

# Escambia County, Florida

## COMPREHENSIVE ANNUAL FINANCIAL REPORT Fiscal Year Ended September 30, 2017





# ESCAMBIA COUNTY, FLORIDA



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For the Fiscal Year Ended  
September 30, 2017**

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



# Introductory Section

Certificate of Achievement for Excellence in  
Financial Reporting

County Officials

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Organization Chart



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, 2016**

*Christopher P. Morill*

Executive Director/CEO

# **ESCAMBIA COUNTY, FLORIDA COUNTY OFFICIALS**

## **BOARD OF COUNTY COMMISSIONERS**

Douglas Underhill .....Chair – District 2  
Jeff Bergosh..... Vice Chair – District 1  
Grover C. Robinson, IV ..... Commissioner – District 4  
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 Stafford .....Supervisor of Elections  
Scott Lunsford ..... Tax Collector

## **OTHER OFFICIALS**

Jack Brown ..... County Administrator  
Alison Rogers .....County Attorney



**ESCAMBIA COUNTY, FLORIDA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

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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 County

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

February 9, 2018

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, 2017 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, 2017, 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, 2017. 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 315,187. 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 24,800 in the leisure and hospitality industry with accommodations and food services representing 12.5% of the area workforce. The largest major industry sector is health care and social assistance with 17.1% 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 23,000 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 6,342 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 sixth straight year. The unemployment rate of 4.0% locally reflects a decrease of 1.1% from the previous year's rate of 5.1%.

### **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](http://www.myescambia.com) contains many updates for greater utility, transparency and accessibility by citizens. The new "Ask MyEscambia" citizen's information portal replaces GovQA allowing questions on a variety of subjects; providing for quick responses from the County in a format similar to Facebook or Twitter. This innovation is expanding access, transparency and efficiency for citizen requests. The County continues this positive trend into the future.

Increasing the number of vehicles with tracking systems will continue, in addition to expanding the fraud abuse hotline; these initiatives will provide continuous tracking and reporting, allowing employees and citizens to have more involvement in their government.

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 maintained at 75% while budgeted districts increased from 15 to 19. 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 is expected from grant revenues associated with the Restore Act, Natural Resource Damage Assessment (NRDA), and the National Fish and Wildlife Federation (NFWF), to provide future revenue sources for environmental, economic, and tourism related activities. There is potential for \$162 million in direct and indirect future revenue for Escambia County as projects are submitted and approved.

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. This includes a current available net direct component allocation of \$16 million. Lists of prioritized projects were submitted for consideration to the Board of County Commissioners. Once the projects were selected and the public comment period complete, the Multi-Year Implementation Plan (MYIP) was submitted to the U.S Treasury Department for final review and acceptance. In fiscal year 2017, the Board of County Commissioners approved ten projects to include in the MYIP; this MYIP was approved in October 2017 by the U.S. Treasury Department. These ten project applications totaling \$8.6 million are expected to be approved and funded in the next fiscal year. The County is working on another planning grant for future revisions to the MYIP.

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. 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. Approximately \$50.4 million of future LOST

proceeds will be used towards the construction of the new Escambia County Jail Facility.

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 \$129 million, and 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 continue to improve service levels and response times on Pensacola Beach. This increased efficiency is coupled with lease fee reductions of \$4 million and budget savings in the next fiscal year of \$200,000.

The fiscal year 2018 adopted budget increased by \$19 million over the prior year to \$455.8 million. While the total direct millage rate for property tax remained unchanged at 7.661 mills, property values increased an average of 4% 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 third 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, 2016. This was the 21<sup>st</sup> 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, 2016. This is the 21<sup>st</sup> 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 the Financial Reporting and Grants Department: Sharon Harrell, Interim Finance Director; Beth Parker, Harold Coats, Kara Cowen, Judy-Ann Stanley, and Tammy Plant. 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*

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***Pam Childers***

Honorable Pam Childers  
Clerk of the Circuit Court & Comptroller



**CITIZENS OF ESCAMBIA COUNTY**

**BOARD OF COUNTY COMMISSIONERS**

**COUNTY ADMINISTRATOR**

**ASSISTANT COUNTY ADMINISTRATOR**

## Natural Resources Management

Budget	Code Enforcement
Contract Management	UF/IFAS Extension
Property Sales	Marine Resources
	Mosquito Control
	Natural Resources Conservation
	RESTORE
	Water Quality/Land Management

Library Services

Purchasing Office	Risk Management Office
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Bay Center

Information Technology

## Public Works

```

graph TD
    A[Design & Traffic] --> B[Bob Sikes Toll Booth]
    A --> C[Mass Transit]
    A --> D[Surveying]
    A --> E[Roads & Bridges]
    E --> F[Construction]
    E --> G[Engineering]
    E --> H[Fleet/Fuel]
    E --> I[SRI Public Works]
    E --> J[Stormwater]
  
```

The organizational chart for the Department of Transportation is structured as follows:

- 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
- Community Resource Center
- Direct Assistance
- Indigent Burial
- Job Skills Training
- Neighborhood Enterprise
- Safe Neighborhoods

## Parks & Recreation

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

**ASSISTANT COUNTY ADMINISTRATOR**

## 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

## Facilities Management

- Custodial Services
- Design/Construction
- Maintenance
- Utilities

## Building Services

- Animal Services
- Building Inspections

## Human Resources

## Economic Development

## Military Affairs & Relations

## Community & Media Relations

A photograph of a wooden boardwalk with a railing, leading down to a sandy beach and the ocean. The railing is made of weathered wood and has a curved top. The boardwalk is surrounded by tall, dry grasses. The ocean is a deep blue, and the sky is a clear, light blue. The text is overlaid on the bottom right of the image.

# 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, 2017, 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, 2017, which statements reflect total assets and deferred outflows of \$8,448,819 and total revenues of \$6,032,259.

### ***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, 2017, 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 9, 2018 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*

Pensacola, Florida  
February 9, 2018

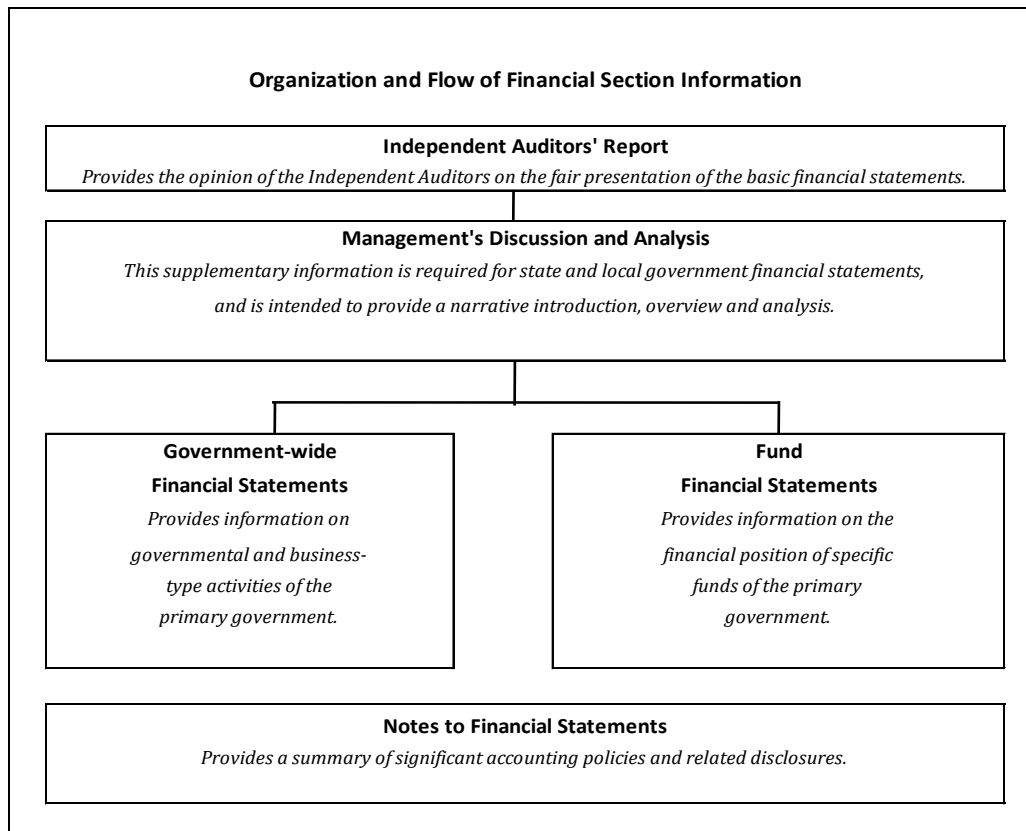
This Management's Discussion and Analysis ("MD&A") presents the readers of the financial statements a narrative overview of the financial activities of Escambia County, Florida (the "County") for the fiscal year ended September 30, 2017. We encourage readers to consider the information presented here 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 \$602,098,128 (net position). Of this amount, (\$76,448,854) represents unrestricted net position.
- The County's total net position increased by \$2,989,459; governmental activities increased by \$1,499,388 and business-type activities increased by \$1,490,071.
- At the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$299,776,559, an increase of \$88,934,520 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 \$30,148,716 or 17.3% 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 \$46,446,303, or approximately 26.6% of total general fund expenditures and transfers out.
- Governmental funds revenues increased \$2,843,484 or .9% from the prior fiscal year primarily due to increases in property tax revenue, sales tax revenues, and fuel tax revenues. Intergovernmental revenue decreased due to disaster recovery, however there were increases in state revenue sharing, and grant revenue for RESTORE projects. 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 \$22,870,899 for governmental funds and \$2,036,130 for business-type activities for an ending net pension liability of \$203,039,679, an approximate increase of 13.98% 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 of 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, Series 2017 Capital Project 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 and major special revenue funds 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 two major capital project funds (LOST and Series 2017 Capital Project), 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 \$602,098,128 at the close of the most recent fiscal year.

At the end of fiscal year 2017, 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 (\$76,448,854) is negative unrestricted net position.

**ESCAMBIA COUNTY, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
September 30, 2017

**Escambia County, Florida**  
**Net Position**

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and Other Assets	\$ 345,798,035	\$ 266,125,537	\$ 58,196,886	\$ 56,105,776	\$ 403,994,921	\$ 322,231,313
Capital Assets (Net)	555,075,172	538,798,424	49,735,148	47,462,685	604,810,320	586,261,109
Total Assets	900,873,207	804,923,961	107,932,034	103,568,461	1,008,805,241	908,492,422
Total Deferred Outflow of Resources	93,314,727	82,564,923	8,175,694	7,205,271	101,490,421	89,770,194
Current and Other Liabilities	28,135,321	29,101,761	5,141,398	3,784,792	33,276,719	32,886,553
Long-term Liabilities	418,482,921	314,511,616	34,069,016	31,787,129	452,551,937	346,298,745
Total Liabilities	446,618,242	343,613,377	39,210,414	35,571,921	485,828,656	379,185,298
Total Deferred Inflow of Resources	20,801,138	18,606,341	1,567,740	1,362,308	22,368,878	19,968,649
Net Position:						
Net Investment in Capital Assets	463,840,289	437,791,704	49,735,148	47,462,685	513,575,437	485,254,389
Restricted	164,971,545	155,972,068	-	-	164,971,545	155,972,068
Unrestricted	(102,043,280)	(68,494,606)	25,594,426	26,376,818	(76,448,854)	(42,117,788)
Total Net Position	\$ 526,768,554	\$ 525,269,166	\$ 75,329,574	\$ 73,839,503	\$ 602,098,128	\$ 599,108,669

The County's total net position increased \$2,989,459 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, 2017

<b>Escambia County, Florida</b>						
<b>Changes in Net Position</b>						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<b>REVENUES</b>						
Program Revenues:						
Charges for Services	\$ 64,133,543	\$ 59,625,228	\$ 33,521,924	\$ 35,529,308	\$ 97,655,467	\$ 95,154,536
Operating Grants and Contributions	19,186,885	24,286,565	-	-	19,186,885	24,286,565
Capital Grants and Contributions	9,855,907	8,255,173	154,650	161,071	10,010,557	8,416,244
General Revenues:						
Property Taxes	110,050,775	109,691,072	-	-	110,050,775	109,691,072
Other Taxes	100,946,619	97,526,803	-	-	100,946,619	97,526,803
Other	13,565,189	15,697,998	301,408	499,327	13,866,597	16,197,325
<b>Total Revenues</b>	<u>317,738,918</u>	<u>315,082,839</u>	<u>33,977,982</u>	<u>36,189,706</u>	<u>351,716,900</u>	<u>351,272,545</u>
<b>EXPENSES</b>						
General Government	71,637,055	59,270,220	-	-	71,637,055	59,270,220
Public Safety	148,552,980	146,708,348	-	-	148,552,980	146,708,348
Physical Environment	2,855,242	2,735,811	-	-	2,855,242	2,735,811
Transportation	48,568,666	56,117,785	-	-	48,568,666	56,117,785
Economic Environment	14,087,642	12,460,443	-	-	14,087,642	12,460,443
Human Services	2,678,651	2,601,945	-	-	2,678,651	2,601,945
Culture/Recreation	9,957,418	10,248,426	-	-	9,957,418	10,248,426
Court-Related	12,583,055	11,686,120	-	-	12,583,055	11,686,120
Interest on Long-term Debt	4,574,479	3,276,975	-	-	4,574,479	3,276,975
Solid Waste	-	-	10,109,956	10,142,652	10,109,956	10,142,652
Emergency Management Services	-	-	13,616,039	12,678,124	13,616,039	12,678,124
Inspection Fund	-	-	2,500,120	2,435,111	2,500,120	2,435,111
Bay Center	-	-	7,006,138	6,837,256	7,006,138	6,837,256
<b>Total Expenses</b>	<u>315,495,188</u>	<u>305,106,073</u>	<u>33,232,253</u>	<u>32,093,143</u>	<u>348,727,441</u>	<u>337,199,216</u>
Excess (Deficiency) Before Transfers	2,243,730	9,976,766	745,729	4,096,563	2,989,459	14,073,329
Transfers	(744,342)	(696,992)	744,342	696,992	-	-
Special Item	-	9,688,834	-	-	-	9,688,834
Change in Net Position	<u>1,499,388</u>	<u>18,968,608</u>	<u>1,490,071</u>	<u>4,793,555</u>	<u>2,989,459</u>	<u>23,762,163</u>
Beginning Net Position	525,269,166	506,300,558	73,839,503	69,045,948	599,108,669	575,346,506
Ending Net Position	<u>\$ 526,768,554</u>	<u>\$ 525,269,166</u>	<u>\$ 75,329,574</u>	<u>\$ 73,839,503</u>	<u>\$ 602,098,128</u>	<u>\$ 599,108,669</u>

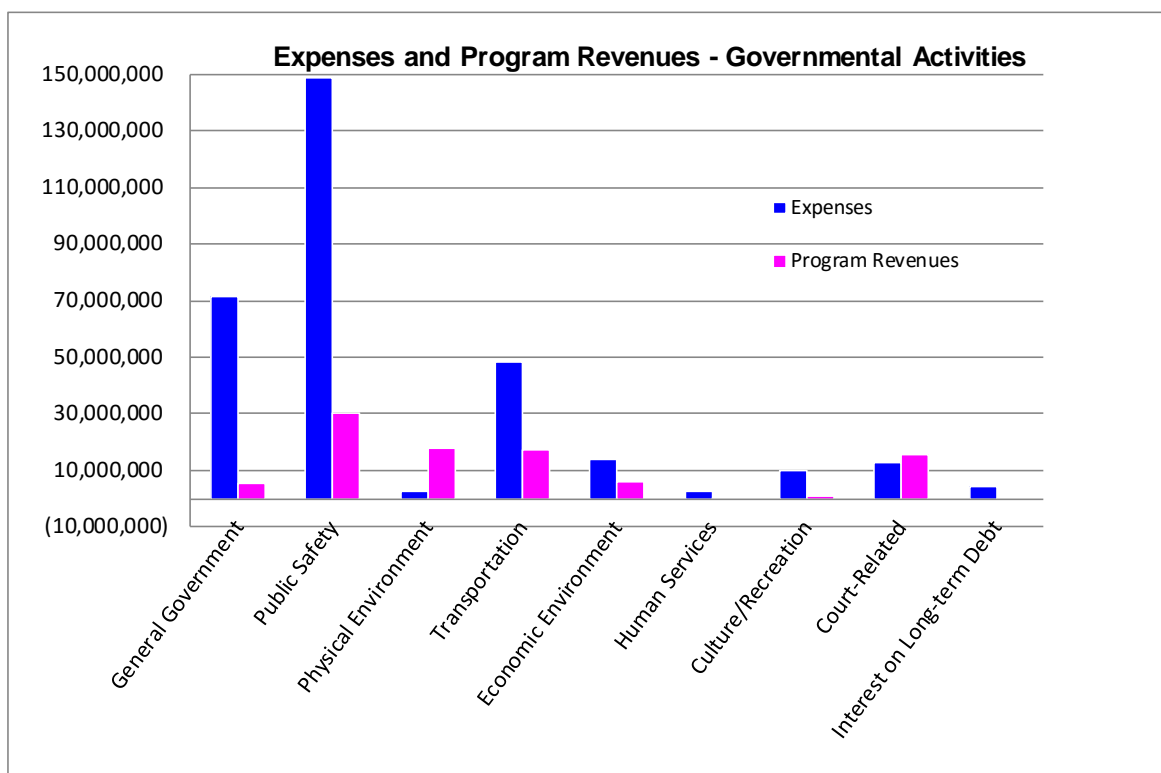
### **Governmental Activities**

Governmental activities increased the County's net position by \$1,499,388 from the prior fiscal year for an ending balance of \$526,768,554. 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.

Government expenditures increases were primarily due to increased non-recurring capital outlay for public facilities and the new jail facility. Additional increases were attributable to economic development project costs. The internal service fund decrease was attributable to the first full year of being self-insured for medical.

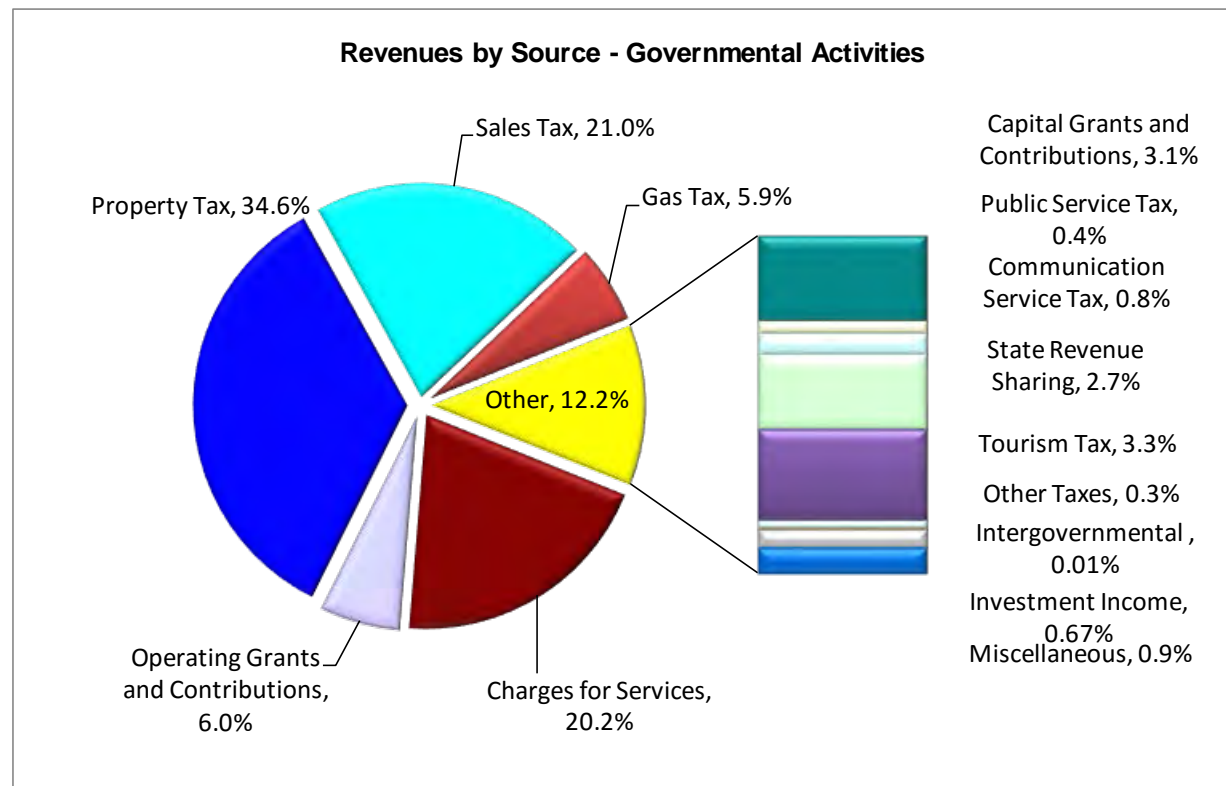
**Expenses and Program Revenues – Governmental**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>% of Total</b>	<b>Program Revenues</b>	<b>% of Total</b>	<b>Net (Expense) Revenue</b>
General Government	\$ 71,637,055	22.7%	\$ 5,548,154	6.0%	\$ (66,088,901)
Public Safety	148,552,980	47.1%	30,052,205	32.3%	(118,500,775)
Physical Environment	2,855,242	0.9%	18,050,913	19.4%	15,195,671
Transportation	48,568,666	15.4%	17,091,792	18.3%	(31,476,874)
Economic Environment	14,087,642	4.5%	5,980,474	6.4%	(8,107,168)
Human Services	2,678,651	0.8%	185,617	0.2%	(2,493,034)
Culture/Recreation	9,957,418	3.2%	851,692	0.9%	(9,105,726)
Court-Related	12,583,055	4.0%	15,408,059	16.5%	2,825,004
Interest on Long-term Debt	4,574,479	1.4%	-	-	(4,574,479)
	<u>\$ 315,495,188</u>	<u>100.0%</u>	<u>\$ 93,168,906</u>	<u>100.0%</u>	<u>\$ (222,326,282)</u>



**Revenue by Source – Governmental Activities**

<u>Description</u>	<u>Revenues</u>	<u>% of Total</u>
Charges for Services	\$ 64,133,543	20.2%
Operating Grants & Contributions	19,186,885	6.0%
Capital Grants & Contributions	9,855,907	3.1%
Property Tax	110,050,775	34.6%
Sales Tax	66,761,764	21.0%
Public Service Tax	1,370,509	0.4%
Communication Service Tax	2,461,336	0.8%
Gas Tax	18,797,746	5.9%
State Revenue Sharing	8,477,607	2.7%
Tourist Development Tax	10,598,123	3.3%
Other Taxes	957,141	0.3%
Intergovernmental Revenues	44,149	0.01%
Investment Income	2,135,634	0.67%
Miscellaneous	2,907,799	0.9%
	<u>\$ 317,738,918</u>	<u>100.0%</u>





### **Business-type Activities**

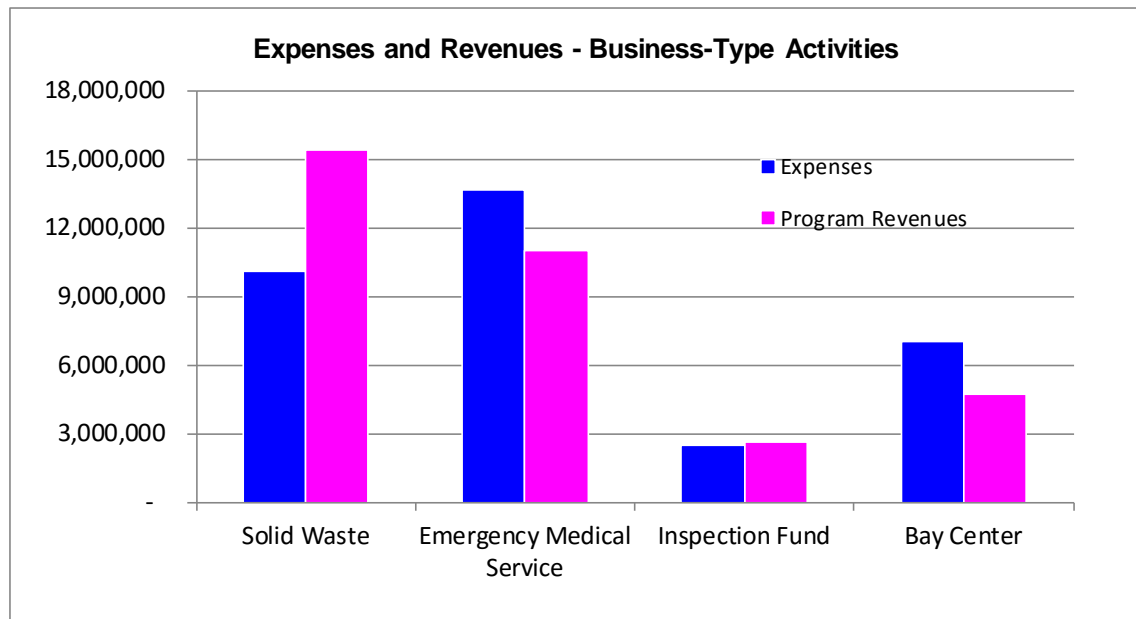
Business-type activities increased the County's net position by \$1,490,071, a .3% growth from the prior fiscal year, for an ending balance of \$75,329,574. Charges for services contributed 99.54% of the total program revenues for the County's business-type activities. The Solid Waste fund was primarily responsible for the overall increase in net position. The net position increase for the Solid Waste Fund was primarily due to increased dumping fees due to the higher tonnage of disposals and a reduction in overall operating cost. The modest increase in the Inspection Fund's net position was primarily due to increased revenues associated with permits and the construction technology fee surcharge. EMS revenues decreased primarily due to contractual adjustments and uncollectable accounts. The Bay Center expenses exceeded program revenues by \$2.3 million and operations were subsidized by a transfer from the Tourist Promotion Fund of \$1.3 million. The Bay Center's expense increased during the current fiscal year primarily due to insurance and promotional costs, while program revenues decreased.

**Expenses and Program Revenues – Business-type Activities**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>% of Total</b>	<b>Program Revenues</b>	<b>% of Total</b>	<b>Net (Expense) Revenue</b>
Solid Waste	\$ 10,109,956	30.4%	\$ 15,372,530	45.6%	\$ 5,262,574
Emergency Medical Service	13,616,039	41.0%	10,962,830	32.6%	(2,653,209)
Inspection Fund	2,500,120	7.5%	2,622,138	7.8%	122,018
Bay Center	7,006,138	21.1%	4,719,076	14.0%	(2,287,062)
	<u>\$ 33,232,253</u>	<u>100.0%</u>	<u>\$ 33,676,574</u>	<u>100.0%</u>	<u>\$ 444,321</u>

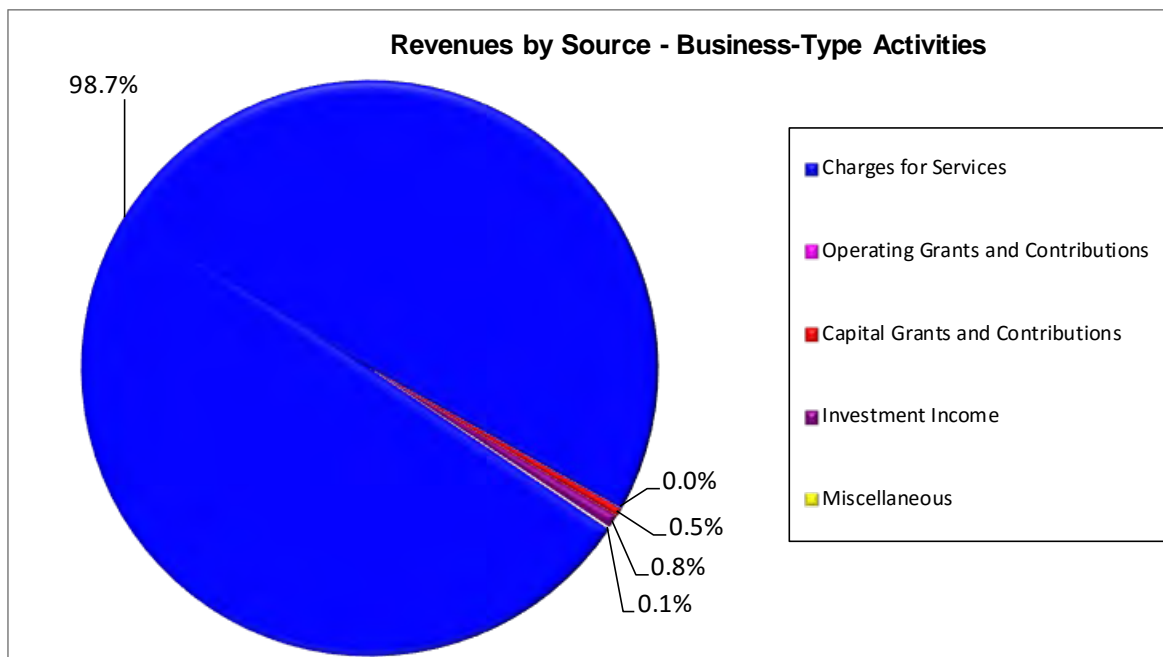
**% Revenue over Expenses**

Solid Waste	52.1%
Emergency Medical Service	-19.5%
Inspection Fund	4.9%
Bay Center	-32.6%



**Revenues by Source – Business-type Activities**

<u>Description</u>	<u>Revenues</u>	<u>% of Total</u>
Charges for Services	\$ 33,521,924	98.7%
Operating Grants and Contributions	-	0.0%
Capital Grants and Contributions	154,650	0.5%
Investment Income	258,165	0.8%
Miscellaneous	43,243	0.1%
	<u>\$ 33,977,982</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**

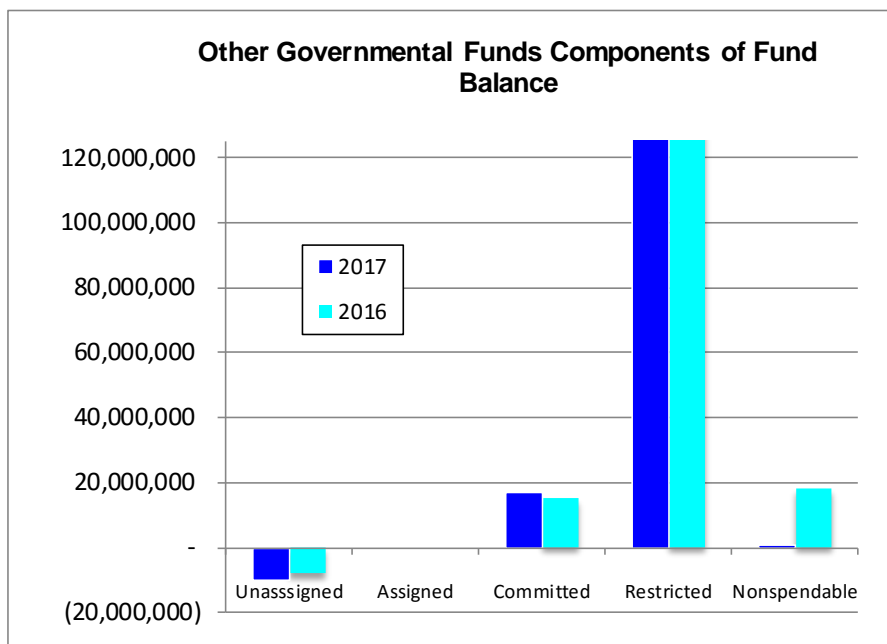
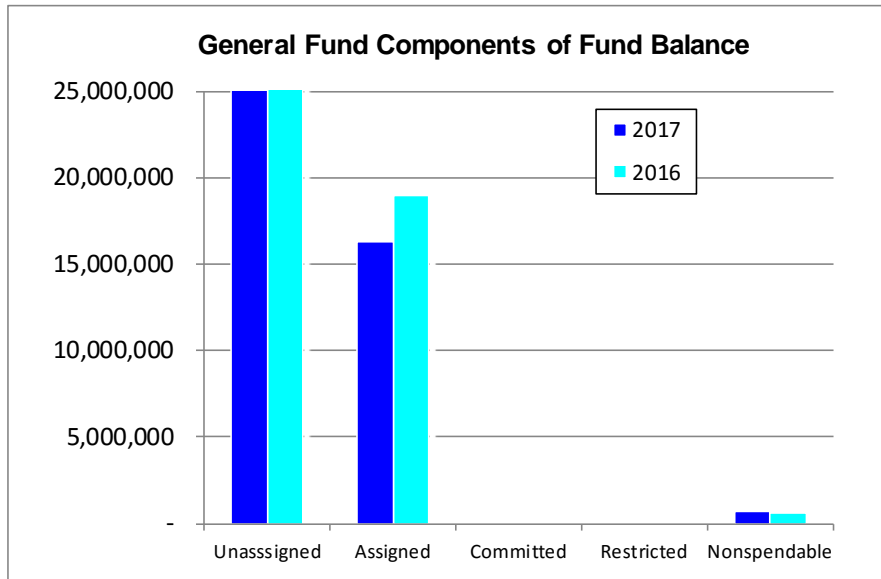
The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of *spendable resources*. Such information is useful in assessing the County's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's 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 2017, the County's governmental funds reported combined fund balances of \$299,776,559, an increase of \$88,934,520 in comparison with the prior year. Approximately 7% of this

amount, \$20,328,253 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 \$244,778,968 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 \$17,114,677 represent amounts committed by County ordinance, whereas *assigned fund balances* of \$16,297,587 consists of funds budgeted in the subsequent year to balance the 2018 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 \$1,257,074 for inventories.

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 \$30,148,716 while total fund balance decreased to \$47,140,325. 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 18.6% of the total General Fund expenditures, while total fund balance represents 29.1% 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:

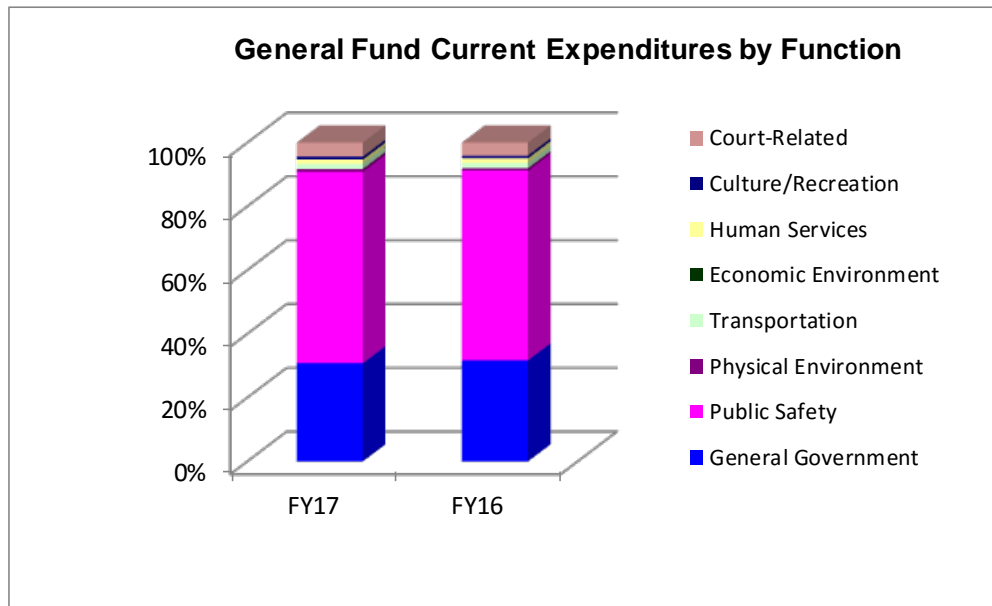


The decrease in fund balance of the County's General Fund was \$138,144 during the current fiscal year, however, the change from prior year increased by \$322,121. Key factors in this are as follows:

- An overall increase in revenues and transfers in over fiscal year 2017 was primarily attributable to property taxes increases due to a higher certified property values and increased collections of current year taxes. Sales tax and tourist development tax also increased due to efforts to stimulate the economy. Local half cent sales tax and state revenue sharing increased intergovernmental revenue. Transfers in increased primarily due to cost reimbursements for various programs.

- An increase in expenditures and decrease in transfers out over fiscal year 2016 for public safety is primarily the result of increased detention personnel and operating expenditures, in addition to a reduction transfers for the road prison. Physical environment increases were attributable to increased personnel and operating expenditures for environmental quality and extension services. Transportation expenditures decreased due to a reduced need for replacement equipment.

The following graph displays the General Fund's current expenditures by function for FY17 and FY16 (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 \$9,820,463 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 2017, the County collected approximately \$3.9 million from federal sources and incurred an additional \$5.5 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 2017 restricted fund balance was \$3,064,036 and this represents 192% of the fund's total expenditures and transfers out. The fund balance increased \$248,216. While the TIF funding was increased from 65% to 75%, the increase was primarily due to more projects expenditures within the TIF districts in order to expedite cleaner, safer neighborhoods and increase property values.



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

	<u>2017</u>	<u>2016</u>
Warrington CRA	\$ 1,169,628	\$ 1,104,192
Brownsville CRA	374,515	348,246
Englewood CRA	174,496	94,984
Palafox CRA	868,491	724,910
Barrancas CRA	329,106	339,963
Cantonment CRA	42,001	18,356
Neighborhood Restoration	105,799	185,169
	<u>\$ 3,064,036</u>	<u>\$ 2,815,820</u>

The Series 2017 Capital Projects fund was established to account for the revenues associated with the Sales Tax Revenue Bonds, Series 2017 issued during FY2017; and to account for the expenditures associated with the planning, design and construction of the new Escambia County Jail Facility. Additional revenues funding this project will be Local Option Sales Tax, Insurance proceeds and Grant Revenue. Revenues and other financing sources exceeded expenditures by \$80.8 million for a fund balance of \$80,857,029. Other financing sources from the current year consisted primarily of proceeds from the bond issue.

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 \$124,791,418 or 294% of the fund's total expenditures and transfers out. Fund balance increased \$7,520,176, primarily as a result of increased local option sales tax revenue. Other factors include a 3.3% increase in the sales tax revenue, driven by improvements in the local economy, and capital expenditure increases of 31% for infrastructure, transportation and drainage projects. 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:

	<u>2017</u>	<u>2016</u>
Solid Waste	\$ 15,681,161	\$ 13,062,720
Emergency Medical Service	8,012,906	11,317,058
Inspection	1,792,265	1,575,260
Bay Center	108,094	421,780
	<u>\$ 25,594,426</u>	<u>\$ 26,376,818</u>

Unrestricted net position for proprietary funds decreased \$782,392 which is a (3.06) % decrease 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 \$5,171,084, (\$2,888,109), \$184,224 and (\$977,128)

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 decreased by \$4,557,266, 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 road prison. The changes within functions are summarized in the following table.

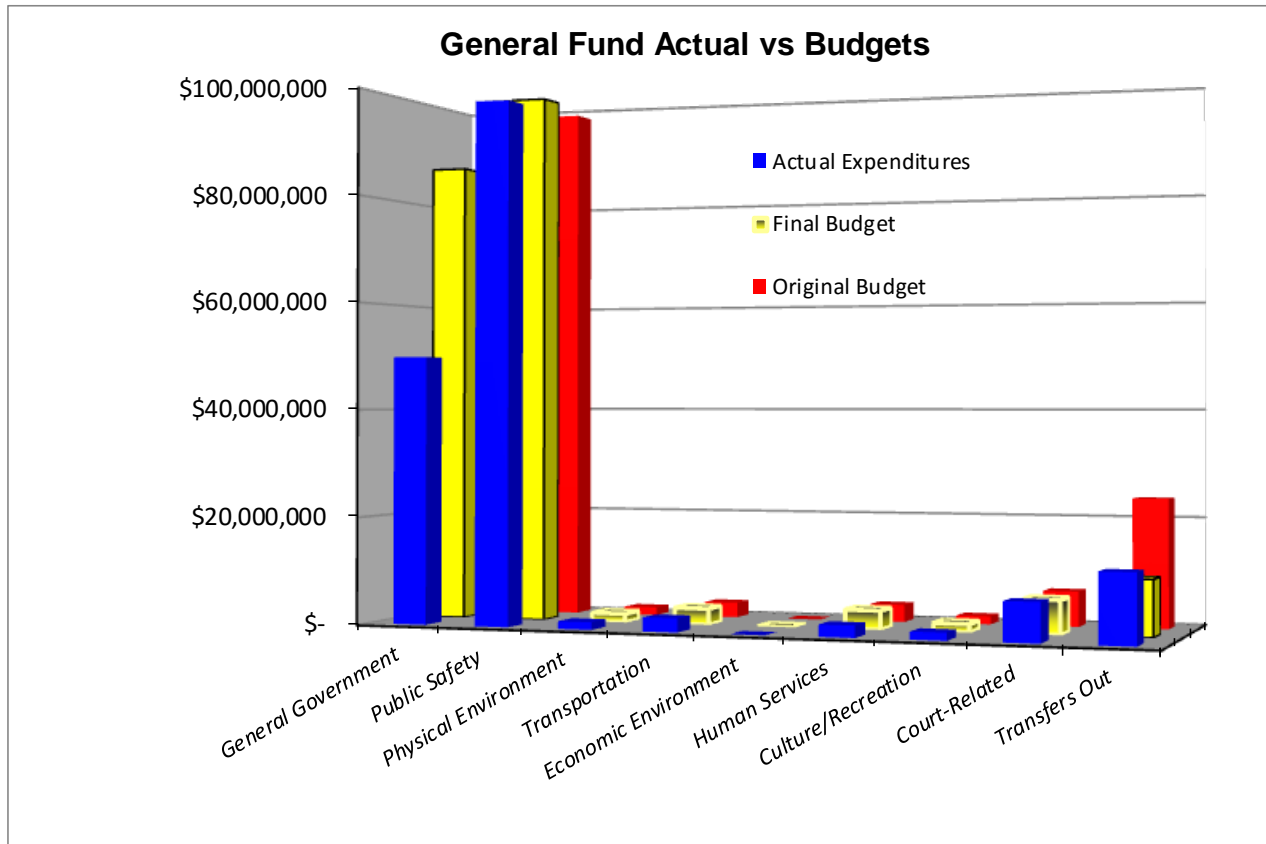
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Change</u>
General Government	\$ 79,126,464	\$ 86,343,456	\$ 7,216,992
Public Safety	97,820,109	99,255,003	1,434,894
Physical Environment	1,446,872	1,573,706	126,834
Transportation	2,768,986	2,944,738	175,752
Economic Environment	-	-	-
Human Services	3,207,230	3,464,094	256,864
Culture/Recreation	1,492,376	1,506,930	14,554
Court-Related	6,487,202	6,217,202	(270,000)
Transfers Out	23,764,978	10,251,822	(13,513,156)
	<u>\$ 216,114,217</u>	<u>\$ 211,556,951</u>	<u>\$ (4,557,266)</u>

The General Fund under spent the final budget by \$37,116,266 or 17.54% for expenditures and transfers out. The variance within functions is summarized in the table below:

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance</u>	
	<u>Expenditures</u>			
General Government	\$ 49,801,826	\$ 86,343,456	\$ 36,541,630	42.3%
Public Safety	97,199,413	99,255,003	2,055,590	2.1%
Physical Environment	1,401,588	1,573,706	172,118	10.9%
Transportation	2,559,801	2,944,738	384,937	13.1%
Economic Environment	-	-	-	
Human Services	2,212,878	3,464,094	1,251,216	36.1%
Culture/Recreation	1,432,645	1,506,930	74,285	4.9%
Court-Related	7,182,781	6,217,202	(965,579)	-15.5%
Transfers Out	12,649,753	10,251,822	(2,397,931)	-23.4%
	<u>\$ 174,440,685</u>	<u>\$ 211,556,951</u>	<u>\$ 37,116,266</u>	<u>17.5%</u>

General fund actual expenditures were less than anticipated expenditures by \$37,116,266; of this amount \$16.2 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 \$2.7 million in salary and \$3.5 million in operating. The majority of transfers out are offset by the elimination of budgeted General Fund transfers in, so they are not an actual budgeted expenditure. Transfers out increases were attributable to debt service and public safety programs. Cost and fuel allocation in the amount of \$3.4 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, 2017 amounts to \$604,810,320 (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 increase in the County's investment in capital assets for the current fiscal year was 3.02%.

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

- Building projects continued with improvements to various community centers, Pensacola Beach Restrooms, and the Southwest Sports Complex Restrooms.
- Planning and construction began on the design phase of the new Jail Facility.
- Ongoing transportation infrastructure projects include Olive Road Corridor, IIDC Water System Upgrade, Portofino Traffic Calming, and the OFLX Property Design and Improvements.

**ESCAMBIA COUNTY, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
September 30, 2017

- Net construction in progress (CIP) increased to \$19,585,718 primarily due to improvements to transportation infrastructure consisting of more than 75 projects for roads, drainage, and bridge renovations.
- The net increase of \$10 million in land was largely due to the purchase of the land for the new jail, development cost of the OFLX land which consists of 640 acres for the Navy Federal Expansion project and the continuation of land purchases for drainage improvements.
- Equipment purchases include the purchase of ambulances, tractors for the landfill, trucks, vehicles, computers, maintenance equipment and the Sheriff's capital projects.
- Software increases consist primarily of the purchase of court related software for official records use.

