

A tall, black and white lighthouse with a red roof and a balcony, set against a clear blue sky and green trees. The lighthouse has a black upper section and a white lower section. The balcony is white with a red and white striped awning. The text is overlaid on the lighthouse.

Escambia County, Florida

COMPREHENSIVE ANNUAL FINANCIAL
REPORT

Fiscal Year Ended September 30, 2019

ESCAMBIA COUNTY, FLORIDA



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For the Fiscal Year Ended
September 30, 2019**

*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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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, 2018

Christopher P. Morill

Executive Director/CEO

ESCAMBIA COUNTY, FLORIDA COUNTY OFFICIALS

BOARD OF COUNTY COMMISSIONERS

Lumon J. May.....Chair – District 3
Steven L. Barry..... Vice Chair – District 5
Jeff Bergosh..... Commissioner – District 1
Douglas Underhill Commissioner – District 2
Robert Bender..... Commissioner – District 4

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

Janice P. Gilley..... County Administrator
Alison RogersCounty Attorney



**ESCAMBIA COUNTY, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED SEPTEMBER 30, 2019**

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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 10, 2020

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, 2019 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, 2019, 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, 2019. 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 (Uniform Guidance). 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 315,543. 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 unit. Component unit 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) is reported separately as discrete component unit 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 Unit, 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 25,600 in the leisure and hospitality industry with accommodations and food services representing 13% of the area workforce. The largest major industry sector is health care and social assistance with 18.0% 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 23,400 employed in health care 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 goal of the technology campus is to serve as a location for innovation-based businesses.

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 7,614 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 remained unchanged at 3.0% from the previous year. This 3.0% rate follows seven years of declining unemployment rates.

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 and review process improvements to determine ways to improve them. The County's website www.myescambia.com contains many updates for greater utility, transparency and accessibility by citizens. The "Ask My Escambia" citizen's information portal will be replaced during the next fiscal year with "My Government Online". This will allow questions on a variety of subjects with quick responses. The County continues this positive trend into the future.

The County's commitment to customer service and quality is promoted by the continuation of equipping County vehicles with tracking systems, and continuation of the fraud abuse hotline initiatives which 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 20 to 22. These funds are used to pay for infrastructure improvements, neighborhood programs, and safety initiatives, and street lighting 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 over \$12 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. Department of Treasury 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 RESTORE Act Direct Component calculated proportion, which is cumulative through 2031, is estimated at \$70.6 million. The Board of County Commissioners are expected to approve the first amendment to the multi-year implementation plan in the first quarter of 2020. This plan includes eight new projects and three project revisions. The Florida Department of Transportation is also expected to finalize the design of the Perdido Key multi-use path.

The County land swap with the United States Navy was approved 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. This new development is currently in the master planning stages and expected to be approved in the fiscal year 2020.

Between 2008 and 2020, the County will have invested more than \$474 million in infrastructure with the current and fourth allocation of the One Cent Local Option Sales Tax (LOST). At its conclusion, the County is expected to invest \$951 million in infrastructure. The citizens of Escambia voted to extend the one-cent local option sales tax for infrastructure. This is the fourth time the citizens have approved levying this tax; a 10 year extension was approved by public referendum; extending the tax to December 2028. The proceeds from this tax will make large investments in construction of new libraries, road construction, dirt road paving, drainage improvements and vehicle replacement for EMS, Fire and the Sheriffs' office.

Approximately \$50.4 million of future LOST proceeds will be used towards the construction of the new Escambia County Jail Facility, with an expected completion date of summer 2020. The new Beulah library facility is also expected to come online during the next fiscal year.

The fiscal year 2020 adopted budget increased by \$16 million over the prior year to \$493.4 million. While the total direct millage rate for property tax remained unchanged

at 7.661 mills, property values increased an average of 8.0% over the prior year for both the County-wide and unincorporated areas of Escambia County.

The long term goal is to promote fiscal responsibility and cost effectiveness by identifying service level changes needed within the County. Efforts are on-going with regard to maintaining a cohesive service driven organizational structure, and to mobilize and peruse strategies capitalizing on the use of all available revenue sources, particularly in identifying an implementing alternative funding sources.

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 fourth 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.

The County has implemented GASB Statement No 75 *“Accounting and Financial Reporting for Postemployment Benefits Other Than Pension”* to recognize its unfunded liability. The County provides postemployment benefits at the same rate as active participants. While a liability has been recorded in accordance with GASB requirements, there is no requirement for a funded plan. All approved benefits are budgeted and paid when due.

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, 2018. This was the 23rd 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, 2018. This is the 23rd 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, Finance Director; Tammy Plant, Beth Parker, Kara Cowen, Harold Coats, Ashley Dodds, and Shannon Erdwins. I also wish to thank all government departments for their assistance in providing the data necessary to prepare this report; and to thank Visit Pensacola for providing the photographs used in this document. Credit is due to the Board of County Commissioners for their unfailing support for maintaining the highest standards of professionalism in the management of Escambia County.

Respectfully submitted,

Pam Childers

Pam Childers

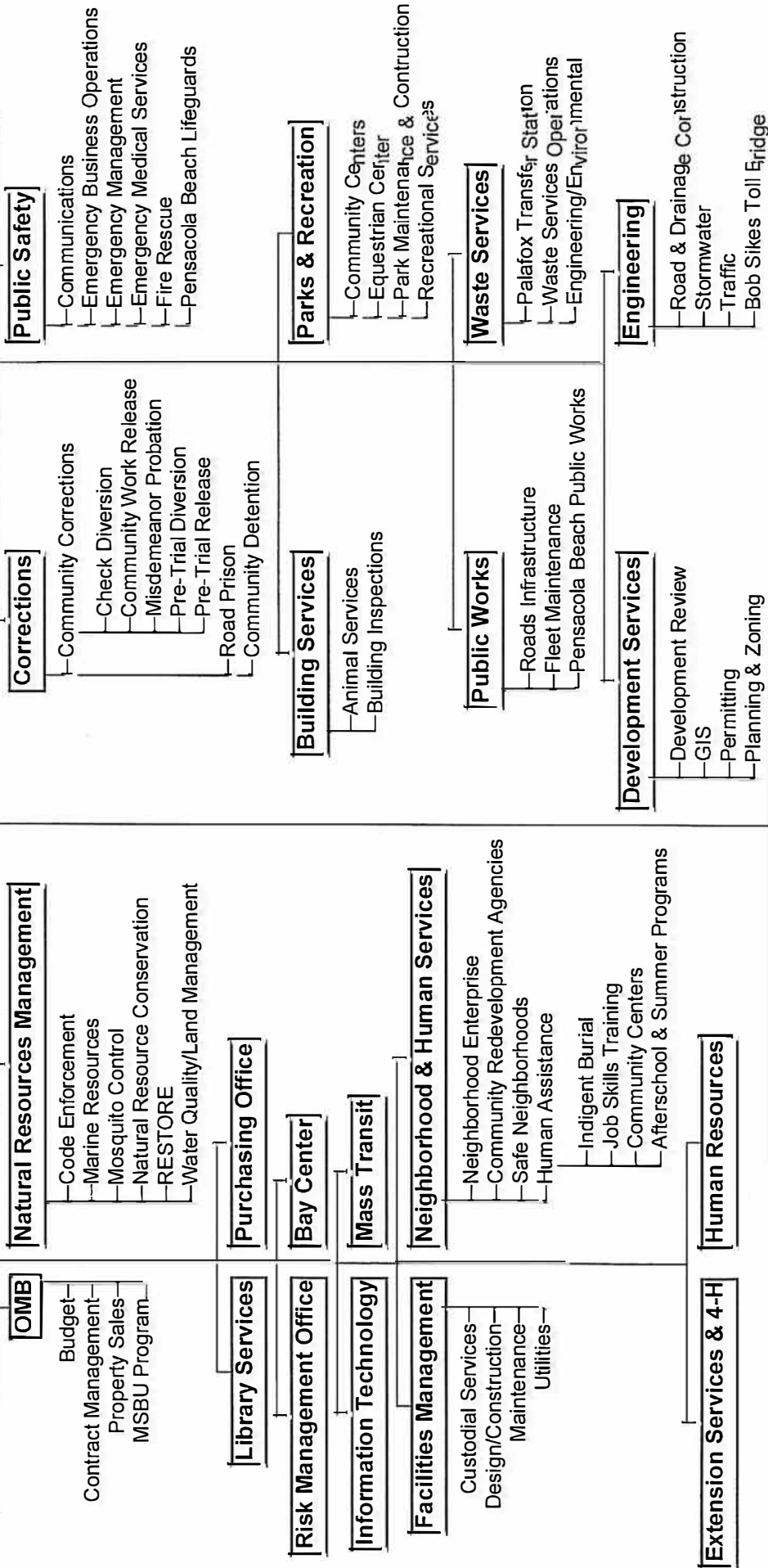
Honorable Pam Childers
Clerk of the Circuit Court & Comptroller

CITIZENS OF ESCAMBIA COUNTY

BOARD OF COUNTY COMMISSIONERS

COUNTY ADMINISTRATOR | COUNTY ATTORNEY

ASSISTANT COUNTY ADMINISTRATOR | ASSISTANT COUNTY ADMINISTRATOR



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, 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, 2019, 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, 2019, which statements reflect total assets and deferred outflows of \$8,450,638 and total revenues of \$6,832,988.

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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of September 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the general fund, mass transit authority fund, disaster recovery fund, and community redevelopment agency 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 changes in the County's total OPEB liability and related ratios, 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 10, 2020 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 10, 2020

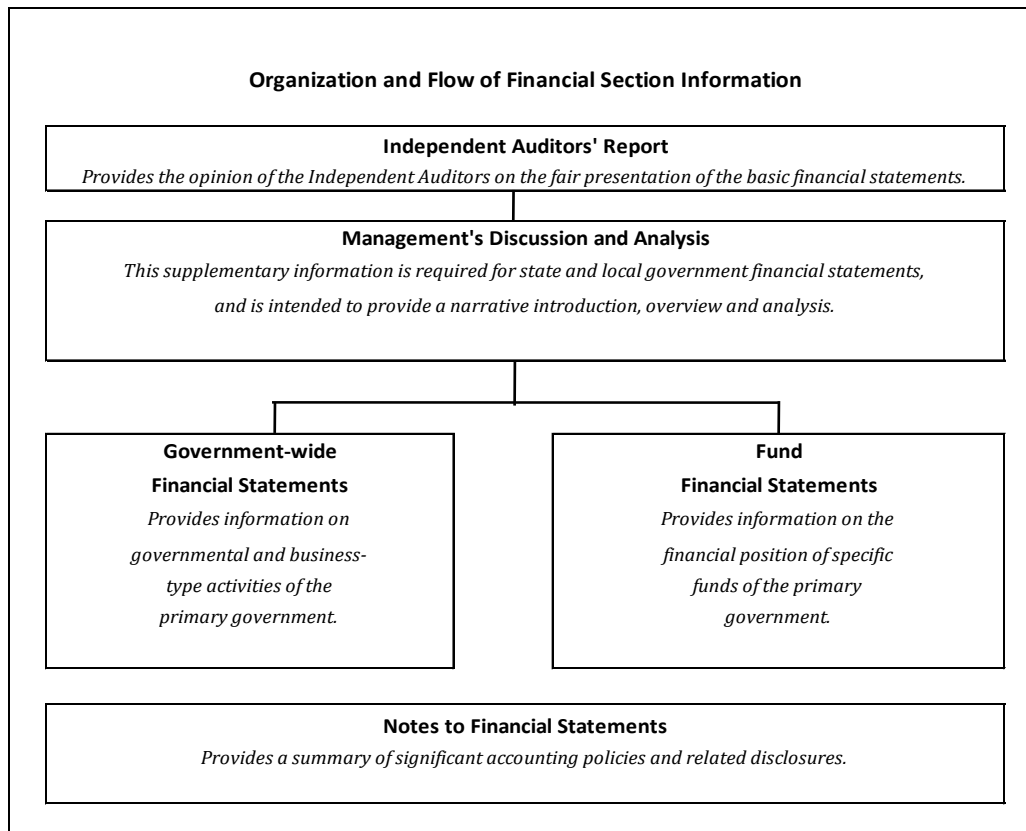
This Management's Discussion and Analysis ("MD&A") presents the readers of the financial statements a narrative overview of the financial activities of Escambia County, Florida (the "County") for the fiscal year ended September 30, 2019. We encourage readers to consider the information presented here 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 \$637,564,123 (net position). Of this amount, (\$113,490,001) represents unrestricted deficit net position.
- The County's total net position increased by \$27,221,712; governmental activities increased by \$27,494,840 and business-type activities decreased by \$273,128.
- At the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$268,147,001, a decrease of \$30,053,806 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 \$29,036,549 or 14.7% 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 \$47,520,609, or approximately 24% of total general fund expenditures and transfers out.
- Governmental funds revenues increased \$30,010,770 or 8.7% from the prior fiscal year primarily due to increases in property tax revenue, sales tax revenues, and fuel tax revenues. Intergovernmental revenue increases were from state revenue sharing, and grant revenue for the new jail construction and 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.
- At the end of the current fiscal year, the net pension liability increased \$28,169,705 for governmental funds and \$2,574,777 for business-type activities for an ending net pension liability of \$230,972,113, an approximate increase of 15.35% 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 the legally separate entity of the Santa Rosa Island Authority (SRIA) for which the County is financially accountable and has a financial benefit/burden relationship. This entity is known as a "component unit". Financial information for this component unit is reported separately from the financial information presented for the primary government itself. The County's component unit 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, Mass Transit Authority Fund, Disaster Recovery Fund, Community Redevelopment Agency Fund, Series 2017 Capital Project Fund, Mass Transit Authority FTA 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 changes in total OPEB liability and related ratios for providing 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 three major capital project funds (LOST, Mass Transit Authority FTA Capital 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 \$637,564,123 at the close of the most recent fiscal year.

At the end of fiscal year 2019, 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 (\$113,490,001) is negative unrestricted net position. Unrestricted net position is primarily negative due to the effect of the recognition of the net pension liability in accordance with GASB 68.

ESCAMBIA COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2019

Escambia County, Florida
Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and Other Assets	\$ 333,250,667	\$ 348,924,475	\$ 60,413,527	\$ 57,510,427	\$ 393,664,194	\$ 406,434,902
Capital Assets (Net)	656,528,753	578,504,918	51,368,583	50,807,738	707,897,336	629,312,656
Total Assets	989,779,420	927,429,393	111,782,110	108,318,165	1,101,561,530	1,035,747,558
Total Deferred Outflow of Resources	77,605,957	85,679,589	6,690,915	7,416,837	84,296,872	93,096,426
Current and Other Liabilities	46,722,216	31,661,810	5,292,455	5,254,720	52,014,671	36,916,530
Long-term Liabilities	435,600,025	416,741,652	38,595,545	34,970,119	474,195,570	451,711,771
Total Liabilities	482,322,241	448,403,462	43,888,000	40,224,839	526,210,241	488,628,301
Total Deferred Inflow of Resources	20,516,003	27,653,227	1,568,035	2,220,045	22,084,038	29,873,272
Net Position:						
Net Investment in Capital Assets	535,720,764	482,495,767	51,368,583	50,807,738	587,089,347	533,303,505
Restricted	163,964,777	162,236,853	-	-	163,964,777	162,236,853
Unrestricted	<u>(135,138,408)</u>	<u>(107,680,327)</u>	<u>21,648,407</u>	<u>22,482,380</u>	<u>(113,490,001)</u>	<u>(85,197,947)</u>
Total Net Position	<u>\$ 564,547,133</u>	<u>\$ 537,052,293</u>	<u>\$ 73,016,990</u>	<u>\$ 73,290,118</u>	<u>\$ 637,564,123</u>	<u>\$ 610,342,411</u>

The County's total net position increased \$27,221,712 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, 2019

Escambia County, Florida						
Changes in Net Position						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2019	2018	2019	2018	2019	2018
REVENUES						
Program Revenues:						
Charges for Services	\$ 64,549,218	\$ 63,382,906	\$ 36,403,702	\$ 35,761,987	\$ 100,952,920	\$ 99,144,893
Operating Grants and Contributions	17,244,362	27,144,536	54,120	34,429	17,298,482	27,178,965
Capital Grants and Contributions	37,112,947	16,103,137	251,143	90,060	37,364,090	16,193,197
General Revenues:						
Property Taxes	124,915,785	116,324,876	-	-	124,915,785	116,324,876
Other Taxes	111,640,381	107,103,632	-	-	111,640,381	107,103,632
Other	21,925,669	14,954,448	1,585,740	396,863	23,511,409	15,351,311
Total Revenues	<u>377,388,362</u>	<u>345,013,535</u>	<u>38,294,705</u>	<u>36,283,339</u>	<u>415,683,067</u>	<u>381,296,874</u>
EXPENSES						
General Government	74,073,729	69,238,619	-	-	74,073,729	69,238,619
Public Safety	170,751,941	154,064,788	-	-	170,751,941	154,064,788
Physical Environment	6,047,918	5,831,178	-	-	6,047,918	5,831,178
Transportation	50,356,244	49,238,724	-	-	50,356,244	49,238,724
Economic Environment	14,642,310	15,180,258	-	-	14,642,310	15,180,258
Human Services	4,085,834	3,010,649	-	-	4,085,834	3,010,649
Culture/Recreation	11,407,750	14,177,104	-	-	11,407,750	14,177,104
Court-Related	12,529,809	11,425,911	-	-	12,529,809	11,425,911
Interest on Long-term Debt	6,621,484	6,491,650	-	-	6,621,484	6,491,650
Solid Waste	-	-	11,556,201	10,442,647	11,556,201	10,442,647
Emergency Management Services	-	-	16,207,045	15,098,620	16,207,045	15,098,620
Inspection Fund	-	-	2,618,874	2,593,786	2,618,874	2,593,786
Bay Center	-	-	7,562,216	7,153,591	7,562,216	7,153,591
Total Expenses	<u>350,517,019</u>	<u>328,658,881</u>	<u>37,944,336</u>	<u>35,288,644</u>	<u>388,461,355</u>	<u>363,947,525</u>
Excess (Deficiency) Before Transfers	26,871,343	16,354,654	350,369	994,695	27,221,712	17,349,349
Transfers	<u>623,497</u>	<u>2,677,548</u>	<u>(623,497)</u>	<u>(2,677,548)</u>	<u>-</u>	<u>-</u>
Change in Net Position	<u>27,494,840</u>	<u>19,032,202</u>	<u>(273,128)</u>	<u>(1,682,853)</u>	<u>27,221,712</u>	<u>17,349,349</u>
Beginning Net Position	537,052,293	518,020,091	73,290,118	74,972,971	610,342,411	592,993,062
Ending Net Position	<u>\$ 564,547,133</u>	<u>\$ 537,052,293</u>	<u>\$ 73,016,990</u>	<u>\$ 73,290,118</u>	<u>\$ 637,564,123</u>	<u>\$ 610,342,411</u>

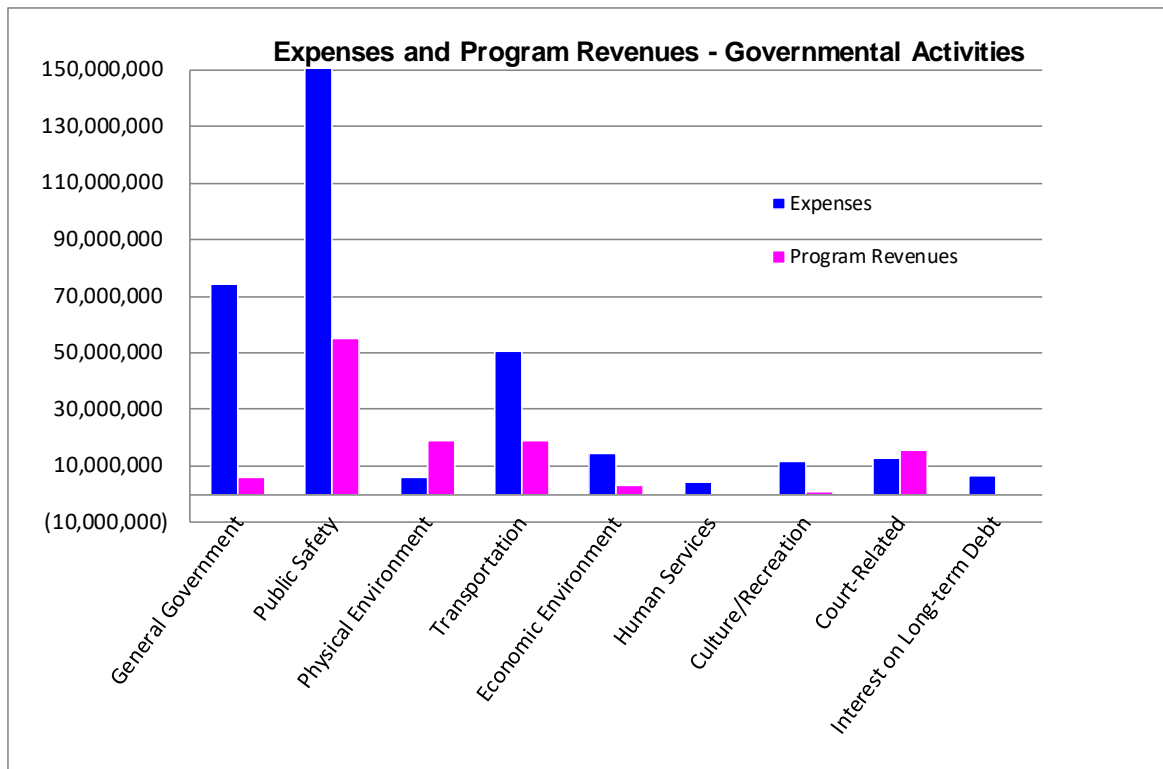
Governmental Activities

Governmental activities increased the County's net position by \$27,494,840 from the prior fiscal year for an ending balance of \$564,547,133. Although millage rates remained the same, property tax revenue increased due to rising taxable assessed values. Capital grant revenue increased primarily from FEMA revenue for the construction of the new jail facility.

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.

