormarketinfo.com

(2) Escambia County Comprehensive Annual Fiscal Report for the year ending 2007.

Schedule 14
Escambia County, Florida

ESCAMBIA COUNTY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

Last Ten Fiscal Years

<u>Function/Program</u>	<u>Number of Full Time Equivalent Employees as of September 30</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>General government</u>				
Board of County Commissioners	177	197	192	211
Clerk of Circuit Court & Comptroller	41	53	53	55
Property Appraiser	70	70	75	70
Supervisor of Elections	13	13	13	15
Tax Collector	100	100	103	103
<u>Public safety</u>				
Board of County Commissioners	862	841	810	373
Sheriff	652	670	645	1,079
<u>Physical environment</u>				
Board of County Commissioners	65	66	105	103
<u>Transportation</u>				
Board of County Commissioners	229	197	192	196
<u>Economic environment</u>				
Board of County Commissioners	6	5	4	-
<u>Human services</u>				
Board of County Commissioners	43	43	30	29
<u>Culture and recreation</u>				
Board of County Commissioners	26	24	25	26
<u>Court related</u>				
Board of County Commissioners	13	7	6	4
Clerk of Circuit Court & Comptroller	118	117	116	117
Total	<u><u>2,415</u></u>	<u><u>2,403</u></u>	<u><u>2,369</u></u>	<u><u>2,381</u></u>

Source: Escambia County Government

Continued next page

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
198	197	207	166	197	241
54	53	53	53	65	69
70	69	69	78	83	83
15	14	15	19	20	22
89	89	89	91	89	89
379	379	398	300	389	387
1,102	1,094	1,103	1,122	1,039	1,102
98	104	105	87	76	86
194	190	199	198	232	239
-	-	-	5	5	4
27	28	26	34	42	55
25	24	26	21	29	37
4	3	3	8	11	8
125	130	130	133	164	169
<u>2,380</u>	<u>2,374</u>	<u>2,423</u>	<u>2,315</u>	<u>2,441</u>	<u>2,591</u>

Schedule 15
Escambia County, Florida

OPERATING INDICATORS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

Function/Program	Fiscal Year		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Government			
County residents per employee (1)	129	129	129
Public Safety			
Building permits -total value	\$ 1,187,144,949	\$ 160,326,832	\$ 130,236,352
Building permits - single family units	816	761	669
Building permits - multi-family units	107	10	246
Total fire responses	14,317	15,320	14,769
Total permits issued	20,200	18,786	19,416
Total inspections performed	34,461	33,628	34,490
Code enforcement complaints	6,431	7,579	6,165
Emergency calls (ambulance)	46,881	41,537	41,599
Non-emergency calls (ambulance)	2,435	534	950
Total ambulance transports	36,442	35,225	33,715
911 calls - City	51,159	56,602	61,540
Arrests - City	3,039	3,176	3,225
Traffic violations - City	6,804	6,859	7,367
911 calls - County	50,536	42,402	46,199
Arrests - County	14,137	11,306	15,348
Traffic violations - County	22,559	12,014	10,254
Physical environment			
Solid waste managed at Perdido Landfill (tons)	334,027	257,778	280,128
Waste disposed of in the class I landfill (tons)	318,320	234,031	267,821
Tons of yard trash recycled	8,033	20,262	9,377
Tons of various recycled materials	4,924	3,380	2,247
Hazardous material disposed of (tons)	76	34	43
Transportation			
Passenger trips - fixed route services	1,443,463	1,490,282	1,516,853
Passenger trips - paratransit/demand services	87,558	87,355	56,651
Bob Sikes toll receipts	\$ 3,452,765	\$ 3,537,142	\$ 3,327,729
Culture and recreation			
Bay Center operating revenues	\$ 4,989,232	\$ 4,434,520	\$ 4,563,725
Parks & recreation park uses	73	69	96
Equestrian Center events	56	56	51
Lake Stone rentals	426	391	432
Naval Air Museum visitors	842,639	872,082	799,380
Students enrolled - University of West Florida	12,798	12,602	12,588
Students enrolled - Pensacola State College	7,633	7,632	8,518

N/A: Information not available

Sources: Various county departments, Pensacola Police Department, University of West Florida, Pensacola State College, and the Pensacola Naval Air Museum.

(1) General Government - County residents per employee is derived from total county population on Schedule 12 and total County government employees on Schedule 14

Continued next page

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
128	128	126	123	128	122	115
\$ 113,949,035	\$ 91,212,174	\$ 62,593,839	\$ 90,953,291	\$ 69,389,475	\$ 76,397,591	N/A
777	621	609	529	455	513	N/A
10	2	2	391	200	34	N/A
15,946	15,392	15,736	15,493	13,602	13,061	15,000
17,440	15,176	15,741	15,330	15,222	19,258	28,007
31,798	27,205	25,288	25,581	38,612	48,318	69,414
8,292	6,400	6,354	7,418	5,659	9,483	11,825
37,872	38,668	36,516	35,557	33,836	33,440	33,557
2,103	531	797	1,068	3,144	5,760	6,916
33,136	31,542	37,313	36,625	34,030	30,782	31,530
57,416	59,583	55,093	52,780	51,104	93,019	8,111
3,773	3,316	3,405	3,375	3,852	3,958	4,059
8,179	5,894	5,879	5,786	8,458	9,890	10,617
46,246	48,467	45,071	45,710	76,257	71,175	70,814
16,944	17,850	16,986	18,776	18,847	14,295	14,957
9,114	14,314	7,833	11,201	8,711	5,193	7,021
258,856	266,114	270,935	284,689	294,785	400,329	334,874
244,018	243,737	240,934	257,192	259,807	360,086	293,794
5,015	6,315	14,977	17,628	26,834	30,804	31,851
6,726	9,316	20,531	24,343	34,669	58,601	66,056
70	72	58	35	45	26	15
1,561,371	1,359,002	1,145,539	1,164,519	1,054,638	1,017,408	1,046,453
43,774	49,639	49,138	46,383	49,591	51,475	58,002
\$ 3,310,752	\$ 3,316,180	\$ 3,249,907	\$ 2,902,503	\$ 2,962,819	\$ 2,845,803	\$ 3,124,881
\$ 3,937,617	\$ 3,750,220	\$ 3,514,818	\$ 4,016,368	\$ 3,479,910	\$ 3,632,266	\$ 4,314,095
89	104	99	85	119	94	63
47	42	37	35	40	46	47
439	450	588	688	856	708	972
765,063	804,344	801,397	726,688	755,860	685,628	700,000
12,823	11,982	11,599	11,184	11,000	10,380	9,905
9,297	9,509	9,335	9,276	20,944	20,593	26,508

Schedule 16
Escambia County, Florida

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

Function/Program	Fiscal Year			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General government				
Facilities - number	219	213	226	224
Facilities - square footage	2,357,518	2,515,675	2,489,964	2,497,854
Public Safety				
Road prison capacity	252	236	236	236
Work release facility capacity	380	380	380	280
Fire stations	22	22	23	23
Rescue vehicles (fire trucks, etc)	53	53	53	57
Ambulances	30	29	25	30
Mass transit bus/trolley	70	83	66	54
Sheriffs vehicles	257	400	400	400
Sheriff substations	6	6	6	6
Physical environment				
Landfills in operation (accepting waste)	1	1	1	1
Beaches (miles)				
Pensacola (1)*	17	17	17	17
Perdido Key (2)*	13	13	13	13
Transportation				
Centerline miles of county roads				
Paved mileage	1,486	1,479	1,474	1,467.60
Unpaved mileage	75.15	80.09	84.07	89.39
Traffic signals	361	356	338	318
Bridges	150	165	139	139
Culture and recreation				
Athletic parks	16	16	16	16
Campgrounds	2	2	2	2
Community centers	16	16	16	16
Equestrian center	1	1	1	1
Neighborhood parks	82	82	82	82
Undeveloped parks	11	11	11	11
Beach access/boat ramps	21	21	21	20
Libraries (locations)	7	6	6	6

N/A: Information not available

Sources: Individual County departments

(1) Source: Santa Rosa Island Authority and Community & Environment Bureau

(2) Source: Community & Environment Bureau

* The number of miles were obtained according to a GIS based measurement and 2006 aerial photographs. This measurement is just an approximation and is subject to significant error. Barring disaster or land acquisition/creation, the miles of beach within the County should not change significantly from year-to-year.

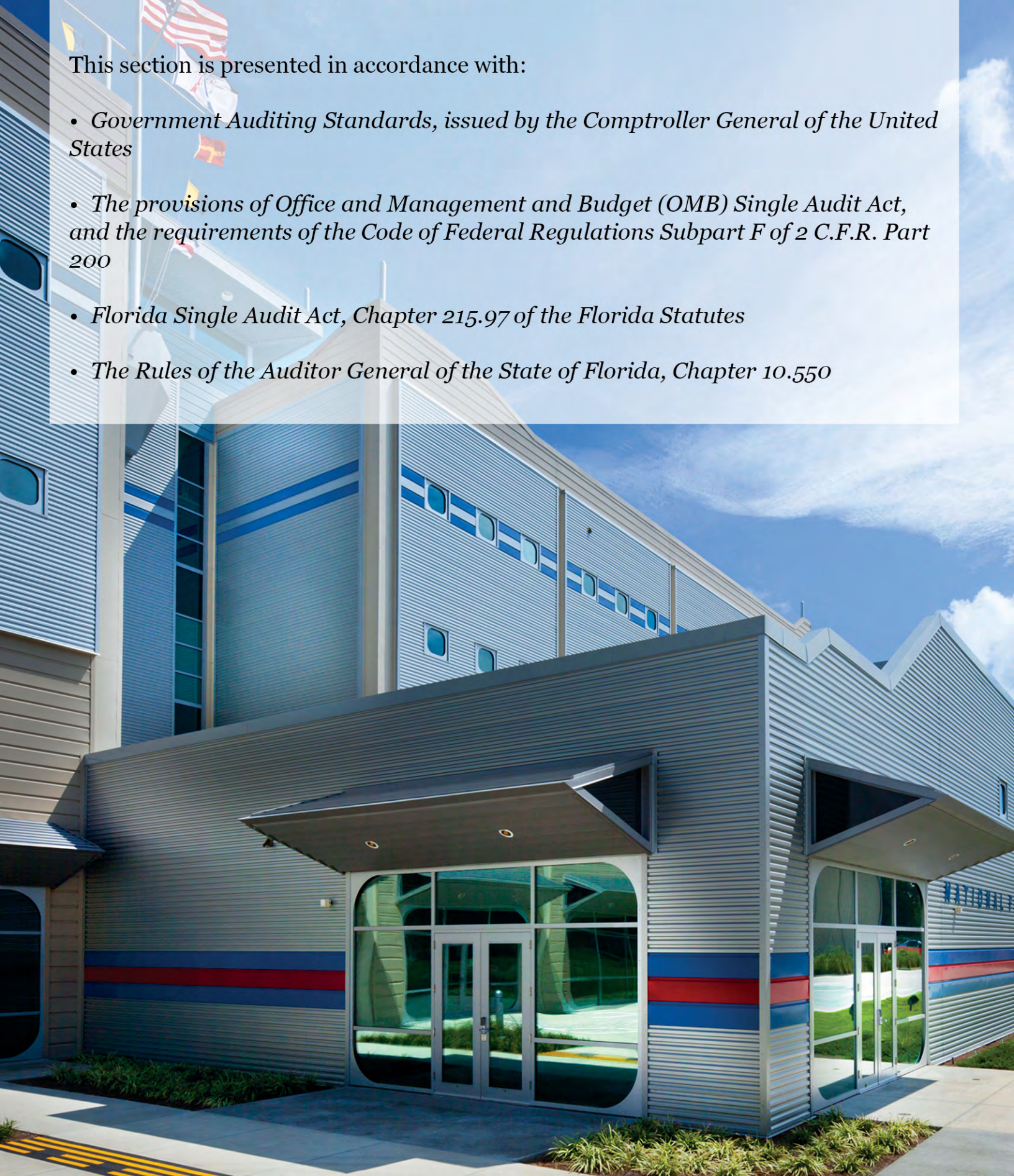
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<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
214	224	216	218	207	204
2,329,716	2,437,151	2,294,305	2,295,847	2,818,147	2,337,104
236	236	236	260	260	262
280	280	280	280	280	290
22	22	21	22	21	22
67	81	81	80	80	70
30	26	31	30	30	27
44	46	43	40	51	49
365	375	333	298	339	600
6	6	6	6	5	8
2	2	2	2	2	2
17	17	17	17	17	8
13	13	13	13	13	8
1,467.60	1,463.86	1,456.02	1,454.73	1,454.70	1,446.13
89.39	91.83	93.49	93.71	94.69	98.49
324	340	310	301	293	259
132	128	126	140	161	161
16	15	15	15	15	15
2	2	2	2	2	2
16	15	15	15	15	15
1	1	1	1	1	1
82	82	82	80	80	79
11	11	11	2	12	12
20	20	20	20	20	20
6	6	6	5	6	5

Compliance Section

This section is presented in accordance with:

- *Government Auditing Standards, issued by the Comptroller General of the United States*
- *The provisions of Office and Management and Budget (OMB) Single Audit Act, and the requirements of the Code of Federal Regulations Subpart F of 2 C.F.R. Part 200*
- *Florida Single Audit Act, Chapter 215.97 of the Florida Statutes*
- *The Rules of the Auditor General of the State of Florida, Chapter 10.550*



Additional elements of the report are prepared in accordance with the Government Auditing Standards, issued by the Comptroller General of the United States; the provisions of the Office of Management and Budget (OMB) and the Single Audit Act.; and the rules of the Auditor General of the State of Florida.

For fiscal years beginning on or after December 26, 2014, reports will be prepared in accordance with the requirements of OMB Subpart F of 2 C.F.R. Part 200 which supersede the requirements of *Circular A-133*.

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

The Honorable Board of County Commissioners
Escambia County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Escambia County, Florida, (hereinafter referred to as "County"), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated February 24, 2017. Our report includes a reference to another auditor who audited the financial statements of the Santa Rosa Island Authority, as described in our report on the County's basic financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by the other auditor.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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 County's financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Warren Averett, LLC". The signature is written in a cursive, flowing style.

February 24, 2017
Pensacola, Florida

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

The Honorable Board of County Commissioners
Escambia County, Florida

We have examined Escambia County, Florida's, (hereinafter referred to as the "the County") compliance with the following requirements for the year ended September 30, 2016:

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

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

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

In our opinion, the County has complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2016.



February 24, 2017
Pensacola, Florida

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

The Honorable Board of County Commissioners
Escambia County, Florida

We have audited the financial statements of Escambia County, Florida as of and for the year ended September 30, 2016, and have issued our report thereon dated February 24, 2017 which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole.

The Schedule of Receipts and Expenditures of Funds related to the Deepwater Horizon Oil Spill on page 209 is presented for the purpose of additional analysis as required by Florida Statute 288.8018 and the Rules of the Auditor General Chapter 10.557(3)(f), and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

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



February 24, 2017
Pensacola, Florida

Escambia County, Florida

**SCHEDULE OF RECEIPTS AND EXPENDITURES OF
FUND RELATED TO THE DEEPWATER HORIZON OIL SPILL
For the Fiscal Year Ended September 30, 2016**

<u>Source</u>	<u>Amount Received in the 2015 – 16 Fiscal Year</u>	<u>Amount Expended in the 2015 - 16 Fiscal Year</u>
BP Economic and Property Damages Promotional		
Fund: <u>Agreement No. 2013-2014</u>	\$ 40,670	\$ 25,058

Note: This does not include funds related to the Deepwater Horizon Oil Spill that are considered Federal awards or State financial assistance. The Schedule of Expenditures of Federal Awards and State Financial Assistance includes \$58,368 of expenditures of Federal awards (included for CFDA #21.015), and \$41,617 of expenditures of State financial assistance (included for CSFA # 37.081), that are related to the Deepwater Horizon Oil Spill

MANAGEMENT LETTER

The Honorable Board of County Commissioners
Escambia County, Florida

Report on the Financial Statements

We have audited the financial statements Escambia County, Florida (hereinafter referred to as the "County"), as of and for the year ended September 30, 2016, and have issued our report thereon dated February 24, 2017.

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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550 *Rules of the Florida Auditor General*.

Other Reports and Schedule

We have issued our Independent Auditors' Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Report on Examination of Compliance Requirements in Accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedules, which are dated February 24, 2017, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Financial Condition

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

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

Annual Financial Report

Sections 10.554(1)(i)5.b. and 10.556(7), *Rules of the Auditor General*, require that we apply appropriate procedures and report the results of our determination as to whether the annual financial report for the County for the fiscal year ended September 30, 2016, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2016. In connection with our audit, we determined that these two reports were in agreement.

Special District Component Units

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

Other Matters

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 did not have any such recommendations.

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 Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Warren Averett, LLC". The signature is written in a cursive, flowing style.

February 24, 2017
Pensacola, Florida

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

Honorable Board of County Commissioners
Escambia County, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited the compliance of Escambia County, Florida (hereinafter referred to as "County"), with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Compliance Supplement*, and the requirements described in the State of Florida Department of Financial Services' *State Projects Compliance Supplement*, that could have a direct and material effect on each of the County's major federal programs and state projects for the year ended September 30, 2016. The County's major federal programs and state projects are identified in the summary of auditor results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program and State Project

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2016.