**Escambia County, Florida**  
**Capital Assets (Net)**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Land	\$ 60,615,067	\$ 50,613,707	\$ 5,793,269	\$ 5,793,269	\$ 66,408,336	\$ 56,406,976
Construction in Progress	19,585,718	12,711,971	5,214,972	482,408	24,800,690	13,194,379
Equipment	139,051,028	136,214,390	27,482,200	26,326,615	166,533,228	162,541,005
Buildings and Improvements	233,745,208	231,508,755	37,292,723	37,585,407	271,037,931	269,094,162
Software	8,698,164	8,241,172	176,255	191,255	8,874,419	8,432,427
Infrastructure	825,604,696	800,078,206	45,177,511	45,037,499	870,782,207	845,115,705
	1,287,299,881	1,239,368,201	121,136,930	115,416,453	1,408,436,811	1,354,784,654
Less: Accumulated Depreciation	(732,224,709)	(700,569,777)	(71,401,782)	(67,953,768)	(803,626,491)	(768,523,545)
Capital Assets, net	<u>\$ 555,075,172</u>	<u>\$ 538,798,424</u>	<u>\$ 49,735,148</u>	<u>\$ 47,462,685</u>	<u>\$ 604,810,320</u>	<u>\$ 586,261,109</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 \$174,053,000. Of this amount, \$29,064,000 consists of debt backed by Non-Ad valorem tax revenue. The remainder of the debt, \$144,989,000 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**

	<b>Governmental Activities</b>	
	<b>2017</b>	<b>2016</b>
Revenue Bonds	\$ 118,395,000	\$ 42,610,000
Revenue Notes	55,658,000	60,726,000
	<u>\$ 174,053,000</u>	<u>\$ 103,336,000</u>

The County's outstanding debt had a net increase of \$70,717,000 or 68.43% during fiscal year 2017. The increase was attributable to the issuance of Sales Tax Revenue Bonds, Series 2017. 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 2017-2018 fiscal year budget.

- The annual average unemployment rate for the County for 2017 was 4.0%. The average adjusted rate for 2016 was 5.1%. This represents a decrease of 1.1% from the prior year unemployment rate.
- The taxable assessed value increased 6.3% in the 2017 fiscal year.
- Population increased to 315,187 at September 30, 2017. 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 \$30,148,716. The County has budgeted \$208,113,702 for spending in the 2018 fiscal year budget, and assigned \$16,297,587 of the ending 2017 fund balance to the subsequent year's budget. The total ad valorem tax rate remained the same at 7.661 mills for the 2018 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, 2017

	<b>Governmental</b>	<b>Business-type</b>		<b>Component</b>
	<b>Activities</b>	<b>Activities</b>	<b>Total</b>	<b>Units</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 199,136,274	\$ 33,649,017	\$ 232,785,291	\$ 6,529,131
Investments	104,375,669	18,523,135	122,898,804	524,933
Accounts Receivable, Net	3,717,153	5,727,132	9,444,285	271,052
Accrued Interest Receivable	484,352	-	484,352	-
Due from Other Governments	16,721,592	-	16,721,592	198,413
Internal Balances	-	-	-	-
Inventories	1,563,007	297,046	1,860,053	-
Assets Held for Investment	759,176	-	759,176	-
Prepaid Items	-	556	556	32,183
Other Assets	19,040,812	-	19,040,812	-
Capital Assets Not Being Depreciated	80,200,785	11,008,241	91,209,026	-
Capital Assets Net of Accumulated Depreciation	474,874,387	38,726,907	513,601,294	630,696
<b>Total Assets</b>	<b>900,873,207</b>	<b>107,932,034</b>	<b>1,008,805,241</b>	<b>8,186,408</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
Deferred Charge on Refunding	2,178,770	-	2,178,770	-
Pension Costs and Subsequent Contributions	91,135,957	8,175,694	99,311,651	326,621
<b>Total deferred outflow of resources</b>	<b>93,314,727</b>	<b>8,175,694</b>	<b>101,490,421</b>	<b>326,621</b>
<b>LIABILITIES</b>				
Accounts Payable	12,889,220	1,981,247	14,870,467	185,659
Contracts Payable	1,586,303	466,361	2,052,664	-
Accrued Liabilities	8,487,129	610,051	9,097,180	358,731
Compensated Absences Payable	-	126,149	126,149	-
Due to Other Governments	3,812,557	34,522	3,847,079	1,248,277
Deposits	432,689	24,434	457,123	-
Unearned Revenue	567,711	-	567,711	217,321
Other Current Liabilities	359,712	1,485,713	1,845,425	-
Escrow Deposits - restricted	-	412,921	412,921	-
Noncurrent Liabilities:				
Due Within One Year	13,534,040	78,066	13,612,106	-
Due in More Than One Year	404,948,881	33,990,950	438,939,831	4,658,946
<b>Total Liabilities</b>	<b>446,618,242</b>	<b>39,210,414</b>	<b>485,828,656</b>	<b>6,668,934</b>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Deferred Revenue	1,203,311	-	1,203,311	722,037
Pension Costs	19,597,827	1,567,740	21,165,567	603,895
<b>Total deferred inflow of resources</b>	<b>20,801,138</b>	<b>1,567,740</b>	<b>22,368,878</b>	<b>1,325,932</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets	463,840,289	49,735,148	513,575,437	630,696
Restricted for:				
Debt Service	1,666,811	-	1,666,811	-
Capital	125,329,981	-	125,329,981	942,257
Law Enforcement	6,227,965	-	6,227,965	-
Fire and Rescue	3,239,596	-	3,239,596	-
Economic & Community	9,997,419	-	9,997,419	-
Transportation	3,616,008	-	3,616,008	-
Other Purposes	14,893,765	-	14,893,765	-
Unrestricted	(102,043,280)	25,594,426	(76,448,854)	(1,054,790)
<b>Total Net Position</b>	<b>\$ 526,768,554</b>	<b>\$ 75,329,574</b>	<b>\$ 602,098,128</b>	<b>\$ 518,163</b>

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, 2017

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 71,637,055	\$ 5,378,284	\$ 109,870	\$ 60,000
Public Safety	148,552,980	22,684,033	4,923,785	2,444,387
Physical Environment	2,855,242	15,805,455	269,887	1,975,571
Transportation	48,568,666	7,053,002	5,462,783	4,576,007
Economic Environment	14,087,642	382,291	5,161,797	436,386
Human Services	2,678,651	-	185,617	-
Culture/Recreation	9,957,418	514,473	337,219	-
Court-Related	12,583,055	12,316,005	2,735,927	363,556
Interest on Long-Term Debt	4,574,479	-	-	-
Total Governmental Activities	315,495,188	64,133,543	19,186,885	9,855,907
Business-type Activities:				
Solid Waste	10,109,956	15,372,530	-	-
Emergency Medical Services	13,616,039	10,962,830	-	-
Inspection Fund	2,500,120	2,622,138	-	-
Bay Center	7,006,138	4,564,426	-	154,650
Total Business-type Activities	33,232,253	33,521,924	-	154,650
Total Primary Government	\$ 348,727,441	\$ 97,655,467	\$ 19,186,885	\$ 10,010,557
Component Units:				
Escambia County Law Library	\$ 83,497	\$ 84,595	\$ -	\$ -
Santa Rosa Island Authority	5,899,198	4,835,309	-	1,101,532
Total Component Units	\$ 5,982,695	\$ 4,919,904	\$ -	\$ 1,101,532

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  
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**

<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Component Units</b>
\$ (66,088,901)	\$ -	\$ (66,088,901)	
(118,500,775)	-	(118,500,775)	
15,195,671	-	15,195,671	
(31,476,874)	-	(31,476,874)	
(8,107,168)	-	(8,107,168)	
(2,493,034)	-	(2,493,034)	
(9,105,726)	-	(9,105,726)	
2,832,433	-	2,832,433	
(4,574,479)	-	(4,574,479)	
<u>(222,318,853)</u>	<u>-</u>	<u>(222,318,853)</u>	
-	5,262,574	5,262,574	
-	(2,653,209)	(2,653,209)	
-	122,018	122,018	
-	(2,287,062)	(2,287,062)	
<u>-</u>	<u>444,321</u>	<u>444,321</u>	
<u>(222,318,853)</u>	<u>444,321</u>	<u>(221,874,532)</u>	
			\$ 1,098
			<u>37,643</u>
			38,741
110,050,775	-	110,050,775	-
66,761,764	-	66,761,764	-
1,370,509	-	1,370,509	-
2,461,336	-	2,461,336	-
18,797,746	-	18,797,746	-
8,477,607	-	8,477,607	-
10,598,123	-	10,598,123	-
957,141	-	957,141	-
44,149	-	44,149	-
2,135,634	258,165	2,393,799	20,978
2,907,799	43,243	2,951,042	74,440
(744,342)	744,342	-	-
<u>223,818,241</u>	<u>1,045,750</u>	<u>224,863,991</u>	<u>95,418</u>
1,499,388	1,490,071	2,989,459	134,159
525,269,166	73,839,503	599,108,669	384,004
<u>\$ 526,768,554</u>	<u>\$ 75,329,574</u>	<u>\$ 602,098,128</u>	<u>\$ 518,163</u>

**ESCAMBIA COUNTY, FLORIDA**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
September 30, 2017

	General Fund - County Wide	Disaster Recovery Fund	Community Redevelopment Agency Fund	Series 2017 Capital Project Fund
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 37,162,516	\$ 178,681	\$ 1,995,813	\$ 51,520,073
Investments	16,638,417	102,049	1,139,861	29,424,460
Accounts Receivable	1,124,311	-	-	-
Accrued Interest Receivable	484,352	-	-	-
Due from Other Funds	176,410	-	-	-
Advances Receivable from Other Funds	-	-	-	-
Due from Other Governments	2,953,205	1,182,575	-	-
Inventories	694,022	-	-	-
Assets Held for Investment	-	-	-	-
Other Assets	3,432,057	-	-	-
<b>Total Assets</b>	<b>\$ 62,665,290</b>	<b>\$ 1,463,305</b>	<b>\$ 3,135,674</b>	<b>\$ 80,944,533</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 2,140,352	\$ 98,885	\$ 46,217	\$ 87,504
Contracts Payable	27,254	191,450	-	-
Accrued Liabilities	6,550,469	-	25,421	-
Due to Other Funds	359,693	-	-	-
Advances Payable to Other Funds	-	10,993,433	-	-
Due to Other Governments	2,279,681	-	-	-
Deposits	215,117	-	-	-
Unearned Revenue	172,837	-	-	-
Other Current Liabilities	359,712	-	-	-
<b>Total Liabilities</b>	<b>12,105,115</b>	<b>11,283,768</b>	<b>71,638</b>	<b>87,504</b>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Unavailable Revenue - Capital Lease	3,419,850	-	-	-
<b>Total Deferred Inflow of Resources</b>	<b>3,419,850</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES (deficits):</b>				
Nonspendable:				
Inventories	694,022	-	-	-
Restricted for:				
Court Related Functions	-	-	-	-
Community Service	-	-	-	-
Debt Service	-	-	-	-
Economic & Community Development	-	-	3,064,036	-
Fire & Rescue	-	-	-	-
Health Services	-	-	-	-
Inmate Welfare	-	-	-	-
Jail Facility	-	-	-	80,857,029
Law Enforcement	-	-	-	-
Library	-	-	-	-
Mass Transit System	-	-	-	-
Public Safety	-	-	-	-
Records Modernization Tech	-	-	-	-
Resource Conservation	-	-	-	-
Housing Assistance	-	-	-	-
Tourism	-	-	-	-
Transportation & Drainage Improvements	-	-	-	-
Transportation Maintenance	-	-	-	-
Committed to:				
Community Service	-	-	-	-
Infrastructure Maintenance	-	-	-	-
Public Safety	-	-	-	-
Transportation Maintenance	-	-	-	-
Assigned to:				
Subsequent Year's Budget	16,297,587	-	-	-
Unassigned	30,148,716	(9,820,463)	-	-
<b>Total Fund Balances</b>	<b>47,140,325</b>	<b>(9,820,463)</b>	<b>3,064,036</b>	<b>80,857,029</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance (deficit)</b>	<b>\$ 62,665,290</b>	<b>\$ 1,463,305</b>	<b>\$ 3,135,674</b>	<b>\$ 80,944,533</b>

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

<b>Local Option Sales Tax Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 57,950,033	\$ 40,484,853	\$ 189,291,969
33,096,778	18,804,309	99,205,874
647,375	1,183,828	2,955,514
-	-	484,352
-	252,555	428,965
14,020,078	-	14,020,078
8,068,111	4,405,260	16,609,151
-	563,052	1,257,074
-	759,176	759,176
15,608,755	-	19,040,812
<u>\$ 129,391,130</u>	<u>\$ 66,453,033</u>	<u>\$ 344,052,965</u>
\$ 3,111,815	\$ 5,178,708	\$ 10,663,481
1,208,449	159,150	1,586,303
90,978	1,770,631	8,437,499
60,695	882,419	1,302,807
-	3,026,645	14,020,078
126,715	1,080,436	3,486,832
1,060	215,956	432,133
-	394,874	567,711
-	-	359,712
<u>4,599,712</u>	<u>12,708,819</u>	<u>40,856,556</u>
-	-	3,419,850
<u>-</u>	<u>-</u>	<u>3,419,850</u>
-	563,052	1,257,074
-	3,895,078	3,895,078
-	297,809	297,809
15,608,755	1,666,811	17,275,566
18,718,713	472,310	22,255,059
-	3,239,596	3,239,596
-	32,619	32,619
-	2,833,734	2,833,734
-	-	80,857,029
-	357,315	357,315
-	3,153,703	3,153,703
-	836,153	836,153
-	2,768,044	2,768,044
-	2,771,846	2,771,846
-	791,563	791,563
-	6,160,549	6,160,549
-	4,248,956	4,248,956
90,463,950	2,113,250	92,577,200
-	427,149	427,149
-	1,732,713	1,732,713
-	9,828,850	9,828,850
-	1,218,435	1,218,435
-	4,334,679	4,334,679
-	-	16,297,587
-	-	20,328,253
<u>124,791,418</u>	<u>53,744,214</u>	<u>299,776,559</u>
<u>\$ 129,391,130</u>	<u>\$ 66,453,033</u>	<u>\$ 344,052,965</u>

**ESCAMBIA COUNTY, FLORIDA**  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
as of September 30, 2017

**Total fund balances of governmental funds** \$ 299,776,559

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 \$1,285,687,501. Accumulated depreciation and amortization is \$731,265,657. The difference does not include the net capital assets of the internal service funds \$653,328 which are included below. 554,421,844

The internal service fund is used by management to charge the costs of risk management services to individual funds. The assets, liabilities, outflows/inflows of the internal service fund are included in activities in the Statement of Net Position. 3,875,074

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. 2,216,539

Deferred inflows and outflow of resources related to debt:  
Deferred charge on refunding (to be amortized as interest expense) 2,178,770

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	90,788,111	
Deferred inflows of resources - Pensions	(19,530,443)	
		71,257,668

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 \$11,421,203 which is included above. Long-term liabilities at year-end consist of:

Bonds payable	118,395,000	
Notes payable	55,658,000	
Bond issuance premiums	10,593,411	
Pollution remediation	155,000	
Compensated absences	25,850,534	
Other post employment benefits	10,555,757	
Net pension liability proportionate share	185,750,198	
		(406,957,900)

**Total net position of governmental activities** \$ 526,768,554

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, 2017

	<b>General Fund - County Wide</b>	<b>Disaster Recovery Fund</b>	<b>Community Redevelopment Agency Fund</b>
<b>REVENUES</b>			
Taxes	\$ 105,885,806	\$ -	\$ 1,798,706
Permits and Fees	-	-	-
Franchise Fees	12,811,095	-	-
Special Assessments	893,381	-	-
Intergovernmental Revenues	34,266,264	3,918,939	-
Charges for Services	10,835,940	-	-
Judgments and Fines	1,619,445	-	-
Investment Income	675,827	11,969	16,968
Miscellaneous Revenues	2,865,826	-	6,688
<b>Total Revenues</b>	<b>169,853,584</b>	<b>3,930,908</b>	<b>1,822,362</b>
<b>EXPENDITURES</b>			
Current:			
General Government	49,801,826	-	1,597,575
Public Safety	97,199,413	5,547,182	-
Physical Environment	1,401,588	-	-
Transportation	2,559,801	-	-
Economic Environment	-	-	-
Human Services	2,212,878	-	-
Culture/Recreation	1,432,645	-	-
Court-Related	7,182,781	-	-
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Bond Issuance Costs	-	-	-
Capital Outlay	-	-	-
<b>Total Expenditures</b>	<b>161,790,932</b>	<b>5,547,182</b>	<b>1,597,575</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>8,062,652</b>	<b>(1,616,274)</b>	<b>224,787</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	4,448,957	-	23,429
Transfers (Out)	(12,649,753)	-	-
Issuance of Bonds Payable	-	-	-
Premium(Discount) on Notes/Bonds	-	-	-
<b>Total Other Financing Sources and (Uses)</b>	<b>(8,200,796)</b>	<b>-</b>	<b>23,429</b>
<b>Net Change in Fund Balances</b>	<b>(138,144)</b>	<b>(1,616,274)</b>	<b>248,216</b>
<b>Fund Balances - Beginning</b>	<b>47,278,469</b>	<b>(8,204,189)</b>	<b>2,815,820</b>
<b>Fund Balances - Ending</b>	<b>\$ 47,140,325</b>	<b>\$ (9,820,463)</b>	<b>\$ 3,064,036</b>

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



<b>Series 2017 Capital Project Fund</b>	<b>Local Option Sales Tax Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ 42,588,368	\$ 29,946,629	\$ 180,219,509
-	-	327,086	327,086
-	-	1,936,147	14,747,242
-	-	17,828,057	18,721,438
-	5,932,592	22,923,809	67,041,604
-	232,176	14,372,978	25,441,094
-	-	1,280,835	2,900,280
217,682	817,049	319,352	2,058,847
-	393,785	2,340,866	5,607,165
<u>217,682</u>	<u>49,963,970</u>	<u>91,275,759</u>	<u>317,064,265</u>
-	2,091,781	1,642,995	55,134,177
684	-	29,701,652	132,448,931
-	2,500	1,981,022	3,385,110
-	1,294,302	29,869,987	33,724,090
-	-	14,635,620	14,635,620
-	131,861	104,474	2,449,213
-	1,409,042	5,478,071	8,319,758
-	-	4,103,019	11,285,800
-	-	7,343,000	7,343,000
-	1,866	3,959,238	3,961,104
-	-	551,878	551,878
6,523,416	35,353,081	177,374	42,053,871
<u>6,524,100</u>	<u>40,284,433</u>	<u>99,548,330</u>	<u>315,292,552</u>
<u>(6,306,418)</u>	<u>9,679,537</u>	<u>(8,272,571)</u>	<u>1,771,713</u>
-	48,487	20,343,948	24,864,821
(1,578,977)	(2,207,848)	(10,007,860)	(26,444,438)
78,060,000	-	-	78,060,000
10,682,424	-	-	10,682,424
<u>87,163,447</u>	<u>(2,159,361)</u>	<u>10,336,088</u>	<u>87,162,807</u>
80,857,029	7,520,176	2,063,517	88,934,520
-	117,271,242	51,680,697	210,842,039
<u>\$ 80,857,029</u>	<u>\$ 124,791,418</u>	<u>\$ 53,744,214</u>	<u>\$ 299,776,559</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, 2017

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

Net change in fund balances - total governmental funds	\$	88,934,520
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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 (\$51,748,124) exceeds depreciation (\$35,180,728) in the current period. Total capital additions consist of capital expenditures of \$50,602,869 and non-cash contributions of \$1,145,255 for donated roads.

16,567,396

Collections of principal on long-term sales type lease receivable provides current financial resources to governmental funds.		(69,665)
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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:		
Issuance of Bonds	(78,060,000)	
Discount (premium) on issuance	(10,682,424)	
Principal repayments	7,343,000	
Amortization of deferred charge on refunding	(150,510)	
Amortization of interest expense on bond premium	89,013	
		(81,460,921)

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, 2017

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	4,607	
Changes in other post employment benefits	(465,090)	
Changes in pollution remediation	120,000	
	<hr/>	(340,483)

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	(14,213,298)
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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.

(220,345)

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.

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(7,697,816)

Change in net position of governmental activities:

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\$ 1,499,388

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, 2017

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget - Over (Under)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes	\$ 106,946,472	\$ 106,946,472	\$ 105,885,806	\$ (1,060,666)
Franchise Fees	12,445,475	12,445,475	12,811,095	365,620
Special Assessments	911,347	911,347	893,381	(17,966)
Intergovernmental Revenues	29,157,092	29,181,661	34,266,264	5,084,603
Charges for Services	9,589,983	10,127,036	10,835,940	708,904
Judgments and Fines	1,126,000	1,126,000	1,619,445	493,445
Investment Income	120,100	120,100	675,827	555,727
Miscellaneous Revenues	2,000,673	2,269,564	2,865,826	596,262
<b>Total Revenues</b>	<b>162,297,142</b>	<b>163,127,655</b>	<b>169,853,584</b>	<b>6,725,929</b>
<b>EXPENDITURES</b>				
Current:				
General Government	79,126,464	86,343,456	49,801,826	36,541,630
Public Safety	97,820,109	99,255,003	97,199,413	2,055,590
Physical Environment	1,446,872	1,573,706	1,401,588	172,118
Transportation	2,768,986	2,944,738	2,559,801	384,937
Human Services	3,207,230	3,464,094	2,212,878	1,251,216
Culture/Recreation	1,492,376	1,506,930	1,432,645	74,285
Court-Related	6,487,202	6,217,202	7,182,781	(965,579)
<b>Total Expenditures</b>	<b>192,349,239</b>	<b>201,305,129</b>	<b>161,790,932</b>	<b>39,514,197</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(30,052,097)</b>	<b>(38,177,474)</b>	<b>8,062,652</b>	<b>46,240,126</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	11,808,657	1,806,361	4,448,957	2,642,596
Transfers (Out)	(23,764,978)	(10,251,822)	(12,649,753)	(2,397,931)
<b>Total Other Financing Sources and (Uses)</b>	<b>(11,956,321)</b>	<b>(8,445,461)</b>	<b>(8,200,796)</b>	<b>244,665</b>
<b>Net Change in Fund Balance</b>	<b>(42,008,418)</b>	<b>(46,622,935)</b>	<b>(138,144)</b>	<b>46,484,791</b>
<b>Fund Balance - Beginning</b>	<b>42,008,418</b>	<b>46,622,935</b>	<b>47,278,469</b>	<b>655,534</b>
<b>Fund Balance - Ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 47,140,325</b>	<b>\$ 47,140,325</b>

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, 2017

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget -</u>
			<u>Amounts</u>	<u>Over (Under)</u>
<b>REVENUES</b>				
Intergovernmental Revenues	\$ -	\$ 6,072,601	\$ 3,918,939	\$ (2,153,662)
Investment Income	-	-	11,969	11,969
Miscellaneous Revenues	-	40,000	-	(40,000)
<b>Total Revenues</b>	-	6,112,601	3,930,908	(2,181,693)
<b>EXPENDITURES</b>				
Current:				
Public Safety	-	6,112,601	5,547,182	565,419
<b>Total Expenditures</b>	-	6,112,601	5,547,182	565,419
<b>Excess (Deficiency) of Revenues</b>				
<b>Over (Under) Expenditures</b>	-	-	(1,616,274)	(1,616,274)
<b>Net Change in Fund Balance</b>	-	-	(1,616,274)	(1,616,274)
<b>Fund Balance - Beginning</b>	-	-	(8,204,189)	(8,204,189)
<b>Fund Balance - Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,820,463)</u>	<u>\$ (9,820,463)</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, 2017

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget - Over (Under)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes	\$ 1,875,000	\$ 1,798,706	\$ 1,798,706	\$ -
Intergovernmental Revenues	17,500	17,500	-	(17,500)
Investment Income	-	-	16,968	16,968
Miscellaneous Revenues	-	-	6,688	6,688
<b>Total Revenues</b>	<b>1,892,500</b>	<b>1,816,206</b>	<b>1,822,362</b>	<b>6,156</b>
<b>EXPENDITURES</b>				
Current:				
General Government	2,304,759	4,637,955	1,597,575	3,040,380
<b>Total Expenditures</b>	<b>2,304,759</b>	<b>4,637,955</b>	<b>1,597,575</b>	<b>3,040,380</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(412,259)</b>	<b>(2,821,749)</b>	<b>224,787</b>	<b>3,046,536</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	23,429	23,429	-
<b>Total Other Financing Sources and (Uses)</b>	<b>-</b>	<b>23,429</b>	<b>23,429</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>(412,259)</b>	<b>(2,798,320)</b>	<b>248,216</b>	<b>3,046,536</b>
<b>Fund Balance - Beginning</b>	<b>412,259</b>	<b>2,798,320</b>	<b>2,815,820</b>	<b>17,500</b>
<b>Fund Balance - Ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,064,036</b>	<b>\$ 3,064,036</b>

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, 2017

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Funds</b>
	<b>Solid Waste Fund</b>	<b>Emergency Medical Services Fund</b>	<b>Nonmajor Enterprise Funds</b>	<b>Totals</b>	
<b>ASSETS</b>					
Current Assets:					
Cash and Cash Equivalents	\$ 11,979,307	\$ 8,272,119	\$ 3,684,464	\$ 23,935,890	\$ 9,844,305
Restricted Assets Available for Current Liabilities	204,498	-	286,489	490,987	-
Investments	12,224,010	4,724,252	1,574,873	18,523,135	5,169,795
Accounts Receivable, Net of Allowance for Uncollectable Accounts	1,572,840	3,952,310	201,982	5,727,132	761,639
Due from Other Funds	-	-	-	-	873,842
Due from Other Governments	-	-	-	-	112,441
Inventories	-	248,359	48,687	297,046	305,933
Prepaid Items	-	-	556	556	-
<b>Total Current Assets</b>	<b>25,980,655</b>	<b>17,197,040</b>	<b>5,797,051</b>	<b>48,974,746</b>	<b>17,067,955</b>
Noncurrent Assets:					
Restricted Assets:					
Escrow Deposits - restricted	126,432	-	286,489	412,921	-
Saufley C&D - restricted	532,535	-	-	532,535	-
Landfill Escrow	8,767,671	-	-	8,767,671	-
Less: Portion Classified as Current	(204,498)	-	(286,489)	(490,987)	-
Total restricted assets	9,222,140	-	-	9,222,140	-
Capital Assets:					
Land	5,786,826	6,443	-	5,793,269	-
Buildings	10,344,586	1,100,349	25,847,788	37,292,723	399,564
Improvements Other than Buildings	41,996,773	86,275	3,094,463	45,177,511	937,373
Machinery, Equipment and Vehicles	14,385,146	10,439,914	2,657,140	27,482,200	275,443
Intangibles	-	176,255	-	176,255	-
Construction in Progress	5,214,972	-	-	5,214,972	-
Less: Accumulated Depreciation	(37,048,892)	(7,844,804)	(26,508,086)	(71,401,782)	(959,052)
Total Capital Assets (Net)	40,679,411	3,964,432	5,091,305	49,735,148	653,328
<b>Total Noncurrent Assets</b>	<b>49,901,551</b>	<b>3,964,432</b>	<b>5,091,305</b>	<b>58,957,288</b>	<b>653,328</b>
<b>Total Assets</b>	<b>75,882,206</b>	<b>21,161,472</b>	<b>10,888,356</b>	<b>107,932,034</b>	<b>17,721,283</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>					
Pension Cost and Subsequent Contributions	943,775	6,436,256	795,663	8,175,694	347,846
Total deferred outflow of resources	943,775	6,436,256	795,663	8,175,694	347,846

Continued



**ESCAMBIA COUNTY, FLORIDA**  
**STATEMENT OF NET POSITION - Continued**  
**PROPRIETARY FUNDS**  
September 30, 2017

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Funds</b>
	<b>Solid Waste Fund</b>	<b>Emergency Medical Services Fund</b>	<b>Nonmajor Enterprise Funds</b>	<b>Totals</b>	
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts Payable	\$ 1,188,697	\$ 185,958	\$ 606,592	\$ 1,981,247	\$ 2,225,739
Contracts Payable	466,361	-	-	466,361	-
Accrued Liabilities	119,220	400,140	90,691	610,051	49,630
Compensated Absences Payable	52,648	40,488	33,013	126,149	97,015
Estimated Claims Payable	-	-	-	-	2,732,972
Due to Other Governments	21,402	1,718	11,402	34,522	325,725
Deposits	2,022	-	22,412	24,434	556
Other Current Liabilities	-	-	1,485,713	1,485,713	-
Current Liabilities Payable from Restricted Assets:					
Landfill Closure Costs Payable	78,066	-	-	78,066	-
Escrow Deposits - restricted	126,432	-	286,489	412,921	-
<b>Total Current Liabilities</b>	<b>2,054,848</b>	<b>628,304</b>	<b>2,536,312</b>	<b>5,219,464</b>	<b>5,431,637</b>
Noncurrent Liabilities:					
Compensated Absences Payable	474,853	365,367	297,660	1,137,880	873,880
Other Post Employment Benefits	132,582	410,505	99,915	643,002	62,098
Net Pension Liability	1,948,743	13,023,775	1,610,399	16,582,917	706,564
Estimated Claims Payable	-	-	-	-	7,052,492
Landfill Closure Costs Payable	15,627,151	-	-	15,627,151	-
<b>Total Noncurrent Liabilities</b>	<b>18,183,329</b>	<b>13,799,647</b>	<b>2,007,974</b>	<b>33,990,950</b>	<b>8,695,034</b>
<b>Total Liabilities</b>	<b>20,238,177</b>	<b>14,427,951</b>	<b>4,544,286</b>	<b>39,210,414</b>	<b>14,126,671</b>
<b>DEFERRED INFLOW OF RESOURCES</b>					
Unamortized Pension Costs	227,232	1,192,439	148,069	1,567,740	67,384
Total deferred inflow of resources	227,232	1,192,439	148,069	1,567,740	67,384
<b>NET POSITION</b>					
Net Investment in Capital Assets	40,679,411	3,964,432	5,091,305	49,735,148	653,328
Unrestricted	15,681,161	8,012,906	1,900,359	25,594,426	3,221,746
<b>Total Net Position</b>	<b>\$ 56,360,572</b>	<b>\$ 11,977,338</b>	<b>\$ 6,991,664</b>	<b>\$ 75,329,574</b>	<b>\$ 3,875,074</b>

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, 2017

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Funds</b>
	<b>Solid Waste Fund</b>	<b>Emergency Medical Services Fund</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>	
<b>Operating Revenues:</b>					
Charges for Services	\$ 15,372,530	\$ 10,962,830	\$ 7,186,564	\$ 33,521,924	\$ 32,354,084
Miscellaneous Revenues	759	3,500	38,984	43,243	-
<b>Total Operating Revenues</b>	<b>15,373,289</b>	<b>10,966,330</b>	<b>7,225,548</b>	<b>33,565,167</b>	<b>32,354,084</b>
<b>Operating Expenses:</b>					
Personal Services	2,701,024	9,546,876	2,017,817	14,265,717	1,588,332
Contracted Services	830,267	222,564	5,969,960	7,022,791	-
Claims Incurred and Change in Estimate	-	-	-	-	7,807,557
Supplies and Materials	482,111	944,405	34,767	1,461,283	-
Repairs and Maintenance	1,003,284	659,846	130,946	1,794,076	72,913
Other Services and Charges	1,343,013	847,218	355,092	2,545,323	4,164,470
Depreciation	2,981,026	1,248,948	822,258	5,052,232	70,303
Provision for Closure and Long Term Care	267,327	-	-	267,327	-
Premiums/Claims Expense	361,548	145,634	175,418	682,600	27,260,387
<b>Total Operating Expenses</b>	<b>9,969,600</b>	<b>13,615,491</b>	<b>9,506,258</b>	<b>33,091,349</b>	<b>40,963,962</b>
<b>Operating Income (Loss)</b>	<b>5,403,689</b>	<b>(2,649,161)</b>	<b>(2,280,710)</b>	<b>473,818</b>	<b>(8,609,878)</b>
<b>Nonoperating Revenues (Expenses):</b>					
Investment Income	171,413	68,834	17,918	258,165	76,787
Gain (Loss) on Disposal of Capital Assets	(140,356)	(548)	-	(140,904)	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>31,057</b>	<b>68,286</b>	<b>17,918</b>	<b>117,261</b>	<b>76,787</b>
<b>Income (Loss) Before Transfers and Contributions</b>	<b>5,434,746</b>	<b>(2,580,875)</b>	<b>(2,262,792)</b>	<b>591,079</b>	<b>(8,533,091)</b>
Transfer In	34,181	26,276	1,315,238	1,375,695	2,425,000
Transfer (Out)	(297,843)	(333,510)	-	(631,353)	(1,589,725)
Capital Contributions	-	-	154,650	154,650	-
<b>Change in Net Position</b>	<b>5,171,084</b>	<b>(2,888,109)</b>	<b>(792,904)</b>	<b>1,490,071</b>	<b>(7,697,816)</b>
<b>Net Position - Beginning</b>	<b>51,189,488</b>	<b>14,865,447</b>	<b>7,784,568</b>	<b>73,839,503</b>	<b>11,572,890</b>
<b>Net Position - Ending</b>	<b>\$ 56,360,572</b>	<b>\$ 11,977,338</b>	<b>\$ 6,991,664</b>	<b>\$ 75,329,574</b>	<b>\$ 3,875,074</b>

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, 2017

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Funds</b>
	<b>Solid Waste Fund</b>	<b>Emergency Medical Services Fund</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>	
<b>Cash Flows from Operating Activities</b>					
Receipts from customers and users	\$15,959,832	\$ 12,404,823	\$ 6,955,623	\$ 35,320,278	\$ 4,968,468
Receipts from interfund risk/benefits management	-	-	-	-	23,326,197
Receipts from interfund fleet/fuel management	-	-	-	-	3,338,246
Payments to suppliers	(2,531,465)	(2,754,976)	(6,644,646)	(11,931,087)	(39,576,974)
Payments to employees	(2,528,136)	(8,512,872)	(1,870,709)	(12,911,717)	(1,170,044)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>10,900,231</b>	<b>1,136,975</b>	<b>(1,559,732)</b>	<b>10,477,474</b>	<b>(9,114,107)</b>
<b>Cash Flows from Noncapital Financing Activities</b>					
Transfers to other funds	(297,843)	(333,510)	-	(631,353)	(1,589,725)
Transfers from other funds	34,181	26,276	1,315,238	1,375,695	2,425,000
Advances due to/from other funds	-	-	-	-	(146,247)
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>(263,662)</b>	<b>(307,234)</b>	<b>1,315,238</b>	<b>744,342</b>	<b>689,028</b>
<b>Cash Flows from Capital and Related Financing Activities</b>					
Acquisition/construction of capital assets	(5,674,025)	(1,665,539)	28,615	(7,310,949)	-
Loss from disposal of capital assets	-	-	-	-	-
Landfill closure costs paid	(91,326)	-	-	(91,326)	-
<b>Net Cash (Used) by Capital and Related Financing Activities</b>	<b>(5,765,351)</b>	<b>(1,665,539)</b>	<b>28,615</b>	<b>(7,402,275)</b>	<b>-</b>
<b>Cash Flows from Investing Activities</b>					
Sale (purchase) of investments	(232,946)	1,049,232	68,126	884,412	4,258,660
Interest received	171,413	68,834	17,918	258,165	76,787
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>(61,533)</b>	<b>1,118,066</b>	<b>86,044</b>	<b>1,142,577</b>	<b>4,335,447</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>4,809,685</b>	<b>282,268</b>	<b>(129,835)</b>	<b>4,962,118</b>	<b>(4,089,632)</b>
Cash and cash equivalents at beginning of year	16,596,260	7,989,851	4,100,788	28,686,899	13,933,937
Cash and cash equivalents at end of year	<u><b>\$21,405,945</b></u>	<u><b>\$ 8,272,119</b></u>	<u><b>\$ 3,970,953</b></u>	<u><b>\$ 33,649,017</b></u>	<u><b>\$ 9,844,305</b></u>
<b>Cash and Cash Equivalents Classified As:</b>					
Current assets	\$11,979,307	\$ 8,272,119	\$ 3,684,464	\$ 23,935,890	\$ 9,844,305
Current restricted assets	204,498	-	286,489	490,987	-
Noncurrent restricted assets	9,222,140	-	-	9,222,140	-
<b>Total Cash and Cash Equivalents</b>	<u><b>\$21,405,945</b></u>	<u><b>\$ 8,272,119</b></u>	<u><b>\$ 3,970,953</b></u>	<u><b>\$ 33,649,017</b></u>	<u><b>\$ 9,844,305</b></u>

Continued

**ESCAMBIA COUNTY, FLORIDA**  
**STATEMENT OF CASH FLOWS - Continued**  
**PROPRIETARY FUNDS**  
For the Year Ended September 30, 2017

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Funds</b>
	<b>Solid Waste Fund</b>	<b>Emergency Medical Services Fund</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>	<b>Funds</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>					
Operating Income (Loss)	\$ 5,403,689	\$ (2,649,161)	\$ (2,280,710)	\$ 473,818	\$ (8,609,878)
Depreciation	2,981,026	1,248,948	822,258	5,052,232	70,303
Provision for closure and postclosure	267,327	-	-	267,327	-
Change in Assets and Liabilities:					
Accounts receivable	576,957	1,438,493	(104,094)	1,911,356	(250,022)
Inventories	-	54,582	20,679	75,261	(46,456)
Prepays	-	-	(21)	(21)	27,318
Accounts payable	1,000,995	9,633	6,952	1,017,580	465,305
Accrued liabilities	3,479	9,900	(3,787)	9,592	2,544
Due to other governments	21,402	476	(6,073)	15,805	(237,097)
Customer deposits	9,586	-	6,598	16,184	(50,448)
Other current liabilities	-	-	(172,429)	(172,429)	-
Compensated absences	24,811	(7,826)	20,682	37,667	(78,980)
Other post employment benefits	6,085	21,545	7,972	35,602	9,209
Net pension liability proportionate share and related deferred outflows/inflows of resources	138,513	1,010,385	122,241	1,271,139	64,812
Claims payable	-	-	-	-	(480,717)
<b>Total Adjustments</b>	<b>5,496,542</b>	<b>3,786,136</b>	<b>720,978</b>	<b>10,003,656</b>	<b>(504,229)</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 10,900,231</b>	<b>\$ 1,136,975</b>	<b>\$ (1,559,732)</b>	<b>\$ 10,477,474</b>	<b>\$ (9,114,107)</b>
<b>Schedule of non-cash capital activities:</b>					
Contributions of capital assets	\$ -	\$ -	\$ 154,650	\$ -	\$ -

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, 2017

**ASSETS**

Cash and Cash Equivalents	\$ 8,775,278
Accounts Receivable	<u>477,035</u>
<b>Total Assets</b>	<b><u><u>\$ 9,252,313</u></u></b>

**LIABILITIES**

Due to Other Governments	\$ 3,468,209
Due to Individuals	2,360,146
Other Current Liabilities	<u>3,423,958</u>
<b>Total Liabilities</b>	<b><u><u>\$ 9,252,313</u></u></b>

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, 2017

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total Component Units</b>
	<b>Escambia County Law Library Board</b>	<b>Santa Rosa Island Authority</b>	
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 52,816	\$ 4,143,769	\$ 4,196,585
Investments	-	524,933	524,933
Accounts Receivable	-	271,052	271,052
Due from Other Governments	3,729	194,684	198,413
Prepaid Items	-	32,183	32,183
<b>Total Current Assets</b>	<b>56,545</b>	<b>5,166,621</b>	<b>5,223,166</b>
Noncurrent Assets:			
Restricted Assets:			
Cash and Cash Equivalents	-	2,332,546	2,332,546
Capital Assets, Net of Depreciation	7,665	623,031	630,696
<b>Total Noncurrent Assets</b>	<b>7,665</b>	<b>2,955,577</b>	<b>2,963,242</b>
<b>Total Assets</b>	<b>64,210</b>	<b>8,122,198</b>	<b>8,186,408</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension	-	326,621	326,621
<b>Total deferred outflow of resources</b>	<b>-</b>	<b>326,621</b>	<b>326,621</b>
<b>LIABILITIES</b>			
Accounts Payable	2,362	183,297	185,659
Accrued Liabilities	-	358,731	358,731
Due to Other Governments	-	1,248,277	1,248,277
Unearned Revenue	-	217,321	217,321
<b>Total Current Liabilities</b>	<b>2,362</b>	<b>2,007,626</b>	<b>2,009,988</b>
Noncurrent Liabilities:			
Compensated Absences	-	78,143	78,143
Other Post Employment Benefits	-	79,242	79,242
Net Pension Liability	-	756,561	756,561
Other Noncurrent Liabilities	-	3,745,000	3,745,000
<b>Total Noncurrent Liabilities</b>	<b>-</b>	<b>4,658,946</b>	<b>4,658,946</b>
<b>Total Liabilities</b>	<b>2,362</b>	<b>6,666,572</b>	<b>6,668,934</b>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Unearned Revenues	-	142,129	142,129
Unearned Consideration fees	-	579,908	579,908
Pension	-	603,895	603,895
<b>Total Deferred Inflow of Resources</b>	<b>-</b>	<b>1,325,932</b>	<b>1,325,932</b>
<b>NET POSITION</b>			
Invested in Capital Assets	7,665	623,031	630,696
Restricted for Capital Improvements	-	942,257	942,257
Unrestricted	54,183	(1,108,973)	(1,054,790)
<b>Total Net Position</b>	<b>\$ 61,848</b>	<b>\$ 456,315</b>	<b>\$ 518,163</b>

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, 2017

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total Component Units</b>
	<b>Escambia County Law Library Board</b>	<b>Santa Rosa Island Authority</b>	
<b>EXPENSES</b>			
Governmental Activities:			
General Government	\$ 83,497	\$ -	\$ 83,497
Business Type Activities:			
Operating Expenses	-	5,899,198	5,899,198
<b>Total Program Expenses</b>	<u>83,497</u>	<u>5,899,198</u>	<u>5,982,695</u>
<b>PROGRAM REVENUES</b>			
Charges for Services	84,595	4,835,309	4,919,904
Capital Grants and Contributions	-	1,101,532	1,101,532
<b>Total Program Revenue</b>	<u>84,595</u>	<u>5,936,841</u>	<u>6,021,436</u>
<b>Net Program (Revenue) Expenses</b>	<u>(1,098)</u>	<u>(37,643)</u>	<u>(38,741)</u>
<b>GENERAL REVENUES</b>			
Investment Income	-	20,978	20,978
Miscellaneous	-	74,440	74,440
<b>Total General Revenues</b>	<u>-</u>	<u>95,418</u>	<u>95,418</u>
<b>Change in Net Position</b>	1,098	133,061	134,159
<b>Net Position - Beginning</b>	<u>60,750</u>	<u>323,254</u>	<u>384,004</u>
<b>Net Position - Ending</b>	<u><u>\$ 61,848</u></u>	<u><u>\$ 456,315</u></u>	<u><u>\$ 518,163</u></u>

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



**ESCAMBIA COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**

September 30, 2017

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**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, 2017, for the joint ventures are as follows:

**STATEMENTS OF NET POSITION**  
**SEPTEMBER 30, 2017**

	<u><b>HRC</b></u>	<u><b>PEDC</b></u>
Assets	\$ 23,826	\$ 7,475,323
Liabilities	<u>4,074</u>	<u>3,019,538</u>
Net Position		
Restricted:	-	61,198
Unrestricted:	19,752	
Committed	-	52,309
Unassigned	<u>-</u>	<u>4,342,278</u>
Total net position	<u>\$ 19,752</u>	<u>\$ 4,455,785</u>

**STATEMENTS OF ACTIVITIES**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2017**

	<u><b>HRC</b></u>	<u><b>PEDC</b></u>
Revenues	\$ 193,281	\$ 2,477,425
Expenses	<u>(188,029)</u>	<u>(2,450,553)</u>
Change in net position	5,252	26,872
Net position - beginning	<u>14,500</u>	<u>4,428,913</u>
Net position - ending	<u>\$ 19,752</u>	<u>\$ 4,455,785</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 *Series 2017 Project Fund* is a capital project fund created pursuant to Resolution 2017-70 to account for the proceeds of the Sales Tax Revenue Bonds, Series 2017, issued June 22, 2017. This fund will account for the expenditures associated with the acquisition, planning, design and construction of a new 1,500 rated bed correctional facility. This new facility will be constructed in two phases utilizing the design-build construction delivery method pursuant to section 287.055, Florida Statutes (acquisition of professional architectural and engineering services). Upon completion, the new correctional facility will replace the existing correctional facilities known as the Central Booking Detention Facility and Main Jail.