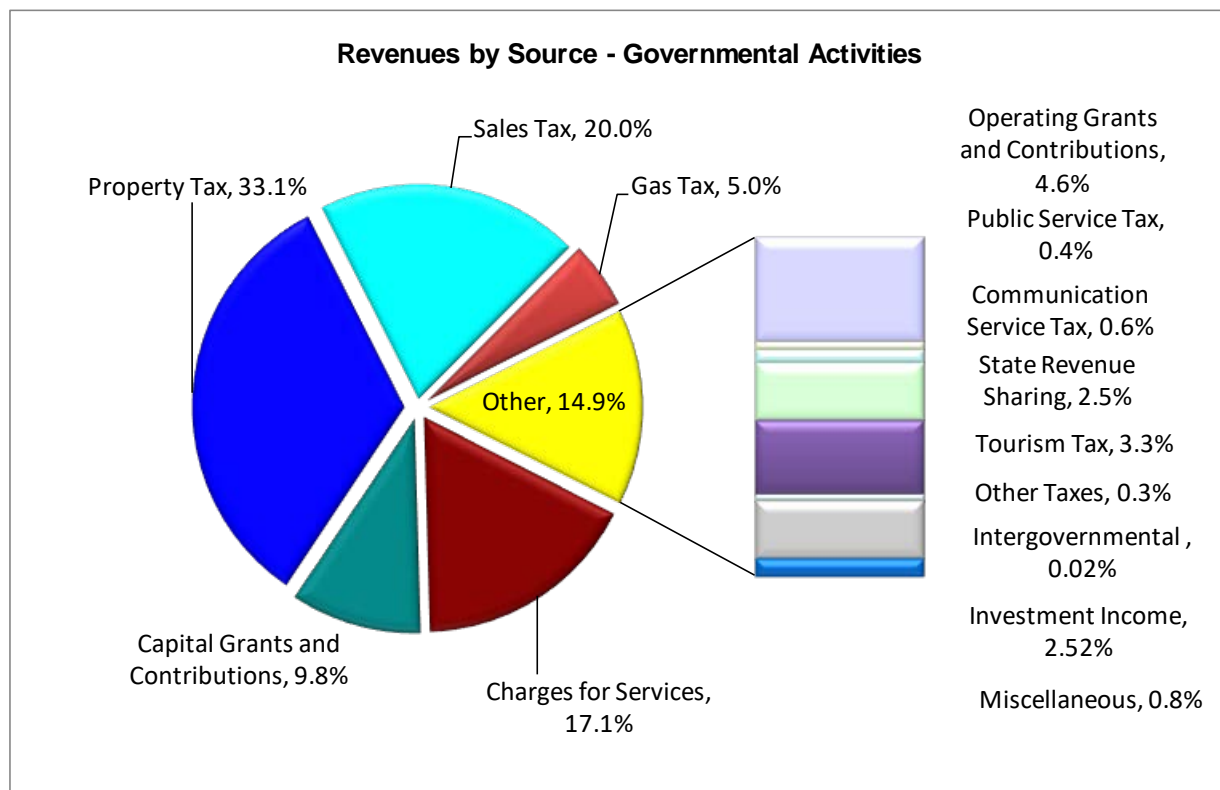
Expenses and Program Revenues – Governmental

<u>Functions/Programs</u>	<u>Expenses</u>	<u>% of Total</u>	<u>Program Revenues</u>	<u>% of Total</u>	<u>Net (Expense) Revenue</u>
General Government	\$ 74,073,729	21.1%	\$ 5,990,782	5.0%	\$ (68,082,947)
Public Safety	170,751,941	48.7%	54,856,769	46.1%	(115,895,172)
Physical Environment	6,047,918	1.7%	19,098,048	16.1%	13,050,130
Transportation	50,356,244	14.4%	18,965,432	15.9%	(31,390,812)
Economic Environment	14,642,310	4.2%	3,211,662	2.7%	(11,430,648)
Human Services	4,085,834	1.2%	184,872	0.2%	(3,900,962)
Culture/Recreation	11,407,750	3.3%	819,186	0.7%	(10,588,564)
Court-Related	12,529,809	3.6%	15,779,776	13.3%	3,249,967
Interest on Long-term Debt	6,621,484	1.9%	-	-	(6,621,484)
	<u>\$ 350,517,019</u>	<u>100.0%</u>	<u>\$ 118,906,527</u>	<u>100.0%</u>	<u>\$ (231,610,492)</u>



Revenue by Source – Governmental Activities

<u>Description</u>	<u>Revenues</u>	<u>% of Total</u>
Charges for Services	\$ 64,549,218	17.1%
Operating Grants & Contributions	17,244,362	4.6%
Capital Grants & Contributions	37,112,947	9.8%
Property Tax	124,915,785	33.1%
Sales Tax	75,532,952	20.0%
Public Service Tax	1,439,639	0.4%
Communication Service Tax	2,225,150	0.6%
Gas Tax	19,040,395	5.0%
State Revenue Sharing	9,343,600	2.5%
Tourist Development Tax	12,333,148	3.3%
Other Taxes	1,069,097	0.3%
Intergovernmental Revenues	70,066	0.02%
Investment Income	9,524,568	2.52%
Miscellaneous	2,987,435	0.8%
	<u>\$ 377,388,362</u>	<u>100.0%</u>



Business-type Activities

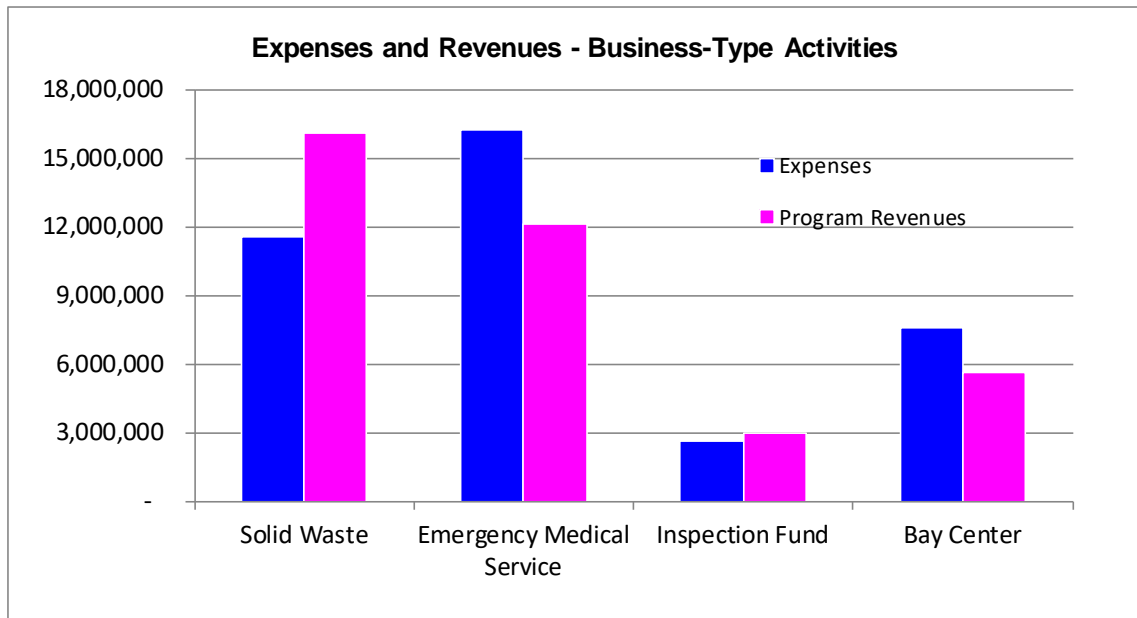
Business-type activities decreased the County's net position by \$273,128, a slight decline from the prior fiscal year, for an ending balance of \$73,016,990. Charges for services contributed 95.1% of the total program revenues for the County's business-type activities. Solid Waste's increase was due to higher charges for service from increased use of transfer facilities. EMS expenses and transfers out exceeded program revenues by \$5.9 million; the net position decrease for the EMS Fund was primarily due to reduced revenue from charges for services and an increase in pension expense. The Bay Center expenses exceeded program revenues by \$1.93 million and operations were subsidized by a transfer from the Tourist Promotion Fund of \$1.7 million. The Bay Center's revenue and expense increased from the prior fiscal year. This combination was not sufficient to cover operating costs and required maintenance.

Expenses and Program Revenues – Business-type Activities

<u>Functions/Programs</u>	<u>Expenses</u>	<u>% of Total</u>	<u>Program Revenues</u>	<u>% of Total</u>	<u>Net (Expense) Revenue</u>
Solid Waste	\$ 11,556,201	30.5%	\$ 16,074,867	43.8%	\$ 4,518,666
Emergency Medical Service	16,207,045	42.7%	12,071,089	32.9%	(4,135,956)
Inspection Fund	2,618,874	6.9%	2,976,526	8.1%	357,652
Bay Center	<u>7,562,216</u>	<u>19.9%</u>	<u>5,586,483</u>	<u>15.2%</u>	<u>(1,975,733)</u>
	<u>\$ 37,944,336</u>	<u>100.0%</u>	<u>\$ 36,708,965</u>	<u>100.0%</u>	<u>\$ (1,235,371)</u>

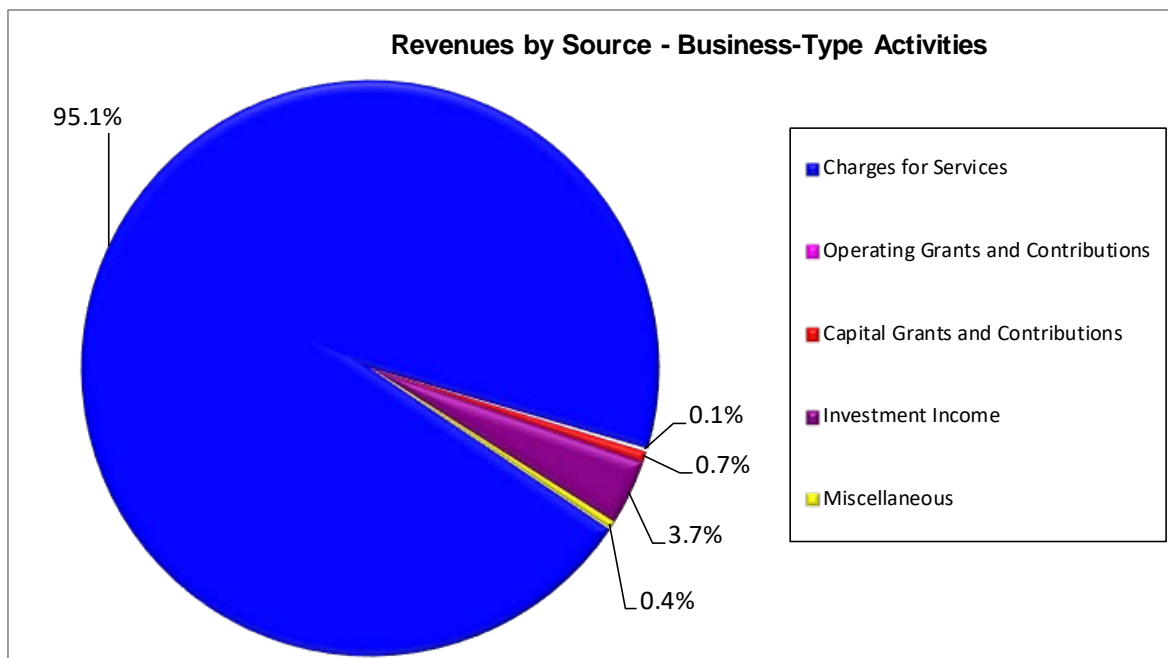
% Revenue over Expenses

Solid Waste	39.1%
Emergency Medical Service	-25.5%
Inspection Fund	13.7%
Bay Center	-26.1%



Revenues by Source – Business-type Activities

<u>Description</u>	<u>Revenues</u>	<u>% of Total</u>
Charges for Services	\$ 36,403,702	95.1%
Operating Grants and Contributions	54,120	0.1%
Capital Grants and Contributions	251,143	0.7%
Investment Income	1,416,478	3.7%
Miscellaneous	169,262	0.4%
	<u>\$ 38,294,705</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

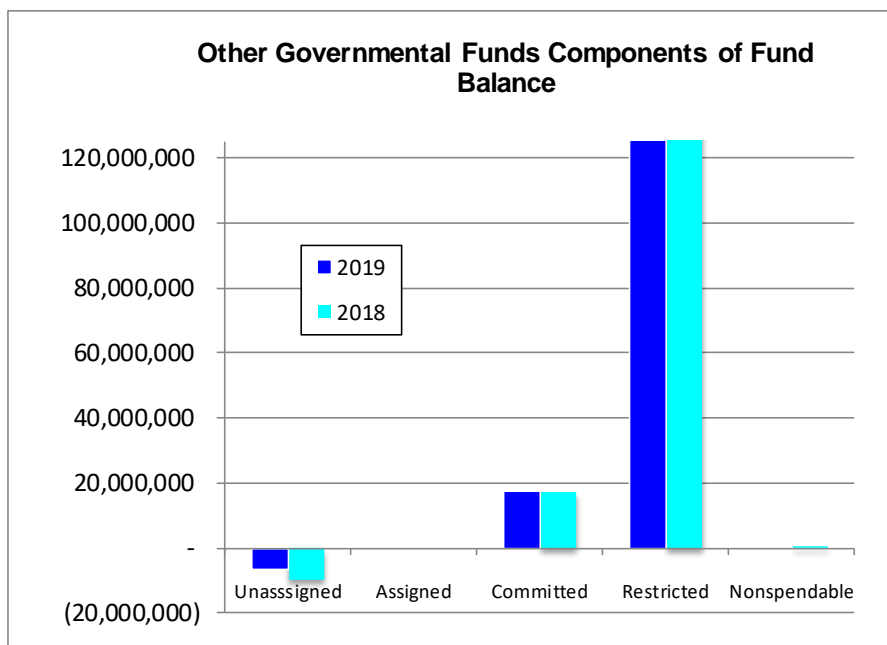
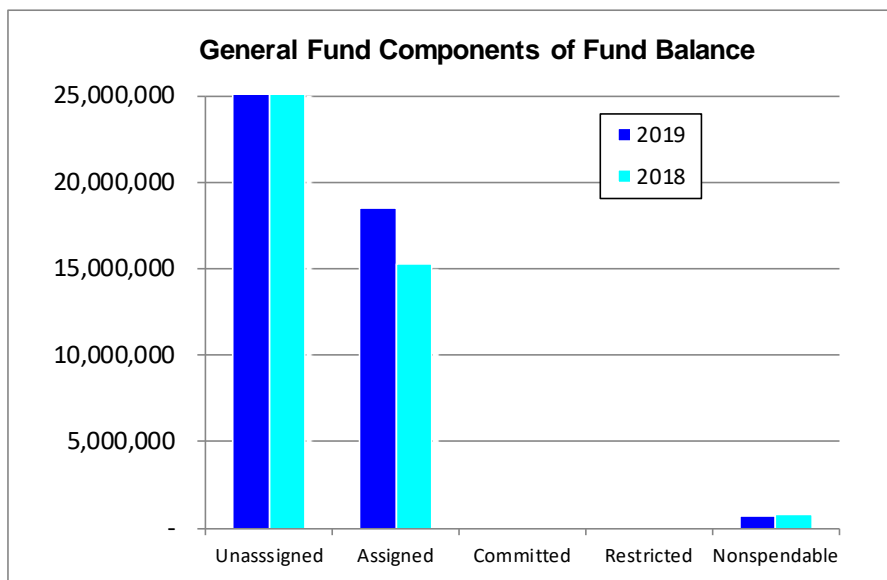
The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of *spendable resources*. Such information is useful in assessing the County's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's 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 2019, the County's governmental funds reported combined fund balances of \$268,147,001, a decrease of \$30,053,806 in comparison with the prior year. Approximately 8% of this

amount, \$22,451,156 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 \$208,757,526 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 \$17,393,262 represent amounts committed by County ordinance, whereas *assigned fund balances* of \$18,484,060 consists of funds budgeted in the subsequent year to balance the 2020 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 \$1,060,997 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 \$29,036,549 while total fund balance increased to \$48,247,851. 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 14.7% of the total General Fund expenditures, while total fund balance represents 24.0% 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:

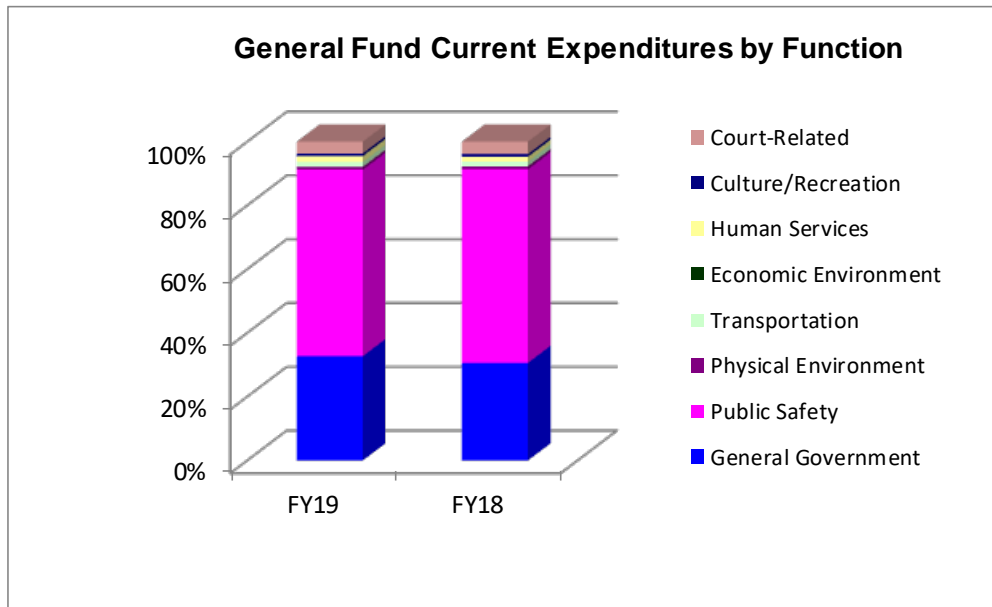


The decrease in fund balance of the County's General Fund was \$1,963,307 during the current fiscal year, a change from prior year increase of \$3,070,833. Key factors in this are as follows:

- The overall increase in revenues and decrease in transfers in over fiscal year 2018 were primarily attributable to property taxes increases due to a higher certified property values. Interest earnings were higher due to favorable interest rates. 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 decreased primarily due to reduced cost reimbursements for various programs.

- An increase in expenditures and transfers out over fiscal year 2018 for General Government was due primarily from operational costs for utilities, insurance, Medicaid, and state detention cost sharing programs. Public safety increased primarily due to increased cost associated with detention personnel and operating expenditures, and increased transfers for the Sheriff and road prison. Human Services increased community mental health services. Physical environment, transportation, and culture and recreation all increased slightly due to increased operational and personnel costs.

The following graph displays the General Fund's current expenditures by function for FY19 and FY18 (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 \$6,585,393 represents expenditures for the April 2014 flood event. The County will continue to seek reimbursement from 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 2019, the County collected approximately \$3.5 million from federal sources and incurred an additional \$527 thousand in disaster costs.

The Mass Transit Authority Fund was established to account for the cost of operations of the Escambia County Area Transit Authority. On October 1, 2017 the County took operations in house, on February 15, 2018, Ordinance 2018-8 re-established the Fund as a Dependent Special District of Escambia County. Sources of revenue are operating grants, local option fuel tax, passengers and user fees, contributions from the University of West Florida, Santa Rosa Island Authority. At the end of fiscal year 2019, restricted fund balance was \$2,708,699 and this represents 21% of the fund's total expenditures and transfers out. The fund balance increased \$703,817, this was primarily due to increased grant revenues and increased user fees, in addition to savings on operating cost.

The Capital Project fund of the Mass Transit Authority is the Mass Transit Authority FTA-Capital Fund which was established to account for the revenue received from FTA and FDOT Grants and the costs associated with various mass transit capital projects. At the end of fiscal year 2019 fund balance was \$347,143 this represents 94% of expenditures and transfers out. The fund balance increased \$24,532 and was primarily due to transfers in and investment earnings.

ESCAMBIA COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
 September 30, 2019

The CRA Fund was established to account for the operations of the community redevelopment initiative. There are eight 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 2019 restricted fund balance was \$3,773,068 and this represents 178% of the fund's total expenditures and transfers out. The fund balance increased \$510,106. While the TIF funding remained at 75%, the rate remained constant 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>2019</u>	<u>2018</u>
Warrington CRA	\$ 1,238,726	\$ 1,180,210
Brownsville CRA	354,694	306,755
Englewood CRA	332,267	228,332
Ensley CRA	168,701	24,245
Atwood CRA	61,502	5,087
Oakfield CRA	12,044	-
Palafox CRA	1,223,512	1,058,387
Barrancas CRA	248,241	366,135
Cantonment CRA	127,982	66,821
Neighborhood	5,399	26,990
	<u>\$ 3,773,068</u>	<u>\$ 3,262,962</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. Expenditures exceeded revenues by \$30,979,430 for a fund balance of \$54,724,387. At the end of fiscal year 2019 restricted fund balance was \$54,724,387, a decrease of 36.1% over the prior year. Although grant revenue increased 143% from \$11M to \$27M, the fund balance decrease was mainly attributable to construction progress for the Escambia County Jail Facility.

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 \$115,169,975 or 208% of the fund's total expenditures and transfers out. While local option sales tax revenue includes a 4.5% increase in the sales tax revenue, driven by improvements in the local economy; fund balance decreased by \$618,214. This was primarily a result of decreased capital expenditures of \$2,347,787 or -5.1% over the prior year 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.

ESCAMBIA COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2019

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

	<u>2019</u>	<u>2018</u>
Solid Waste	\$ 21,209,468	\$ 17,803,387
Emergency Medical Service	(2,796,331)	2,395,334
Inspection	2,640,296	2,139,144
Bay Center	594,974	144,515
	<u>\$ 21,648,407</u>	<u>\$ 22,482,380</u>

Unrestricted net position for proprietary funds decreased \$833,973 which is a 3.7% 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 \$5,272,787, (\$5,856,143), \$549,745 and (\$239,517) respectively. Solid Waste increases are due to franchise fees and dumping fees, which were attributable to increased tonnage from debris, construction and demolition waste. The Emergency Medical Services decrease was attributable to lower revenue from charges for service, reduced transfers out and an increase in pension expense.

General Fund Budgetary Highlights

The General Fund's original budget was increased by \$5,833,928, 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, contingency reserves and transfers out for road prison. The changes within functions are summarized in the following table.

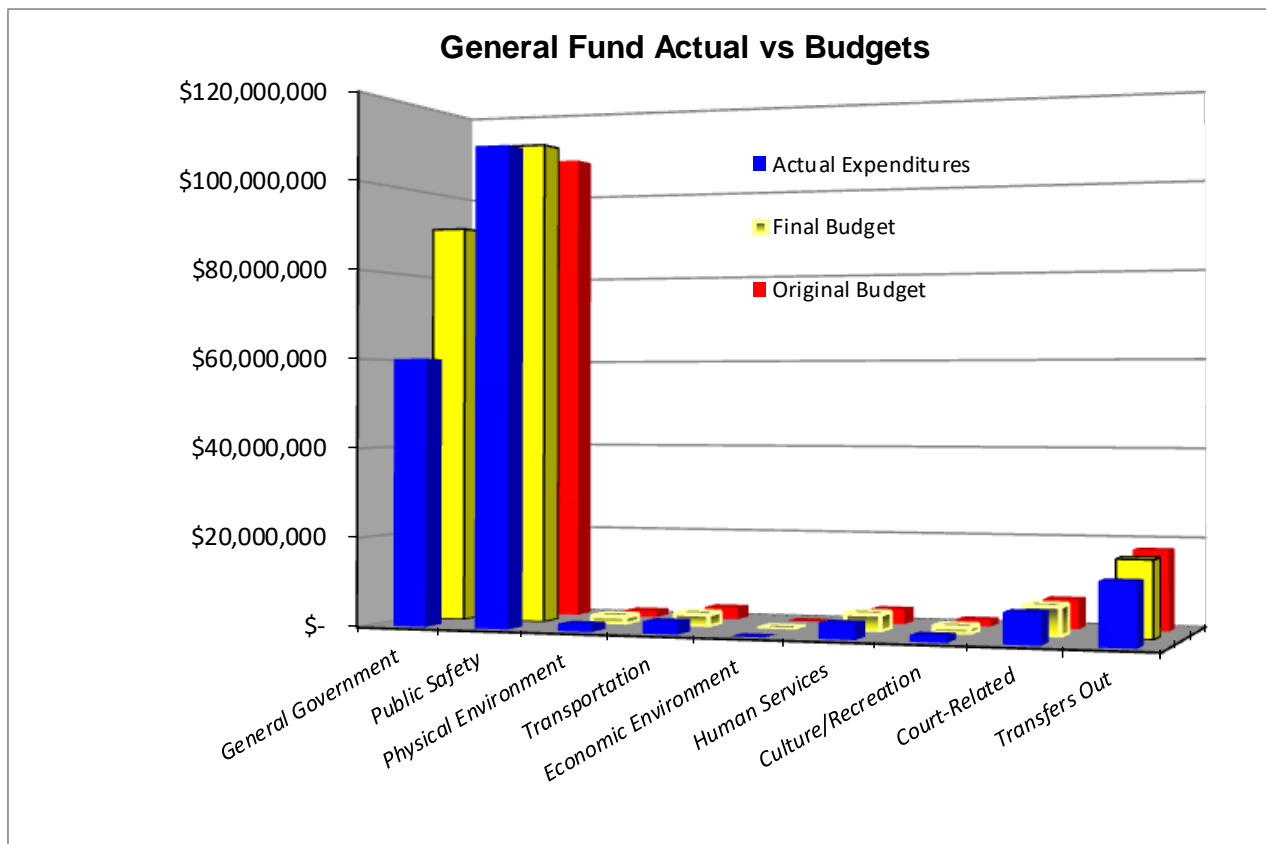
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Change</u>
General Government	\$ 86,261,023	\$ 90,485,579	\$ 4,224,556
Public Safety	107,685,413	109,387,269	1,701,856
Physical Environment	1,455,438	1,669,244	213,806
Transportation	2,717,439	2,728,646	11,207
Economic Environment	-	-	-
Human Services	3,289,133	3,777,385	488,252
Culture/Recreation	1,454,373	1,508,740	54,367
Court-Related	6,522,959	6,522,959	-
Transfers Out	17,845,028	16,984,912	(860,116)
	<u>\$ 227,230,806</u>	<u>\$ 233,064,734</u>	<u>\$ 5,833,928</u>

The General Fund under spent the final budget by \$35,603,285 or 15.28% for expenditures and transfers out. The variance within functions is summarized in the table below:

ESCAMBIA COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
 September 30, 2019

	Actual			
	Expenditures	Final Budget	Variance	
General Government	\$ 60,098,452	\$ 90,485,579	\$ 30,387,127	33.6%
Public Safety	107,504,624	109,387,269	1,882,645	1.7%
Physical Environment	1,622,767	1,669,244	46,477	2.8%
Transportation	2,746,727	2,728,646	(18,081)	-0.7%
Economic Environment	-	-	-	
Human Services	3,499,267	3,777,385	278,118	7.4%
Culture/Recreation	1,464,725	1,508,740	44,015	2.9%
Court-Related	6,819,974	6,522,959	(297,015)	-4.6%
Transfers Out	13,704,913	16,984,912	3,279,999	19.3%
	<u>\$ 197,461,449</u>	<u>\$ 233,064,734</u>	<u>\$ 35,603,285</u>	<u>15.3%</u>

General Fund actual expenditures were less than anticipated expenditures by \$35,603,285. Of this amount \$18.48 million for purchase commitments was re-budgeted and assigned to the subsequent year budget. A review of actual expenditures compared to appropriations in the final budget yields no significant variances with the exception of an overall reduction of \$1.3 million in salary and \$3.1 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 \$2.3 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, 2019 amounts to \$707,897,336 (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 12.5%.

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

- Building projects include the continued construction of the new Jail Facility, the renovations of Supervisor of Elections Building, the purchase of the Bellview Library, renovations to the Sheriffs building and the construction of restrooms at the Beulah Regional Park.
- Ongoing transportation infrastructure projects include Olive Road East corridor, Beach Haven NE Drainage, the replacement of the South Old Corry Field Road Bridge and OLF-X property improvements.
- Net construction in progress (CIP) increased to \$96,637,515 primarily due to the construction of the new Jail and the improvements to infrastructure consisting of more than 100 projects for roads, drainage and bridge replacement including renovations.
- The net increase of \$3.3 million in land includes Hazard Mitigation Grant Project-Bristol Park Creek, Navy Boulevard Project, OFL-X Land improvements, and the Beulah Library Land.
- Equipment purchases include the purchase of road construction equipment, security equipment, county vehicles, trucks, computers and communication radios.