Report on Internal Control over Compliance

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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Escambia County, Florida, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated February 24, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance is presented for the purposes of additional analysis as required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 Schedule of Expenditures of Federal Awards and State Financial Assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

Purpose of this Report

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

Warren Averett, LLC

February 24, 2017
Pensacola, Florida

ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2016

Federal and State Grantor/Pass-Through Grantor/Program Title	CFDA / CSFA Number	Contract / Grant Number	Expenditures	Passed Through to Subrecipients
National Endowment for the Humanities				
Passed Through Florida Humanities Council:				
Promotion of the Humanities_Federal/State Partnership	45.129	SO-50588-14	4,721	-
U.S. Department of Agriculture				
Passed Through ESCAROSA, Inc.:				
Supplemental Nutrition Assistance Program	10.551	2015-2016-01	22,195	-
Passed Through Florida Department of Agriculture and Consumer Services:				
Cooperative Forestry Assistance	10.664	21828	4,212	-
Direct Programs:				
Emergency Watershed Protection Program	10.923	ESC-APR14-008	169,514	-
Emergency Watershed Protection Program	10.923	ESC-APR14-001	317,479	-
Emergency Watershed Protection Program	10.923	ESC-APR14-006	367,932	-
Emergency Watershed Protection Program	10.923	ESC-APR14-002	166,403	-
Emergency Watershed Protection Program	10.923	ESC-APR14-004	1,667,619	-
Emergency Watershed Protection Program	10.923	ESC-APR14-003	527,788	-
Emergency Watershed Protection Program	10.923	ESC-APR14-007	35,725	-
			<u>3,252,460</u>	<u>-</u>
U.S. Department of Health and Human Services				
Passed Through Florida Department of Revenue:				
Child Support Enforcement	93.563	CST17	53,192	-
Child Support Enforcement	93.563	COC17	879,832	-
			<u>933,024</u>	<u>-</u>
Passed Through Big Bend Community Based Care, Inc.:				
Block Grants for Community Mental Health Services	93.958	A0150	43,567	-
U.S. Department of Homeland Security				
Passed Through Florida Division of Emergency Management:				
Flood Mitigation Assistance	97.029	16FM-J8-01-27-01-265	4,149	-
Passed Through Florida Division of Emergency Management:				
Disaster Grants-Public Assistance	97.036	15-SP-8Z-01-27-02-514	3,998,958	-
Passed Through Florida Division of Emergency Management:				
Emergency Management Performance Grants	97.042	17-FG-P9-01-27-01-090	36,018	-
Emergency Management Performance Grants	97.042	16-FG-5A-01-27-01-083	68,541	-
Emergency Management Performance Grants	97.042	16-CI-S9-01-21-02-318	6,500	-
Emergency Management Performance Grants	97.042	16-CC-S9-01-21-01-319	6,500	-
			<u>117,559</u>	<u>-</u>
Passed Through Florida Division of Emergency Management:				
Homeland Security Grant Program	97.067	15-DS-P4-01-27-01-379	5,981	-
U.S. Department of Housing and Urban Development				
Direct Programs:				
Community Development Block Grant/Entitlement Grants	14.218	B-09-UC-12-0012	2,380	-
Community Development Block Grant/Entitlement Grants	14.218	B-10-UC-12-0012	69,078	-
Community Development Block Grant/Entitlement Grants	14.218	B-11-UC-12-0012	274,780	-
Community Development Block Grant/Entitlement Grants	14.218	B-12-UC-12-0012	232,922	-
Community Development Block Grant/Entitlement Grants	14.218	B-13-UC-12-0012	134,049	-
Community Development Block Grant/Entitlement Grants	14.218	B-14-UC-12-0012	201,378	-
Community Development Block Grant/Entitlement Grants	14.218	B-15-UC-12-0012	462,883	65,500
			<u>1,377,470</u>	<u>65,500</u>
Direct Programs:				
Emergency Solutions Grant Program	14.231	E-14-UC-12-0022	11,649	11,649
Emergency Solutions Grant Program	14.231	E-15-UC-12-0012	99,480	92,075
			<u>111,129</u>	<u>103,724</u>

See accompanying notes to the schedule of expenditures of federal awards and state financial assistance.

ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE – (Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2016

Federal and State Grantor/Pass-Through Grantor/Program Title	CFDA / CSFA Number	Contract / Grant Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Housing and Urban Development-Continued				
Direct Programs:				
Home Investment Partnerships Program	14.239	M-10-DC-12-0225	14,413	14,413
Home Investment Partnerships Program	14.239	M-12-DC-12-0225	161,344	161,344
Home Investment Partnerships Program	14.239	M-13-DC-12-0225	180,859	171,728
Home Investment Partnerships Program	14.239	M-14-DC-12-0225	127,863	127,863
Home Investment Partnerships Program	14.239	M-15-DC-12-0225	80,355	36,310
			<u>564,834</u>	<u>511,658</u>
U.S. Department of the Interior				
Passed Through Florida Fish and Wildlife Conservation Commission:				
Sport Fish Restoration	15.605	14097	3,540	-
Direct Program:				
National Park Service Conservation, Protection, Outreach and Education	15.954	P16AC00331	92,042	-
U.S. Department of Justice				
Passed Through Florida Department of Law Enforcement:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2016-JAGC-ESCA-3-H3-202	32,976	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2016-JAGC-ESCA-1-H3-175	10,998	-
Direct Programs:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2015-DJ-BX-0575	59,264	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2014-DJ-BX-0596	87,242	-
			<u>190,480</u>	<u>-</u>
U.S. Department of Transportation				
Passed Through Florida Department of Transportation:				
Highway Planning and Construction	20.205	AR315	506,409	-
Highway Planning and Construction	20.205	ART50	2,750,907	-
Highway Planning and Construction	20.205	ART49	1,252,902	-
Direct Program:				
Highway Planning and Construction	20.205	436511-2-38-01	99,954	-
			<u>4,610,172</u>	<u>-</u>
Direct Programs:				
Federal Transit Capital Investment Grants	20.500	FL-04-0183-00	26,950	-
Federal Transit Formula Grants	20.507	FL-90-X728-00	89,270	-
Federal Transit Formula Grants	20.507	FL-90-X759-00	46,220	-
Federal Transit Formula Grants	20.507	FL-90-X804-00	198,045	-
Federal Transit Formula Grants	20.507	FL-90-X825-00	38,404	-
Federal Transit Formula Grants	20.507	FL-90-X848-00	1,130	-
Federal Transit Formula Grants	20.507	FL-90-X877-00	237,596	-
Federal Transit Formula Grants	20.507	FL-2017-003	2,819,261	-
State and Good Repair Grants Program	20.525	FL-04-0181-00	120,020	-
Subtotal Federal Transit Cluster			<u>3,576,896</u>	<u>-</u>
Passed Through Florida Department of Transportation:				
Formula Grant for Rural Areas	20.509	ARL62	184,828	-
Passed Through Florida Department of Transportation:				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	FL-16-X015	206,971	-
Passed Through Florida/Alabama Transportation Planning Organization:				
Job Access and Reverse Commute	20.516	FL-37-X046-00	14,086	-
Subtotal Transit Services Program Cluster			<u>221,057</u>	<u>-</u>
U.S. Department of the Treasury				
Direct Program:				
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	21.015	1 RDCGR080002-01-00	323,045	-

See accompanying notes to the schedule of expenditures of federal awards and state financial assistance.

ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE – (Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2016

Federal and State Grantor/Pass-Through Grantor/Program Title	CFDA / CSFA Number	Contract / Grant Number	Expenditures	Passed Through to Subrecipients
<u>U.S. Election Assistance Commission</u>				
Passed Through Florida Department of State: Help America Vote Act Requirements	90.401	MOA 2015-2016-0001-ESC	33,684	-
<u>U.S. Environmental Protection Agency</u>				
Passed Through Florida Department of Environmental Protection: Nonpoint Source Implementation Grants	66.460	G0439	86,000	-
TOTAL FEDERAL AWARDS			\$ 19,762,003	\$ 680,882
<u>Executive Office of the Governor</u>				
Direct Programs:				
Emergency Management Programs	31.063	17-BG-83-01-27-01-023	\$ 9,434	\$ -
Emergency Management Programs	31.063	16-BG-83-01-27-01-016	78,489	-
			87,923	-
Direct Program:				
Emergency Management Projects	31.067	16CP-11-01-27-01-169	11,199	-
<u>Florida Department of Agriculture and Consumer Services</u>				
Direct Program:				
Mosquito Control	42.003	022283	13,895	-
<u>Florida Department of Economic Opportunity</u>				
Direct Program:				
Local Economic Development Initiatives	40.012	S0031	21,553	-
<u>Florida Department of Environmental Protection</u>				
Direct Program:				
Statewide Surface Water Restoration and Wastewater Projects	37.039	S0878	111,218	-
Direct Programs:				
Early Restoration Deepwater Horizon Oil Spill	37.081	S0779	24,499	-
Early Restoration Deepwater Horizon Oil Spill	37.081	S0705	15,639	-
Early Restoration Deepwater Horizon Oil Spill	37.081	S0927	1,479	-
			41,617	-
<u>Florida Department of Health</u>				
Direct Program:				
County Grant Awards	64.005	C4017	38,136	-
<u>Florida Department of State and Secretary of State</u>				
Passed Through Panhandle Library Access Network:				
Library Cooperative Grants	45.018	N/A	10,260	-
Direct Program:				
State Aid To Libraries	45.030	16-ST-93	135,469	-
Direct Program:				
Acquisition, Restoration of Historic Properties	45.032	SC518	350,000	-
<u>Florida Department of Transportation</u>				
Direct Program:				
Commission for the Transportation Disadvantaged Trip and Equipment Grant	55.001	MOA 2015-2016-0001-ESC	785,869	-
Direct Program:				
Public Transit Block Grant Program	55.010	ARL61	824,361	-
Direct Program:				
Transit Corridor Program	55.013	ARL63	639,256	-

See accompanying notes to the schedule of expenditures of federal awards and state financial assistance.

ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE – (Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2016

Federal and State Grantor/Pass-Through Grantor/Program Title	CFDA / CSFA Number	Contract / Grant Number	Expenditures	Passed Through to Subrecipients
<u>Florida Department of Transportation-Continued</u>				
Direct Program:				
Economic Development Transportation Projects - Road Fund	55.032	ART87	49,533	-
<u>Florida Fish and Wildlife Conservation Commission</u>				
Direct Programs:				
Artificial Reef Grants Program	77.007	13325	2,925	-
Artificial Reef Grants Program	77.007	15153	942	-
			<u>3,867</u>	<u>-</u>
<u>Florida Housing Finance Corporation</u>				
Direct Programs:				
State Housing Initiatives Partnership Program	40.901	2015 SHIP	721,367	273,576
State Housing Initiatives Partnership Program	40.901	2016 SHIP	671,829	88,242
			<u>1,393,196</u>	<u>361,818</u>
<u>Florida State Courts System</u>				
Direct Program:				
Post-Adjudicatory Drug Court Program	22.021	N/A	209,666	-
TOTAL STATE AWARDS			<u>\$ 4,727,018</u>	<u>\$ 361,818</u>
TOTAL FEDERAL AND STATE AWARDS			<u><u>\$ 24,489,021</u></u>	<u><u>\$ 1,042,700</u></u>

See accompanying notes to the schedule of expenditures of federal awards and state financial assistance.

ESCAMBIA COUNTY FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2016

NOTE A - BASIS OF PRESENTATION

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, *Rules of the Auditor General*. Therefore, some amounts presented in this schedule may differ from amounts presented, in, or used in the preparation of, the basic financial statements.

NOTE B -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance includes the federal and state grant activity of Escambia County, Florida under programs of the federal and state government for the year ended September 30, 2016. Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Escambia County, Florida did not elect to utilize the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE C - MATCH

The County match on Federal Transit Administration grants is received from the State of Florida as a non-cash award via Florida Toll Road Credits.

**ESCAMBIA COUNTY FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

A. SUMMARY OF AUDITOR RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued: Unmodified Opinion
Internal control over financial reporting:
Material weakness(es) identified? _____ yes ☒ no
Significant deficiency (ies) identified that are
not considered to be material weakness(es)? _____ yes ☒ none reported

Noncompliance material to financial statements
noted? _____ yes ☒ no

FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

Internal control over major programs:
Material weakness(es) identified? _____ yes ☒ no
Significant deficiency(ies) identified that are
not considered to be material weakness(es)? _____ yes ☒ none reported

Type of auditors' report issued on compliance
for major programs: Unmodified Opinion

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

IDENTIFICATION OF MAJOR PROGRAMS

Federal Program

CFDA No. 10.923 Emergency Watershed Protection Program
CFDA No. 14.218 Community Development Block Grants/Entitlement Grants

Dollar threshold used to distinguish
between type A and type B programs: \$ 750,000

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

**ESCAMBIA COUNTY FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

A. SUMMARY OF AUDITOR RESULTS – (CONTINUED)

State Projects

CSFA No. 40.901 State Housing Initiatives Partnership Program
CSFA No. 45.032 Acquisition, Restoration of Historic Properties
CSFA No. 55.013 Transit Corridor Program

Dollar threshold used to distinguish
between type A and type B programs: \$ 300,000

B. FINANCIAL STATEMENT FINDINGS

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

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL PROGRAMS

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

D. FINDINGS AND QUESTIONED COSTS - MAJOR STATE FINANCIAL ASSISTANCE

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

Supporting Financial Statements

The following Statements and Compliance Reports are presented to demonstrate compliance with the rules of the Auditor General of the State of Florida:

Clerk of the Circuit Court and Comptroller

Property Appraiser

Sheriff

Supervisor of Elections

Tax Collector



Supporting Financial Statements

The following Statements and Compliance Reports are presented to demonstrate compliance with the rules of the Auditor General of the State of Florida:

Clerk of the Circuit Court and Comptroller

Property Appraiser

Sheriff

Supervisor of Elections

Tax Collector



**FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION**

**ESCAMBIA COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**SEPTEMBER 30, 2016
WITH INDEPENDENT AUDITORS' REPORT**

**FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION**

**ESCAMBIA COUNTY, FLORIDA CLERK OF THE CIRCUIT COURT AND COMPTROLLER
SEPTEMBER 30, 2016
WITH INDEPENDENT AUDITORS' REPORT**

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INDEPENDENT AUDITORS' REPORT

Honorable Pam Childers
Escambia County, Clerk of the Circuit Court and Comptroller

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Office of the Clerk of the Circuit Court and Comptroller of Escambia County, Florida ("Clerk") as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the Clerk's financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of each major fund and the aggregate remaining fund information of the Clerk, as of September 30, 2016, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above have been prepared for the purpose of complying with the Rules of the Auditor General, State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, and aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Escambia County, Florida that are attributable to the Clerk. They do not purport to, and do not, present fairly the financial position of Escambia County, Florida as of September 30, 2016, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules on pages 18 - 19 be presented to supplement the basic financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report on our consideration of the Clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters included under the heading "*Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards.*"

The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk's internal control over financial reporting and compliance.

Warren Averett, LLC

December 9, 2016
Pensacola, Florida

Financial Statements

**ESCAMBIA COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**BALANCE SHEET
GOVERNMENTAL FUNDS**

SEPTEMBER 30, 2016

	Major Funds		
	General Fund	Public Records Modernization Fund	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 3,755,791	\$ 2,524,097	\$ 6,279,888
Due from other governmental units	2,801	268,804	271,605
Total assets	<u>\$ 3,758,592</u>	<u>\$ 2,792,901</u>	<u>\$ 6,551,493</u>
Liabilities			
Accounts payable	\$ 29,431	\$ 31,733	\$ 61,164
Contracts payable	20,825	-	20,825
Accrued liabilities	473,627	25,175	498,802
Due to other governmental units	3,161,222	-	3,161,222
Unearned revenue	31,753	-	31,753
Other current liabilities	41,734	-	41,734
Total liabilities	<u>3,758,592</u>	<u>56,908</u>	<u>3,815,500</u>
Fund Balances			
Restricted for:			
Records modernization technology	-	2,735,993	2,735,993
Total fund balance	<u>-</u>	<u>2,735,993</u>	<u>2,735,993</u>
Total liabilities and fund balance	<u>\$ 3,758,592</u>	<u>\$ 2,792,901</u>	<u>\$ 6,551,493</u>

**ESCAMBIA COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

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

YEAR ENDED SEPTEMBER 30, 2016

	Major Funds		
	General Fund	Public Records Modernization Fund	Total Governmental Funds
Revenues:			
Intergovernmental	\$ 818,705	\$ 1,008,202	\$ 1,826,907
Charges for services	5,620,803	594,936	6,215,739
Judgments, fines and forfeitures	1,169,414	282,986	1,452,400
Investment income	177,032	-	177,032
Miscellaneous revenue	424,899	127	425,026
Total Revenues	<u>8,210,853</u>	<u>1,886,251</u>	<u>10,097,104</u>
Expenditures:			
Current:			
General government:			
Salaries and benefits	3,315,171	-	3,315,171
Operating expenditures	410,874	-	410,874
Capital outlay	78,952	-	78,952
Court related:			
Salaries and benefits	5,580,400	797,317	6,377,717
Operating expenditures	408,460	256,720	665,180
Capital outlay	-	187,400	187,400
Payments to State	511,601	-	511,601
Total Expenditures	<u>10,305,458</u>	<u>1,241,437</u>	<u>11,546,895</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,094,605)</u>	<u>644,814</u>	<u>(1,449,791)</u>
Other Financing Sources and Uses:			
Transfers in	2,818,594	-	2,818,594
Transfers out	(723,989)	-	(723,989)
Total Other Financing Sources and Uses	<u>2,094,605</u>	<u>-</u>	<u>2,094,605</u>
Net Change in Fund Balance	-	644,814	644,814
Fund Balance, October 1, 2015	<u>-</u>	<u>2,091,179</u>	<u>2,091,179</u>
Fund Balance, September 30, 2016	<u>\$ -</u>	<u>\$ 2,735,993</u>	<u>\$ 2,735,993</u>

**ESCAMBIA COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**INTERNAL SERVICE FUND
STATEMENT OF NET POSITION**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

ASSETS

Current assets:

Cash and cash equivalents	\$ 786,792
Total current assets	<u>786,792</u>

LIABILITIES

Current liabilities:

Compensated absences payable	<u>78,679</u>
Total current liabilities	78,679

Noncurrent Liabilities:

Compensated absences payable	<u>708,113</u>
Total noncurrent liabilities	708,113
Total liabilities	<u>786,792</u>

NET POSITION

Unrestricted	<u>-</u>
Total net position	<u><u>\$ -</u></u>

**ESCAMBIA COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**INTERNAL SERVICE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

SEPTEMBER 30, 2016

Operating revenues:

Charges for services	\$ 397,807
Total operating revenue	<u>397,807</u>

Operating expenses:

Personnel services	<u>397,807</u>
Total operating expense	<u>397,807</u>
Operating income (loss)	<u>-</u>

Changes in net position	-
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Net position-beginning	<u>-</u>
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Net position-ending	<u><u>\$ -</u></u>
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**ESCAMBIA COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**INTERNAL SERVICE FUND
STATEMENT OF CASH FLOWS**

SEPTEMBER 30, 2016

CASH FLOWS FROM OPERATING ACTIVITIES

Net reimbursement for personal services paid by Court Fund	<u>\$ (71,387)</u>
Net increase (decrease) in cash and cash equivalents	(71,387)
Cash and cash equivalents, beginning of year	<u>858,179</u>
Cash and cash equivalents, end of year	<u><u>\$ 786,792</u></u>

**Reconciliation of operating income (loss) to net cash provided by
(used for) operating activities:**

Operating income (loss)	\$ -
Increase (decrease) in compensated absences payable	(71,387)
Net cash provided by (used for) operating activities	<u><u>\$ (71,387)</u></u>

**ESCAMBIA COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND**

SEPTEMBER 30, 2016

Assets

Cash and cash equivalents	\$ 5,968,355
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Total Assets	<u>\$ 5,968,355</u>
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Liabilities

Cash bonds payable	\$ 1,593,204
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Court registry payable	2,836,846
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General trust payable	3,167
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Due to other governments	35,166
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Due to individuals	<u>1,499,972</u>
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Total Liabilities	<u>\$ 5,968,355</u>
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**ESCAMBIA COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

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

A. Reporting entity

The Escambia County, Florida, Clerk of the Circuit Court and Comptroller (the “Clerk”) is an elected constitutional officer as provided by Article VIII, Section 1 (d) of the Constitution of the State of Florida.

For financial reporting purposes, the Clerk is deemed to be a part of the primary government of Escambia County, Florida (the County), and therefore, is included as such in the Escambia County, Florida, Comprehensive Annual Financial Report.