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 was originally 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 2017, 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 1<sup>st</sup>. 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 2017, 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 in 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 \$4.674 million. This allowance is comprised of \$3.893 million for ambulance receivables in the Emergency Medical Services Fund; \$662,000 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, \$4,000 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 an 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 these amounts 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, *Accounting for Compensated Absences*. 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 County's 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, 2017, the County's carrying value of cash and cash equivalents totaled \$241,560,569, which is presented as \$232,785,291 in the statement of net position and \$8,775,278 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 51 days as of September 30, 2017. 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, 2017 is 80 days. There are no restrictions on redemptions. 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 56 days as of September 30, 2017. 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, 2017 is 77 days. There are no restrictions on redemptions. 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, 2017 the carrying amount of the County's cash deposits totaled \$99,697,545, cash in money market funds totaled \$61,485,521, the County's investment in the Florida Prime Investment Pool totaled \$75,324,969, and the County's investment in FLCLASS totaled \$5,052,533.

**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 January 2017. 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 \$122,898,804 in direct obligations of United States Treasury Securities, Federal Instruments, Commercial Paper, Corporate Notes, State and/or Local Government debt, and Local Government Investment Pool funds 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, 2017, interest receivable on the County's investment portfolio amounted to \$484,352.



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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>
<b>Short Term Investments:</b>				
Corporate Notes	4,999,331	0.44	A+	4.07%
Total short term investments	4,999,331			4.07%
<b>Long Term Investments:</b>				
United States Treasury Securities	38,397,517	3.08	AA+	31.24%
Federal Instruments	35,140,225	1.63	AA+	28.59%
Corporate Notes	20,251,729	3.03	A+	16.48%
State and/or Local Government Debt	3,933,004	1.79	AA-	3.20%
Local Government Investment Pool	20,176,998	1.74	AAA	16.42%
Total long term investments	117,899,473			95.93%
<b>Total Fair Value</b>	<b>\$ 122,898,804</b>			<b>100.00%</b>

Portfolio Weighted Average Duration 2.29

**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, 2017, Escambia County had the following recurring fair value measurements.

	<u>9/30/2017</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<b>Investments by fair value level</b>				
Debt Securities				
Corporate Notes - Long Term	\$ 20,251,729	\$ 20,251,729	\$ -	\$ -
Corporate Notes - Short Term	4,999,331	4,999,331	-	-
United States Treasury Securities	38,397,517	38,397,517	-	-
Federal Instruments	35,140,225	35,140,225	-	-
Local Government Investment Pool	20,176,998	20,176,998	-	-
State and/or Local Government Debt	3,933,004	3,933,004	-	-
Total debt securities	\$ 122,898,804	\$ 122,898,804	\$ -	\$ -
<b>Investments (cash equivalents) measured at the net asset value (NAV)</b>				
LGIP - Florida Prime Investment Pool	75,324,969			
LGIP - FLCLASS	5,052,533			
Total investments measured at the NAV	80,377,502			
Total investments measured at fair value	<b>\$ 203,276,306</b>			

**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. 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, 2017, the investments had a weighted average duration of 2.29 years.

The County had \$4,414,519 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
166764AA8	Chevron Corp (Callable) Notes	12/5/2017	\$ 749,640	Continuous	11/5/2017
06406HDB2	Bank of New York Mellon Corp (Callable) Notes	5/22/2017	2,001,668	Continuous	4/22/2018
46625HQJ2	JP Morgan Chase Corp (Callable) Notes	3/1/2021	1,009,998	Continuous	2/1/2021
92826CAG7	Visa (Callable) Notes	9/15/2022	653,213	Continuous	8/15/2022
			<u>\$4,414,519</u>		

The County's long term portfolio has no federal instrumentalities mortgage pass-through securities.

The Local Government Investment Pool Short-Term Bond Fund contains asset-backed securities rated AAA or A-1, and collateralized mortgage obligations.

**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, 2017, the majority of the County’s investment securities in the amount of \$122,898,804 were all individually rated AA+, A+ or A-1 by Standard & Poors Rating Services. The County’s \$75,324,969 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, 2017 was AAAm. Additional information for the Florida Prime Investment Pool can be found at <https://www.sbafla.com/prime/>.

The County’s \$20,176,988 investment in the Local Government Investment Pool Short-Term Bond Fund is rated by Standard and Poors. The current rating as of September 30, 2017 was AAaf. Additional information for the Florida Trust Short-Term Bond fund can be found at <http://www.floridatrustonline.com>.

The County’s \$5,052,533 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, 2017 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, 2017, 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:

	<b>Asset Allocation Maximum</b>	<b>Individual Issuer Limit</b>
United States Government Securities	100%	N/A
United States Government Agencies (1)	100%	40%
Federal Instruments (1)	50%	25%
Interest Bearing Time Deposit or Saving Account	50%	15%
Repurchase Agreements	20%	10%
Commercial Paper	25%	5%
Corporate Notes	25%	5%
Bankers' Acceptances	10%	5%
State and/or Local Government Taxable and/or Tax-Exempt Debt	25%	5%
Registered Investment Companies (Money Market Mutual Funds)	50%	25%
Intergovernmental Investment Pool (2)(3)	50%	25%
Florida Local Government Surplus Funds Trust Funds ("FL Prime") (2)	25%	25%

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

(2) Fund may not contain derivatives

(3) Does not include "FL Prime"

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**NOTE 3 – CAPITAL ASSETS**

**A. Changes in Capital Assets**

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

<b>Governmental Activities</b>	<b>Primary Government</b>			<b>Ending Balance 9/30/2017</b>
	<b>Beginning Balance 10/1/2016</b>	<b>Increases</b>	<b>Decreases</b>	
Capital Assets, Not Being Depreciated:				
Land	\$ 50,613,707	\$ 10,001,360	\$ -	\$ 60,615,067
Construction In Progress	12,711,971	7,320,820	(447,073)	19,585,718
Total Capital Assets, Not Being Depreciated	63,325,678	17,322,180	(447,073)	80,200,785
Capital Assets, Being Depreciated and Amortized:				
Buildings and Improvements	231,508,755	2,236,453	-	233,745,208
Equipment	136,214,390	6,653,082	(3,816,444)	139,051,028
Intangible Computer Software	8,241,172	456,992	-	8,698,164
Infrastructure	800,078,206	25,526,490	-	825,604,696
Total Capital Assets Being Depreciated	1,176,042,523	34,873,017	(3,816,444)	1,207,099,096
Less Accumulated Depreciation For:				
Buildings and Improvements	(104,251,017)	(6,954,687)	-	(111,205,704)
Equipment	(108,281,256)	(9,482,977)	3,596,099	(114,168,134)
Intangible Computer Software	(5,320,097)	(690,655)	-	(6,010,752)
Infrastructure	(482,717,407)	(18,122,712)	-	(500,840,119)
Total Accumulated Depreciation	(700,569,777)	(35,251,031)	3,596,099	(732,224,709)
Total Capital Assets, Being Depreciated, Net	475,472,746	(378,014)	(220,345)	474,874,387
Governmental Activities Capital Assets, Net	\$ 538,798,424	\$ 16,944,166	\$ (667,418)	\$ 555,075,172

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:

<b>Depreciation Governmental Activities:</b>	
General Government	\$ 5,000,063
Public Safety	7,707,167
Physical Environment	478,668
Transportation	17,245,122
Economic Environment	779,451
Human Services	127,971
Culture/Recreation	2,352,551
Court Related	1,489,735
Capital Assets held by the government's Internal Service Fund and charged to individual functions based on usage	70,303
Total Depreciation Expense - Governmental Activities	\$ 35,251,031

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The following shows the changes in capital assets of business type activities:

<b>Business-type Activities</b>	<b>Primary Government</b>			<b>Ending Balance 9/30/2017</b>
	<b>Beginning Balance 10/1/2016</b>	<b>Increases</b>	<b>Decreases</b>	
Capital Assets, Not Being Depreciated:				
Land	\$ 5,793,269	\$ -	\$ -	\$ 5,793,269
Construction In Progress	482,408	4,732,564	-	5,214,972
T total Capital Assets, Not Being Depreciated	6,275,677	4,732,564	-	11,008,241
Capital Assets, Being Depreciated:				
Buildings and Improvement	37,585,407	65,211	(357,895)	37,292,723
Equipment	26,326,615	2,570,121	(1,414,536)	27,482,200
Intangible Computer Software	191,255	-	(15,000)	176,255
Infrastructure	45,037,499	140,012	-	45,177,511
T total Capital Assets Being Depreciated	109,140,776	2,775,344	(1,787,431)	110,128,689
Less Accumulated Depreciation For:				
Buildings and Improvements	(27,450,440)	(870,242)	176,860	(28,143,822)
Equipment	(17,437,659)	(2,505,885)	1,412,358	(18,531,186)
Intangible Computer Software	(174,480)	(16,775)	15,000	(176,255)
Infrastructure	(22,891,189)	(1,659,330)	-	(24,550,519)
T total Accumulated Depreciation	(67,953,768)	(5,052,232)	1,604,218	(71,401,782)
T total Capital Assets, Being Depreciated, Net	41,187,008	(2,276,888)	(183,213)	38,726,907
T total Business-Type Activities				
Capital Assets, Net	\$ 47,462,685	\$ 2,455,676	\$ (183,213)	\$ 49,735,148

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

<b>Depreciation Business-type activities:</b>	
Solid Waste Fund	\$ 2,981,026
Inspections Fund	33,847
Emergency Medical Service Fund	1,248,948
Bay Center Fund	788,411
T total Depreciation Expense - Business-type Activities	\$ 5,052,232

**B. Summaries of Capital Assets**

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

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	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Capital Assets, Not Being Depreciated:			
Land	\$ 60,615,067	\$ 5,793,269	\$ 66,408,336
Construction In Progress	19,585,718	5,214,972	24,800,690
T total Capital Assets, Not Being Depreciated:	80,200,785	11,008,241	91,209,026
Capital Assets, Being Depreciated and Amortized, Net:			
Buildings	233,745,208	37,292,723	271,037,931
Equipment	139,051,028	27,482,200	166,533,228
Intangible Computer Software	8,698,164	176,255	8,874,419
Infrastructure	825,604,696	45,177,511	870,782,207
Capital Assets, Being Depreciated:	1,207,099,096	110,128,689	1,317,227,785
Less: Accumulated Depreciation	(732,224,709)	(71,401,782)	(803,626,491)
T total Capital Assets, Being Depreciated, Net:	474,874,387	38,726,907	513,601,294
T total Capital Assets, Net	\$ 555,075,172	\$ 49,735,148	\$ 604,810,320

**C. Construction and Other Contractual Commitments**

The following is a summary of major construction and other contractual commitments outstanding as of September 30, 2017:

<b>Projects</b>	<b>Spent-to-Date</b>	<b>Remaining Commitment</b>
Governmental Activities:		
Building Projects	\$ 278,798	\$ 521,931
County Jail Facility	2,882,430	1,263,240
Environmental Projects	1,691,072	5,040,829
Road & Bridge Projects	26,802,431	24,381,047
Pensacola Beach Projects	1,527,395	1,414,804
Economic Development Projects	23,075,754	4,686,333
Parks Projects	296,461	238,073
Toll Facility Projects	664,583	3,743,706
Vehicles and Equipment	27,116	670,150
Transit	420,960	240,181
Disaster Recovery-Flood Projects	2,516,542	531,583
<b>Total</b>	<b>\$ 60,183,542</b>	<b>\$ 42,731,877</b>
Business Type Activities		
Solid Waste Landfill Projects	\$ 5,973,117	\$ 1,037,688
Building Inspections Equipment	-	10,467
Public Safety Equipment	-	48,582
Public Safety Emergency Management Projects	11,161	68,754
<b>Total</b>	<b>\$ 5,984,278</b>	<b>\$ 1,165,491</b>

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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, 2017, was as follows:

	<b>Component Unit</b>		
	<b>Beginning Balance 10/1/2016</b>	<b>Increases</b>	<b>Decreases</b>
<b>Santa Rosa Island Authority</b>			
Capital Assets, Being Depreciated:			
Buildings	1,110,272	17,277	-
Improvements other than Buildings	10,807	-	-
Equipment	219,410	44,312	(24,687)
Total Capital Assets Being Depreciated	1,340,489	61,589	(24,687)
Less Accumulated Depreciation For:			
Capital Assets	(731,666)	(47,381)	24,687
Capital Assets, Net	\$ 608,823	\$ 14,208	\$ -

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

Depreciation component unit:	
Santa Rosa Island Authority	\$ 47,381
Total Depreciation Expense - Component Unit	\$ 47,381

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

The composition of interfund balances as of September 30, 2017 is as follows:

	<b>Receivable From Other Funds</b>	<b>Payable to Other Funds</b>
Major Funds:		
General Fund	\$ 176,410	\$ 359,693
Major Capital Project Fund:		
Local Option Sales Tax Fund (LOST)	-	60,695
Non-major Funds:		
Special Revenue Funds	252,555	882,419
Internal Service Fund	873,842	-
	<u>\$ 1,302,807</u>	<u>\$ 1,302,807</u>



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	<b>Advances Receivable from Other Funds</b>	<b>Advances Payable to Other Funds</b>
Major Funds:		
Major Special Revenue Funds:		
Disaster Recovery Fund	\$ -	\$ 10,993,433
Major Capital Project Fund:		
Local Option Sales Tax Fund (LOST)	14,020,078	-
Non-major Funds:		
Special Revenue Funds	-	3,026,645
	<u>\$ 14,020,078</u>	<u>\$ 14,020,078</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.

	<b>Transfers In</b>	<b>Transfers Out</b>
Major Funds:		
General Fund	\$ 4,448,957	\$ 12,649,753
Major Special Revenue Funds:		
CRA	23,429	-
Major Capital Project Fund:		
2017 Series Capital Project Fund	-	1,578,977
Local Option Sales Tax (LOST)	48,487	2,207,848
Major Enterprise Fund:		
Solid Waste Fund	34,181	297,843
Emergency Medical Service Fund	26,276	333,510
Non-major Funds:		
Special Revenue Funds	7,798,114	10,007,860
Debt Service Funds	12,545,834	-
Enterprise Funds	1,315,238	-
Internal Service Fund	<u>2,425,000</u>	<u>1,589,725</u>
	<u>\$ 28,665,516</u>	<u>\$ 28,665,516</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, 2017 is as follows:

	<u>General Fund</u>	<u>LOST Fund</u>	<u>Total</u>
PEDC receivable	\$ 12,207	\$ 2,178,913	\$ 2,191,120
IHMC loan receivable	-	8,469,842	8,469,842
SRIA loan receivable	-	4,960,000	4,960,000
PDC lease receivable	3,419,850	-	3,419,850
	<u>\$ 3,432,057</u>	<u>\$ 15,608,755</u>	<u>\$ 19,040,812</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, 2017 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 2018 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, 2017 was \$8,469,842. IHMC is committed to making the following payments to the County under the payment plan:

<u>Year</u>	
2018	\$ 1,011,675
2019	1,012,067
2020	1,011,736
2021	1,011,684
2022	1,011,878
2023-2028	6,069,969
	<u>\$ 11,129,009</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 prior years SRIA borrowed the entire \$8.5million 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

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30, 2017 was \$4,960,000. SRIA is committed to making the following payments to the County under the payment plan:

<u>Year</u>	
2018	\$ 1,215,000
2019	1,230,000
2020	1,250,000
2021	1,265,000
	<u>\$ 4,960,000</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, 2017 future lease payments totaling \$3,419,850 consists of principal of \$2,216,539, and interest of \$1,203,311. 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, 2017, were as follows:

**Capital Lease Receivable**

Balance 10/01/2016	\$ 2,286,204
Additions	-
Principal reductions	(69,665)
Balance 09/30/2017	<u>\$ 2,216,539</u>

**Future Lease Payments**

2018	\$ 182,392
2019	182,392
2020	182,392
2021	182,392
2022	182,392
2023-2036	2,507,890
Total minimum lease payment	3,419,850
less: amount representing interest	(1,203,311)
Present value of minimum lease payments	<u>\$ 2,216,539</u>

**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, 2017:

	<b>Balance</b> <b>10/1/16</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance</b> <b>9/30/2017</b>	<b>Due Within</b> <b>One Year</b>
<b>Governmental Activities:</b>					
Revenue bonds payable	\$ 42,610,000	\$ 78,060,000	\$ (2,275,000)	\$ 118,395,000	\$ 2,850,000
Revenue notes payable	60,726,000	-	(5,068,000)	55,658,000	5,174,000
Bonds/notes payable	103,336,000	78,060,000	(7,343,000)	174,053,000	8,024,000
Unamortized Bond Issue Premiums	-	10,682,424	(89,013)	10,593,411	-
Total bonds/notes payable	103,336,000	88,742,424	(7,432,013)	184,646,411	8,024,000
Claims payable	10,266,181	7,807,557	(8,288,274)	9,785,464	2,732,972
Compensated absences	26,905,016	13,672,635	(13,756,222)	26,821,429	2,682,068
Net other post employment benefits	10,143,556	939,695	(465,396)	10,617,855	-
Net pension liability *	163,585,863	22,870,899	-	186,456,762	-
Pollution remediation obligation	275,000	-	(120,000)	155,000	95,000
<b>Governmental activities</b>					
<b>long-term liabilities</b>	<b>\$ 314,511,616</b>	<b>\$ 134,033,210</b>	<b>\$ (30,061,905)</b>	<b>\$ 418,482,921</b>	<b>\$ 13,534,040</b>
<b>Business-type Activities:</b>					
Compensated absences	\$ 1,226,362	\$ 901,837	\$ (864,170)	\$ 1,264,029	\$ 126,149
Net other post employment benefits	607,400	27,630	7,972	643,002	-
Net pension liability *	14,546,787	2,036,130	-	16,582,917	-
Landfill closure costs	15,529,216	176,001	-	15,705,217	78,066
<b>Business-type activities</b>					
<b>Long-term liabilities</b>	<b>\$ 31,909,765</b>	<b>\$ 3,141,598</b>	<b>\$ (856,198)</b>	<b>\$ 34,195,165</b>	<b>\$ 204,215</b>

\* 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, 2017, there are no business type-activity notes or bonds payable.

The following is a schedule of bonds and notes outstanding at September 30, 2017:

	<u>Purpose of Issue</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>	<u>Interest Rates</u>	<u>Final Maturity</u>
<b>Governmental Activities:</b>					
Revenue Bonds:					
Capital Improvement Refunding Revenue Bond					
Series 2011	Refunding	\$ 19,345,000	\$ 14,815,000	3.110%	10/1/2031
Sales Tax Refunding Revenue Bond					
Series 2011	Refunding	29,535,000	25,520,000	3.060%	10/1/2031
Sales Tax Revenue Bonds,					
Series 2017	Capital Project	78,060,000	78,060,000	2%-5%	10/1/2047
Total Revenue Bonds			118,395,000		
Revenue Notes:					
Sales Tax Refunding Revenue Note					
Series 2012	Refunding	\$ 48,040,000	\$ 38,890,000	2.820%	10/1/2032
Tourist Development Refunding Revenue Note					
Series 2012	Refunding	8,406,000	2,519,000	1.599%	10/1/2019
Capital Improvement Revenue Note					
Series 2013	Capital Project	12,000,000	9,289,000	3.140%	10/1/2028
Capital Improvement Revenue Note					
Series 2014	Capital Project	8,500,000	4,960,000	1.390%	10/1/2021
Total Revenue Notes			55,658,000		
<b>Total Bonds &amp; Notes Payable - Governmental Activities</b>			<b>\$ 174,053,000</b>		

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**C. Pledged Revenues**

Escambia County has pledged certain revenues to repay certain bonds and notes outstanding at September 30, 2017. 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, 2017:

<b>Governmental Activities</b>			<b>Current Year Total Revenue</b>	<b>Pledged Outstanding Principal &amp; Interest</b>	<b>Estimated Revenue Percentage Pledged</b>	<b>Principal &amp; Interest Paid</b>	<b>Maturity Calendar Year</b>
	<b>Revenue Pledged</b>						
<b>Revenue Bonds and Notes:</b>							
Capital Improvement Refunding Revenue Bond Series 2011	Non-Ad valorem		\$ 1,322,015	\$ 18,388,623	99%	\$ 1,321,715	2031
Sales Tax Refunding Revenue Bond Series 2011	Half Cent Sales Tax		24,173,396	31,543,533	9.3%	2,264,976	2031
Sales Tax Revenue Bond Series 2017	Half Cent Sales Tax		24,173,396	158,921,500	21.9%	1,016,675	2047
Sales Tax Refunding Revenue Note Series 2012	Half Cent Sales Tax		24,173,396	48,794,315	13.5%	3,107,398	2032
Tourist Development Refunding Revenue Note Series 2012	Tourist Development Tax		9,298,123	2,579,586	13.9%	1,295,026	2019
Capital Improvement Revenue Note Series 2013	Non-Ad valorem		1,011,992	11,129,009	100%	1,011,533	2019
Capital Improvement Revenue Note Series 2014	Non-Ad valorem		1,281,055	5,133,542	100%	1,280,555	2021
<b>Total Revenue Bonds and Notes - Governmental Activities</b>				<b>\$ 276,490,108</b>		<b>\$ 11,297,878</b>	

**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, 2017:

	<b>Balance 10/1/16</b>	<b>Additions</b>	<b>(Reductions)</b>	<b>Balance 9/30/17</b>
<b>Governmental Activities:</b>				
Board of County Commissioners	\$ 13,034,693	\$ 5,974,642	\$ (6,039,524)	\$ 12,969,811
Clerk	593,836	369,788	(334,729)	628,895
Property Appraiser	406,353	332,758	(350,461)	388,650
Supervisor of Elections	172,099	101,623	(90,252)	183,470
Sheriff	11,156,544	5,928,092	(5,910,937)	11,173,699
Tax Collector	491,616	424,416	(410,023)	506,009
Internal Service Fund - BCC	263,083	159,619	(139,624)	283,078
Internal Service Fund - Clerk	786,792	381,697	(480,672)	687,817
	<u>\$ 26,905,016</u>	<u>\$ 13,672,635</u>	<u>\$ (13,756,222)</u>	<u>\$ 26,821,429</u>
<b>Business-type Activities:</b>				
Solid Waste Fund	\$ 502,690	\$ 203,009	\$ (178,198)	\$ 527,501
Inspection Fund	309,991	413,743	(393,061)	330,673
Emergency Medical Service Fund	413,681	285,085	(292,911)	405,855
	<u>\$ 1,226,362</u>	<u>\$ 901,837</u>	<u>\$ (864,170)</u>	<u>\$ 1,264,029</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, 2017:

	<b>Balance 10/1/16</b>	<b>Additions</b>	<b>(Reductions)</b>	<b>Balance 9/30/17</b>
<b>Governmental Activities:</b>				
Governmental Activities	\$ 10,143,556	\$ 939,695	\$ (465,396)	\$ 10,617,855
	<u>\$ 10,143,556</u>	<u>\$ 939,695</u>	<u>\$ (465,396)</u>	<u>\$ 10,617,855</u>
<b>Business-type Activities:</b>				
Solid Waste Fund	\$ 126,497	\$ 6,085	\$ -	\$ 132,582
Emergency Medical Service Fund	388,960	21,545	-	410,505
Inspections Fund	91,943	-	7,972	99,915
	<u>\$ 607,400</u>	<u>\$ 27,630</u>	<u>\$ 7,972</u>	<u>\$ 643,002</u>

**F. Net Pension Liability**

The following is a summary schedule of the net pension liability as of September 30, 2017:

Net pension liability FRS

	<b>Balance 10/1/16</b>	<b>Increase (Decrease)</b>	<b>Balance 9/30/17</b>
<b>Governmental Activities:</b>			
Governmental Activities	\$ 124,927,291	\$ 25,307,150	\$ 150,234,441
	<u>\$ 124,927,291</u>	<u>\$ 25,307,150</u>	<u>\$ 150,234,441</u>
<b>Business-type Activities:</b>			
Solid Waste Fund	\$ 1,308,710	\$ 245,506	\$ 1,554,216
Inspections Fund	1,089,857	216,663	1,306,520
Emergency Medical Service Fund	8,789,541	1,790,853	10,580,394
	<u>\$ 11,188,108</u>	<u>\$ 2,253,022</u>	<u>\$ 13,441,130</u>
<b>Total NPL FRS</b>	<b><u>\$ 136,115,399</u></b>	<b><u>\$ 27,560,172</u></b>	<b><u>\$ 163,675,571</u></b>

Net pension liability HIS

	<b>Balance 10/1/16</b>	<b>Increase (Decrease)</b>	<b>Balance 9/30/17</b>
<b>Governmental Activities:</b>			
Governmental Activities	\$ 38,658,572	\$ (2,436,251)	\$ 36,222,321
	<u>\$ 38,658,572</u>	<u>\$ (2,436,251)</u>	<u>\$ 36,222,321</u>
<b>Business-type Activities:</b>			
Solid Waste Fund	\$ 418,161	\$ (23,634)	\$ 394,527
Inspections Fund	324,736	(20,857)	303,879
Emergency Medical Fund	2,615,782	(172,401)	2,443,381
	<u>\$ 3,358,679</u>	<u>\$ (216,892)</u>	<u>\$ 3,141,787</u>
<b>Total NPL HIS</b>	<b><u>\$ 42,017,251</u></b>	<b><u>\$ (2,653,143)</u></b>	<b><u>\$ 39,364,108</u></b>
 <b>Governmental Activities:</b>	 \$ 163,585,863	 \$ 22,870,899	 \$ 186,456,762
<b>Business-type Activities:</b>	<u>14,546,787</u>	<u>2,036,130</u>	<u>16,582,917</u>
<b>Total NPL</b>	<b><u>\$ 178,132,650</u></b>	<b><u>\$ 24,907,029</u></b>	<b><u>\$ 203,039,679</u></b>



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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>	
2018	\$ 2,850,000	\$ 4,938,659	\$ 5,174,000	\$ 1,512,828	\$ 14,475,487
2019	2,925,000	4,856,319	5,293,000	1,396,463	14,470,782
2020	3,020,000	4,766,677	4,121,000	1,279,845	13,187,522
2021	3,115,000	4,668,873	4,220,000	1,175,502	13,179,375
2022	3,225,000	4,562,508	3,045,000	1,071,211	11,903,719
2023-2027	17,875,000	20,748,919	16,594,000	3,965,314	59,183,233
2028-2032	17,575,000	17,774,301	17,211,000	1,577,289	54,137,590
2033-2037	17,585,000	14,402,500	-	-	31,987,500
2038-2042	22,130,000	9,852,400	-	-	31,982,400
2043-2047	28,095,000	3,887,500	-	-	31,982,500
<b>Total</b>	<b>\$ 118,395,000</b>	<b>\$ 90,458,656</b>	<b>\$ 55,658,000</b>	<b>\$ 11,978,452</b>	<b>\$ 276,490,108</b>

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	\$ 860,000	to	\$ 1,280,000
Sales Tax Refunding Revenue Bond, Series 2011	\$ 1,490,000	to	\$ 2,205,000
Sales Tax Revenue Bond, Series 2017	\$ 500,000	to	\$ 6,180,000

Revenue Notes:

Sales Tax Refunding Revenue Note, Series 2012	\$ 1,990,000	to	\$ 5,225,000
Tourist Development Refunding Revenue Note, Series 2012	\$ 1,249,000	to	\$ 1,270,000
Capital Improvement Revenue Note, Series 2013	\$ 720,000	to	\$ 981,000
Capital Improvement Revenue Note, Series 2014	\$ 1,215,000	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.

The **Sales Tax Revenue Bond, Series 2017** for a par amount of \$78,060,000 and a net premium of \$10,682,424 was issued on June 22, 2017. The bonds have coupon rates ranging from 2% to 5%, with the yield ranging from .93% to 3.69% and a maturity date of October 1, 2047. The proceeds of this bond are reported in the 2017 Capital Projects fund and are being used for the construction of the new Jail Facility. The bond is secured by certain pledged revenues consisting of amounts received by the County as proceeds of the Local Government Half-Cent Sales Tax.

#### **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, 2017, the outstanding conduit debt of Escambia County is \$376,250,000.

#### **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 design life is 66 years and future landfill cells will provide disposal capacity through 2055.

As of September 30, 2017, Perdido Landfill's Class I capacity is at 42.42%, leaving an estimated life of thirty eight (38) years remaining. The accrued cost for closure care and postclosure care as of September 30, 2017, is \$15,705,217. The remaining closure and postclosure costs to be recognized, based upon the

current engineering estimates are \$21,552,801, 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, 2017. 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, 2017 is \$8,767,671.

**Closure and Postclosure Care Liability:**

	2017	2016
Current	\$ 78,066	\$ 86,410
Long-term	15,627,151	15,442,806
Total Liability	<u>\$ 15,705,217</u>	<u>\$ 15,529,216</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](http://www.dep.state.fl.us/waste).

The former Escambia County Mosquito Control Facility pollution remediation expenditures were approximately \$80,000 during fiscal year 2017. Revised estimates for projected costs through 2019 are \$75,000.

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, 2017 in the governmental activities statement of net position is estimated to be approximately \$155,000.

**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

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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 claims liabilities totaling \$9,785,464 reported in the Internal Service Fund at September 30, 2017 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:**

	2017	2016
Unpaid claims, beginning	\$ 9,369,181	\$ 8,347,339
Claims incurred and changes in estimates	7,599,557	9,309,658
Less: claims paid	(8,288,274)	(8,287,816)
Unpaid claims, ending	\$ 8,680,464	\$ 9,369,181
Estimated claims due within one year	(1,627,972)	(1,675,057)
Estimated claims due longer than one year	\$ 7,052,492	\$ 7,694,124

**Medical:**

	2017	2016
Unpaid claims, beginning	\$ 897,000	\$ -
Changes in estimates	208,000	897,000
Claims incurred	36,884,506	16,478,448
Less: claims paid	(36,884,506)	(16,478,448)
Unpaid claims, ending	\$ 1,105,000	\$ 897,000
Estimated claims due within one year	(1,105,000)	(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](mailto: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**

**850-488-5706 or toll free 877-377-1737**

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 \$150 per month, pursuant to section 112.363 Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-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 2017 and 2018 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, 2017 and two preceding FRS fiscal years are as follows:

	<u>7/1/17-</u> <u>9/30/17</u>	<u>7/1/16-</u> <u>6/30/16</u>	<u>7/1/15-</u> <u>6/30/16</u>	<u>7/1/14-</u> <u>6/30/15</u>
Regular Class - Members not qualifying for other classes:	7.92%	7.52%	7.26%	7.37%
Senior Management:	22.71%	21.77%	21.43%	21.14%
Elected Officials Class:	45.50%	42.47%	42.27%	43.23%
Deferred Retirement Option Program (DROP):	13.26%	12.99%	12.88%	12.28%
Special Risk Class - Members employed as law enforcement officers, firefighters, or correctional officers meet the criteria to qualify for this class:	23.27%	22.57%	22.04%	19.82%
Special Risk Administrative Support:	34.63%	28.06%	32.95%	42.07%

For the years ending September 30, 2017, 2016, 2015, the County contributed \$17,499,025, \$16,500,788, and \$15,080,049 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, 2017, the County reported a liability of \$203,039,679 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. 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, 2017, the County's change in proportion was an increase from its proportion measured as of June 30, 2016.

**ESCAMBIA COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2017

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, 2017	\$ 163,675,571	\$ 39,364,108	\$ 203,039,679
County's proportion at June 30, 2017	0.0055334	0.0036815	
County's proportion at June 30, 2016	0.0053907	0.0036052	
Change in proportion during current year	<u>0.0001428</u>	<u>0.0000763</u>	

For the fiscal year ended September 30, 2017, the County recognized pension expense of \$15,549,249.

At September 30, 2017, 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	\$ 15,021,479	\$ 906,679	\$ -	\$ 81,962	\$ 14,032,838
Changes in assumptions	55,006,547	-	5,533,240	3,403,856	57,135,931
Net difference between projected and actual earnings on pension plan investments	-	4,056,290	21,830	-	(4,034,460)
Changes in proportion and differences between County contributions and proportionate share of contributions	15,360,187	9,823,632	4,505,479	2,893,148	7,148,886
County contributions subsequent to the measurement date	3,420,314	-	442,575	-	3,862,889
	<u>\$ 88,808,527</u>	<u>\$ 14,786,601</u>	<u>\$ 10,503,124</u>	<u>\$ 6,378,966</u>	<u>\$ 78,146,084</u>

**ESCAMBIA COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2017

The \$3,862,889 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, 2018. The significant change in assumption was the decrease in the discount rate. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Reporting year Ending Sept 30,	FRS	HIS	County Total Deferred Outflow (Deferred Inflow)
2018	\$ (9,215,317)	\$ (1,147,699)	\$ (10,363,016)
2019	(24,493,656)	(1,140,349)	(25,634,005)
2020	(17,125,989)	(1,136,821)	(18,262,810)
2021	(3,499,244)	(852,290)	(4,351,534)
2022	(11,835,178)	(336,105)	(12,171,283)
Thereafter	(4,432,226)	931,313	(3,500,913)
<b>TOTALS</b>	<b>\$ (70,601,610)</b>	<b>\$ (3,681,951)</b>	<b>\$ (74,283,561)</b>

The total FRS pension liability as of the actuarial valuation date of July 1, 2017 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:

Valuation Date	7/1/2017
Measurement Date	6/30/2017
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	7.10%
Long-term expected rate of return, net of investment expense, including inflation	7.10%
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.



**ESCAMBIA COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2017

HIS actuarial methods and assumptions are:

Valuation Date	7/1/2016
Measurement Date	6/30/2017
Actuarial Assumptions:	
Discount rate	3.58%
Long-term expected rate of return, net of investment expense, including inflation	N/A
Municipal bond rate	3.58%
Inflation	2.60%
Salary increases including inflation	3.25%

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

The actuarial assumptions that determined the total pension liability as of June 30, 2017 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 7.10%. 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%	1.8%
Fixed income	18%	4.5%	4.4%	4.2%
Global equity	53%	7.8%	6.6%	17.0%
Real estate	10%	6.6%	5.9%	12.8%
Private equity	6%	11.5%	7.8%	30.0%
Strategic investments	<u>12%</u>	6.1%	5.6%	9.7%
	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
6.10%	7.10%	8.10%	2.58%	3.58%	4.58%
\$ 296,392,301	\$ 163,675,571	\$ 53,614,317	\$ 44,919,660	\$ 39,364,108	\$ 34,736,640

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. A roll forward calculation was prepared using a payroll growth factor of 3%.

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 2017, the County made \$939,695 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:

**ESCAMBIA COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2017

	FY17 Valuation as of 10/01/15
Normal Cost (service cost for one year)	\$ 826,557
Amortization of Unfunded Actuarial Accrued Liability (UAAL)	603,821
Interest on Normal Cost and Amortization	-
Annual Required Contribution (ARC)	1,430,378
Annual Required Contribution (ARC)	1,430,378
Interest on Net OPEB Obligation	430,038
Adjustment to ARC	(410,820)
Annual OPEB Cost (Expense)	1,449,596
Employer Contributions Made	939,695
Increase (Decrease) in Net OPEB Obligation	509,901
Net OPEB Obligation at beginning of year	10,750,956
Net OPEB Obligation at end of Year	\$ 11,260,857

The County's annual OPEB cost, the percentage of annual expected employer contributions toward OPEB cost and the net OPEB obligation for 2017 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
9/30/2015	\$ 1,684,678	\$ 927,117	55.03%	\$ 10,236,801
9/30/2016	\$ 1,419,947	\$ 905,792	63.79%	\$ 10,750,956
9/30/2017	\$ 1,449,596	\$ 939,695	64.82%	\$ 11,260,857

**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, 2017 are as follows:

Court-Related	\$	3,895,078
Culture & Recreation		3,153,703
Health		32,619
Resource Conservation		791,563
Records Modernization		2,771,846
Tourism		4,248,956
	\$	<u>14,893,765</u>

**NOTE 11 – TAX ABATEMENTS**

Escambia County enters into property tax abatement agreements with local businesses under Section 196.1995, Florida Statutes, and Chapter 90, Article IV, Division 2, Sections 90-146 through 90-153, Escambia County Code of Ordinances. Escambia County is authorized to grant economic development ad valorem tax exemptions (EDATE) for new and expanding business established in the County meeting certain statutory requirements.

The County may grant an ad valorem tax exemption to eligible new businesses, or improvements to real property which additions are made to facilitate the expansion of an existing business for up to 100% of the assessed value of all improvements to real property made by or for the use of the new or expanded business and tangible personal property of such business for up to 10 years. There are no provisions for recapturing the abated taxes.

For fiscal year ended September 30, 2017, Escambia County abated property taxes totaling \$1,521,384 under this program including the following tax abatement agreements that each exceeded \$100,000 of the total amount abated:

- A 100% property tax abatement to a new light weight containerboard manufacturer for machinery and equipment. The abatement amounted to \$682,793.
- A 100% property tax abatement to a provider of financial services for business expansion, which Includes construction of office buildings, multi-level parking deck and central energy plant. The abatement amounted to \$472,362.
- A 62% property tax abatement to a manufacturer of nylon products to expand and equip the existing production facility. The abatement amounted to \$150,798
- A 100% property tax abatement for business expansion of a leading supplier of filtration, separation and purification technologies. The abatement amounted to \$119,115.
- There are several smaller value EDATE agreements for new and expanded businesses which range from a 23% to 100% property tax abatement. These cumulative abatements amounted to \$96,316.

**NOTE 12 – 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, 2017 the Disaster Recovery Special Revenue Fund, a major fund, has a deficit fund balance of \$9,820,463. The deficit is due to expenditures due to the April 2014 flood event, and expenditures that were unreimbursed through grant funding.

**NOTE 13 – SUBSEQUENT EVENTS**

In December 2017, the County awarded the construction contract to Whitesell-Green Inc. for design build services and approved alterations for the new County Jail Facility. The estimated construction cost is \$132.4 million.

The County has evaluated events and transactions that occurred between September 30, 2017, and February 9, 2018, 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**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Accrued Liability (AAL) Projected Unit Credit (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ([b-a]/c)</b>
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\*

<b>Florida Retirement System (FRS)</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
County's proportion of the net pension liability (asset)	0.55334444%	0.539069213%	0.491069200%
County's proportion of the net pension liability (asset)	\$ 163,675,571	\$ 136,115,399	\$ 63,428,173
County's covered payroll	\$ 90,995,678	\$ 86,066,707	\$ 82,216,864
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	179.87%	158.15%	77.15%
FRS plan fiduciary net position as a percentage of the total pension liability	83.89%	84.88%	92.00%
<b>Health Insurance Subsidy (HIS)</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
County's proportion of the net pension liability (asset)	0.368148238%	0.360521192%	0.352411204%
County's proportion of the net pension liability (asset)	\$ 39,364,108	\$ 42,017,251	\$ 35,940,399
County's covered payroll	\$ 115,857,560	\$ 111,319,337	\$ 100,474,785
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	33.98%	37.74%	35.77%
FRS plan fiduciary net position as a percentage of the total pension liability	1.64%	0.97%	0.50%

\* 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.

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**2014**

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0.478135639%

\$ 29,173,305

\$ 83,923,116

34.76%

96.09%

**2014**

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0.341734437%

\$ 31,953,004

\$ 96,394,207

33.15%

0.99%

**ESCAMBIA COUNTY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**

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

<b>Florida Retirement System (FRS)</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Contractually required contribution	\$ 14,404,918	\$ 13,146,062	\$ 11,972,684
Contributions in relation to the contractually required contribution	(14,404,918)	(13,146,062)	(11,972,684)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 89,221,118	\$ 87,227,854	\$ 87,179,508
Contributions as a percentage of covered payroll	16.15%	15.07%	13.73%

<b>Health Insurance Subsidy (HIS)</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Contractually required contribution	\$ 1,948,347	\$ 1,847,901	\$ 1,347,135
Contributions in relation to the contractually required contribution	(1,948,347)	(1,847,901)	(1,347,135)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 117,370,301	\$ 103,777,681	\$ 103,414,127
Contributions as a percentage of covered payroll	1.66%	1.78%	1.30%

\* 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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**2014**

\$	10,473,200
\$	(10,473,200)
<hr/>	
\$	-
<hr/>	
\$	86,379,678

12.12%

**2014**

\$	1,170,667
\$	(1,170,667)
<hr/>	
\$	-
<hr/>	
\$	97,555,583

1.20%

**ESCAMBIA COUNTY, FLORIDA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

The following changes in actuarial assumptions occurred in 2017:

**FRS:** There were no changes in actuarial assumptions. The inflation rate assumption remained at 2.60%. payroll growth, including inflation remained at 3.25%. The long-term expected rate of return decreased from 7.6% to 7.1%, and the active member mortality assumption was updated.