Escambia County, Florida Capital Assets (Net)

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 67,819,602	\$ 64,511,375	\$ 5,793,269	\$ 5,793,269	\$ 73,612,871	\$ 70,304,644
Construction in Progress	96,637,515	34,264,008	4,971,717	4,968,712	101,609,232	39,232,720
Equipment	148,698,394	144,485,045	30,158,196	27,562,219	178,856,590	172,047,264
Buildings and Improvements	238,441,284	235,774,341	37,377,780	37,341,150	275,819,064	273,115,491
Software	8,691,483	8,780,878	176,255	176,255	8,867,738	8,957,133
Infrastructure	<u>906,030,292</u>	<u>867,220,907</u>	<u>51,738,702</u>	<u>49,657,042</u>	<u>957,768,994</u>	<u>916,877,949</u>
	1,466,318,570	1,355,036,554	130,215,919	125,498,647	1,596,534,489	1,480,535,201
Less: Accumulated Depreciation	<u>(809,789,817)</u>	<u>(776,531,636)</u>	<u>(78,847,336)</u>	<u>(74,690,909)</u>	<u>(888,637,153)</u>	<u>(851,222,545)</u>
Capital Assets, net	<u>\$ 656,528,753</u>	<u>\$ 578,504,918</u>	<u>\$ 51,368,583</u>	<u>\$ 50,807,738</u>	<u>\$ 707,897,336</u>	<u>\$ 629,312,656</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 \$153,255,000. Of this amount, \$41,355,000 consists of debt backed by Non-Ad valorem tax revenue. The remainder of the debt, \$111,900,000 represents bonds and notes secured solely by specified revenue sources (i.e., sales tax). The unamortized bond issue premium for the Series 2017 Sales Tax Revenue Bond and Series 2018 Capital Improvement Refunding Revenue Bond is \$14,854,399.

Escambia County, Florida
Outstanding Notes and Bonded Debt

	Governmental Activities	
	2019	2018
Revenue Bonds	\$ 115,890,000	\$ 115,545,000
Revenue Notes	37,365,000	50,484,000
	\$ 153,255,000	\$ 166,029,000
Unamortized Bond Issue Premium	14,854,399	10,228,121
	\$ 168,109,399	\$ 176,257,121

The County's outstanding debt; including the unamortized bond issue premium; had a net decrease of \$8,147,722 or 4.62% during fiscal year 2019. 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 2019-2020 fiscal year budget.

- The annual average unemployment rate for the County for 2019 was 3.0%. The average adjusted rate for 2018 was 3.0%. There was no change from the prior year unemployment rate.
- The taxable assessed value increased 5.6% in the 2019 fiscal year.
- Population was updated to 315,534 at September 30, 2019, which is the revised 2018 population. This was a 0.1% increase from 2 years prior year. Current year population was not available at the time of the CAFR release.

During the current fiscal year, unassigned fund balance in the General Fund decreased to \$29,036,549. The County has budgeted \$229,173,057 for spending in the 2020 fiscal year budget, and assigned \$18,484,060 of the ending 2019 fund balance to the subsequent year's budget. The total ad valorem tax rate remained the same at 7.661 mills for the 2020 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: <https://www.escambiaclerk.com>.

ESCAMBIA COUNTY, FLORIDA
STATEMENT OF NET POSITION
September 30, 2019

	Governmental	Business-type		Component
	Activities	Activities	Total	Unit
ASSETS				
Cash and Cash Equivalents	\$ 171,624,798	\$ 31,100,461	\$ 202,725,259	\$ 6,556,288
Investments	115,551,507	21,458,374	137,009,881	537,788
Accounts Receivable, Net	4,502,875	7,009,198	11,512,073	328,588
Accrued Interest Receivable	1,139,425	-	1,139,425	-
Due from Other Governments	20,105,660	-	20,105,660	144,591
Inventories	1,565,316	845,494	2,410,810	-
Assets Held for Investment	655,545	-	655,545	-
Other Assets	18,105,541	-	18,105,541	34,450
Capital Assets Not Being Depreciated	164,457,117	10,764,986	175,222,103	-
Capital Assets Net of Accumulated Depreciation	492,071,636	40,603,597	532,675,233	565,515
Total Assets	989,779,420	111,782,110	1,101,561,530	8,167,220
DEFERRED OUTFLOW OF RESOURCES				
Deferred Charge on Refunding	1,872,240	-	1,872,240	-
Pension Costs and Subsequent Contributions	74,656,751	6,626,863	81,283,614	278,792
OPEB Costs and Subsequent Contributions	1,076,966	64,052	1,141,018	4,626
Total deferred outflow of resources	77,605,957	6,690,915	84,296,872	283,418
LIABILITIES				
Accounts Payable	24,378,149	1,824,259	26,202,408	138,321
Contracts Payable	7,230,711	348,048	7,578,759	-
Accrued Liabilities	10,086,395	681,888	10,768,283	74,698
Compensated Absences Payable	-	120,502	120,502	-
Due to Other Governments	3,735,951	53,852	3,789,803	1,252,063
Deposits	350,475	32,780	383,255	-
Unearned Revenue	484,818	-	484,818	146,448
Other Current Liabilities	455,717	2,076,332	2,532,049	-
Escrow Deposits - restricted	-	154,794	154,794	-
Noncurrent Liabilities:				
Due Within One Year	12,302,306	77,116	12,379,422	-
Due in More Than One Year	423,297,719	38,518,429	461,816,148	2,336,176
Total Liabilities	482,322,241	43,888,000	526,210,241	3,947,706
DEFERRED INFLOW OF RESOURCES				
Deferred Revenue	988,729	-	988,729	638,465
Pension Costs	18,543,421	1,503,260	20,046,681	401,547
OPEB Costs	983,853	64,775	1,048,628	4,678
Total deferred inflow of resources	20,516,003	1,568,035	22,084,038	1,044,690
NET POSITION				
Net Investment in Capital Assets	535,720,764	51,368,583	587,089,347	565,515
Restricted for:				
Debt Service	270,355	-	270,355	-
Capital	124,812,335	-	124,812,335	1,234,106
Law Enforcement	5,922,070	-	5,922,070	-
Fire and Rescue	2,115,758	-	2,115,758	-
Economic & Community	9,855,977	-	9,855,977	-
Transportation	4,295,656	-	4,295,656	-
Other Purposes	16,692,626	-	16,692,626	-
Unrestricted	(135,138,408)	21,648,407	(113,490,001)	1,658,621
Total Net Position	\$ 564,547,133	\$ 73,016,990	\$ 637,564,123	\$ 3,458,242

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, 2019

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 74,073,729	\$ 5,821,029	\$ 109,753	\$ 60,000
Public Safety	170,751,941	21,951,972	5,219,142	27,685,655
Physical Environment	6,047,918	17,005,828	366,274	1,725,946
Transportation	50,356,244	6,952,023	6,629,061	5,384,348
Economic Environment	14,642,310	642,639	2,316,314	252,709
Human Services	4,085,834	-	184,872	-
Culture/Recreation	11,407,750	457,181	362,005	-
Court-Related	12,529,809	11,718,546	2,056,941	2,004,289
Interest on Long-Term Debt	6,621,484	-	-	-
Total Governmental Activities	350,517,019	64,549,218	17,244,362	37,112,947
Business-type Activities:				
Solid Waste	11,556,201	16,074,867	-	-
Emergency Medical Services	16,207,045	11,863,120	54,120	153,849
Inspection Fund	2,618,874	2,976,526	-	-
Bay Center	7,562,216	5,489,189	-	97,294
Total Business-type Activities	37,944,336	36,403,702	54,120	251,143
Total Primary Government	\$ 388,461,355	\$ 100,952,920	\$ 17,298,482	\$ 37,364,090
Component Unit:				
Santa Rosa Island Authority	5,327,277	4,870,396	-	1,874,128
Total Component Unit	\$ 5,327,277	\$ 4,870,396	\$ -	\$ 1,874,128

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

Governmental Activities	Business-type Activities	Total	Component Unit
\$ (68,082,947)	\$ -	\$ (68,082,947)	
(115,895,172)	-	(115,895,172)	
13,050,130	-	13,050,130	
(31,390,812)	-	(31,390,812)	
(11,430,648)	-	(11,430,648)	
(3,900,962)	-	(3,900,962)	
(10,588,564)	-	(10,588,564)	
3,249,967	-	3,249,967	
(6,621,484)	-	(6,621,484)	
<u>(231,610,492)</u>	<u>-</u>	<u>(231,610,492)</u>	
-	4,518,666	4,518,666	
-	(4,135,956)	(4,135,956)	
-	357,652	357,652	
-	(1,975,733)	(1,975,733)	
<u>-</u>	<u>(1,235,371)</u>	<u>(1,235,371)</u>	
(231,610,492)	(1,235,371)	(232,845,863)	
			<u>1,417,247</u>
			1,417,247
124,915,785	-	124,915,785	-
75,532,952	-	75,532,952	-
1,439,639	-	1,439,639	-
2,225,150	-	2,225,150	-
19,040,395	-	19,040,395	-
9,343,600	-	9,343,600	-
12,333,148	-	12,333,148	-
1,069,097	-	1,069,097	-
70,066	-	70,066	-
9,524,568	1,416,478	10,941,046	11,644
2,987,435	169,262	3,156,697	76,820
623,497	(623,497)	-	-
<u>259,105,332</u>	<u>962,243</u>	<u>260,067,575</u>	<u>88,464</u>
27,494,840	(273,128)	27,221,712	1,505,711
537,052,293	73,290,118	610,342,411	1,952,531
<u>\$ 564,547,133</u>	<u>\$ 73,016,990</u>	<u>\$ 637,564,123</u>	<u>\$ 3,458,242</u>

ESCAMBIA COUNTY, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2019

	General Fund - County Wide	Mass Transit Authority Fund	Disaster Recovery Fund	Community Redevelopment Agency Fund
ASSETS				
Cash and Cash Equivalents	\$ 35,350,997	\$ 835,346	\$ 40,423	\$ 2,280,172
Investments	19,475,909	618,654	29,984	1,691,317
Accounts Receivable	1,407,894	236,669	-	-
Accrued Interest Receivable	1,139,425	-	-	-
Due from Other Funds	143,795	-	-	-
Advances Receivable from Other Funds	-	-	-	-
Due from Other Governments	3,860,058	1,574,242	-	-
Inventories	727,242	181,990	-	-
Assets Held for Investment	-	-	-	-
Other Assets	3,067,799	-	-	-
Total Assets	\$ 65,173,119	\$ 3,446,901	\$ 70,407	\$ 3,971,489
LIABILITIES				
Accounts Payable	\$ 2,754,963	\$ 382,236	\$ 11,010	\$ 166,902
Contracts Payable	27,240	-	-	9,356
Accrued Liabilities	7,549,192	354,324	-	22,163
Due to Other Funds	326,417	-	-	-
Advances Payable to Other Funds	-	-	6,644,790	-
Due to Other Governments	2,415,562	1,642	-	-
Deposits	181,008	-	-	-
Unearned Revenue	160,105	-	-	-
Other Current Liabilities	455,717	-	-	-
Total Liabilities	13,870,204	738,202	6,655,800	198,421
DEFERRED INFLOW OF RESOURCES				
Unavailable Revenue - Capital Lease	3,055,064	-	-	-
Total Deferred Inflow of Resources	3,055,064	-	-	-
FUND BALANCES (deficits):				
Nonspendable:				
Inventories	727,242	-	-	-
Restricted for:				
Court Related Functions	-	-	-	-
Community Service	-	-	-	-
Debt Service	-	-	-	-
Economic & Community Development	-	-	-	3,773,068
Fire & Rescue	-	-	-	-
Health Services	-	-	-	-
Inmate Welfare	-	-	-	-
Jail Facility	-	-	-	-
Law Enforcement	-	-	-	-
Library	-	-	-	-
Mass Transit System	-	2,708,699	-	-
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	18,484,060	-	-	-
Unassigned	29,036,549	-	(6,585,393)	-
Total Fund Balances	48,247,851	2,708,699	(6,585,393)	3,773,068
Total Liabilities, Deferred Inflows of Resources, and Fund Balance (deficit)	\$ 65,173,119	\$ 3,446,901	\$ 70,407	\$ 3,971,489

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

Series 2017 Capital Project Fund	Mass Transit Authority - FTA Capital Fund	Local Option Sales Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 38,986,687	\$ 197,238	\$ 50,787,433	\$ 32,467,725	\$ 160,946,021
28,918,356	146,301	37,671,553	19,673,454	108,225,528
-	-	680,285	803,065	3,127,913
-	-	-	-	1,139,425
-	-	-	234,669	378,464
-	-	9,121,289	-	9,121,289
-	17,210	8,858,585	5,671,992	19,982,087
-	-	-	333,755	1,242,987
-	-	-	655,545	655,545
-	-	15,037,742	-	18,105,541
<u>\$ 67,905,043</u>	<u>\$ 360,749</u>	<u>\$ 122,156,887</u>	<u>\$ 59,840,205</u>	<u>\$ 322,924,800</u>
\$ 8,679,900	\$ 13,606	\$ 4,363,352	\$ 2,965,481	\$ 19,337,450
4,500,756	-	2,374,801	291,720	7,203,873
-	-	101,106	2,004,223	10,031,008
-	-	143,795	538,819	1,009,031
-	-	-	2,476,499	9,121,289
-	-	2,603	1,310,649	3,730,456
-	-	1,255	166,830	349,093
-	-	-	324,713	484,818
-	-	-	-	455,717
<u>13,180,656</u>	<u>13,606</u>	<u>6,986,912</u>	<u>10,078,934</u>	<u>51,722,735</u>
-	-	-	-	3,055,064
-	-	-	-	<u>3,055,064</u>
-	-	-	333,755	1,060,997
-	-	-	3,872,036	3,872,036
-	-	-	284,337	284,337
-	-	15,037,742	270,355	15,308,097
-	-	17,275,496	356,241	21,404,805
-	-	-	2,115,758	2,115,758
-	-	-	35,964	35,964
-	-	-	3,298,485	3,298,485
54,724,387	-	-	-	54,724,387
-	-	-	278,931	278,931
-	-	-	3,642,794	3,642,794
-	347,143	-	-	3,055,842
-	-	-	2,041,988	2,041,988
-	-	-	2,822,088	2,822,088
-	-	-	1,008,526	1,008,526
-	-	-	5,439,833	5,439,833
-	-	-	5,311,218	5,311,218
-	-	82,856,737	743,352	83,600,089
-	-	-	512,348	512,348
-	-	-	1,835,003	1,835,003
-	-	-	10,442,521	10,442,521
-	-	-	1,315,988	1,315,988
-	-	-	3,799,750	3,799,750
-	-	-	-	18,484,060
-	-	-	-	22,451,156
<u>54,724,387</u>	<u>347,143</u>	<u>115,169,975</u>	<u>49,761,271</u>	<u>268,147,001</u>
<u>\$ 67,905,043</u>	<u>\$ 360,749</u>	<u>\$ 122,156,887</u>	<u>\$ 59,840,205</u>	<u>\$ 322,924,800</u>

ESCAMBIA COUNTY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
as of September 30, 2019

Total fund balances of governmental funds		\$ 268,147,001
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 \$1,464,683,700 Accumulated depreciation and amortization is \$808,703,658. The difference does not include the net capital assets of the internal service funds \$548,711 which are included below.		655,980,042
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.		4,811,658
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.		2,066,335
Deferred inflows and outflows of resources related to debt:		
Deferred charge on refunding (to be amortized as interest expense)		1,872,240
Deferred outflows and inflows of resources related to pensions and other post employment benefits (OPEB) 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	74,372,331	
Deferred inflows of resources - Pensions	(18,475,783)	
Deferred outflows of resources - OPEB	1,070,780	
Deferred inflows of resources - OPEB	(977,597)	
		55,989,731
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 \$11,180,798 which is included above. Long-term liabilities at year-end consist of:		
Bonds payable	115,890,000	
Notes payable	37,365,000	
Bond issuance premiums	14,854,399	
Pollution remediation	180,000	
Compensated absences	25,486,402	
Other post employment benefits	19,277,640	
Net pension liability proportionate share	211,266,433	
		(424,319,874)
Total net position of governmental activities		\$ 564,547,133

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, 2019

	General Fund - County Wide	Mass Transit Authority Fund	Disaster Recovery Fund	Community Redevelopment Agency Fund
REVENUES				
Taxes	\$ 119,157,202	\$ 4,897,949	\$ -	\$ 2,479,306
Permits and Fees	-	-	-	-
Franchise Fees	13,426,526	-	-	-
Special Assessments	885,119	-	-	-
Intergovernmental Revenues	37,978,250	6,896,498	3,456,774	-
Charges for Services	12,185,178	1,674,151	-	-
Judgments and Fines	1,617,697	-	-	-
Investment Income	2,479,479	46,697	30,389	128,138
Miscellaneous Revenues	3,419,460	81,090	-	-
Total Revenues	191,148,911	13,596,385	3,487,163	2,607,444
EXPENDITURES				
Current:				
General Government	60,098,452	-	-	2,114,838
Public Safety	107,504,624	-	526,920	-
Physical Environment	1,622,767	-	-	-
Transportation	2,746,727	12,892,568	-	-
Economic Environment	-	-	-	-
Human Services	3,499,267	-	-	-
Culture/Recreation	1,464,725	-	-	-
Court-Related	6,819,974	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Bond Issuance Costs	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	183,756,536	12,892,568	526,920	2,114,838
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,392,375	703,817	2,960,243	492,606
OTHER FINANCING SOURCES (USES)				
Transfers In	4,349,231	-	-	17,500
Transfers (Out)	(13,704,913)	-	-	-
Issuance Refunding Bonds Payable	-	-	-	-
Premium (Discount) on Notes/Bonds	-	-	-	-
Payment to Refunded Bond Holders	-	-	-	-
Total Other Financing Sources and (Uses)	(9,355,682)	-	-	17,500
Net Change in Fund Balances	(1,963,307)	703,817	2,960,243	510,106
Fund Balances - Beginning	50,211,158	2,004,882	(9,545,636)	3,262,962
Fund Balances - Ending	\$ 48,247,851	\$ 2,708,699	\$ (6,585,393)	\$ 3,773,068

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

Series 2017 Capital Project Fund	Mass Transit Authority - FTA Capital Fund	Local Option Sales Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 48,140,106	\$ 27,541,953	\$ 202,216,516
-	-	-	362,347	362,347
-	-	-	2,036,924	15,463,450
-	-	-	18,145,093	19,030,212
26,837,517	384,361	3,052,674	16,250,811	94,856,885
-	-	192,265	10,897,801	24,949,395
-	-	-	898,068	2,515,765
1,811,110	8,626	2,941,313	1,637,238	9,082,990
-	-	340,684	2,212,873	6,054,107
<u>28,648,627</u>	<u>392,987</u>	<u>54,667,042</u>	<u>79,983,108</u>	<u>374,531,667</u>
-	-	260,224	2,847,096	65,320,610
508,666	-	1,200	33,338,112	141,879,522
-	-	-	2,714,743	4,337,510
-	70,066	1,447,973	18,279,480	35,436,814
-	-	1,089,869	13,232,850	14,322,719
-	-	137,164	168,884	3,805,315
-	-	1,489,402	8,333,071	11,287,198
-	-	-	4,021,162	10,841,136
-	-	-	7,765,000	7,765,000
-	-	-	6,847,490	6,847,490
-	-	-	310,578	310,578
59,119,391	298,389	43,947,180	-	103,364,960
<u>59,628,057</u>	<u>368,455</u>	<u>48,373,012</u>	<u>97,858,466</u>	<u>405,518,852</u>
<u>(30,979,430)</u>	<u>24,532</u>	<u>6,294,030</u>	<u>(17,875,358)</u>	<u>(30,987,185)</u>
-	-	-	22,496,084	26,862,815
-	-	(6,912,244)	(5,622,161)	(26,239,318)
-	-	-	41,545,000	41,545,000
-	-	-	5,318,882	5,318,882
-	-	-	(46,554,000)	(46,554,000)
-	-	(6,912,244)	17,183,805	933,379
<u>(30,979,430)</u>	<u>24,532</u>	<u>(618,214)</u>	<u>(691,553)</u>	<u>(30,053,806)</u>
<u>85,703,817</u>	<u>322,611</u>	<u>115,788,189</u>	<u>50,452,824</u>	<u>298,200,807</u>
<u>\$ 54,724,387</u>	<u>\$ 347,143</u>	<u>\$ 115,169,975</u>	<u>\$ 49,761,271</u>	<u>\$ 268,147,001</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, 2019

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

Net change in fund balances - total governmental funds \$ (30,053,806)

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 (\$116,512,830) exceeds depreciation (\$38,043,714) in the current period. Total capital additions consist of capital expenditures of \$113,614,333 and non-cash contributions of \$2,898,497 for donated roads. 78,469,116

Collections of principal on long-term sales type lease receivable provides current financial resources to governmental funds. (76,974)

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 refunding notes/bonds	(41,545,000)		
Discount (premium) on issuance	(5,318,882)		
Principal repayments	7,765,000		
Amortization of deferred charge on refunding	(156,020)		
Amortization of interest expense on bond premium	692,604		
Payment to bond holders for refunding	46,554,000		
			7,991,702

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, 2019

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	603,504	
Changes in other post employment benefits	<u>21,210</u>	
		624,714

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	(28,634,564)
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Governmental funds report other post employment benefit contributions as expenditures. However, in the statement of activities, the actuarial cost of benefits earned net of employee contributions is reported as an expense.

(317,457)

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.

(399,256)

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.

(108,635)

Change in net position of governmental activities:

\$ 27,494,840

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, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 118,521,436	\$ 118,521,436	\$ 119,157,202	\$ 635,766
Franchise Fees	12,046,428	12,046,428	13,426,526	1,380,098
Special Assessments	848,711	848,711	885,119	36,408
Intergovernmental Revenues	30,990,284	31,023,305	37,978,250	6,954,945
Charges for Services	11,195,947	11,202,415	12,185,178	982,763
Judgments and Fines	1,697,000	1,697,000	1,617,697	(79,303)
Investment Income	225,070	225,070	2,479,479	2,254,409
Miscellaneous Revenues	2,984,620	3,679,208	3,419,460	(259,748)
Total Revenues	<u>178,509,496</u>	<u>179,243,573</u>	<u>191,148,911</u>	<u>11,905,338</u>
EXPENDITURES				
Current:				
General Government	86,261,023	90,485,579	60,098,452	30,387,127
Public Safety	107,685,413	109,387,269	107,504,624	1,882,645
Physical Environment	1,455,438	1,669,244	1,622,767	46,477
Transportation	2,717,439	2,728,646	2,746,727	(18,081)
Human Services	3,289,133	3,777,385	3,499,267	278,118
Culture/Recreation	1,454,373	1,508,740	1,464,725	44,015
Court-Related	6,522,959	6,522,959	6,819,974	(297,015)
Total Expenditures	<u>209,385,778</u>	<u>216,079,822</u>	<u>183,756,536</u>	<u>32,323,286</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(30,876,282)</u>	<u>(36,836,249)</u>	<u>7,392,375</u>	<u>44,228,624</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	6,515,490	4,376,023	4,349,231	(26,792)
Transfers (Out)	(17,845,028)	(16,984,912)	(13,704,913)	3,279,999
Total Other Financing Sources and (Uses)	<u>(11,329,538)</u>	<u>(12,608,889)</u>	<u>(9,355,682)</u>	<u>3,253,207</u>
Net Change in Fund Balance	<u>(42,205,820)</u>	<u>(49,445,138)</u>	<u>(1,963,307)</u>	<u>47,481,831</u>
Fund Balance - Beginning	<u>42,205,820</u>	<u>49,445,138</u>	<u>50,211,158</u>	<u>766,020</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,247,851</u>	<u>\$ 48,247,851</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
MASS TRANSIT AUTHORITY FUND
For the Year Ended September 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 4,560,000	\$ 4,560,000	\$ 4,897,949	\$ 337,949
Intergovernmental Revenues	6,853,078	6,887,650	6,896,498	8,848
Charges for Services	1,914,039	2,146,532	1,674,151	(472,381)
Investment Income	-	-	46,697	46,697
Miscellaneous Revenues	-	-	81,090	81,090
Total Revenues	<u>13,327,117</u>	<u>13,594,182</u>	<u>13,596,385</u>	<u>2,203</u>
EXPENDITURES				
Current:				
Transportation	13,327,117	15,359,957	12,892,568	2,467,389
Total Expenditures	<u>13,327,117</u>	<u>15,359,957</u>	<u>12,892,568</u>	<u>2,467,389</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(1,765,775)</u>	<u>703,817</u>	<u>2,469,592</u>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	-	-	-	-
Total Other Financing Sources and (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	(1,765,775)	703,817	2,469,592
Fund Balance - Beginning	<u>-</u>	<u>1,765,775</u>	<u>2,004,882</u>	<u>239,107</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,708,699</u>	<u>\$ 2,708,699</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
DISASTER RECOVERY FUND
For the Year Ended September 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ -	\$ 1,515,646	\$ 3,456,774	\$ 1,941,128
Investment Income	-	-	30,389	30,389
Total Revenues	-	1,515,646	3,487,163	1,971,517
EXPENDITURES				
Current:				
Public Safety	-	1,515,646	526,920	988,726
Total Expenditures	-	1,515,646	526,920	988,726
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	2,960,243	2,960,243
Net Change in Fund Balance	-	-	2,960,243	2,960,243
Fund Balance - Beginning	-	-	(9,545,636)	(9,545,636)
Fund Balance - Ending	\$ -	\$ -	\$ (6,585,393)	\$ (6,585,393)

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, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 2,479,306	\$ 2,479,306	\$ 2,479,306	\$ -
Intergovernmental Revenues	17,500	17,500	-	(17,500)
Investment Income	-	-	128,138	128,138
Total Revenues	<u>2,496,806</u>	<u>2,496,806</u>	<u>2,607,444</u>	<u>110,638</u>
EXPENDITURES				
Current:				
General Government	3,540,529	5,759,769	2,114,838	3,644,931
Total Expenditures	<u>3,540,529</u>	<u>5,759,769</u>	<u>2,114,838</u>	<u>3,644,931</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,043,723)</u>	<u>(3,262,963)</u>	<u>492,606</u>	<u>3,755,569</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	17,500	17,500
Total Other Financing Sources and (Uses)	<u>-</u>	<u>-</u>	<u>17,500</u>	<u>17,500</u>
Net Change in Fund Balance	(1,043,723)	(3,262,963)	510,106	3,773,069
Fund Balance - Beginning	<u>1,043,723</u>	<u>3,262,963</u>	<u>3,262,962</u>	<u>(1)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,773,068</u>	<u>\$ 3,773,068</u>