B. Basis of presentation – fund financial statements

These financial statements have been prepared for the purpose of complying with the *Rules of the Auditor General, State of Florida*, which require presentation of *fund level* only financial statements and permit omission of entity-wide full accrual financial statements and management’s discussion and analysis. Therefore, these financial statements are intended to present only the financial position and changes in financial position of that portion of Escambia County, Florida that relate to transactions of the Clerk and are not intended to present the financial position and changes in financial position of Escambia County, Florida, taken as a whole.

The Clerk’s financial records and accounts are maintained in accordance with the principles of “fund accounting,” whereby resources are classified for accounting and reporting purposes into funds to insure compliance with any special restrictions or limitations on the use of such resources. The Clerk’s major funds are defined as follows:

The **General Fund** – a governmental fund, is used to account for and report all financial resources of the Clerk not accounted for and reported in other funds.

The **Public Records Modernization Fund** - a special revenue fund, accounts for monies collected according to Chapter 28.24, Florida Statutes to be used exclusively for the purchase and maintenance of equipment, personal training, and technical assistance in modernizing the official records system and for funding court-related technology needs of the Clerk as defined in Chapter 29.008, Florida Statutes. Section 28.37(2), Florida Statutes specifies 10% of all court-related fines are to be deposited into this fund to be used exclusively for additional court-related operational needs and program enhancements. Also included in the Special Revenue Fund are activities related to Title IV-D child support cases. Title IV-D funding provides assistance to the plaintiff and enforcement of collections through the Office of Child Support Enforcement.

**ESCAMBIA COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

NOTES TO FINANCIAL STATEMENTS (*Continued*)

1. Summary of Significant Accounting Policies (*Continued*)

Additionally, the Clerk reports the following fund types:

Agency Funds - are used to account for assets received and held by the Clerk as an agent for individuals, private organizations and other governments. Agency funds are custodial in nature. The Clerk has numerous agency funds for varying purposes.

Internal Service Fund – is a proprietary fund that accounts for the balances and activity related to the court-related personnel compensated absences policies.

C. Measurement focus and basis of accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements, and also refers to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when received in cash or when they become both measurable and available to finance expenditures of the current period.

The Clerk considers receivables collected within 60 days after year end to be available and recognizes them as revenues of the current year. Expenditures are recorded when the liability is incurred, except for compensated absences for non-court related activities, which are not recorded until paid by the General Fund. Court-related compensated absences are accrued when earned in the internal service fund.

The accounting and financial reporting treatment applied to the capital assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or “financial flow” measurement focus. This means that generally, only current assets, deferred outflows, current liabilities, and deferred inflows are included in the balance sheet. Governmental fund operating statements present increases (revenues, inflows, and other financing sources) and decreases (expenditures, outflows, and other financing uses) in fund balance. Accordingly, they present a summary of sources and uses of “available spendable resources” during a period.

Proprietary funds (the internal service fund) are reported using the economic resources measurement focus and the accrual basis of accounting. Proprietary funds distinguish operating revenues and expenses from non-operating items. The principal operating revenues of the internal service fund are charges related to the Clerk’s court-related compensated absences activity.

Agency fund financial statements have no measurement focus but report assets and liabilities using the accrual basis of accounting.

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Capital asset acquisitions are recorded as expenditures in governmental funds.

**ESCAMBIA COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

NOTES TO FINANCIAL STATEMENTS (*Continued*)

1. Summary of Significant Accounting Policies (*Continued*)

The preparation of financial statements in conformity with GAAP requires management to make use of estimates that affect the reported amounts in the financial statements and note disclosures. Actual results could differ from estimates.

D. Fund balance and flow assumptions

Fund balance at September 30, 2016, consists of the following:

Nonspendable fund balance - include amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. Nonspendable in governmental fund types typically are for inventories and prepaid items. As of September 30, 2016, the Clerk had no nonspendable fund balances.

Restricted fund balance – include amounts that can be spent only for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations or are imposed by law through constitutional provisions or enabling legislation.

Committed fund balance – include amounts that can only be used for the specific purpose determined by a formal action of the Clerk's highest level of decision-making authority. Commitments may be changed or lifted only by the Clerk taking the same formal action that imposed the constraint originally. As of September 30, 2016, the Clerk had no committed fund balances.

Assigned fund balance – include amounts intended to be used by the Clerk for specific purposes, but which do not meet any of the criterion to be considered either restricted or committed. As of September 30, 2016, the Clerk had no assigned fund balances.

Unassigned fund balance – is the residual classification of the general fund only and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose.

Periodically, the Clerk may fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Clerk's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**ESCAMBIA COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

NOTES TO FINANCIAL STATEMENTS (*Continued*)

1. Summary of Significant Accounting Policies (*Continued*)

E. Capital Assets

Capital assets (vehicles, equipment and other property costing at least \$1,000 with a useful life of more than one year) are recorded as expenditures at the time of purchase. These assets are capitalized at cost and depreciated in Escambia County's government-wide financial statements. The Clerk maintains custodial responsibility for the capital assets used by the Clerk.

F. Accumulated compensated absences

Employees may accumulate, subject to limitations, amounts of earned but unused sick leave, annual leave, and compensatory time, which will be paid upon separation from service. The amount of vested accumulated compensated absences payable (related to governmental fund activities) based upon the Clerk's paid-time-off (PTO) policy is reported as a liability in the statement of net position in the County's government-wide financial statements. That liability includes earned but unused vacation and sick time as well as FICA taxes and retirement contributions related thereto.

The court-related portion of compensated absences are recorded in the internal service fund, which was established to accumulate resources for such payment in future years.

G. Funding Provided by the State of Florida and Board of County Commissioners

The Clerk and Comptroller functions are funded by two primary sources, the State of Florida and the Board of County Commissioners.

The State provides operating funds for court-side activities of the Clerk through a State of Florida Clerk of Court Trust Fund. The funding mechanism changed with legislation passed in 2013 which established the Trust Fund. Clerks are no longer required to send collected revenues back to the State for re-appropriation of their budget but instead retain their revenues up to the budget amount appropriated from the Trust Fund. Also, any shortage of revenues up to the approved budget is funded by the Trust Fund. Excess revenues above the appropriation are returned to the State.

The Board of County Commissioners funds operating activities and capital expenditures for the comptroller functions. The Clerk submits a proposed budget to the Board for approval for each fiscal year. Funding by the Board is recorded as a "transfer out" in the financial statements of the County, and as a "transfer in" on the financial statements of the Clerk.

Florida Statutes require that the excess of the Board's appropriations (and other revenues) over expenditures be returned to the Board at the end of the fiscal year.

**ESCAMBIA COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

NOTES TO FINANCIAL STATEMENTS *(Continued)*

2. Cash deposits with financial institutions

Cash and cash equivalents are highly liquid investments with original maturities of three months or less when purchased. Investments are recorded at fair value.

The investment of surplus funds is governed by the provisions of Florida Statute 218.415 as to the type of investments that can be made. Deposits may be exposed to custodial credit risk, which is the risk of loss in the event of a bank failure.

The Clerk manages custodial credit risk by maintaining its deposits in financial institutions designated as "Qualified Public Depositories" by the State Treasurer.

The Clerk's cash deposits are held by banks which qualify as public depositories under the Florida Security for Public Deposits Act as required by Chapter 280, Florida Statutes. All of the Clerk's deposits are fully insured by the Public Deposit Trust Fund.

At September 30, 2016, the reported amount of the Clerk's deposits was approximately \$13 million, and the bank balance was approximately \$12.9 million, consisting entirely of cash and deposit accounts.

3. Interfund receivables, payables and transfers

Interfund receivables and payables consist of amounts due to or from funds during the normal course of business. At September 30, 2016 there were no interfund receivables or payables within the Clerk's funds. Transfers consist of \$2,818,594 of "transfers in" from the Board of County Commissioners and "transfers out" of excess budget and fees totaling \$723,989.

4. Due from/to other governments

At September 30, 2016, due from other governments contains \$268,804 due from the State for Title IV-D services. The due to other governments includes \$1,129,302 payable to the Board of County Commissioners of which \$723,989 was excess budget and fees.

Based on the legal opinion provided by Clerks of Court Operations Corporation general counsel of the provisions of Section 28.37(3), F.S., which was adopted as a policy by the CCOC Finance and Budget Committee, excess court-related funds of \$905,416 have been included in due to other governments.

**ESCAMBIA COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

NOTES TO FINANCIAL STATEMENTS (*Continued*)

5. Retirement plan

The Clerk participates in the Florida Retirement System (FRS), administered by the Florida Department of Management Services. The FRS was established in 1970 by Chapter 121, Florida Statutes. Changes to the FRS can only be made by an act of the Florida Legislature. Rules governing the operation and administration of the system may be found in Chapter 60S of the Florida Administrative Code. The State of Florida issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for FRS. The report may be obtained on the division's website at <http://www.dms.myflorida.com>. The report may also be obtained by contacting the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, FL 32315-9000.

Employees elect participation in either the defined benefit plan (Pension Plan), a multiple-employer cost –sharing defined benefit retirement plan, or the defined contribution plan (Investment 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.

The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Retirement benefits are based upon age, average compensation and years-of-service credit where average compensation is computed as the average of the members' highest 5 or 8 fiscal years of earnings, depending upon enrollment date. A post-employment health insurance subsidy is also provided to eligible retired members through the FRS in accordance with Florida Statutes.

For employees who were enrolled in the plan prior to July 1, 2011, normal retirement benefits are available at age 62 with 6 or more years of service, or to those employees who have at least 30 years of creditable service, regardless of age.

For employees who were enrolled in the plan after July 1, 2011, normal retirement benefits are available at age 65 with 8 or more years of service, or to those employees who have at least 33 years of creditable service, regardless of age.

Early retirement is available for vested members with a 5% reduction of benefits for each year prior to the normal retirement age. Retirement age and years of service requirements also vary depending on membership class.

In addition to the above benefits, the Deferred Retirement Option Program (DROP) is available under the Pension Plan when the member first reaches eligibility for normal retirement. This program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate.

For those members who elect participation in the Investment Plan rather than the Pension Plan, vesting occurs at one year of service. The Investment Plan is a defined contribution plan funded monthly by employer and employee contributions based on salary and membership class.

**ESCAMBIA COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

NOTES TO FINANCIAL STATEMENTS (*Continued*)

5. Retirement plan (*Continued*)

Members in the Investment Plan decide how their funds are allocated between various investment accounts and the vested funds are portable upon termination. The final retirement benefit is equal to the vested contributions plus investment earnings less expenses and losses allocated to the member's account. Members in the Investment Plan are not eligible for participation in the Deferred Retirement Option Program.

The contribution requirements of the Clerk and members are established and may be amended by FRS. Both plans are contributory for employees and require a 3% employee contribution. This is in addition to the contributions that are the obligation of the employer. The Clerk's contributions to FRS for the years ended September 30, 2016, 2015 and 2014 were \$651,490, \$609,974, and \$576,670, respectively, equal to the required contributions for each year.

The contribution rates in effect during the period ended September 30, 2016, 2015 and 2014 were as follows:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Regular Class:</u>	7.52%	7.26%	7.37%
Members not qualifying for other classes.			
<u>Senior Management Class:</u>	21.77%	21.43%	21.14%
Members of senior management who do not elect the optional annuity retirement program.			
<u>Elected Officials Class:</u>	42.47%	42.27%	43.24%
Certain elected county officials.			
<u>Deferred Retirement Option Program (DROP):</u>	12.99%	12.88%	12.28%
Members are enrolled in DROP from FRS			

Net Pension Obligation-Proportionate Share

The Clerk has a net FRS pension liability determined in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. This long-term liability is only reported in the county-wide financial statements and is not a current liability of the governmental funds. All required disclosures and schedules may be found in the county-wide financial statements of Escambia County, Florida.

6. Other post-employment benefits (OPEB), other than pensions

The Board offers post-employment health care benefits to all retired employees of the Clerk and their dependents. Participating retirees are required to reimburse the Board for 100% of the premium cost, which is netted against the premium payment, so that no net expense is initially recorded in the Board's financial statements. However, these retirees are receiving an "implicit subsidy" because the premium is a group rate which includes active, lower cost employees. The implicit subsidy's annual cost, accrued obligation, and other required disclosures have been calculated for the County as a whole, and not separately for the Clerk. Accordingly, these calculations and disclosures can be found in the county-wide comprehensive annual financial report.

**ESCAMBIA COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

NOTES TO FINANCIAL STATEMENTS *(Continued)*

7. Risk management

The County has a risk management program to insure claims against the BOCC, Constitutional Officers, and Santa Rosa Island Authority for the following types of risks:

Workers Compensation – The County is covered for workers' compensation claims through a policy with the Florida Municipal Insurance Trust. Coverage limits under the policy include statutory limits, as well as \$1,000,000 bodily injury for each accident and \$1,000,000 bodily injury by disease for each employee with an aggregate \$1,000,000 policy limit.

Casualty and Property – Casualty limits are self-insured for \$200,000 per claim with a \$300,000 aggregate limit. Property limits are \$50,000 - \$250,000 self-insured retentions per occurrence with excess limits of \$45 million including wind.

The Clerk participated in the County's insurance program during fiscal year 2016 at a cost of \$17,124. There also were no significant reductions in insurance coverage from the prior year and there have been no settlements which exceeded the Clerk's insurance coverage in any of the past three fiscal years.

8. Litigation

From time to time, the office of the Clerk may be involved as a defendant in certain litigation and claims arising from the ordinary course of operations. In the opinion of legal counsel, there are no lawsuits or claims outstanding which will have a material adverse effect on the financial position of the Clerk.

Required Supplementary Information

**ESCAMBIA COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

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

YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ 1,154,352	\$ 921,277	\$ 818,705	\$ (102,572)
Charges for services	5,291,200	5,291,200	5,620,803	329,603
Judgments, fines and forfeitures	1,131,000	1,131,000	1,169,414	38,414
Investment income	-	-	177,032	177,032
Miscellaneous	374,800	374,800	424,899	50,099
Total Revenues	<u>7,951,352</u>	<u>7,718,277</u>	<u>8,210,853</u>	<u>492,576</u>
Expenditures:				
Current:				
General government:				
Salaries and benefits	3,637,329	3,641,554	3,315,171	326,383
Operating expenditures	574,040	574,040	410,874	163,166
Capital outlay	100,000	100,000	78,952	21,048
Court related:				
Salaries and benefits	5,730,044	5,612,044	5,580,400	31,644
Operating expenditures	724,308	609,233	408,460	200,773
Payments to State	-	-	511,601	(511,601)
Total Expenditures	<u>10,765,721</u>	<u>10,536,871</u>	<u>10,305,458</u>	<u>231,413</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,814,369)</u>	<u>(2,818,594)</u>	<u>(2,094,605)</u>	<u>723,989</u>
Other Financing Sources and Uses:				
Transfers in	2,814,369	2,818,594	2,818,594	-
Transfers out	-	-	(723,989)	(723,989)
Total Other Financing Sources (Uses)	<u>2,814,369</u>	<u>2,818,594</u>	<u>2,094,605</u>	<u>(723,989)</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, October 1, 2015	-	-	-	-
Fund Balance, September 30, 2016	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to required supplementary information.

**ESCAMBIA COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**PUBLIC RECORDS MODERNIZATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL**

YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ 577,800	\$ 577,800	\$ 1,008,202	\$ 430,402
Charges for services	481,250	481,250	594,936	113,686
Judgments, fines and forfeitures	280,000	280,000	282,986	2,986
Investment income	-	-	-	-
Miscellaneous revenue	150	150	127	(23)
Total Revenues	<u>1,339,200</u>	<u>1,339,200</u>	<u>1,886,251</u>	<u>547,051</u>
Expenditures:				
Current:				
Court related:				
Salaries and benefits	821,100	821,100	797,317	23,783
Operating expenditures	219,100	475,943	256,720	219,223
Capital outlay	19,000	840,008	187,400	652,608
Total Expenditures	<u>1,059,200</u>	<u>2,137,051</u>	<u>1,241,437</u>	<u>895,614</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>280,000</u>	<u>(797,851)</u>	<u>644,814</u>	<u>1,442,665</u>
Other Financing Sources and Uses:				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	280,000	(797,851)	644,814	1,442,665
Fund Balance, October 1, 2015	<u>-</u>	<u>-</u>	<u>2,091,179</u>	<u>2,091,179</u>
Fund Balance, September 30, 2016	<u>\$ 280,000</u>	<u>\$ (797,851)</u>	<u>\$ 2,735,993</u>	<u>\$ 3,533,844</u>

**ESCAMBIA COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

Notes to Required Supplementary Information

The Clerk's Office operates under budget procedures pursuant to Florida Statutes. Annual budgets are legally adopted for the general fund and the public records modernization fund and are on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is at the fund level. Budgetary changes within the funds are made at the discretion of the Clerk.

The proposed budget is also prepared, summarized, and submitted by the Clerk to the Florida Clerks of Court Operations Corporation. The proposed budget must provide detailed information on the anticipated revenues available and expenditures necessary for the performance of the court-related functions listed in Florida Statute [28.35](#)(3)(a) of the Clerk's office.