**HIS:** The municipal rate used to determine total pension liability was increased from 2.85% to 3.58%.

## **OTHER SUPPLEMENTARY INFORMATION**

**ESCAMBIA COUNTY, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**SERIES 2017 CAPITAL PROJECT FUND**  
For the Year Ended September 30, 2017

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Over (Under)</u>
<b>REVENUES</b>			
Intergovernmental Revenues	\$ 50,143,051	\$ -	\$ (50,143,051)
Investment Income	-	217,682	217,682
<b>Total Revenues</b>	<u>50,143,051</u>	<u>217,682</u>	<u>(49,925,369)</u>
<b>EXPENDITURES</b>			
Current:			
General Government	-	-	-
Public Safety	-	684	(684)
Capital Outlay	143,480,759	6,523,416	136,957,343
<b>Total Expenditures</b>	<u>143,480,759</u>	<u>6,524,100</u>	<u>136,956,659</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(93,337,708)</u>	<u>(6,306,418)</u>	<u>87,031,290</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	6,174,261	-	(6,174,261)
Transfers (Out)	(1,578,977)	(1,578,977)	-
Issuance of Bonds Payable	78,060,000	78,060,000	-
Premium(Discount)Bonds Payable	10,682,424	10,682,424	-
<b>Total Other Financing Sources and (Uses)</b>	<u>93,337,708</u>	<u>87,163,447</u>	<u>(6,174,261)</u>
<b>Net Change in Fund Balance</b>	-	80,857,029	80,857,029
<b>Fund Balance - Beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ -</u>	<u>\$ 80,857,029</u>	<u>\$ 80,857,029</u>

**ESCAMBIA COUNTY, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**LOCAL OPTION SALES TAX FUND**  
For the Year Ended September 30, 2017

	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Over (Under)</b>
<b>REVENUES</b>			
Taxes	\$ 34,252,731	\$ 42,588,368	\$ 8,335,637
Intergovernmental Revenues	26,719,330	5,932,592	(20,786,738)
Charges for Services	190,000	232,176	42,176
Investment Income	-	817,049	817,049
Miscellaneous Revenues	318,091	393,785	75,694
<b>Total Revenues</b>	<u>61,480,152</u>	<u>49,963,970</u>	<u>(11,516,182)</u>
<b>EXPENDITURES</b>			
Current:			
General Government	6,435,316	2,091,781	4,343,535
Transportation	1,375,652	1,294,302	81,350
Human Services	145,267	131,861	13,406
Culture/Recreation	1,957,150	1,409,042	548,108
Debt Service			
Principal Retirement	601,778	-	601,778
Interest and Fiscal Charges	9,027	1,866	7,161
Capital Outlay	138,775,360	35,353,081	103,422,279
<b>Total Expenditures</b>	<u>149,299,550</u>	<u>40,284,433</u>	<u>109,015,117</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(87,819,398)</u>	<u>9,679,537</u>	<u>97,498,935</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	48,487	48,487	-
Transfers (Out)	(6,174,261)	(2,207,848)	3,966,413
<b>Total Other Financing Sources and (Uses)</b>	<u>(6,125,774)</u>	<u>(2,159,361)</u>	<u>3,966,413</u>
<b>Net Change in Fund Balance</b>	<u>(93,945,172)</u>	<u>7,520,176</u>	<u>101,465,348</u>
<b>Fund Balance - Beginning</b>	<u>93,945,172</u>	<u>117,271,242</u>	<u>23,326,070</u>
<b>Fund Balance - Ending</b>	<u>\$ -</u>	<u>\$ 124,791,418</u>	<u>\$ 124,791,418</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, 2017

	<b>Board Of County Commissioners</b>	<b>Clerk of the Circuit Court and Comptroller</b>	<b>Property Appraiser</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 29,135,243	\$ 3,829,120	\$ 469,737
Investments	16,638,417	-	-
Accounts Receivable	1,124,311	-	-
Accrued Interest Receivable	484,352	-	-
Due from Other Funds	2,000,616	-	-
Due from Other Governments	2,856,887	5,338	-
Due from Individuals	-	-	-
Inventories	425,150	-	-
Other Assets	3,432,057	-	-
<b>Total Assets</b>	<b>\$ 56,097,033</b>	<b>\$ 3,834,458</b>	<b>\$ 469,737</b>
<b>LIABILITIES</b>			
Accounts Payable	\$ 1,511,425	\$ 174,547	\$ 33,012
Contracts Payable	2,521	24,733	-
Accrued Liabilities	3,498,449	330,388	194,562
Due to Other Funds	6,565	1,215,589	242,163
Due to Other Governments	278,122	1,989,072	-
Deposits	215,117	-	-
Unearned Revenue	-	33,948	-
Other Current Liabilities	293,531	66,181	-
<b>Total Liabilities</b>	<b>5,805,730</b>	<b>3,834,458</b>	<b>469,737</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue - Capital Lease	3,419,850	-	-
<b>Total Deferred Inflow of Resources</b>	<b>3,419,850</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>			
Nonspendable:			
Inventories	425,150	-	-
Assigned to:			
Subsequent Year's Budget	16,297,587	-	-
Unassigned	30,148,716	-	-
<b>Total Fund Balances</b>	<b>46,871,453</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities, Deferred Inflow of Resources, and Fund Balances</b>	<b>\$ 56,097,033</b>	<b>\$ 3,834,458</b>	<b>\$ 469,737</b>

<b>Sheriff</b>	<b>Supervisor of Elections</b>	<b>Tax Collector</b>	<b>Eliminations</b>	<b>Total General Funds</b>
\$ 2,645,206	\$ -	\$ 1,083,210	\$ -	\$ 37,162,516
-	-	-	-	16,638,417
-	-	-	-	1,124,311
-	-	-	-	484,352
176,410	-	-	(2,000,616)	176,410
10,151	80,829	-	-	2,953,205
-	-	-	-	-
268,872	-	-	-	694,022
-	-	-	-	3,432,057
<u>\$ 3,100,639</u>	<u>\$ 80,829</u>	<u>\$ 1,083,210</u>	<u>\$ (2,000,616)</u>	<u>\$ 62,665,290</u>
\$ 168,206	\$ 50,097	\$ 203,065	\$ -	\$ 2,140,352
-	-	-	-	27,254
2,317,383	24,756	184,931	-	6,550,469
341,057	-	554,935	(2,000,616)	359,693
5,121	5,976	1,390	-	2,279,681
-	-	-	-	215,117
-	-	138,889	-	172,837
-	-	-	-	359,712
<u>2,831,767</u>	<u>80,829</u>	<u>1,083,210</u>	<u>(2,000,616)</u>	<u>12,105,115</u>
-	-	-	-	3,419,850
-	-	-	-	3,419,850
268,872	-	-	-	694,022
-	-	-	-	16,297,587
-	-	-	-	30,148,716
<u>268,872</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,140,325</u>
<u>\$ 3,100,639</u>	<u>\$ 80,829</u>	<u>\$ 1,083,210</u>	<u>\$ (2,000,616)</u>	<u>\$ 62,665,290</u>

**ESCAMBIA COUNTY, FLORIDA**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - GENERAL FUND BY CATEGORY**  
For the Year Ended September 30, 2017

	<b>Board Of County Commissioners</b>	<b>Clerk of the Circuit Court and Comptroller</b>	<b>Property Appraiser</b>
<b>REVENUES</b>			
Taxes	\$ 105,885,806	\$ -	\$ -
Franchise Fees	12,811,095	-	-
Special Assessments	893,381	-	-
Intergovernmental Revenues	33,399,918	866,346	-
Charges for Services	1,328,180	6,009,176	18,688
Judgments and Fines	73,679	1,545,766	-
Investment Income	467,525	208,302	-
Miscellaneous Revenues	5,700,215	409,570	2,967
<b>Total Revenues</b>	<b>160,559,799</b>	<b>9,039,160</b>	<b>21,655</b>
<b>EXPENDITURES</b>			
Current:			
General Government	34,536,353	4,014,434	5,382,697
Public Safety	41,069,725	-	-
Physical Environment	1,401,588	-	-
Transportation	2,559,801	-	-
Human Services	2,212,878	-	-
Culture/Recreation	1,432,645	-	-
Court-Related	-	7,182,781	-
<b>Total Expenditures</b>	<b>83,212,990</b>	<b>11,197,215</b>	<b>5,382,697</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>77,346,809</b>	<b>(2,158,055)</b>	<b>(5,361,042)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	6,399,867	3,072,163	5,602,630
Transfers (Out)	(83,946,520)	(914,108)	(241,588)
<b>Total Other Financing Sources and (Uses)</b>	<b>(77,546,653)</b>	<b>2,158,055</b>	<b>5,361,042</b>
<b>Net Change in Fund Balances</b>	<b>(199,844)</b>	<b>-</b>	<b>-</b>
<b>Fund Balances - Beginning</b>	<b>47,071,297</b>	<b>-</b>	<b>-</b>
<b>Fund Balances - Ending</b>	<b>\$ 46,871,453</b>	<b>\$ -</b>	<b>\$ -</b>

<b>Sheriff</b>	<b>Supervisor of Elections</b>	<b>Tax Collector</b>	<b>Eliminations</b>	<b>Total General Fund</b>
\$ -	\$ -	\$ -	\$ -	\$ 105,885,806
-	-	-	-	12,811,095
-	-	-	-	893,381
-	-	-	-	34,266,264
-	4,116	3,475,780	-	10,835,940
-	-	-	-	1,619,445
-	-	-	-	675,827
-	-	108,858	(3,355,784)	2,865,826
-	4,116	3,584,638	(3,355,784)	169,853,584
-	1,772,732	7,451,394	(3,355,784)	49,801,826
56,129,688	-	-	-	97,199,413
-	-	-	-	1,401,588
-	-	-	-	2,559,801
-	-	-	-	2,212,878
-	-	-	-	1,432,645
-	-	-	-	7,182,781
56,129,688	1,772,732	7,451,394	(3,355,784)	161,790,932
(56,129,688)	(1,768,616)	(3,866,756)	-	8,062,652
56,434,951	1,776,055	4,421,691	(73,258,400)	4,448,957
(243,563)	(7,439)	(554,935)	73,258,400	(12,649,753)
56,191,388	1,768,616	3,866,756	-	(8,200,796)
61,700	-	-	-	(138,144)
207,172	-	-	-	47,278,469
\$ 268,872	\$ -	\$ -	\$ -	\$ 47,140,325

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

For the Year Ended September 30, 2017

	<b>Board Of County Commissioners</b>		
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts</b>
<b>REVENUES</b>			
Taxes	\$ 106,946,472	\$ 106,946,472	\$ 105,885,806
Franchise Fees	12,445,475	12,445,475	12,811,095
Special Assessments	911,347	911,347	893,381
Intergovernmental Revenues	28,175,100	28,199,669	33,399,918
Charges for Services	1,136,675	1,149,236	1,328,180
Judgments and Fines	38,000	38,000	73,679
Investment Income	-	-	467,525
Miscellaneous Revenues	4,941,057	5,209,948	5,700,215
<b>Total Revenues</b>	<b>154,594,126</b>	<b>154,900,147</b>	<b>160,559,799</b>
<b>EXPENDITURES</b>			
Current:			
General Government	62,747,114	69,245,727	34,536,353
Public Safety	42,381,474	42,820,052	41,069,725
Physical Environment	1,446,872	1,573,706	1,401,588
Transportation	2,768,986	2,944,738	2,559,801
Human Services	3,207,230	3,464,094	2,212,878
Culture/Recreation	1,492,376	1,506,930	1,432,645
Court-Related	-	-	-
<b>Total Expenditures</b>	<b>114,044,052</b>	<b>121,555,247</b>	<b>83,212,990</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>40,550,074</b>	<b>33,344,900</b>	<b>77,346,809</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	2,684,978	4,445,673	6,399,867
Transfers (Out)	(85,243,470)	(84,413,508)	(83,946,520)
<b>Total Other Financing Sources and (Uses)</b>	<b>(82,558,492)</b>	<b>(79,967,835)</b>	<b>(77,546,653)</b>
<b>Net Change in Fund Balances</b>	<b>(42,008,418)</b>	<b>(46,622,935)</b>	<b>(199,844)</b>
<b>Fund Balances - Beginning</b>	<b>42,008,418</b>	<b>46,622,935</b>	<b>47,071,297</b>
<b>Fund Balances - Ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 46,871,453</b>

**Clerk of the Circuit Court and Comptroller**

<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts</b>
\$ -	\$ -	\$ -
-	-	-
-	-	-
981,992	981,992	866,346
5,186,190	5,616,190	6,009,176
1,088,000	1,088,000	1,545,766
120,100	120,100	208,302
321,900	321,900	409,570
<u>7,698,182</u>	<u>8,128,182</u>	<u>9,039,160</u>
4,344,505	4,983,143	4,014,434
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
6,487,202	6,217,202	7,182,781
<u>10,831,707</u>	<u>11,200,345</u>	<u>11,197,215</u>
<u>(3,133,525)</u>	<u>(3,072,163)</u>	<u>(2,158,055)</u>
3,133,525	3,072,163	3,072,163
-	-	(914,108)
<u>3,133,525</u>	<u>3,072,163</u>	<u>2,158,055</u>
-	-	-
-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Property Appraiser**

<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts</b>
\$ -	\$ -	\$ -
-	-	-
-	-	-
-	-	-
13,333	13,333	18,688
-	-	-
-	-	-
-	-	2,967
<u>13,333</u>	<u>13,333</u>	<u>21,655</u>
5,499,448	5,615,963	5,382,697
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>5,499,448</u>	<u>5,615,963</u>	<u>5,382,697</u>
<u>(5,486,115)</u>	<u>(5,602,630)</u>	<u>(5,361,042)</u>
5,486,115	5,602,630	5,602,630
-	-	(241,588)
<u>5,486,115</u>	<u>5,602,630</u>	<u>5,361,042</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, 2017

	<b>Sheriff</b>		
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts</b>
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Franchise Fees	-	-	-
Special Assessments	-	-	-
Intergovernmental Revenues	-	-	-
Charges for Services	-	-	-
Judgments and Fines	-	-	-
Investment Income	-	-	-
Miscellaneous Revenues	-	-	-
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES</b>			
Current:			
General Government	-	-	-
Public Safety	55,438,635	56,434,951	56,129,688
Physical Environment	-	-	-
Transportation	-	-	-
Human Services	-	-	-
Culture/Recreation	-	-	-
Court-Related	-	-	-
<b>Total Expenditures</b>	<b>55,438,635</b>	<b>56,434,951</b>	<b>56,129,688</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(55,438,635)</b>	<b>(56,434,951)</b>	<b>(56,129,688)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	55,438,635	56,434,951	56,434,951
Transfers (Out)	-	-	(243,563)
<b>Total Other Financing Sources and (Uses)</b>	<b>55,438,635</b>	<b>56,434,951</b>	<b>56,191,388</b>
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>-</b>	<b>61,700</b>
<b>Fund Balances - Beginning</b>	<b>-</b>	<b>-</b>	<b>207,172</b>
<b>Fund Balances - Ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 268,872</b>



Supervisor of Elections			Tax Collector		
Original Budget	Final Budget	Actual Amounts	Original Budget	Final Budget	Actual Amounts
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	2,618	4,116	3,253,785	3,345,659	3,475,780
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	93,500	93,500	108,858
-	2,618	4,116	3,347,285	3,439,159	3,584,638
2,225,074	2,220,160	1,772,732	7,666,107	7,634,247	7,451,394
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,225,074	2,220,160	1,772,732	7,666,107	7,634,247	7,451,394
(2,225,074)	(2,217,542)	(1,768,616)	(4,318,822)	(4,195,088)	(3,866,756)
2,225,074	2,224,981	1,776,055	4,421,691	4,421,691	4,421,691
-	(7,439)	(7,439)	(102,869)	(226,603)	(554,935)
2,225,074	2,217,542	1,768,616	4,318,822	4,195,088	3,866,756
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

For the Year Ended September 30, 2017

	<b>Eliminations</b>		
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts</b>
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Franchise Fees	-	-	-
Special Assessments	-	-	-
Intergovernmental Revenues	-	-	-
Charges for Services	-	-	-
Judgments and Fines	-	-	-
Investment Income	-	-	-
Miscellaneous Revenues	(3,355,784)	(3,355,784)	(3,355,784)
<b>Total Revenues</b>	<b>(3,355,784)</b>	<b>(3,355,784)</b>	<b>(3,355,784)</b>
<b>EXPENDITURES</b>			
Current:			
General Government	(3,355,784)	(3,355,784)	(3,355,784)
Public Safety	-	-	-
Physical Environment	-	-	-
Transportation	-	-	-
Human Services	-	-	-
Culture/Recreation	-	-	-
Court-Related	-	-	-
<b>Total Expenditures</b>	<b>(3,355,784)</b>	<b>(3,355,784)</b>	<b>(3,355,784)</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	(61,581,361)	(74,395,728)	(73,258,400)
Transfers (Out)	61,581,361	74,395,728	73,258,400
<b>Total Other Financing Sources and (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances - Beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances - Ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**TOTAL**

<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Over (Under)</b>
\$ 106,946,472	\$ 106,946,472	\$ 105,885,806	\$ (1,060,666)
12,445,475	12,445,475	12,811,095	365,620
911,347	911,347	893,381	(17,966)
29,157,092	29,181,661	34,266,264	5,084,603
9,589,983	10,127,036	10,835,940	708,904
1,126,000	1,126,000	1,619,445	493,445
120,100	120,100	675,827	555,727
2,000,673	2,269,564	2,865,826	596,262
<u>162,297,142</u>	<u>163,127,655</u>	<u>169,853,584</u>	<u>6,725,929</u>
79,126,464	86,343,456	49,801,826	36,541,630
97,820,109	99,255,003	97,199,413	2,055,590
1,446,872	1,573,706	1,401,588	172,118
2,768,986	2,944,738	2,559,801	384,937
3,207,230	3,464,094	2,212,878	1,251,216
1,492,376	1,506,930	1,432,645	74,285
6,487,202	6,217,202	7,182,781	(965,579)
<u>192,349,239</u>	<u>201,305,129</u>	<u>161,790,932</u>	<u>39,514,197</u>
<u>(30,052,097)</u>	<u>(38,177,474)</u>	<u>8,062,652</u>	<u>46,240,126</u>
11,808,657	1,806,361	4,448,957	2,642,596
<u>(23,764,978)</u>	<u>(10,251,822)</u>	<u>(12,649,753)</u>	<u>(2,397,931)</u>
<u>(11,956,321)</u>	<u>(8,445,461)</u>	<u>(8,200,796)</u>	<u>244,665</u>
<u>(42,008,418)</u>	<u>(46,622,935)</u>	<u>(138,144)</u>	<u>46,484,791</u>
<u>42,008,418</u>	<u>46,622,935</u>	<u>47,278,469</u>	<u>655,534</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,140,325</u>	<u>\$ 47,140,325</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.

#### **Mass Transit Fund**

*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.

#### **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.

## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS - Continued**

#### **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.

#### **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.

## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS - Continued**

#### **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.

#### **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 provided 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 used to report resources of 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, 2017

	<b>Total Nonmajor Special Revenue Funds</b>	<b>Total Nonmajor Debt Service Fund</b>	<b>Total Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 39,262,109	\$ 1,060,902	\$ 161,842	\$ 40,484,853
Investments	18,105,968	605,909	92,432	18,804,309
Accounts Receivable	1,183,828	-	-	1,183,828
Due from Other Funds	252,555	-	-	252,555
Due from Other Governments	4,276,172	-	129,088	4,405,260
Inventories	563,052	-	-	563,052
Assets Held for Investment	759,176	-	-	759,176
Prepaid Items	-	-	-	-
<b>Total Assets</b>	<b>\$ 64,402,860</b>	<b>\$ 1,666,811</b>	<b>\$ 383,362</b>	<b>\$ 66,453,033</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 5,140,866	\$ -	\$ 37,842	\$ 5,178,708
Contracts Payable	159,150	-	-	159,150
Accrued Liabilities	1,770,631	-	-	1,770,631
Due to Other Funds	882,419	-	-	882,419
Advances Payable to Other Funds	3,026,645	-	-	3,026,645
Due to Other Governments	1,072,303	-	8,133	1,080,436
Deposits	215,956	-	-	215,956
Unearned Revenue	378,368	-	16,506	394,874
<b>Total Liabilities</b>	<b>12,646,338</b>	<b>-</b>	<b>62,481</b>	<b>12,708,819</b>
<b>FUND BALANCES (deficits)</b>				
Nonspendable				
Inventories	563,052	-	-	563,052
Restricted for				
Court Related Functions	3,895,078	-	-	3,895,078
Community Services	297,809	-	-	297,809
Debt Service	-	1,666,811	-	1,666,811
Economic & Community Development	472,310	-	-	472,310
Fire & Rescue	3,239,596	-	-	3,239,596
Health Services	32,619	-	-	32,619
Inmate Welfare	2,833,734	-	-	2,833,734
Law Enforcement	357,315	-	-	357,315
Library	3,153,703	-	-	3,153,703
Mass Transit System	515,272	-	320,881	836,153
Public Safety	2,768,044	-	-	2,768,044
Records Modernization Technology	2,771,846	-	-	2,771,846
Resource Conservation	791,563	-	-	791,563
Road Acquisition & Construction	-	-	-	-
Housing Assistance	6,160,549	-	-	6,160,549
Tourism	4,248,956	-	-	4,248,956
Transportation & Drainage Improvements	2,113,250	-	-	2,113,250
Transportation Maintenance	427,149	-	-	427,149
Committed to:				
Community Services	1,732,713	-	-	1,732,713
Infrastructure Maintenance	9,828,850	-	-	9,828,850
Public Safety	1,218,435	-	-	1,218,435
Transportation Maintenance	4,334,679	-	-	4,334,679
<b>Total Fund Balances</b>	<b>51,756,522</b>	<b>1,666,811</b>	<b>320,881</b>	<b>53,744,214</b>
<b>Total Liabilities, Deferred Inflow of Resources, and Fund Balances</b>	<b>\$ 64,402,860</b>	<b>\$ 1,666,811</b>	<b>\$ 383,362</b>	<b>\$ 66,453,033</b>



**ESCAMBIA COUNTY, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**ALL NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended September 30, 2017

	<b>Total Nonmajor Special Revenue Funds</b>	<b>Total Nonmajor Debt Service Fund</b>	<b>Total Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>REVENUES</b>				
Taxes	\$ 29,946,629	\$ -	\$ -	\$ 29,946,629
Permits and Fees	327,086	-	-	327,086
Franchise Fees	1,936,147	-	-	1,936,147
Special Assessments	17,828,057	-	-	17,828,057
Intergovernmental Revenues	22,609,216	60,000	254,593	22,923,809
Charges for Services	14,372,978	-	-	14,372,978
Judgments and Fines	1,280,835	-	-	1,280,835
Investment Income	271,699	46,153	1,500	319,352
Miscellaneous Revenues	2,340,866	-	-	2,340,866
<b>Total Revenues</b>	<b>90,913,513</b>	<b>106,153</b>	<b>256,093</b>	<b>91,275,759</b>
<b>EXPENDITURES</b>				
Current:				
General Government	1,642,995	-	-	1,642,995
Public Safety	29,701,652	-	-	29,701,652
Physical Environment	1,981,022	-	-	1,981,022
Transportation	29,791,019	-	78,968	29,869,987
Economic Environment	14,635,620	-	-	14,635,620
Human Services	104,474	-	-	104,474
Culture/Recreation	5,478,071	-	-	5,478,071
Court-Related	4,103,019	-	-	4,103,019
Debt Service:				
Principal Retirement	-	7,343,000	-	7,343,000
Interest and Fiscal Charges	4,550	3,954,688	-	3,959,238
Bond Issuance Costs	-	551,878	-	551,878
Capital Outlay	-	-	177,374	177,374
<b>Total Expenditures</b>	<b>87,442,422</b>	<b>11,849,566</b>	<b>256,342</b>	<b>99,548,330</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>3,471,091</b>	<b>(11,743,413)</b>	<b>(249)</b>	<b>(8,272,571)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	7,798,114	12,545,834	-	20,343,948
Transfers (Out)	(10,007,860)	-	-	(10,007,860)
<b>Total Other Financing Sources and (Uses)</b>	<b>(2,209,746)</b>	<b>12,545,834</b>	<b>-</b>	<b>10,336,088</b>
<b>Net Change in Fund Balances</b>	<b>1,261,345</b>	<b>802,421</b>	<b>(249)</b>	<b>2,063,517</b>
<b>Fund Balances - Beginning</b>	<b>50,495,177</b>	<b>864,390</b>	<b>321,130</b>	<b>51,680,697</b>
<b>Fund Balances - Ending</b>	<b>\$ 51,756,522</b>	<b>\$ 1,666,811</b>	<b>\$ 320,881</b>	<b>\$ 53,744,214</b>

**ESCAMBIA COUNTY, FLORIDA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
September 30, 2017

	<b>Escambia County Restricted Fund</b>	<b>Economic Development Fund</b>	<b>Code Enforcement Fund</b>	<b>Mass Transit Fund</b>	<b>M&amp;A State Revenue Fund</b>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 1,173,839	\$ 297,244	\$ 659,596	\$ 878,709	\$ 32,879
Investments	557,833	169,764	376,713	501,283	-
Accounts Receivable	27,050	-	239,650	413,604	-
Due from Other Funds	28,534	-	32,540	-	-
Due from Other Governments	18,266	4,014	2,005	795,808	-
Inventories	2,715	-	-	160,112	-
Assets Held for Investment	759,176	-	-	-	-
<b>Total Assets</b>	<b>\$ 2,567,413</b>	<b>\$ 471,022</b>	<b>\$ 1,310,504</b>	<b>\$ 2,749,516</b>	<b>\$ 32,879</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 15,750	\$ 4,677	\$ 48,050	\$ 2,072,628	\$ -
Contracts Payable	-	-	-	-	-
Accrued Liabilities	8,552	-	43,957	-	-
Due to Other Funds	763,118	-	-	-	-
Advances Payable to Other Funds	-	-	-	-	-
Due to Other Governments	43,490	-	62	1,504	260
Deposits	1,075	-	-	-	-
Unearned Revenue	-	-	-	-	-
<b>Total Liabilities</b>	<b>831,985</b>	<b>4,677</b>	<b>92,069</b>	<b>2,074,132</b>	<b>260</b>
<b>FUND BALANCES</b>					
Nonspendable:					
Inventories	2,715	-	-	160,112	-
Restricted for:					
Court Related Functions	-	-	-	-	-
Community Services	-	-	-	-	-
Economic & Community Development	-	466,345	-	-	-
Fire & Rescue	-	-	-	-	-
Health Services	-	-	-	-	32,619
Inmate Welfare	-	-	-	-	-
Law Enforcement	-	-	-	-	-
Library	-	-	-	-	-
Mass Transit System	-	-	-	515,272	-
Public Safety	-	-	-	-	-
Records Modernization Technology	-	-	-	-	-
Resource Conservation	-	-	-	-	-
Housing Assistance	-	-	-	-	-
Tourism	-	-	-	-	-
Transportation & Drainage Improvements	-	-	-	-	-
Transportation Maintenance	-	-	-	-	-
Committed to:					
Community Services	1,732,713	-	-	-	-
Infrastructure Maintenance	-	-	-	-	-
Public Safety	-	-	1,218,435	-	-
Transportation Maintenance	-	-	-	-	-
<b>Total Fund Balances</b>	<b>1,735,428</b>	<b>466,345</b>	<b>1,218,435</b>	<b>675,384</b>	<b>32,619</b>
<b>Total Liabilities, Deferred Inflow of Resources, and Fund Balances</b>	<b>\$ 2,567,413</b>	<b>\$ 471,022</b>	<b>\$ 1,310,504</b>	<b>\$ 2,749,516</b>	<b>\$ 32,879</b>

Continued

<b>Tourist Promotion Fund</b>	<b>Other Grant Projects Fund</b>	<b>Detention/Jail Commissary Fund</b>	<b>Library Fund</b>	<b>Misdemeanor Probation Fund</b>	<b>Article V Fund</b>	<b>Development Review Fund</b>
\$ 3,371,701	\$ 294,621	\$ 1,971,643	\$ 2,150,224	\$ 732,651	\$ 2,523,032	\$ 765,173
1,925,666	168,265	1,017,048	1,227,313	418,437	1,440,970	437,010
-	3,116	128,373	311	-	15,127	-
138	2,752	-	-	-	185,726	-
-	771,184	-	2,178	37,635	109,844	-
-	-	68,593	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 5,297,505</u>	<u>\$ 1,239,938</u>	<u>\$ 3,185,657</u>	<u>\$ 3,380,026</u>	<u>\$ 1,188,723</u>	<u>\$ 4,274,699</u>	<u>\$ 1,202,183</u>
\$ 1,043,169	\$ 119,367	\$ 83,067	\$ 75,113	\$ 39,247	\$ 112,279	\$ 26,266
-	15,590	-	-	-	-	-
5,380	5,949	8,111	147,333	65,850	27,664	21,709
-	10,151	-	-	-	42,099	-
-	-	-	-	-	-	-
-	573	1,285	3,877	4,923	649,002	-
-	-	190,867	-	-	-	-
-	139,516	-	-	-	-	-
<u>1,048,549</u>	<u>291,146</u>	<u>283,330</u>	<u>226,323</u>	<u>110,020</u>	<u>831,044</u>	<u>47,975</u>
-	-	68,593	-	-	-	-
-	353,702	-	-	-	3,443,655	-
-	6,383	-	-	-	-	-
-	5,965	-	-	-	-	-
-	-	-	-	-	-	-
-	-	2,833,734	-	-	-	-
-	-	-	-	-	-	-
-	-	-	3,153,703	-	-	-
-	-	-	-	-	-	-
-	535,133	-	-	1,078,703	-	1,154,208
-	-	-	-	-	-	-
-	34,925	-	-	-	-	-
-	-	-	-	-	-	-
4,248,956	-	-	-	-	-	-
-	12,684	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>4,248,956</u>	<u>948,792</u>	<u>2,902,327</u>	<u>3,153,703</u>	<u>1,078,703</u>	<u>3,443,655</u>	<u>1,154,208</u>
<u>\$ 5,297,505</u>	<u>\$ 1,239,938</u>	<u>\$ 3,185,657</u>	<u>\$ 3,380,026</u>	<u>\$ 1,188,723</u>	<u>\$ 4,274,699</u>	<u>\$ 1,202,183</u>

**ESCAMBIA COUNTY, FLORIDA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
September 30, 2017

	Perdido Key Beach Mouse Fund	RESTORE Fund	State Housing Initiative Partnership (SHIP) Fund	Law Enforcement Trust Fund
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 460,523	\$ 1,121,782	\$ 4,111,145	\$ 263,642
Investments	263,017	640,679	-	150,573
Accounts Receivable	-	-	6,308	-
Due from Other Funds	-	-	-	-
Due from Other Governments	-	601,831	-	-
Inventories	-	-	-	-
Assets Held for Investment	-	-	-	-
<b>Total Assets</b>	<u>\$ 723,540</u>	<u>\$ 2,364,292</u>	<u>\$ 4,117,453</u>	<u>\$ 414,215</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ 273,585	\$ 170,968	\$ -
Contracts Payable	-	57,609	-	-
Accrued Liabilities	-	-	2,123	-
Due to Other Funds	-	-	-	56,900
Advances Payable to Other Funds	-	2,000,000	-	-
Due to Other Governments	-	-	18,020	-
Deposits	-	-	-	-
Unearned Revenue	-	-	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>2,331,194</u>	<u>191,111</u>	<u>56,900</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Inventories	-	-	-	-
Restricted for:				
Court Related Functions	-	-	-	-
Community Services	-	-	-	-
Economic & Community Development	-	-	-	-
Fire & Rescue	-	-	-	-
Health Services	-	-	-	-
Inmate Welfare	-	-	-	-
Law Enforcement	-	-	-	357,315
Library	-	-	-	-
Mass Transit System	-	-	-	-
Public Safety	-	-	-	-
Records Modernization Technology	-	-	-	-
Resource Conservation	723,540	33,098	-	-
Housing Assistance	-	-	3,926,342	-
Tourism	-	-	-	-
Transportation & Drainage Improvements	-	-	-	-
Transportation Maintenance	-	-	-	-
Committed to:				
Community Services	-	-	-	-
Infrastructure Maintenance	-	-	-	-
Public Safety	-	-	-	-
Transportation Maintenance	-	-	-	-
<b>Total Fund Balances</b>	<u>723,540</u>	<u>33,098</u>	<u>3,926,342</u>	<u>357,315</u>
<b>Total Liabilities, Deferred Inflow of Resources, and Fund Balances</b>	<u>\$ 723,540</u>	<u>\$ 2,364,292</u>	<u>\$ 4,117,453</u>	<u>\$ 414,215</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
\$ 841,990	\$ 391,870	\$ 187,973	\$ 62,198	\$ 2,064,810	\$ 277,849	\$ 36,017
480,881	223,807	107,356	35,523	1,179,268	158,687	20,570
300,000	-	-	-	-	-	24,850
-	-	1,271	-	1,594	-	-
300	72,487	-	-	35,170	309,000	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 1,623,171</u>	<u>\$ 688,164</u>	<u>\$ 296,600</u>	<u>\$ 97,721</u>	<u>\$ 3,280,842</u>	<u>\$ 745,536</u>	<u>\$ 81,437</u>
\$ 3,449	\$ 156,786	\$ 5,174	\$ -	\$ 64,418	\$ 36,416	\$ -
-	61,958	-	-	-	-	-
-	10,852	-	-	681,146	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	4,802	-	-
-	-	-	-	-	-	-
-	180,783	-	-	-	-	-
<u>3,449</u>	<u>410,379</u>	<u>5,174</u>	<u>-</u>	<u>750,366</u>	<u>36,416</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	97,721	-	-	-
-	-	291,426	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	2,530,476	709,120	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,619,722	277,785	-	-	-	-	81,437
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,619,722</u>	<u>277,785</u>	<u>291,426</u>	<u>97,721</u>	<u>2,530,476</u>	<u>709,120</u>	<u>81,437</u>
<u>\$ 1,623,171</u>	<u>\$ 688,164</u>	<u>\$ 296,600</u>	<u>\$ 97,721</u>	<u>\$ 3,280,842</u>	<u>\$ 745,536</u>	<u>\$ 81,437</u>

**ESCAMBIA COUNTY, FLORIDA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
September 30, 2017

	HUD Home Fund	Southwest Sector Road Project Fund	Bob Sikes Toll Facilities Fund	Transportation Trust Fund
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 153,476	\$ 926,801	\$ 6,730,820	\$ 2,681,694
Investments	87,654	529,320	3,843,461	1,531,546
Accounts Receivable	10,035	-	-	15,404
Due from Other Funds	-	-	-	-
Due from Other Governments	76,779	-	-	1,340,367
Inventories	-	-	-	331,632
Assets Held for Investment	-	-	-	-
<b>Total Assets</b>	<u>\$ 327,944</u>	<u>\$ 1,456,121</u>	<u>\$ 10,574,281</u>	<u>\$ 5,900,643</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 2,698	\$ -	\$ 208,934	\$ 482,371
Contracts Payable	-	-	-	-
Accrued Liabilities	1,623	-	5,397	706,015
Due to Other Funds	-	-	-	-
Advances Payable to Other Funds	-	-	525,008	-
Due to Other Governments	68,360	-	6,092	21,932
Deposits	-	-	-	24,014
Unearned Revenue	-	-	-	-
<b>Total Liabilities</b>	<u>72,681</u>	<u>-</u>	<u>745,431</u>	<u>1,234,332</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Inventories	-	-	-	331,632
Restricted for:				
Court Related Functions	-	-	-	-
Community Services	-	-	-	-
Economic & Community Development	-	-	-	-
Fire & Rescue	-	-	-	-
Health Services	-	-	-	-
Inmate Welfare	-	-	-	-
Law Enforcement	-	-	-	-
Library	-	-	-	-
Mass Transit System	-	-	-	-
Public Safety	-	-	-	-
Records Modernization Technology	-	-	-	-
Resource Conservation	-	-	-	-
Housing Assistance	255,263	-	-	-
Tourism	-	-	-	-
Transportation & Drainage Improvements	-	1,456,121	-	-
Transportation Maintenance	-	-	-	-
Committed to:				
Community Services	-	-	-	-
Infrastructure Maintenance	-	-	9,828,850	-
Public Safety	-	-	-	-
Transportation Maintenance	-	-	-	4,334,679
<b>Total Fund Balances</b>	<u>255,263</u>	<u>1,456,121</u>	<u>9,828,850</u>	<u>4,666,311</u>
<b>Total Liabilities, Deferred Inflow of Resources, and Fund Balances</b>	<u>\$ 327,944</u>	<u>\$ 1,456,121</u>	<u>\$ 10,574,281</u>	<u>\$ 5,900,643</u>

Continued

MSBU Assessment Program Fund	Master Drainage Basin Fund	Clerk Programs	Sheriff Programs	Supervisor of Elections Programs	Total Nonmajor Special Revenue Funds
\$ 658,784	\$ 415,101	\$ 2,972,145	\$ 52,177	\$ -	\$ 39,262,109
376,249	237,075	-	-	-	18,105,968
-	-	-	-	-	1,183,828
-	-	-	-	-	252,555
5,795	-	73,974	10,151	9,384	4,276,172
-	-	-	-	-	563,052
-	-	-	-	-	759,176
<u>\$ 1,040,828</u>	<u>\$ 652,176</u>	<u>\$ 3,046,119</u>	<u>\$ 62,328</u>	<u>\$ 9,384</u>	<u>\$ 64,402,860</u>
\$ 88,872	\$ 6,762	\$ 820	\$ -	\$ -	5,140,866
23,024	969	-	-	-	159,150
-	-	25,478	3,492	-	1,770,631
-	-	-	10,151	-	882,419
501,637	-	-	-	-	3,026,645
146	-	247,975	-	-	1,072,303
-	-	-	-	-	215,956
-	-	-	48,685	9,384	378,368
<u>613,679</u>	<u>7,731</u>	<u>274,273</u>	<u>62,328</u>	<u>9,384</u>	<u>12,646,338</u>
-	-	-	-	-	563,052
-	-	-	-	-	3,895,078
-	-	-	-	-	297,809
-	-	-	-	-	472,310
-	-	-	-	-	3,239,596
-	-	-	-	-	32,619
-	-	-	-	-	2,833,734
-	-	-	-	-	357,315
-	-	-	-	-	3,153,703
-	-	-	-	-	515,272
-	-	-	-	-	2,768,044
-	-	2,771,846	-	-	2,771,846
-	-	-	-	-	791,563
-	-	-	-	-	6,160,549
-	-	-	-	-	4,248,956
-	644,445	-	-	-	2,113,250
427,149	-	-	-	-	427,149
-	-	-	-	-	1,732,713
-	-	-	-	-	9,828,850
-	-	-	-	-	1,218,435
-	-	-	-	-	4,334,679
<u>427,149</u>	<u>644,445</u>	<u>2,771,846</u>	<u>-</u>	<u>-</u>	<u>51,756,522</u>
<u>\$ 1,040,828</u>	<u>\$ 652,176</u>	<u>\$ 3,046,119</u>	<u>\$ 62,328</u>	<u>\$ 9,384</u>	<u>\$ 64,402,860</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, 2017

	Escambia County Restricted Fund	Economic Development Fund	Code Enforcement Fund	Mass Transit Fund	M&A State Revenue Fund
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ 4,866,821	\$ -
Permits and Fees	-	-	-	-	-
Franchise Fees	-	-	1,936,147	-	-
Special Assessments	-	-	-	-	-
Intergovernmental Revenues	204,724	24,946	-	6,069,777	31,540
Charges for Services	462,537	-	-	1,770,717	-
Judgments and Fines	-	-	465,483	-	-
Investment Income	8,158	3,224	3,908	6,256	-
Miscellaneous Revenues	81,538	1,420	119,831	89,496	-
<b>Total Revenues</b>	<u>756,957</u>	<u>29,590</u>	<u>2,525,369</u>	<u>12,803,067</u>	<u>31,540</u>
<b>EXPENDITURES</b>					
Current:					
General Government	22,890	-	-	-	-
Public Safety	193,124	-	1,700,031	-	-
Physical Environment	346,306	-	-	-	-
Transportation	-	-	-	13,214,781	-
Economic Environment	-	700,518	-	-	-
Human Services	3,430	-	-	-	33,489
Culture/Recreation	47,134	-	-	-	-
Court-Related	-	-	-	-	-
Debt Service:					
Interest and Fiscal Charges	-	-	-	-	-
<b>Total Expenditures</b>	<u>612,884</u>	<u>700,518</u>	<u>1,700,031</u>	<u>13,214,781</u>	<u>33,489</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>144,073</u>	<u>(670,928)</u>	<u>825,338</u>	<u>(411,714)</u>	<u>(1,949)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	550,000	9,045	-	-
Transfers (Out)	-	-	(500,000)	-	-
<b>Total Other Financing Sources and (Uses)</b>	<u>-</u>	<u>550,000</u>	<u>(490,955)</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	144,073	(120,928)	334,383	(411,714)	(1,949)
<b>Fund Balances - Beginning</b>	1,591,355	587,273	884,052	1,087,098	34,568
<b>Fund Balances - Ending</b>	<u>\$ 1,735,428</u>	<u>\$ 466,345</u>	<u>\$ 1,218,435</u>	<u>\$ 675,384</u>	<u>\$ 32,619</u>

Continued



<b>Tourist Promotion Fund</b>	<b>Other Grant Projects Fund</b>	<b>Detention/Jail Commissary Fund</b>	<b>Library Fund</b>	<b>Misdemeanor Probation Fund</b>	<b>Article V Fund</b>	<b>Development Review Fund</b>
\$ 10,598,123	\$ -	\$ -	\$ 5,304,104	\$ -	\$ -	\$ -
25	-	-	-	-	-	217,379
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	1,389,474	-	145,431	50,000	1,028,267	-
-	20,382	1,421,542	40,719	3,145,606	2,301,959	514,720
-	1,871	-	90,753	12,600	-	-
21,861	3,126	13,144	21,437	7,024	19,999	5,734
-	40,127	3,742	29,923	45,668	226	-
<u>10,620,009</u>	<u>1,454,980</u>	<u>1,438,428</u>	<u>5,632,367</u>	<u>3,260,898</u>	<u>3,350,451</u>	<u>737,833</u>
-	-	-	-	-	-	488,368
-	709,357	692,163	-	1,965,073	127,120	-
174,901	260,319	-	-	-	-	-
-	-	-	-	-	-	-
8,274,653	146,855	-	-	-	-	-
-	42,997	-	-	-	-	-
-	181,399	-	5,055,135	-	-	-
-	9,332	-	-	-	2,518,749	-
-	-	-	-	-	-	-
<u>8,449,554</u>	<u>1,350,259</u>	<u>692,163</u>	<u>5,055,135</u>	<u>1,965,073</u>	<u>2,645,869</u>	<u>488,368</u>
<u>2,170,455</u>	<u>104,721</u>	<u>746,265</u>	<u>577,232</u>	<u>1,295,825</u>	<u>704,582</u>	<u>249,465</u>
3,597	3,340	-	16,386	16,546	360,099	6,892
(3,399,009)	-	-	-	(2,968,208)	(893,000)	-
<u>(3,395,412)</u>	<u>3,340</u>	<u>-</u>	<u>16,386</u>	<u>(2,951,662)</u>	<u>(532,901)</u>	<u>6,892</u>
(1,224,957)	108,061	746,265	593,618	(1,655,837)	171,681	256,357
<u>5,473,913</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>
<u>\$ 4,248,956</u>	<u>\$ 948,792</u>	<u>\$ 2,902,327</u>	<u>\$ 3,153,703</u>	<u>\$ 1,078,703</u>	<u>\$ 3,443,655</u>	<u>\$ 1,154,208</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, 2017

	<b>Perdido Key Beach Mouse Fund</b>	<b>RESTORE Fund</b>	<b>State Housing Initiative Partnership (SHIP) Fund</b>	<b>Law Enforcement Trust Fund</b>
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Permits and Fees	-	-	-	-
Franchise Fees	-	-	-	-
Special Assessments	354,717	-	-	-
Intergovernmental Revenues	-	1,392,072	2,023,283	-
Charges for Services	-	-	-	-
Judgments and Fines	-	-	-	422,739
Investment Income	2,973	9,650	-	2,166
Miscellaneous Revenues	-	-	147,644	-
<b>Total Revenues</b>	<b>357,690</b>	<b>1,401,722</b>	<b>2,170,927</b>	<b>424,905</b>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	494,403
Physical Environment	1,827	1,197,669	-	-
Transportation	-	-	-	-
Economic Environment	-	-	2,026,267	-
Human Services	-	-	-	-
Culture/Recreation	-	194,403	-	-
Court-Related	-	-	-	-
Debt Service:				
Interest and Fiscal Charges	-	-	-	-
<b>Total Expenditures</b>	<b>1,827</b>	<b>1,392,072</b>	<b>2,026,267</b>	<b>494,403</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>355,863</b>	<b>9,650</b>	<b>144,660</b>	<b>(69,498)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	115	-
Transfers (Out)	-	-	-	-
<b>Total Other Financing Sources and (Uses)</b>	<b>-</b>	<b>-</b>	<b>115</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>355,863</b>	<b>9,650</b>	<b>144,775</b>	<b>(69,498)</b>
<b>Fund Balances - Beginning</b>	<b>367,677</b>	<b>23,448</b>	<b>3,781,567</b>	<b>426,813</b>
<b>Fund Balances - Ending</b>	<b>\$ 723,540</b>	<b>\$ 33,098</b>	<b>\$ 3,926,342</b>	<b>\$ 357,315</b>

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	108,332	-	-
-	-	-	-	-	-	-
-	-	-	-	16,456,042	-	-
-	2,740,181	-	-	21,721	1,370,509	-
-	-	17,019	-	206,000	-	-
-	-	-	-	-	-	-
15,965	3,149	1,601	544	29,871	1,850	1,241
59,383	234,674	-	-	47,270	-	21,038
75,348	2,978,004	18,620	544	16,869,236	1,372,359	22,279
-	-	-	-	-	-	-
-	-	1,273	-	16,473,294	741,008	-
-	-	-	-	-	-	-
15,368	3,002,210	-	-	-	-	-
-	-	24,558	-	-	-	-
-	-	-	-	-	-	-
-	-	-	6,450	-	-	-
-	-	-	-	-	-	-
15,368	3,002,210	25,831	6,450	16,473,294	741,008	-
59,980	(24,206)	(7,211)	(5,906)	395,942	631,351	22,279
-	1,875	-	-	21,631	-	-
-	(17,500)	-	-	(257,038)	(658,222)	-
-	(15,625)	-	-	(235,407)	(658,222)	-
59,980	(39,831)	(7,211)	(5,906)	160,535	(26,871)	22,279
1,559,742	317,616	298,637	103,627	2,369,941	735,991	59,158
\$ 1,619,722	\$ 277,785	\$ 291,426	\$ 97,721	\$ 2,530,476	\$ 709,120	\$ 81,437

**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, 2017

	HUD Home Fund	Southwest Sector Road Project Fund	Bob Sikes Toll Facilities Fund	Transportation Trust Fund
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ 9,177,581
Permits and Fees	-	-	-	1,350
Franchise Fees	-	-	-	-
Special Assessments	-	-	-	-
Intergovernmental Revenues	436,385	-	-	4,753,345
Charges for Services	-	-	3,540,583	310,206
Judgments and Fines	-	-	-	-
Investment Income	1,928	7,850	53,905	14,330
Miscellaneous Revenues	86,223	-	6,733	1,325,800
<b>Total Revenues</b>	<u>524,536</u>	<u>7,850</u>	<u>3,601,221</u>	<u>15,582,612</u>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	1,084,049	-
Public Safety	-	-	-	6,413,285
Physical Environment	-	-	-	-
Transportation	-	-	-	15,373,468
Economic Environment	469,749	-	-	-
Human Services	-	-	-	-
Culture/Recreation	-	-	-	-
Court-Related	-	-	-	-
Debt Service:				
Interest and Fiscal Charges	-	-	-	-
<b>Total Expenditures</b>	<u>469,749</u>	<u>-</u>	<u>1,084,049</u>	<u>21,786,753</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>54,787</u>	<u>7,850</u>	<u>2,517,172</u>	<u>(6,204,141)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	88	-	3,598	6,797,463
Transfers (Out)	-	-	(1,314,883)	-
<b>Total Other Financing Sources and (Uses)</b>	<u>88</u>	<u>-</u>	<u>(1,311,285)</u>	<u>6,797,463</u>
<b>Net Change in Fund Balances</b>	54,875	7,850	1,205,887	593,322
<b>Fund Balances - Beginning</b>	200,388	1,448,271	8,622,963	4,072,989
<b>Fund Balances - Ending</b>	<u>\$ 255,263</u>	<u>\$ 1,456,121</u>	<u>\$ 9,828,850</u>	<u>\$ 4,666,311</u>