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

ESCAMBIA COUNTY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2019

	Business-type Activities - Enterprise Funds				Governmental
	Solid Waste	Emergency	Nonmajor		Activities -
	Fund	Medical	Enterprise	Totals	Internal Service
	Fund	Services Fund	Funds		Funds
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 12,950,222	\$ 2,166,482	\$ 5,489,995	\$ 20,606,699	\$ 10,678,777
Restricted Assets Available for Current Liabilities	224,625	-	7,285	231,910	-
Investments	17,382,008	1,606,764	2,469,602	21,458,374	7,325,979
Accounts Receivable, Net of Allowance for Uncollectable Accounts	1,609,335	5,280,976	118,887	7,009,198	1,374,962
Due from Other Funds	-	-	-	-	630,567
Due from Other Governments	-	-	-	-	123,573
Inventories	-	743,592	101,902	845,494	322,329
Prepaid Items	-	-	-	-	-
Total Current Assets	32,166,190	9,797,814	8,187,671	50,151,675	20,456,187
Noncurrent Assets:					
Restricted Assets:					
Escrow Deposits - restricted	147,509	-	7,285	154,794	-
Saufley C&D - restricted	615,308	-	-	615,308	-
Landfill Escrow	9,723,660	-	-	9,723,660	-
Less: Portion Classified as Current	(224,625)	-	(7,285)	(231,910)	-
Total restricted assets	10,261,852	-	-	10,261,852	-
Capital Assets:					
Land	5,786,826	6,443	-	5,793,269	-
Buildings	10,362,088	1,100,349	25,915,343	37,377,780	399,564
Improvements Other than Buildings	48,557,964	86,275	3,094,463	51,738,702	937,373
Machinery, Equipment and Vehicles	16,519,492	10,789,141	2,849,563	30,158,196	297,933
Intangibles	-	176,255	-	176,255	-
Construction in Progress	4,971,717	-	-	4,971,717	-
Less: Accumulated Depreciation	(41,412,739)	(9,337,694)	(28,096,903)	(78,847,336)	(1,086,159)
Total Capital Assets (Net)	44,785,348	2,820,769	3,762,466	51,368,583	548,711
Total Noncurrent Assets	55,047,200	2,820,769	3,762,466	61,630,435	548,711
Total Assets	87,213,390	12,618,583	11,950,137	111,782,110	21,004,898
DEFERRED OUTFLOW OF RESOURCES					
Pension Cost and Subsequent					
Contributions	788,061	5,168,189	670,613	6,626,863	284,420
OPEB Cost and Subsequent Contrib.	13,207	40,892	9,953	64,052	6,186
Total deferred outflow of resources	801,268	5,209,081	680,566	6,690,915	290,606

Continued

ESCAMBIA COUNTY, FLORIDA
STATEMENT OF NET POSITION - Continued

PROPRIETARY FUNDS

September 30, 2019

Business-type Activities - Enterprise Funds

	<u>Solid Waste Fund</u>	<u>Emergency Medical Services Fund</u>	<u>Nonmajor Enterprise Funds</u>	<u>Totals</u>	<u>Governmental Activities - Internal Service Funds</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$ 668,091	\$ 172,285	\$ 983,883	\$ 1,824,259	\$ 5,040,699
Contracts Payable	348,048	-	-	348,048	26,838
Accrued Liabilities	130,885	462,367	88,636	681,888	55,387
Compensated Absences Payable	46,776	40,968	32,758	120,502	92,666
Estimated Claims Payable	-	-	-	-	2,916,000
Due to Other Governments	22,246	134	31,472	53,852	5,495
Deposits	2,022	-	30,758	32,780	1,382
Other Current Liabilities	-	-	2,076,332	2,076,332	-
Current Liabilities Payable from Restricted Assets:					
Landfill Closure Costs Payable	77,116	-	-	77,116	-
Escrow Deposits - restricted	147,509	-	7,285	154,794	-
Total Current Liabilities	<u>1,442,693</u>	<u>675,754</u>	<u>3,251,124</u>	<u>5,369,571</u>	<u>8,138,467</u>
Noncurrent Liabilities:					
Compensated Absences Payable	420,984	373,789	294,819	1,089,592	833,989
Other Post Employment Benefits	192,944	625,300	143,780	962,024	80,226
Net Pension Liability	2,164,899	14,961,432	1,784,079	18,910,410	795,270
Estimated Claims Payable	-	-	-	-	6,562,000
Landfill Closure Costs Payable	17,556,403	-	-	17,556,403	-
Total Noncurrent Liabilities	<u>20,335,230</u>	<u>15,960,521</u>	<u>2,222,678</u>	<u>38,518,429</u>	<u>8,271,485</u>
Total Liabilities	<u>21,777,923</u>	<u>16,636,275</u>	<u>5,473,802</u>	<u>43,888,000</u>	<u>16,409,952</u>
DEFERRED INFLOW OF RESOURCES					
Unamortized Pension Costs	228,563	1,125,597	149,100	1,503,260	67,638
Unamortized OPEB Costs	13,356	41,354	10,065	64,775	6,256
Total deferred inflow of resources	<u>241,919</u>	<u>1,166,951</u>	<u>159,165</u>	<u>1,568,035</u>	<u>73,894</u>
NET POSITION					
Net Investment in Capital Assets	44,785,348	2,820,769	3,762,466	51,368,583	548,711
Unrestricted	21,209,468	(2,796,331)	3,235,270	21,648,407	4,262,947
Total Net Position	<u>\$ 65,994,816</u>	<u>\$ 24,438</u>	<u>\$ 6,997,736</u>	<u>\$ 73,016,990</u>	<u>\$ 4,811,658</u>

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, 2019

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Solid Waste	Emergency	Nonmajor	Total	
	Fund	Medical Services	Enterprise		
	Fund	Funds			
Operating Revenues:					
Charges for Services	\$ 16,074,867	\$ 11,863,120	\$ 8,465,715	\$36,403,702	\$ 38,204,467
Miscellaneous Revenues	75,775	5,124	88,363	169,262	-
Total Operating Revenues	16,150,642	11,868,244	8,554,078	36,572,964	38,204,467
Operating Expenses:					
Personal Services	2,981,033	12,291,547	2,127,637	17,400,217	1,693,746
Contracted Services	932,454	307,805	6,674,703	7,914,962	-
Claims Incurred and Change in Estimate	-	-	-	-	1,982,591
Supplies and Materials	109,797	247,728	8,205	365,730	-
Repairs and Maintenance	1,146,022	924,388	60,267	2,130,677	31,347
Other Services and Charges	1,697,946	1,128,968	387,818	3,214,732	4,126,419
Depreciation	3,174,177	1,145,246	795,090	5,114,513	69,836
Provision for Closure and Long Term Care	1,214,741	-	-	1,214,741	-
Premiums/Claims Expense	314,786	168,341	127,370	610,497	30,850,741
Total Operating Expenses	11,570,956	16,214,023	10,181,090	37,966,069	38,754,680
Operating Income (Loss)	4,579,686	(4,345,779)	(1,627,012)	(1,393,105)	(550,213)
Nonoperating Revenues (Expenses):					
Grants	-	54,120	-	54,120	-
Investment Income	1,208,090	68,442	139,946	1,416,478	441,578
Gain (Loss) on Disposal of Capital Assets	14,755	6,978	-	21,733	-
Total Nonoperating Revenues (Expenses)	1,222,845	129,540	139,946	1,492,331	441,578
Income (Loss) Before Transfers and Contributions	5,802,531	(4,216,239)	(1,487,066)	99,226	(108,635)
Transfer In	-	-	1,700,000	1,700,000	-
Transfer (Out)	(529,744)	(1,793,753)	-	(2,323,497)	-
Capital Contributions	-	153,849	97,294	251,143	-
Change in Net Position	5,272,787	(5,856,143)	310,228	(273,128)	(108,635)
Net Position	60,722,029	5,880,581	6,687,508	73,290,118	4,920,293
Net Position - Ending	\$ 65,994,816	\$ 24,438	\$ 6,997,736	\$73,016,990	\$ 4,811,658

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, 2019

	Business-type Activities - Enterprise Funds				Governmental
	Solid Waste Fund	Emergency Medical Services Fund	Nonmajor Enterprise Funds	Total	Activities - Internal Service Funds
Cash Flows from Operating Activities					
Receipts from customers and users	\$16,793,341	\$ 13,994,211	\$8,959,416	\$ 39,746,968	\$ 5,393,542
Receipts from interfund risk/benefits management	-	-	-	-	27,692,838
Receipts from interfund fleet/fuel management	-	-	-	-	3,942,934
Payments to suppliers	(4,284,564)	(3,812,101)	(6,963,168)	(15,059,833)	(34,936,374)
Payments to employees	(2,791,536)	(10,119,911)	(1,961,117)	(14,872,564)	(1,159,451)
Net Cash Provided (Used) by Operating Activities	9,717,241	62,199	35,131	9,814,571	933,489
Cash Flows from Noncapital Financing Activities					
Transfers to other funds	(529,744)	(1,793,753)	-	(2,323,497)	-
Transfers from other funds	-	-	1,700,000	1,700,000	-
Advances due to/from other funds	-	-	-	-	204,551
Subsidy from federal/state grants	-	54,120	-	54,120	-
Net Cash Provided (Used) by Noncapital Financing Activities	(529,744)	(1,739,633)	1,700,000	(569,377)	204,551
Cash Flows from Capital and Related Financing Activities					
Acquisition/construction of capital assets	(4,779,120)	(425,342)	(56,413)	(5,260,875)	(23,811)
Loss from disposal of capital assets	(247,008)	105,401	-	(141,607)	-
Landfill closure costs paid	(64,290)	-	-	(64,290)	-
Net Cash (Used) by Capital and Related Financing Activities	(5,090,418)	(319,941)	(56,413)	(5,466,772)	(23,811)
Cash Flows from Investing Activities					
Sale (purchase) of investments	(434,287)	1,114,501	(234,667)	445,547	147,110
Interest received	1,208,090	68,442	139,946	1,416,478	441,578
Net Cash Provided (Used) by Investing Activities	773,803	1,182,943	(94,721)	1,862,025	588,688
Net Increase (Decrease) in Cash and Cash Equivalents	4,870,882	(814,432)	1,583,997	5,640,447	1,702,917
Cash and cash equivalents at beginning of year	18,565,817	2,980,914	3,913,283	25,460,014	8,975,860
Cash and cash equivalents at end of year	\$23,436,699	\$ 2,166,482	\$5,497,280	\$ 31,100,461	\$ 10,678,777
Cash and Cash Equivalents Classified As:					
Current assets	\$12,950,222	\$ 2,166,482	\$5,489,995	\$ 20,606,699	\$ 10,678,777
Current restricted assets	224,625	-	7,285	231,910	-
Noncurrent restricted assets	10,261,852	-	-	10,261,852	-
Total Cash and Cash Equivalents	\$23,436,699	\$ 2,166,482	\$5,497,280	\$ 31,100,461	\$ 10,678,777

Continued

ESCAMBIA COUNTY, FLORIDA
STATEMENT OF CASH FLOWS - Continued
PROPRIETARY FUNDS
For the Year Ended September 30, 2019

	<u>Business-type Activities - Enterprise Funds</u>			<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
	<u>Solid Waste Fund</u>	<u>Emergency Medical Services Fund</u>	<u>Nonmajor Enterprise Funds</u>		
Reconciliation of Operating Income (Loss) to Net Cash					
 Provided (Used) by Operating Activities					
Operating Income (Loss)	\$ 4,579,686	\$ (4,345,779)	\$ (1,627,012)	\$ (1,393,105)	\$ (550,213)
Depreciation	3,174,177	1,145,246	795,090	5,114,513	69,836
Provision for closure and postclosure	1,214,741	-	-	1,214,741	-
Change in Assets and Liabilities:					
Accounts receivable	637,238	2,125,967	16,153	2,779,358	(705,632)
Inventories	-	(459,284)	(28,274)	(487,558)	51,335
Prepays	-	-	-	-	-
Accounts payable	(208,908)	(573,839)	322,641	(460,106)	2,466,776
Contracts payable	118,117	-	-	118,117	26,838
Accrued liabilities	(14,317)	17,455	(8,724)	(5,586)	4,877
Due to other governments	7,232	(1,748)	828	6,312	3,696
Customer deposits	5,461	-	17,775	23,236	1,382
Other current liabilities	-	-	371,410	371,410	-
Compensated absences	(50,046)	(74,591)	(26,760)	(151,397)	(35,764)
Other post employment benefits and related deferred outflows/inflows of resources	6,563	48,221	3,322	58,106	(7,071)
Net pension liability proportionate share and related deferred outflows/inflows of resources	247,297	2,180,551	198,682	2,626,530	101,350
Claims payable	-	-	-	-	(493,921)
Total Adjustments	<u>5,137,555</u>	<u>4,407,978</u>	<u>1,662,143</u>	<u>11,207,676</u>	<u>1,483,702</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 9,717,241</u>	<u>\$ 62,199</u>	<u>\$ 35,131</u>	<u>\$ 9,814,571</u>	<u>\$ 933,489</u>
Schedule of non-cash capital activities:					
Contributions of capital assets	\$ -	\$ 153,849	\$ 97,294	\$ 251,143	\$ -

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, 2019

ASSETS

Cash and Cash Equivalents	\$ 11,462,600
Accounts Receivable	487,031
Total Assets	<u>\$ 11,949,631</u>

LIABILITIES

Due to Other Governments	\$ 4,194,791
Due to Individuals	3,852,928
Other Current Liabilities	3,901,912
Total Liabilities	<u>\$ 11,949,631</u>

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

ESCAMBIA COUNTY, FLORIDA
STATEMENT OF NET POSITION
COMPONENT UNIT
September 30, 2019

	Business-Type Activities
	Santa Rosa Island Authority
ASSETS	
Cash and Cash Equivalents	\$ 3,249,722
Investments	537,788
Accounts Receivable	328,588
Due from Other Governments	144,591
Other Assets	34,450
Total Current Assets	4,295,139
Noncurrent Assets:	
Restricted Assets:	
Cash and Cash Equivalents	3,306,566
Capital Assets, Net of Depreciation	565,515
Total Noncurrent Assets	3,872,081
Total Assets	8,167,220
DEFERRED OUTFLOWS OF RESOURCES	
OPEB	4,626
Pension	278,792
Total deferred outflow of resources	283,418
LIABILITIES	
Accounts Payable	138,321
Accrued Liabilities	74,698
Due to Other Governments	1,252,063
Unearned Revenue	146,448
Total Current Liabilities	1,611,530
Noncurrent Liabilities:	
Compensated Absences	72,727
Other Post Employment Benefits	115,222
Net Pension Liability	883,227
Other Noncurrent Liabilities	1,265,000
Total Noncurrent Liabilities	2,336,176
Total Liabilities	3,947,706
DEFERRED INFLOW OF RESOURCES	
Unearned Revenues	85,933
Unearned Consideration Fees	552,532
Other Post Employment Benefits	4,678
Pension	401,547
Total Deferred Inflow of Resources	1,044,690
NET POSITION	
Invested in Capital Assets	565,515
Restricted for Capital Improvements	1,234,106
Unrestricted	1,658,621
Total Net Position	\$ 3,458,242

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

ESCAMBIA COUNTY, FLORIDA
STATEMENT OF ACTIVITIES - COMPONENT UNIT
For the Year Ended September 30, 2019

	Business-Type Activities
	Santa Rosa Island Authority
EXPENSES	
Business Type Activities:	
Operating Expenses	\$ 5,327,277
Total Program Expenses	5,327,277
PROGRAM REVENUES	
Charges for Services	4,870,396
Capital Grants and Contributions	1,874,128
Total Program Revenue	6,744,524
Net Program (Revenue) Expenses	(1,417,247)
GENERAL REVENUES	
Investment Income	11,644
Miscellaneous	76,820
Total General Revenues	88,464
Change in Net Position	1,505,711
Net Position - Beginning	1,952,531
Net Position - Ending	\$ 3,458,242

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

ESCAMBIA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

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ESCAMBIA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

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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 unit. 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 unit 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. Eight 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.

Escambia County Area Transit Authority (Mass Transit Authority) – Pursuant to Florida Statutes section 189 Uniform Special District Accountability Act, is classified as a Dependent Special District because the membership of the Mass Transit Authority’s governing body is identical to Escambia County and the Mass Transit Authority’s budget requires approval through an affirmative vote or can be vetoed by Escambia County. The primary purpose of this Mass Transit Authority is to own, operate and manage the public transportation system in Escambia County on behalf of the Board of County Commissioners of Escambia County; providing an efficient and coordinated public transportation system servicing rural and urban areas. 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 provided by Federal Transit Administration operating grants, user fees and reimbursements for non-transit activities, thus establishing a financial benefit or burden relationship between the primary government and the Mass Transit Authority. The Mass Transit Fund was a fund of the County until 2018, when Ordinance No. 2018-8 established the Escambia County Area Transit Authority. However, the Board of County Commissioners adopted Ordinance 2019-28, repealing the ordinance establishing the Mass Transit Authority subsequent to year end. The Mass Transit Authority Fund is reported as a major special revenue fund in the fund financial statements of the County; the capital projects of the Mass Transit Authority are reported as a major capital project fund in the fund financial statements of the County. A copy of this report (the fund financial statement of the County) may be found at the Escambia County Area Transit Authority Office; 1515 West Fairfield Drive, Pensacola Florida 32501.

Discretely Presented Component Unit

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 Venture:

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 venture:

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, 2019, for the joint venture are as follows:

STATEMENTS OF NET POSITION
SEPTEMBER 30, 2019

	<u>PEDC</u>
Assets	\$ 7,623,730
Liabilities	<u>3,171,223</u>
Net Position	
Restricted:	61,198
Unrestricted:	
Committed	52,309
Unassigned	<u>4,339,000</u>
Total net position	<u><u>\$ 4,452,507</u></u>

STATEMENTS OF ACTIVITIES
FISCAL YEAR ENDED SEPTEMBER 30, 2019

	<u>PEDC</u>
Revenues	\$ 2,617,430
Expenses	<u>(2,632,780)</u>
Change in net position	(15,350)
Net position - beginning	<u>4,467,857</u>
Net position - ending	<u><u>\$ 4,452,507</u></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 unit) 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.

Escambia County Area Transit Authority (Mass Transit Authority) Fund accounts for the operations 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 203 and 336, Florida Statutes. Funding is also by Federal Transit Administration operating grants, user fees and reimbursements for non-transit activities.

Escambia County Area Transit Authority FTA Capital (Mass Transit Authority - FTA Capital) Fund is the capital project fund of the Escambia Area Transit Authority and is reported as a major capital project fund in the fund financial statements of the County. It accounts for revenue received from the United States Department of Transportation and cost associated with 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 Escambia County Area Transit Authority matching funds.

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. Fiduciary funds use the economic resource measurement focus; agency funds have no measurement focus. 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, 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 internally dedicated resources are reported as general revenues rather than as program revenue.

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 2018, the Disaster Recovery Fund adopted an original budget appropriation of zero, which was subsequently amended.

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

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

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

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

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

F. Property Taxes

Under Florida law, the assessments of all properties and the collections of all county, municipal, and school board property taxes are consolidated in the offices of the County Property Appraiser and the County Tax Collector. The laws of the state regulating tax assessments are also designed to assure a consistent property valuation method statewide. Pursuant to the State Constitution, Florida Statutes permit counties to levy ad valorem taxes on real and tangible personal property taxes at a rate not to exceed 10 mills for countywide purposes, exclusive of taxes levied for the payments of bonds and taxes levied for periods of not longer than 2 years and approved by a vote of the electors. All property is assessed at 100% of just value. For fiscal year 2019, 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, FL CLASS Investment Pool, and Florida Fixed Income Trust are reported at amortized cost. The Florida Fixed income Trust Cash Pool Has a floating Net Asset Value (NAV) however the investment pool is managed to maintain a constant NAV. 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 uncollectible accounts in the amount of \$8.899 million. This allowance is comprised of \$7.99 million for ambulance receivables in the Emergency Medical Services Fund; \$802,000 for the Internal Service Funds related to the self insurance third party receivables; \$63,000 for the Local Option Sales Tax Fund; \$40,000 for HUD-CDBG housing programs, \$3,000 for the General Fund, and \$1,000 for the Solid Waste.

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 unearned 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 three 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 third is the deferred outflow of resources related to OPEB reported in the government-wide and proprietary statements of net position. The deferred outflows for OPEB are an aggregate of items related to changes in assumptions and other inputs as calculated in accordance with GASB Statements No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. These deferred outflows for OPEB will be recognized as benefit expense or a reduction of the net OPEB 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 leases 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. The deferred inflows for OPEB are an aggregate of items related to estimated benefits paid after the measurement date as calculated under the same principles as the deferred outflows for OPEB, and will be recognized as a reduction to benefit 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. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (OPEB), the government-wide and proprietary fund financial statements recognize the OPEB expense along with the related liability, deferred outflows and inflows of resources. The OPEB liability is the difference between the total OPEB liability and the plan's fiduciary net position. The plan is currently unfunded. 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/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 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 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, 2019, the County's carrying value of cash and cash equivalents totaled \$214,187,859, which is presented as \$202,725,259 in the statement of net position and \$11,462,600 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 37 days as of September 30, 2019. 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, 2019 is 85 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 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 average days to maturity "WAM" of 54 days as of September 30, 2019. 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, 2019 is 81 days. There are no restrictions on redemptions. FLCLASS is rated by Standard and Poors. The current rating is AAAM.

The County also participates in the Florida Fixed Income Trust (FL FIT). This investment pool is managed as a Floating NAV and managed to dollar in/dollar out Local Government Investment Pool authorized under Section 218.415, Florida Statutes; and is an intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969. The County's investment in the FL FIT cash pool is reported at net asset value. FL FIT has a dollar weighted average days to maturity "WAM" of 135 days as of September 30, 2019. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM to reset. The weighted average life (WAL) of FL FIT at September 30, 2019 is 135 days; this duration is equivalent to WAM to final. There are no restrictions on redemptions. FL FIT 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, 2019 the carrying amount of the County's cash deposits totaled \$128,300,501, cash in money market funds totaled \$1,533,984, the County's investment in the Florida Prime Investment Pool totaled \$64,023,708, the County's investment in FLCLASS totaled \$5,272,603 and the County's investment in FL FIT totaled \$15,057,063.

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 May 2018. The policy allows for the following investments: US Government Securities, US Government Agencies, Federal Instruments, Interest Bearing Time Deposit or Savings Accounts, Agency Mortgage-Backed Securities, Asset-Backed Securities, 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 \$137,009,881 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, 2019, interest receivable on the County's investment portfolio amounted to \$1,139,425.

ESCAMBIA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

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

<u>Security Type</u>	<u>Fair Value</u>	<u>Weighted Average Duration (Years)</u>	<u>Credit Rating</u>	<u>Percentage of Portfolio</u>
Short Term Investments:				
United States Treasury Securities	\$ 13,527,203	0.68	AA+	9.87%
Federal Instruments	5,146,734	0.09	AA+	3.76%
Commercial Paper	0	0.00	A-1+	0.00%
State and/or Local Government Debt	2,859,808	0.03	AA	2.09%
Corporate Notes	2,842,840	0.83	A	2.07%
Total short term investments	<u>24,376,585</u>			<u>17.79%</u>
Long Term Investments:				
United States Treasury Securities	46,503,330	2.18	AA+	33.94%
Federal Instruments	3,473,632	1.58	AA+	2.54%
Corporate Notes	14,120,671	2.24	A+	10.31%
State and/or Local Government Debt	0	0.00	AA	0.00%
Local Government Investment Pool	48,535,663	1.92	AAA	35.42%
Total long term investments	<u>112,633,296</u>			<u>82.21%</u>
Total Fair Value	<u>\$ 137,009,881</u>			<u>100.00%</u>
Portfolio Weighted Average Duration		1.78		

ESCAMBIA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

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, 2019, Escambia County had the following recurring fair value measurements.

	<u>9/30/2019</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by fair value level				
Debt Securities				
Corporate Notes - Long Term	\$ 14,120,670	\$ 14,120,670	\$ -	\$ -
Corporate Notes - Short Term	2,842,840	2,842,840	-	-
United States Treasury Securities - Long Term	46,503,330	46,503,330	-	-
United States Treasury Securities - Short Term	13,527,204	13,527,204	-	-
Federal Instruments - Long Term	3,473,632	3,473,632	-	-
Federal Instruments - Short Term	5,146,734	5,146,734	-	-
Local Government Investment Pool	48,535,663	48,535,663	-	-
State and/or Local Government Debt - Short Term	2,859,808	2,859,808	-	-
Total debt securities	<u>\$ 137,009,881</u>	<u>\$ 137,009,881</u>	<u>\$ -</u>	<u>\$ -</u>
Investments (cash equivalents) measured at the net asset value (NAV)				
LGIP - FL Prime	64,023,708			
LGIP - FL FIT	15,057,063			
LGIP - FLCLASS	5,272,603			
Total investments measured at the NAV	<u>84,353,374</u>			
Total investments measured at fair value	<u>\$ 221,363,255</u>			

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, 2019, the investments had a weighted average duration of 1.78 years.