Other Supplementary Information

**ESCAMBIA COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**COMBINING BALANCE SHEET
GENERAL FUND BY CATEGORY**

SEPTEMBER 30, 2016

	General Fund	General Fund Court Services	Total General Fund
Assets			
Cash and cash equivalents	\$ 1,782,360	\$ 1,973,431	\$ 3,755,791
Due from other governmental units	2,801	-	2,801
Total assets	<u>\$ 1,785,161</u>	<u>\$ 1,973,431</u>	<u>\$ 3,758,592</u>
Liabilities			
Accounts payable	\$ 18,981	\$ 10,450	\$ 29,431
Contracts payable	19,208	1,617	20,825
Accrued liabilities	102,489	371,138	473,627
Due to other governmental units	1,618,300	1,542,922	3,161,222
Unearned revenue	26,183	5,570	31,753
Other current liabilities	-	41,734	41,734
Total liabilities	<u>1,785,161</u>	<u>1,973,431</u>	<u>3,758,592</u>
Fund Balances			
Restricted for:			
State court operations	-	-	-
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 1,785,161</u>	<u>\$ 1,973,431</u>	<u>\$ 3,758,592</u>

**ESCAMBIA COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GENERAL FUND BY CATEGORY**

YEAR ENDED SEPTEMBER 30, 2016

	General Fund	General Fund Court Services	Total General Fund
Revenues:			
Intergovernmental	\$ -	\$ 818,705	\$ 818,705
Charges for services	1,702,963	3,917,840	5,620,803
Judgments, fines and forfeitures	-	1,169,414	1,169,414
Investment income	-	177,032	177,032
Miscellaneous revenue	7,429	417,470	424,899
Total Revenues	<u>1,710,392</u>	<u>6,500,461</u>	<u>8,210,853</u>
Expenditures:			
Current:			
General government:			
Salaries and benefits	3,315,171	-	3,315,171
Operating expenditures	410,874	-	410,874
Capital outlay	78,952	-	78,952
Court related:			
Salaries and benefits	-	5,580,400	5,580,400
Operating expenditures	-	408,460	408,460
Payments to State	-	511,601	511,601
Total Expenditures	<u>3,804,997</u>	<u>6,500,461</u>	<u>10,305,458</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,094,605)</u>	<u>-</u>	<u>(2,094,605)</u>
Other Financing Sources and Uses:			
Transfers in	2,818,594	-	2,818,594
Transfers out	<u>(723,989)</u>	<u>-</u>	<u>(723,989)</u>
Total Other Financing Sources and Uses	<u>2,094,605</u>	<u>-</u>	<u>2,094,605</u>
Net Change in Fund Balance	-	-	-
Fund Balance, October 1, 2015	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, September 30, 2016	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**ESCAMBIA COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**GENERAL FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GENERAL FUND BY CATEGORY**

YEAR ENDED SEPTEMBER 30, 2016

	General Fund		
	Budgeted Amounts		
	Original	Final	Actual
Revenues:			
Intergovernmental	\$ -	-	\$ -
Charges for services	1,497,000	1,497,000	1,702,963
Judgments, fines and forfeitures	-	-	-
Investment income	-	-	-
Miscellaneous revenue	-	-	7,429
Total Revenues	<u>1,497,000</u>	<u>1,497,000</u>	<u>1,710,392</u>
Expenditures:			
Current:			
General government:			
Salaries and benefits	3,637,329	3,641,554	3,315,171
Operating expenditures	574,040	574,040	410,874
Capital outlay	100,000	100,000	78,952
Court related:			
Salaries and benefits	-	-	-
Operating expenditures	-	-	-
Capital outlay	-	-	-
Payments to State	-	-	-
Total Expenditures	<u>4,311,369</u>	<u>4,315,594</u>	<u>3,804,997</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,814,369)</u>	<u>(2,818,594)</u>	<u>(2,094,605)</u>
Other Financing Sources and Uses:			
Transfers in	2,814,369	2,818,594	2,818,594
Transfers out	-	-	(723,989)
Total Other Financing Sources (Uses)	<u>2,814,369</u>	<u>2,818,594</u>	<u>2,094,605</u>
Net Change in Fund Balance	-	-	-
Fund Balance, October 1, 2015	-	-	-
Fund Balance, September 30, 2016	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ESCAMBIA COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**GENERAL FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GENERAL FUND BY CATEGORY**

YEAR ENDED SEPTEMBER 30, 2016

(Continued)

	General Fund - Court Services			Total General Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	Budget Amounts		Actual	
	Original	Final		Original	Final		
Revenues:							
Intergovernmental	\$ 1,154,352	\$ 921,277	\$ 818,705	\$ 1,154,352	\$ 921,277	\$ 818,705	\$ (102,572)
Charges for services	3,794,200	3,794,200	3,917,840	5,291,200	5,291,200	5,620,803	329,603
Judgments, fines and forfeitures	1,131,000	1,131,000	1,169,414	1,131,000	1,131,000	1,169,414	38,414
Investment income	-	-	177,032	-	-	177,032	177,032
Miscellaneous revenue	374,800	374,800	417,470	374,800	374,800	424,899	50,099
Total Revenues	6,454,352	6,221,277	6,500,461	7,951,352	7,718,277	8,210,853	492,576
Expenditures:							
Current:							
General government:							
Salaries and benefits	-	-	-	3,637,329	3,641,554	3,315,171	326,383
Operating expenditures	-	-	-	574,040	574,040	410,874	163,166
Capital outlay	-	-	-	100,000	100,000	78,952	21,048
Court related:							
Salaries and benefits	5,730,044	5,612,044	5,580,400	5,730,044	5,612,044	5,580,400	31,644
Operating expenditures	724,308	609,233	408,460	724,308	609,233	408,460	200,773
Capital outlay	-	-	-	-	-	-	-
Payments to State	-	-	511,601	-	-	511,601	(511,601)
Total Expenditures	6,454,352	6,221,277	6,500,461	10,765,721	10,536,871	10,305,458	231,413
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	(2,814,369)	(2,818,594)	(2,094,605)	723,989
Other Financing Sources and Uses:							
Transfers in			-	2,814,369	2,818,594	2,818,594	-
Transfers out		-	-	-	-	(723,989)	(723,989)
Total Other Financing Sources (Uses)	-	-	-	2,814,369	2,818,594	2,094,605	(723,989)
Net Change in Fund Balance	-	-	-	-	-	-	-
Fund Balance, October 1, 2015	-	-	-	-	-	-	-
Fund Balance, September 30, 2016	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**ESCAMBIA COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER
COMBINING STATEMENT OF ASSETS AND LIABILITIES
ALL AGENCY FUNDS**

YEAR ENDED SEPTEMBER 30, 2016

	Agency Funds					TOTAL
	Court Registry	Juror and Witness	Restitution	Domestic Relations	General Trust	
Assets						
Cash and cash equivalents	\$ 4,315,079	\$ 35,166	\$ 21,739	\$ -	\$ 1,596,371	\$ 5,968,355
Total Assets	<u>\$ 4,315,079</u>	<u>\$ 35,166</u>	<u>\$ 21,739</u>	<u>\$ -</u>	<u>\$ 1,596,371</u>	<u>\$ 5,968,355</u>
Liabilities						
Cash bonds payable	\$ -	\$ -	\$ -	\$ -	\$ 1,593,204	\$ 1,593,204
Court registry payable	2,836,846	-	-	-	-	2,836,846
General trust payable	-	-	-	-	3,167	3,167
Due to other governments	-	35,166	-	-	-	35,166
Due to individuals	<u>1,478,233</u>	<u>-</u>	<u>21,739</u>	<u>-</u>	<u>-</u>	<u>1,499,972</u>
Total Liabilities	<u>\$ 4,315,079</u>	<u>\$ 35,166</u>	<u>\$ 21,739</u>	<u>\$ -</u>	<u>\$ 1,596,371</u>	<u>\$ 5,968,355</u>

**ESCAMBIA COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS**

YEAR ENDED SEPTEMBER 30, 2016

	Balance September 30, 2015	Additions	Deductions	Balance September 30, 2016
COURT REGISTRY				
ASSETS				
Cash and cash equivalents	\$ 3,289,141	\$ 21,306,009	\$ 20,280,071	\$ 4,315,079
LIABILITIES				
Court Registry Payable	\$ 1,849,948	\$ 18,841,562	\$ 17,854,664	\$ 2,836,846
Due to individuals	1,439,193	2,967,295	2,928,255	1,478,233
Total Liabilities	\$ 3,289,141	\$ 21,808,857	\$ 20,782,919	\$ 4,315,079
JUROR AND WITNESS				
ASSETS				
Cash and cash equivalents	\$ 36,713	\$ 104,139	\$ 105,686	\$ 35,166
LIABILITIES				
Accounts payable	\$ -	\$ 106,739	\$ 106,739	\$ -
Due to other governments	36,713	120,969	122,516	35,166
Total Liabilities	\$ 36,713	\$ 227,708	\$ 229,255	\$ 35,166

**ESCAMBIA COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS**

YEAR ENDED SEPTEMBER 30, 2016

(Continued)

	Balance September 30, 2015	Additions	Deductions	Balance September 30, 2016
RESTITUTION				
ASSETS				
Cash and cash equivalents	\$ 21,998	\$ 227,365	\$ 227,624	\$ 21,739
LIABILITIES				
Due to Individuals	\$ 21,998	\$ 227,365	\$ 227,624	\$ 21,739
DOMESTIC RELATIONS				
ASSETS				
Cash and cash equivalents	\$ 2,114	\$ 66,871	\$ 68,985	\$ -
Accounts receivable	8,082	5,059	13,141	-
Total Assets	\$ 10,196	\$ 71,930	\$ 82,126	\$ -
LIABILITIES				
Due to other funds	\$ -	\$ 12,476	\$ 12,476	\$ -
Due to other governmental units	10	9,594	9,604	-
Due to individuals	10,186	49,861	60,047	-
Total Liabilities	\$ 10,196	\$ 71,931	\$ 82,127	\$ -

**ESCAMBIA COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS**

YEAR ENDED SEPTEMBER 30, 2016

(Concluded)

	Balance September 30, 2015	Additions	Deductions	Balance September 30, 2016
GENERAL TRUST				
ASSETS				
Cash and cash equivalents	\$ 303,332	\$ 2,404,979	\$ 1,111,940	\$ 1,596,371
LIABILITIES				
Cash bonds payable	\$ 294,635	\$ 2,237,227	\$ 938,658	\$ 1,593,204
General trust payable	8,697	177,253	182,783	3,167
Total Liabilities	\$ 303,332	\$ 2,414,480	\$ 1,121,441	\$ 1,596,371
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 3,653,298	\$ 24,109,363	\$ 21,794,306	\$ 5,968,355
Accounts receivable	8,082	5,059	13,141	-
Total Assets	\$ 3,661,380	\$ 24,114,422	\$ 21,807,447	\$ 5,968,355
LIABILITIES				
Accounts payable	\$ -	\$ 106,739	\$ 106,739	\$ -
Cash bonds payable	294,635	2,237,227	938,658	1,593,204
Court registry payable	1,849,948	18,841,562	17,854,664	2,836,846
General trust payable	8,697	177,253	182,783	3,167
Due to other funds	-	12,476	12,476	-
Due to other governments	36,723	130,563	132,120	35,166
Due to individuals	1,471,377	3,244,521	3,215,926	1,499,972
Total Liabilities	\$ 3,661,380	\$ 24,750,341	\$ 22,443,366	\$ 5,968,355

**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 Pam Childers
Escambia County, Clerk of Circuit Court and Comptroller

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements (hereinafter referred to as "financial statements") of each major fund and the aggregate remaining fund information of the Office of the Clerk of the Circuit Court and Comptroller of Escambia County, Florida (hereinafter referred to as "Clerk"), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the Clerk's financial statements, and have issued our report thereon dated December 9, 2016.

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 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.

Compliance and Other Matters-Continued

However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in black ink that reads "Warren Averett, LLC". The signature is written in a cursive, flowing style.

Pensacola, Florida
December 9, 2016

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

Honorable Pam Childers
Escambia County, Clerk of Circuit Court and Comptroller

We have examined the Office of the Clerk of the Circuit Court and Comptroller of Escambia County, Florida's (hereinafter referred to as the "Clerk") compliance with Florida Statute 218.415 in regards to investments, Florida Statutes 28.35 and 28.36 in regards to certain court-related functions, and Florida Statute 61.181 in regards to operation of a depository for alimony and child support for the year ended September 30, 2016.

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

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

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2016.



Pensacola, Florida
December 9, 2016

MANAGEMENT LETTER

Honorable Pam Childers
Escambia County, Clerk of the Circuit Court and Comptroller

Report on the Financial Statements

We have audited the financial statements ("financial statements") of each major fund and the aggregate remaining fund information of the Office of the Clerk of the Circuit Court and Comptroller of Escambia County, Florida (hereinafter referred to as "Clerk"), as of and for the year ended September 30, 2016, and the related notes to the financial statements, and have issued our report thereon dated December 9, 2016.

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 Reports

We have also 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 Examination of Compliance Requirements Performed in Accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated December 9, 2016, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Other Matters

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 did not have any such recommendations.

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, the Clerk, and the Escambia County Board of County Commissioners and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Warren Averett, LLC". The signature is written in a cursive, flowing style.

December 9, 2016
Pensacola, Florida

**ANNUAL AUDIT REPORT
CLERK OF THE CIRCUIT COURT AND COMPTROLLER
ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
September 30, 2016**

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



**FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION**

**ESCAMBIA COUNTY, FLORIDA
PROPERTY APPRAISER**

**SEPTEMBER 30, 2016
WITH INDEPENDENT AUDITORS' REPORT**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

**ESCAMBIA COUNTY, FLORIDA
PROPERTY APPRAISER
SEPTEMBER 30, 2016
WITH INDEPENDENT AUDITORS' REPORT**

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INDEPENDENT AUDITORS' REPORT

Honorable Chris Jones
Escambia County Property Appraiser

Report on the Financial Statements

We have audited the accompanying financial statements of the general fund of the Escambia County Property Appraiser, Escambia County, Florida (the Property Appraiser), as of and for the fiscal year ended September 30, 2016, 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 of material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund of the Property Appraiser as of September 30, 2016, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the general fund of the Property Appraiser. They do not purport to, and do not, present fairly the financial position of Escambia County, Florida as of September 30, 2016, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Matters***Required Supplementary Information***

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

Other Reporting Required by Government Auditing Standards

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



Pensacola, Florida
October 27, 2016

Financial Statements

**ESCAMBIA COUNTY, FLORIDA
PROPERTY APPRAISER**

**BALANCE SHEET
GOVERNMENTAL FUND**

SEPTEMBER 30, 2016

	<u>Major Fund</u>
	<u>General Fund</u>
Assets	
Cash	\$ 356,166
	<u> </u>
Liabilities	
Accounts payable	\$ 18,997
Accrued liabilities	145,388
Due to other governmental units	<u>191,781</u>
Total liabilities	<u>356,166</u>
Fund Balance	
Unassigned:	<u>-</u>
Total fund balance	<u>-</u>
Total liabilities and fund balance	<u>\$ 356,166</u>

**ESCAMBIA COUNTY, FLORIDA
PROPERTY APPRAISER**

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

YEAR ENDED SEPTEMBER 30, 2016

	<u>Major Fund</u>
	<u>General Fund</u>
Revenues:	
Charges for services	\$ 14,591
Miscellaneous revenue	2,783
Total Revenues	<u>17,374</u>
Expenditures:	
Current:	
General government:	
Salaries and benefits	4,520,994
Operating expenditures	755,335
Capital outlay	70,174
Total Expenditures	<u>5,346,503</u>
Deficiency of Revenues Over Expenditures	<u>(5,329,129)</u>
Other Financing Sources and (Uses):	
Transfers in	5,520,447
Transfers out	(191,318)
Total Other Financing Sources and (Uses)	<u>5,329,129</u>
Net Change in Fund Balance	-
Fund Balance, October 1, 2015	<u>-</u>
Fund Balance, September 30, 2016	<u><u>\$ -</u></u>

**ESCAMBIA COUNTY, FLORIDA
PROPERTY APPRAISER**

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

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

A. Reporting entity

The Escambia County, Florida Property Appraiser (Property Appraiser), is an elected constitutional officer as provided by Article VIII, Section 1 (d) of the Constitution of the State of Florida. The Property Appraiser's budget is submitted to the Escambia County Board of County Commissioners (the Board) for approval. The Board appropriates and distributes to the Property appraiser on a quarterly basis the funds necessary to operate the Property Appraiser's office.

For financial reporting purposes, the Property Appraiser is deemed to be a part of the primary government of Escambia County, Florida (the County), and therefore, is included as such in the Escambia County, Florida, Comprehensive Annual Financial Report.

B. Basis of presentation – fund financial statements

These financial statements have been prepared for the purpose of complying with *Rules of the Auditor General, State of Florida*, which require presentation of *fund level* only financial statements and permit omission of entity-wide full accrual financial statements and management's discussion and analysis. Therefore, these financial statements are intended to present only the financial position and changes in financial position of that portion of Escambia County, Florida, that relate to transactions of the Property Appraiser and are not intended to present the financial position and changes in financial position of Escambia County, Florida, taken as a whole.

The Property Appraiser's financial records and accounts are maintained in accordance with the principles of "fund accounting," whereby resources are classified for accounting and reporting purposes into funds to insure compliance with any special restrictions or limitations on the use of such resources. The Property Appraiser's general fund (a governmental fund type) is the sole operating fund of the Property Appraiser. No additional funds are required to be maintained.

Fund Balance - Fund balances are classified either as non-spendable or as restricted, committed, assigned, and unassigned, based on the extent to which there are external and internal constraints on the spending.

C. Measurement focus and basis of accounting

The general fund is accounted for using the *modified accrual basis of accounting*. Revenues are recognized when they become susceptible to accrual—that is when they are both measurable and available to finance expenditures of the current period. The Property Appraiser considers receivables collected within 60 days after year-end to be available and recognizes them as revenues of the current year.

**ESCAMBIA COUNTY, FLORIDA
PROPERTY APPRAISER**

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

Expenditures generally are recognized under the *modified accrual basis of accounting* when the fund liability is incurred. However, expenditures for compensated absences are recognized when payments are made to employees.

D. Funding from the Board of County Commissioners

Appropriations from the Board are recorded as “transfers in” on the Statement of Revenues, Expenditures and Changes in Fund Balance.

In accordance with Florida Statutes, the General Fund’s excess of revenues and transfers over expenditures is returned to the Board at year end and is reported as a “transfer out” on the Statement of Revenues, Expenditures and Changes in Fund Balance.

E. Capital assets

Capital assets (vehicles, equipment and other property costing at least \$1,000 with a useful life of more than one year) are recorded as expenditures at the time of purchase. These assets are capitalized at cost and depreciated in Escambia County’s government-wide financial statements.

F. Accumulated Compensated Absences

Employees may accumulate, subject to limitations, amounts of earned but unused sick leave, annual leave, and compensatory time, which will be paid upon separation from service. The amount of vested accumulated compensated absences payable (related to governmental fund activities) based upon the Property Appraiser’s paid-time-off (PTO) policy is reported as a liability in the statement of net position in the County’s basic financial statements. That liability includes earned but unused vacation, sick and comp time as well as FICA taxes and retirement contributions related thereto.

2. Cash deposits with financial institutions

The investment of surplus funds is governed by the provisions of Florida Statute 218.415 as to the type of investments that can be made. Deposits may be exposed to custodial credit risk, which is the risk of loss in the event of a bank failure.

The Property Appraiser manages custodial credit risk by maintaining its deposits in a financial institution designated as a “Qualified Public Depository” by the State Treasurer. All deposits were fully insured through a combination of federal depository insurance and participation of the financial institution in the multiple financial institution collateral pool as specified in Chapter 280, Florida Statutes. Accordingly, risk of loss due to bank failure is not significant.

At September 30, 2016, the reported amount of the Property Appraiser’s deposits was approximately \$356,000, and the bank balance was approximately \$427,000 consisting entirely of deposits in a checking account.

**ESCAMBIA COUNTY, FLORIDA
PROPERTY APPRAISER**

NOTES TO FINANCIAL STATEMENTS

3. Transfers

Transfers in consist of \$5,519,021 from the Escambia County Board of County Commissioners, and transfers out represent excess appropriations and fees returned to the Board in the amount of \$191,318.

4. Due to/from other governments

At September 30, 2016, the due to other governments totals \$191,781 and mainly consists of excess appropriations and fees over expenditures payable to the Board in the amount of \$191,318.

5. Retirement Plan

The Property Appraiser participates in the Florida Retirement System (FRS), administered by the Florida Department of Management Services. The FRS was established in 1970 by Chapter 121, Florida Statutes. Changes to the FRS can only be made by an act of the Florida Legislature. Rules governing the operation and administration of the system may be found in Chapter 60S of the Florida Administrative Code. The State of Florida issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for FRS. The report maybe be obtained on the division's website at <http://www.dms.myflorida.com>. The report may also be obtained by contacting the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, FL 32315-9000.

Employees elect participation in either the defined benefit plan (Pension Plan), a multiple-employer cost –sharing defined benefit retirement plan, or the defined contribution plan (Investment 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.

The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Retirement benefits are based upon age, average compensation and years-of-service credit where average compensation is computed as the average of the members' highest 5 or 8 fiscal years of earnings, depending upon enrollment date. A post-employment health insurance subsidy is also provided to eligible retired members through the FRS in accordance with Florida Statutes.