Continued

<b>MSBU Assessment Program Fund</b>	<b>Master Drainage Basin Fund</b>	<b>Clerk Programs</b>	<b>Sheriff Programs</b>	<b>Supervisor of Elections Programs</b>	<b>Total Nonmajor Special Revenue Funds</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,946,629
-	-	-	-	-	327,086
-	-	-	-	-	1,936,147
885,879	131,419	-	-	-	17,828,057
-	-	765,227	122,128	40,206	22,609,216
-	-	620,988	-	-	14,372,978
-	-	217,996	69,393	-	1,280,835
7,234	3,528	-	-	43	271,699
-	-	130	-	-	2,340,866
<u>893,113</u>	<u>134,947</u>	<u>1,604,341</u>	<u>191,521</u>	<u>40,249</u>	<u>90,913,513</u>
-	-	-	-	47,688	1,642,995
-	-	-	191,521	-	29,701,652
-	-	-	-	-	1,981,022
1,037,155	165,615	-	-	-	29,791,019
-	-	-	-	-	14,635,620
-	-	-	-	-	104,474
-	-	-	-	-	5,478,071
-	-	1,568,488	-	-	4,103,019
4,550	-	-	-	-	4,550
<u>1,041,705</u>	<u>165,615</u>	<u>1,568,488</u>	<u>191,521</u>	<u>47,688</u>	<u>87,442,422</u>
(148,592)	(30,668)	35,853	-	(7,439)	3,471,091
-	-	-	-	7,439	7,798,114
-	-	-	-	-	(10,007,860)
-	-	-	-	7,439	(2,209,746)
(148,592)	(30,668)	35,853	-	-	1,261,345
575,741	675,113	2,735,993	-	-	50,495,177
<u>\$ 427,149</u>	<u>\$ 644,445</u>	<u>\$ 2,771,846</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,756,522</u>

**ESCAMBIA COUNTY, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**ESCAMBIA COUNTY RESTRICTED FUND**  
For the Year Ended September 30, 2017

	<b>Budget</b>	<b>Actual Amounts</b>	<b>Variance with Budget - Over (Under)</b>
<b>REVENUES</b>			
Intergovernmental Revenues	\$ 199,858	\$ 204,724	\$ 4,866
Charges for Services	433,771	462,537	28,766
Investment Income	-	8,158	8,158
Miscellaneous Revenues	121,867	81,538	(40,329)
<b>Total Revenues</b>	<b>755,496</b>	<b>756,957</b>	<b>1,461</b>
<b>EXPENDITURES</b>			
Current:			
General Government	181,471	22,890	158,581
Public Safety	814,153	193,124	621,029
Physical Environment	1,791,913	346,306	1,445,607
Transportation	5,337	-	5,337
Human Services	37,249	3,430	33,819
Culture and Recreation	168,419	47,134	121,285
<b>Total Expenditures</b>	<b>2,998,542</b>	<b>612,884</b>	<b>2,385,658</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(2,243,046)</b>	<b>144,073</b>	<b>2,387,119</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	763,118	-	(763,118)
<b>Total Other Financing Sources and (Uses)</b>	<b>763,118</b>	<b>-</b>	<b>(763,118)</b>
<b>Net Change in Fund Balance</b>	<b>(1,479,928)</b>	<b>144,073</b>	<b>1,624,001</b>
<b>Fund Balance - Beginning</b>	<b>1,479,928</b>	<b>1,591,355</b>	<b>111,427</b>
<b>Fund Balance - Ending</b>	<b>\$ -</b>	<b>\$ 1,735,428</b>	<b>\$ 1,735,428</b>

**ESCAMBIA COUNTY, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**ECONOMIC DEVELOPMENT FUND**  
For the Year Ended September 30, 2017

	<b>Budget</b>	<b>Actual Amounts</b>	<b>Variance with Budget - Over (Under)</b>
<b>REVENUES</b>			
Intergovernmental Revenues	\$ -	\$ 24,946	\$ 24,946
Investment Income	-	3,224	3,224
Miscellaneous Revenues	-	1,420	1,420
<b>Total Revenues</b>	<b>-</b>	<b>29,590</b>	<b>29,590</b>
<b>EXPENDITURES</b>			
Current:			
Economic Environment	1,137,273	700,518	436,755
<b>Total Expenditures</b>	<b>1,137,273</b>	<b>700,518</b>	<b>436,755</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(1,137,273)</b>	<b>(670,928)</b>	<b>466,345</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	550,000	550,000	-
<b>Total Other Financing Sources and (Uses)</b>	<b>550,000</b>	<b>550,000</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>(587,273)</b>	<b>(120,928)</b>	<b>466,345</b>
<b>Fund Balance - Beginning</b>	<b>587,273</b>	<b>587,273</b>	<b>-</b>
<b>Fund Balance - Ending</b>	<b>\$ -</b>	<b>\$ 466,345</b>	<b>\$ 466,345</b>

**ESCAMBIA COUNTY, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**CODE ENFORCEMENT FUND**  
For the Year Ended September 30, 2017

	<b>Budget</b>	<b>Actual Amounts</b>	<b>Variance with Budget - Over (Under)</b>
<b>REVENUES</b>			
Franchise Fees	\$ 1,662,500	\$ 1,936,147	\$ 273,647
Judgments and Fines	199,500	465,483	265,983
Investment Income	-	3,908	3,908
Miscellaneous Revenues	57,000	119,831	62,831
<b>Total Revenues</b>	<b>1,919,000</b>	<b>2,525,369</b>	<b>606,369</b>
<b>EXPENDITURES</b>			
Current:			
Public Safety	2,812,097	1,700,031	1,112,066
<b>Total Expenditures</b>	<b>2,812,097</b>	<b>1,700,031</b>	<b>1,112,066</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(893,097)</b>	<b>825,338</b>	<b>1,718,435</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	9,045	9,045	-
Transfers (Out)	-	(500,000)	(500,000)
<b>Total Other Financing Sources and (Uses)</b>	<b>9,045</b>	<b>(490,955)</b>	<b>(500,000)</b>
<b>Net Change in Fund Balance</b>	<b>(884,052)</b>	<b>334,383</b>	<b>1,218,435</b>
<b>Fund Balance - Beginning</b>	<b>884,052</b>	<b>884,052</b>	<b>-</b>
<b>Fund Balance - Ending</b>	<b>\$ -</b>	<b>\$ 1,218,435</b>	<b>\$ 1,218,435</b>



**ESCAMBIA COUNTY, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**MASS TRANSIT FUND**  
For the Year Ended September 30, 2017

	<b>Budget</b>	<b>Actual Amounts</b>	<b>Variance with Budget - Over (Under)</b>
<b>REVENUES</b>			
Taxes	\$ 4,460,300	\$ 4,866,821	\$ 406,521
Intergovernmental	7,216,126	6,069,777	(1,146,349)
Charges for Service	1,715,700	1,770,717	55,017
Investment Income	-	6,256	6,256
Miscellaneous Revenues	-	89,496	89,496
<b>Total Revenues</b>	<b>13,392,126</b>	<b>12,803,067</b>	<b>(589,059)</b>
<b>EXPENDITURES</b>			
Current:			
Transportation	13,392,126	13,214,781	177,345
<b>Total Expenditures</b>	<b>13,392,126</b>	<b>13,214,781</b>	<b>177,345</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>-</b>	<b>(411,714)</b>	<b>(411,714)</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>(411,714)</b>	<b>(411,714)</b>
<b>Fund Balance - Beginning</b>	<b>-</b>	<b>1,087,098</b>	<b>1,087,098</b>
<b>Fund Balance - Ending</b>	<b>\$ -</b>	<b>\$ 675,384</b>	<b>\$ 675,384</b>

**ESCAMBIA COUNTY, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**M & A STATE REVENUE FUND**  
For the Year Ended September 30, 2017

	<b>Budget</b>	<b>Actual Amounts</b>	<b>Variance with Budget - Over (Under)</b>
<b>REVENUES</b>			
Intergovernmental	\$ 33,540	\$ 31,540	\$ (2,000)
<b>Total Revenues</b>	<u>33,540</u>	<u>31,540</u>	<u>(2,000)</u>
<b>EXPENDITURES</b>			
Current:			
Human Services	68,108	33,489	34,619
<b>Total Expenditures</b>	<u>68,108</u>	<u>33,489</u>	<u>34,619</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(34,568)</u>	<u>(1,949)</u>	<u>32,619</u>
<b>Net Change in Fund Balance</b>	<u>(34,568)</u>	<u>(1,949)</u>	<u>32,619</u>
<b>Fund Balance - Beginning</b>	<u>34,568</u>	<u>34,568</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ -</u>	<u>\$ 32,619</u>	<u>\$ 32,619</u>

**ESCAMBIA COUNTY, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**TOURIST PROMOTION FUND**  
For the Year Ended September 30, 2017

	<b>Budget</b>	<b>Actual Amounts</b>	<b>Variance with Budget - Over (Under)</b>
<b>REVENUES</b>			
Taxes	\$ 8,456,763	\$ 10,598,123	\$ 2,141,360
Permits and Fees	-	25	25
Intergovernmental Revenues	33,501	-	(33,501)
Investment Income	-	21,861	21,861
<b>Total Revenues</b>	<b>8,490,264</b>	<b>10,620,009</b>	<b>2,129,745</b>
<b>EXPENDITURES</b>			
Current:			
Physical Environment	177,952	174,901	3,051
Economic Environment	10,369,025	8,274,653	2,094,372
<b>Total Expenditures</b>	<b>10,546,977</b>	<b>8,449,554</b>	<b>2,097,423</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(2,056,713)</b>	<b>2,170,455</b>	<b>4,227,168</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer In	3,597	3,597	-
Transfers (Out)	(3,399,009)	(3,399,009)	-
<b>Total Other Financing Sources and (Uses)</b>	<b>(3,395,412)</b>	<b>(3,395,412)</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>(5,452,125)</b>	<b>(1,224,957)</b>	<b>4,227,168</b>
<b>Fund Balance - Beginning</b>	<b>5,452,125</b>	<b>5,473,913</b>	<b>21,788</b>
<b>Fund Balance - Ending</b>	<b>\$ -</b>	<b>\$ 4,248,956</b>	<b>\$ 4,248,956</b>

**ESCAMBIA COUNTY, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**OTHER GRANT PROJECTS FUND**  
For the Year Ended September 30, 2017

	<b>Budget</b>	<b>Actual Amounts</b>	<b>Variance with Budget - Over (Under)</b>
<b>REVENUES</b>			
Intergovernmental Revenues	\$ 5,082,931	\$ 1,389,474	\$ (3,693,457)
Charges for Services	-	20,382	20,382
Judgments and Fines	-	1,871	1,871
Investment Income	-	3,126	3,126
Miscellaneous Revenues	128,029	40,127	(87,902)
<b>Total Revenues</b>	<b>5,210,960</b>	<b>1,454,980</b>	<b>(3,755,980)</b>
<b>EXPENDITURES</b>			
Current:			
General Government	72,713	-	72,713
Public Safety	1,493,812	709,357	784,455
Physical Environment	1,852,288	260,319	1,591,969
Transportation	-	-	-
Economic Environment	871,795	146,855	724,940
Human Services	50,225	42,997	7,228
Culture and Recreation	595,262	181,399	413,863
Court-Related	357,918	9,332	348,586
<b>Total Expenditures</b>	<b>5,294,013</b>	<b>1,350,259</b>	<b>3,943,754</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(83,053)</b>	<b>104,721</b>	<b>187,774</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	3,340	3,340	-
<b>Total Other Financing Sources and (Uses)</b>	<b>3,340</b>	<b>3,340</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>(79,713)</b>	<b>108,061</b>	<b>187,774</b>
<b>Fund Balance - Beginning</b>	<b>79,713</b>	<b>840,731</b>	<b>761,018</b>
<b>Fund Balance - Ending</b>	<b>\$ -</b>	<b>\$ 948,792</b>	<b>\$ 948,792</b>

**ESCAMBIA COUNTY, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**DETENTION/JAIL COMMISSARY FUND**  
For the Year Ended September 30, 2017

	<b>Budget</b>	<b>Actual Amounts</b>	<b>Variance with Budget - Over (Under)</b>
<b>REVENUES</b>			
Charges for Services	\$ 902,500	\$ 1,421,542	\$ 519,042
Investment Income	-	13,144	13,144
Miscellaneous Revenues	-	3,742	3,742
<b>Total Revenues</b>	<u>902,500</u>	<u>1,438,428</u>	<u>535,928</u>
<b>EXPENDITURES</b>			
Current:			
Public Safety	<u>3,058,563</u>	<u>692,163</u>	<u>2,366,400</u>
<b>Total Expenditures</b>	<u>3,058,563</u>	<u>692,163</u>	<u>2,366,400</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(2,156,063)</u>	<u>746,265</u>	<u>2,902,328</u>
<b>Net Change in Fund Balance</b>	(2,156,063)	746,265	2,902,328
<b>Fund Balance - Beginning</b>	<u>2,156,063</u>	<u>2,156,062</u>	<u>(1)</u>
<b>Fund Balance - Ending</b>	<u>\$ -</u>	<u>\$ 2,902,327</u>	<u>\$ 2,902,327</u>

**ESCAMBIA COUNTY, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**LIBRARY FUND**  
For the Year Ended September 30, 2017

	<b>Budget</b>	<b>Actual Amounts</b>	<b>Variance with Budget - Over (Under)</b>
<b>REVENUES</b>			
Taxes	\$ 5,260,218	\$ 5,304,104	\$ 43,886
Intergovernmental Revenues	122,746	145,431	22,685
Charges for Services	-	40,719	40,719
Judgments and Fines	109,250	90,753	(18,497)
Investment Income	-	21,437	21,437
Miscellaneous Revenues	75,930	29,923	(46,007)
<b>Total Revenues</b>	<u>5,568,144</u>	<u>5,632,367</u>	<u>64,223</u>
<b>EXPENDITURES</b>			
Current:			
Culture and Recreation	8,071,185	5,055,135	3,016,050
<b>Total Expenditures</b>	<u>8,071,185</u>	<u>5,055,135</u>	<u>3,016,050</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(2,503,041)</u>	<u>577,232</u>	<u>3,080,273</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	16,386	16,386	-
<b>Total Other Financing Sources and (Uses)</b>	<u>16,386</u>	<u>16,386</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>(2,486,655)</u>	<u>593,618</u>	<u>3,080,273</u>
<b>Fund Balance - Beginning</b>	<u>2,486,655</u>	<u>2,560,085</u>	<u>73,430</u>
<b>Fund Balance - Ending</b>	<u>\$ -</u>	<u>\$ 3,153,703</u>	<u>\$ 3,153,703</u>

**ESCAMBIA COUNTY, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**MISDEMEANOR PROBATION FUND**  
For the Year Ended September 30, 2017

	<b>Budget</b>	<b>Actual Amounts</b>	<b>Variance with Budget - Over (Under)</b>
<b>REVENUES</b>			
Intergovernmental	\$ 50,000	\$ 50,000	\$ -
Charges for Services	2,817,190	3,145,606	328,416
Judgements and Fines	11,400	12,600	1,200
Investment Income	-	7,024	7,024
Miscellaneous Revenue	46,360	45,668	(692)
<b>Total Revenues</b>	<u>2,924,950</u>	<u>3,260,898</u>	<u>335,948</u>
<b>EXPENDITURES</b>			
Current:			
Public Safety	5,676,036	1,965,073	3,710,963
<b>Total Expenditures</b>	<u>5,676,036</u>	<u>1,965,073</u>	<u>3,710,963</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(2,751,086)</u>	<u>1,295,825</u>	<u>4,046,911</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	16,546	16,546	-
Transfers (Out)	-	(2,968,208)	(2,968,208)
<b>Total Other Financing Sources and (Uses)</b>	<u>16,546</u>	<u>(2,951,662)</u>	<u>(2,968,208)</u>
<b>Net Change in Fund Balance</b>	<u>(2,734,540)</u>	<u>(1,655,837)</u>	<u>1,078,703</u>
<b>Fund Balance - Beginning</b>	<u>2,734,540</u>	<u>2,734,540</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ -</u>	<u>\$ 1,078,703</u>	<u>\$ 1,078,703</u>

**ESCAMBIA COUNTY, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**ARTICLE V FUND**  
For the Year Ended September 30, 2017

	<b>Budget</b>	<b>Actual Amounts</b>	<b>Variance with Budget - Over (Under)</b>
<b>REVENUES</b>			
Intergovernmental	\$ 1,137,661	\$ 1,028,267	\$ (109,394)
Charges for Services	1,810,225	2,301,959	491,734
Investment Income	-	19,999	19,999
Miscellaneous Revenues	-	226	226
<b>Total Revenues</b>	<b>2,947,886</b>	<b>3,350,451</b>	<b>402,566</b>
<b>EXPENDITURES</b>			
Current:			
Public Safety	773,204	127,120	646,084
Court-Related	6,481,784	2,518,749	3,963,035
<b>Total Expenditures</b>	<b>7,254,988</b>	<b>2,645,869</b>	<b>4,609,119</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(4,307,103)</b>	<b>704,582</b>	<b>5,011,685</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	360,099	360,099	-
Transfers (Out)	-	(893,000)	(893,000)
<b>Total Other Financing Sources and (Uses)</b>	<b>360,099</b>	<b>(532,901)</b>	<b>(893,000)</b>
<b>Net Change in Fund Balance</b>	<b>(3,947,004)</b>	<b>171,681</b>	<b>4,118,685</b>
<b>Fund Balance - Beginning</b>	<b>3,947,004</b>	<b>3,271,974</b>	<b>(675,030)</b>
<b>Fund Balance - Ending</b>	<b>\$ -</b>	<b>\$ 3,443,655</b>	<b>\$ 3,443,655</b>



**ESCAMBIA COUNTY, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**DEVELOPMENT REVIEW FUND**  
For the Year Ended September 30, 2017

	<b>Budget</b>	<b>Actual Amounts</b>	<b>Variance with Budget - Over (Under)</b>
<b>REVENUES</b>			
Permits and Fees	\$ 164,350	\$ 217,379	\$ 53,029
Charges for Services	337,250	514,720	177,470
Investment Income	-	5,734	5,734
<b>Total Revenues</b>	<u>501,600</u>	<u>737,833</u>	<u>236,233</u>
<b>EXPENDITURES</b>			
Current:			
General Government	1,406,343	488,368	917,975
<b>Total Expenditures</b>	<u>1,406,343</u>	<u>488,368</u>	<u>917,975</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(904,743)</u>	<u>249,465</u>	<u>1,154,208</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	6,892	6,892	-
<b>Total Other Financing Sources and (Uses)</b>	<u>6,892</u>	<u>6,892</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>(897,851)</u>	<u>256,357</u>	<u>1,154,208</u>
<b>Fund Balance - Beginning</b>	<u>897,851</u>	<u>897,851</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ -</u>	<u>\$ 1,154,208</u>	<u>\$ 1,154,208</u>

**ESCAMBIA COUNTY, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**PERDIDO KEY BEACH MOUSE FUND**  
For the Year Ended September 30, 2017

	<b>Budget</b>	<b>Actual Amounts</b>	<b>Variance with Budget - Over (Under)</b>
<b>REVENUES</b>			
Special Assessments	\$ 3,000	\$ 354,717	\$ 351,717
Investment Income	-	2,973	2,973
<b>Total Revenues</b>	<u>3,000</u>	<u>357,690</u>	<u>354,690</u>
<b>EXPENDITURES</b>			
Current:			
Physical Environment	367,677	1,827	365,850
<b>Total Expenditures</b>	<u>367,677</u>	<u>1,827</u>	<u>365,850</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(364,677)</u>	<u>355,863</u>	<u>720,540</u>
<b>Net Change in Fund Balance</b>	<u>(364,677)</u>	<u>355,863</u>	<u>720,540</u>
<b>Fund Balance - Beginning</b>	<u>364,677</u>	<u>367,677</u>	<u>3,000</u>
<b>Fund Balance - Ending</b>	<u>\$ -</u>	<u>\$ 723,540</u>	<u>\$ 723,540</u>

**ESCAMBIA COUNTY, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**RESTORE FUND**  
For the Year Ended September 30, 2017

	<b>Budget</b>	<b>Actual Amounts</b>	<b>Variance with Budget - Over (Under)</b>
<b>REVENUES</b>			
Intergovernmental Revenues	\$ 16,382,147	\$ 1,392,072	\$ (14,990,075)
Investment Income	-	9,650	9,650
<b>Total Revenues</b>	<u>16,382,147</u>	<u>1,401,722</u>	<u>(14,980,425)</u>
<b>EXPENDITURES</b>			
Current:			
Physical Environment	12,180,159	1,197,669	10,982,490
Culture/Recreation	4,201,988	194,403	4,007,585
<b>Total Expenditures</b>	<u>16,382,147</u>	<u>1,392,072</u>	<u>14,990,075</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>9,650</u>	<u>9,650</u>
<b>Net Change in Fund Balance</b>	-	9,650	9,650
<b>Fund Balance - Beginning</b>	<u>-</u>	<u>23,448</u>	<u>23,448</u>
<b>Fund Balance - Ending</b>	<u>\$ -</u>	<u>\$ 33,098</u>	<u>\$ 33,098</u>

**ESCAMBIA COUNTY, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**STATE HOUSING INITIATIVE PARTNERSHIP FUND (SHIP)**  
For the Year Ended September 30, 2017

	<b>Budget</b>	<b>Actual Amounts</b>	<b>Variance with Budget - Over (Under)</b>
<b>REVENUES</b>			
Intergovernmental Revenues	\$ 5,497,745	\$ 2,023,283	\$ (3,474,462)
Miscellaneous Revenues	100,000	147,644	47,644
<b>Total Revenues</b>	<u>5,597,745</u>	<u>2,170,927</u>	<u>(3,426,818)</u>
<b>EXPENDITURES</b>			
Current:			
Economic Environment	5,597,860	2,026,267	3,571,593
<b>Total Expenditures</b>	<u>5,597,860</u>	<u>2,026,267</u>	<u>3,571,593</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(115)</u>	<u>144,660</u>	<u>144,775</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (In)	115	115	-
<b>Total Other Financing Sources and (Uses)</b>	<u>115</u>	<u>115</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	-	144,775	144,775
<b>Fund Balance - Beginning</b>	<u>-</u>	<u>3,781,567</u>	<u>3,781,567</u>
<b>Fund Balance - Ending</b>	<u>\$ -</u>	<u>\$ 3,926,342</u>	<u>\$ 3,926,342</u>

**ESCAMBIA COUNTY, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**LAW ENFORCEMENT TRUST FUND**  
For the Year Ended September 30, 2017

	<b>Budget</b>	<b>Actual Amounts</b>	<b>Variance with Budget - Over (Under)</b>
<b>REVENUES</b>			
Judgments and Fines	\$ 371,181	\$ 422,739	\$ 51,558
Investment Income	-	2,166	2,166
Miscellaneous Revenues	-	-	-
<b>Total Revenues</b>	<u>371,181</u>	<u>424,905</u>	<u>53,724</u>
<b>EXPENDITURES</b>			
Current:			
Public Safety	797,995	494,403	303,592
<b>Total Expenditures</b>	<u>797,995</u>	<u>494,403</u>	<u>303,592</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(426,814)</u>	<u>(69,498)</u>	<u>357,316</u>
<b>Net Change in Fund Balance</b>	(426,814)	(69,498)	357,316
<b>Fund Balance - Beginning</b>	<u>426,814</u>	<u>426,813</u>	<u>(1)</u>
<b>Fund Balance - Ending</b>	<u>\$ -</u>	<u>\$ 357,315</u>	<u>\$ 357,315</u>

**ESCAMBIA COUNTY, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**ESCAMBIA COUNTY AFFORDABLE HOUSING FUND**  
For the Year Ended September 30, 2017

	<b>Budget</b>	<b>Actual Amounts</b>	<b>Variance with Budget - Over (Under)</b>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ -	\$ -
Investment Income	9,000	15,965	6,965
Miscellaneous Revenues	30,000	59,383	29,383
<b>Total Revenues</b>	<u>39,000</u>	<u>75,348</u>	<u>36,348</u>
<b>EXPENDITURES</b>			
Current:			
Economic Environment	1,566,613	15,368	1,551,245
<b>Total Expenditures</b>	<u>1,566,613</u>	<u>15,368</u>	<u>1,551,245</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(1,527,613)</u>	<u>59,980</u>	<u>1,587,593</u>
<b>Net Change in Fund Balance</b>	<u>(1,527,613)</u>	<u>59,980</u>	<u>1,587,593</u>
<b>Fund Balance - Beginning</b>	<u>1,527,613</u>	<u>1,559,742</u>	<u>32,129</u>
<b>Fund Balance - Ending</b>	<u>\$ -</u>	<u>\$ 1,619,722</u>	<u>\$ 1,619,722</u>

**ESCAMBIA COUNTY, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**CDBG - HUD ENTITLEMENT FUND**  
For the Year Ended September 30, 2017

	<b>Budget</b>	<b>Actual Amounts</b>	<b>Variance with Budget - Over (Under)</b>
<b>REVENUES</b>			
Intergovernmental Revenues	\$ 5,289,723	\$ 2,740,181	\$ (2,549,542)
Investment Income	-	3,149	3,149
Miscellaneous Revenues	354,141	234,674	(119,467)
<b>Total Revenues</b>	<u>5,643,864</u>	<u>2,978,004</u>	<u>(2,665,860)</u>
<b>EXPENDITURES</b>			
Current:			
Economic Environment	5,628,239	3,002,210	2,626,029
<b>Total Expenditures</b>	<u>5,628,239</u>	<u>3,002,210</u>	<u>2,626,029</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>15,625</u>	<u>(24,206)</u>	<u>(39,831)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	1,875	1,875	-
Transfers (Out)	(17,500)	(17,500)	-
<b>Total Other Financing Sources and (Uses)</b>	<u>(15,625)</u>	<u>(15,625)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	-	(39,831)	(39,831)
<b>Fund Balance - Beginning</b>	<u>-</u>	<u>317,616</u>	<u>317,616</u>
<b>Fund Balance - Ending</b>	<u>\$ -</u>	<u>\$ 277,785</u>	<u>\$ 277,785</u>

**ESCAMBIA COUNTY, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**HANDICAPPED PARKING FINES FUND**  
For the Year Ended September 30, 2017

	<b>Budget</b>	<b>Actual Amounts</b>	<b>Variance with Budget - Over (Under)</b>
<b>REVENUES</b>			
Charges for Services	\$ 14,250	\$ 17,019	\$ 2,769
Investment Income	-	1,601	1,601
<b>Total Revenues</b>	<u>14,250</u>	<u>18,620</u>	<u>4,370</u>
<b>EXPENDITURES</b>			
Current:			
Public Safety	104,320	1,273	103,047
Human Services	208,567	24,558	184,009
<b>Total Expenditures</b>	<u>312,887</u>	<u>25,831</u>	<u>287,056</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(298,637)</u>	<u>(7,211)</u>	<u>291,426</u>
<b>Net Change in Fund Balance</b>	<u>(298,637)</u>	<u>(7,211)</u>	<u>291,426</u>
<b>Fund Balance - Beginning</b>	<u>298,637</u>	<u>298,637</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u><u>\$ -</u></u>	<u><u>\$ 291,426</u></u>	<u><u>\$ 291,426</u></u>



**ESCAMBIA COUNTY, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**FAMILY MEDIATION FUND**  
For the Year Ended September 30, 2017

	<b>Budget</b>	<b>Actual Amounts</b>	<b>Variance with Budget - Over (Under)</b>
<b>REVENUES</b>			
Investment Income	\$ -	\$ 544	\$ 544
<b>Total Revenues</b>	<u>-</u>	<u>544</u>	<u>544</u>
<b>EXPENDITURES</b>			
Current:			
Court-Related	103,627	6,450	97,177
<b>Total Expenditures</b>	<u>103,627</u>	<u>6,450</u>	<u>97,177</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(103,627)</u>	<u>(5,906)</u>	<u>97,721</u>
<b>Net Change in Fund Balance</b>	(103,627)	(5,906)	97,721
<b>Fund Balance - Beginning</b>	<u>103,627</u>	<u>103,627</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ -</u>	<u>\$ 97,721</u>	<u>\$ 97,721</u>

**ESCAMBIA COUNTY, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**FIRE PROTECTION FUND**  
For the Year Ended September 30, 2017

	<b>Budget</b>	<b>Actual Amounts</b>	<b>Variance with Budget - Over (Under)</b>
<b>REVENUES</b>			
Permits and Fees	\$ 66,500	\$ 108,332	\$ 41,832
Special Assessments	15,527,972	16,456,042	928,070
Intergovernmental Revenues	19,000	21,721	2,721
Charges for Services	195,700	206,000	10,300
Investment Income	38,000	29,871	(8,129)
Miscellaneous Revenues	-	47,270	47,270
<b>Total Revenues</b>	<u>15,847,172</u>	<u>16,869,236</u>	<u>1,022,064</u>
<b>EXPENDITURES</b>			
Current:			
Public Safety	17,981,706	16,473,294	1,508,412
<b>Total Expenditures</b>	<u>17,981,706</u>	<u>16,473,294</u>	<u>1,508,412</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(2,134,534)</u>	<u>395,942</u>	<u>2,530,476</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	21,631	21,631	-
Transfers (Out)	(257,038)	(257,038)	-
<b>Total Other Financing Sources and (Uses)</b>	<u>(235,407)</u>	<u>(235,407)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>(2,369,941)</u>	<u>160,535</u>	<u>2,530,476</u>
<b>Fund Balance - Beginning</b>	<u>2,369,941</u>	<u>2,369,941</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ -</u>	<u>\$ 2,530,476</u>	<u>\$ 2,530,476</u>

**ESCAMBIA COUNTY, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**EMERGENCY 911 OPERATIONS FUND**  
For the Year Ended September 30, 2017

	<b>Budget</b>	<b>Actual Amounts</b>	<b>Variance with Budget - Over (Under)</b>
<b>REVENUES</b>			
Intergovernmental Revenues	\$ 1,344,250	\$ 1,370,509	\$ 26,259
Investment Income	-	1,850	1,850
<b>Total Revenues</b>	<u>1,344,250</u>	<u>1,372,359</u>	<u>28,109</u>
<b>EXPENDITURES</b>			
Current:			
Public Safety	1,422,019	741,008	681,011
<b>Total Expenditures</b>	<u>1,422,019</u>	<u>741,008</u>	<u>681,011</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(77,769)</u>	<u>631,351</u>	<u>709,120</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (Out)	(658,222)	(658,222)	-
<b>Total Other Financing Sources and (Uses)</b>	<u>(658,222)</u>	<u>(658,222)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(735,991)	(26,871)	709,120
<b>Fund Balance - Beginning</b>	<u>735,991</u>	<u>735,991</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ -</u>	<u>\$ 709,120</u>	<u>\$ 709,120</u>

**ESCAMBIA COUNTY, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**HUD-CDGB HOUSING REHABILITATION LOAN FUND**  
For the Year Ended September 30, 2017

	<b>Budget</b>	<b>Actual Amounts</b>	<b>Variance with Budget - Over (Under)</b>
<b>REVENUES</b>			
Intergovernmental Revenues	\$ 48,000	\$ -	\$ (48,000)
Investment Income	2,000	1,241	(759)
Miscellaneous Revenues	-	21,038	21,038
<b>Total Revenues</b>	<u>50,000</u>	<u>22,279</u>	<u>(27,721)</u>
<b>EXPENDITURES</b>			
Current:			
Economic Environment	109,159	-	109,159
<b>Total Expenditures</b>	<u>109,159</u>	<u>-</u>	<u>109,159</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(59,159)</u>	<u>22,279</u>	<u>81,438</u>
<b>Net Change in Fund Balance</b>	<u>(59,159)</u>	<u>22,279</u>	<u>81,438</u>
<b>Fund Balance - Beginning</b>	<u>59,159</u>	<u>59,158</u>	<u>(1)</u>
<b>Fund Balance - Ending</b>	<u>\$ -</u>	<u>\$ 81,437</u>	<u>\$ 81,437</u>

**ESCAMBIA COUNTY, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**HUD HOME FUND**  
For the Year Ended September 30, 2017

	<b>Budget</b>	<b>Actual Amounts</b>	<b>Variance with Budget - Over (Under)</b>
<b>REVENUES</b>			
Intergovernmental Revenues	\$ 3,140,932	\$ 436,385	\$ (2,704,547)
Investment Income	-	1,928	1,928
Miscellaneous Revenues	85,000	86,223	1,223
<b>Total Revenues</b>	<b>3,225,932</b>	<b>524,536</b>	<b>(2,701,396)</b>
<b>EXPENDITURES</b>			
Current:			
Economic Environment	3,226,020	469,749	2,756,271
<b>Total Expenditures</b>	<b>3,226,020</b>	<b>469,749</b>	<b>2,756,271</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(88)</b>	<b>54,787</b>	<b>54,875</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	88	88	-
<b>Total Other Financing Sources and (Uses)</b>	<b>88</b>	<b>88</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>54,875</b>	<b>54,875</b>
<b>Fund Balance - Beginning</b>	<b>-</b>	<b>200,388</b>	<b>200,388</b>
<b>Fund Balance - Ending</b>	<b>\$ -</b>	<b>\$ 255,263</b>	<b>\$ 255,263</b>

**ESCAMBIA COUNTY, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**SOUTHWEST SECTOR ROAD PROJECT FUND**  
For the Year Ended September 30, 2017

	<b>Budget</b>	<b>Actual Amounts</b>	<b>Variance with Budget - Over (Under)</b>
<b>REVENUES</b>			
Intergovernmental Revenues	\$ 791,090	\$ -	\$ (791,090)
Investment Income	-	7,850	7,850
<b>Total Revenues</b>	<u>791,090</u>	<u>7,850</u>	<u>(783,240)</u>
<b>EXPENDITURES</b>			
Current:			
Transportation	1,448,271	-	1,448,271
<b>Total Expenditures</b>	<u>1,448,271</u>	<u>-</u>	<u>1,448,271</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(657,181)</u>	<u>7,850</u>	<u>665,031</u>
<b>Net Change in Fund Balance</b>	<u>(657,181)</u>	<u>7,850</u>	<u>665,031</u>
<b>Fund Balance - Beginning</b>	<u>657,181</u>	<u>1,448,271</u>	<u>791,090</u>
<b>Fund Balance - Ending</b>	<u>\$ -</u>	<u>\$ 1,456,121</u>	<u>\$ 1,456,121</u>

**ESCAMBIA COUNTY, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**BOB SIKES TOLL FACILITIES FUND**  
For the Year Ended September 30, 2017

	<b>Budget</b>	<b>Actual Amounts</b>	<b>Variance with Budget - Over (Under)</b>
<b>REVENUES</b>			
Charges for Services	\$ 3,301,250	\$ 3,540,583	\$ 239,333
Investment Income	-	53,905	53,905
Miscellaneous Revenues	-	6,733	6,733
<b>Total Revenues</b>	<u>3,301,250</u>	<u>3,601,221</u>	<u>299,971</u>
<b>EXPENDITURES</b>			
Current:			
General Government	7,052,873	1,084,049	5,968,824
<b>Total Expenditures</b>	<u>7,052,873</u>	<u>1,084,049</u>	<u>5,968,824</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(3,751,623)</u>	<u>2,517,172</u>	<u>6,268,795</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers In	3,598	3,598	-
Transfers (Out)	(1,321,715)	(1,314,883)	6,832
<b>Total Other Financing Sources</b>	<u>(1,318,117)</u>	<u>(1,311,285)</u>	<u>6,832</u>
<b>Net Change in Fund Balance</b>	<u>(5,069,740)</u>	<u>1,205,887</u>	<u>6,275,627</u>
<b>Fund Balance - Beginning</b>	<u>5,069,740</u>	<u>8,622,963</u>	<u>3,553,223</u>
<b>Fund Balance - Ending</b>	<u>\$ -</u>	<u>\$ 9,828,850</u>	<u>\$ 9,828,850</u>

**ESCAMBIA COUNTY, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**TRANSPORTATION TRUST FUND**  
For the Year Ended September 30, 2017

	<b>Budget</b>	<b>Actual Amounts</b>	<b>Variance with Budget - Over (Under)</b>
<b>REVENUES</b>			
Taxes	\$ 8,051,250	\$ 9,177,581	\$ 1,126,331
Permits and Fees	-	1,350	1,350
Intergovernmental Revenues	4,371,480	4,753,345	381,865
Charges for Services	210,900	310,206	99,306
Investment Income	-	14,330	14,330
Miscellaneous Revenues	1,005,668	1,325,800	320,132
<b>Total Revenues</b>	<b>13,639,298</b>	<b>15,582,612</b>	<b>1,943,314</b>
<b>EXPENDITURES</b>			
Current:			
Public Safety	6,867,804	6,413,285	454,519
Transportation	17,390,119	15,373,468	2,016,651
<b>Total Expenditures</b>	<b>24,257,923</b>	<b>21,786,753</b>	<b>2,471,170</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(10,618,625)</b>	<b>(6,204,141)</b>	<b>4,414,484</b>
<b>OTHER FINANCING SOURCES</b>			
Transfers In	6,797,463	6,797,463	-
<b>Total Other Financing Sources</b>	<b>6,797,463</b>	<b>6,797,463</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>(3,821,162)</b>	<b>593,322</b>	<b>4,414,484</b>
<b>Fund Balance - Beginning</b>	<b>3,821,162</b>	<b>4,072,989</b>	<b>251,827</b>
<b>Fund Balance - Ending</b>	<b>\$ -</b>	<b>\$ 4,666,311</b>	<b>\$ 4,666,311</b>



**ESCAMBIA COUNTY, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**MSBU ASSESSMENT PROGRAM FUND**  
For the Year Ended September 30, 2017

	<b>Budget</b>	<b>Actual Amounts</b>	<b>Variance with Budget - Over (Under)</b>
<b>REVENUES</b>			
Special Assessments	\$ 1,097,297	\$ 885,879	\$ (211,418)
Investment Income	-	7,234	7,234
<b>Total Revenues</b>	<u>1,097,297</u>	<u>893,113</u>	<u>(204,184)</u>
<b>EXPENDITURES</b>			
Current:			
Transportation	1,606,528	1,037,155	569,373
Debt Service			
Principal Retirement	51,642	-	51,642
Interest and Fiscal Charges	20,142	4,550	15,592
<b>Total Expenditures</b>	<u>1,678,312</u>	<u>1,041,705</u>	<u>636,607</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(581,015)</u>	<u>(148,592)</u>	<u>432,423</u>
<b>Net Change in Fund Balance</b>	(581,015)	(148,592)	432,423
<b>Fund Balance - Beginning</b>	<u>581,015</u>	<u>575,741</u>	<u>(5,274)</u>
<b>Fund Balance - Ending</b>	<u>\$ -</u>	<u>\$ 427,149</u>	<u>\$ 427,149</u>

**ESCAMBIA COUNTY, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**MASTER DRAINAGE BASIN FUND**  
For the Year Ended September 30, 2017

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
<b>REVENUES</b>			
Special Assessments	\$ 542,933	\$ 131,419	\$ (411,514)
Investment Income	-	3,528	3,528
<b>Total Revenues</b>	<u>542,933</u>	<u>134,947</u>	<u>(407,986)</u>
<b>EXPENDITURES</b>			
Current:			
Transportation	<u>774,767</u>	<u>165,615</u>	<u>609,152</u>
<b>Total Expenditures</b>	<u>774,767</u>	<u>165,615</u>	<u>609,152</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(231,834)</u>	<u>(30,668)</u>	<u>201,166</u>
<b>Net Change in Fund Balance</b>	(231,834)	(30,668)	201,166
<b>Fund Balance - Beginning</b>	<u>231,834</u>	<u>675,113</u>	<u>443,279</u>
<b>Fund Balance - Ending</b>	<u>\$ -</u>	<u>\$ 644,445</u>	<u>\$ 644,445</u>

**ESCAMBIA COUNTY, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**CLERK PROGRAMS**  
For the Year Ended September 30, 2017

	<b>Budget</b>	<b>Actual Amounts</b>	<b>Variance with Budget - Over (Under)</b>
<b>REVENUES</b>			
Intergovernmental Revenues	\$ 765,227	\$ 765,227	\$ -
Charges for Services	529,100	620,988	91,888
Judgments and Fines	217,996	217,996	-
Miscellaneous Revenues	-	130	130
<b>Total Revenues</b>	<u>1,512,323</u>	<u>1,604,341</u>	<u>92,018</u>
<b>EXPENDITURES</b>			
Current:			
Court-Related	1,722,031	1,568,488	153,543
<b>Total Expenditures</b>	<u>1,722,031</u>	<u>1,568,488</u>	<u>153,543</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(209,708)</u>	<u>35,853</u>	<u>245,561</u>
<b>Net Change in Fund Balance</b>	(209,708)	35,853	245,561
<b>Fund Balance - Beginning</b>	<u>209,708</u>	<u>2,735,993</u>	<u>2,526,285</u>
<b>Fund Balance - Ending</b>	<u>\$ -</u>	<u>\$ 2,771,846</u>	<u>\$ 2,771,846</u>

**ESCAMBIA COUNTY, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**SHERIFF PROGRAMS**  
For the Year Ended September 30, 2017

	<b>Budget</b>	<b>Actual Amounts</b>	<b>Variance with Budget - Over (Under)</b>
<b>REVENUES</b>			
Intergovernmental	\$ 136,990	\$ 122,128	\$ (14,862)
Judgments and Fines	69,393	69,393	-
<b>Total Revenues</b>	<u>206,383</u>	<u>191,521</u>	<u>(14,862)</u>
<b>EXPENDITURES</b>			
Current:			
Public Safety	206,383	191,521	14,862
<b>Total Expenditures</b>	<u>206,383</u>	<u>191,521</u>	<u>14,862</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	-	-	-
<b>Fund Balance - Beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ESCAMBIA COUNTY, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**SUPERVISOR OF ELECTIONS PROGRAMS**  
For the Year Ended September 30, 2017

	<b>Budget</b>	<b>Actual Amounts</b>	<b>Variance with Budget - Over (Under)</b>
<b>REVENUES</b>			
Intergovernmental	\$ 49,590	\$ 40,206	\$ (9,384)
Investment Income	-	43	43
<b>Total Revenues</b>	<u>49,590</u>	<u>40,249</u>	<u>(9,341)</u>
<b>EXPENDITURES</b>			
Current:			
General Government	57,029	47,688	9,341
<b>Total Expenditures</b>	<u>57,029</u>	<u>47,688</u>	<u>9,341</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(7,439)</u>	<u>(7,439)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	7,439	7,439	-
<b>Total Other Financing Sources and (Uses)</b>	<u>7,439</u>	<u>7,439</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	-	-	-
<b>Fund Balance - Beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ESCAMBIA COUNTY, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**DEBT SERVICE FUND**  
For the Year Ended September 30, 2017

	<b>Budget</b>	<b>Actual Amounts</b>	<b>Variance with Budget - Over (Under)</b>
<b>REVENUES</b>			
Intergovernmental	\$ -	60,000	60,000
Investment Income	9,375	46,153	36,778
Miscellaneous	2,292,147	-	(2,292,147)
<b>Total Revenues</b>	<u>2,301,522</u>	<u>106,153</u>	<u>(2,195,369)</u>
<b>EXPENDITURES</b>			
Debt Service			
Principal Retirement	7,691,996	7,343,000	348,996
Interest and Fiscal Charges	4,790,989	3,954,688	836,301
Bond Issuance Cost	562,302	551,878	10,424
<b>Total Expenditures</b>	<u>13,045,287</u>	<u>11,849,566</u>	<u>1,195,721</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(10,743,765)</u>	<u>(11,743,413)</u>	<u>(999,648)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	10,743,765	12,545,834	1,802,069
<b>Total Other Financing Sources and (Uses)</b>	<u>10,743,765</u>	<u>12,545,834</u>	<u>1,802,069</u>
<b>Net Change in Fund Balance</b>	-	802,421	802,421
<b>Fund Balance - Beginning</b>	<u>-</u>	<u>864,390</u>	<u>864,390</u>
<b>Fund Balance - Ending</b>	<u>\$ -</u>	<u>\$ 1,666,811</u>	<u>\$ 1,666,811</u>

**ESCAMBIA COUNTY, FLORIDA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS**  
September 30, 2017

	<b>Federal Transit Administration Fund</b>	<b>New Road Construction Fund</b>	<b>Total Nonmajor Capital Projects Funds</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 161,842	\$ -	\$ 161,842
Investments	92,432	-	92,432
Special Assessments Receivable	-	-	-
Due from Other Funds	-	-	-
Due from Other Governments	129,088	-	129,088
<b>Total Assets</b>	<b>383,362</b>	<b>-</b>	<b>383,362</b>
<b>LIABILITIES</b>			
Accounts Payable	37,842	-	37,842
Due to Other Governments	8,133	-	8,133
Unearned Revenue	16,506	-	16,506
<b>Total Liabilities</b>	<b>62,481</b>	<b>-</b>	<b>62,481</b>
<b>FUND BALANCES</b>			
Restricted for:			
Mass Transit Capital	320,881	-	320,881
Road Construction	-	-	-
<b>Total Fund Balances</b>	<b>320,881</b>	<b>-</b>	<b>320,881</b>
<b>Total Liabilities, Deferred Inflow of Resources, and Fund Balances</b>	<b>\$ 383,362</b>	<b>\$ -</b>	<b>\$ 383,362</b>