The County had \$7,216,527 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:

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CUSIP	Description	Maturity Date	Market Value	Call Schedule	Call Date
46625HQJ2	JP Morgan Chase Corp (Callable) Notes	3/1/2021	\$1,005,613	Continuous	2/1/2021
438516BM7	Honeywell International (Callable) Notes	11/1/2021	749,696	Continuous	10/1/2021
57636QAF1	Mastercard Inc Corp (Callable) Notes	11/21/2021	753,134	Continuous	10/21/2021
594918BA1	Microsoft Corp (Callable) Notes	2/12/2022	506,863	Continuous	1/12/2022
458140BB5	Intel Corp (Callable) Notes	5/11/2022	1,011,450	Continuous	4/11/2022
037833CO1	Apple Inc Corp (Callable) Notes	5/11/2022	1,011,837	Continuous	4/11/2022
68389XBB0	Oracle Corp (Callable) Notes	5/15/2022	1,012,187	Continuous	3/15/2022
911312BC9	United Parcel Service (Callable) Notes	5/16/2022	504,039	Continuous	4/16/2022
92826CAG7	Visa (Callable) Notes	9/15/2022	661,708	Continuous	8/15/2022
			<u>\$7,216,527</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, 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.

- Agency Mortgage Backed Securities that are issued or fully guaranteed as to principal and interest by a U.S. Federal agency or government sponsored enterprise; and asset backed securities with underlying collateral.
- 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, AAAf, S1” by Standard & Poor’s or the equivalent by another rating agency.

As of September 30, 2019, the majority of the County’s investment securities in the amount of \$137,009,881 were all individually rated AAA, AA+, A+ or A by Standard & Poors Rating Services.

The County’s \$64,023,708 investment in the Florida State Board of Administration’s Local Government Surplus Funds Trust Fund (FL PRIME) was rated by Standard and Poors. The current rating as of September 30, 2019 was AAAm. Additional information for the Florida Prime Investment Pool can be found at <https://www.sbafla.com/prime>.

The County’s \$48,535,663 investment in the Local Government Investment Pool Short-Term Bond Fund is rated by Fitch. The current rating as of September 30, 2019 was AAAf, consisting of individually rated securities, primarily AAA rated. Additional information for the Florida Trust Short-Term Bond fund can be found at <http://www.floridatrusionline.com>.

The County’s \$5,272,603 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, 2019 was AAAm. Additional information for FLCLASS can be found at <https://www.flclass.com>.

The County’s \$15,057,063 investment in Florida Fixed Income Trust (FL FIT) Local Government Investment Pool was rated by Standard and Poors. The current rating as of September 30, 2019 was AAAf. Additional information for FL FIT can be found at <https://fl-fit.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, 2019, the County’s securities portfolio was held with a third-party custodian as required by the County’s investment policy.

G. Concentration of Credit Risk

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

	Asset Allocation Maximum	Individual Issuer Limit
United States Government Securities	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%
Agency Mortgage-Backed Securities	25%	25%
Asset-Backed Securities	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)	75%	50%

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

(2) Fund may not contain derivatives

ESCAMBIA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
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NOTE 3 – CAPITAL ASSETS

A. Changes in Capital Assets

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

Governmental Activities	Primary Government			Ending Balance 9/30/2019
	Beginning Balance 10/1/2018	Increases	Decreases	
Capital Assets, Not Being Depreciated:				
Land	\$ 64,511,375	\$ 3,308,227	\$ -	\$ 67,819,602
Construction In Progress	34,264,008	67,235,090	(4,861,583)	96,637,515
Total Capital Assets, Not Being Depreciated	<u>98,775,383</u>	<u>70,543,317</u>	<u>(4,861,583)</u>	<u>164,457,117</u>
Capital Assets, Being Depreciated and Amortized:				
Buildings and Improvements	235,774,341	2,666,943	-	238,441,284
Equipment	144,485,045	9,376,254	(5,162,905)	148,698,394
Intangible Computer Software	8,780,878	2,325	(91,720)	8,691,483
Infrastructure	867,220,907	38,809,385	-	906,030,292
Total Capital Assets Being Depreciated	<u>1,256,261,171</u>	<u>50,854,907</u>	<u>(5,254,625)</u>	<u>1,301,861,453</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	(118,391,853)	(7,287,112)		(125,678,965)
Equipment	(119,520,464)	(7,961,860)	4,763,649	(122,718,675)
Intangible Computer Software	(6,630,792)	(927,289)	91,720	(7,466,361)
Infrastructure	(531,988,527)	(21,937,289)	-	(553,925,816)
Total Accumulated Depreciation	<u>(776,531,636)</u>	<u>(38,113,550)</u>	<u>4,855,369</u>	<u>(809,789,817)</u>
Total Capital Assets, Being Depreciated, Net	<u>479,729,535</u>	<u>12,741,357</u>	<u>(399,256)</u>	<u>492,071,636</u>
Governmental Activities Capital Assets, Net	<u>\$ 578,504,918</u>	<u>\$ 83,284,674</u>	<u>\$ (5,260,839)</u>	<u>\$ 656,528,753</u>

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

Depreciation Governmental Activities:	
General Government	\$ 5,150,466
Public Safety	8,470,208
Physical Environment	2,998,407
Transportation	15,794,321
Economic Environment	1,007,492
Human Services	102,345
Culture/Recreation	3,132,503
Court Related	1,387,972
Capital Assets held by the government's Internal Service Fund and charged to individual functions based on usage	<u>69,836</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 38,113,550</u>

ESCAMBIA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

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

Business-type Activities	Primary Government			Ending Balance 9/30/2019
	Beginning Balance 10/1/2018	Increases	Decreases	
Capital Assets, Not Being Depreciated:				
Land	\$ 5,793,269	\$ -	\$ -	\$ 5,793,269
Construction In Progress	4,968,712	3,005	-	4,971,717
Total Capital Assets, Not Being Depreciated	<u>10,761,981</u>	<u>3,005</u>	<u>-</u>	<u>10,764,986</u>
Capital Assets, Being Depreciated:				
Buildings and Improvement	37,341,150	36,630	-	37,377,780
Equipment	27,562,219	3,554,104	(958,127)	30,158,196
Intangible Computer Software	176,255	-	-	176,255
Infrastructure	49,657,042	2,081,660	-	51,738,702
Total Capital Assets Being Depreciated	<u>114,736,666</u>	<u>5,672,394</u>	<u>(958,127)</u>	<u>119,450,933</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	(29,020,174)	(878,610)	-	(29,898,784)
Equipment	(19,307,153)	(2,600,593)	958,086	(20,949,660)
Intangible Computer Software	(176,255)	-	-	(176,255)
Infrastructure	(26,187,327)	(1,635,310)	-	(27,822,637)
Total Accumulated Depreciation	<u>(74,690,909)</u>	<u>(5,114,513)</u>	<u>958,086</u>	<u>(78,847,336)</u>
Total Capital Assets, Being Depreciated, Net	<u>40,045,757</u>	<u>557,881</u>	<u>(41)</u>	<u>40,603,597</u>
Total Business-Type Activities				
Capital Assets, Net	<u>\$ 50,807,738</u>	<u>\$ 560,886</u>	<u>\$ (41)</u>	<u>\$ 51,368,583</u>

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

Depreciation Business-type activities:	
Solid Waste Fund	\$ 3,174,177
Inspections Fund	37,500
Emergency Medical Service Fund	1,145,246
Bay Center Fund	<u>757,590</u>
Total Depreciation Expense - Business-type Activities	<u>\$ 5,114,513</u>

B. Summaries of Capital Assets

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

ESCAMBIA COUNTY, FLORIDA
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	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Capital Assets, Not Being Depreciated:			
Land	\$ 67,819,602	\$ 5,793,269	\$ 73,612,871
Construction In Progress	<u>96,637,515</u>	<u>4,971,717</u>	<u>101,609,232</u>
Total Capital Assets, Not Being Depreciated:	164,457,117	10,764,986	175,222,103
Capital Assets, Being Depreciated and Amortized, Net:			
Buildings	238,441,284	37,377,780	275,819,064
Equipment	148,698,394	30,158,196	178,856,590
Intangible Computer Software	8,691,483	176,255	8,867,738
Infrastructure	<u>906,030,292</u>	<u>51,738,702</u>	<u>957,768,994</u>
Capital Assets, Being Depreciated:	1,301,861,453	119,450,933	1,421,312,386
Less: Accumulated Depreciation	<u>(809,789,817)</u>	<u>(78,847,336)</u>	<u>(888,637,153)</u>
Total Capital Assets, Being Depreciated, Net:	492,071,636	40,603,597	532,675,233
Total Capital Assets, Net	<u>\$ 656,528,753</u>	<u>\$ 51,368,583</u>	<u>\$ 707,897,336</u>

C. Construction and Other Contractual Commitments

The following is a summary of major construction and other contractual commitments outstanding as of September 30, 2019:

Projects	Spent-to-Date	Remaining Commitment
Governmental Activities:		
Building Projects	\$ 1,704,262	\$ 713,695
County Jail Facility	73,439,610	60,204,696
Environmental Projects	10,813,832	3,816,168
Road & Bridge Projects	40,875,868	12,859,016
Pensacola Beach Projects	3,972,779	414,932
Economic Development Projects	905,486	5,887,288
Parks Projects	536,147	409,477
Vehicles and Equipment	50,055	7,972,167
Transit	-	222,330
Community Redevelopment Projects	198,780	542,187
Disaster Recovery-Flood Projects	291,550	77,765
RESTORE Projects	<u>199,642</u>	<u>1,967,523</u>
Total	<u>\$ 132,988,011</u>	<u>\$ 95,087,244</u>
Business Type Activities		
Solid Waste Landfill Projects	\$ 3,690,437	\$ 629,512
Solid Waste Landfill Equipment	<u>-</u>	<u>1,273,534</u>
Total	<u>\$ 3,690,437</u>	<u>\$ 1,903,046</u>

ESCAMBIA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
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D. Discretely Presented Component Unit

Capital assets activity for the Santa Rosa Island Authority, a discretely presented component unit, for the year ended September 30, 2019, was as follows:

	Component Unit			Ending Balance 9/30/2019
	Beginning Balance 10/1/2018	Increases	Decreases	
Santa Rosa Island Authority				
Capital Assets, Being Depreciated:				
Buildings	1,110,272	-	(45,663)	1,064,609
Improvements other than Buildings	28,084	10,680	-	38,764
Equipment	<u>236,709</u>	<u>15,870</u>	<u>(4,070)</u>	<u>248,509</u>
Total Capital Assets Being Depreciated	1,375,065	26,550	(49,733)	1,351,882
Less Accumulated Depreciation For:				
Capital Assets	<u>(788,323)</u>	<u>(37,443)</u>	<u>39,399</u>	<u>(786,367)</u>
Capital Assets, Net	<u>\$ 586,742</u>	<u>\$ (10,893)</u>	<u>\$ (10,334)</u>	<u>\$ 565,515</u>

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

Depreciation component unit:	
Santa Rosa Island Authority	\$ <u>37,443</u>
Total Depreciation Expense - Component Unit	\$ <u><u>37,443</u></u>

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

The composition of interfund balances as of September 30, 2019 is as follows:

	Receivable From Other Funds	Payable to Other Funds
Major Funds:		
General Fund	\$ 143,795	\$ 326,417
Major Capital Project Fund:		
Local Option Sales Tax Fund (LOST)	-	143,795
Non-major Funds:		
Special Revenue Funds	234,669	538,819
Internal Service Fund	<u>630,567</u>	<u>-</u>
	<u>\$ 1,009,031</u>	<u>\$ 1,009,031</u>

ESCAMBIA COUNTY, FLORIDA
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	<u>Advances Receivable from Other Funds</u>	<u>Advances Payable to Other Funds</u>
Major Funds:		
Major Special Revenue Funds:		
Disaster Recovery Fund	\$ -	\$ 6,644,790
Major Capital Project Fund:		
Local Option Sales Tax Fund (LOST)	9,121,289	-
Non-major Funds:		
Special Revenue Funds	-	2,476,499
	<u>\$ 9,121,289</u>	<u>\$ 9,121,289</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.

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
General Fund	\$ 4,349,231	\$ 13,704,913
Major Special Revenue Funds:		
CRA	17,500	-
Major Capital Project Fund:		
Local Option Sales Tax (LOST)	-	6,912,244
Major Enterprise Fund:		
Solid Waste Fund	-	529,744
Emergency Medical Service Fund	-	1,793,753
Non-major Funds:		
Special Revenue Funds	9,392,026	5,622,161
Debt Service Funds	13,104,058	-
Enterprise Funds	1,700,000	-
	<u>\$ 28,562,815</u>	<u>\$ 28,562,815</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, 2019 is as follows:

	<u>General Fund</u>	<u>LOST Fund</u>	<u>Total</u>
PEDC receivable	\$ 12,735	\$ 2,272,742	\$ 2,285,477
City of Pensacola receivable	-	3,200,000	3,200,000
IHMC loan receivable	-	7,050,000	7,050,000
SRIA loan receivable	-	2,515,000	2,515,000
PDC lease receivable	3,055,064	-	3,055,064
	<u>\$ 3,067,799</u>	<u>\$ 15,037,742</u>	<u>\$ 18,105,541</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. City of Pensacola Receivable

The County has an interlocal agreement with the City of Pensacola relating to the funding of a capital construction project at the Pensacola International Airport to aid in the development and improvement of the local economy. Under this agreement, the County provided \$3.2 million to the City to assist with this project and the funds are required to be repaid no later than December 31, 2019.

C. 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. During prior years IHMC borrowed \$11,994,700, and the remaining \$5,300 was utilized to pay debt service. On November 28, 2018, the County restructured the loan to an effective yield rate of 1.98%-3.25% payable to the County over the remaining 15 year period from the inception of the agreement. The principal balance owed at September 30, 2019 was \$7,050,000. IHMC is committed to making the following payments to the County under the payment plan:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>IHMC Payment Schedule</u>
2020	\$ 660,000	\$ 352,500	\$ 1,012,500
2021	690,000	319,500	1,009,500
2022	715,000	285,000	1,000,000
2023	745,000	249,250	994,250
2024	780,000	212,000	992,000
2025-2028	3,460,000	441,750	3,901,750
	<u>\$ 7,050,000</u>	<u>\$ 1,860,000</u>	<u>\$ 8,910,000</u>

D. SRIA Note Receivable

On September 30, 2014, the County and the Santa Rosa Island Authority (SRIA) entered into an interlocal agreement 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 \$8.5 million under this agreement at a variable interest rate. The loan is payable to the County over a 7 year period requiring fixed payments on the assumption that all \$8.5 million was drawn by SRIA at inception of the agreement. The principal balance owed at September 30, 2019 was \$2,515,000. SRIA is committed to making the following payments to the County under the payment plan:

<u>Year</u>	
2020	1,250,000
2021	1,265,000
	<u>\$ 2,515,000</u>

E. 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, 2019 future lease payments totaling \$3,055,064 consists of principal of \$2,066,335, and interest of \$988,729. 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, 2019, were as follows:

Capital Lease Receivable

Balance 10/01/2018	\$ 2,143,309
Additions	-
Principal reductions	(76,974)
Balance 09/30/2019	<u>\$ 2,066,335</u>

Future Lease Payments

2020	\$ 182,392
2021	182,392
2022	182,392
2023	182,392
2024	182,392
2025-2036	2,143,104
Total minimum lease payment	3,055,064
Less: amount representing interest	(988,729)
Present value of minimum lease payments	<u>\$ 2,066,335</u>

ESCAMBIA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
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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, 2019:

	Balance			Balance	Due Within
	10/1/18	Additions	Reductions	9/30/2019	One Year
Governmental Activities:					
Revenue bonds payable	\$ 115,545,000	\$ 41,545,000	\$ (41,200,000)	\$ 115,890,000	\$ 3,270,000
Revenue notes payable	50,484,000	-	(13,119,000)	37,365,000	3,355,000
Bonds/notes payable	166,029,000	41,545,000	(54,319,000)	153,255,000	6,625,000
Unamortized Bond Issue Premiums	10,228,121	5,318,882	(692,604)	\$ 14,854,399	-
Total bonds/notes payable	176,257,121	46,863,882	(55,011,604)	168,109,399	6,625,000
Claims payable	9,971,921	1,982,591	(2,476,512)	9,478,000	2,916,000
Compensated absences	27,052,325	14,955,911	(15,595,179)	26,413,057	2,641,306
Net other post employment benefits	19,388,287	-	(30,421)	19,357,866	-
Net pension liability *	183,891,998	28,169,705	-	212,061,703	-
Pollution remediation obligation	180,000	-	-	180,000	120,000
Governmental activities					
long-term liabilities	\$ 416,741,652	\$ 91,972,089	\$ (73,113,716)	\$ 435,600,025	\$ 12,302,306
Business-type Activities:					
Compensated absences	\$ 1,361,491	\$ 848,543	\$ (999,940)	\$ 1,210,094	\$ 120,502
Net other post employment benefits*	926,077	36,068	(121)	962,024	-
Net pension liability	16,335,633	2,574,777	-	18,910,410	-
Landfill closure costs	16,483,068	1,150,451	-	17,633,519	77,116
Business-type activities					
Long-term liabilities	\$ 35,106,269	\$ 4,609,839	\$ (1,000,061)	\$ 38,716,047	\$ 197,618

* 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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September 30, 2019

B. Bonds and Notes Payable

The County has revenue bonds and revenue notes payable outstanding at year end. There are no lines of credit issued for the County. There are no significant, finance-related consequences, or subjective acceleration clauses contained in the County debt issues. The Sales Tax Refunding Revenue Note, Series 2012 is subject to mandatory prepayment at the option of the note holder on 10/1/2027, and thereafter. The County revenue bonds have been issued as public offerings. The County revenue notes are not issued directly to investors or lenders, but are issued through a financial intermediary; note terms are not directly negotiated by the County with the investor or lender. The County bonds and notes are not direct borrowing or direct placement debt. As of September 30, 2019, there are no business type-activity notes or bonds payable.

The following is a schedule of bonds and notes outstanding at September 30, 2019:

	<u>Purpose of Issue</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>	<u>Interest Rates</u>	<u>Final Maturity</u>
Governmental Activities:					
Revenue Bonds:					
Sales Tax Revenue Bonds, Series 2017	Capital Project	78,060,000	77,050,000	2%-5%	10/1/2047
Capital Improvement Refunding Revenue Bond Series 2018	Capital Project	\$ 41,545,000	\$ 38,840,000	5.000%	10/1/2031
Total Revenue Bonds			<u>115,890,000</u>		
Revenue Notes:					
Sales Tax Refunding Revenue Note Series 2012	Refunding	\$ 48,040,000	\$ 34,850,000	2.820%	10/1/2032
Tourist Development Refunding Revenue Note Series 2012	Refunding	8,406,000	-	1.599%	10/1/2019
Capital Improvement Revenue Note Series 2014	Capital Project	8,500,000	<u>2,515,000</u>	1.390%	10/1/2021
Total Revenue Notes			<u>37,365,000</u>		
Total Bonds & Notes Payable - Governmental Activities			<u>\$ 153,255,000</u>		

ESCAMBIA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

C. Pledged Revenues

Escambia County has pledged certain revenues to repay certain bonds and notes outstanding at September 30, 2019. There are no assets pledged as collateral for debt. 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, 2019:

<u>Governmental Activities</u>	Revenue Pledged	Current Year Total Revenue	Pledged Outstanding Principal & Interest	Estimated Revenue Percentage Pledged	Principal & Interest Paid	Maturity Calendar Year
Revenue Bonds and Notes:						
Sales Tax Revenue Bond Series 2017	Half Cent Sales Tax	\$ 27,392,846	\$ 150,527,500	19.6%	\$ 4,197,000	2047
Capital Improvement Refunding Revenue Bond Series 2018	Non-Ad valorem	4,789,509	51,820,750	90%	4,453,352	2031
Sales Tax Refunding Revenue Note Series 2012	Half Cent Sales Tax	27,392,846	42,587,353	12.0%	3,107,512	2032
Tourist Development Refunding Revenue Note Series 2012	Tourist Development Tax	10,633,148	-	-	1,290,307	2019
Capital Improvement Revenue Note Series 2014	Non-Ad valorem	1,282,556	2,567,542	100%	1,282,056	2021
Total Revenue Bonds and Notes - Governmental Activities			\$ 247,503,145		\$ 14,330,227	

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, 2019:

	Balance 10/1/18	Additions	(Reductions)	Balance 9/30/19
Governmental Activities:				
Board of County Commissioners	\$ 13,243,143	\$ 6,847,535	\$ (7,764,930)	\$ 12,325,748
Clerk	559,786	328,936	(283,230)	605,492
Property Appraiser	410,246	347,432	(332,729)	424,949
Supervisor of Elections	193,134	34,684	(109,151)	118,667
Sheriff	11,227,590	6,373,266	(6,118,846)	11,482,010
Tax Collector	456,007	414,498	(340,969)	529,536
Internal Service Fund - BCC	275,436	152,520	(193,230)	234,726
Internal Service Fund - Clerk	686,983	457,040	(452,094)	691,929
	<u>\$ 27,052,325</u>	<u>\$ 14,955,911</u>	<u>\$ (15,595,179)</u>	<u>\$ 26,413,057</u>
Business-type Activities:				
Solid Waste Fund	\$ 517,806	\$ 204,049	\$ (254,095)	\$ 467,760
Inspection Fund	354,337	168,133	(194,893)	327,577
Emergency Medical Service Fund	489,348	476,361	(550,952)	414,757
	<u>\$ 1,361,491</u>	<u>\$ 848,543</u>	<u>\$ (999,940)</u>	<u>\$ 1,210,094</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, 2019:

	Balance 10/1/18	Additions	(Reductions)	Balance 9/30/19
Governmental Activities:				
Governmental Activities	\$ 19,388,287	\$ -	\$ (30,421)	\$ 19,357,866
	<u>\$ 19,388,287</u>	<u>\$ -</u>	<u>\$ (30,421)</u>	<u>\$ 19,357,866</u>
Business-type Activities:				
Solid Waste Fund	\$ 190,950	\$ 1,994	\$ -	\$ 192,944
Emergency Medical Service Fund	591,226	34,074	-	625,300
Inspections Fund	143,901	-	(121)	143,780
	<u>\$ 926,077</u>	<u>\$ 36,068</u>	<u>\$ (121)</u>	<u>\$ 962,024</u>

F. Net Pension Liability (NPL)

The following is a summary schedule of the net pension liability as of September 30, 2019:

Net pension liability FRS

	Balance	Increase	Balance
	10/1/18	(Decrease)	9/30/19
Governmental Activities:			
Governmental Activities	\$ 148,369,438	\$ 25,181,774	\$ 173,551,212
	<u>\$ 148,369,438</u>	<u>\$ 25,181,774</u>	<u>\$ 173,551,212</u>
Business-type Activities:			
Solid Waste Fund	\$ 1,535,116	\$ 216,710	\$ 1,751,826
Inspections Fund	1,291,186	174,108	1,465,294
Emergency Medical Service Fund	10,435,013	1,910,854	12,345,867
	<u>\$ 13,261,315</u>	<u>\$ 2,301,672</u>	<u>\$ 15,562,987</u>
Total NPL FRS	<u>\$ 161,630,753</u>	<u>\$ 27,483,446</u>	<u>\$ 189,114,199</u>

Net pension liability HIS

	Balance	Increase	Balance
	10/1/18	(Decrease)	9/30/19
Governmental Activities:			
Governmental Activities	\$ 35,522,560	\$ 2,987,931	\$ 38,510,491
	<u>\$ 35,522,560</u>	<u>\$ 2,987,931</u>	<u>\$ 38,510,491</u>
Business-type Activities:			
Solid Waste Fund	\$ 387,359	\$ 25,714	\$ 413,073
Inspections Fund	298,126	20,659	318,785
Emergency Medical Fund	2,388,833	226,732	2,615,565
	<u>\$ 3,074,318</u>	<u>\$ 273,105</u>	<u>\$ 3,347,423</u>
Total NPL HIS	<u>\$ 38,596,878</u>	<u>\$ 3,261,036</u>	<u>\$ 41,857,914</u>
Governmental Activities:	\$ 183,891,998	\$ 28,169,705	\$ 212,061,703
Business-type Activities:	16,335,633	2,574,777	18,910,410
Total NPL	<u>\$ 200,227,631</u>	<u>\$ 30,744,482</u>	<u>\$ 230,972,113</u>

ESCAMBIA COUNTY, FLORIDA
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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>	
2020	3,270,000	5,613,700	3,355,000	1,034,109	13,272,809
2021	3,405,000	5,455,450	3,430,000	953,818	13,244,268
2022	3,555,000	5,285,200	2,230,000	874,333	11,944,533
2023	3,715,000	5,107,450	2,290,000	810,574	11,923,024
2024	3,875,000	4,921,700	2,355,000	747,140	11,898,840
2025-2029	21,120,000	21,527,500	12,820,000	2,677,451	58,144,951
2030-2034	15,660,000	16,675,750	10,885,000	692,470	43,913,220
2035-2039	19,350,000	12,640,600	-	-	31,990,600
2040-2044	24,270,000	7,713,250	-	-	31,983,250
2045-2047	17,670,000	1,517,650	-	-	19,187,650
Total	<u>\$ 115,890,000</u>	<u>\$ 86,458,250</u>	<u>\$ 37,365,000</u>	<u>\$ 7,789,895</u>	<u>\$ 247,503,145</u>

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

Governmental Activities:

Revenue Bonds:

Sales Tax Revenue Bond, Series 2017	\$ 525,000	to	\$ 6,180,000
Capital Improvement Refunding Revenue Bond, Series 2018	\$ 2,745,000	to	\$ 3,830,000

Revenue Notes:

Sales Tax Refunding Revenue Note, Series 2012	\$ 2,105,000	to	\$ 5,225,000
Capital Improvement Revenue Note, Series 2014	\$ 1,250,000	to	\$ 1,265,000

ESCAMBIA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

The following table sets forth the debt service requirements on the Bonds and other outstanding County indebtedness secured by a pledge of a portion of or a covenant to budget and appropriate Non-Ad Valorem Revenues for the Capital Improvement Revenue Refunding Bond, Series 2018:

Year	Capital Improvement Revenue Refunding Bond, Series 2018			Outstanding	Total Non-Ad
	Principal	Interest	Total Debt Service	Other Non-Ad Valorem Debt Service (1)	Valorem Debt Service
10/1/2020	2,745,000	1,942,000	4,687,000	8,585,808	13,272,808
10/1/2021	2,860,000	1,804,750	4,664,750	8,579,518	13,244,268
10/1/2022	2,980,000	1,661,750	4,641,750	7,302,783	11,944,533
10/1/2023	3,110,000	1,512,750	4,622,750	7,300,274	11,923,024
10/1/2024	3,240,000	1,357,250	4,597,250	7,301,590	11,898,840
10/1/2025	3,370,000	1,195,250	4,565,250	7,300,465	11,865,715
10/1/2026	3,525,000	1,026,750	4,551,750	7,297,881	11,849,631
10/1/2027	3,680,000	850,500	4,530,500	7,296,687	11,827,187
10/1/2028	3,830,000	666,500	4,496,500	7,298,014	11,794,514
10/1/2029	3,035,000	475,000	3,510,000	7,297,904	10,807,904
10/1/2030	3,165,000	323,250	3,488,250	7,299,920	10,788,170
10/1/2030	3,300,000	165,000	3,465,000	7,297,650	10,762,650
10/1/2032	-	-	-	9,571,501	9,571,501
10/1/2033	-	-	-	6,394,950	6,394,950
10/1/2034	-	-	-	6,395,950	6,395,950
10/1/2035	-	-	-	6,398,950	6,398,950
10/1/2036	-	-	-	6,398,450	6,398,450
10/1/2037	-	-	-	6,399,200	6,399,200
10/1/2038	-	-	-	6,395,700	6,395,700
10/1/2039	-	-	-	6,398,300	6,398,300
10/1/2040	-	-	-	6,394,300	6,394,300
10/1/2041	-	-	-	6,394,800	6,394,800
10/1/2042	-	-	-	6,399,300	6,399,300
10/1/2043	-	-	-	6,397,050	6,397,050
10/1/2044	-	-	-	6,397,800	6,397,800
10/1/2045	-	-	-	6,395,800	6,395,800
10/1/2046	-	-	-	6,395,550	6,395,550
10/1/2047	-	-	-	6,396,300	6,396,300
Total	38,840,000	12,980,750	51,820,750	195,682,395	247,503,145

(1) Includes debt service on the County's Sales Tax Refunding Revenue Note, Series 2012, Sales Tax Revenue Bonds, Series 2017 and Capital Improvement Revenue Note, Series 2014.