For employees who were enrolled in the plan prior to July 1, 2011, normal retirement benefits are available at age 62 with 6 or more years of service, or to those employees who have at least 30 years of creditable service, regardless of age.

For employees who were enrolled in the plan after July 1, 2011, normal retirement benefits are available at age 65 with 8 or more years of service, or to those employees who have at least 33 years of creditable service, regardless of age.

**ESCAMBIA COUNTY, FLORIDA
PROPERTY APPRAISER**

NOTES TO FINANCIAL STATEMENTS

5. Retirement Plan – Continued

Early retirement is available for vested members with a 5% reduction of benefits for each year prior to the normal retirement age. Retirement age and years of service requirements also vary depending on membership class.

In addition to the above benefits, the Deferred Retirement Option Program (DROP) is available under the Pension Plan when the member first reaches eligibility for normal retirement. This program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate.

For those members who elect participation in the Investment Plan rather than the Pension Plan, vesting occurs at one year of service. The Investment Plan is a defined contribution plan funded monthly by employer and employee contributions based on salary and membership class. Members in the Investment Plan decide how their funds are allocated between various investment accounts and the vested funds are portable upon termination. The final retirement benefit is equal to the vested contributions plus investment earnings less expenses and losses allocated to the member's account. Members in the Investment Plan are not eligible for participation in the Deferred Retirement Option Program.

The contribution requirements of the Property Appraiser and members are established and may be amended by FRS. Both plans are contributory for employees and require a 3% employee contribution. This is in addition to the contributions that are the obligation of the employer. The Property Appraiser's contributions to FRS for the years ended September 30, 2016, 2015 and 2014 were \$350,596, \$379,717, and \$336,013, respectively, equal to the required contributions for each year.

The contribution rates in effect during the period ended September 30, 2016, 2015 and 2014 are as follows:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Regular Class:</u>	7.52%	7.26%	7.37%
Members not qualifying for other classes.			
<u>Senior Management Class:</u>	21.77%	21.43%	21.14%
Members of senior management who do not elect the optional annuity retirement program.			
<u>Elected Officials Class:</u>	42.47%	42.27%	43.24%
Certain elected county officials.			
<u>Deferred Retirement Option Program (DROP):</u>	12.99%	12.88%	12.28%
Members are enrolled in DROP from FRS			

**ESCAMBIA COUNTY, FLORIDA
PROPERTY APPRAISER**

NOTES TO FINANCIAL STATEMENTS

5. Retirement Plan – Continued

Net Pension Liability-Proportionate Share

The Property Appraiser has a net FRS pension liability determined in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. This long-term liability is only reported in the county-wide financial statements and is not a current liability of the General Fund. All required disclosures and schedules may be found in the county-wide financial statements of Escambia County, Florida.

6. Other post-employment benefits (OPEB), other than pensions

The Board offers post-employment health care benefits to all retired employees of the Property Appraiser's Office and their dependents. Participating retirees are required to reimburse the Board for 100% of the premium cost, which is netted against the premium payment, so that no net expense is initially recorded in the Board's financial statements. However, these retirees are receiving an "implicit subsidy" because the premium is a group rate which includes active, lower cost employees. This implicit subsidy has a cost, however, this annual cost, the accrued obligation, and other required disclosures have been calculated for the County as a whole, and not separately for the Property Appraiser's Office. Accordingly, these calculations and disclosures can be found in the County wide comprehensive annual financial report.

7. Risk management

The County has a risk management program to insure claims against the Board, Constitutional Officers, and Santa Rosa Island Authority for the following types of risks:

Workers Compensation – The County is covered for workers' compensation claims through a policy with the Florida Municipal Insurance Trust. Coverage limits under the policy include statutory limits, as well as \$1,000,000 bodily injury for each accident and \$1,000,000 bodily injury by disease for each employee with an aggregate \$1,000,000 policy limit.

Casualty and Property – Casualty limits are self-insured for \$200,000 per claim with a \$300,000 aggregate limit. Property limits are \$50,000 - \$250,000 self-insured retentions per occurrence with excess limits of \$45 million including wind.

The Property Appraiser participated in the County's insurance program during the year at a cost of \$23,649. There also were no significant reductions in insurance coverage from the prior year and there have been no settlements which exceeded the Property Appraiser's insurance coverage in any of the past three fiscal years.

**ESCAMBIA COUNTY, FLORIDA
PROPERTY APPRAISER**

NOTES TO FINANCIAL STATEMENTS

8. Litigation

The Property Appraiser is contingently liable with respect to lawsuits and other claims which might be filed incidental to the ordinary course of operations. In the opinion of management, based on the advice of legal counsel, there are no lawsuits or claims outstanding which will have a material adverse effect on the financial position of the Property Appraiser's Office.

9. Subsequent events

Property Appraiser has evaluated events and transactions for potential recognition or disclosure in the financial statements through October 27, 2016, the date the financial statements were available to be issued. No subsequent events have been recognized or disclosed.

Required Supplementary Information

**ESCAMBIA COUNTY, FLORIDA
PROPERTY APPRAISER**

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

YEAR ENDED SEPTEMBER 30, 2016

	General Fund			
	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues:				
Charges for services	\$ 12,556	\$ 12,556	\$ 14,591	\$ 2,035
Miscellaneous revenue	-	-	2,783	2,783
Total Revenues	12,556	12,556	17,374	4,818
Expenditures:				
Current:				
General government:				
Salaries and benefits	4,698,189	4,657,313	4,520,994	136,319
Operating expenditures	639,547	773,805	755,335	18,470
Capital outlay	-	70,174	70,174	-
Reserved for contingencies	163,171	50,000	-	50,000
Total Expenditures	5,500,907	5,551,292	5,346,503	204,789
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,488,351)	(5,538,736)	(5,329,129)	209,607
Other Financing Sources and Uses:				
Transfers in	5,488,351	5,538,736	5,520,447	(18,289)
Transfers out	-	-	(191,318)	(191,318)
Total Other Financing Sources (Uses)	5,488,351	5,538,736	5,329,129	(209,607)
Net Change in Fund Balance	-	-	-	-
Fund Balance, October 1, 2015	-	-	-	-
Fund Balance, September 30, 2016	\$ -	\$ -	\$ -	\$ -

**ESCAMBIA COUNTY, FLORIDA
PROPERTY APPRAISER**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2016**

The Property Appraiser's Office operates under budget procedures pursuant to Florida Statutes. Annual budgets are legally adopted for the general fund on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is at the fund level.

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

Honorable Chris Jones
Escambia County Property Appraiser

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Escambia County, Florida Property Appraiser (the Property Appraiser) as of and for the year ended September 30, 2016, and the related notes to the financial statements, and have issued our report thereon dated October 27, 2016.

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

A handwritten signature in black ink that reads "Warren Averett, LLC". The signature is written in a cursive, flowing style.

Pensacola, Florida
October 27, 2016

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

Honorable Chris Jones
Escambia County Property Appraiser

We have examined the Office of the Property Appraiser of Escambia County, Florida's (hereinafter referred to as "Property Appraiser") compliance with Florida Statute 218.415 in regards to investments for the year ended September 30, 2016.

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

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

In our opinion, the Property Appraiser complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2016.

Warren Averett, LLC

Pensacola, Florida
October 27, 2016

MANAGEMENT LETTER

Honorable Chris Jones
Escambia County Property Appraiser

Report on the Financial Statements

We have audited the financial statements of the general fund of the Office of the Property Appraiser of Escambia County, Florida, as of and for the fiscal year ended September 30, 2016, and the related notes to the financial statements, and have issued our report thereon October 27, 2016.

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 Reports

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and our Independent Accountants' Report on Examination of Compliance Requirements in Accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are October 27, 2016, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Other Matters

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 did not have any such recommendations.

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, the Property Appraiser, the Escambia County Board of County Commissioners, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Warren Averett, LLC". The signature is written in a cursive, flowing style.

Pensacola, Florida
October 27, 2016

**ESCAMBIA COUNTY, FLORIDA
PROPERTY APPRAISER**

**SCHEDULE OF FINDINGS AND RESPONSES
SEPTEMBER 30, 2016**

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

**FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION**

**ESCAMBIA COUNTY, FLORIDA
SHERIFF**

**SEPTEMBER 30, 2016
WITH INDEPENDENT AUDITORS' REPORT**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

**ESCAMBIA COUNTY, FLORIDA
SHERIFF
SEPTEMBER 30, 2016
WITH INDEPENDENT AUDITORS' REPORT**

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**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

**ESCAMBIA COUNTY, FLORIDA
SHERIFF
SEPTEMBER 30, 2016
WITH INDEPENDENT AUDITORS' REPORT**

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INDEPENDENT AUDITORS' REPORT

Honorable David Morgan, Sheriff
Escambia County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Office of the Sheriff of Escambia County, Florida ("Sheriff") as of and for the year ended September 30, 2016, 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 Sheriff's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sheriff's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of each major fund and the aggregate remaining fund information of the Sheriff, as of September 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above have been prepared for the purpose of complying with the Rules of the Auditor General, State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, and aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Escambia County, Florida that are attributable to the Sheriff. They do not purport to, and do not, present fairly the financial position of Escambia County, Florida as of September 30, 2016, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule on page 15 be presented to supplement the basic financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements. The accompanying budgetary comparison schedule and combining financial statements are presented for purposes of additional analysis and are not a required part of these financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

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

A handwritten signature in black ink that reads "Warren Averett, LLC". The signature is written in a cursive, flowing style.

November 21, 2016
Pensacola, Florida

Financial Statements

**ESCAMBIA COUNTY, FLORIDA
SHERIFF**

**BALANCE SHEET
GOVERNMENTAL FUNDS**

SEPTEMBER 30, 2016

	General Fund	Sheriff's Programs Fund	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 2,498,348	\$ 88,144	\$ 2,586,492
Accounts receivable	300	11,765	12,065
Due from other funds	15,000	-	15,000
Due from other governmental units	91,823	15,000	106,823
Inventory	207,172	-	207,172
Total assets	<u>\$ 2,812,643</u>	<u>\$ 114,909</u>	<u>\$ 2,927,552</u>
Liabilities			
Accounts payable	\$ 152,334	\$ -	\$ 152,334
Accrued liabilities	2,174,125	-	2,174,125
Due to other funds	-	15,000	15,000
Due to other governmental units	279,012	-	279,012
Unearned revenue	-	99,909	99,909
Total liabilities	<u>2,605,471</u>	<u>114,909</u>	<u>2,720,380</u>
Fund Balance			
Nonspendable:			
Inventory	207,172	-	207,172
Total fund balance	<u>207,172</u>	<u>-</u>	<u>207,172</u>
Total liabilities and fund balance	<u>\$ 2,812,643</u>	<u>\$ 114,909</u>	<u>\$ 2,927,552</u>

See accompanying notes to financial statements.

**ESCAMBIA COUNTY, FLORIDA
SHERIFF**

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

SEPTEMBER 30, 2016

	General Fund	Sheriff's Programs Fund	Total Governmental Funds
Revenues:			
Grant revenue	\$ -	\$ 161,506	\$ 161,506
Judgments, fines and forfeitures	-	19,484	19,484
Total Revenues	<u>-</u>	<u>180,990</u>	<u>180,990</u>
Expenditures:			
Current:			
Public safety			
Salaries and benefits	47,962,870	68,257	48,031,127
Operating expenditures	6,830,820	-	6,830,820
Capital outlay	305,072	112,733	417,805
Total Expenditures	<u>55,098,762</u>	<u>180,990</u>	<u>55,279,752</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(55,098,762)</u>	<u>-</u>	<u>(55,098,762)</u>
Other Financing Sources and Uses:			
Transfers in	55,280,648	-	55,280,648
Transfers out	(181,886)	-	(181,886)
Total Other Financing Sources and Uses	<u>55,098,762</u>	<u>-</u>	<u>55,098,762</u>
Net Change in Fund Balance	-	-	-
Fund Balance, October 1, 2015	218,284	-	218,284
Change in inventory	<u>(11,112)</u>	<u>-</u>	<u>(11,112)</u>
Fund Balance, September 30, 2016	<u>\$ 207,172</u>	<u>\$ -</u>	<u>\$ 207,172</u>

**ESCAMBIA COUNTY, FLORIDA
SHERIFF**

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES – AGENCY FUNDS

SEPTEMBER 30, 2016

Assets

Cash and cash equivalents	<u>\$ 265,769</u>
Total Assets	<u><u>\$ 265,769</u></u>

Liabilities

Deposits	<u>\$ 265,769</u>
Total Liabilities	<u><u>\$ 265,769</u></u>

**ESCAMBIA COUNTY, FLORIDA
SHERIFF**

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

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

A. Reporting entity

The Escambia County, Florida, Sheriff (the "Sheriff") is an elected constitutional officer as provided by Article VIII, Section 1 (d) of the Constitution of the State of Florida. The Sheriff's budget is submitted to the Escambia County Board of County Commissioners (the Board) for approval. The Board appropriates and distributes to the Sheriff on a monthly basis funds necessary to operate the Sheriff's office.

For financial reporting purposes, the Sheriff is deemed to be a part of the primary government of Escambia County, Florida (the County), and therefore, is included as such in the Escambia County, Florida, Comprehensive Annual Financial Report.

B. Basis of presentation – fund financial statements

These financial statements have been prepared for the purpose of complying with *Rules of the Auditor General, State of Florida*, which require presentation of *fund level* only financial statements and permit omission of entity-wide full accrual financial statements and management's discussion and analysis. Therefore, these financial statements are intended to present only the financial position and changes in financial position of that portion of Escambia County, Florida, that relate to transactions of the Sheriff and are not intended to present the financial position and changes in financial position of Escambia County, Florida, taken as a whole.

The Sheriff's financial records and accounts are maintained in accordance with the principles of "fund accounting," whereby resources are classified for accounting and reporting purposes into funds to insure compliance with any special restrictions or limitations on the use of such resources. The Sheriff's major funds are the General Fund and the Sheriff's Programs Fund.

The **General Fund** is the general operating fund of the Sheriff. It is used to account for all financial resources except those required to be accounted for in other funds.

Additionally, the Sheriff reports the following fund types:

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

The **Sheriff's Programs Fund** is used to account for various grant and federal forfeiture activities.

**ESCAMBIA COUNTY, FLORIDA
SHERIFF**

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (*Continued*)

Agency Funds are used to account for assets received and held by the Sheriff as an agent for individuals, private organizations and other governments. Agency funds are custodial in nature and do not involve measurement of changes in financial position. The Sheriff has numerous agency funds for varying purposes.

C. Capital Assets

Capital assets (vehicles, equipment and other property costing at least \$1,000 with a useful life of more than one year) are recorded as expenditures at the time of purchase. These assets are capitalized at cost and depreciated in the County's government-wide financial statements. It is not appropriate to report capital assets and the related depreciation in the governmental fund financial statements.

D. Fund balance and flow assumptions

Fund balance at September 30, 2016, consists of the following:

Non-spendable fund balances include amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. Non-spendable fund balance at the Sheriff consists of \$207,172 for inventory.

Remaining fund balances are classified as following, depending upon the Sheriff's ability to control the spending of these balances:

Restricted fund balances can only be used for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations or are imposed by law through constitutional provisions or enabling legislation. As of September 30, 2016, the Sheriff had no restricted fund balances.

Committed fund balances can only be used for specific purposes imposed internally by the Sheriff's formal action of highest level of decision making authority. As of September 30, 2016, the Sheriff had no committed fund balances.

Assigned fund balances are fund balances intended to be used for specific purposes, but which do not meet the more formal criterion to be considered either restricted or committed. As of September 30, 2016, the Sheriff had no assigned fund balances.

Unassigned fund balances represent the residual positive fund balance within the General Fund, which has not been assigned to other funds and has not been restricted, committed, or assigned. In funds other than the General Fund, unassigned fund balances are limited to negative residual balances. As of September 30, 2016, the Sheriff had no unassigned fund balances because all excess revenues within the General Fund are required to be remitted to the Board and there were no negative residual balances in the special revenue fund.

**ESCAMBIA COUNTY, FLORIDA
SHERIFF**

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (*Continued*)

Periodically, the Sheriff will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Sheriff's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

E. Accumulated compensated absences

Employees may accumulate, subject to limitations, amounts of earned but unused sick leave, annual leave, and compensatory time, which will be paid upon separation from service. The amount of vested accumulated compensated absences payable, based upon the Sheriff's paid-time-off (PTO) policy, is reported as a liability in the statement of net position in the County's government wide financial statements. That liability also includes earned but unused sick leave, annual leave, and compensatory time, as well as FICA taxes and retirement contributions related thereto.

F. Measurement focus and basis of accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements, and also refers to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when received in cash or when they become both measurable and available to finance expenditures of the current period. The Sheriff considers receivables collected within 60 days after year end to be available and recognizes them as revenues of the current year. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Compensated absences are paid from the general fund. Capital asset acquisitions are recorded as expenditures in the governmental funds.

Measurement Focus - The accounting and financial reporting treatment applied to the capital assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that generally, only current assets, deferred outflows, current liabilities, and deferred inflows are included in the balance sheet. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Accordingly, they present a summary of sources and uses of "available spendable resources" during a period.

Fiduciary fund financial statements (agency funds) have no measurement focus but utilize the accrual basis of accounting for reporting assets and liabilities.

**ESCAMBIA COUNTY, FLORIDA
SHERIFF**

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (*Continued*)

G. Funding Provided by Board of County Commissioners

The Board funds the majority of the operating budget of the Sheriff. Payment by the Board to fund the operations of the Sheriff is recorded as a “transfer out” in the basic financial statements of the County, and as an operating “transfer in” on the financial statements of the Sheriff.

In accordance with Florida Statutes, the General Fund's excess of revenues over expenditures is returned to the Board at the end of the fiscal year. Repayments to the Board are recorded as a “transfer out” in the financial statements of the Sheriff and the amount of undistributed excess appropriations at the end of the fiscal year is reported as amounts due the Board.

2. Deposits and Investments

Cash and cash equivalents are highly liquid investments with original maturities of three months or less when purchased. Investments are recorded at fair value in accordance with GASB Statement No. 31. The Sheriff has an investment policy governed by the provisions of Florida Statute 218.415 as to the type of investments that can be made. Authorized investments include the Local Government Surplus Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, Security and Exchange registered money market funds with the highest credit quality rating from a recognized rating agency, savings accounts or certificates of deposit in state-certified depositories, notes, bonds, or treasury bills or other direct obligations of the United States Treasury, federal agencies and instruments, and repurchase agreements.

Deposits may be exposed to custodial credit risk, which is the risk of loss in the event of a bank failure. The Sheriff manages custodial credit risk by maintaining its deposits in a financial institution designated as “Qualified Public Depositories” by the State Treasurer. The Sheriff's cash deposits are held by a bank that qualifies as a public depository under the Florida Security for Public Deposits Act as required by Chapter 280, Florida Statutes. All of the Sheriff's deposits are fully insured by the Public Deposit Trust Fund.