**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, 2017

	<b>Federal Transit Administration Fund</b>	<b>New Road Construction Fund</b>	<b>Total Nonmajor Capital Projects Funds</b>
<b>REVENUES</b>			
Intergovernmental Revenues	\$ 254,593	\$ -	\$ 254,593
Investment Income	1,500	-	1,500
Miscellaneous Revenues	-	-	-
<b>Total Revenues</b>	<u>256,093</u>	<u>-</u>	<u>256,093</u>
<b>EXPENDITURES</b>			
Current:			
Transportation	78,968	-	78,968
Capital Outlay	176,826	548	177,374
<b>Total Expenditures</b>	<u>255,794</u>	<u>548</u>	<u>256,342</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>299</u>	<u>(548)</u>	<u>(249)</u>
<b>Net Change in Fund Balances</b>	299	(548)	(249)
<b>Fund Balances - Beginning</b>	<u>320,582</u>	<u>548</u>	<u>321,130</u>
<b>Fund Balances - Ending</b>	<u><u>\$ 320,881</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 320,881</u></u>



**ESCAMBIA COUNTY, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**FEDERAL TRANSIT ADMINISTRATION FUND**  
For the Year Ended September 30, 2017

	<b>Budget</b>	<b>Actual Amounts</b>	<b>Variance with Budget - Over (Under)</b>
<b>REVENUES</b>			
Intergovernmental Revenues	\$ 3,334,585	\$ 254,593	\$ (3,079,992)
Investment Income	-	1,500	1,500
<b>Total Revenues</b>	<u>3,334,585</u>	<u>256,093</u>	<u>(3,078,492)</u>
<b>EXPENDITURES</b>			
Current:			
Transportation	548,849	78,968	469,881
Capital Outlay	2,785,736	176,826	2,608,910
<b>Total Expenditures</b>	<u>3,334,585</u>	<u>255,794</u>	<u>3,078,791</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>299</u>	<u>299</u>
<b>Net Change in Fund Balance</b>	-	299	299
<b>Fund Balance - Beginning</b>	<u>-</u>	<u>320,582</u>	<u>320,582</u>
<b>Fund Balance - Ending</b>	<u>\$ -</u>	<u>\$ 320,881</u>	<u>\$ 320,881</u>

**ESCAMBIA COUNTY, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**NEW ROAD CONSTRUCTION FUND**  
For the Year Ended September 30, 2017

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

## **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, 2017

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Inspection Fund</b>	<b>Bay Center Fund</b>	<b>Totals</b>
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 2,002,367	\$ 1,682,097	\$ 3,684,464
Restricted Assets Available for			
Current Liabilities	286,489	-	286,489
Investments	1,306,826	268,047	1,574,873
Accounts Receivable, Net of Allowance			
for Uncollectable Accounts	-	201,982	201,982
Inventories	-	48,687	48,687
Prepaid Items	-	556	556
Total Current Assets	<u>3,595,682</u>	<u>2,201,369</u>	<u>5,797,051</u>
Noncurrent Assets:			
Restricted Assets:			
Escrow Deposits - restricted	286,489	-	286,489
Less: Portion Classified as Current	<u>(286,489)</u>	<u>-</u>	<u>(286,489)</u>
Total Restricted Assets	-	-	-
Capital Assets:			
Buildings	-	25,847,788	25,847,788
Improvements Other than Buildings	-	3,094,463	3,094,463
Machinery, Equipment and Vehicles	476,100	2,181,040	2,657,140
Less: Accumulated Depreciation	<u>(298,751)</u>	<u>(26,209,335)</u>	<u>(26,508,086)</u>
Total Capital Assets (Net)	<u>177,349</u>	<u>4,913,956</u>	<u>5,091,305</u>
Total Noncurrent Assets	<u>177,349</u>	<u>4,913,956</u>	<u>5,091,305</u>
Total Assets	<u>3,773,031</u>	<u>7,115,325</u>	<u>10,888,356</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Pension Cost and Subsequent			
Contributions	<u>795,663</u>	<u>-</u>	<u>795,663</u>
Total deferred outflow of resources	<u>795,663</u>	<u>-</u>	<u>795,663</u>

Continued

**ESCAMBIA COUNTY, FLORIDA**  
**STATEMENT OF NET POSITION - Continued**  
**NONMAJOR PROPRIETARY FUNDS**  
September 30, 2017

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Inspection Fund</b>	<b>Bay Center Fund</b>	<b>Totals</b>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	6,755	599,837	606,592
Accrued Liabilities	90,691	-	90,691
Compensated Absences Payable	33,013	-	33,013
Due to Other Governments	4,240	7,162	11,402
Deposits	21,849	563	22,412
Other Current liabilities	-	1,485,713	1,485,713
Current Liabilities Payable from			
Restricted Assets:			
Escrow Deposits - restricted	286,489	-	286,489
<b>Total Current Liabilities</b>	<b>443,037</b>	<b>2,093,275</b>	<b>2,536,312</b>
Noncurrent Liabilities:			
Compensated Absences Payable	297,660	-	297,660
Other Post Employment Benefits	99,915	-	99,915
Net Pension Liability Proportionate Share	1,610,399	-	1,610,399
<b>Total Noncurrent Liabilities</b>	<b>2,007,974</b>	<b>-</b>	<b>2,007,974</b>
<b>Total Liabilities</b>	<b>2,451,011</b>	<b>2,093,275</b>	<b>4,544,286</b>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Unamortized Pension Costs	148,069	-	148,069
Total deferred inflow of resources	148,069	-	148,069
<b>NET POSITION</b>			
Net Investment in Capital Assets	177,349	4,913,956	5,091,305
Unrestricted	1,792,265	108,094	1,900,359
<b>Total Net Position</b>	<b>\$ 1,969,614</b>	<b>\$ 5,022,050</b>	<b>\$ 6,991,664</b>

**ESCAMBIA COUNTY, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**NONMAJOR PROPRIETARY FUNDS**  
For the Year Ended September 30, 2017

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Inspection</b>	<b>Bay Center</b>	
	<b>Fund</b>	<b>Fund</b>	<b>Total</b>
<b>Operating Revenues:</b>			
Charges for Services	\$ 2,622,138	\$ 4,564,426	\$ 7,186,564
Miscellaneous Revenues	30,399	8,585	38,984
<b>Total Operating Revenues</b>	<b>2,652,537</b>	<b>4,573,011</b>	<b>7,225,548</b>
<b>Operating Expenses:</b>			
Personal Services	2,017,817	-	2,017,817
Contracted Services	-	5,969,960	5,969,960
Supplies and Materials	34,767	-	34,767
Repairs and Maintenance	130,946	-	130,946
Other Services and Charges	277,507	77,585	355,092
Depreciation	33,847	788,411	822,258
Premiums/Claims Expense	5,236	170,182	175,418
<b>Total Operating Expenses</b>	<b>2,500,120</b>	<b>7,006,138</b>	<b>9,506,258</b>
<b>Operating Income (Loss)</b>	<b>152,417</b>	<b>(2,433,127)</b>	<b>(2,280,710)</b>
<b>Nonoperating Revenues (Expenses):</b>			
Investment Income	16,569	1,349	17,918
Gain (Loss) on Disposal of Capital Assets	-	-	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>16,569</b>	<b>1,349</b>	<b>17,918</b>
<b>Income Before Transfers and Contributions</b>	<b>168,986</b>	<b>(2,431,778)</b>	<b>(2,262,792)</b>
Transfer In	15,238	1,300,000	1,315,238
Capital Contributions	-	154,650	154,650
<b>Change in Net Position</b>	<b>184,224</b>	<b>(977,128)</b>	<b>(792,904)</b>
<b>Net Position - Beginning</b>	<b>1,785,390</b>	<b>5,999,178</b>	<b>7,784,568</b>
<b>Net Position - Ending</b>	<b>\$ 1,969,614</b>	<b>\$ 5,022,050</b>	<b>\$ 6,991,664</b>

**ESCAMBIA COUNTY, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR PROPRIETARY FUNDS**  
For the Year Ended September 30, 2017

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Inspection Fund</b>	<b>Bay Center Fund</b>	<b>Total</b>
<b>Cash Flows from Operating Activities</b>			
Receipts from customers and users	\$ 2,658,944	\$ 4,296,679	\$ 6,955,623
Payments to suppliers	(448,981)	(6,195,665)	(6,644,646)
Payments to employees	(1,870,709)	-	(1,870,709)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>339,254</b>	<b>(1,898,986)</b>	<b>(1,559,732)</b>
<b>Cash Flows from Noncapital Financing Activities</b>			
Transfers from other funds	15,238	1,300,000	1,315,238
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>15,238</b>	<b>1,300,000</b>	<b>1,315,238</b>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Acquisition/construction of capital assets	(1,066)	29,681	28,615
Proceeds from disposal of capital assets	-	-	-
<b>Net Cash (Used) by Capital and Related Financing Activities</b>	<b>(1,066)</b>	<b>29,681</b>	<b>28,615</b>
<b>Cash Flows from Investing Activities</b>			
Sale (purchase) of investments	46,030	22,096	68,126
Interest received	16,569	1,349	17,918
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>62,599</b>	<b>23,445</b>	<b>86,044</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>416,025</b>	<b>(545,860)</b>	<b>(129,835)</b>
Cash and cash equivalents at beginning of year	1,872,831	2,227,957	4,100,788
Cash and cash equivalents at end of year	<u>\$ 2,288,856</u>	<u>\$ 1,682,097</u>	<u>\$ 3,970,953</u>
<b>Cash and Cash Equivalents Classified As:</b>			
Current assets	\$ 2,002,367	\$ 1,682,097	\$ 3,684,464
Current restricted assets	286,489	-	286,489
<b>Total Cash and Cash Equivalents</b>	<u>\$ 2,288,856</u>	<u>\$ 1,682,097</u>	<u>\$ 3,970,953</u>

Continued

**ESCAMBIA COUNTY, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS - Continued**  
**NONMAJOR PROPRIETARY FUNDS**  
For the Year Ended September 30, 2017

<b>Business-type Activities - Enterprise Funds</b>			
	<b>Inspection Fund</b>	<b>Bay Center Fund</b>	<b>Total</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>			
Operating income (loss)	\$ 152,417	\$ (2,433,127)	\$ (2,280,710)
Depreciation	33,847	788,411	822,258
Change in Assets and Liabilities:			
Accounts receivable	372	(104,466)	(104,094)
Inventories	-	20,679	20,679
Prepays	-	(21)	(21)
Accounts payable	(4,765)	11,717	6,952
Contracts payable	-	-	-
Accrued liabilities	(3,787)	-	(3,787)
Due to other governments	4,240	(10,313)	(6,073)
Customer deposits	6,035	563	6,598
Other current liabilities	-	(172,429)	(172,429)
Compensated absences	20,682	-	20,682
Post employment benefits	7,972	-	7,972
Net pension liability proportionate share and related deferred outflows/inflows of resources	122,241	-	122,241
Claims payable	-	-	-
<b>Total Adjustments</b>	<b>186,837</b>	<b>534,141</b>	<b>720,978</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 339,254</b>	<b>\$ (1,898,986)</b>	<b>\$ (1,559,732)</b>
<b>Schedule of non-cash capital activities:</b>			
Contributions of capital assets	\$ -	\$ 154,650	\$ 154,650



## **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, 2017

	<b>Governmental Activities- Internal Service funds</b>		
	<b>BCC Internal</b>	<b>Clerk</b>	
	<b>Service Fund</b>	<b>Internal</b>	<b>Totals</b>
	<b>Service Fund</b>	<b>Service Fund</b>	
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 9,156,488	\$ 687,817	\$ 9,844,305
Investments	5,169,795	-	5,169,795
Accounts Receivable, Net of Allowance for Uncollectable Accounts	761,639	-	761,639
Due from Other Funds	873,842	-	873,842
Due from Other Governments	112,441	-	112,441
Inventories	305,933	-	305,933
Total Current Assets	<u>16,380,138</u>	<u>687,817</u>	<u>17,067,955</u>
Advances Due from Other Funds	-	-	-
Capital Assets:			
Buildings	399,564	-	399,564
Improvements Other than Buildings	937,373	-	937,373
Machinery, Equipment and Vehicles	275,443	-	275,443
Less: Accumulated Depreciation	(959,052)	-	(959,052)
Total Capital Assets (Net)	<u>653,328</u>	<u>-</u>	<u>653,328</u>
<b>Total Noncurrent Assets</b>	<u>653,328</u>	<u>-</u>	<u>653,328</u>
Total Assets	<u>17,033,466</u>	<u>687,817</u>	<u>17,721,283</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Unamortized Pension Cost and Subsequent Contributions	<u>347,846</u>	<u>-</u>	<u>347,846</u>
Total deferred outflow of resources	<u>347,846</u>	<u>-</u>	<u>347,846</u>

Continued

**ESCAMBIA COUNTY, FLORIDA**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
September 30, 2017

	<b>Governmental Activities- Internal Service funds</b>		
	<b>BCC Internal</b>	<b>Clerk</b>	
	<b>Service Fund</b>	<b>Internal</b>	
	<b>Service Fund</b>	<b>Service Fund</b>	<b>Totals</b>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	2,225,739	-	2,225,739
Accrued Liabilities	49,630	-	49,630
Compensated Absences Payable	28,233	68,782	97,015
Estimated Claims Payable	2,732,972	-	2,732,972
Due to Other Funds	-	-	-
Due to Other Governments	325,725	-	325,725
Deposits	556	-	556
Total Current Liabilities	<u>5,362,855</u>	<u>68,782</u>	<u>5,431,637</u>
Noncurrent Liabilities:			
Compensated Absences Payable	254,845	619,035	873,880
Other Post Employment Benefits	62,098	-	62,098
Net Pension Liability	706,564	-	706,564
Estimated Claims Payable	7,052,492	-	7,052,492
Total Noncurrent Liabilities	<u>8,075,999</u>	<u>619,035</u>	<u>8,695,034</u>
Total Liabilities	<u>13,438,854</u>	<u>687,817</u>	<u>14,126,671</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Unamortized Pension Costs	67,384	-	67,384
Total deferred inflow of resources	<u>67,384</u>	<u>-</u>	<u>67,384</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	653,328	-	653,328
Unrestricted	3,221,746	-	3,221,746
<b>Total Net Position</b>	<u><u>\$ 3,875,074</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,875,074</u></u>

**ESCAMBIA COUNTY, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
For the Year Ended September 30, 2017

	<b>Governmental Activities- Internal Service funds</b>		
	<b>BCC Internal Service Fund</b>	<b>Clerk Internal Service Fund</b>	<b>Total</b>
<b>Operating Revenues:</b>			
Charges for Services	\$ 31,972,387	\$ 381,697	\$ 32,354,084
Miscellaneous Revenues	-	-	-
<b>Total Operating Revenues</b>	<b>31,972,387</b>	<b>381,697</b>	<b>32,354,084</b>
<b>Operating Expenses:</b>			
Personal Services	1,206,635	381,697	1,588,332
Claims Incurred and Changes in Estimate	7,807,557	-	7,807,557
Repairs and Maintenance	72,913	-	72,913
Other Services and Charges	4,164,470	-	4,164,470
Depreciation	70,303	-	70,303
Premiums/Claims Expense	27,260,387	-	27,260,387
<b>Total Operating Expenses</b>	<b>40,582,265</b>	<b>381,697</b>	<b>40,963,962</b>
<b>Operating Income (Loss)</b>	<b>(8,609,878)</b>	<b>-</b>	<b>(8,609,878)</b>
<b>Nonoperating Revenues (Expenses):</b>			
Investment Income	76,787	-	76,787
<b>Total Nonoperating Revenues (Expenses)</b>	<b>76,787</b>	<b>-</b>	<b>76,787</b>
<b>Income Before Transfers and Contributions</b>	<b>(8,533,091)</b>	<b>-</b>	<b>(8,533,091)</b>
Transfer In	2,425,000	-	2,425,000
Transfer (Out)	(1,589,725)	-	(1,589,725)
<b>Change in Net Position</b>	<b>(7,697,816)</b>	<b>-</b>	<b>(7,697,816)</b>
<b>Net Position - Beginning</b>	<b>11,572,890</b>	<b>-</b>	<b>11,572,890</b>
<b>Net Position - Ending</b>	<b>\$ 3,875,074</b>	<b>\$ -</b>	<b>\$ 3,875,074</b>

**ESCAMBIA COUNTY, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
For the Year Ended September 30, 2017

	<b>Governmental Activities- Internal Service funds</b>		
	<b>BCC Internal Service Fund</b>	<b>Clerk Internal Service Fund</b>	<b>Total</b>
<b>Cash Flows from Operating Activities</b>			
Receipts from customers and users	\$ 4,968,468	\$ -	\$ 4,968,468
Receipts from interfund risk/benefits management	23,326,197	-	23,326,197
Receipts from interfund fleet/fuel management	3,338,246	-	3,338,246
Payments to suppliers	(39,576,974)	-	(39,576,974)
Payments to employees	(1,071,069)	(98,975)	(1,170,044)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(9,015,132)</b>	<b>(98,975)</b>	<b>(9,114,107)</b>
<b>Cash Flows from Noncapital Financing Activities</b>			
Transfers to Other Funds	(1,589,725)	-	(1,589,725)
Transfers from Other Funds	2,425,000	-	2,425,000
Advances due to/from other funds	(146,247)	-	(146,247)
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>689,028</b>	<b>-</b>	<b>689,028</b>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Acquisition/construction of capital assets	-	-	-
<b>Net Cash (Used) by Capital and Related Financing Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash Flows from Investing Activities</b>			
Sale (purchase) of investments	4,258,660	-	4,258,660
Interest received	76,787	-	76,787
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>4,335,447</b>	<b>-</b>	<b>4,335,447</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(3,990,657)</b>	<b>(98,975)</b>	<b>(4,089,632)</b>
Cash and cash equivalents at beginning of year	13,147,145	786,792	13,933,937
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 9,156,488</b>	<b>\$ 687,817</b>	<b>\$ 9,844,305</b>
<b>Cash and Cash Equivalents Classified As:</b>			
Current assets	\$ 9,156,488	\$ 687,817	\$ 9,844,305
<b>Total Cash and Cash Equivalents</b>	<b>\$ 9,156,488</b>	<b>\$ 687,817</b>	<b>\$ 9,844,305</b>

Continued

**ESCAMBIA COUNTY, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS - Continued**  
**INTERNAL SERVICE FUNDS**  
For the Year Ended September 30, 2017

	<b>Governmental Activities - Internal Service Funds</b>		
	<b>BCC Internal Service Fund</b>	<b>Clerk Internal Service Fund</b>	<b>Total</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities</b>			
Operating Income	\$ (8,609,878)	\$ -	\$ (8,609,878)
Depreciation	70,303	-	70,303
Change in Assets and Liabilities:			
(Increase) Decrease in accounts receivable	(250,022)	-	(250,022)
(Increase) Decrease in inventories	(46,456)	-	(46,456)
(Increase) Decrease in prepaids	27,318	-	27,318
Increase (Decrease) in accounts payable	465,305	-	465,305
Increase (Decrease) in accrued liabilities	2,544	-	2,544
Increase (Decrease) in due to other governments	(237,097)	-	(237,097)
Increase (Decrease) in customer deposits	(50,448)	-	(50,448)
Increase (Decrease) in compensated absences	19,995	(98,975)	(78,980)
Increase (Decrease) in Post Employment Benefits	9,209	-	9,209
Increase (Decrease) in net pension liability and related deferred outflows/inflows of resources	64,812	-	64,812
Increase (Decrease) in claims payable	(480,717)	-	(480,717)
<b>Total Adjustments</b>	<b>(405,254)</b>	<b>(98,975)</b>	<b>(504,229)</b>
<b>Net Cash Provided (Used for) Operating Activities</b>	<b>\$ (9,015,132)</b>	<b>\$ (98,975)</b>	<b>\$ (9,114,107)</b>
<b>Schedule of non-cash capital activities:</b>			
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, 2017

	<b>Clerk General Agency</b>	<b>Sheriff General Agency</b>	<b>Tax Collector General</b>	<b>Totals</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 5,025,854	\$ 273,001	\$ 3,476,423	\$ 8,775,278
Accounts Receivable	-	-	477,035	477,035
<b>Total Assets</b>	<u>\$ 5,025,854</u>	<u>\$ 273,001</u>	<u>\$ 3,953,458</u>	<u>\$ 9,252,313</u>
<b>LIABILITIES</b>				
Due to Other Governments	\$ 23,211	\$ 5,030	\$ 3,439,968	\$ 3,468,209
Due to Individuals	1,578,685	267,971	513,490	2,360,146
Other Current Liabilities	3,423,958	-	-	3,423,958
<b>Total Liabilities</b>	<u>\$ 5,025,854</u>	<u>\$ 273,001</u>	<u>\$ 3,953,458</u>	<u>\$ 9,252,313</u>



**ESCAMBIA COUNTY, FLORIDA**  
**STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
For the Year Ended September 30, 2017

**CLERK GENERAL AGENCY FUNDS**

	<b>Balance 10/01/16</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance 09/30/17</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 5,968,355	\$ 22,808,575	\$ 23,751,076	\$ 5,025,854
Accounts Receivable	-	-	-	-
<b>Total Assets</b>	<b>\$ 5,968,355</b>	<b>\$ 22,808,575</b>	<b>\$ 23,751,076</b>	<b>\$ 5,025,854</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ 74,923	\$ 74,923	\$ -
Due to Other Governments	35,166	63,594	75,549	23,211
Due to Individuals	1,499,972	2,966,184	2,887,471	1,578,685
Other Current Liabilities	4,433,217	19,913,637	20,922,896	3,423,958
<b>Total Liabilities</b>	<b>\$ 5,968,355</b>	<b>\$ 23,018,338</b>	<b>\$ 23,960,839</b>	<b>\$ 5,025,854</b>

**SHERIFF GENERAL AGENCY FUNDS**

	<b>Balance 10/01/16</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance 09/30/17</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 265,769	\$ 1,781,334	\$ 1,774,102	\$ 273,001
Accounts Receivable	-	-	-	-
<b>Total Assets</b>	<b>\$ 265,769</b>	<b>\$ 1,781,334</b>	<b>\$ 1,774,102</b>	<b>\$ 273,001</b>
<b>LIABILITIES</b>				
Due to Other Governments	\$ -	\$ 5,030	\$ -	\$ 5,030
Due to Individuals	265,769	1,776,304	1,774,102	267,971
Other Current Liabilities	-	-	-	-
<b>Total Liabilities</b>	<b>\$ 265,769</b>	<b>\$ 1,781,334</b>	<b>\$ 1,774,102</b>	<b>\$ 273,001</b>

**TAX COLLECTOR GENERAL AGENCY FUNDS**

	<b>Balance 10/01/16</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance 09/30/17</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 3,793,222	\$ 1,602,648,180	\$ 1,602,964,979	\$ 3,476,423
Accounts Receivable	323,515	36,686,172	36,532,652	477,035
<b>Total Assets</b>	<b>\$ 4,116,737</b>	<b>\$ 1,639,334,352</b>	<b>\$ 1,639,497,631</b>	<b>\$ 3,953,458</b>
<b>LIABILITIES</b>				
Due to Other Governments	\$ 3,212,218	\$ 39,567,488	\$ 39,339,738	\$ 3,439,968
Due to Individuals	904,519	403,837,312	404,228,341	513,490
<b>Total Liabilities</b>	<b>\$ 4,116,737</b>	<b>\$ 443,404,800</b>	<b>\$ 443,568,079</b>	<b>\$ 3,953,458</b>

Continued

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

For the Year Ended September 30, 2017

**AGENCY COMBINED TOTALS**

	<b>Balance 10/01/16</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance 09/30/17</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 10,027,346	\$ 1,627,238,089	\$ 1,628,490,157	\$ 8,775,278
Accounts Receivable	323,515	36,686,172	36,532,652	477,035
<b>Total Assets</b>	<b>\$ 10,350,861</b>	<b>\$ 1,663,924,261</b>	<b>\$ 1,665,022,809</b>	<b>\$ 9,252,313</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ 74,923	\$ 74,923	\$ -
Due to Other Governments	3,247,384	39,636,112	39,415,287	3,468,209
Due to Individuals	2,670,260	408,579,800	408,889,914	2,360,146
Other Current Liabilities	4,433,217	19,913,637	20,922,896	3,423,958
<b>Total Liabilities</b>	<b>\$ 10,350,861</b>	<b>\$ 468,204,472</b>	<b>\$ 469,303,020</b>	<b>\$ 9,252,313</b>

# 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)**

	<b>Fiscal Year</b>			
	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014*</u></b>
Governmental activities				
Net investment in capital assets	\$ 463,840	\$ 437,792	\$ 436,375	\$ 442,851
Restricted	164,972	155,972	128,529	64,981
Unrestricted	(102,043)	(68,495)	(58,603)	(22,759)
Total governmental activities net position	<u>526,769</u>	<u>525,269</u>	<u>506,301</u>	<u>485,073</u>
Business-type activities				
Net investment in capital assets	49,735	47,463	51,827	50,952
Unrestricted	25,594	26,377	17,218	13,816
Total business-type activities net position	<u>75,329</u>	<u>73,840</u>	<u>69,045</u>	<u>64,768</u>
Primary government				
Net investment in capital assets	513,575	485,255	488,202	493,803
Restricted	164,972	155,972	128,529	64,981
Unrestricted	(76,449)	(42,118)	(41,384)	(8,943)
Total primary government net position	<u>\$ 602,098</u>	<u>\$ 599,109</u>	<u>\$ 575,347</u>	<u>\$ 549,841</u>

\* As restated for change in Accounting Principle

*Continued next page*

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 452,717	\$ 458,089	\$ 458,331	\$ 445,075	\$ 421,039	\$ 411,670
102,728	86,651	85,670	91,990	9,422	766
15,359	30,839	10,083	10,312	100,805	88,968
<u>570,804</u>	<u>575,579</u>	<u>554,084</u>	<u>547,377</u>	<u>531,266</u>	<u>501,404</u>
52,502	49,930	49,870	48,811	47,589	43,157
15,992	14,852	14,200	10,707	880	2,422
<u>68,494</u>	<u>64,782</u>	<u>64,070</u>	<u>59,518</u>	<u>48,469</u>	<u>45,579</u>
505,219	508,019	508,201	493,887	468,628	454,827
102,728	86,651	85,670	91,990	9,422	766
31,351	45,691	24,283	21,019	101,685	91,390
<u>\$ 639,298</u>	<u>\$ 640,361</u>	<u>\$ 618,154</u>	<u>\$ 606,896</u>	<u>\$ 579,735</u>	<u>\$ 546,983</u>

**Schedule 2**  
**Escambia County, Florida**

**CHANGES IN NET POSITION**

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

	Fiscal Year			
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Expenses</b>				
<b>Governmental activities:</b>				
General government	\$ 71,637	\$ 59,270	\$ 52,406	\$ 63,252
Public Safety	148,553	146,708	127,345	127,213
Physical environment	2,855	2,736	2,423	1,618
Transportation	48,569	56,118	51,235	48,542
Economic environment	14,088	12,461	11,486	12,139
Human services	2,679	2,602	2,689	2,462
Culture and recreation	9,957	10,248	9,140	8,930
Court related	12,583	11,686	12,955	11,215
Interest	4,574	3,277	3,441	3,392
Total governmental activities expenses	<u>315,495</u>	<u>305,106</u>	<u>273,120</u>	<u>278,763</u>
<b>Business-type activities:</b>				
Solid waste	10,110	10,143	9,956	9,919
Emergency medical services	13,616	12,678	10,978	10,796
Inspection fund	2,500	2,435	2,187	2,079
Bay Center	7,006	6,837	6,685	6,560
Total business-type activities expenses	<u>33,232</u>	<u>32,093</u>	<u>29,806</u>	<u>29,354</u>
Total primary government expenses	<u>\$ 348,727</u>	<u>\$ 337,199</u>	<u>\$ 302,926</u>	<u>\$ 308,117</u>
<b>Program Revenues</b>				
<b>Governmental activities:</b>				
Charges for services				
General government	5,378	4,933	4,471	4,273
Public safety	22,684	19,472	17,998	17,947
Physical environment	15,806	15,707	17,732	14,935
Transportation	7,053	6,854	6,746	6,509
Economic environment	382	581	270	380
Culture/recreation	514	520	522	494
Court related	12,316	11,559	11,543	10,021
Operating grants and contributions	19,187	24,286	18,434	18,946
Capital grants and contributions	9,856	8,255	8,104	10,655
Total governmental activities program revenue	<u>93,176</u>	<u>92,167</u>	<u>85,820</u>	<u>84,160</u>
<b>Business-type activities:</b>				
Charges for services				
Solid waste	15,373	15,141	13,485	13,618
Emergency medical services	10,963	12,832	12,013	12,158
Inspection fund	2,622	2,581	2,262	2,299
Bay Center	4,564	4,975	4,409	4,558
Operating grants and contributions	-	-	-	103
Capital grants and contributions	155	161	735	131
Total business-type activities program revenue	<u>33,677</u>	<u>35,690</u>	<u>32,904</u>	<u>32,867</u>
Total primary government program revenues	<u>\$ 126,853</u>	<u>\$ 127,857</u>	<u>\$ 118,724</u>	<u>\$ 117,027</u>
<b>Net (Expense)/Revenue</b>				
Governmental activities	\$ (222,319)	\$ (212,939)	\$ (187,300)	\$ (194,603)
Business-type activities	445	3,597	3,098	3,513
Total primary government net expense	<u>\$ (221,874)</u>	<u>\$ (209,342)</u>	<u>\$ (184,202)</u>	<u>\$ (191,090)</u>

Continued next page

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 74,163	\$ 67,918	\$ 66,068	\$ 58,525	\$ 68,563	\$ 74,196
107,598	120,918	117,657	120,345	118,799	126,128
2,057	4,694	6,892	4,418	4,348	7,351
52,130	49,084	47,726	44,860	43,887	45,859
11,274	13,225	13,361	19,468	11,326	16,955
2,493	2,781	2,790	3,318	3,386	4,654
4,464	7,024	6,073	5,647	5,851	5,312
10,152	7,922	8,405	8,446	8,607	8,911
3,058	4,388	5,165	5,397	6,471	5,909
<u>267,389</u>	<u>277,954</u>	<u>274,137</u>	<u>270,424</u>	<u>271,238</u>	<u>295,275</u>
9,988	10,254	11,941	11,822	7,861	10,330
9,912	9,723	9,387	9,563	14,195	15,036
1,876	2,285	2,580	2,874	3,141	3,448
6,583	5,876	5,743	6,509	5,523	6,197
<u>28,359</u>	<u>28,138</u>	<u>29,651</u>	<u>30,769</u>	<u>30,720</u>	<u>35,011</u>
<u>\$ 295,748</u>	<u>\$ 306,092</u>	<u>\$ 303,788</u>	<u>\$ 301,193</u>	<u>\$ 301,958</u>	<u>\$ 330,286</u>
4,285	25,380	25,142	25,084	26,578	24,133
17,725	18,629	17,679	17,469	14,589	16,180
13,582	2,625	2,364	2,566	2,452	3,156
6,249	1,254	1,444	1,241	1,023	1,306
321	6	42	5	18	170
380	397	300	311	266	357
6,674	2,791	3,070	3,007	9,930	9,717
19,239	45,950	32,687	31,039	15,183	10,769
4,813	10,683	11,704	27,450	33,056	22,750
<u>73,268</u>	<u>107,716</u>	<u>94,432</u>	<u>108,172</u>	<u>103,096</u>	<u>88,538</u>
11,998	11,674	12,489	11,681	9,830	12,008
11,454	9,386	11,548	13,924	14,074	13,828
2,091	1,970	1,904	1,829	1,997	2,542
3,905	3,735	3,490	3,974	3,473	3,629
2	236	14	107	6	82
1,556	92	718	1,624	972	1,647
<u>31,006</u>	<u>27,093</u>	<u>30,163</u>	<u>33,138</u>	<u>30,352</u>	<u>33,736</u>
<u>\$ 104,274</u>	<u>\$ 134,809</u>	<u>\$ 124,595</u>	<u>\$ 141,310</u>	<u>\$ 133,448</u>	<u>\$ 122,274</u>
\$ (194,121)	\$ (170,237)	\$ (179,705)	\$ (162,252)	\$ (168,142)	\$ (206,737)
2,647	(1,046)	512	2,369	(369)	(1,275)
<u>\$ (191,474)</u>	<u>\$ (171,283)</u>	<u>\$ (179,193)</u>	<u>\$ (159,883)</u>	<u>\$ (168,511)</u>	<u>\$ (208,012)</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)**

	<b>Fiscal Year</b>			
	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
<b>General Revenues and Other Changes in Net Position</b>				
<b>Governmental activities:</b>				
Taxes				
Property taxes	\$ 110,051	\$ 109,691	\$ 108,848	\$ 101,076
Sales tax	66,762	64,634	62,074	59,450
Gasoline taxes	18,797	18,178	17,507	16,107
Tourist development tax	10,598	9,956	9,160	8,396
Other taxes and payments in lieu of taxes	4,789	4,759	5,961	6,028
Intergovernmental-unrestricted	8,522	8,216	7,987	7,408
Investment income	2,135	2,805	2,659	1,348
Gain (loss) on sale of capital assets	-	-	-	-
Miscellaneous	2,908	4,677	6,528	8,131
Gain (loss) on sale of capital assets	-	-	(11,481)	-
Transfers - internal activities	(744)	(697)	(715)	(763)
Special Item	-	9,689	-	-
Total general revenues and transfers	<u>223,818</u>	<u>231,908</u>	<u>208,528</u>	<u>207,181</u>
<b>Business-type activities:</b>				
Investment income	258	416	386	177
Gain (loss) on sale of capital assets	-	-	-	-
Miscellaneous	43	83	79	400
Capital contributions	-	-	-	-
Transfers - internal activities	744	697	715	763
Total business-type activities	<u>1,045</u>	<u>1,196</u>	<u>1,180</u>	<u>1,340</u>
<b>Total primary government</b>	<u>\$ 224,863</u>	<u>\$ 233,104</u>	<u>\$ 209,708</u>	<u>\$ 208,521</u>
<b>Change in Net Position</b>				
Governmental activities	\$ 1,499	\$ 18,969	\$ 21,228	\$ 12,578
Business-type activities	1,490	4,793	4,278	4,853
<b>Total change in net position</b>	<u>\$ 2,989</u>	<u>\$ 23,762</u>	<u>\$ 25,506</u>	<u>\$ 17,431</u>

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	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$	93,789	\$ 99,683	\$ 105,428	\$ 103,386	\$ 107,317	\$ 130,009
	56,515	54,113	53,164	49,382	49,756	54,403
	12,621	13,069	13,315	13,388	13,441	13,750
	7,801	7,156	6,462	5,051	5,333	5,533
	7,865	-	-	-	-	-
	7,024	8,333	8,189	8,227	8,151	9,058
	390	3,617	1,509	1,163	3,364	6,042
	-	5,246	104	133	-	290
	4,249	1,619	1,698	2,180	13,472	1,861
	-	-	-	-	-	-
	(907)	(1,104)	(3,456)	(8,044)	(2,830)	(214)
	-	-	-	-	-	-
	<u>189,347</u>	<u>191,732</u>	<u>186,413</u>	<u>174,866</u>	<u>198,005</u>	<u>220,732</u>
	53	615	228	130	176	593
	-	-	146	90	198	58
	104	38	209	416	55	67
	-	-	-	-	-	-
	<u>907</u>	<u>1,104</u>	<u>3,456</u>	<u>8,044</u>	<u>2,830</u>	<u>214</u>
	<u>1,064</u>	<u>1,757</u>	<u>4,039</u>	<u>8,680</u>	<u>3,259</u>	<u>932</u>
\$	<u>190,411</u>	\$ <u>193,489</u>	\$ <u>190,452</u>	\$ <u>183,546</u>	\$ <u>201,264</u>	\$ <u>221,664</u>
\$	(4,774)	\$ 21,495	\$ 6,708	\$ 12,614	\$ 29,863	\$ 13,995
	3,711	711	4,551	11,049	2,890	(343)
\$	<u>(1,063)</u>	\$ <u>22,206</u>	\$ <u>11,259</u>	\$ <u>23,663</u>	\$ <u>32,753</u>	\$ <u>13,652</u>

**Schedule 3**  
**Escambia County, Florida**

**FUND BALANCES OF GOVERNMENTAL FUNDS**

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

	<b>Fiscal Year</b>						
	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>
General Fund:							
Nonspendable	\$ 694	\$ 644	\$ 4,292	\$ 4,367	\$ 4,805	\$ 5,021	\$ 579
Restricted	-	-	-	-	52	-	-
Committed	-	-	-	-	-	-	-
Assigned	16,297	18,952	17,911	10,073	8,402	4,908	903
Unassigned	30,149	27,682	25,536	23,647	19,361	16,868	27,954
Total general fund	<u>47,140</u>	<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	563	17,954	10,118	5,609	2,567	7,776	18,896
Restricted	244,779	138,898	124,568	123,349	99,764	86,651	85,670
Committed	17,115	14,916	16,121	14,267	13,545	9,100	8,418
Assigned	-	-	-	-	-	8,777	7,655
Unassigned	(9,820)	(8,204)	(6,240)	(3,836)	(3,980)	(6,088)	(18,135)
Total all other governmental funds	<u>252,637</u>	<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><b>\$ 299,777</b></u>	<u><b>\$ 210,842</b></u>	<u><b>\$ 192,306</b></u>	<u><b>\$ 177,476</b></u>	<u><b>\$ 144,516</b></u>	<u><b>\$ 133,014</b></u>	<u><b>\$ 131,941</b></u>

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

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>REVENUES</b>				
Taxes	\$ 180,220	\$ 177,312	\$ 173,928	\$ 161,956
Permits, fees and special assessments	19,048	15,966	16,027	13,916
Franchise fees	14,747	14,883	15,140	14,608
Intergovernmental revenue	67,034	70,451	62,617	62,337
Charges for services	25,441	23,968	23,618	21,677
Fines and forfeits	2,900	2,529	2,606	2,407
Investment income	2,059	2,620	2,504	1,344
Miscellaneous	5,615	6,492	9,820	11,935
Total revenues	<u>317,064</u>	<u>314,221</u>	<u>306,260</u>	<u>290,180</u>
<b>EXPENDITURES</b>				
General government	55,134	55,544	53,032	56,079
Public safety	132,449	132,149	124,781	119,698
Physical environment	3,385	2,110	4,173	1,731
Transportation	33,724	34,398	30,601	27,584
Economic environment	14,635	12,322	11,227	12,796
Human services	2,449	2,549	2,686	2,337
Culture and recreation	8,320	7,677	7,450	6,867
Court-related	11,286	10,541	11,693	10,071
Debt service:				
Principal	7,343	7,160	6,812	4,397
Interest	3,961	3,127	3,290	3,241
Bond issuance costs	552	-	-	-
Capital outlay	42,054	27,418	34,970	32,156
Total expenditures	<u>315,292</u>	<u>294,995</u>	<u>290,715</u>	<u>276,957</u>
Excess of revenues over (under) expenditures	<u>1,772</u>	<u>19,226</u>	<u>15,545</u>	<u>13,223</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Refunding bonds issued	-	-	-	-
Refunding notes issued	-	-	-	-
Bonds issued	78,060			
Premium(Discount)Notes/Bonds	10,682			
Notes issued	-	-	-	20,500
Proceeds from the sale of capital assets				
Payments made to bond escrow agents	-	-	-	-
Insurance recoveries	-	-	-	-
Transfers in	24,865	22,053	21,251	18,331
Transfers out	(26,444)	(22,743)	(21,966)	(19,094)
Total other financing sources (uses)	<u>87,163</u>	<u>(690)</u>	<u>(715)</u>	<u>19,737</u>
Net change in fund balances	<u>\$ 88,935</u>	<u>\$ 18,536</u>	<u>\$ 14,830</u>	<u>\$ 32,960</u>
Debt service as a percentage of noncapital expenditures	4.27%	3.95%	4.09%	3.21%

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**Fiscal Year**

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 149,265	\$ 153,137	\$ 157,787	\$ 152,344	\$ 158,587	\$ 181,972
13,546	12,893	12,074	12,180	11,365	12,039
13,308	13,372	13,811	14,109	13,809	13,246
57,770	81,844	68,947	85,534	59,002	64,356
18,111	17,627	17,218	16,885	18,612	20,192
2,262	1,145	1,207	990	3,757	4,381
418	3,415	1,395	1,042	3,126	5,355
8,992	5,180	10,453	6,987	16,401	4,742
<u>263,672</u>	<u>288,613</u>	<u>282,892</u>	<u>290,071</u>	<u>284,659</u>	<u>306,283</u>
58,979	59,147	61,209	51,716	59,419	66,939
103,464	112,270	112,160	108,184	113,003	125,171
2,279	5,251	6,432	5,490	4,831	8,228
26,812	26,183	26,172	23,898	24,615	28,870
10,419	12,517	13,428	18,973	11,731	16,701
2,079	2,254	2,323	2,786	2,872	4,166
2,271	1,556	2,186	1,409	1,645	2,126
9,132	9,308	9,576	9,603	9,533	10,507
3,526	3,670	3,998	13,052	6,168	4,866
3,148	4,388	5,165	5,397	6,471	5,909
-	-	-	-	-	-
32,279	50,446	42,539	46,438	37,920	26,807
<u>254,388</u>	<u>286,991</u>	<u>285,188</u>	<u>286,946</u>	<u>278,208</u>	<u>300,290</u>
<u>9,284</u>	<u>1,622</u>	<u>(2,296)</u>	<u>3,125</u>	<u>6,453</u>	<u>5,993</u>
8,406	48,880	-	-	-	-
-	48,040	-	-	-	-
-	-	-	-	-	-
-	-	-	-	1,227	273
-	-	-	-	-	-
(8,362)	(96,700)	-	-	-	-
-	749	301	308	2,312	171
18,256	36,443	26,941	35,798	40,548	35,065
(16,083)	(38,057)	(34,843)	(38,842)	(43,378)	(35,280)
<u>2,217</u>	<u>(645)</u>	<u>(7,601)</u>	<u>(2,736)</u>	<u>709</u>	<u>229</u>
<u>\$ 11,501</u>	<u>\$ 976</u>	<u>\$ (9,897)</u>	<u>\$ 389</u>	<u>\$ 7,162</u>	<u>\$ 6,222</u>
3.08%	3.54%	4.06%	4.09%	5.46%	3.94%

**Schedule 5**  
**Escambia County, Florida**

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**

**Last Ten Fiscal Years**  
**(Amounts Expressed in Thousands)**

<b>Fiscal Year</b>	<b>Net Assessed Value of Real Property (1)</b>				<b>Total</b>	<b>Total Direct Tax Rate</b>
	<b>Residential Property</b>	<b>Commercial and Industrial Property</b>	<b>Other Property</b>	<b>Personal Property (2)</b>		
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
2017	10,935,245	2,980,222	361,561	1,872,431	16,149,459	7.6605

**Source:** Escambia County Property Appraiser

[www.escpa.org](http://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

	<b>Fiscal Year</b>			
	<u><b>2017</b></u>	<u><b>2016</b></u>	<u><b>2015</b></u>	<u><b>2014</b></u>
<b>Direct:</b>				
Escambia County	6.6165	6.6165	6.6165	6.6165
Library	0.3590	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>
<b>Overlapping:</b>				
Escambia County School Board	6.6310	6.8760	7.1130	7.557
City of Pensacola	4.2895	4.2895	4.2895	4.2895
City of Pensacola Downtown Improvement Board	2.0000	2.0000	2.0000	2.000
Northwest Florida Water Management	0.0353	0.0366	0.0378	0.039
Town of Century	<u>0.9204</u>	<u>0.9732</u>	<u>0.9006</u>	<u>0.9006</u>
Total overlapping rates	<u>13.8762</u>	<u>14.1753</u>	<u>14.3409</u>	<u>14.7861</u>

**Source:** Escambia County Property Appraiser  
[www.escpa.org](http://www.escpa.org)

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<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
6.9755	6.9755	6.9755	6.9755	6.9755	8.017
-	-	-	-	-	-
0.685	0.685	0.685	0.685	0.685	0.685
7.6605	7.6605	7.6605	7.6605	7.6605	8.702
7.558	7.821	7.860	7.860	7.720	7.720
4.2895	4.2895	4.5395	4.5395	4.5395	4.598
2.000	2.000	2.000	2.000	2.000	2.000
0.040	0.040	0.045	0.045	0.045	0.045
0.9048	0.9048	0.9048	0.823	0.817	0.781
14.7921	15.0553	15.3493	15.2675	15.1215	15.144



**Schedule 7  
Escambia County, Florida**

**PRINCIPAL PROPERTY TAX PAYERS**

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

<u><b>Taxpayer</b></u>	<b>Fiscal Year 2017</b>			<b>Fiscal Year 2008</b>		
	<b>Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total County Assessed Value</b>	<b>Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total County Assessed Value</b>
Gulf Power Company	\$ 693,980	1	4.51%	\$ 430,309	1	2.89%
International Paper Corp	270,589	2	1.76%	405,283	2	2.72%
West FL Medical/ Regional Medical Ctr	106,083	3	0.69%	95,182	9	0.64%
Ascend Performance Material*	110,628	4	0.72%	181,139	3	1.22%
Simon Debar/Simon Prop/Univer	75,155	5	0.49%			0.00%
Navy Federal Credit Union	142,675	6	0.93%			0.00%
Walmart/Sams	69,221	7	0.45%			0.00%
City of Pensacola	221,337	8	1.44%	128,432	6	0.86%
Sacred Heart Health Systems	241,612	9	1.57%	172,411	4	1.16%
Bellsouth Tele/Southern Bell	43,512	10	0.28%	99,868	8	0.67%
Pensacola POB/Baptist				158,858	5	1.07%
Pensacola Christian College				122,455	7	0.82%
WCI Communities, Inc.				73,460	10	0.49%
<b>Total</b>	<u><u>\$ 1,974,792</u></u>		<u><u>12.84%</u></u>	<u><u>\$ 1,867,397</u></u>		<u><u>12.52%</u></u>
	(1) <u><u>\$ 15,384,796</u></u>			(1) <u><u>\$ 14,899,559</u></u>		

**Sources:**

Escambia County Tax Roll compiled by the Escambia County Property Appraiser

[www.escpa.org](http://www.escpa.org)

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

[www.escambiataxcollector.com](http://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 Received from Prior Year Levies	Total Collections to Date	
		Amount	Percentage of Original Levy		Amount	Percentage of Levy
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%
2017	114,962,306	109,851,250	95.55%	199,525	110,050,775	95.73%

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

(1) 2011 Collections received from prior year levies include \$10,606,316 for collections held in reserve pending the outcome of court litigation.