H. Long-Term Debt – Bonds and Notes

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; authorized for the purpose of the acquisition, construction, reconstruction of certain transportation facilities and certain beach nourishment improvements. 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 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. As of September 30, 2019 there were unspent proceeds and net premium of \$45,429,170.

Bond compliance updates for the Sales Tax Revenue Bond, Series 2017 consist of:

- Historical sales tax revenue, which can be found in the Statistical Section (schedule 12).
- Pro forma debt service coverage from sales tax revenue, which can be in the Statistical Section (schedule 13)

The **Capital Improvement Refunding Revenue Bond, Series 2018** for a par amount of \$41,545,000 and a net premium of \$5,318,882 was issued on November 28, 2018. The bonds have an average coupon rate 5%, with a true interest cost of 2.978988% and a maturity date of October 1, 2031. The Bonds are secured by a covenant to budget and appropriate from legally available Non-Ad Valorem revenues, and will use the same source of pledged revenue as the refunded issues. The proceeds of this bond are reported in the debt service fund and used to current refund the following three issues:

- The Sales Tax Refunding Revenue Bond, Series 2011 which was issued in the aggregate amount of \$29,535,000 on October 21, 2011. The proceeds of this bond were used to advance refund a portion of the Sales Tax Revenue Refunding Bonds Series 2002. The Bond was 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 which was issued in the aggregate amount of \$19,345,000 on December 9, 2011. The proceeds of this 2011 Bond were used to advance refund all of the outstanding Capital Improvement Revenue Bonds Series 2002. The Bond was secured by a covenant to budget and appropriate from available Non-Ad Valorem revenues.

- The Capital Improvement Revenue Note, Series 2013 which was issued in the aggregate amount of \$12,000,000 on November 14, 2013. The proceeds of this note reimbursed the LOST fund for acquisition and construction of certain transportation and drainage related capital improvements of the County. The Note was secured by a covenant to budget and appropriate from legally available Non-Ad Valorem revenues.

Bond compliance updates for the Capital Improvement Refunding Revenue Bond, Series 2018 consist of:

- Historical Non-Ad Valorem Revenues, which can be found in the Statistical Section (schedule 14).
- Debt Service Requirements, which can be found in Note 6 of this financial statement.
- Compliance with Anti-Dilution Test, which can be found in the Statistical Section (schedule 15).

I. Current Year Defeased Debt

During the current year, the County issued at par \$41,545,000 of Series 2018 Capital Improvement Refunding Revenue Bonds with an average coupon rate of 5% and a true interest cost of 2.979%. The current refunding proceeds were used to repay the following previously issued debt:

- \$12,435,000 of outstanding Series 2011 Capital Improvement Refunding Bonds with an interest rate of 3.78%.
- \$21,410,000 of outstanding Series 2011 Sales Tax Refunding Revenue Bonds with a with a variable interest rate ranging between 2.0% and 5.0%
- \$7,700,000 of outstanding Series 2013 Capital Improvement Revenue Note with an interest rate of 3.861%.

The gross proceeds of \$41,545,000 plus a premium of \$5,318,882, were deposited in the County's debt service fund to make payments of \$309,882 in bond counsel fees and issuance costs, and to repay the two 2011 Series Bonds and, the 2013 Series Note. As a result, these series bonds and note are considered to be defeased and, the liability for those bonds and note has been removed from the government-wide statement of net position.

The refunding resulted in a premium of \$5,318,882. In the government-wide financial statements, bond premiums and discounts are amortized over the term of the bonds using the straight-line (bonds outstanding) method, which approximates the effective interest method. Bond premiums/discounts are presented as additions/reductions to the face amount of bonds payable. On the governmental fund financial statements, bond premiums and discounts are recognized in the period when the debt is issued. Note premiums are presented as an addition to the face of the notes payable. The County completed the current refunding to reduce its total debt service payments over the next thirteen years by \$2,395,456 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$1,982,426.

J. Arbitrage Liability

This liability represents the excess of interest earned from the investment of certain debt proceeds and pledged revenues over the yield rate of the applicable debt. The Sales Tax Revenue Bond, Series 2017 has an arbitrage yield rate of 3.174739%. Pursuant to Section 148 (f) of the U.S. Internal Revenue Code, the County must rebate any excess to the United States Government. Arbitrage rebate, if any is due and payable on each five-year anniversary of the respective bond issue. For the fiscal year ended September 30, 2019, there is no arbitrage liability outstanding.

K. 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, 2019, the outstanding conduit debt of Escambia County is \$378,950,000.

L. 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, 2019, Perdido Landfill's Class I capacity is at 45.45%, leaving an estimated life of thirty seven (36) years remaining. The accrued cost for closure care and postclosure care as of September 30, 2019, is \$17,633,519. The remaining closure and postclosure costs to be recognized, based upon the current engineering estimates are \$20,976,325, 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, 2019. 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, 2019 is \$9,723,660.

Closure and Postclosure Care Liability:

	2019	2018
Current	\$ 77,116	\$ 74,693
Long-term	17,556,403	16,408,375
Total Liability	\$ 17,633,519	\$ 16,483,068

M. Pollution Remediation Obligation

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

The former Escambia County Mosquito Control Facility pollution remediation expenditures were approximately \$31,000 during fiscal year 2019. Revised estimates for projected costs through 2020 are \$100,000.

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, 2019 in the governmental activities statement of net position is estimated to be approximately \$180,000.

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. The County was self-insured for workers compensation claims prior to 2008. Coverage limits under the policy include statutory limits, as well as \$1,000,000 bodily injury for each accident and \$1,000,000 bodily injury by disease for each employee with an aggregate \$1,000,000 policy limit.

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

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

The County currently reports all of its risk management activities, including claims liabilities, in the Internal Service Fund. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities on workers compensation, casualty and property claims prior to June 9, 2008 include an amount for claims that have been incurred but not reported (IBNR). The claims liabilities totaling \$9,478,000 reported in the Internal Service Fund at September 30, 2019 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:

	2019	2018
Unpaid claims, beginning	\$ 8,272,921	\$ 8,680,464
Claims incurred and changes in estimates	1,861,591	1,260,869
Less: claims paid	<u>(2,476,512)</u>	<u>(1,668,412)</u>
Unpaid claims, ending	\$ 7,658,000	\$ 8,272,921
Estimated claims due within one year	<u>(1,096,000)</u>	<u>(1,469,831)</u>
Estimated claims due longer than one year	<u>\$ 6,562,000</u>	<u>\$ 6,803,090</u>

Medical:

	2019	2018
Unpaid claims, beginning	\$ 1,699,000	\$ 1,105,000
Changes in estimates	121,000	594,000
Claims incurred	23,123,384	22,596,188
Less: claims paid	<u>(23,123,384)</u>	<u>(22,596,188)</u>
Unpaid claims, ending	\$ 1,820,000	\$ 1,699,000
Estimated claims due within one year	<u>(1,820,000)</u>	<u>(1,699,000)</u>
Estimated claims due longer than one year	<u>\$ -</u>	<u>\$ -</u>

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/workforce_operations/retirement/publications.

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 844-377-1737

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

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

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

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

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

HIS Membership and Plan Benefits - The HIS membership is available to all members within the FRS and defined contribution Investment Plan. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$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.

ESCAMBIA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

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 2018 and 2019 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, 2019 and two preceding FRS fiscal years are as follows:

	<u>7/1/19-</u> <u>9/30/19</u>	<u>7/1/18-</u> <u>6/30/19</u>	<u>7/1/17-</u> <u>6/30/17</u>	<u>7/1/16-</u> <u>6/30/16</u>
Regular Class - Members not qualifying for other classes:	8.47%	8.26%	7.92%	7.52%
Senior Management:	25.41%	24.06%	22.71%	21.77%
Elected Officials Class:	48.82%	48.70%	45.50%	42.47%
Deferred Retirement Option Program (DROP):	14.60%	14.03%	13.26%	12.99%
Special Risk Class - Members employed as law enforcement officers, firefighters, or correctional officers meet the criteria to qualify for this class:	25.48%	24.50%	23.27%	22.57%
Special Risk Administrative Support:	38.59%	34.98%	34.63%	28.06%

For the years ending September 30, 2019, 2018, 2017, the County contributed \$20,797,709, \$19,300,469, and \$17,499,025, 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, 2019, the County reported a liability of \$230,972,113 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. 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, 2019, the County's change in proportion was decreased from its proportion measured as of June 30, 2018.

ESCAMBIA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

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, 2019	\$ 189,114,199	\$ 41,857,914	\$ 230,972,113
County's proportion at June 30, 2019	0.0054913	0.0037410	
County's proportion at June 30, 2018	0.0053661	0.0036467	
Change in proportion during current year	<u>0.0001252</u>	<u>0.0000943</u>	

For the fiscal year ended September 30, 2019, the County recognized pension expense of \$31,362,449.

At September 30, 2019, 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	\$ 11,216,904	\$ 117,363	\$ 508,411	\$ 51,251	\$ 11,556,701
Changes in assumptions	48,572,663	-	4,846,751	3,421,125	49,998,289
Net difference between projected and actual earnings on pension plan investments	-	10,462,784	27,010	-	(10,435,774)
Changes in proportion and differences between County contributions and proportionate share of contributions	8,256,955	4,317,947	3,280,130	1,676,210	5,542,928
County contributions subsequent to the measurement date	4,094,130	-	480,660	-	4,574,790
	<u>\$ 72,140,652</u>	<u>\$ 14,898,094</u>	<u>\$ 9,142,962</u>	<u>\$ 5,148,586</u>	<u>\$ 61,236,934</u>

The \$4,574,790 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, 2020. 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:

ESCAMBIA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

Reporting year Ending Sept 30,	FRS	HIS	County Total Deferred Outflow (Deferred Inflow)
2020	\$ (19,274,778)	\$ (1,497,411)	\$ (20,772,189)
2021	(5,814,609)	(1,198,423)	(7,013,032)
2022	(14,048,643)	(656,013)	(14,704,656)
2023	(10,597,778)	476,372	(10,121,406)
2024	(2,733,121)	(86,530)	(2,819,651)
Thereafter	(679,499)	(551,711)	(1,231,210)
TOTALS	\$ (53,148,428)	\$ (3,513,716)	\$ (56,662,144)

The total FRS pension liability as of the actuarial valuation date of July 1, 2019 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	7/1/2019
Measurement Date	6/30/2019
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	6.90%
Long-term expected rate of return, net of investment expense, including inflation	6.90%
Municipal bond rate	N/A
Inflation	2.60%
Salary increases including inflation	3.25%

Mortality rates were based on the PUB2010 base table, projected generationally with Scale MP-2018.

ESCAMBIA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

HIS actuarial methods and assumptions are:

Valuation Date	7/1/2019
Measurement Date	6/30/2019
Actuarial Assumptions:	
Discount rate	3.50%
Long-term expected rate of return, net of investment expense, including inflation	N/A
Municipal bond rate	3.50%
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, 2019 were based on the results of an actuarial experience study for the period of July 1, 2013 – June 30, 2018.

The discount rate used for calculating the total FRS pension liability was 6.9%. 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%	2.9%	2.9%	1.8%
Fixed income	18%	4.4%	4.3%	4.0%
Global equity	54%	7.6%	6.3%	17.0%
Real estate	11%	6.6%	6.0%	11.3%
Private equity	10%	10.7%	7.8%	26.5%
Strategic investments	<u>6%</u>	6.0%	5.7%	8.6%
	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
5.90%	6.90%	7.90%	2.50%	3.50%	4.50%
\$ 326,915,475	\$ 189,114,199	\$ 74,026,824	\$ 47,782,955	\$ 41,857,914	\$ 36,923,026

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 OPEB 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.

A stand-alone financial report is not prepared for the OPEB plan.

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-

ESCAMBIA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

go amount necessary to provide current benefits for participants in its health insurance plan. Post-employment benefits are extended to retirees and continued at the discretion of the Employer, which reserves the right (subject to State Statutes and any collective bargaining agreements) to change or terminate benefits and to change premium contributions required from retirees in the future. There is no separate trust through which benefits for retirees are funded. No assets are currently accumulated or earmarked for this purpose. All approved benefits are paid from the Employer's general assets when due.

The County is required to recognize the net OPEB liability and the OPEB expense on its financial statements, along with the related deferred outflows and inflows of resources. The net OPEB liability is the difference between the total OPEB liability and the plan's fiduciary net position.

The following table provides a summary of the number of participants covered by the benefit terms as of the September 30, 2018 measurement date:

Active plan members	2,272
Inactive plan members or beneficiaries currently receiving benefits	1,473
Inactive plan members entitled to but not yet receiving benefits	<u>0</u>
Total plan members	3,745

Total OPEB Liability and Changes in OPEB Liability

The County's total OPEB liability of \$20,319,890 was determined by an actuarial valuation as of September 30, 2017, and was "rolled" forward to the September 30, 2018 measurement date. These liabilities are used for the reporting date of September 30, 2019.

The total OPEB liability for the September 30, 2019 reporting date was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

ESCAMBIA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

Valuation Date:	September 30, 2017
Measurement Date:	September 30, 2018
Employers Reporting Date:	September 30, 2019
Methods and Assumptions:	
Actuarial cost method	Individual Entry Age Normal
Inflation	2.50%
Discount Rate	3.50%
Salary Increases	Salary increase rates used in the July 1, 2016 actuarial valuation of the Florida Retirement System; 3.7%-7.8%, including inflation.
Retirement Age	Retirement rates used in the July 1, 2016 actuarial valuation of the Florida Retirement System. They are based on the results of a statewide experience study covering the period 2008 through 2013.
Mortality	Mortality tables used in the July 1, 2016 actuarial valuation of the Florida Retirement System. They are based on the results of a statewide experience study covering the period 2008 through 2013.
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 7.00% and gradually decreasing to an ultimate trend rate of 4.24% plus .40% increase for excise tax.
Aging factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death".
Expenses	Administrative expenses are included in the per capita health costs.
Other information	Changes in assumptions and other inputs include the change in the discount rate from 3.50% as of the beginning of the measurement period to 3.83% as of September 30, 2018. This change is reflected in the Schedule of Changes in Total OPEB Liability. There were no benefit changes during the year.

The discount rate Long-Term Municipal Bond Rate was based on the Fidelity General Obligation AA index rate as of September 28, 2018, the most recent date available on or before the measurement date. This is the rate for Fixed Income Market Yield Curve for Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity's 20-year Municipal GO AA Index.

Mortality rates were based on the RP-2000 Combined Healthy Participant Mortality Table for active members and the RP-2000 Mortality Table for Annuitants for non-disabled inactive members, with mortality improvement projected to all future years from the year 2000 under Projection Scale BB.

There were no changes in benefit terms during the year.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.5% in 2018 to 3.83% in 2019.

ESCAMBIA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

The following table shows the Changes the County's Total OPEB liability:

	Total OPEB Liability
Balance at 9/30/2018	<u>\$ 20,314,364</u>
Changes for the Year:	
Service Cost	953,064
Interest on Total OPEB liability	725,595
Changes of benefit terms	-
Difference between expected & actual experience	-
Changes in assumptions & other inputs	(600,829)
Benefit payments	<u>(1,072,304)</u>
Net changes	5,526
Balance at 9/30/2019	<u><u>\$ 20,319,890</u></u>

The County recognized OPEB expense of \$1,488,301 during the fiscal year. GASB statement No. 75 states the employer contributions made to the OPEB plan subsequent to the measurement date and before the end of the employer's reporting period should be reported as a deferred outflow of resources.

Differences between expected and actual experience and changes in assumptions are recognized in OPEB expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the OPEB plan (active employees and inactive employees) determined as of the beginning of the measurement period. At the beginning of the current measurement period, the average of the expected remaining service lives for purposes of recognizing the applicable deferred outflows and inflows of resources established in the current measurement period is 7.5 years, with 6.5 years for Sheriff Employees.

The following table shows the County's total OPEB expense:

	<u>Total</u>
Service cost	\$ 953,064
Interest	725,595
Recognition of Outflow/(Inflow) of Resources due to Liabilities	<u>(190,358)</u>
Total OPEB Expense	<u><u>1,488,301</u></u>

ESCAMBIA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

Sensitivity of the total OPEB liability to changes in the discount rate is calculated using the discount rate for the plan. The following presents the total OPEB liability of the County, as well as what the County's total OPEB 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 discount rate:

	1% decrease	Current Discount Rate	1% Increase
	2.83%	3.38%	4.83%
Total OPEB liability	<u>\$ 22,218,804</u>	<u>\$ 20,319,890</u>	<u>\$ 18,632,955</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost rates is calculated using the assumed trend rates. The following represents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower, or 1 percentage point higher than the current healthcare cost trend rates.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
	(6.0% decreasing to 3.24%)	(7.0% decreasing to 4.24%)	(8.0% decreasing to 5.24%)
Total OPEB liability	<u>\$ 18,763,016</u>	<u>\$ 20,319,890</u>	<u>\$ 22,175,127</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At September 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflow	Deferred Inflow	County Total Deferred Outflow (Deferred Inflow)
Changes in assumptions and other inputs		\$ 1,048,628	\$ (1,048,628)
Estimated benefits paid after the measurement date	1,141,018	-	1,141,018
	<u>\$ 1,141,018</u>	<u>\$ 1,048,628</u>	<u>\$ 92,390</u>

ESCAMBIA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

Amounts reported as deferred outflows related to OPEB resulting from the County's benefits paid after the measurement date will be recognized as a reduction of the net OPEB liability in the year ended September 30, 2020. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Reporting year Ending Sept 30,	County Total Deferred Outflow (Deferred Inflow)
2019	\$ (190,358)
2020	\$ (190,358)
2021	\$ (190,358)
2022	\$ (190,358)
2023	\$ (167,107)
Thereafter	\$ (120,089)
TOTALS	\$ (1,048,628)

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, 2019 are as follows:

Court-Related	\$ 3,872,036
Culture & Recreation	3,642,794
Health	35,964
Resource Conservation	1,008,526
Records Modernization	2,822,088
Tourism	5,311,218
	<u>\$ 16,692,626</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 businesses for up to 10 years. There are no provisions for recapturing the abated taxes.

For fiscal year ended September 30, 2019, Escambia County abated property taxes totaling \$1,800,402 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 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 \$1,080,009.
- A 62% property tax abatement to a manufacturer of nylon products to expand and equip the existing production facility. The abatement amounted to \$391,295.
- A 100% property tax abatement for business expansion of a leading supplier of filtration, separation and purification technologies. The abatement amounted to \$197,814.
- 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 \$131,284.

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 do not have a material adverse effect on the financial position of the County.

C. Deficit Fund Equity

At September 30, 2019 the Disaster Recovery Special Revenue Fund, a major fund, has a deficit fund balance of \$6,585,393. The deficit is due to expenditures related to the April 2014 flood event, and expenditures that were unreimbursed through grant funding. The deficit has been funded by advances from the LOST Fund.

NOTE 13 – SUBSEQUENT EVENTS

The County has evaluated events and transactions that occurred between September 30, 2019, and February 10, 2020, 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 changes in the County's total OPEB liability and related ratios

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 CHANGES IN THE COUNTY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years*

Total OPEB liability	<u>2019</u>	<u>2018</u>
Service cost	\$ 953,064	\$ 984,332
Interest	725,595	647,293
Changes of benefit terms	-	-
Difference between expected & actual experience	-	-
Changes in assumptions & other inputs	(600,829)	(743,489)
Benefit payments	(1,072,304)	(939,695)
Net change in total OPEB liability	<u>5,526</u>	<u>(51,559)</u>
Total OPEB liability - Beginning	20,314,364	20,365,923
Total OPEB liability - Ending	<u>\$ 20,319,890</u>	<u>\$ 20,314,364</u>
Covered-Employee payroll	\$ 125,844,115	\$ 116,565,931
Total OPEB liability as a percentage of covered-Employee Payroll	16.15%	17.43%

<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>

**ESCAMBIA COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION**

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

Florida Retirement System (FRS)	2019	2018	2017
County's proportion of the net pension liability (asset)	0.54913427%	0.53661345%	0.55334444%
County's proportion of the net pension liability (asset)	\$ 189,114,199	\$ 161,630,752	\$ 163,675,571
County's covered payroll	\$ 96,494,359	\$ 91,955,109	\$ 90,995,678
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	195.98%	175.77%	179.87%
FRS plan fiduciary net position as a percentage of the total pension liability	82.61%	84.26%	83.89%
Health Insurance Subsidy (HIS)	2019	2018	2017
County's proportion of the net pension liability (asset)	0.374098816%	0.368148238%	0.368148238%
County's proportion of the net pension liability (asset)	\$ 41,857,914	\$ 38,596,879	\$ 39,364,108
County's covered payroll	\$ 123,638,645	\$ 118,692,154	\$ 115,857,560
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	33.86%	32.52%	33.98%
FRS plan fiduciary net position as a percentage of the total pension liability	2.15%	2.15%	1.64%

* 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.

Continued on next page

2016	2015	2014
0.539069213%	0.491069200%	0.478135639%
\$ 136,115,399	\$ 63,428,173	\$ 29,173,305
\$ 86,066,707	\$ 82,216,864	\$ 83,923,116
158.15%	77.15%	34.76%
84.88%	92.00%	96.09%

2016	2015	2014
0.360521192%	0.352411204%	0.341734437%
\$ 42,017,251	\$ 35,940,399	\$ 31,953,004
\$ 111,319,337	\$ 100,474,785	\$ 96,394,207
37.74%	35.77%	33.15%
0.97%	0.50%	0.99%

**ESCAMBIA COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION**

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

Florida Retirement System (FRS)	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 17,027,125	\$ 15,293,052	\$ 14,404,918
Contributions in relation to the contractually required contribution	(17,027,125)	(15,293,052)	(14,404,918)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 96,839,713	\$ 93,514,918	\$ 89,221,118
Contributions as a percentage of covered payroll	17.58%	16.35%	16.15%

Health Insurance Subsidy (HIS)	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 2,077,334	\$ 1,977,604	\$ 1,948,347
Contributions in relation to the contractually required contribution	(2,077,334)	(1,977,604)	(1,948,347)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 125,140,602	\$ 119,132,771	\$ 117,370,301
Contributions as a percentage of covered payroll	1.66%	1.66%	1.66%

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

Continued on next page

2016	2015	2014
\$ 13,146,062	\$ 11,972,684	\$ 10,473,200
(13,146,062)	(11,972,684)	\$ (10,473,200)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 87,227,854	\$ 87,179,508	\$ 86,379,678
15.07%	13.73%	12.12%

2016	2015	2014
\$ 1,847,901	\$ 1,347,135	\$ 1,170,667
(1,847,901)	(1,347,135)	\$ (1,170,667)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 103,777,681	\$ 103,414,127	\$ 97,555,583
1.78%	1.30%	1.20%

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

The following changes in actuarial assumptions occurred in 2019:

PENSION RELATED NOTES TO SCHEDULE:

FRS: The Mortality assumption was changed from Generational RP-2000 with Projection Scale BB to PUB-2010 base table projected generationally with Scale MP-2018. 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 7.0% to 6.9%, and the active member mortality assumption was updated.