At September 30, 2016, the reported amount of the Sheriff's deposits was approximately \$2.9 million, and the bank balance was approximately \$3.3 million consisting entirely of cash and deposit accounts.

3. Interfund receivables and payables

Interfund receivables and payables consist of amounts due to or from funds during the normal course of business. Transfers consist of \$55,280,648 of “transfers in” from the Board, and “transfers out” of unspent appropriations in the amount of \$181,886.

**ESCAMBIA COUNTY, FLORIDA
SHERIFF**

NOTES TO FINANCIAL STATEMENTS

4. Due to / from other governments

At September 30, 2016, due from other governments contains \$91,823 receivable from the Board which is comprised mainly of expenditures paid on their behalf. The due to other governments contains \$279,012 payable to the Board of County Commissioners which is partially comprised of unspent appropriations of \$181,886.

5. Inventory

Inventory is valued at cost using the first-in/first out (FIFO) method and consists of expendable supplies. The costs of such inventory is recorded as an expenditure when purchased and also reported as an inventory asset based on a physical inventory of supplies on hand at year end.

6. Retirement plan

The Sheriff participates in the Florida Retirement System (FRS), administered by the Florida Department of Management Services. The FRS was established in 1970 by Chapter 121, Florida Statutes. Changes to the FRS can only be made by an act of the Florida Legislature. Rules governing the operation and administration of the system may be found in Chapter 60S of the Florida Administrative Code. The State of Florida issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for FRS. The report maybe be obtained on the division's website at <http://www.dms.myflorida.com>. The report may also be obtained by contacting the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, FL 32315-9000.

Employees elect participation in either the defined benefit plan (Pension Plan), a multiple-employer cost –sharing defined benefit retirement plan, or the defined contribution plan (Investment 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.

The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Retirement benefits are based upon age, average compensation and years-of-service credit where average compensation is computed as the average of the members' highest 5 or 8 fiscal years of earnings, depending upon enrollment date. A post-employment health insurance subsidy is also provided to eligible retired members through the FRS in accordance with Florida Statutes.

For employees who were enrolled in the plan prior to July 1, 2011, normal retirement benefits are available at age 62 with 6 or more years of service, or to those employees who have at least 30 years of creditable service, regardless of age.

For employees who were enrolled in the plan after July 1, 2011, normal retirement benefits are available at age 65 with 8 or more years of service, or to those employees who have at least 33 years of creditable service, regardless of age.

**ESCAMBIA COUNTY, FLORIDA
SHERIFF**

NOTES TO FINANCIAL STATEMENTS

6. Retirement plan – (Continued)

Early retirement is available for vested members with a 5% reduction of benefits for each year prior to the normal retirement age. Retirement age and years of service requirements also vary depending on membership class.

In addition to the above benefits, the Deferred Retirement Option Program (DROP) is available under the Pension Plan when the member first reaches eligibility for normal retirement. This program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate.

For those members who elect participation in the Investment Plan rather than the Pension Plan, vesting occurs at one year of service. The Investment Plan is a defined contribution plan funded monthly by employer and employee contributions based on salary and membership class.

Members in the Investment Plan decide how their funds are allocated between various investment accounts and the vested funds are portable upon termination. The final retirement benefit is equal to the vested contributions plus investment earnings less expenses and losses allocated to the member's account. Members in the Investment Plan are not eligible for participation in the Deferred Retirement Option Program.

The contribution requirements of the Sheriff and members are established and may be amended by FRS. Both plans are contributory for employees and require a 3% employee contribution. This is in addition to the contributions that are the obligation of the employer. The Sheriff's contributions to FRS for the years ended September 30, 2016, 2015 and 2014 were \$5.3 million, \$4.8 million, and \$4.3 million, respectively, equal to the required contributions for each year.

The contribution rates in effect during the period ended September 30, 2016, 2015 and 2014 were as follows:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Regular Class:</u>	7.52%	7.26%	7.37%
Members not qualifying for other classes.			
<u>Senior Management Class:</u>	21.77%	21.43%	21.14%
Members of senior management who do not elect the optional annuity retirement program.			
<u>Elected Officials Class:</u>	42.47%	42.27%	43.24%
Certain elected county officials.			
<u>Deferred Retirement Option Program (DROP):</u>	12.99%	12.88%	12.28%
Members are enrolled in DROP from FRS			
<u>Special Risk Class:</u>			
Members employed as law enforcement officers, firefighters, or correctional officers meet the criteria to qualify for this class	25.57%	22.04%	19.82%

**ESCAMBIA COUNTY, FLORIDA
SHERIFF**

NOTES TO FINANCIAL STATEMENTS

6. Retirement plan – (Continued)

Net Pension Obligation-Proportionate Share

The Sheriff has a net FRS pension liability determined in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. This long-term liability is only reported in the county-wide financial statements and is not a current liability of the governmental funds. All required disclosures and schedules may be found in the county-wide financial statements of Escambia County, Florida.

7. Other postemployment benefit (OPEB) obligations, other than pensions

The Sheriff offers post-retirement health care benefits to all retired employees and their dependents. Participating retirees are required to reimburse the Sheriff for 100% of the premium cost, which is netted against the premium payment, so that no net expenditure is initially recorded in the financial statements. However, these retirees are receiving an “implicit subsidy” because the premium is a group rate which includes active, lower cost employees. The Board engages an actuary to determine the estimated obligation associated with this postemployment benefit for the Board, Sheriff, and other Constitutional Officers in order to record the costs and related liability, along with certain other required disclosures in the County’s government-wide financial statements. The liability and costs are not required to be presented in these financial statements. Accordingly, this information can be found in the countywide comprehensive annual financial report.

8. Risk Management

The Sheriff participates in the Florida Sheriff’s Worker’s Compensation Self Insurance Fund with an annual premium cost for the year ended September 30, 2016 of approximately \$950 thousand. Coverage limits under the policy include \$1.0 million bodily injury for each accident and \$1.0 million bodily injury by disease for each employee with a \$1.0 million limit. The plan calls for an annual final premium calculation after fiscal year end using the actual premium basis, proper classifications, and experience modifications and rates that lawfully apply to the Sheriff.

During the fiscal year ended September 30, 2016, the Sheriff had no significant reductions in insurance coverage from the prior year. In addition, there have been no settlements which exceeded the Sheriff’s insurance coverage in any of the three past fiscal years.

9. Federal and State Financial Assistance

During the year, the Sheriff received, or maintained assets to be used for, federal and state financial assistance under the following program:

Florida Regional Fugitive Task Force

**ESCAMBIA COUNTY, FLORIDA
SHERIFF**

NOTES TO FINANCIAL STATEMENTS

9. Federal and State Financial Assistance – (Continued)

The following programs are presented in the schedules of expenditures of federal and state awards within the Escambia County financial report under the *Uniform Guidance*.

Edward Byrne Memorial-Justice Assistance Grant Program

10. Fund Expenditure Details

The following is a schedule of the General Fund's expenditures for the year ended September 30, 2016:

Account Description	Law Enforcement	Court Security	Totals
Salary & Benefits	\$ 44,518,256	\$ 3,444,614	\$ 47,962,870
Other Operating	6,820,090	10,730	6,830,820
Capital Outlay	305,072	-	305,072
Totals	<u>\$ 51,643,418</u>	<u>\$ 3,455,344</u>	<u>\$ 55,098,762</u>

11. Litigation

The Sheriff is contingently liable with respect to lawsuits and other claims which might be filed incidental to the ordinary course of operations. In the opinion of management, based on the advice of legal counsel, there are no lawsuits or claims outstanding which will have a material adverse effect on the financial position of the Sheriff's Office.

12. Commitments and Contingencies

The Sheriff receives financial assistance from federal and state agencies primarily in the form of operating grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by grantor agencies. Disallowed claims, if any, resulting from such audits, may become liabilities of the Sheriff.

13. Subsequent events

The Sheriff has evaluated events and transactions that occurred between September 30, 2016 and November 21, 2016, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

Required Supplementary Information

**ESCAMBIA COUNTY, FLORIDA
SHERIFF**

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

YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues:				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Public safety				
Salaries and benefits	47,726,815	48,926,815	47,962,870	963,945
Operating expenditures	5,948,019	6,253,833	6,830,820	(576,987)
Capital outlay	100,000	100,000	305,072	(205,072)
Total Expenditures	53,774,834	55,280,648	55,098,762	181,886
Excess (Deficiency) of Revenues Over (Under) Expenditures	(53,774,834)	(55,280,648)	(55,098,762)	181,886
Other Financing Sources and Uses:				
Transfers in	53,774,834	55,280,648	55,280,648	-
Transfers out	-	-	(181,886)	(181,886)
Total Other Financing Sources (Uses)	53,774,834	55,280,648	55,098,762	(181,886)
Net Change in Fund Balance	-	-	-	-
Fund Balance, October 1, 2015	-	-	218,284	218,284
Change in inventory	-	-	(11,112)	(11,112)
Fund Balance, September 30, 2016	\$ -	\$ -	\$ 207,172	\$ 207,172

**ESCAMBIA COUNTY, FLORIDA
SHERIFF**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

The Sheriff's Office operates under budget procedures pursuant to Florida Statutes. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. The budget for the Sheriff's general fund is a "legally adopted" budget whereas the budget for the Sheriff's Programs Fund is prepared and used solely as an internal management tool and is not considered "legally adopted". The legal level of budgetary control is at the fund level.

Other Supplementary Information

**ESCAMBIA COUNTY, FLORIDA
SHERIFF**

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET (GAAP BASIS) AND ACTUAL –
SHERIFF'S PROGRAMS FUND**

YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues:				
Grant revenue				
Jag Federal 2013	\$ 97,633	\$ 98,650	\$ 87,242	\$ (11,408)
Jag Federal 2016	-	127,066	59,264	(67,802)
US Marshal's	-	15,000	15,000	-
Judgments, fines and forfeitures				
Law Enforcement Trust Fund	92,565	119,394	19,484	(99,910)
Total Revenues	<u>190,198</u>	<u>360,110</u>	<u>180,990</u>	<u>(179,120)</u>
Expenditures:				
Current:				
Public safety				
Salaries and benefits	97,633	147,466	68,257	79,209
Capital outlay	92,565	212,644	112,733	99,911
Total Expenditures	<u>190,198</u>	<u>360,110</u>	<u>180,990</u>	<u>179,120</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources and Uses:				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, October 1, 2015	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, September 30, 2016	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ESCAMBIA COUNTY, FLORIDA
SHERIFF**

**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
ALL AGENCY FUNDS**

SEPTEMBER 30, 2016

	Agency Funds			
	Flex Benefits Fund	Evidence Trust Fund	Trust Fund	Auction Fund
Assets				
Cash and cash equivalents	\$ -	\$ 217,106	\$ 16,170	\$ 17,265
Total Assets	<u>\$ -</u>	<u>\$ 217,106</u>	<u>\$ 16,170</u>	<u>\$ 17,265</u>
Liabilities				
Deposits	\$ -	\$ 217,106	\$ 16,170	\$ 17,265
Total Liabilities	<u>\$ -</u>	<u>\$ 217,106</u>	<u>\$ 16,170</u>	<u>\$ 17,265</u>

**ESCAMBIA COUNTY, FLORIDA
SHERIFF**

**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
ALL AGENCY FUNDS**

(Continued)

SEPTEMBER 30, 2016

	Agency Funds		
	General Employee Events Fund	Explorers' Fund	TOTAL
Assets			
Cash and cash equivalents	\$ 12,252	\$ 2,976	\$ 265,769
Total Assets	<u>\$ 12,252</u>	<u>\$ 2,976</u>	<u>\$ 265,769</u>
Deposits	\$ 12,252	\$ 2,976	\$ 265,769
Total Liabilities	<u>\$ 12,252</u>	<u>\$ 2,976</u>	<u>\$ 265,769</u>

**ESCAMBIA COUNTY, FLORIDA
SHERIFF**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES -
ALL AGENCY FUNDS**

YEAR ENDED SEPTEMBER 30, 2016

	Balance September 30, 2015	Additions	Deductions	Balance September 30, 2016
FLEX BENEFITS FUND				
ASSETS				
Cash and cash equivalents	\$ 444,215	\$ -	\$ 444,215	\$ -
Total Assets	<u>\$ 444,215</u>	<u>\$ -</u>	<u>\$ 444,215</u>	<u>\$ -</u>
LIABILITIES				
Deposits	\$ 444,215	\$ -	\$ 444,215	\$ -
Total Liabilities	<u>\$ 444,215</u>	<u>\$ -</u>	<u>\$ 444,215</u>	<u>\$ -</u>
EVIDENCE TRUST FUND				
ASSETS				
Cash and cash equivalents	\$ 224,851	\$ 750,769	\$ 758,514	\$ 217,106
Total Assets	<u>\$ 224,851</u>	<u>\$ 750,769</u>	<u>\$ 758,514</u>	<u>\$ 217,106</u>
LIABILITIES				
Deposits	\$ 224,851	\$ 750,769	\$ 758,514	\$ 217,106
Total Liabilities	<u>\$ 224,851</u>	<u>\$ 750,769</u>	<u>\$ 758,514</u>	<u>\$ 217,106</u>

**ESCAMBIA COUNTY, FLORIDA
SHERIFF**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES -
ALL AGENCY FUNDS**

YEAR ENDED SEPTEMBER 30, 2016

(Continued)

	Balance September 30, 2015	Additions	Deductions	Balance September 30, 2016
TRUST FUND				
ASSETS				
Cash and cash equivalents	\$ 81,708	\$ 435,083	\$ 500,621	\$ 16,170
Total Assets	<u>\$ 81,708</u>	<u>\$ 435,083</u>	<u>\$ 500,621</u>	<u>\$ 16,170</u>
LIABILITIES				
Deposits	\$ 81,698	\$ 435,083	\$ 500,611	\$ 16,170
Other current liabilities	10	-	10	-
Total Liabilities	<u>\$ 81,708</u>	<u>\$ 435,083</u>	<u>\$ 500,621</u>	<u>\$ 16,170</u>
AUCTION FUND				
ASSETS				
Cash and cash equivalents	\$ 2,418	\$ 15,821	\$ 974	\$ 17,265
Total Assets	<u>\$ 2,418</u>	<u>\$ 15,821</u>	<u>\$ 974</u>	<u>\$ 17,265</u>
LIABILITIES				
Deposits	\$ 2,418	\$ 15,821	\$ 974	\$ 17,265
Total Liabilities	<u>\$ 2,418</u>	<u>\$ 15,821</u>	<u>\$ 974</u>	<u>\$ 17,265</u>

**ESCAMBIA COUNTY, FLORIDA
SHERIFF**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES -
ALL AGENCY FUNDS**

YEAR ENDED SEPTEMBER 30, 2016

(Continued)

	Balance September 30, 2015	Additions	Deductions	Balance September 30, 2016
GENERAL EMPLOYEE EVENTS FUND				
ASSETS				
Cash and cash equivalents	\$ 19,932	\$ 16,625	\$ 24,305	\$ 12,252
Total Assets	<u>\$ 19,932</u>	<u>\$ 16,625</u>	<u>\$ 24,305</u>	<u>\$ 12,252</u>
LIABILITIES				
Deposits	\$ 19,932	\$ 16,625	\$ 24,305	\$ 12,252
Total Liabilities	<u>\$ 19,932</u>	<u>\$ 16,625</u>	<u>\$ 24,305</u>	<u>\$ 12,252</u>
EXPLORERS' FUND				
ASSETS				
Cash and cash equivalents	\$ 6,516	\$ 13,820	\$ 17,360	\$ 2,976
Total Assets	<u>\$ 6,516</u>	<u>\$ 13,820</u>	<u>\$ 17,360</u>	<u>\$ 2,976</u>
LIABILITIES				
Deposits	\$ 6,516	\$ 13,820	\$ 17,360	\$ 2,976
Total Liabilities	<u>\$ 6,516</u>	<u>\$ 13,820</u>	<u>\$ 17,360</u>	<u>\$ 2,976</u>

**ESCAMBIA COUNTY, FLORIDA
SHERIFF**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES -
ALL AGENCY FUNDS**

YEAR ENDED SEPTEMBER 30, 2016

(Concluded)

	Balance September 30, 2015	Additions	Deductions	Balance September 30, 2016
TOTAL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 779,640	\$ 1,232,118	\$ 1,745,989	\$ 265,769
Total Assets	<u>\$ 779,640</u>	<u>\$ 1,232,118</u>	<u>\$ 1,745,989</u>	<u>\$ 265,769</u>
LIABILITIES				
Deposits	\$ 779,630	\$ 1,232,118	\$ 1,745,979	\$ 265,769
Other current liabilities	10	-	10	-
Total Liabilities	<u>\$ 779,640</u>	<u>\$ 1,232,118</u>	<u>\$ 1,745,989</u>	<u>\$ 265,769</u>

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

Honorable David Morgan, Sheriff
Escambia County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements (hereinafter referred to as "financial statements") of each major fund and the aggregate remaining fund information of the Office of the Sheriff of Escambia County, Florida (hereinafter referred to as "Sheriff"), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the Sheriff's financial statements, and have issued our report thereon dated November 21, 2016.

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) 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 Sheriff's internal control. Accordingly, we do not express an opinion on the effectiveness of the Sheriff's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sheriff's financial statements are free of material misstatement, we performed tests of 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 report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Warren Averett, LLC". The signature is written in a cursive, flowing style.

November 21, 2016
Pensacola, Florida

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

Honorable David Morgan, Sheriff
Escambia County, Florida

We have examined the Office of the Sheriff of Escambia County, Florida's (hereinafter referred to as "Sheriff") compliance with Florida Statute 218.415 in regards to investments for the year ended September 30, 2016.

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

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

In our opinion, the Sheriff complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2016.

Warren Averett, LLC

November 21, 2016
Pensacola, Florida

MANAGEMENT LETTER

Honorable David Morgan, Sheriff
Escambia County, Florida

Report on the Financial Statements

We have audited the financial statements ("financial statements") of each major fund and the aggregate remaining fund information of the Office of the Sheriff of Escambia County, Florida (hereinafter referred to as "Sheriff"), as of and for the year ended September 30, 2016 and the related notes to the financial statements, and have issued our report thereon dated November 21, 2016.

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 Reports

We have also issued our Independent Auditors' Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on Examination of Compliance Requirements in Accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated November 21, 2016, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Other Matters

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 did not have any such recommendations.

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, the Sheriff, and the Escambia County Board of County Commissioners and is not intended to be and should not be used by anyone other than these specified parties.

Warren Averett, LLC

November 21, 2016
Pensacola, Florida

**ESCAMBIA COUNTY, FLORIDA
SHERIFF**

SHERIFF'S RESPONSE TO MANAGEMENT LETTER

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

**FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION**

**ESCAMBIA COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

**SEPTEMBER 30, 2016
WITH INDEPENDENT AUDITORS' REPORT**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

**ESCAMBIA COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
SEPTEMBER 30, 2016
WITH INDEPENDENT AUDITORS' REPORT**

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INDEPENDENT AUDITORS' REPORT

Honorable David Stafford
Supervisor of Elections
Escambia County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the general fund and the grant fund of the Escambia County, Florida Supervisor of Elections, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express 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 financial position of the general fund and the grant fund of the Supervisor of Elections as of September 30, 2016, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above 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 and grant fund attributable solely to the operations of the Supervisor of Elections.