(2) 2015 Collections received from prior year levies include \$4,463,110 for collections held in reserve pending the outcome of court litigation.

(3) 2016 Collections received from prior year levies include \$2,938,543 for collections held in reserve pending the outcome of court litigation.

**Schedule 9**  
**Escambia County, Florida**

**SCHEDULE OF OUTSTANDING DEBT BY TYPE**

**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Governmental Activities</b>			<b>Business Activities</b>		<b>Total Outstanding Debt</b>
	<b>Bonds</b>	<b>Capital Leases</b>	<b>Notes</b>	<b>Bonds</b>	<b>Notes</b>	
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
2017	118,395,000	-	55,658,000	-	-	174,053,000

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

- (1) See Schedule 14 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 14.

*Continued next page*

<b>Less: Amounts Available in Debt Service Fund (2)</b>	<b>Total</b>	<b>Percentage of Personal Income (1)</b>	<b>Population (1)</b>	<b>Debt Per Capita (1)</b>	<b>Percentage of Per Capita (3)</b>
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%	315,187	325	0.036%
1,666,811	172,386,189	1514.81%	315,187	547	0.021%

**Schedule 10**  
**Escambia County, Florida**

**Direct and Overlapping Governmental Activities Debt and Computation of Legal Debt Margin**  
**As of September 30, 2017**

**Computation of Direct and Overlapping Debt (1)**

<b><u>Governmental Unit</u></b>	<b><u>Debt Outstanding</u></b>	<b><u>Percentage Applicable to This Governmental Unit</u></b>
Direct Debt:		
Escambia County - Revenue Bonds	\$ 118,395,000	100.00%
Escambia County - Revenue Notes	55,658,000	100.00%
Total Direct Debt	<u>\$ 174,053,000</u>	

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, 2017.

(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	
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
2017	24,173,396	3,380,000	3,008,930	3.78	3,615,062	2,728,000	885,732	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	
5,532,834	(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
10,598,123	(1,300,000)	9,298,123	1,235,000	60,026	8.18

**Schedule 12**  
**Escambia County, Florida**

**HISTORICAL SALES TAX REVENUE (1)**

**Last Six Fiscal Years**

<u>Fiscal Year</u>	<u>Half-Cent Sales Tax Revenues (2)</u>	<u>Percentage Change</u>
2012	19,793,471	1.3%
2013	20,617,921	4.2%
2014	21,735,479	5.4%
2015	22,513,589	3.6%
2016	23,418,049	4.0%
2017	24,173,396	3.2%

(1) The table sets forth the historical Sales Tax Revenues received by the county (net of amounts distributed to municipalities within the County) for the Fiscal Years Ending September 30, 2012 through 2017 (audited).

(2) The Amount of Sales Tax Revenues distributed to the County is subject to increase or decrease due to (i) more or less favorable economic conditions, (ii) increases or decreases in the dollar volume of taxable sales within the County, (iii) legislative changes relating to the sales tax, which may include changes in the scope of taxable sales, changes in tax rate and changes in the amount of Sales Tax Revenues deposited into the Trust Fund, and (iv) other factors which may be beyond the control of the County or the Series 2017 Bondholders, including but not limited to the potential for increased use of electronic commerce and other internet-related sales activity that could have a material adverse impact upon the amount of sales tax collected by the State, deposited into the Trust Fund and then distributed to the County.

(3) In particular, the share of the Sales Tax Revenues deposited in the Trust Fund which is to be distributed to the County will be affected by changes in the relative populations of the incorporated and unincorporated areas within the County. Such relative populations are subject to change through normal increases and decreases in population within the existing unincorporated and incorporated areas of the County and are also subject to change by the annexation of previously unincorporated areas of the County by the municipalities within the County. Such annexations would not only increase the population of the incorporated areas but also would, in equal amount, decrease the population of the unincorporated areas.



**Schedule 13  
Escambia County, Florida**

**PRO FORMA DEBT SERVICE COVERAGE FROM SALES TAX**

**Last Six Fiscal Years**

	<b>Fiscal Year Ended September 30,</b>			
	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>
Sales Tax Revenue	\$ 19,793,471	\$ 20,617,921	\$ 21,735,479	\$ 22,513,589
Maximum Annual Debt Service on the Series 2011 Bond, Series 2012 Note and Series 2017 Bonds (1)	9,572,824	9,572,824	9,572,824	9,572,824
Sales Tax Revenue coverage of Maximum Annual Debt Service on the Series 2011 Bond, Series 2012 Note and Series 2017 Bonds (2)	2.07 x	2.15 x	2.27 x	2.35 x

(1) The coverage table compares the historical Sales Tax Revenues to the pro forma aggregate maximum annual debt service on the Series 2011 bond, the Series 2012 Note and the Series 2017 Bonds. The pro forma aggregate maximum annual debt service would occur in Fiscal Year 2024, based on the assumptions set forth below.

(1) Assumes that the Sales Tax Refunding Revenue Bond, Series 2011 matures on October 1, 2031 with no change in the interest rate of 3.06%, subject to adjustment as set forth in the resolution authorizing the same; however, the entire unpaid principal of and interest accrued thereon may be subject to mandatory redemption at the option of the owner of the Bond on October 1, 2026. Further, assumes that the 2012 Sales Tax Refunding Revenue Note matures on October 1, 2032 with no change in the interest rate of 2.82%, subject to adjustment as set forth in the resolution authorizing the same; however, the entire unpaid principal of and interest accrued thereon may be subject to mandatory prepayment at the option of the owner of the Note on October 1, 2027 or any date thereafter through but not including October 1, 2028.

*Continued next page*

<u>2016</u>	<u>2017</u>
\$ 23,418,049	\$ 24,173,396
9,572,824	9,572,824
2.45 x	2.53 x

**Schedule 14**  
**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)
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	315,187	36.9	38,408	12,105,702	39,284	5.1%
2017	315,187	37.2	38,408	12,105,702	39,859	4.0%

Sources:

- (1) Florida Research and Economic Information Database (FRIEDA) <http://freida.labormarketinfo.com>  
2017 Population was not available at the time of issue, and is based on 2016 data  
2017 Per Capita Personal Income was not available at the time of issue, and is based on 2016 data  
Unemployment Rate is monthly adjusted as of September
- (2) University of West Florida HAAS Center [www.haas.uwf.edu](http://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](http://www.escambia.k12.fl.us)

**Schedule 15**  
**Escambia County, Florida**

**PRINCIPAL EMPLOYERS**

**Current and Nine Years Ago**

<b><u>Employer</u></b>	2017 (1)			2008 (2)		
	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
Local government	15,800	1	30.59%	15,790	1	33.84%
Federal government	6,700	2	12.97%	7,403	2	15.87%
State government	6,700	3	12.97%	5,970	3	12.80%
Baptist Health Care	6,633	4	12.84%	3,163	5	6.78%
Navy Federal Credit Union	6,342	5	12.28%	1,200	11	2.57%
Sacred Heart Health Systems	4,820	6	9.33%	5,000	4	10.72%
Gulf Power Company	1,774	7	3.43%	1,400	7	3.00%
West Florida Healthcare	1,200	8	2.32%	1,300	9	2.79%
Ascend Performance Materials	888	9	1.72%	1,400	8	3.00%
West Corporation	800	10	1.55%	800	13	1.71%
University of West Florida (State of FL)				1,231	10	2.64%
Lakeview Center (Baptist Health Care)				2,000	6	4.29%
<b>Total Employees</b>	<b>51,657</b>			<b>46,657</b>		

**Source:**

(1) Florida West Economic Development Alliance [www.FloridaWestEDA.com](http://www.FloridaWestEDA.com) and Florida Research and Economic Information Database Applications (Total Government) [www.FREIDA.labormarketinfo.com](http://www.FREIDA.labormarketinfo.com)  
(2) Escambia County Comprehensive Annual Fiscal Report for the year ending 2008.

**Schedule 16**  
**Escambia County, Florida**

**ESCAMBIA COUNTY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**

**Last Ten Fiscal Years**

<u><b>Function/Program</b></u>	<u><b>Number of Full Time Equivalent Employees as of September 30</b></u>			
	<u><b>2017</b></u>	<u><b>2016</b></u>	<u><b>2015</b></u>	<u><b>2014</b></u>
<u><b>General government</b></u>				
Board of County Commissioners	215	177	197	192
Clerk of Circuit Court & Comptroller	41	41	53	53
Property Appraiser	70	70	70	75
Supervisor of Elections	15	13	13	13
Tax Collector	100	100	100	103
<u><b>Public safety</b></u>				
Board of County Commissioners	918	862	841	810
Sheriff	652	652	670	645
<u><b>Physical environment</b></u>				
Board of County Commissioners	67	65	66	105
<u><b>Transportation</b></u>				
Board of County Commissioners	225	229	197	192
<u><b>Economic environment</b></u>				
Board of County Commissioners	6	6	5	4
<u><b>Human services</b></u>				
Board of County Commissioners	29	43	43	30
<u><b>Culture and recreation</b></u>				
Board of County Commissioners	26	26	24	25
<u><b>Court related</b></u>				
Board of County Commissioners	14	13	7	6
Clerk of Circuit Court & Comptroller	119	118	117	116
<b>Total</b>	<u><u>2,497</u></u>	<u><u>2,415</u></u>	<u><u>2,403</u></u>	<u><u>2,369</u></u>

Source: Escambia County Government

*Continued next page*

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
211	198	197	207	166	197
55	54	53	53	53	65
70	70	69	69	78	83
15	15	14	15	19	20
103	89	89	89	91	89
373	379	379	398	300	389
1,079	1,102	1,094	1,103	1,122	1,039
103	98	104	105	87	76
196	194	190	199	198	232
-	-	-	-	5	5
29	27	28	26	34	42
26	25	24	26	21	29
4	4	3	3	8	11
117	125	130	130	133	164
<u>2,381</u>	<u>2,380</u>	<u>2,374</u>	<u>2,423</u>	<u>2,315</u>	<u>2,441</u>

**Schedule 17**  
**Escambia County, Florida**

**OPERATING INDICATORS BY FUNCTION/PROGRAM**

**Last Ten Fiscal Years**

<b>Function/Program</b>	<b>Fiscal Year</b>		
	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
<b>General Government</b>			
County residents per employee (1)	126	129	129
<b>Public Safety</b>			
Building permits -total value	\$ 228,500,135	\$ 202,881,216	\$ 160,326,832
Building permits - single family units	836	816	761
Building permits - multi-family units	92	107	10
Total fire responses	16,683	14,317	15,320
Total permits issued	20,881	20,200	18,786
Total inspections performed	38,848	34,461	33,628
Code enforcement complaints	6,471	6,431	7,579
Emergency calls (ambulance)	51,464	46,881	41,537
Non-emergency calls (ambulance)	2,760	2,435	534
Total ambulance transports	36,595	36,442	35,225
911 calls - City	49,636	51,159	56,602
Arrests - City	3,301	3,039	3,176
Traffic violations - City	8,009	6,804	6,859
911 calls - County	50,661	50,536	42,402
Arrests - County	15,953	14,137	11,306
Traffic violations - County	32,381	22,559	12,014
<b>Physical environment</b>			
Solid waste managed at Perdido Landfill (tons)	411,452	334,027	257,778
Waste disposed of in the class I landfill (tons)	362,882	318,320	234,031
Tons of yard trash recycled	7,609	8,033	20,262
Tons of various recycled materials	40,053	4,924	3,380
Hazardous material disposed of (tons)	43	76	34
<b>Transportation</b>			
Passenger trips - fixed route services	1,578,305	1,443,463	1,490,282
Passenger trips - paratransit/demand services	92,820	87,558	87,355
Bob Sikes toll receipts	3,540,583	3,452,765	3,537,142
<b>Culture and recreation</b>			
Bay Center operating revenues	4,482,737	4,989,232	4,434,520
Parks & recreation park uses	78	73	69
Equestrian Center events	66	56	56
Lake Stone rentals	473	426	391
Naval Air Museum visitors	772,997	842,639	872,082
Students enrolled - University of West Florida	12,979	12,798	12,602
Students enrolled - Pensacola State College	7,400	7,633	7,632

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 14 and total County government employees on Schedule 16

(2) The large increase in Recycle Materials is due to the inter-local agreement between Escambia County and ECUA through which 33,138 tons of recycled waste was received across the scales at Perdido Landfill and processed on site at the Landfill.

Continued next page

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
129	128	128	126	123	128	122
\$ 130,236,352	\$ 113,949,035	\$ 91,212,174	\$ 62,593,839	\$ 90,953,291	\$ 69,389,475	\$ 76,397,591
669	777	621	609	529	455	513
246	10	2	2	391	200	34
14,769	15,946	15,392	15,736	15,493	13,602	13,061
19,416	17,440	15,176	15,741	15,330	15,222	19,258
34,490	31,798	27,205	25,288	25,581	38,612	48,318
6,165	8,292	6,400	6,354	7,418	5,659	9,483
41,599	37,872	38,668	36,516	35,557	33,836	33,440
950	2,103	531	797	1,068	3,144	5,760
33,715	33,136	31,542	37,313	36,625	34,030	30,782
61,540	57,416	59,583	55,093	52,780	51,104	93,019
3,225	3,773	3,316	3,405	3,375	3,852	3,958
7,367	8,179	5,894	5,879	5,786	8,458	9,890
46,199	46,246	48,467	45,071	45,710	76,257	71,175
15,348	16,944	17,850	16,986	18,776	18,847	14,295
10,254	9,114	14,314	7,833	11,201	8,711	5,193
280,128	258,856	266,114	270,935	284,689	294,785	400,329
267,821	244,018	243,737	240,934	257,192	259,807	360,086
9,377	5,015	6,315	14,977	17,628	26,834	30,804
2,247	6,726	9,316	20,531	24,343	34,669	58,601
43	70	72	58	35	45	26
1,516,853	1,561,371	1,359,002	1,145,539	1,164,519	1,054,638	1,017,408
56,651	43,774	49,639	49,138	46,383	49,591	51,475
3,327,729	3,310,752	3,316,180	3,249,907	2,902,503	2,962,819	2,845,803
4,563,725	3,937,617	3,750,220	3,514,818	4,016,368	3,479,910	3,632,266
96	89	104	99	85	119	94
51	47	42	37	35	40	46
432	439	450	588	688	856	708
799,380	765,063	804,344	801,397	726,688	755,860	685,628
12,588	12,823	11,982	11,599	11,184	11,000	10,380
8,518	9,297	9,509	9,335	9,276	20,944	20,593



**Schedule 18**  
**Escambia County, Florida**

**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**

**Last Ten Fiscal Years**

Function/Program	Fiscal Year			
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>General government</b>				
Facilities - number	219	219	213	226
Facilities - square footage	2,344,323	2,357,518	2,515,675	2,489,964
<b>Public Safety</b>				
Road prison capacity	256	252	236	236
Work release facility capacity	412	380	380	380
Fire stations	22	22	22	23
Rescue vehicles (fire trucks, etc)	52	53	53	53
Ambulances	33	30	29	25
Mass transit bus/trolley	71	70	83	66
Sheriffs vehicles (marked/unmarked)	425	400	400	400
Sheriff substations	4	6	6	6
<b>Physical environment</b>				
Landfills in operation (accepting waste)	1	1	1	1
Beaches (miles)				
Pensacola (1)*	17	17	17	17
Perdido Key (2)*	13	13	13	13
<b>Transportation</b>				
Centerline miles of county roads				
Paved mileage	1,493	1,486	1,479	1,474
Unpaved mileage	70	75.15	80.09	84.07
Traffic signals	414	361	356	338
Bridges	150	150	165	139
<b>Culture and recreation</b>				
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	21
Libraries (locations)	7	7	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.

*Continued next page*

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
224	214	224	216	218	207
2,497,854	2,329,716	2,437,151	2,294,305	2,295,847	2,818,147
236	236	236	236	260	260
280	280	280	280	280	280
23	22	22	21	22	21
57	67	81	81	80	80
30	30	26	31	30	30
54	44	46	43	40	51
400	365	375	333	298	339
6	6	6	6	6	5
1	2	2	2	2	2
17	17	17	17	17	17
13	13	13	13	13	13
1,467.60	1,467.60	1,463.86	1,456.02	1,454.73	1,454.70
89.39	89.39	91.83	93.49	93.71	94.69
318	324	340	310	301	293
139	132	128	126	140	161
16	16	15	15	15	15
2	2	2	2	2	2
16	16	15	15	15	15
1	1	1	1	1	1
82	82	82	82	80	80
11	11	11	11	2	12
20	20	20	20	20	20
6	6	6	6	5	6



A photograph of two pelicans perched on a wooden post. The pelican on the left is facing forward, while the one on the right is facing away. They have white heads with spiky feathers and long, dark beaks. The background is a blurred marina scene with boats and trees, bathed in warm, golden light.

# 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, 2017, 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 9, 2018. 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.

Pensacola, Florida  
February 9, 2018

**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, 2017:

- (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, 2017.

*Warren Averett, LLC*

Pensacola, Florida  
February 9, 2018

**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, 2017, and have issued our report thereon dated February 9, 2018 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 216 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.

*Warren Averett, LLC*

Pensacola, Florida  
February 9, 2018



Escambia County, Florida

**SCHEDULE OF RECEIPTS AND EXPENDITURES OF  
FUNDS RELATED TO THE DEEPWATER HORIZON OIL SPILL  
For the Fiscal Year Ended September 30, 2017**

<u>Source</u>	<u>Amount Received in the 2016 – 17 Fiscal Year</u>	<u>Amount Expended in the 2016 - 17 Fiscal Year</u>
<b>BP Economic and Property Damages Promotional</b>		
<b>Fund: <u>Agreement No. 2013-2014</u></b>	\$ 6,440	\$ 475

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 \$55,441 of expenditures of Federal awards (included for CFDA #21.015), and \$84,262 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, 2017, and have issued our report thereon dated February 9, 2018.

### 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; 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 Florida Auditor General*.

### Other Reports Requirements

We have issued our Independent Auditors' Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; 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 9, 2018, 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 and Management

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.

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.

### **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, 2017, 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, 2017. 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.

### **Additional Matters**

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

### **Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and 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.

*Warren Averett, LLC*

Pensacola, Florida  
February 9, 2018

**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, 2017. 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, 2017.

### **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, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated February 9, 2018, 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.

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

Pensacola, Florida  
February 9, 2018

**ESCAMBIA COUNTY, FLORIDA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**AND STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

<b>Federal and State Grantor/Pass-Through Grantor/Program Title</b>	<b>CFDA / CSFA Number</b>	<b>Contract / Grant Number</b>	<b>Expenditures</b>	<b>Passed Through to Subrecipients</b>
<b>National Endowment for the Humanities</b>				
Passed Through Florida Humanities Council:				
Promotion of the Humanities_Federal/State Partnership	45.129	SO-50588-14	647	-
<b>U.S. Department of Agriculture</b>				
Passed Through National Fish and Wildlife Foundation				
Cooperative Forestry Assistance	10.664	1301.14.044223	24,313	-
Passed Through Florida Department of Agriculture and Consumer Services:				
Cooperative Forestry Assistance	10.664	23858	15,690	-
			40,003	-
<b>U.S. Department of Health and Human Services</b>				
Passed Through Florida Department of Revenue:				
Child Support Enforcement	93.563	CST17	57,971	-
Child Support Enforcement	93.563	COC17	517,254	-
			575,225	-
Passed Through Big Bend Community Based Care, Inc.:				
Block Grants for Community Mental Health Services	93.958	A0150	42,997	-
<b>U.S. Department of Homeland Security</b>				
Passed Through Florida Division of Emergency Management:				
Disaster Grants-Public Assistance	97.036	15SP-8Z-01-27-02-514	10,118,080	-
Passed Through Florida Division of Emergency Management				
Hazard Mitigation Grant	97.039	16HM-H4-01-27-01-XXX	189,831	-
Hazard Mitigation Grant	97.039	17HM-H4-01-27-01-314	8,839	-
Hazard Mitigation Grant	97.039	16HM-H4-01-27-01-XXX	2,245,718	-
			2,444,388	-
Passed Through Florida Division of Emergency Management:				
Emergency Management Performance Grants	97.042	17-FG-P9-01-27-01-090	87,163	-
Emergency Management Performance Grants	97.042	16-CC-S9-01-21-01-319	7,000	-
			94,163	-
Direct Programs:				
Homeland Security Grant Program	97.067	16-DS-T9-01-27-01-391	31,770	-
Homeland Security Grant Program	97.067	17-DS-V4-01-27-01-297	4,808	-
			36,578	-
<b>U.S. Department of Housing and Urban Development</b>				
Direct Programs:				
Community Development Block Grant/Entitlement Grants	14.218	B-10-UC-12-0012	15,285	-
Community Development Block Grant/Entitlement Grants	14.218	B-11-UC-12-0012	28,660	-
Community Development Block Grant/Entitlement Grants	14.218	B-12-UC-12-0012	190,139	-
Community Development Block Grant/Entitlement Grants	14.218	B-13-UC-12-0012	656,165	-
Community Development Block Grant/Entitlement Grants	14.218	B-14-UC-12-0012	634,677	-
Community Development Block Grant/Entitlement Grants	14.218	B-15-UC-12-0012	432,550	-
Community Development Block Grant/Entitlement Grants	14.218	B-16-UC-12-0012	888,874	-
			2,846,350	-
Direct Programs:				
Emergency Solutions Grant Program	14.231	E-14-UC-12-0022	31,955	31,955
Emergency Solutions Grant Program	14.231	E-15-UC-12-0012	3,648	-
Emergency Solutions Grant Program	14.231	E-16-UC-12-0012	111,253	103,801
			146,856	135,756

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, 2017**

<b>Federal and State Grantor/Pass-Through Grantor/Program Title</b>	<b>CFDA / CSFA Number</b>	<b>Contract / Grant Number</b>	<b>Expenditures</b>	<b>Passed Through to Subrecipients</b>
<b>U.S. Department of Housing and Urban Development-Continued</b>				
Direct Programs:				
Home Investment Partnerships Program	14.239	M-09-DC-12-0225	6,398	-
Home Investment Partnerships Program	14.239	M-12-DC-12-0225	28,068	28,068
Home Investment Partnerships Program	14.239	M-13-DC-12-0225	116,125	-
Home Investment Partnerships Program	14.239	M-14-DC-12-0225	75,468	74,929
Home Investment Partnerships Program	14.239	M-15-DC-12-0225	125,323	125,323
Home Investment Partnerships Program	14.239	M-16-DC-12-0225	90,055	-
			<u>441,437</u>	<u>228,320</u>
<b>U.S. Department of the Interior</b>				
Passed Through Florida Fish and Wildlife Conservation Commission:				
Sport Fish Restoration	15.605	14097	101,134	-
<b>U.S. Department of Justice</b>				
Passed Through Florida Department of Law Enforcement:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2017-JAGC-ESCA-1-HF9-140	50,000	-
Direct Programs:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2015-DJ-BX-0575	68,179	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2014-DJ-BX-0596	11,445	-
			<u>129,624</u>	<u>-</u>
<b>U.S. Department of Transportation</b>				
Passed Through Florida Department of Transportation:				
Highway Planning and Construction	20.205	ART50	376,110	-
Highway Planning and Construction	20.205	ART49	134,448	-
Passed Through Florida Division of Emergency Management				
Highway Planning and Construction	20.205	G0B32	195,196	-
Highway Planning and Construction	20.205	G0729	36,990	-
Highway Planning and Construction	20.205	G0E80	28,860	-
Highway Planning and Construction	20.205	G0B31	119,521	-
Direct Program:				
Highway Planning and Construction	20.205	G0832	9,299	-
			<u>900,424</u>	<u>-</u>
Direct Programs:				
Federal Transit Formula Grants	20.507	FL-90-X938-00	1,873,914	-
Federal Transit Formula Grants	20.507	FL-90-X759-00	28,245	-
Federal Transit Formula Grants	20.507	FL-90-X804-00	49,516	-
Federal Transit Formula Grants	20.507	FL-90-X818-00	29,434	-
Federal Transit Formula Grants	20.507	FL-90-X825-00	20,000	-
Federal Transit Formula Grants	20.507	FL-90-X848-00	68,125	-
Federal Transit Formula Grants	20.507	FL-09-X877-00	660,148	-
Federal Transit Formula Grants	20.507	FL-2017-003	316,771	-
Federal Transit Formula Grants	20.507	1092-2017-1-P1	300,000	-
Bus and Facilities Formula Program	20.526	FL-2017-005-00	80,855	-
Subtotal Federal Transit Cluster			<u>3,427,008</u>	<u>-</u>
Passed Through Florida Department of Transportation:				
Formula Grant for Rural Areas	20.509	ARL62	192,881	-
<b>U.S. Department of the Treasury</b>				
Direct Program:				
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	21.015	1 RDCGR080002-01-00	55,441	-

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, 2017**

<b>Federal and State Grantor/Pass-Through Grantor/Program Title</b>	<b>CFDA / CSFA Number</b>	<b>Contract / Grant Number</b>	<b>Expenditures</b>	<b>Passed Through to Subrecipients</b>
<b>U.S. Election Assistance Commission</b>				
Passed Through Florida Department of State: Help America Vote Act Requirements	90.401	MOA 2016-2017-0001-ESC	40,249	-
<b>U.S. Environmental Protection Agency</b>				
Passed Through Florida Division of Emergency Management: Nonpoint Source Implementation Grants	66.460	G0409	155,899	-
Direct Program: Gulf of Mexico Program	66.475	D43616	2,641	-
<b>TOTAL FEDERAL AWARDS</b>			<b>\$ 21,792,025</b>	<b>\$ 364,076</b>
<b>Executive Office of the Governor</b>				
Direct Programs:				
Emergency Management Programs	31.063	17-BG-83-01-27-01-023	\$ 52,053	\$ -
Emergency Management Programs	31.063	16-BG-83-01-27-01-016	6,986	-
			59,039	-
Direct Program:				
Emergency Management Projects	31.067	17-CP-11-01-27-01-170	10,489	-
Passed Through Enterprise Florida, Inc.: Defense Infrastructure Grant	31.003	DIG-11-10	377,894	-
<b>Florida Department of Agriculture and Consumer Services</b>				
Direct Program:				
Mosquito Control	42.003	022283	33,489	-
<b>Florida Department of Economic Opportunity</b>				
Direct Program:				
Local Economic Development Initiatives	40.012	S0031	31,409	-
<b>Florida Department of Environmental Protection</b>				
Direct Program:				
Statewide Surface Water Restoration and Wastewater Projects	37.039	S0878	553,874	-
Direct Programs:				
Early Restoration Deepwater Horizon Oil Spill	37.081	S0779	40,289	-
Early Restoration Deepwater Horizon Oil Spill	37.081	S0832	14,191	-
Early Restoration Deepwater Horizon Oil Spill	37.081	S0927	29,782	-
			84,262	-
<b>Florida Department of Health</b>				
Direct Program:				
County Grant Awards	64.005	C4017	23,000	-
<b>Florida Department of State and Secretary of State</b>				
Passed Through Panhandle Library Access Network: Library Cooperative Grants	45.018	N/A	6,493	-
Direct Program:				
State Aid To Libraries	45.030	16-ST-93	96,954	-
<b>Florida Department of Transportation</b>				
Direct Program:				
Economic Development Transportation Projects - Road Fund	55.032	ART87	367,565	-
Economic Development Transportation Project Fund	55.032	G0G46	74,226	-
			441,791	-
Commission for the Transportation Disadvantaged (CTD) Trip and Equipment Grant Program	55.001	G0B15	659,614	-
Public Transit Block Grant Program	55.010	G0G39	825,285	-
Transit Corridor Program	55.013	G0G38	408,483	-

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, 2017**

<b>Federal and State Grantor/Pass-Through Grantor/Program Title</b>	<b>CFDA / CSFA Number</b>	<b>Contract / Grant Number</b>	<b>Expenditures</b>	<b>Passed Through to Subrecipients</b>
<b>Florida Fish and Wildlife Conservation Commission</b>				
Direct Programs:				
Artificial Reef Grants Program	77.007	15153	154,114	-
Derelict Vessel Remobal Program	77.005	16175	7,650	-
<b>Florida Housing Finance Corporation</b>				
Direct Programs:				
State Housing Initiatives Partnership Program	40.901	2015 SHIP	109,596	-
State Housing Initiatives Partnership Program	40.901	2016 SHIP	1,047,385	-
State Housing Initiatives Partnership Program	40.901	2017 SHIP	869,285	60,000
			2,026,266	60,000
TOTAL STATE AWARDS			\$ 5,800,106	\$ 60,000
TOTAL FEDERAL AND STATE AWARDS			\$ 27,592,131	\$ 424,076

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, 2017**

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**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, 2017. 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's 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, 2017**

---

**A. SUMMARY OF AUDITOR RESULTS**

**FINANCIAL STATEMENTS**

Type of auditors' report issued:	Unmodified Opinion
Internal control over financial reporting:	
Material weakness(es) identified?	_____ yes <u>✓</u> no
Significant deficiency (ies) identified that are not considered to be material weakness(es)?	_____ yes <u>✓</u> none reported
Noncompliance material to financial statements noted?	_____ yes <u>✓</u> no

**FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**

Internal control over major programs:	
Material weakness(es) identified?	_____ yes <u>✓</u> no
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	_____ yes <u>✓</u> 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 <u>✓</u> no

**IDENTIFICATION OF MAJOR PROGRAMS**

**Federal Program**

CFDA No. 20.205 Highway Planning and Construction  
CFDA No. 20.507 & 20.526 Federal Transit Cluster  
CFDA No. 97.039 Hazard Mitigation Grant

Dollar threshold used to distinguish between type A and type B programs:	\$ 750,000
Auditee qualified as low-risk auditee?	<u>✓</u> yes _____ no

**ESCAMBIA COUNTY FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

---

**A. SUMMARY OF AUDITOR RESULTS – (CONTINUED)**

**State Projects**

CSFA No. 31.003 Defense Infrastructure Grant  
CSFA No. 37.039 Statewide Surface Water Restoration and Wastewater Projects  
CSFA No. 40.901 State Housing Initiatives Partnership Program  
CSFA No. 55.032 Economic Development Transportation Projects

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



**FINANCIAL STATEMENTS AND  
SUPPLEMENTAL REPORTS**

**ESCAMBIA COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**SEPTEMBER 30, 2017**



**FINANCIAL STATEMENTS AND  
SUPPLEMENTAL REPORTS**

**ESCAMBIA COUNTY, FLORIDA CLERK OF THE CIRCUIT COURT AND COMPTROLLER  
SEPTEMBER 30, 2017**

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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, 2017, 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, 2017, 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, 2017, 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*

January 2, 2018  
Pensacola, Florida

## **Financial Statements**

**ESCAMBIA COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2017**

	<b>Major Funds</b>		
	<b>General Fund</b>	<b>Public Records Modernization Fund</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,829,120	\$ 2,972,145	\$ 6,801,265
Due from other governmental units	5,338	73,974	79,312
Total assets	<u>\$ 3,834,458</u>	<u>\$ 3,046,119</u>	<u>\$ 6,880,577</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 174,547	\$ 820	\$ 175,367
Contracts payable	24,733	-	24,733
Accrued liabilities	330,388	25,478	355,866
Due to other governmental units	3,204,661	247,975	3,452,636
Unearned revenue	33,948	-	33,948
Other current liabilities	66,181	-	66,181
Total liabilities	<u>3,834,458</u>	<u>274,273</u>	<u>4,108,731</u>
<b>FUND BALANCES</b>			
Restricted for:			
Records modernization technology	-	2,771,846	2,771,846
Total fund balances	<u>-</u>	<u>2,771,846</u>	<u>2,771,846</u>
Total liabilities and fund balances	<u>\$ 3,834,458</u>	<u>\$ 3,046,119</u>	<u>\$ 6,880,577</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, 2017**

	Major Funds		
	General Fund	Public Records Modernization Fund	Total Governmental Funds
<b>REVENUES</b>			
Intergovernmental	\$ 866,346	\$ 765,227	\$ 1,631,573
Charges for services	6,009,176	620,988	6,630,164
Judgments, fines and forfeitures	1,545,766	217,996	1,763,762
Investment income	208,302	-	208,302
Miscellaneous revenue	409,570	130	409,700
Total Revenues	<u>9,039,160</u>	<u>1,604,341</u>	<u>10,643,501</u>
<b>EXPENDITURES</b>			
Current:			
General government:			
Salaries and benefits	3,402,280	-	3,402,280
Operating expenditures	588,630	-	588,630
Capital outlay	23,524	-	23,524
Court related:			
Salaries and benefits	5,038,119	807,119	5,845,238
Operating expenditures	1,068,205	422,517	1,490,722
Capital outlay	105,006	338,852	443,858
Payments to State	971,451	-	971,451
Total Expenditures	<u>11,197,215</u>	<u>1,568,488</u>	<u>12,765,703</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(2,158,055)</u>	<u>35,853</u>	<u>(2,122,202)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	3,072,163	-	3,072,163
Transfers out	(914,108)	-	(914,108)
Total Other Financing Sources and Uses	<u>2,158,055</u>	<u>-</u>	<u>2,158,055</u>
<b>Net Change in Fund Balances</b>	-	35,853	35,853
<b>Fund Balances, October 1, 2016</b>	<u>-</u>	<u>2,735,993</u>	<u>2,735,993</u>
<b>Fund Balances, September 30, 2017</b>	<u>\$ -</u>	<u>\$ 2,771,846</u>	<u>\$ 2,771,846</u>

**ESCAMBIA COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**INTERNAL SERVICE FUND  
STATEMENT OF NET POSITION**

**SEPTEMBER 30, 2017**

**ASSETS**

Current assets:

Cash and cash equivalents	\$ 687,817
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Total current assets	<u>\$ 687,817</u>
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**LIABILITIES**

Current liabilities:

Compensated absences payable	\$ 68,782
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Total current liabilities	<u>68,782</u>
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Noncurrent Liabilities:

Compensated absences payable	<u>619,035</u>
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Total noncurrent liabilities	<u>619,035</u>
------------------------------	----------------

Total liabilities	<u>687,817</u>
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**NET POSITION**

Unrestricted	<u>-</u>
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Total net position	<u><u>\$ -</u></u>
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**ESCAMBIA COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**INTERNAL SERVICE FUND  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

**YEAR ENDED SEPTEMBER 30, 2017**

**Operating revenues:**

Charges for services	\$ 238,019
Total operating revenue	<u>238,019</u>

**Operating expenses:**

Personnel services	<u>238,019</u>
Total operating expense	<u>238,019</u>
Operating income (loss)	<u>-</u>

Changes in net position	-
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Net position-beginning	<u>-</u>
------------------------	----------

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**

**YEAR ENDED SEPTEMBER 30, 2017**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net reimbursement for personal services paid by Court Fund	<u>\$ (98,975)</u>
Net increase (decrease) in cash and cash equivalents	(98,975)
Cash and cash equivalents, beginning of year	<u>786,792</u>
Cash and cash equivalents, end of year	<u><u>\$ 687,817</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	(98,975)
Net cash provided by (used for) operating activities	<u><u>\$ (98,975)</u></u>

**ESCAMBIA COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT AND COMPTROLLER  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
AGENCY FUND**

**SEPTEMBER 30, 2017**

**ASSETS**

Cash and cash equivalents	\$ 5,025,854
Total Assets	<u>\$ 5,025,854</u>

**LIABILITIES**

Cash bonds payable	\$ 656,355
Court registry payable	2,759,892
General trust payable	7,711
Due to other governments	23,211
Due to individuals	<u>1,578,685</u>
Total Liabilities	<u>\$ 5,025,854</u>

**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. 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, 2017, 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, 2017, 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, 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, 2017, 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) and intangible assets costing at least \$5,000 are recorded as expenditures at the time of purchase. These assets are capitalized at cost and depreciated or amortized 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, 2017, the reported amount of the Clerk's deposits was approximately \$12.5 million, and the bank balance was approximately \$13.5 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, 2017 there were no interfund receivables or payables within the Clerk's funds. Transfers consist of \$3,072,163 of "transfers in" from the Board of County Commissioners and "transfers out" of excess budget and fees totaling \$914,108.

**4. Due from/to other governments**

At September 30, 2017, due from other governments contains \$73,974 due from the State for Title IV-D services. The due to other governments includes \$1,215,589 payable to the Board of County Commissioners of which \$914,108 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 \$1,054,460 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, 2017, 2016 and 2015 were \$654,247, \$651,490, and \$609,974, respectively, equal to the required contributions for each year.

The contribution rates in effect during the period ended September 30, 2017, 2016 and 2015 were as follows:

	<u><b>2017</b></u>	<u><b>2016</b></u>	<u><b>2015</b></u>
<u>Regular Class:</u>	7.92%	7.52%	7.26%
Members not qualifying for other classes.			
<u>Senior Management Class:</u>	22.71%	21.77%	21.43%
Members of senior management who do not elect the optional annuity retirement program.			
<u>Elected Officials Class:</u>	45.50%	42.47%	42.27%
Certain elected county officials.			
<u>Deferred Retirement Option Program (DROP):</u>	13.26%	12.99%	12.88%
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 comprehensive annual financial report 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's 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 2017 at a cost of \$17,269. 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, 2017**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES</b>				
Intergovernmental	\$ 981,992	\$ 981,992	\$ 866,346	\$ (115,646)
Charges for services	5,186,190	5,616,190	6,009,176	392,986
Judgments, fines and forfeitures	1,088,000	1,088,000	1,545,766	457,766
Investment income	120,100	120,100	208,302	88,202
Miscellaneous	321,900	321,900	409,570	87,670
Total Revenues	<u>7,698,182</u>	<u>8,128,182</u>	<u>9,039,160</u>	<u>910,978</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Salaries and benefits	3,806,140	3,828,734	3,402,280	426,454
Operating expenditures	538,365	1,130,885	588,630	542,255
Capital outlay	-	23,524	23,524	-
Court related:				
Salaries and benefits	5,991,902	5,045,599	5,038,119	7,480
Operating expenditures	495,300	1,066,597	1,068,205	(1,608)
Capital outlay	-	105,006	105,006	-
Payments to State	-	-	971,451	(971,451)
Total Expenditures	<u>10,831,707</u>	<u>11,200,345</u>	<u>11,197,215</u>	<u>3,130</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(3,133,525)</u>	<u>(3,072,163)</u>	<u>(2,158,055)</u>	<u>914,108</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,133,525	3,072,163	3,072,163	-
Transfers out	-	-	(914,108)	(914,108)
Total Other Financing Sources (Uses)	<u>3,133,525</u>	<u>3,072,163</u>	<u>2,158,055</u>	<u>(914,108)</u>
<b>Net Change in Fund Balance</b>	-	-	-	-
<b>Fund Balance, October 1, 2016</b>	-	-	-	-
<b>Fund Balance, September 30, 2017</b>	<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, 2017**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES</b>				
Intergovernmental	\$ 568,000	\$ 765,227	\$ 765,227	\$ -
Charges for services	529,100	529,100	620,988	91,888
Judgments, fines and forfeitures	270,000	217,996	217,996	-
Miscellaneous revenue	-	-	130	130
Total Revenues	<u>1,367,100</u>	<u>1,512,323</u>	<u>1,604,341</u>	<u>92,018</u>
<b>EXPENDITURES</b>				
Current:				
Court related:				
Salaries and benefits	863,800	863,800	807,119	56,681
Operating expenditures	233,300	519,379	422,517	96,862
Capital outlay	-	338,852	338,852	-
Total Expenditures	<u>1,097,100</u>	<u>1,722,031</u>	<u>1,568,488</u>	<u>153,543</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>270,000</u>	<u>(209,708)</u>	<u>35,853</u>	<u>245,561</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	<u>(270,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(270,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	-	(209,708)	35,853	245,561
<b>Fund Balance, October 1, 2016</b>	<u>-</u>	<u>-</u>	<u>2,735,993</u>	<u>2,735,993</u>
<b>Fund Balance, September 30, 2017</b>	<u>\$ -</u>	<u>\$ (209,708)</u>	<u>\$ 2,771,846</u>	<u>\$ 2,981,554</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, 2017**

	<b>General Fund</b>	<b>General Fund Court Services</b>	<b>Total General Fund</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,686,778	\$ 2,142,342	\$ 3,829,120
Due from other governmental units	5,338	-	5,338
Total assets	<u>\$ 1,692,116</u>	<u>\$ 2,142,342</u>	<u>\$ 3,834,458</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 57,974	\$ 116,573	\$ 174,547
Contracts payable	22,197	2,536	24,733
Accrued liabilities	102,854	227,534	330,388
Due to other governmental units	1,476,744	1,727,917	3,204,661
Unearned revenue	32,347	1,601	33,948
Other current liabilities	-	66,181	66,181
Total liabilities	<u>1,692,116</u>	<u>2,142,342</u>	<u>3,834,458</u>
<b>FUND BALANCES</b>			
Restricted for:			
State court operations	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 1,692,116</u>	<u>\$ 2,142,342</u>	<u>\$ 3,834,458</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, 2017**

	<b>General Fund</b>	<b>General Fund Court Services</b>	<b>Total General Fund</b>
<b>REVENUES</b>			
Intergovernmental	\$ 7,429	\$ 858,917	\$ 866,346
Charges for services	1,848,950	4,160,226	6,009,176
Judgments, fines and forfeitures	-	1,545,766	1,545,766
Investment income	-	208,302	208,302
Miscellaneous revenue	-	409,570	409,570
Total Revenues	<u>1,856,379</u>	<u>7,182,781</u>	<u>9,039,160</u>
<b>EXPENDITURES</b>			
Current:			
General government:			
Salaries and benefits	3,402,280	-	3,402,280
Operating expenditures	588,630	-	588,630
Capital outlay	23,524		23,524
Court related:			
Salaries and benefits	-	5,038,119	5,038,119
Operating expenditures	-	1,068,205	1,068,205
Capital outlay	-	105,006	105,006
Payments to State	-	971,451	971,451
Total Expenditures	<u>4,014,434</u>	<u>7,182,781</u>	<u>11,197,215</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(2,158,055)</u>	<u>-</u>	<u>(2,158,055)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	3,072,163	-	3,072,163
Transfers out	(914,108)	-	(914,108)
Total Other Financing Sources and Uses	<u>2,158,055</u>	<u>-</u>	<u>2,158,055</u>
<b>Net Change in Fund Balances</b>	-	-	-
<b>Fund Balances, October 1, 2016</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances, September 30, 2017</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ESCAMBIA COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**GENERAL FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL-  
GENERAL FUND BY CATEGORY**

**YEAR ENDED SEPTEMBER 30, 2017**

	<b>Budgeted Amounts</b>		
	<b>Original</b>	<b>Final</b>	<b>Actual</b>
<b>REVENUES</b>			
Intergovernmental	\$ -	-	\$ 7,429
Charges for services	1,480,980	1,910,980	1,848,950
Judgments, fines and forfeitures	-	-	-
Investment income	-	-	-
Miscellaneous revenue	-	-	-
<b>Total Revenues</b>	<b>1,480,980</b>	<b>1,910,980</b>	<b>1,856,379</b>
<b>EXPENDITURES</b>			
Current:			
General government:			
Salaries and benefits	3,806,140	3,828,734	3,402,280
Operating expenditures	538,365	1,130,885	588,630
Capital outlay	-	23,524	23,524
Court related:			
Salaries and benefits	-	-	-
Operating expenditures	-	-	-
Capital outlay	-	-	-
Payments to State	-	-	-
<b>Total Expenditures</b>	<b>4,344,505</b>	<b>4,983,143</b>	<b>4,014,434</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(2,863,525)</b>	<b>(3,072,163)</b>	<b>(2,158,055)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	2,863,525	3,072,163	3,072,163
Transfers out	-	-	(914,108)
<b>Total Other Financing     Sources (Uses)</b>	<b>2,863,525</b>	<b>3,072,163</b>	<b>2,158,055</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance, October 1, 2016</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance, September 30, 2017</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**ESCAMBIA COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**GENERAL FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL-  
GENERAL FUND BY CATEGORY**