HIS: The municipal rate used to determine total pension liability was decreased from 3.87% to 3.50%.

OPEB RELATED NOTES TO SCHEDULE:

Changes of Benefit Terms. There were no benefit changes during the year.

Changes in Assumptions. Changes in assumptions and other inputs include the change in the discount rate from 3.5% to 3.83% as of September 30, 2019. The following are the discount rates used in each period:

2019	3.83%
2018	3.50%
2017	3.10%

Healthcare Cost Trend Rates. Based on the Getzen Model, with trending starting at 7.00% and gradually decreasing to an ultimate trend rate of 4.24% plus .04% increase for excise tax.

OTHER SUPPLEMENTARY INFORMATION

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
SERIES 2017 CAPITAL PROJECT FUND
For the Year Ended September 30, 2019

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 40,661,736	\$ 26,837,517	\$ (13,824,219)
Investment Income	500,000	1,811,110	1,311,110
Total Revenues	<u>41,161,736</u>	<u>28,648,627</u>	<u>(12,513,109)</u>
EXPENDITURES			
Current:			
Public Safety	6,010,737	508,666	5,502,071
Capital Outlay	120,854,816	59,119,391	61,735,425
Total Expenditures	<u>126,865,553</u>	<u>59,628,057</u>	<u>67,237,496</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(85,703,817)</u>	<u>(30,979,430)</u>	<u>54,724,387</u>
Net Change in Fund Balance	(85,703,817)	(30,979,430)	54,724,387
Fund Balance - Beginning	<u>85,703,817</u>	<u>85,703,817</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 54,724,387</u>	<u>\$ 54,724,387</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
MASS TRANSIT AUTHORITY - FTA CAPITAL FUND
For the Year Ended September 30, 2019

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 3,152,094	\$ 384,361	\$ (2,767,733)
Investment Income	-	8,626	8,626
Total Revenues	<u>3,152,094</u>	<u>392,987</u>	<u>(2,759,107)</u>
EXPENDITURES			
Current:			
Transportation	619,647	70,066	549,581
Capital Outlay	2,532,447	298,389	2,234,058
Total Expenditures	<u>3,152,094</u>	<u>368,455</u>	<u>2,783,639</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>24,532</u>	<u>24,532</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Total Other Financing Sources and (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	24,532	24,532
Fund Balance - Beginning	<u>-</u>	<u>322,611</u>	<u>322,611</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 347,143</u>	<u>\$ 347,143</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
LOCAL OPTION SALES TAX FUND
For the Year Ended September 30, 2019

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Over (Under)</u>
REVENUES			
Taxes	\$ 39,546,427	\$ 48,140,106	\$ 8,593,679
Intergovernmental Revenues	16,387,272	3,052,674	(13,334,598)
Charges for Services	190,000	192,265	2,265
Investment Income	-	2,941,313	2,941,313
Miscellaneous Revenues	1,065,323	340,684	(724,639)
Total Revenues	<u>57,189,022</u>	<u>54,667,042</u>	<u>(2,521,980)</u>
EXPENDITURES			
Current:			
General Government	9,897,762	260,224	9,637,538
Public Safety	1,200	1,200	-
Physical Environment	311,250	-	311,250
Transportation	1,521,286	1,447,973	73,313
Economic Environment	1,252,655	1,089,869	162,786
Human Services	413,266	137,164	276,102
Culture/Recreation	2,243,319	1,489,402	753,917
Court-Related	1,218,630	-	1,218,630
Capital Outlay	133,717,385	43,947,180	89,770,205
Total Expenditures	<u>150,576,753</u>	<u>48,373,012</u>	<u>102,203,741</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(93,387,731)</u>	<u>6,294,030</u>	<u>99,681,761</u>
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	(4,748,519)	(6,912,244)	(2,163,725)
Total Other Financing Sources and (Uses)	<u>(4,748,519)</u>	<u>(6,912,244)</u>	<u>(2,163,725)</u>
Net Change in Fund Balance	(98,136,250)	(618,214)	97,518,036
Fund Balance - Beginning	<u>98,136,250</u>	<u>115,788,189</u>	<u>17,651,939</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 115,169,975</u>	<u>\$ 115,169,975</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 accounted 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, 2019

	Board Of County Commissioners	Clerk of the Circuit Court and Comptroller	Property Appraiser
ASSETS			
Cash and Cash Equivalents	\$ 26,260,533	\$ 4,072,833	\$ 542,595
Investments	19,475,909	-	-
Accounts Receivable	1,407,515	379	-
Accrued Interest Receivable	1,139,425	-	-
Due from Other Funds	2,475,566	-	-
Due from Other Governments	3,392,661	7,372	-
Inventories	424,576	-	-
Other Assets	3,067,799	-	-
Total Assets	\$ 57,643,984	\$ 4,080,584	\$ 542,595
LIABILITIES			
Accounts Payable	\$ 1,641,574	\$ 385,939	\$ 69,765
Contracts Payable	-	27,240	-
Accrued Liabilities	4,040,324	288,483	174,272
Due to Other Funds	-	1,291,537	297,874
Due to Other Governments	408,531	2,003,966	684
Deposits	181,008	-	-
Unearned Revenue	-	-	-
Other Current Liabilities	372,298	83,419	-
Total Liabilities	6,643,735	4,080,584	542,595
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Capital Lease	3,055,064	-	-
Total Deferred Inflow of Resources	3,055,064	-	-
FUND BALANCES			
Nonspendable:			
Inventories	424,576	-	-
Assigned to:			
Subsequent Year's Budget	18,484,060	-	-
Unassigned	29,036,549	-	-
Total Fund Balances	47,945,185	-	-
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	\$ 57,643,984	\$ 4,080,584	\$ 542,595

Sheriff	Supervisor of Elections	Tax Collector	Eliminations	Total General Funds
\$ 3,216,480	\$ -	\$ 1,258,556	\$ -	\$ 35,350,997
-	-	-	-	19,475,909
-	-	-	-	1,407,894
143,795	-	-	(2,475,566)	1,139,425
400,261	59,764	-	-	143,795
302,666	-	-	-	3,860,058
-	-	-	-	727,242
-	-	-	-	3,067,799
<u>\$ 4,063,202</u>	<u>\$ 59,764</u>	<u>\$ 1,258,556</u>	<u>\$ (2,475,566)</u>	<u>\$ 65,173,119</u>
\$ 424,256	\$ 30,468	\$ 202,961	\$ -	\$ 2,754,963
-	-	-	-	27,240
2,794,199	28,580	223,334	-	7,549,192
542,081	-	670,491	(2,475,566)	326,417
-	716	1,665	-	2,415,562
-	-	-	-	181,008
-	-	160,105	-	160,105
-	-	-	-	455,717
<u>3,760,536</u>	<u>59,764</u>	<u>1,258,556</u>	<u>(2,475,566)</u>	<u>13,870,204</u>
-	-	-	-	3,055,064
-	-	-	-	3,055,064
302,666	-	-	-	727,242
-	-	-	-	18,484,060
-	-	-	-	29,036,549
<u>302,666</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,247,851</u>
<u>\$ 4,063,202</u>	<u>\$ 59,764</u>	<u>\$ 1,258,556</u>	<u>\$ (2,475,566)</u>	<u>\$ 65,173,119</u>

ESCAMBIA COUNTY, FLORIDA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GENERAL FUND BY CATEGORY
For the Year Ended September 30, 2019

	Board Of County Commissioners	Clerk of the Circuit Court and Comptroller	Property Appraiser
REVENUES			
Taxes	\$ 119,157,202	\$ -	\$ -
Franchise Fees	13,426,526	-	-
Special Assessments	885,119	-	-
Intergovernmental Revenues	37,683,050	289,560	-
Charges for Services	2,220,886	6,174,278	14,758
Judgments and Fines	84,840	1,532,857	-
Investment Income	2,152,663	326,816	-
Miscellaneous Revenues	5,255,680	385,138	4,287
Total Revenues	180,865,966	8,708,649	19,045
EXPENDITURES			
Current:			
General Government	42,859,951	3,860,933	5,900,567
Public Safety	46,946,207	-	-
Physical Environment	1,622,767	-	-
Transportation	2,746,727	-	-
Human Services	3,499,267	-	-
Culture/Recreation	1,464,725	-	-
Court-Related	-	6,819,974	-
Total Expenditures	99,139,644	10,680,907	5,900,567
Excess (Deficiency) of Revenues Over (Under) Expenditures	81,726,322	(1,972,258)	(5,881,522)
OTHER FINANCING SOURCES (USES)			
Transfers In	7,040,771	2,995,100	6,179,396
Transfers (Out)	(90,735,124)	(1,022,842)	(297,874)
Total Other Financing Sources and (Uses)	(83,694,353)	1,972,258	5,881,522
Net Change in Fund Balances	(1,968,031)	-	-
Fund Balances - Beginning	49,913,216	-	-
Fund Balances - Ending	\$ 47,945,185	\$ -	\$ -

Sheriff	Supervisor of Elections	Tax Collector	Eliminations	Total General Fund
\$ -	\$ -	\$ -	\$ -	\$ 119,157,202
-	-	-	-	13,426,526
-	-	-	-	885,119
-	5,640	-	-	37,978,250
-	6,036	3,769,220	-	12,185,178
-	-	-	-	1,617,697
-	-	-	-	2,479,479
-	-	116,950	(2,342,595)	3,419,460
-	11,676	3,886,170	(2,342,595)	191,148,911
-	1,969,892	7,849,704	(2,342,595)	60,098,452
60,558,417	-	-	-	107,504,624
-	-	-	-	1,622,767
-	-	-	-	2,746,727
-	-	-	-	3,499,267
-	-	-	-	1,464,725
-	-	-	-	6,819,974
60,558,417	1,969,892	7,849,704	(2,342,595)	183,756,536
(60,558,417)	(1,958,216)	(3,963,534)	-	7,392,375
61,263,474	1,962,906	4,634,025	(79,726,441)	4,349,231
(700,333)	(4,690)	(670,491)	79,726,441	(13,704,913)
60,563,141	1,958,216	3,963,534	-	(9,355,682)
4,724	-	-	-	(1,963,307)
297,942	-	-	-	50,211,158
\$ 302,666	\$ -	\$ -	\$ -	\$ 48,247,851

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

For the Year Ended September 30, 2019

Board Of County Commissioners

	Original Budget	Final Budget	Actual Amounts
REVENUES			
Taxes	\$ 118,521,436	\$ 118,521,436	\$ 119,157,202
Franchise Fees	12,046,428	12,046,428	13,426,526
Special Assessments	848,711	848,711	885,119
Intergovernmental Revenues	30,990,284	31,023,305	37,683,050
Charges for Services	1,787,211	1,792,449	2,220,886
Judgments and Fines	57,000	57,000	84,840
Investment Income	-	-	2,152,663
Miscellaneous Revenues	4,826,515	5,521,103	5,255,680
Total Revenues	169,077,585	169,810,432	180,865,966
EXPENDITURES			
Current:			
General Government	67,242,381	71,451,037	42,859,951
Public Safety	47,445,545	48,123,795	46,946,207
Physical Environment	1,455,438	1,669,244	1,622,767
Transportation	2,717,439	2,728,646	2,746,727
Human Services	3,289,133	3,777,385	3,499,267
Culture/Recreation	1,454,373	1,508,740	1,464,725
Court-Related	-	-	-
Total Expenditures	123,604,309	129,258,847	99,139,644
Excess (Deficiency) of Revenues Over (Under) Expenditures	45,473,276	40,551,585	81,726,322
OTHER FINANCING SOURCES (USES)			
Transfers In	6,515,490	6,642,984	7,040,771
Transfers (Out)	(94,194,586)	(96,639,707)	(90,735,124)
Total Other Financing Sources and (Uses)	(87,679,096)	(89,996,723)	(83,694,353)
Net Change in Fund Balances	(42,205,820)	(49,445,138)	(1,968,031)
Fund Balances - Beginning	42,205,820	49,445,138	49,913,216
Fund Balances - Ending	\$ -	\$ -	\$ 47,945,185

Continued

Clerk of the Circuit Court and Comptroller

Property Appraiser

<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
\$ -	\$ -	\$ -
-	-	-
-	-	-
-	-	289,560
5,785,196	5,785,196	6,174,278
1,640,000	1,640,000	1,532,857
225,070	225,070	326,816
405,200	405,200	385,138
<u>8,055,466</u>	<u>8,055,466</u>	<u>8,708,649</u>
4,527,607	4,527,607	3,860,933
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
6,522,959	6,522,959	6,819,974
<u>11,050,566</u>	<u>11,050,566</u>	<u>10,680,907</u>
<u>(2,995,100)</u>	<u>(2,995,100)</u>	<u>(1,972,258)</u>
2,995,100	2,995,100	2,995,100
-	-	(1,022,842)
<u>2,995,100</u>	<u>2,995,100</u>	<u>1,972,258</u>
-	-	-
-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
\$ -	\$ -	\$ -
-	-	-
-	-	-
-	-	-
12,955	14,185	14,758
-	-	-
-	-	-
-	-	4,287
<u>12,955</u>	<u>14,185</u>	<u>19,045</u>
6,192,178	6,193,581	5,900,567
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
6,192,178	6,193,581	5,900,567
<u>(6,179,223)</u>	<u>(6,179,396)</u>	<u>(5,881,522)</u>
6,179,223	6,179,396	6,179,396
-	-	(297,874)
<u>6,179,223</u>	<u>6,179,396</u>	<u>5,881,522</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, 2019

	Sheriff		
	Original		Actual
	Budget	Final Budget	Amounts
REVENUES			
Taxes	\$ -	\$ -	\$ -
Franchise Fees	-	-	-
Special Assessments	-	-	-
Intergovernmental Revenues	-	-	-
Charges for Services	-	-	-
Judgments and Fines	-	-	-
Investment Income	-	-	-
Miscellaneous Revenues	-	-	-
Total Revenues	-	-	-
EXPENDITURES			
Current:			
General Government	-	-	-
Public Safety	60,239,868	61,263,474	60,558,417
Physical Environment	-	-	-
Transportation	-	-	-
Human Services	-	-	-
Culture/Recreation	-	-	-
Court-Related	-	-	-
Total Expenditures	60,239,868	61,263,474	60,558,417
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(60,239,868)	(61,263,474)	(60,558,417)
OTHER FINANCING SOURCES (USES)			
Transfers In	60,239,868	61,263,474	61,263,474
Transfers (Out)	-	-	(700,333)
Total Other Financing			
Sources and (Uses)	60,239,868	61,263,474	60,563,141
Net Change in Fund Balances	-	-	4,724
Fund Balances - Beginning	-	-	297,942
Fund Balances - Ending	\$ -	\$ -	\$ 302,666

Continued

<u>Supervisor of Elections</u>			<u>Tax Collector</u>		
<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	5,640	-	-	-
-	-	6,036	3,610,585	3,610,585	3,769,220
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	95,500	95,500	116,950
-	-	11,676	3,706,085	3,706,085	3,886,170
2,368,298	2,382,795	1,969,892	8,273,154	8,273,154	7,849,704
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,368,298	2,382,795	1,969,892	8,273,154	8,273,154	7,849,704
(2,368,298)	(2,382,795)	(1,958,216)	(4,567,069)	(4,567,069)	(3,963,534)
2,368,298	2,387,485	1,962,906	4,634,025	4,634,025	4,634,025
-	(4,690)	(4,690)	(66,956)	(66,956)	(670,491)
2,368,298	2,382,795	1,958,216	4,567,069	4,567,069	3,963,534
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2019

	Eliminations		
	Original Budget	Final Budget	Actual Amounts
REVENUES			
Taxes	\$ -	\$ -	\$ -
Franchise Fees	-	-	-
Special Assessments	-	-	-
Intergovernmental Revenues	-	-	-
Charges for Services	-	-	-
Judgments and Fines	-	-	-
Investment Income	-	-	-
Miscellaneous Revenues	(2,342,595)	(2,342,595)	(2,342,595)
Total Revenues	(2,342,595)	(2,342,595)	(2,342,595)
EXPENDITURES			
Current:			
General Government	(2,342,595)	(2,342,595)	(2,342,595)
Public Safety	-	-	-
Physical Environment	-	-	-
Transportation	-	-	-
Human Services	-	-	-
Culture/Recreation	-	-	-
Court-Related	-	-	-
Total Expenditures	(2,342,595)	(2,342,595)	(2,342,595)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-
OTHER FINANCING SOURCES (USES)			
Transfers In	(76,416,514)	(79,726,441)	(79,726,441)
Transfers (Out)	76,416,514	79,726,441	79,726,441
Total Other Financing Sources and (Uses)	-	-	-
Net Change in Fund Balances	-	-	-
Fund Balances - Beginning	-	-	-
Fund Balances - Ending	\$ -	\$ -	\$ -

TOTAL

<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Over (Under)</u>
\$ 118,521,436	\$ 118,521,436	\$ 119,157,202	\$ 635,766
12,046,428	12,046,428	13,426,526	1,380,098
848,711	848,711	885,119	36,408
30,990,284	31,023,305	37,978,250	6,954,945
11,195,947	11,202,415	12,185,178	982,763
1,697,000	1,697,000	1,617,697	(79,303)
225,070	225,070	2,479,479	2,254,409
2,984,620	3,679,208	3,419,460	(259,748)
<u>178,509,496</u>	<u>179,243,573</u>	<u>191,148,911</u>	<u>11,905,338</u>
86,261,023	90,485,579	60,098,452	30,387,127
107,685,413	109,387,269	107,504,624	1,882,645
1,455,438	1,669,244	1,622,767	46,477
2,717,439	2,728,646	2,746,727	(18,081)
3,289,133	3,777,385	3,499,267	278,118
1,454,373	1,508,740	1,464,725	44,015
6,522,959	6,522,959	6,819,974	(297,015)
<u>209,385,778</u>	<u>216,079,822</u>	<u>183,756,536</u>	<u>32,323,286</u>
<u>(30,876,282)</u>	<u>(36,836,249)</u>	<u>7,392,375</u>	<u>44,228,624</u>
6,515,490	4,376,023	4,349,231	(26,792)
<u>(17,845,028)</u>	<u>(16,984,912)</u>	<u>(13,704,913)</u>	<u>3,279,999</u>
<u>(11,329,538)</u>	<u>(12,608,889)</u>	<u>(9,355,682)</u>	<u>3,253,207</u>
<u>(42,205,820)</u>	<u>(49,445,138)</u>	<u>(1,963,307)</u>	<u>47,481,831</u>
<u>42,205,820</u>	<u>49,445,138</u>	<u>50,211,158</u>	<u>766,020</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,247,851</u>	<u>\$ 48,247,851</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 in Escambia County.

Code Enforcement Fund

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

M and A State Revenue Fund

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

Tourist Promotion Fund

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

Other Grant Projects Fund

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

Detention/Jail Commissary Fund

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

Library Fund

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

Misdemeanor Probation Fund

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

Article V Fund

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

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.

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 the 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:

There are no non-major Capital Project Funds.

ESCAMBIA COUNTY, FLORIDA
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
September 30, 2019

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 32,306,775	\$ 160,950	\$ 32,467,725
Investments	19,554,070	119,384	19,673,454
Accounts Receivable	803,065	-	803,065
Due from Other Funds	234,669	-	234,669
Due from Other Governments	5,671,992	-	5,671,992
Inventories	333,755	-	333,755
Assets Held for Investment	655,545	-	655,545
Total Assets	\$ 59,559,871	\$ 280,334	\$ 59,840,205
LIABILITIES			
Accounts Payable	\$ 2,955,502	\$ 9,979	\$ 2,965,481
Contracts Payable	291,720	-	291,720
Accrued Liabilities	2,004,223	-	2,004,223
Due to Other Funds	538,819	-	538,819
Advances Payable to Other Funds	2,476,499	-	2,476,499
Due to Other Governments	1,310,649	-	1,310,649
Deposits	166,830	-	166,830
Unearned Revenue	324,713	-	324,713
Total Liabilities	10,068,955	9,979	10,078,934
FUND BALANCES (deficits)			
Nonspendable			
Inventories	333,755	-	333,755
Restricted for			
Court Related Functions	3,872,036	-	3,872,036
Community Services	284,337	-	284,337
Debt Service	-	270,355	270,355
Economic & Community Development	356,241	-	356,241
Fire & Rescue	2,115,758	-	2,115,758
Health Services	35,964	-	35,964
Inmate Welfare	3,298,485	-	3,298,485
Law Enforcement	278,931	-	278,931
Library	3,642,794	-	3,642,794
Public Safety	2,041,988	-	2,041,988
Records Modernization Technology	2,822,088	-	2,822,088
Resource Conservation	1,008,526	-	1,008,526
Road Acquisition & Construction	-	-	-
Housing Assistance	5,439,833	-	5,439,833
Tourism	5,311,218	-	5,311,218
Transportation & Drainage Improvements	743,352	-	743,352
Transportation Maintenance	512,348	-	512,348
Committed to:			
Community Services	1,835,003	-	1,835,003
Infrastructure Maintenance	10,442,521	-	10,442,521
Public Safety	1,315,988	-	1,315,988
Transportation Maintenance	3,799,750	-	3,799,750
Total Fund Balances	49,490,916	270,355	49,761,271
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	\$ 59,559,871	\$ 280,334	\$ 59,840,205

ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2019

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
REVENUES			
Taxes	\$ 27,541,953	\$ -	\$ 27,541,953
Permits and Fees	362,347	-	362,347
Franchise Fees	2,036,924	-	2,036,924
Special Assessments	18,145,093	-	18,145,093
Intergovernmental Revenues	16,190,811	60,000	16,250,811
Charges for Services	10,897,801	-	10,897,801
Judgments and Fines	898,068	-	898,068
Investment Income	1,497,644	139,594	1,637,238
Miscellaneous Revenues	2,212,873	-	2,212,873
Total Revenues	79,783,514	199,594	79,983,108
EXPENDITURES			
Current:			
General Government	2,847,096	-	2,847,096
Public Safety	33,338,112	-	33,338,112
Physical Environment	2,714,743	-	2,714,743
Transportation	18,279,480	-	18,279,480
Economic Environment	13,232,850	-	13,232,850
Human Services	168,884	-	168,884
Culture/Recreation	8,333,071	-	8,333,071
Court-Related	4,021,162	-	4,021,162
Debt Service:			
Principal Retirement	-	7,765,000	7,765,000
Interest and Fiscal Charges	8,908	6,838,582	6,847,490
Bond Issuance Costs	-	310,578	310,578
Total Expenditures	82,944,306	14,914,160	97,858,466
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,160,792)	(14,714,566)	(17,875,358)
OTHER FINANCING SOURCES (USES)			
Transfers In	9,392,026	13,104,058	22,496,084
Transfers (Out)	(5,622,161)	-	(5,622,161)
Issuance Refunding Bonds Payable	-	41,545,000	41,545,000
Premium (Discount) Notes/Bonds	-	5,318,882	5,318,882
Payment to Refunded Bond Holders	-	(46,554,000)	(46,554,000)
Total Other Financing Sources and (Uses)	3,769,865	13,413,940	17,183,805
Net Change in Fund Balances	609,073	(1,300,626)	(691,553)
Fund Balances - Beginning	48,881,843	1,570,981	50,452,824
Fund Balances - Ending	\$ 49,490,916	\$ 270,355	\$ 49,761,271

ESCAMBIA COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
September 30, 2019

	Escambia County Restricted Fund	Economic Development Fund	Code Enforcement Fund	M&A State Revenue Fund	Tourist Promotion Fund
ASSETS					
Cash and Cash Equivalents	\$ 1,077,305	\$ 232,682	\$ 634,491	\$ 46,184	\$ 3,879,932
Investments	704,759	172,593	470,634	-	2,877,937
Accounts Receivable	22,923	-	253,965	-	-
Due from Other Funds	23,088	-	52,681	-	174
Due from Other Governments	-	-	-	-	-
Inventories	2,498	-	-	-	-
Assets Held for Investment	655,545	-	-	-	-
Total Assets	\$ 2,486,118	\$ 405,275	\$ 1,411,771	\$ 46,184	\$ 6,758,043
LIABILITIES					
Accounts Payable	\$ 55,521	\$ 54,999	\$ 41,837	\$ 10,220	\$ 1,438,071
Contracts Payable	-	-	-	-	-
Accrued Liabilities	8,116	-	53,946	-	8,754
Due to Other Funds	538,819	-	-	-	-
Advances Payable to Other Funds	-	-	-	-	-
Due to Other Governments	45,811	-	-	-	-
Deposits	350	-	-	-	-
Unearned Revenue	-	-	-	-	-
Total Liabilities	648,617	54,999	95,783	10,220	1,446,825
FUND BALANCES					
Nonspendable:					
Inventories	2,498	-	-	-	-
Restricted for:					
Court Related Functions	-	-	-	-	-
Community Services	-	-	-	-	-
Economic & Community Development	-	350,276	-	-	-
Fire & Rescue	-	-	-	-	-
Health Services	-	-	-	35,964	-
Inmate Welfare	-	-	-	-	-
Law Enforcement	-	-	-	-	-
Library	-	-	-	-	-
Mass Transit System	-	-	-	-	-
Public Safety	-	-	-	-	-
Records Modernization Technology	-	-	-	-	-
Resource Conservation	-	-	-	-	-
Housing Assistance	-	-	-	-	-
Tourism	-	-	-	-	5,311,218
Transportation & Drainage Improvements	-	-	-	-	-
Transportation Maintenance	-	-	-	-	-
Committed to:					
Community Services	1,835,003	-	-	-	-
Infrastructure Maintenance	-	-	-	-	-
Public Safety	-	-	1,315,988	-	-
Transportation Maintenance	-	-	-	-	-
Total Fund Balances	1,837,501	350,276	1,315,988	35,964	5,311,218
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	\$ 2,486,118	\$ 405,275	\$ 1,411,771	\$ 46,184	\$ 6,758,043