Emphasis of Matter – Continued

They do not purport to, and do not, present fairly the financial position of Escambia County, Florida, as of September 30, 2016, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule and related notes, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a required 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 a report on our consideration of the Supervisor of Elections' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters included under the heading "*Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.*" The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Supervisor of Elections' internal control over financial reporting and compliance.



November 30, 2016
Pensacola, Florida

Financial Statements

**ESCAMBIA COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

**BALANCE SHEET
GOVERNMENTAL FUNDS**

SEPTEMBER 30, 2016

Major Funds

	General Fund	Grant Fund
Assets		
Due from other governmental units	\$ 136,608	\$ -
Total assets	<u>\$ 136,608</u>	<u>\$ -</u>
Liabilities		
Accounts payable	\$ 105,803	\$ -
Accrued liabilities	30,193	-
Due to other governmental units	612	-
Other current liabilities	-	-
Total liabilities	<u>136,608</u>	<u>-</u>
Fund Balance		
Restricted for:		
Grants	-	-
Total fund balance	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 136,608</u>	<u>\$ -</u>

See notes to the financial statements.

**ESCAMBIA COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

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

YEAR ENDED SEPTEMBER 30, 2016

Major Funds

	General Fund	Grant Fund
Revenues:		
Grant revenue	\$ -	\$ 57,847
Charges for services	10,683	-
Investment income	-	105
Total Revenues	<u>10,683</u>	<u>57,952</u>
Expenditures:		
Current:		
General government:		
Salaries and benefits	1,202,498	-
Operating expenditures	893,000	-
Operating expenditures-grants	-	63,005
Capital outlay	1,031	-
Total Expenditures	<u>2,096,529</u>	<u>63,005</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,085,846)</u>	<u>(5,053)</u>
Other Financing Sources and Uses:		
Transfers in	2,090,899	5,053
Transfers out	<u>(5,053)</u>	<u>-</u>
Total Other Financing Sources and Uses	<u>2,085,846</u>	<u>5,053</u>
Net Change in Fund Balance	-	-
Fund Balance, October 1, 2015	<u>-</u>	<u>-</u>
Fund Balance, September 30, 2016	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See notes to the financial statements.

**ESCAMBIA COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

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

A. Reporting entity

The Escambia County, Florida Supervisor of Elections is an elected constitutional officer as provided by Article VIII, Section 1 (d) of the Constitution of the State of Florida. The Supervisor of Elections' budget is submitted to the Escambia County Board of County Commissioners (the Board) for approval. The Board appropriates and provides funding necessary to operate the Supervisor of Elections' office.

For financial reporting purposes, the Supervisor of Elections is deemed to be a part of the primary government of Escambia County, Florida (the County), and therefore, is included as such in the Escambia County, Florida, Comprehensive Annual Financial Report.

B. Basis of presentation – fund financial statements

These financial statements have been prepared for the purpose of complying with *Rules of the Auditor General, State of Florida*, which require presentation of *fund level* only financial statements and permit omission of entity-wide full accrual financial statements and management's discussion and analysis. Therefore, these financial statements are intended to present only the financial position and changes in financial position of that portion of Escambia County, Florida, that relate to transactions of the Supervisor of Elections and are not intended to present the financial position and changes in financial position of Escambia County, Florida, taken as a whole.

The Supervisor of Elections' financial records and accounts are maintained in accordance with the principles of "fund accounting," whereby resources are classified for accounting and reporting purposes into funds to insure compliance with any special restrictions or limitations on the use of such resources. The Supervisor of Elections maintains two governmental funds as follows:

General Fund - Accounts for all financial resources except those required to be accounted for in other funds.

Grant Fund - Accounts for activities of various federal and state grants.

C. Basis of accounting and measurement focus

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements, and also refers to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when received in cash or when they become both measurable and available to finance expenditures of the current period. The Supervisor of Elections considers receivables collected within 60 days after year end to be available and recognizes them as revenues of the current year. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Compensated absences are paid from the general fund. Capital asset acquisitions are recorded as expenditures in the governmental funds.

**ESCAMBIA COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

C. Basis of accounting and measurement focus (Continued)

The accounting and financial reporting treatment applied to the capital assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that generally, only current assets, deferred outflows, current liabilities, and deferred inflows are included in the balance sheet. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Accordingly, they present a summary of sources and uses of "available spendable resources" during a period.

D. Funding from the Board of County Commissioners

Appropriations from the Board are recorded as "transfers in" on the Statement of Revenues, Expenditures and Changes in Fund Balance.

In accordance with Florida Statutes, the general fund's excess of revenues and transfers over expenditures is returned to the Board at year end and is reported as a "transfer out" on the Statement of Revenues, Expenditures and Changes in Fund Balance

E. Fund balance and flow assumptions

Fund balances are classified either as non-spendable or as restricted, committed, assigned, and unassigned, based on the extent to which there are external and internal constraints on the spending. Fund balance at September 30, 2016, consists of the following:

Non-spendable fund balances include amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. As of September 30, 2016, The Supervisor of Elections had no Non-spendable fund balance.

Remaining fund balances are classified as following, depending upon the Supervisor of Elections ability to control the spending of these balances:

Restricted fund balances can only be used for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations or are imposed by law through constitutional provisions or enabling legislation. As of September 30, 2016, the Supervisor of Elections had no restricted fund balances.

Committed fund balances can only be used for specific purposes imposed internally by the Supervisor of Elections formal action of highest level of decision making authority. As of September 30, 2016, the Supervisor of Elections had no committed fund balances.

Assigned fund balances are fund balances intended to be used for specific purposes, but which do not meet the more formal criterion to be considered either restricted or committed. As of September 30, 2016, the Supervisor of Elections had no assigned fund balances.

Unassigned fund balances represent the residual positive fund balance within the General Fund, which has not been assigned to other funds and has not been restricted, committed, or assigned. In funds other than the General Fund, unassigned fund balances are limited to negative residual balances. As of September 30, 2016, the Supervisor of Elections had no unassigned fund balances because all excess revenues within the General Fund are required to be remitted to the Board and there were no negative residual balances in the special revenue fund.

**ESCAMBIA COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

E. Fund balance and flow assumptions (Continued)

Periodically, the Supervisor of Elections will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Supervisor of Elections policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance.

Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

F. Capital assets

Capital assets (vehicles, equipment and other property costing at least \$1,000 with a useful life of more than one year) are recorded as expenditures at the time of purchase. These assets are capitalized at cost and depreciated in Escambia County's government-wide financial statements.

G. Accumulated compensated absences

Employees may accumulate, subject to limitations, amounts of earned but unused paid time off, which will be paid upon separation from service. The amount of vested accumulated compensated absences payable based upon the Supervisor of Elections' paid-time-off (PTO) policy is reported as a liability in the statement of net position in the County's basic financial statements. That liability includes earned but unused PTO as well as FICA taxes and retirement contributions related thereto. Compensated absences are paid from the General Fund.

2. Cash deposits with financial institutions

The Supervisor of Elections does not maintain a separate cash account. The Escambia County Clerk of the Circuit Court and Comptroller, serving as the accountant for the Supervisor of Elections, records all cash activity using a pooled cash account of the Board of County Commissioners. The "due from" reflected on the Supervisor of Elections' balance sheet represents the amount of cash held by the Board on behalf of the Supervisor of Elections.

The Board manages custodial credit risk by maintaining its deposits in financial institutions designated as "Qualified Public Depositories" by the State Treasurer. All deposits were fully insured through a combination of Federal depository insurance and participation of the financial institution in the multiple financial institution collateral pool as specified in Chapter 280, Florida Statutes. Accordingly, risk of loss due to bank failure is not significant.

3. Due to/from other governments

At September 30, 2016, the amounts due to other governmental units totaled \$612 and was payable to the Board. The due from other governmental units totaled \$136,608 and was receivable from the Board.

**ESCAMBIA COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

NOTES TO FINANCIAL STATEMENTS

4. Retirement plan

Plan Description — The Supervisor of Elections participates in the Florida Retirement System (FRS), administered by the Florida Department of Management Services. The FRS was established in 1970 by Chapter 121, Florida Statutes. Changes to the FRS can only be made by an act of the Florida Legislature. Rules governing the operation and administration of the system may be found in Chapter 60S of the Florida Administrative Code. The State of Florida issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for FRS. The report may be obtained on the division's website at <http://www.dms.myflorida.com>. The report may also be obtained by contacting the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, FL 32315-9000.

Employees elect participation in either the defined benefit plan (Pension Plan), a multiple-employer cost – sharing defined benefit retirement plan, or the defined contribution plan (Investment 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.

The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Retirement benefits are based upon age, average compensation and years-of-service credit where average compensation is computed as the average of the members' highest 5 or 8 fiscal years of earnings, depending upon enrollment date. A post-employment health insurance subsidy is also provided to eligible retired members through the FRS in accordance with Florida Statutes.

For employees who were enrolled in the plan prior to July 1, 2011, normal retirement benefits are available at age 62 with 6 or more years of service, or to those employees who have at least 30 years of creditable service, regardless of age.

For employees who were enrolled in the plan after July 1, 2011, normal retirement benefits are available at age 65 with 8 or more years of service, or to those employees who have at least 33 years of creditable service, regardless of age.

Members in the Investment Plan decide how their funds are allocated between various investment accounts and the vested funds are portable upon termination. The final retirement benefit is equal to the vested contributions plus investment earnings less expenses and losses allocated to the member's account. Members in the Investment Plan are not eligible for participation in the Deferred Retirement Option Program.

**ESCAMBIA COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

NOTES TO FINANCIAL STATEMENTS

4. Retirement plan (Continued)

The contribution requirements of the Supervisor of Elections and members are established and may be amended by FRS. Both plans are contributory for employees and require a 3% employee contribution. This is in addition to the contributions that are the obligation of the employer. The Supervisor of Election's contributions to FRS for the years ended September 30, 2016, 2015 and 2014 were \$98,903, \$98,857, and \$87,507 respectively, equal to the required contributions for each year.

The contribution rates in effect during the period ended September 30, 2016, 2015 and 2014 were as follows:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Regular Class:</u>	7.52%	7.26%	7.37%
Members not qualifying for other classes.			
<u>Senior Management Class:</u>	22.57%	21.43%	21.14%
Members of senior management who do not elect the optional annuity retirement program.			
<u>Elected Officials Class:</u>	42.47%	42.27%	43.24%
Certain elected county officials.			
<u>Deferred Retirement Option Program (DROP):</u>	12.99%	12.88%	12.28%
Members are enrolled in DROP from FRS			

Net Pension Obligation-Proportionate Share

The Supervisor of Elections has a net FRS pension liability determined in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. This long-term liability is only reported in the county-wide financial statements and is not a current liability of the governmental funds. All required disclosures and schedules may be found in the county-wide financial statements of Escambia County, Florida.

5. Other postemployment (OPEB) benefits, other than pensions

The Board offers post-employment health care benefits to all retired employees of the Supervisor of Elections' Office and their dependents. Participating retirees are required to reimburse the Board for 100% of the premium cost, which is netted against the premium payment, so that no net expense is initially recorded in the Board's financial statements. However, these retirees are receiving an "implicit subsidy" because the premium is a group rate which includes active, lower cost employees. This implicit subsidy has a cost which under GAAP is required to be disclosed in these financial statements. However, this annual cost, the accrued obligation, and other required disclosures have been calculated for the County as a whole, and not separately for the Supervisor of Elections' Office. Accordingly, these calculations and disclosures can be found in the county-wide comprehensive annual financial report.

**ESCAMBIA COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

NOTES TO FINANCIAL STATEMENTS

6. Risk management

The County has a risk management program to insure claims against the Board, Constitutional Officers, and Santa Rosa Island Authority for the following types of risks:

Workers Compensation – The County is covered for workers' compensation claims through a policy with the Florida Municipal Insurance Trust. Coverage limits under the policy include statutory limits, as well as \$1,000,000 bodily injury for each accident and \$1,000,000 bodily injury by disease for each employee with an aggregate \$1,000,000 policy limit.

Casualty and Property – Casualty limits are self-insured for \$200,000 per claim with a \$300,000 aggregate limit. Property limits are \$50,000 - \$250,000 self insured retentions per occurrence with excess limits of \$45 million including wind.

The Supervisor of Elections participated in the County's insurance program during fiscal year 2015 at a cost of \$3,149. There also were no significant reductions in insurance coverage from the prior year and there have been no settlements which exceeded the Supervisor of Elections' insurance coverage in any of the past three fiscal years.

7. Commitments and contingencies

The Supervisor of Elections receives federal and state financial assistance primarily in the form of capital and operating grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by grantor agencies. Disallowed costs, if any, resulting from such audits, may become liabilities of the Supervisor of Elections. However, in the opinion of management, disallowed costs, if any, will not have a material effect on the financial statements.

8. Related party transactions

During 2016, the Board of County Commissioners purchased capital assets totaling approximately \$44,100 on behalf of the Supervisor of Elections.

9. Subsequent events

The Supervisor of Elections has evaluated events and transactions for potential recognition or disclosure in the financial statements through November 30, 2016, the date the financial statements were available to be issued. No subsequent events have been recognized or disclosed.

Required Supplementary Information

**ESCAMBIA COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACUTAL**

YEAR ENDED SEPTEMBER 30, 2016

	General Fund			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ -	\$ -	\$ 10,683	\$ 10,683
Total Revenues	-	-	10,683	10,683
Expenditures:				
Current:				
General government:				
Salaries and benefits	1,395,404	1,412,585	1,202,498	210,087
Operating expenditures	921,137	916,084	893,000	23,084
Capital outlay	22,500	22,500	1,031	21,469
Total Expenditures	2,339,041	2,351,169	2,096,529	254,640
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,339,041)	(2,351,169)	(2,085,846)	265,323
Other Financing Sources and Uses:				
Transfers in	2,339,041	2,351,169	2,090,899	(260,270)
Transfers out	-	-	(5,053)	(5,053)
Total Other Financing Sources (Uses)	2,339,041	2,351,169	2,085,846	(265,323)
Net Change in Fund Balance	-	-	-	-
Fund Balance, October 1, 2015	-	-	-	-
Fund Balance, September 30, 2016	\$ -	\$ -	\$ -	\$ -

See accompanying notes to required supplementary information.

**ESCAMBIA COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

**SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACUTAL**

YEAR ENDED SEPTEMBER 30, 2016

	Grant Fund			
	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues:				
Grant revenue	\$ -	\$ 50,370	\$ 57,847	\$ 7,477
Investment income	-	-	105	105
Total Revenues	-	50,370	57,952	7,582
Expenditures:				
Current:				
General government:				
Operating expenditures grants	-	68,828	63,005	5,823
Total Expenditures	-	68,828	63,005	5,823
Other Financing Sources and Uses:				
Transfers in	-	18,458	5,053	(13,405)
Total Other Financing Sources (Uses)	-	18,458	5,053	(13,405)
Net Change in Fund Balance	-	-	-	-
Fund Balance, October 1, 2015	-	-	-	-
Fund Balance, September 30, 2016	\$ -	\$ -	\$ -	\$ -

See accompanying notes to required supplementary information.

**ESCAMBIA COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

The Supervisor of Elections operates under budget procedures pursuant to Florida Statutes. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is at the fund level.

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

Honorable David Stafford
Supervisor of Elections Escambia County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements (hereinafter referred to as "financial statements") of the general fund and the grant fund of the Supervisor of Elections of Escambia County, Florida (hereinafter referred to as "Supervisor of Elections"), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' financial statements, and have issued our report thereon dated November 30, 2016.

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 opinions 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 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 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 report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Warren Averett, LLC". The signature is written in a cursive, flowing style.

November 30, 2016
Pensacola, Florida

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

Honorable David Stafford
Supervisor of Elections Escambia County, Florida

We have examined the Office of the Supervisor of Elections' of Escambia County, Florida's (hereinafter referred to as the "Supervisor of Elections") compliance with Florida Statute 218.415 in regards to investments for the year ended September 30, 2016.

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

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

In our opinion, the Supervisor of Elections complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2016.

Warren Averett, LLC

November 30, 2016
Pensacola, Florida

MANAGEMENT LETTER

Honorable David Stafford
Supervisor of Elections of Escambia County

Report on the Financial Statements

We have audited the financial statements of the general fund and the grant fund of the Office of the Supervisor of Elections of Escambia County, Florida (hereinafter referred to as the "Supervisor of Elections"), as of and for the year ended September 30, 2016, and the related notes to the financial statements, and have issued our report thereon dated November 30, 2016.

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 Reports

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 Examination of Compliance Requirements in Accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated November 30, 2016, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Other Matters

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 did not have any such recommendations.

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, the Supervisor of Elections, Escambia County Board of County Commissioners, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.



November 30, 2016
Pensacola, Florida

**ANNUAL AUDIT REPORT
SUPERVISOR OF ELECTIONS
ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND REPONSES
September 30, 2016**

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

**FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION**

**ESCAMBIA COUNTY, FLORIDA
TAX COLLECTOR**

**SEPTEMBER 30, 2016
WITH INDEPENDENT AUDITORS' REPORT**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

**ESCAMBIA COUNTY, FLORIDA
TAX COLLECTOR
SEPTEMBER 30, 2016
WITH INDEPENDENT AUDITORS' REPORT**

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INDEPENDENT AUDITORS' REPORT

Honorable Janet Holley
Tax Collector Escambia 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 Office of the Tax Collector of Escambia County, (hereinafter referred to as "Tax Collector"), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively compose the Tax Collector's financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the general fund and the aggregate remaining fund information of the Tax Collector as of September 30, 2016, and the respective changes in financial position, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida. 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 the portion of the major funds, and the aggregate remaining fund information, of Escambia County, Florida that are attributable to the Tax Collector.

They do not purport to, and do not, present fairly the financial position of Escambia County, Florida, as of September 30, 2016, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Tax Collector'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 these 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 taken as a whole.