**YEAR ENDED SEPTEMBER 30, 2017**

	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	\$ 981,992	\$ 981,992	\$ 858,917	\$ 981,992	\$ 981,992	\$ 866,346	\$ (115,646)
Charges for services	3,705,210	3,705,210	4,160,226	5,186,190	5,616,190	6,009,176	392,986
Judgments, fines and forfeitures	1,088,000	1,088,000	1,545,766	1,088,000	1,088,000	1,545,766	457,766
Investment income	120,100	120,100	208,302	120,100	120,100	208,302	88,202
Miscellaneous revenue	321,900	321,900	409,570	321,900	321,900	409,570	87,670
Total Revenues	6,217,202	6,217,202	7,182,781	7,698,182	8,128,182	9,039,160	910,978
EXPENDITURES							
Current:							
General government:							
Salaries and benefits	-	-	-	3,806,140	3,828,734	3,402,280	426,454
Operating expenditures	-	-	-	538,365	1,130,885	588,630	542,255
Capital outlay	-	-	-	-	23,524	23,524	-
Court related:							
Salaries and benefits	5,991,902	5,045,599	5,038,119	5,991,902	5,045,599	5,038,119	7,480
Operating expenditures	495,300	1,066,597	1,068,205	495,300	1,066,597	1,068,205	(1,608)
Capital outlay	-	105,006	105,006	-	105,006	105,006	-
Payments to State	-	-	971,451	-	-	971,451	(971,451)
Total Expenditures	6,487,202	6,217,202	7,182,781	10,831,707	11,200,345	11,197,215	3,130
Excess (Deficiency) of Revenues Over (Under) Expenditures	(270,000)	-	-	(3,133,525)	(3,072,163)	(2,158,055)	914,108
OTHER FINANCING SOURCES (USES)							
Transfers in	270,000	-	-	3,133,525	3,072,163	3,072,163	-
Transfers out	-	-	-	-	-	(914,108)	(914,108)
Total Other Financing Sources (Uses)	270,000	-	-	3,133,525	3,072,163	2,158,055	(914,108)
Net Change in Fund Balance	-	-	-	-	-	-	-
Fund Balance, October 1, 2016	-	-	-	-	-	-	-
Fund Balance, September 30, 2017	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**ESCAMBIA COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT AND COMPTROLLER  
COMBINING STATEMENT OF ASSETS AND LIABILITIES –  
ALL AGENCY FUNDS**

**SEPTEMBER 30, 2017**

	<u>Agency Funds</u>				
	<u>Court Registry</u>	<u>Juror and Witness</u>	<u>Restitution</u>	<u>General Trust</u>	<u>TOTAL</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 4,321,047	\$ 24,441	\$ 16,300	\$ 664,066	\$ 5,025,854
Total Assets	<u>\$ 4,321,047</u>	<u>\$ 24,441</u>	<u>\$ 16,300</u>	<u>\$ 664,066</u>	<u>\$ 5,025,854</u>
<b>LIABILITIES</b>					
Cash bonds payable	\$ -	\$ -	\$ -	\$ 656,355	\$ 656,355
Court registry payable	2,759,892	-	-	-	2,759,892
General trust payable	-	-	-	7,711	7,711
Due to other governments	-	23,211	-	-	23,211
Due to individuals	1,561,155	1,230	16,300	-	1,578,685
Total Liabilities	<u>\$ 4,321,047</u>	<u>\$ 24,441</u>	<u>\$ 16,300</u>	<u>\$ 664,066</u>	<u>\$ 5,025,854</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, 2017**

	<b>Balance September 30, 2016</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance September 30, 2017</b>
<b>COURT REGISTRY</b>				
ASSETS				
Cash and cash equivalents	\$ 4,315,079	\$ 21,368,272	\$ 21,362,304	\$ 4,321,047
LIABILITIES				
Court registry payable	\$ 2,836,846	\$ 18,737,100	\$ 18,814,054	\$ 2,759,892
Due to individuals	1,478,233	2,765,386	2,682,464	1,561,155
Total Liabilities	\$ 4,315,079	\$ 21,502,486	\$ 21,496,518	\$ 4,321,047
<b>JUROR AND WITNESS</b>				
ASSETS				
Cash and cash equivalents	\$ 35,166	\$ 64,198	\$ 74,923	\$ 24,441
LIABILITIES				
Accounts payable	\$ -	\$ 74,923	\$ 74,923	\$ -
Due to individuals	-	1,230	-	1,230
Due to other governments	35,166	63,594	75,549	23,211
Total Liabilities	\$ 35,166	\$ 139,747	\$ 150,472	\$ 24,441

**ESCAMBIA COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
(Continued)**

**YEAR ENDED SEPTEMBER 30, 2017**

	<b>Balance September 30, 2016</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance September 30, 2017</b>
<b>RESTITUTION</b>				
ASSETS				
Cash and cash equivalents	\$ 21,739	\$ 199,568	\$ 205,007	\$ 16,300
LIABILITIES				
Due to individuals	\$ 21,739	\$ 199,568	\$ 205,007	\$ 16,300
<b>GENERAL TRUST</b>				
ASSETS				
Cash and cash equivalents	\$ 1,596,371	\$ 1,176,537	\$ 2,108,842	\$ 664,066
LIABILITIES				
Cash bonds payable	\$ 1,593,204	\$ 909,819	\$ 1,846,668	\$ 656,355
General trust payable	3,167	266,718	262,174	7,711
Total Liabilities	\$ 1,596,371	\$ 1,176,537	\$ 2,108,842	\$ 664,066

**ESCAMBIA COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
(Continued)**

**YEAR ENDED SEPTEMBER 30, 2017**

	<b>Balance September 30, 2016</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance September 30, 2017</b>
<b>TOTALS - ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 5,968,355	\$ 22,808,575	\$ 23,751,076	\$ 5,025,854
Total Assets	<u>\$ 5,968,355</u>	<u>\$ 22,808,575</u>	<u>\$ 23,751,076</u>	<u>\$ 5,025,854</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 74,923	\$ 74,923	\$ -
Cash bonds payable	1,593,204	909,819	1,846,668	656,355
Court registry payable	2,836,846	18,737,100	18,814,054	2,759,892
General trust payable	3,167	266,718	262,174	7,711
Due to other governments	35,166	63,594	75,549	23,211
Due to individuals	<u>1,499,972</u>	<u>2,966,184</u>	<u>2,887,471</u>	<u>1,578,685</u>
Total Liabilities	<u>\$ 5,968,355</u>	<u>\$ 23,018,338</u>	<u>\$ 23,960,839</u>	<u>\$ 5,025,854</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 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, 2017, and the related notes to the financial statements, which collectively comprise the Clerk's financial statements, and have issued our report thereon dated January 2, 2018.

**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  
January 2, 2018

**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, 2017.

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, 2017.



Pensacola, Florida  
January 2, 2018

## 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, 2017, and the related notes to the financial statements, and have issued our report thereon dated January 2, 2018.

### Auditors' Responsibility

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

### Other Reporting Requirements

We have 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 January 2, 2018, should be considered in conjunction with this management letter.

### Prior Audit Findings

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

### Financial Management

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

### Additional Matters

Section 10.554 (1)(i)3., *Rules of the Auditor General*, requires 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.

*Warren Averett, LLC*

January 2, 2018  
Pensacola, Florida

**ANNUAL AUDIT REPORT  
CLERK OF THE CIRCUIT COURT AND COMPTROLLER  
ESCAMBIA COUNTY, FLORIDA  
SCHEDULE OF FINDINGS AND RESPONSES  
September 30, 2017**

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



**FINANCIAL STATEMENTS**  
**ESCAMBIA COUNTY, FLORIDA**  
**PROPERTY APPRAISER**  
**SEPTEMBER 30, 2017**



## FINANCIAL STATEMENTS

### ESCAMBIA COUNTY, FLORIDA PROPERTY APPRAISER SEPTEMBER 30, 2017

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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, 2017, 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 financial position of the general fund of the Property Appraiser as of September 30, 2017, and the 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, 2017, 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  
December 4, 2017

## **Financial Statements**

**ESCAMBIA COUNTY, FLORIDA  
PROPERTY APPRAISER**

**BALANCE SHEET  
GOVERNMENTAL FUND**

**SEPTEMBER 30, 2017**

	<b>General Fund</b>
<b>Assets</b>	
Cash	\$ 469,737
<b>Liabilities</b>	
Accounts payable	\$ 33,012
Accrued liabilities	194,562
Due to other governmental units	242,163
Total liabilities	469,737
<b>Fund Balance</b>	
Unassigned:	-
Total fund balance	-
Total liabilities and fund balance	\$ 469,737

**ESCAMBIA COUNTY, FLORIDA  
PROPERTY APPRAISER**

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

**YEAR ENDED SEPTEMBER 30, 2017**

	<b>General Fund</b>
Revenues:	
Charges for services	\$ 18,688
Miscellaneous revenue	2,967
Total Revenues	<u>21,655</u>
Expenditures:	
Current:	
General government:	
Salaries and benefits	4,643,269
Operating expenditures	724,055
Capital outlay	15,373
Total Expenditures	<u>5,382,697</u>
Deficiency of Revenues Over Expenditures	<u>(5,361,042)</u>
Other Financing Sources and (Uses):	
Transfers in	5,602,630
Transfers out	(241,588)
Total Other Financing Sources and (Uses)	<u>5,361,042</u>
Net Change in Fund Balance	-
Fund Balance, October 1, 2016	<u>-</u>
Fund Balance, September 30, 2017	<u><u>\$ -</u></u>

**ESCAMBIA COUNTY, FLORIDA  
PROPERTY APPRAISER**

**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 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 THE 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, 2017, the reported amount of the Property Appraiser’s deposits was approximately \$470,000, and the bank balance was approximately \$471,000 consisting entirely of deposits in a checking account.

**ESCAMBIA COUNTY, FLORIDA  
PROPERTY APPRAISER**

**NOTES TO THE FINANCIAL STATEMENTS**

**3. Transfers**

Transfers in consist of \$5,602,630 from the Escambia County Board of County Commissioners, and transfers out represent excess appropriations and fees returned to the Board in the amount of \$241,588.

**4. Due to/from other governments**

At September 30, 2017, the due to other governments totals \$242,163 and mainly consists of excess appropriations and fees over expenditures payable to the Board in the amount of \$241,588.

**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 THE 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, 2017, 2016 and 2015 were \$361,711, \$350,596, and \$379,717, respectively, equal to the required contributions for each year.

The contribution rates in effect during the period ended September 30, 2017, 2016 and 2015 are as follows:

	<u><b>2017</b></u>	<u><b>2016</b></u>	<u><b>2015</b></u>
<u><b>Regular Class:</b></u>	7.92%	7.52%	7.26%
Members not qualifying for other classes.			
<u><b>Senior Management Class:</b></u>	22.71%	21.77%	21.43%
Members of senior management who do not elect the optional annuity retirement program.			
<u><b>Elected Officials Class:</b></u>	45.50%	42.47%	42.27%
Certain elected county officials.			
<u><b>Deferred Retirement Option Program (DROP):</b></u>	13.26%	12.99%	12.88%
Members are enrolled in DROP from FRS			

**ESCAMBIA COUNTY, FLORIDA  
PROPERTY APPRAISER**

**NOTES TO THE 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 Comprehensive Annual Financial Report 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's 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 \$24,588. 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 THE 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**

The Property Appraiser has evaluated events and transactions for potential recognition or disclosure in the financial statements through December 4, 2017, 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, 2017**

	<b>General Fund</b>			
	<b>Budgeted Amounts</b>			<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
Revenues:				
Charges for services	\$ 13,333	\$ 13,333	\$ 18,688	\$ 5,355
Miscellaneous revenue	-	-	2,967	2,967
Total Revenues	13,333	13,333	21,655	8,322
Expenditures:				
Current:				
General government:				
Salaries and benefits	4,815,489	4,932,004	4,643,269	288,735
Operating expenditures	633,959	633,959	724,055	(90,096)
Capital outlay	-	-	15,373	(15,373)
Reserved for contingencies	50,000	50,000	-	50,000
Total Expenditures	5,499,448	5,615,963	5,382,697	233,266
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,486,115)	(5,602,630)	(5,361,042)	241,588
Other Financing Sources and Uses:				
Transfers in	5,486,115	5,602,630	5,602,630	-
Transfers out	-	-	(241,588)	(241,588)
Total Other Financing Sources (Uses)	5,486,115	5,602,630	5,361,042	(241,588)
Net Change in Fund Balance	-	-	-	-
Fund Balance, October 1, 2016	-	-	-	-
Fund Balance, September 30, 2017	\$ -	\$ -	\$ -	\$ -

**ESCAMBIA COUNTY, FLORIDA  
PROPERTY APPRAISER**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
SEPTEMBER 30, 2017**

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, 2017, and the related notes to the financial statements, and have issued our report thereon dated December 4, 2017.

**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.

*Warren Averett, LLC*

Pensacola, Florida  
December 4, 2017



**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, 2017.

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, 2017.

*Warren Averett, LLC*

Pensacola, Florida  
December 4, 2017

## 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, 2017, and the related notes to the financial statements, and have issued our report thereon dated December 4, 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; and Chapter 10.550, Rules of the Auditor General.

### Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of 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 dated December 4, 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. There were no recommendations made in the preceding audit report.

### Financial Management

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

### Additional Matters

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

**Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, 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  
December 4, 2017

**ESCAMBIA COUNTY, FLORIDA  
PROPERTY APPRAISER**

**SCHEDULE OF FINDINGS AND RESPONSES  
SEPTEMBER 30, 2017**

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



**FINANCIAL STATEMENTS AND  
SUPPLEMENTAL REPORTS**

**ESCAMBIA COUNTY, FLORIDA  
SHERIFF**

**SEPTEMBER 30, 2017**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTAL REPORTS**

**ESCAMBIA COUNTY, FLORIDA  
SHERIFF  
SEPTEMBER 30, 2017**

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**FINANCIAL STATEMENTS AND  
SUPPLEMENTAL REPORTS**

**ESCAMBIA COUNTY, FLORIDA  
SHERIFF  
SEPTEMBER 30, 2017**

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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, 2017, 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, 2017, 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, 2017, 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 on pages 17 - 22 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 cursive script that reads "Warren Averett, LLC".

Pensacola, Florida  
December 18, 2017

## **Financial Statements**

**ESCAMBIA COUNTY, FLORIDA  
SHERIFF**

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2017**

	<b>General Fund</b>	<b>Sheriff's Programs Fund</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,645,206	\$ 52,177	\$ 2,697,383
Due from other funds	10,151	-	10,151
Due from other governmental units	176,410	10,151	186,561
Inventory	268,872	-	268,872
Total assets	<u>\$ 3,100,639</u>	<u>\$ 62,328</u>	<u>\$ 3,162,967</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 168,206	\$ -	\$ 168,206
Accrued liabilities	2,317,383	3,492	2,320,875
Due to other funds	-	10,151	10,151
Due to other governmental units	346,178	-	346,178
Unearned revenue	-	48,685	48,685
Total liabilities	<u>2,831,767</u>	<u>62,328</u>	<u>2,894,095</u>
<b>FUND BALANCE</b>			
Nonspendable:			
Inventory	268,872	-	268,872
Total fund balance	<u>268,872</u>	<u>-</u>	<u>268,872</u>
Total liabilities and fund balance	<u>\$ 3,100,639</u>	<u>\$ 62,328</u>	<u>\$ 3,162,967</u>

See accompanying notes to financial statements.

**ESCAMBIA COUNTY, FLORIDA  
SHERIFF**

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

**YEAR ENDED SEPTEMBER 30, 2017**

	<b>General Fund</b>	<b>Sheriff's Programs Fund</b>	<b>Total Governmental Funds</b>
Revenues:			
Grant revenue	\$ -	\$ 122,128	\$ 122,128
Judgments, fines and forfeitures	-	69,393	69,393
Total Revenues	<u>-</u>	<u>191,521</u>	<u>191,521</u>
Expenditures:			
Current:			
Public safety			
Salaries and benefits	48,025,044	86,762	48,111,806
Operating expenditures	7,729,613	-	7,729,613
Capital outlay	436,731	104,759	541,490
Total Expenditures	<u>56,191,388</u>	<u>191,521</u>	<u>56,382,909</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(56,191,388)</u>	<u>-</u>	<u>(56,191,388)</u>
Other Financing Sources and Uses:			
Transfers in	56,434,951	-	56,434,951
Transfers out	(243,563)	-	(243,563)
Total Other Financing Sources and Uses	<u>56,191,388</u>	<u>-</u>	<u>56,191,388</u>
Net Change in Fund Balance	-	-	-
Fund Balance, October 1, 2016	207,172	-	207,172
Change in inventory	<u>61,700</u>	<u>-</u>	<u>61,700</u>
Fund Balance, September 30, 2017	<u>\$ 268,872</u>	<u>\$ -</u>	<u>\$ 268,872</u>

**ESCAMBIA COUNTY, FLORIDA  
SHERIFF**

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES – AGENCY FUNDS**

**SEPTEMBER 30, 2017**

**ASSETS**

Cash and cash equivalents	<u>\$ 273,001</u>
Total Assets	<u><u>\$ 273,001</u></u>

**LIABILITIES**

Deposits	\$ 267,971
Due to other governmental units	<u>5,030</u>
Total Liabilities	<u><u>\$ 273,001</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, 2017, 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 \$268,872 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, 2017, 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, 2017, 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, 2017, 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, 2017, 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, if any, are recorded at fair. 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 financial institutions 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, 2017, the reported amount of the Sheriff’s deposits was approximately \$3.0 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 \$56,434,951 of “transfers in” from the Board, and “transfers out” of unspent appropriations in the amount of \$243,563.

**ESCAMBIA COUNTY, FLORIDA  
SHERIFF**

**NOTES TO FINANCIAL STATEMENTS**

**4. Due to / from other governments**

At September 30, 2017, due from other governments contains \$176,410 receivable from the Board which is comprised mainly of expenditures paid on their behalf. The due to other governments contains \$351,208 payable to the Board of County Commissioners which is partially comprised of unspent appropriations of \$243,563.

**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, 2017, 2016 and 2015 were \$5.6 million, \$5.3 million, and \$4.8 million, respectively, equal to the required contributions for each year.

The contribution rates in effect during the period ended September 30, 2017, 2016 and 2015 were as follows:

	<u><b>2017</b></u>	<u><b>2016</b></u>	<u><b>2015</b></u>
<u><b>Regular Class:</b></u>	7.92%	7.52%	7.26%
Members not qualifying for other classes.			
<u><b>Senior Management Class:</b></u>	22.71%	21.77%	21.43%
Members of senior management who do not elect the optional annuity retirement program			
<u><b>Elected Officials Class:</b></u>	45.50%	42.47%	42.27%
Certain elected county officials.			
<u><b>Deferred Retirement Option Program (DROP):</b></u>	13.26%	12.99%	12.88%
Members are enrolled in DROP from FRS			
<u><b>Special Risk Class:</b></u>			
Members employed as law enforcement officers, firefighters, or correctional officers meet the criteria to qualify for this class	23.27%	25.57%	22.04%

**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 comprehensive annual financial reports 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 comprehensive annual financial report. The liability and costs are not required to be presented in these financial statements. Accordingly, this information can be found in the County’s 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, 2017 of approximately \$1 million. 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, 2017, 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, 2017:

<b>Account Description</b>	<b>Law Enforcement</b>	<b>Court Security</b>	<b>Totals</b>
Salary & Benefits	\$ 44,483,178	\$ 3,541,866	\$ 48,025,044
Other Operating	7,718,225	11,388	7,729,613
Capital Outlay	436,731	-	436,731
Totals	<u>\$ 52,638,134</u>	<u>\$ 3,553,254</u>	<u>\$ 56,191,388</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, 2017 and December 18, 2017, 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, 2017**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
Revenues:				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Public safety				
Salaries and benefits	49,190,616	49,909,391	48,025,044	1,884,347
Operating expenditures	6,148,019	6,425,560	7,729,613	(1,304,053)
Capital outlay	100,000	100,000	436,731	(336,731)
Total Expenditures	55,438,635	56,434,951	56,191,388	243,563
Excess (Deficiency) of Revenues Over (Under) Expenditures	(55,438,635)	(56,434,951)	(56,191,388)	243,563
Other Financing Sources and Uses:				
Transfers in	55,438,635	56,434,951	56,434,951	-
Transfers out	-	-	(243,563)	(243,563)
Total Other Financing Sources (Uses)	55,438,635	56,434,951	56,191,388	(243,563)
Net Change in Fund Balance	-	-	-	-
Fund Balance, October 1, 2016	-	-	207,172	207,172
Change in inventory	-	-	61,700	61,700
Fund Balance, September 30, 2017	\$ -	\$ -	\$ 268,872	\$ 268,872

**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 AND ACTUAL –  
SHERIFF'S PROGRAMS FUND**

**YEAR ENDED SEPTEMBER 30, 2017**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
Revenues:				
Grant revenue				
Jag Federal 2014	\$ 11,407	\$ 11,445	\$ 11,445	\$ -
Jag Federal 2015	67,802	68,179	68,179	-
US Marshal's	-	22,000	7,138	(14,862)
Firehouse grant	-	35,366	35,366	-
Judgments, fines and forfeitures				
Law Enforcement Trust Fund	99,910	69,393	69,393	-
Total Revenues	<u>179,119</u>	<u>206,383</u>	<u>191,521</u>	<u>(14,862)</u>
Expenditures:				
Current:				
Public safety				
Salaries and benefits	79,209	101,624	86,762	14,862
Capital outlay	99,910	104,759	104,759	-
Total Expenditures	<u>179,119</u>	<u>206,383</u>	<u>191,521</u>	<u>14,862</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, 2016	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, September 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ESCAMBIA COUNTY, FLORIDA  
SHERIFF**

**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
ALL AGENCY FUNDS**

**SEPTEMBER 30, 2017**

	<u>Agency Funds</u>		
	<b>Evidence</b>		
	<b>Trust</b>	<b>Trust</b>	<b>Auction</b>
	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 223,093	\$ 28,896	\$ 2,318
Total Assets	<u>\$ 223,093</u>	<u>\$ 28,896</u>	<u>\$ 2,318</u>
<b>LIABILITIES</b>			
Deposits	\$ 223,093	\$ 23,866	\$ 2,318
Due to other governmental units	-	5,030	-
Total Liabilities	<u>\$ 223,093</u>	<u>\$ 28,896</u>	<u>\$ 2,318</u>

**ESCAMBIA COUNTY, FLORIDA  
SHERIFF**

**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
ALL AGENCY FUNDS**

*(Continued)*

**SEPTEMBER 30, 2017**

	<b>Agency Funds</b>		
	<b>General Employee Events Fund</b>	<b>Explorers' Fund</b>	<b>TOTAL</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 13,046	\$ 5,648	\$ 273,001
Total Assets	<u>\$ 13,046</u>	<u>\$ 5,648</u>	<u>\$ 273,001</u>
<b>LIABILITIES</b>			
Deposits	\$ 13,046	\$ 5,648	\$ 267,971
Due to other governmental units	-	-	5,030
Total Liabilities	<u>\$ 13,046</u>	<u>\$ 5,648</u>	<u>\$ 273,001</u>

**ESCAMBIA COUNTY, FLORIDA  
SHERIFF**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES -  
ALL AGENCY FUNDS**

**YEAR ENDED SEPTEMBER 30, 2017**

	<b>Balance September 30, 2016</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance September 30, 2017</b>
<b>EVIDENCE TRUST FUND</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 217,106	\$ 1,247,893	\$ 1,241,906	\$ 223,093
Total Assets	<u>\$ 217,106</u>	<u>\$ 1,247,893</u>	<u>\$ 1,241,906</u>	<u>\$ 223,093</u>
<b>LIABILITIES</b>				
Deposits	\$ 217,106	\$ 1,247,893	\$ 1,241,906	\$ 223,093
Total Liabilities	<u>\$ 217,106</u>	<u>\$ 1,247,893</u>	<u>\$ 1,241,906</u>	<u>\$ 223,093</u>
<b>TRUST FUND</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 16,170	\$ 488,650	\$ 475,924	\$ 28,896
Total Assets	<u>\$ 16,170</u>	<u>\$ 488,650</u>	<u>\$ 475,924</u>	<u>\$ 28,896</u>
<b>LIABILITIES</b>				
Deposits	\$ 16,170	\$ 483,620	\$ 475,924	\$ 23,866
Due to other governmental units	-	5,030	-	5,030
Total Liabilities	<u>\$ 16,170</u>	<u>\$ 488,650</u>	<u>\$ 475,924</u>	<u>\$ 28,896</u>

**ESCAMBIA COUNTY, FLORIDA  
SHERIFF**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES -  
ALL AGENCY FUNDS**

**YEAR ENDED SEPTEMBER 30, 2017**

*(Continued)*

	Balance September 30, 2016	Additions	Deductions	Balance September 30, 2017
<b>AUCTION FUND</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 17,265	\$ 610	\$ 15,557	\$ 2,318
<b>Total Assets</b>	<u>\$ 17,265</u>	<u>\$ 610</u>	<u>\$ 15,557</u>	<u>\$ 2,318</u>
<b>LIABILITIES</b>				
Deposits	\$ 17,265	\$ 610	\$ 15,557	\$ 2,318
<b>Total Liabilities</b>	<u>\$ 17,265</u>	<u>\$ 610</u>	<u>\$ 15,557</u>	<u>\$ 2,318</u>
<b>GENERAL EMPLOYEE EVENTS FUND</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 12,252	\$ 23,314	\$ 22,520	\$ 13,046
<b>Total Assets</b>	<u>\$ 12,252</u>	<u>\$ 23,314</u>	<u>\$ 22,520</u>	<u>\$ 13,046</u>
<b>LIABILITIES</b>				
Deposits	\$ 12,252	\$ 23,314	\$ 22,520	\$ 13,046
<b>Total Liabilities</b>	<u>\$ 12,252</u>	<u>\$ 23,314</u>	<u>\$ 22,520</u>	<u>\$ 13,046</u>



**ESCAMBIA COUNTY, FLORIDA  
SHERIFF**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES -  
ALL AGENCY FUNDS**

**YEAR ENDED SEPTEMBER 30, 2017**

*(Continued)*

	<u>Balance September 30, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2017</u>
<b>EXPLORERS' FUND</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,976	\$ 20,867	\$ 18,195	\$ 5,648
Total Assets	<u>\$ 2,976</u>	<u>\$ 20,867</u>	<u>\$ 18,195</u>	<u>\$ 5,648</u>
<b>LIABILITIES</b>				
Deposits	\$ 2,976	\$ 20,867	\$ 18,195	\$ 5,648
Total Liabilities	<u>\$ 2,976</u>	<u>\$ 20,867</u>	<u>\$ 18,195</u>	<u>\$ 5,648</u>
<b>TOTAL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 265,769	\$ 1,781,334	\$ 1,774,102	\$ 273,001
Total Assets	<u>\$ 265,769</u>	<u>\$ 1,781,334</u>	<u>\$ 1,774,102</u>	<u>\$ 273,001</u>
<b>LIABILITIES</b>				
Deposits	\$ 265,769	\$ 1,776,304	\$ 1,774,102	\$ 267,971
Due to other governmental units	-	5,030	-	5,030
Total Liabilities	<u>\$ 265,769</u>	<u>\$ 1,781,334</u>	<u>\$ 1,774,102</u>	<u>\$ 273,001</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, 2017, and the related notes to the financial statements, which collectively comprise the Sheriff's financial statements, and have issued our report thereon dated December 18, 2017.

**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.

Pensacola, Florida  
December 18, 2017

**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, 2017.

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, 2017.

*Warren Averett, LLC*

Pensacola, Florida  
December 18, 2017

## 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, 2017 and the related notes to the financial statements, and have issued our report thereon dated December 18, 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; and Chapter 10.550 Rules of the Florida Auditor General.

### Other Report Requirements

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 December 18, 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 recommendations were made in the preceding annual financial report.

### Financial Management

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

### Additional Matters

Section 10.554 (1)(i)3., *Rules of the Auditor General*, requires 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.

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

Pensacola, Florida  
December 18, 2017

**ESCAMBIA COUNTY, FLORIDA  
SHERIFF**

**SCHEDULE OF FINDINGS AND RESPONSES**

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





**FINANCIAL STATEMENTS AND  
SUPPLEMENTAL REPORTS**

**ESCAMBIA COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS**

**SEPTEMBER 30, 2017**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTAL REPORTS**

**ESCAMBIA COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS  
SEPTEMBER 30, 2017**

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## INDEPENDENT AUDITORS' REPORT

Honorable David Stafford  
Escambia County, Florida Supervisor of Elections

### **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, 2017, 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, 2017, 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, 2017, 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 schedules 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.



Pensacola, Florida  
December 12, 2017

## **Financial Statements**

**ESCAMBIA COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS**

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2017**

	<b>General Fund</b>	<b>Grant Fund</b>
<b>Assets</b>		
Due from other governmental units	\$ 80,829	\$ 9,384
Total assets	<u>\$ 80,829</u>	<u>\$ 9,384</u>
<b>Liabilities</b>		
Accounts payable	\$ 50,097	\$ -
Accrued liabilities	24,756	-
Due to other governmental units	5,976	-
Other current liabilities	<u>-</u>	<u>9,384</u>
Total liabilities	<u>80,829</u>	<u>9,384</u>
<b>Fund Balance</b>		
Restricted for:		
Grants	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 80,829</u>	<u>\$ 9,384</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, 2017**

	<b>General Fund</b>	<b>Grant Fund</b>
Revenues:		
Grant revenue	\$ -	\$ 40,206
Charges for services	4,116	-
Investment income	-	43
Total Revenues	<u>4,116</u>	<u>40,249</u>
Expenditures:		
Current:		
General government:		
Salaries and benefits	1,189,976	-
Operating expenditures	564,625	-
Operating expenditures-grants	-	47,688
Capital outlay	18,131	-
Total Expenditures	<u>1,772,732</u>	<u>47,688</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,768,616)</u>	<u>(7,439)</u>
Other Financing Sources and Uses:		
Transfers in	1,776,055	7,439
Transfers out	<u>(7,439)</u>	<u>-</u>
Total Other Financing Sources and Uses	<u>1,768,616</u>	<u>7,439</u>
Net Change in Fund Balance	-	-
Fund Balance, October 1, 2016	<u>-</u>	<u>-</u>
Fund Balance, September 30, 2017	<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 in over expenditures and interfund transfers out 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. This amount was zero for the year.

**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, 2017, 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, 2017, 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, 2017, 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, 2017, 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, 2017, 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, 2017, 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, 2017, the amounts due to other governmental units totaled \$5,976 and was payable to the Board. The due from other governmental units totaled \$90,213 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, 2017, 2016 and 2015 were \$110,263, \$98,903, and \$98,857 respectively, equal to the required contributions for each year.

The contribution rates in effect during the period ended September 30, 2017, 2016 and 2015 were as follows:

	<u><b>2017</b></u>	<u><b>2016</b></u>	<u><b>2015</b></u>
<u><b>Regular Class:</b></u>	7.92%	7.52%	7.26%
Members not qualifying for other classes.			
<u><b>Senior Management Class:</b></u>	22.71%	21.77%	21.43%
Members of senior management who do not elect the optional annuity retirement program.			
<u><b>Elected Officials Class:</b></u>	45.50%	42.47%	42.27%
Certain elected county officials.			
<u><b>Deferred Retirement Option Program (DROP):</b></u>	13.26%	12.99%	12.88%
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 comprehensive annual financial report 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's 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 2017 at a cost of \$3,159. 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 2017, the Board of County Commissioners purchased capital assets totaling approximately \$360,350 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 December 12, 2017, 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 ACTUAL**

**YEAR ENDED SEPTEMBER 30, 2017**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
Revenues:				
Charges for services	\$ -	\$ 2,618	\$ 4,116	\$ 1,498
Total Revenues	-	2,618	4,116	1,498
Expenditures:				
Current:				
General government:				
Salaries and benefits	1,434,574	1,441,613	1,189,976	251,637
Operating expenditures	768,000	756,047	564,625	191,422
Capital outlay	22,500	22,500	18,131	4,369
Total Expenditures	2,225,074	2,220,160	1,772,732	447,428
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,225,074)	(2,217,542)	(1,768,616)	448,926
Other Financing Sources and Uses:				
Transfers in	2,225,074	2,224,981	1,776,055	(448,926)
Transfers out	-	(7,439)	(7,439)	-
Total Other Financing Sources (Uses)	2,225,074	2,217,542	1,768,616	(448,926)
Net Change in Fund Balance	-	-	-	-
Fund Balance, October 1, 2016	-	-	-	-
Fund Balance, September 30, 2017	\$ -	\$ -	\$ -	\$ -

See accompanying notes to required supplementary information.

**ESCAMBIA COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS**

**SPECIAL REVENUE FUND – GRANT FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL**

**YEAR ENDED SEPTEMBER 30, 2017**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
Revenues:				
Grant revenue	\$ -	\$ 49,590	\$ 40,206	\$ (9,384)
Investment income	-	-	43	43
Total Revenues	-	49,590	40,249	(9,341)
Expenditures:				
Current:				
General government:				
Operating expenditures grants	-	57,029	47,688	9,341
Total Expenditures	-	57,029	47,688	9,341
Other Financing Sources and Uses:				
Transfers in	-	7,439	7,439	-
Total Other Financing Sources (Uses)	-	7,439	7,439	-
Net Change in Fund Balance	-	-	-	-
Fund Balance, October 1, 2016	-	-	-	-
Fund Balance, September 30, 2017	\$ -	\$ -	\$ -	\$ -

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, 2017, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' financial statements, and have issued our report thereon dated December 12, 2017.

**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.

Pensacola, Florida  
December 12, 2017

**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, 2017.

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, 2017.



Pensacola, Florida  
December 12, 2017

## 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, 2017, and the related notes to the financial statements, and have issued our report thereon dated December 12, 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; and Chapter 10.550 *Rules of the Florida Auditor General*.

### Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on Examination of Compliance Requirements in Accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated December 12, 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 recommendations were made in the preceding annual financial audit report.

### Financial Management

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

### Additional Matters

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

### Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, 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.

*Warren Averett, LLC*

Pensacola, Florida  
December 12, 2017

**ANNUAL AUDIT REPORT  
SUPERVISOR OF ELECTIONS  
ESCAMBIA COUNTY, FLORIDA  
SCHEDULE OF FINDINGS AND REPOSSES  
September 30, 2017**

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



**FINANCIAL STATEMENTS AND  
SUPPLEMENTAL REPORTS**

**ESCAMBIA COUNTY, FLORIDA  
TAX COLLECTOR**

**SEPTEMBER 30, 2017**





**FINANCIAL STATEMENTS AND  
SUPPLEMENTAL REPORTS**

**ESCAMBIA COUNTY, FLORIDA  
TAX COLLECTOR  
SEPTEMBER 30, 2017**

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## INDEPENDENT AUDITORS' REPORT

Honorable Scott Lunsford  
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, 2017, 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, 2017, 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, 2017, 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.

*Warren Averett, LLC*

December 18, 2017  
Pensacola, Florida

## **Financial Statements**

**ESCAMBA COUNTY, FLORIDA  
TAX COLLECTOR**

**BALANCE SHEET - GOVERNMENTAL FUND**

**SEPTEMBER 30, 2017**

	<b>General Fund</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 1,083,210
Total assets	<u>\$ 1,083,210</u>
<b>Liabilities</b>	
Accounts payable	\$ 203,065
Accrued liabilities	184,931
Due to other governmental units	556,325
Unearned revenue	<u>138,889</u>
Total liabilities	<u>1,083,210</u>
<b>Fund Balance</b>	<u>-</u>
Total liabilities and fund balance	<u>\$ 1,083,210</u>

**ESCAMBIA COUNTY, FLORIDA  
TAX COLLECTOR**

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

**SEPTEMBER 30, 2017**

	<b>General Fund</b>
Revenues:	
Charges for services	\$ 3,475,780
Miscellaneous revenue	108,858
Total Revenues	<u>3,584,638</u>
Expenditures:	
Current:	
General government:	
Salaries and benefits	5,758,968
Operating expenditures	1,661,223
Capital outlay	31,203
Total Expenditures	<u>7,451,394</u>
Deficiency of revenues over expenditures	<u>(3,866,756)</u>
Other Financing Sources and (Uses):	
Transfers in	4,421,691
Transfers out	(554,935)
Total Other Financing Sources and (Uses)	<u>3,866,756</u>
Net Change in Fund Balance	-
Fund Balance, October 1, 2016	<u>-</u>
Fund Balance, September 30, 2017	<u><u>\$ -</u></u>

**ESCAMBIA COUNTY, FLORIDA  
TAX COLLECTOR**

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS**

**SEPTEMBER 30, 2017**

**Assets**

Cash and cash equivalents	\$ 3,476,423
Accounts receivable	<u>477,035</u>
Total Assets	<u><u>\$ 3,953,458</u></u>

**Liabilities**

Accounts payable	\$ 513,490
Due to other governmental units	<u>3,439,968</u>
Total Liabilities	<u><u>\$ 3,953,458</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, 2017, the reported amount of the Tax Collector's deposits was approximately \$4.6 million, and the bank balance was approximately \$4.3 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, 2017, there were no interfund receivables or payables within the Tax Collector's funds. Transfers in consist of \$4,421,691 from the Board of County Commissioners, and transfers out (excess budget and fees to the Board) totaled \$554,935.

**4. Due to/from other governments**

At September 30, 2017, the due to other governmental units totals \$556,325 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 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.

**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, 2017, 2016 and 2015 were \$432,519, \$417,919, and \$403,191, 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, 2017, 2016 and 2015 were as follows:

	<u><b>2017</b></u>	<u><b>2016</b></u>	<u><b>2015</b></u>
<u>Regular Class:</u> Members not qualifying for other classes.	7.92%	7.52%	7.26%
<u>Senior Management Class:</u> Members of senior management who do not elect the optional annuity retirement program.	22.71%	21.77%	21.43%
<u>Elected Officials Class:</u> Certain elected county officials.	45.50%	42.47%	42.27%
<u>Deferred Retirement Option Program (DROP):</u> Members are enrolled in DROP from FRS	13.26%	12.99%	12.88%

***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 comprehensive annual financial report 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's 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 2017 at a cost of \$9,933. 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>
2018	278,652
2019	278,652
2020	278,652
2021	202,500
2022	50,625
	<u>\$1,089,081</u>

Rent expense for the year ended September 30, 2017 was \$318,858.

**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, 2017**

	<b>Budgeted Amounts</b>			<b>Variance Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
Revenues:				
Charges for services	\$ 3,253,785	\$ 3,345,659	\$ 3,475,780	\$ 130,121
Miscellaneous revenue	93,500	93,500	108,858	15,358
Total Revenues	<u>3,347,285</u>	<u>3,439,159</u>	<u>3,584,638</u>	<u>145,479</u>
Expenditures:				
Current:				
General government:				
Salaries and benefits	5,986,902	5,929,403	5,758,968	170,435
Operating expenditures	1,647,345	1,673,435	1,661,223	12,212
Capital outlay	31,860	31,409	31,203	206
Total Expenditures	<u>7,666,107</u>	<u>7,634,247</u>	<u>7,451,394</u>	<u>182,853</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,318,822)</u>	<u>(4,195,088)</u>	<u>(3,866,756)</u>	<u>(328,332)</u>
Other Financing Sources and Uses:				
Transfers in	4,421,691	4,421,691	4,421,691	-
Transfers out	<u>(102,869)</u>	<u>(226,603)</u>	<u>(554,935)</u>	<u>328,332</u>
Total Other Financing Sources (Uses)	<u>4,318,822</u>	<u>4,195,088</u>	<u>3,866,756</u>	<u>328,332</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, October 1, 2016	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, September 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**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 FIDUCIARY ASSETS AND LIABILITIES  
AGENCY FUNDS**

**SEPTEMBER 30, 2017**

	<u>Agency Funds</u>		
	<u>Tax Fund</u>	<u>Tag Fund</u>	<u>TOTAL</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 2,926,122	\$ 550,301	\$ 3,476,423
Accounts receivable	<u>251</u>	<u>476,784</u>	<u>477,035</u>
Total Assets	<u>\$ 2,926,373</u>	<u>\$ 1,027,085</u>	<u>\$ 3,953,458</u>
<b>Liabilities</b>			
Accounts payable	\$ 414,528	\$ 98,962	\$ 513,490
Due to other governmental units	<u>2,511,845</u>	<u>928,123</u>	<u>3,439,968</u>
Total Liabilities	<u>\$ 2,926,373</u>	<u>\$ 1,027,085</u>	<u>\$ 3,953,458</u>

**ESCAMBIA COUNTY, FLORIDA  
TAX COLLECTOR**

**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
AGENCY FUNDS**

**SEPTEMBER 30, 2017**

	<b>Balance September 30, 2016</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance September 30, 2017</b>
<b>TAX FUND</b>				
ASSETS				
Cash and cash equivalents	\$ 2,666,828	\$ 772,300,151	\$ 772,040,857	\$ 2,926,122
Accounts receivable	251	-	-	251
Total Assets	<u>\$ 2,667,079</u>	<u>\$ 772,300,151</u>	<u>\$ 772,040,857</u>	<u>\$ 2,926,373</u>
LIABILITIES				
Accounts payable	\$ 336,875	\$ 283,351,255	\$ 283,273,602	\$ 414,528
Due to other governmental units	2,330,204	4,111,522	3,929,881	2,511,845
Total Liabilities	<u>\$ 2,667,079</u>	<u>\$ 287,462,777</u>	<u>\$ 287,203,483</u>	<u>\$ 2,926,373</u>
<b>TAG FUND</b>				
ASSETS				
Cash and cash equivalents	\$ 1,126,394	\$ 830,348,029	\$ 830,924,122	\$ 550,301
Accounts receivable	323,264	36,686,172	36,532,652	476,784
Total Assets	<u>\$ 1,449,658</u>	<u>\$ 867,034,201</u>	<u>\$ 867,456,774</u>	<u>\$ 1,027,085</u>
LIABILITIES				
Accounts payable	\$ 567,644	\$ 120,486,057	\$ 120,954,739	\$ 98,962
Due to other governmental units	882,014	35,455,966	35,409,857	928,123
Total Liabilities	<u>\$ 1,449,658</u>	<u>\$ 155,942,023</u>	<u>\$ 156,364,596</u>	<u>\$ 1,027,085</u>

**ESCAMBIA COUNTY, FLORIDA  
TAX COLLECTOR**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS**

**YEAR ENDED SEPTEMBER 30, 2017**

*(Continued)*

	Balance September 30, 2016	Additions	Deductions	Balance September 30, 2017
<b>Total Agency</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,793,222	\$ 1,602,648,180	\$ 1,602,964,979	\$ 3,476,423
Accounts receivable	323,515	36,686,172	36,532,652	477,035
Total Assets	<u>\$ 4,116,737</u>	<u>\$ 1,639,334,352</u>	<u>\$ 1,639,497,631</u>	<u>\$ 3,953,458</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 904,519	\$ 403,837,312	\$ 404,228,341	\$ 513,490
Due to other governmental units	3,212,218	39,567,488	39,339,738	3,439,968
Total Liabilities	<u>\$ 4,116,737</u>	<u>\$ 443,404,800</u>	<u>\$ 443,568,079</u>	<u>\$ 3,953,458</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 Scott Lunsford  
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, 2017, and the related notes to the financial statements, which collectively comprise the Tax Collector's financial statements, and have issued our report thereon dated December 18, 2017.

**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.

December 18, 2017  
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, 2017.

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 of 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, 2017.

*Warren Averett, LLC*

December 18, 2017  
Pensacola, Florida

## MANAGEMENT LETTER

Honorable Scott Lunsford  
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, 2017, and the related notes to the financial statements, and have issued our report thereon dated December 18, 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; and Chapter 10.550 *Rules of the Florida Auditor General*.

### Other Reporting Requirements

We have issued our Independent Auditors’ Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants’ Report on Examination of Compliance Requirements in Accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated December 18, 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 recommendations were made in the preceding annual financial audit report.

### Financial Management

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

### Additional Matters

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



**Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, 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.

December 18, 2017  
Pensacola, Florida

**ESCAMBIA COUNTY, FLORIDA  
TAX COLLECTOR  
SCHEDULE OF FINDINGS AND RESPONSES  
SEPTEMBER 30, 2017**

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