Other Reporting Required by Government Auditing Standards

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



November 16, 2016
Pensacola, Florida

Financial Statements

**ESCAMBIA COUNTY, FLORIDA
TAX COLLECTOR**

BALANCE SHEET - GOVERNMENTAL FUND

SEPTEMBER 30, 2016

	<u>Major Fund</u>
	<u>General Fund</u>
Assets	
Cash and cash equivalents	\$ 604,533
Accounts receivable	13,266
Total Assets	<u><u>\$ 617,799</u></u>
Liabilities	
Accounts payable	\$ 296,552
Accrued liabilities	179,046
Due to other governmental units	49,643
Unearned revenue	92,558
Total liabilities	<u>617,799</u>
Fund Balance	<u>-</u>
Total liabilities and fund balance	<u><u>\$ 617,799</u></u>

**ESCAMBIA COUNTY, FLORIDA
TAX COLLECTOR**

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

YEAR ENDED SEPTEMBER 30, 2016

	<u>Major Fund</u>
	<u>General Fund</u>
Revenues:	
Charges for services	\$ 3,099,105
Miscellaneous revenue	114,136
Total Revenues	<u>3,213,241</u>
Expenditures:	
Current:	
General government:	
Salaries and benefits	5,691,062
Operating expenditures	1,596,046
Capital outlay	227,631
Debt service - capital lease payoff	145,113
Total Expenditures	<u>7,659,852</u>
Deficiency of revenues over expenditures	<u>(4,446,611)</u>
Other Financing Sources and (Uses):	
Transfers in	4,496,132
Transfers out	(49,521)
Total Other Financing Sources and (Uses)	<u>4,446,611</u>
Net Change in Fund Balance	-
Fund Balance, October 1, 2015	<u>-</u>
Fund Balance, September 30, 2016	<u><u>\$ -</u></u>

**ESCAMBIA COUNTY, FLORIDA
TAX COLLECTOR**

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS

SEPTEMBER 30, 2016

Assets

Cash and cash equivalents	\$ 3,793,222
Accounts receivable	<u>323,515</u>
Total Assets	<u><u>\$ 4,116,737</u></u>

Liabilities

Accounts payable	\$ 904,519
Due to other governmental units	<u>3,212,218</u>
Total Liabilities	<u><u>\$ 4,116,737</u></u>

**ESCAMBIA COUNTY, FLORIDA
TAX COLLECTOR**

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

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

A. Reporting entity

The Escambia County, Florida Tax Collector (Tax Collector) is an elected constitutional officer as provided by Article VIII, Section 1 (d) of the Constitution of the State of Florida. The Tax Collector's budget is approved by the Florida Department of Revenue and submitted to the Escambia County Board of County Commissioners (the Board). The Board pays a monthly fee to the Tax Collector for collection of property taxes based on a statutory formula. The remainder of the budget is funded by fees earned for providing services for other governmental agencies.

For financial reporting purposes, the Tax Collector is deemed to be a part of the primary government of Escambia County, Florida (the County), and therefore, is included as such in the Escambia County, Florida, Comprehensive Annual Financial Report.

B. Basis of presentation – fund financial statements

These financial statements have been prepared for the purpose of complying with *Rules of the Auditor General, State of Florida*, which require presentation of *fund level* only financial statements and permit omission of entity-wide full accrual financial statements and management's discussion and analysis. Therefore, these financial statements are intended to present only the financial position and changes in financial position of that portion of Escambia County, Florida, that relate to transactions of the Tax Collector and are not intended to present the financial position and changes in financial position of Escambia County, Florida, taken as a whole.

The Tax Collector's financial records and accounts are maintained in accordance with the principles of "fund accounting," whereby resources are classified for accounting and reporting purposes into funds to insure compliance with any special restrictions or limitations on the use of such resources. The Tax Collector's funds are defined as follows:

Governmental Funds:

The *General Fund* is the general operating fund of the Tax Collector. It is used to account for all financial resources except those required to be accounted for in other funds.

Fiduciary Funds:

The *agency funds* are used to account for assets held for individuals, private organizations, or other governments and consist primarily of taxes and fees collected but not distributed to other governments. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of the results of operations.

Fund balances are classified either as non-spendable or as restricted, committed, assigned, and unassigned, based on the extent to which there are external and internal constraints on the spending.

**ESCAMBIA COUNTY, FLORIDA
TAX COLLECTOR**

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

C. Measurement focus and basis of accounting

The general fund is accounted for using the *current resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they become susceptible to accrual—that is when they are both measurable and available to finance expenditures of the current period. The Tax Collector considers receivables collected within 60 days after year-end to be available and recognizes them as revenues of the current year. Expenditures generally are recorded when the related fund liability is incurred. However, expenditures for compensated absences are recognized when payments are made to employees.

Fiduciary fund financial statements are reported using the accrual basis of accounting.

D. Funding from Board of County Commissioners

Commissions from the Board are recorded as “transfers in” on the Statement of Revenues, Expenditures and Changes in Fund Balance.

In accordance with Florida Statutes, the General Fund’s excess of revenues and transfers over expenditures is returned to the Board at year end and is reported as a “transfer out” on the Statement of Revenues, Expenditures and Changes in Fund Balance.

E. Capital Assets

Capital assets (vehicles, equipment and other property costing at least \$1,000 with a useful life of more than one year) are recorded as expenditures at the time of purchase. These assets are capitalized at cost and depreciated in Escambia County’s government-wide financial statements.

F. Accumulated Compensated Absences

Employees may accumulate, subject to limitations, amounts of earned but unused paid time off, which will be paid upon separation from service. The amount of vested accumulated compensated absences payable is reported as a liability in the statement of net position in the County’s basic financial statements. That liability includes earned but unused paid time off as well as FICA taxes and retirement contributions related thereto.

2. Deposits and Investments

The investment of surplus funds is governed by the provisions of Florida Statute 218.415 as to the type of investments that can be made. Deposits may be exposed to custodial credit risk, which is the risk of loss in the event of a bank failure.

The Tax Collector manages custodial credit risk by maintaining its deposits in a financial institution designated as “Qualified Public Depository” by the State Treasurer.

**ESCAMBIA COUNTY, FLORIDA
TAX COLLECTOR**

NOTES TO THE FINANCIAL STATEMENTS

2. Deposits and Investments (Continued)

All deposits were fully insured through a combination of Federal depository insurance and participation of the financial institution in the multiple financial institution collateral pool as specified in Chapter 280, Florida Statutes. Accordingly, risk of loss due to bank failure is not significant.

At September 30, 2016, the reported amount of the Tax Collector's deposits was approximately \$4.3 million, and the bank balance was approximately \$3.7 million, consisting entirely of deposits in checking and saving accounts.

3. Interfund receivables, payables and transfers

Interfund receivables and payables consist of amounts due to or from funds during the normal course of business. At September 30, 2016, there were no interfund receivables or payables within the Tax Collector's funds. Transfers in consist of \$4,496,132 from the Board of County Commissioners, and transfers out (excess budget and fees to the Board) totaled \$49,521.

4. Due to/from other governments

At September 30, 2016, the due to other governmental units totals \$49,643 and primarily is payable to the Board and is comprised mainly of excess fees over expenditures.

5. Retirement Plan

The Tax Collector participates in the Florida Retirement System (FRS), administered by the Florida Department of Management Services. The FRS was established in 1970 by Chapter 121, Florida Statutes. Changes to the FRS can only be made by an act of the Florida Legislature. Rules governing the operation and administration of the system may be found in Chapter 60S of the Florida Administrative Code. The State of Florida issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for FRS. The report maybe be obtained on the division's website at <http://www.dms.myflorida.com>. The report may also be obtained by contacting the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, FL 32315-9000.

Employees elect participation in either the defined benefit plan (Pension Plan), a multiple-employer cost-sharing defined benefit retirement plan, or the defined contribution plan (Investment 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.

**ESCAMBIA COUNTY, FLORIDA
TAX COLLECTOR**

NOTES TO THE FINANCIAL STATEMENTS

5. Retirement Plan (Continued)

The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Retirement benefits are based upon age, average compensation and years-of-service credit where average compensation is computed as the average of the members' highest 5 or 8 fiscal years of earnings, depending upon enrollment date. A post-employment health insurance subsidy is also provided to eligible retired members through the FRS in accordance with Florida Statutes.

For employees who were enrolled in the plan prior to July 1, 2011, normal retirement benefits are available at age 62 with 6 or more years of service, or to those employees who have at least 30 years of creditable service, regardless of age.

For employees who were enrolled in the plan after July 1, 2011, normal retirement benefits are available at age 65 with 8 or more years of service, or to those employees who have at least 33 years of creditable service, regardless of age.

Early retirement is available for vested members with a 5% reduction of benefits for each year prior to the normal retirement age. Retirement age and years of service requirements also vary depending on membership class.

In addition to the above benefits, the Deferred Retirement Option Program (DROP) is available under the Pension Plan when the member first reaches eligibility for normal retirement. This program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate.

For those members who elect participation in the Investment Plan rather than the Pension Plan, vesting occurs at one year of service. The Investment Plan is a defined contribution plan funded monthly by employer and employee contributions based on salary and membership class. Members in the Investment Plan decide how their funds are allocated between various investment accounts and the vested funds are portable upon termination. The final retirement benefit is equal to the vested contributions plus investment earnings less expenses and losses allocated to the member's account. Members in the Investment Plan are not eligible for participation in the Deferred Retirement Option Program.

The contribution requirements of the Tax Collector and members are established and may be amended by FRS. Both plans are contributory for employees and require a 3% employee contribution. This is in addition to the contributions that are the obligation of the employer. The Tax Collector's contributions to FRS for the years ended September 30, 2016, 2015 and 2014 were \$417,919, \$403,191, and \$385,233, respectively, equal to the required contributions for each year.

**ESCAMBIA COUNTY, FLORIDA
TAX COLLECTOR**

NOTES TO THE FINANCIAL STATEMENTS

5. Retirement Plan (Continued)

The contribution rates in effect during the period ended September 30, 2016, 2015 and 2014 were as follows:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Regular Class:</u> Members not qualifying for other classes.	7.52%	7.26%	7.37%
<u>Senior Management Class:</u> Members of senior management who do not elect the optional annuity retirement program.	21.77%	21.43%	21.14%
<u>Elected Officials Class:</u> Certain elected county officials.	42.47%	42.27%	43.24%
<u>Deferred Retirement Option Program (DROP):</u> Members are enrolled in DROP from FRS	12.99%	12.88%	12.28%

Net Pension Obligation-Proportionate Share

The Tax Collector has a net FRS pension liability determined in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions. This long-term liability is only reported in the county-wide financial statements and is not a current liability of the governmental funds. All required disclosures and schedules may be found in the county-wide financial statements of Escambia County, Florida.

6. Other post-employment benefits (OPEB), other than pensions

The Board offers post-employment health care benefits to all retired employees of the Tax Collector's Office and their dependents. Participating retirees are required to reimburse the Board for 100% of the premium cost, which is netted against the premium payment, so that no net expense is initially recorded in the Board's financial statements. However, these retirees are receiving an "implicit subsidy" because the premium is a group rate which includes active, lower cost employees. This implicit subsidy has a cost which has been calculated for the County as a whole, and not separately for the Tax Collector's Office. Accordingly, these calculations and disclosures can be found in the County-wide comprehensive annual financial report.

7. Risk management

The County has a risk management program to insure claims against the Board, Constitutional Officers, and Santa Rosa Island Authority for the following types of risks:

Workers Compensation – The County is covered for workers' compensation claims through a policy with the Florida Municipal Insurance Trust. Coverage limits under the policy include statutory limits, as well as \$1,000,000 bodily injury for each accident and \$1,000,000 bodily injury by disease for each employee with an aggregate \$1,000,000 policy limit.

**ESCAMBIA COUNTY, FLORIDA
TAX COLLECTOR**

NOTES TO THE FINANCIAL STATEMENTS

7. Risk management (Continued)

Casualty and Property – Casualty limits are self-insured for \$200,000 per claim with a \$300,000 aggregate limit. Property limits are \$50,000 - \$250,000 self-insured retentions per occurrence with excess limits of \$45 million including wind.

The Tax Collector participated in the County's insurance program during fiscal year 2016 at a cost of \$8,876. There also were no significant reductions in insurance coverage from the prior year and there have been no settlements which exceeded the Tax Collector's insurance coverage in any of the past three fiscal years.

8. Commitments and contingencies

Operating leases

The Tax Collector is committed to operating leases for office space with noncancellable terms in excess of one year. Future minimum lease payments are as follows:

<u>Year</u>	<u>Amount</u>
2017	278,652
2018	278,652
2019	278,652
2020	278,652
2021	202,500
Thereafter	20,625
	<u>\$1,337,733</u>

Rent expense for the year ended September 30, 2016 was \$301,518.

9. Litigation

The Tax Collector is contingently liable with respect to lawsuits and other claims which might be filed incidental to the ordinary course of operations. In the opinion of management, based on the advice of legal counsel, there are no lawsuits or claims outstanding which will have a material adverse effect on the financial position of the Tax Collector's Office.

Required Supplementary Information

**ESCAMBIA COUNTY, FLORIDA
TAX COLLECTOR**

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2016**

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for services	\$ 2,941,285	\$ 3,175,070	\$ 3,099,105	\$ (75,965)
Miscellaneous revenue	92,500	113,224	114,136	912
Total Revenues	3,033,785	3,288,294	3,213,241	(75,053)
Expenditures:				
Current:				
General government:				
Salaries and benefits	5,803,159	5,723,159	5,691,062	32,097
Operating expenditures	1,516,167	1,638,167	1,596,046	42,121
Capital outlay	-	228,312	227,631	681
Debt service - capital lease payoff	-	145,113	145,113	-
Total Expenditures	7,319,326	7,734,751	7,659,852	74,899
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,285,541)	(4,446,457)	(4,446,611)	154
Other Financing Sources and Uses:				
Transfers in	4,494,356	4,496,132	4,496,132	-
Transfers out	(208,815)	(49,675)	(49,521)	(154)
Total Other Financing Sources (Uses)	4,285,541	4,446,457	4,446,611	(154)
Net Change in Fund Balance	-	-	-	-
Fund Balance, October 1, 2015	-	-	-	-
Fund Balance, September 30, 2016	\$ -	\$ -	\$ -	\$ -

**ESCAMBIA COUNTY, FLORIDA
TAX COLLECTOR**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

The Tax Collector's Office operates under budget procedures pursuant to Florida Statutes. An annual budget is adopted for the general fund on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is at the fund level.

Other Supplementary Information

**ESCAMBIA COUNTY, FLORIDA
TAX COLLECTOR**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS**

YEAR ENDED SEPTEMBER 30, 2016

	<u>Agency Funds</u>		
	<u>Tax Fund</u>	<u>Tag Fund</u>	<u>TOTAL</u>
Assets			
Cash and cash equivalents	\$ 2,666,828	\$ 1,126,394	\$ 3,793,222
Accounts receivable	<u>251</u>	<u>323,264</u>	<u>323,515</u>
Total Assets	<u>\$ 2,667,079</u>	<u>\$ 1,449,658</u>	<u>\$ 4,116,737</u>
Liabilities			
Accounts payable	\$ 336,875	\$ 567,644	\$ 904,519
Due to other governmental units	<u>2,330,204</u>	<u>882,014</u>	<u>3,212,218</u>
Total Liabilities	<u>\$ 2,667,079</u>	<u>\$ 1,449,658</u>	<u>\$ 4,116,737</u>

**ESCAMBIA COUNTY, FLORIDA
TAX COLLECTOR**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS**

YEAR ENDED SEPTEMBER 30, 2016

	Balance September 30, 2015	Additions	Deductions	Balance September 30, 2016
TAX FUND				
ASSETS				
Cash and cash equivalents	\$ 2,707,422	\$ 732,282,462	\$ 732,323,056	\$ 2,666,828
Accounts Recievable	251	-	-	251
Total Assets	<u>2,707,673</u>	<u>732,282,462</u>	<u>732,323,056</u>	<u>2,667,079</u>
LIABILITIES				
Accounts payable	\$ 435,905	\$ 581,063,070	\$ 581,162,100	\$ 336,875
Due to other governmental units	<u>2,271,768</u>	<u>12,078,168</u>	<u>12,019,732</u>	<u>2,330,204</u>
Total Liabilities	<u>\$ 2,707,673</u>	<u>\$ 593,141,238</u>	<u>\$ 593,181,832</u>	<u>\$ 2,667,079</u>
TAG FUND				
ASSETS				
Cash and cash equivalents	\$ 784,155	\$ 894,246,041	\$ 893,903,802	\$ 1,126,394
Accounts Recievable	<u>239,774</u>	<u>31,082,452</u>	<u>30,998,962</u>	<u>323,264</u>
Total Assets	<u>\$ 1,023,929</u>	<u>\$ 925,328,493</u>	<u>\$ 924,902,764</u>	<u>\$ 1,449,658</u>
LIABILITIES				
Accounts payable	\$ 154,503	\$ 42,788,448	\$ 42,375,307	\$ 567,644
Due to other governmental units	<u>869,426</u>	<u>11,683,078</u>	<u>11,670,490</u>	<u>882,014</u>
Total Liabilities	<u>\$ 1,023,929</u>	<u>\$ 54,471,526</u>	<u>\$ 54,045,797</u>	<u>\$ 1,449,658</u>

**ESCAMBIA COUNTY, FLORIDA
TAX COLLECTOR**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS**

YEAR ENDED SEPTEMBER 30, 2016

(Continued)

	<u>Balance September 30, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2016</u>
Total Agency				
ASSETS				
Cash and cash equivalents	\$ 3,491,577	\$ 1,626,528,503	\$ 1,626,226,858	\$ 3,793,222
Accounts Recievable	<u>240,025</u>	<u>31,082,452</u>	<u>30,998,962</u>	<u>323,515</u>
Total Assets	<u><u>\$ 3,731,602</u></u>	<u><u>\$ 1,657,610,955</u></u>	<u><u>\$ 1,657,225,820</u></u>	<u><u>\$ 4,116,737</u></u>
LIABILITIES				
Accounts payable	\$ 590,408	\$ 623,851,518	\$ 623,537,407	\$ 904,519
Due to other governmental units	<u>3,141,194</u>	<u>23,761,246</u>	<u>23,690,222</u>	<u>3,212,218</u>
Total Liabilities	<u><u>\$ 3,731,602</u></u>	<u><u>\$ 647,612,764</u></u>	<u><u>\$ 647,227,629</u></u>	<u><u>\$ 4,116,737</u></u>

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

Honorable Janet Holley
Tax Collector Escambia County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements (hereinafter referred to as "financial statements") of the general fund and aggregate remaining fund information of the Tax Collector of Escambia County, Florida (hereinafter referred to as "Tax Collector"), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the Tax Collector's financial statements, and have issued our report thereon dated November 16, 2016.

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

A handwritten signature in black ink that reads "Warren Averett, LLC". The signature is written in a cursive, flowing style.

November 16, 2016
Pensacola, Florida

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

We have examined the Office of the Tax Collector of Escambia County, Florida's (hereinafter referred to as "Tax Collector") compliance with Florida Statute 218.415 in regards to investments for the year ended September 30, 2016.

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

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

In our opinion, the Tax Collector complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2016.

Warren Averett, LLC

November 16, 2016
Pensacola, Florida

MANAGEMENT LETTER

Honorable Janet Holley
Tax Collector Escambia County, Florida

Report on the Financial Statements

We have audited the financial statements (hereinafter referred to as “financial statements”) of the general fund and the aggregate remaining fund information of the Office of the Tax Collector of Escambia County, Florida (hereinafter referred to as “Tax Collector”), as of and for the year ended September 30, 2016, and the related notes to the financial statements, and have issued our report thereon dated November 16, 2016.

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 Reports and Schedule

We have issued our Independent Auditors’ Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants’ Report on Examination of Compliance Requirements in Accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated November 16, 2016, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Other Matters

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 did not have any such recommendations.

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, the Tax Collector, the Escambia County Board of County Commissioners, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Warren Averett, LLC". The signature is written in a cursive, flowing style.

November 16, 2016
Pensacola, Florida

**ESCAMBIA COUNTY, FLORIDA
TAX COLLECTOR
SCHEDULE OF FINDINGS AND RESPONSES
September 30, 2016**

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