Continued

Other Grant Projects Fund	Detention/Jail Commissary Fund	Library Fund	Misdemeanor Probation Fund	Article V Fund	Development Review Fund
\$ 488,880	\$ 2,000,128	\$ 2,226,391	\$ 67,151	\$ 2,120,880	\$ 709,052
362,627	1,370,912	1,650,085	49,810	1,573,162	525,939
-	127,844	623	-	7,005	-
2,504	-	-	-	154,006	-
482,082	-	-	520	85,134	-
-	35,534	-	-	-	-
-	-	-	-	-	-
<u>\$ 1,336,093</u>	<u>\$ 3,534,418</u>	<u>\$ 3,877,099</u>	<u>\$ 117,481</u>	<u>\$ 3,940,187</u>	<u>\$ 1,234,991</u>
\$ 5,755	\$ 22,429	\$ 70,123	\$ 13,985	\$ 123,161	\$ 291
25,000	-	-	-	-	-
8,735	21,333	159,858	87,406	32,078	27,511
-	-	-	-	-	-
-	-	-	-	-	-
-	4,722	4,324	890	367,987	-
-	151,915	-	-	-	-
101,831	-	-	-	-	-
<u>141,321</u>	<u>200,399</u>	<u>234,305</u>	<u>102,281</u>	<u>523,226</u>	<u>27,802</u>
-	35,534	-	-	-	-
358,467	-	-	-	3,416,961	-
8,159	-	-	-	-	-
5,965	-	-	-	-	-
-	-	-	-	-	-
-	3,298,485	-	-	-	-
-	-	3,642,794	-	-	-
-	-	-	-	-	-
819,599	-	-	15,200	-	1,207,189
-	-	-	-	-	-
-	-	-	-	-	-
2,582	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,194,772</u>	<u>3,334,019</u>	<u>3,642,794</u>	<u>15,200</u>	<u>3,416,961</u>	<u>1,207,189</u>
<u>\$ 1,336,093</u>	<u>\$ 3,534,418</u>	<u>\$ 3,877,099</u>	<u>\$ 117,481</u>	<u>\$ 3,940,187</u>	<u>\$ 1,234,991</u>

ESCAMBIA COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
September 30, 2019

	Perdido Key Beach Mouse Fund	RESTORE Fund	State Housing Initiative Partnership (SHIP) Fund	Law Enforcement Trust Fund
ASSETS				
Cash and Cash Equivalents	\$ 559,430	\$ 16,115	\$ 2,689,047	\$ 160,144
Investments	414,957	11,953	-	118,787
Accounts Receivable	-	-	40,000	-
Due from Other Funds	-	-	-	-
Due from Other Governments	-	2,727,865	-	-
Inventories	-	-	-	-
Assets Held for Investment	-	-	-	-
Total Assets	<u>\$ 974,387</u>	<u>\$ 2,755,933</u>	<u>\$ 2,729,047</u>	<u>\$ 278,931</u>
LIABILITIES				
Accounts Payable	\$ 5,611	\$ 131,878	\$ 17,011	\$ -
Contracts Payable	-	248,863	-	-
Accrued Liabilities	659	10,614	1,167	-
Due to Other Funds	-	-	-	-
Advances Payable to Other Funds	-	2,000,000	-	-
Due to Other Governments	-	324,169	20	-
Deposits	-	-	-	-
Unearned Revenue	-	-	-	-
Total Liabilities	<u>6,270</u>	<u>2,715,524</u>	<u>18,198</u>	<u>-</u>
FUND BALANCES				
Nonspendable:				
Inventories	-	-	-	-
Restricted for:				
Court Related Functions	-	-	-	-
Community Services	-	-	-	-
Economic & Community Development	-	-	-	-
Fire & Rescue	-	-	-	-
Health Services	-	-	-	-
Inmate Welfare	-	-	-	-
Law Enforcement	-	-	-	278,931
Library	-	-	-	-
Mass Transit System	-	-	-	-
Public Safety	-	-	-	-
Records Modernization Technology	-	-	-	-
Resource Conservation	968,117	40,409	-	-
Housing Assistance	-	-	2,710,849	-
Tourism	-	-	-	-
Transportation & Drainage Improvements	-	-	-	-
Transportation Maintenance	-	-	-	-
Committed to:				
Community Services	-	-	-	-
Infrastructure Maintenance	-	-	-	-
Public Safety	-	-	-	-
Transportation Maintenance	-	-	-	-
Total Fund Balances	<u>968,117</u>	<u>40,409</u>	<u>2,710,849</u>	<u>278,931</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	<u>\$ 974,387</u>	<u>\$ 2,755,933</u>	<u>\$ 2,729,047</u>	<u>\$ 278,931</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
\$ 802,457	\$ 323,560	\$ 164,201	\$ 55,466	\$ 1,230,621	\$ 187,627	\$ 35,029
595,222	240,000	121,795	41,142	912,812	139,173	25,983
300,000	-	-	-	-	-	18,249
-	-	823	-	1,393	-	-
300	35,993	-	-	28,876	483,157	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 1,697,979</u>	<u>\$ 599,553</u>	<u>\$ 286,819</u>	<u>\$ 96,608</u>	<u>\$ 2,173,702</u>	<u>\$ 809,957</u>	<u>\$ 79,261</u>
\$ 150	\$ 41,845	\$ 1,231	\$ -	\$ 66,648	\$ 44,036	\$ 664
-	-	-	-	-	-	-
-	13,367	-	-	747,312	-	-
-	-	-	-	-	-	-
-	10	9,410	-	3,488	6,417	-
-	-	-	-	-	-	-
-	163,883	-	-	-	-	-
<u>150</u>	<u>219,105</u>	<u>10,641</u>	<u>-</u>	<u>817,448</u>	<u>50,453</u>	<u>664</u>
-	-	-	-	-	-	-
-	-	-	96,608	-	-	-
-	-	276,178	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	1,356,254	759,504	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,697,829	380,448	-	-	-	-	78,597
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,697,829</u>	<u>380,448</u>	<u>276,178</u>	<u>96,608</u>	<u>1,356,254</u>	<u>759,504</u>	<u>78,597</u>
<u>\$ 1,697,979</u>	<u>\$ 599,553</u>	<u>\$ 286,819</u>	<u>\$ 96,608</u>	<u>\$ 2,173,702</u>	<u>\$ 809,957</u>	<u>\$ 79,261</u>

ESCAMBIA COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
September 30, 2019

	HUD Home Fund	Bob Sikes Toll Facilities Fund	Transportation Trust Fund	MSBU Assessment Program Fund
ASSETS				
Cash and Cash Equivalents	\$ 329,698	\$ 6,131,987	\$ 2,250,932	\$ 526,400
Investments	244,553	4,546,914	1,669,578	390,457
Accounts Receivable	-	20,055	12,401	-
Due from Other Funds	-	-	-	-
Due from Other Governments	2,599	-	1,308,279	323
Inventories	-	-	295,723	-
Assets Held for Investment	-	-	-	-
Total Assets	\$ 576,850	\$ 10,698,956	\$ 5,536,913	\$ 917,180
LIABILITIES				
Accounts Payable	\$ 2,599	\$ 145,505	\$ 623,178	\$ 18,685
Contracts Payable	-	14,157	-	-
Accrued Liabilities	2,141	6,254	791,148	-
Due to Other Funds	-	-	-	-
Advances Payable to Other Funds	-	90,519	-	385,980
Due to Other Governments	-	-	12,549	167
Deposits	-	-	14,565	-
Unearned Revenue	-	-	-	-
Total Liabilities	4,740	256,435	1,441,440	404,832
FUND BALANCES				
Nonspendable:				
Inventories	-	-	295,723	-
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	572,110	-	-	-
Tourism	-	-	-	-
Transportation & Drainage Improvements	-	-	-	-
Transportation Maintenance	-	-	-	512,348
Committed to:				
Community Services	-	-	-	-
Infrastructure Maintenance	-	10,442,521	-	-
Public Safety	-	-	-	-
Transportation Maintenance	-	-	3,799,750	-
Total Fund Balances	572,110	10,442,521	4,095,473	512,348
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	\$ 576,850	\$ 10,698,956	\$ 5,536,913	\$ 917,180

Continued

<u>Master Drainage Basin Fund</u>	<u>Clerk Programs</u>	<u>Sheriff Programs</u>	<u>Supervisor of Elections Programs</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 434,498	\$ 2,902,767	\$ 23,720	\$ -	\$ 32,306,775
322,286	-	-	-	19,554,070
-	-	-	-	803,065
-	-	-	-	234,669
-	80,124	400,261	36,479	5,671,992
-	-	-	-	333,755
-	-	-	-	655,545
<u>\$ 756,784</u>	<u>\$ 2,982,891</u>	<u>\$ 423,981</u>	<u>\$ 36,479</u>	<u>\$ 59,559,871</u>
\$ 12,314	\$ 6,555	\$ 1,200	\$ -	2,955,502
3,700	-	-	-	291,720
-	23,824	-	-	2,004,223
-	-	-	-	538,819
-	-	-	-	2,476,499
-	130,424	400,261	-	1,310,649
-	-	-	-	166,830
-	-	22,520	36,479	324,713
<u>16,014</u>	<u>160,803</u>	<u>423,981</u>	<u>36,479</u>	<u>10,068,955</u>
-	-	-	-	333,755
-	-	-	-	3,872,036
-	-	-	-	284,337
-	-	-	-	356,241
-	-	-	-	2,115,758
-	-	-	-	35,964
-	-	-	-	3,298,485
-	-	-	-	278,931
-	-	-	-	3,642,794
-	-	-	-	-
-	-	-	-	2,041,988
-	2,822,088	-	-	2,822,088
-	-	-	-	1,008,526
-	-	-	-	5,439,833
-	-	-	-	5,311,218
740,770	-	-	-	743,352
-	-	-	-	512,348
-	-	-	-	1,835,003
-	-	-	-	10,442,521
-	-	-	-	1,315,988
-	-	-	-	3,799,750
<u>740,770</u>	<u>2,822,088</u>	<u>-</u>	<u>-</u>	<u>49,490,916</u>
<u>\$ 756,784</u>	<u>\$ 2,982,891</u>	<u>\$ 423,981</u>	<u>\$ 36,479</u>	<u>\$ 59,559,871</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, 2019

	Escambia County Restricted Fund	Economic Development Fund	Code Enforcement Fund	M&A State Revenue Fund	Tourist Promotion Fund
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 12,333,147
Permits and Fees	-	-	-	-	-
Franchise Fees	-	-	2,036,924	-	-
Special Assessments	-	-	-	-	-
Intergovernmental Revenues	134,000	-	-	34,481	-
Charges for Services	439,585	-	-	-	-
Judgments and Fines	-	-	389,843	-	-
Investment Income	49,034	13,240	30,811	-	111,875
Miscellaneous Revenues	124,338	-	111,748	-	315
Total Revenues	<u>746,957</u>	<u>13,240</u>	<u>2,569,326</u>	<u>34,481</u>	<u>12,445,337</u>
EXPENDITURES					
Current:					
General Government	53,140	-	-	-	-
Public Safety	105,610	-	2,137,022	-	-
Physical Environment	356,578	-	-	-	189,167
Transportation	-	-	-	-	-
Economic Environment	-	54,999	-	-	9,613,842
Human Services	47,631	-	-	42,133	-
Culture/Recreation	53,287	-	-	-	-
Court-Related	-	-	-	-	-
Debt Service:					
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	<u>616,246</u>	<u>54,999</u>	<u>2,137,022</u>	<u>42,133</u>	<u>9,803,009</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>130,711</u>	<u>(41,759)</u>	<u>432,304</u>	<u>(7,652)</u>	<u>2,642,328</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers (Out)	-	-	(350,000)	-	(1,700,000)
Total Other Financing Sources and (Uses)	<u>-</u>	<u>-</u>	<u>(350,000)</u>	<u>-</u>	<u>(1,700,000)</u>
Net Change in Fund Balances	130,711	(41,759)	82,304	(7,652)	942,328
Fund Balances - Beginning	1,706,790	392,035	1,233,684	43,616	4,368,890
Fund Balances - Ending	<u>\$ 1,837,501</u>	<u>\$ 350,276</u>	<u>\$ 1,315,988</u>	<u>\$ 35,964</u>	<u>\$ 5,311,218</u>

Continued

Other Grant Projects Fund	Detention/Jail Commissary Fund	Library Fund	Misdemeanor Probation Fund	Article V Fund	Development Review Fund
\$ -	\$ -	\$ 6,015,146	\$ -	\$ -	\$ -
-	-	-	-	-	253,256
-	-	-	-	-	-
-	-	-	-	-	-
1,303,412	-	115,188	50,000	1,131,140	-
20,940	1,662,868	37,280	1,597,946	2,117,899	590,615
913	-	81,490	11,200	-	-
35,129	103,671	144,955	6,699	119,247	41,112
19,732	-	37,653	45,867	11,138	-
<u>1,380,126</u>	<u>1,766,539</u>	<u>6,431,712</u>	<u>1,711,712</u>	<u>3,379,424</u>	<u>884,983</u>
-	-	-	-	-	750,956
673,879	1,633,282	-	2,007,632	113,465	-
470,489	-	-	-	-	-
-	-	-	-	-	-
42,665	-	-	-	-	-
32,797	-	6,344,059	-	-	-
34,108	-	-	-	3,297,422	-
-	-	-	-	-	-
<u>1,253,938</u>	<u>1,633,282</u>	<u>6,344,059</u>	<u>2,007,632</u>	<u>3,410,887</u>	<u>750,956</u>
<u>126,188</u>	<u>133,257</u>	<u>87,653</u>	<u>(295,920)</u>	<u>(31,463)</u>	<u>134,027</u>
-	-	-	-	1,146,638	-
-	-	-	-	(931,000)	(350,000)
-	-	-	-	215,638	(350,000)
126,188	133,257	87,653	(295,920)	184,175	(215,973)
<u>1,068,584</u>	<u>3,200,762</u>	<u>3,555,141</u>	<u>311,120</u>	<u>3,232,786</u>	<u>1,423,162</u>
<u>\$ 1,194,772</u>	<u>\$ 3,334,019</u>	<u>\$ 3,642,794</u>	<u>\$ 15,200</u>	<u>\$ 3,416,961</u>	<u>\$ 1,207,189</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, 2019

	Perdido Key Beach Mouse Fund	RESTORE Fund	State Housing Initiative Partnership (SHIP) Fund	Law Enforcement Trust Fund
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Permits and Fees	-	-	-	-
Franchise Fees	-	-	-	-
Special Assessments	142,500	-	-	-
Intergovernmental Revenues	-	3,543,262	521,800	-
Charges for Services	-	-	-	-
Judgments and Fines	-	-	-	414,622
Investment Income	31,009	11,265	-	9,628
Miscellaneous Revenues	-	-	343,707	-
Total Revenues	<u>173,509</u>	<u>3,554,527</u>	<u>865,507</u>	<u>424,250</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	401,700
Physical Environment	63,075	1,635,434	-	-
Transportation	-	-	-	-
Economic Environment	-	-	1,628,981	-
Human Services	-	-	-	-
Culture/Recreation	-	1,902,928	-	-
Court-Related	-	-	-	-
Debt Service:				
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>63,075</u>	<u>3,538,362</u>	<u>1,628,981</u>	<u>401,700</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>110,434</u>	<u>16,165</u>	<u>(763,474)</u>	<u>22,550</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers (Out)	-	-	-	-
Total Other Financing Sources and (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	110,434	16,165	(763,474)	22,550
Fund Balances - Beginning	<u>857,683</u>	<u>24,244</u>	<u>3,474,323</u>	<u>256,381</u>
Fund Balances - Ending	<u>\$ 968,117</u>	<u>\$ 40,409</u>	<u>\$ 2,710,849</u>	<u>\$ 278,931</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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	108,566	-	-
-	-	-	-	-	-	-
-	-	-	-	16,823,935	-	-
-	1,518,599	-	-	30,661	1,439,639	-
-	-	11,193	-	206,000	-	-
-	-	-	-	-	-	-
53,438	17,710	9,479	3,199	136,743	7,605	3,075
60,044	3,450	-	-	32,306	375	-
<u>113,482</u>	<u>1,539,759</u>	<u>20,672</u>	<u>3,199</u>	<u>17,338,211</u>	<u>1,447,619</u>	<u>3,075</u>
-	-	-	-	-	-	-
-	-	-	-	17,469,385	735,752	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
20,620	1,573,327	-	-	-	-	7,088
-	-	36,455	-	-	-	-
-	-	-	-	-	-	-
-	-	-	3,108	-	-	-
-	-	-	-	-	-	-
<u>20,620</u>	<u>1,573,327</u>	<u>36,455</u>	<u>3,108</u>	<u>17,469,385</u>	<u>735,752</u>	<u>7,088</u>
92,862	(33,568)	(15,783)	91	(131,174)	711,867	(4,013)
-	-	-	-	-	-	-
-	(17,500)	-	-	(266,256)	(658,222)	-
-	(17,500)	-	-	(266,256)	(658,222)	-
92,862	(51,068)	(15,783)	91	(397,430)	53,645	(4,013)
1,604,967	431,516	291,961	96,517	1,753,684	705,859	82,610
<u>\$ 1,697,829</u>	<u>\$ 380,448</u>	<u>\$ 276,178</u>	<u>\$ 96,608</u>	<u>\$ 1,356,254</u>	<u>\$ 759,504</u>	<u>\$ 78,597</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, 2019

	HUD Home Fund	Bob Sikes Toll Facilities Fund	Transportation Trust Fund	MSBU Assessment Program Fund
REVENUES				
Taxes	\$ -	\$ -	\$ 9,193,660	\$ -
Permits and Fees	-	-	525	-
Franchise Fees	-	-	-	-
Special Assessments	-	-	-	1,031,388
Intergovernmental Revenues	252,709	75,000	4,949,186	-
Charges for Services	-	3,277,699	296,579	-
Judgments and Fines	-	-	-	-
Investment Income	18,340	336,481	141,046	38,850
Miscellaneous Revenues	238,888	-	1,183,193	-
Total Revenues	<u>509,937</u>	<u>3,689,180</u>	<u>15,764,189</u>	<u>1,070,238</u>
EXPENDITURES				
Current:				
General Government	-	1,922,718	-	-
Public Safety	-	-	7,485,578	-
Physical Environment	-	-	-	-
Transportation	-	-	17,111,883	1,060,149
Economic Environment	333,993	-	-	-
Human Services	-	-	-	-
Culture/Recreation	-	-	-	-
Court-Related	-	-	-	-
Debt Service:				
Interest and Fiscal Charges	-	-	-	8,908
Total Expenditures	<u>333,993</u>	<u>1,922,718</u>	<u>24,597,461</u>	<u>1,069,057</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>175,944</u>	<u>1,766,462</u>	<u>(8,833,272)</u>	<u>1,181</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	8,240,698	-
Transfers (Out)	-	(1,349,183)	-	-
Total Other Financing Sources and (Uses)	<u>-</u>	<u>(1,349,183)</u>	<u>8,240,698</u>	<u>-</u>
Net Change in Fund Balances	175,944	417,279	(592,574)	1,181
Fund Balances - Beginning	<u>396,166</u>	<u>10,025,242</u>	<u>4,688,047</u>	<u>511,167</u>
Fund Balances - Ending	<u>\$ 572,110</u>	<u>\$ 10,442,521</u>	<u>\$ 4,095,473</u>	<u>\$ 512,348</u>

Continued

Master Drainage Basin Fund	Clerk Programs	Sheriff Programs	Supervisor of Elections Programs	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ 27,541,953
-	-	-	-	362,347
-	-	-	-	2,036,924
147,270	-	-	-	18,145,093
-	402,164	574,807	114,763	16,190,811
-	639,197	-	-	10,897,801
-	-	-	-	898,068
23,174	-	-	829	1,497,644
-	119	-	-	2,212,873
<u>170,444</u>	<u>1,041,480</u>	<u>574,807</u>	<u>115,592</u>	<u>79,783,514</u>
-	-	-	120,282	2,847,096
-	-	574,807	-	33,338,112
-	-	-	-	2,714,743
107,448	-	-	-	18,279,480
-	-	-	-	13,232,850
-	-	-	-	168,884
-	-	-	-	8,333,071
-	686,524	-	-	4,021,162
-	-	-	-	8,908
<u>107,448</u>	<u>686,524</u>	<u>574,807</u>	<u>120,282</u>	<u>82,944,306</u>
<u>62,996</u>	<u>354,956</u>	<u>-</u>	<u>(4,690)</u>	<u>(3,160,792)</u>
-	-	-	4,690	9,392,026
-	-	-	-	(5,622,161)
-	-	-	4,690	3,769,865
62,996	354,956	-	-	609,073
<u>677,774</u>	<u>2,467,132</u>	<u>-</u>	<u>-</u>	<u>48,881,843</u>
<u>\$ 740,770</u>	<u>\$ 2,822,088</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,490,916</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
ESCAMBIA COUNTY RESTRICTED FUND
For the Year Ended September 30, 2019

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 127,300	\$ 134,000	\$ 6,700
Charges for Services	390,925	439,585	48,660
Investment Income	-	49,034	49,034
Miscellaneous Revenues	88,406	124,338	35,933
Total Revenues	<u>606,631</u>	<u>746,957</u>	<u>140,327</u>
EXPENDITURES			
Current:			
General Government	200,729	53,140	147,589
Public Safety	396,133	105,610	290,523
Physical Environment	1,401,390	356,578	1,044,812
Transportation	5,337	-	5,337
Human Services	139,829	47,631	92,198
Culture and Recreation	170,005	53,287	116,718
Total Expenditures	<u>2,313,423</u>	<u>616,246</u>	<u>1,697,177</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,706,793)</u>	<u>130,711</u>	<u>1,837,504</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Total Other Financing Sources and (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(1,706,793)	130,711	1,837,504
Fund Balance - Beginning	<u>1,706,793</u>	<u>1,706,790</u>	<u>(3)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 1,837,501</u>	<u>\$ 1,837,501</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
ECONOMIC DEVELOPMENT FUND
For the Year Ended September 30, 2019

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ 13,240	\$ 13,240
Miscellaneous Revenues	-	-	-
Total Revenues	<u>-</u>	<u>13,240</u>	<u>13,240</u>
EXPENDITURES			
Current:			
Economic Environment	392,036	54,999	337,037
Total Expenditures	<u>392,036</u>	<u>54,999</u>	<u>337,037</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(392,036)</u>	<u>(41,759)</u>	<u>350,277</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Total Other Financing Sources and (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(392,036)	(41,759)	350,277
Fund Balance - Beginning	<u>392,036</u>	<u>392,035</u>	<u>(1)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 350,276</u>	<u>\$ 350,276</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
CODE ENFORCEMENT FUND
For the Year Ended September 30, 2019

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Franchise Fees	\$ 1,662,500	\$ 2,036,924	\$ 374,424
Judgments and Fines	213,750	389,843	176,093
Investment Income	-	30,811	30,811
Miscellaneous Revenues	52,250	111,748	59,498
Total Revenues	<u>1,928,500</u>	<u>2,569,326</u>	<u>640,826</u>
EXPENDITURES			
Current:			
Public Safety	2,812,184	2,137,022	675,162
Total Expenditures	<u>2,812,184</u>	<u>2,137,022</u>	<u>675,162</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(883,684)</u>	<u>432,304</u>	<u>1,315,988</u>
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	(350,000)	(350,000)	-
Total Other Financing Sources and (Uses)	<u>(350,000)</u>	<u>(350,000)</u>	<u>-</u>
Net Change in Fund Balance	(1,233,684)	82,304	1,315,988
Fund Balance - Beginning	<u>1,233,684</u>	<u>1,233,684</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 1,315,988</u>	<u>\$ 1,315,988</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
M & A STATE REVENUE FUND
For the Year Ended September 30, 2019

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental	\$ 32,467	\$ 34,481	\$ 2,014
Total Revenues	<u>32,467</u>	<u>34,481</u>	<u>2,014</u>
EXPENDITURES			
Current:			
Human Services	76,083	42,133	33,950
Total Expenditures	<u>76,083</u>	<u>42,133</u>	<u>33,950</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(43,616)</u>	<u>(7,652)</u>	<u>35,964</u>
Net Change in Fund Balance	(43,616)	(7,652)	35,964
Fund Balance - Beginning	<u>43,616</u>	<u>43,616</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 35,964</u>	<u>\$ 35,964</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
TOURIST PROMOTION FUND
For the Year Ended September 30, 2019

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Taxes	\$ 9,501,763	\$ 12,333,147	\$ 2,831,384
Intergovernmental Revenues	33,501	-	(33,501)
Investment Income	-	111,875	111,875
Miscellaneous Revenues	-	315	315
Total Revenues	<u>9,535,264</u>	<u>12,445,337</u>	<u>2,910,073</u>
EXPENDITURES			
Current:			
Physical Environment	254,354	189,167	65,187
Economic Environment	11,136,948	9,613,842	1,523,106
Total Expenditures	<u>11,391,302</u>	<u>9,803,009</u>	<u>1,588,293</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,856,038)</u>	<u>2,642,328</u>	<u>4,498,366</u>
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	(2,490,307)	(1,700,000)	790,307
Total Other Financing Sources and (Uses)	<u>(2,490,307)</u>	<u>(1,700,000)</u>	<u>790,307</u>
Net Change in Fund Balance	(4,346,345)	942,328	5,288,673
Fund Balance - Beginning	4,346,345	4,368,890	22,545
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 5,311,218</u>	<u>\$ 5,311,218</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
OTHER GRANT PROJECTS FUND
For the Year Ended September 30, 2019

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 4,074,248	\$ 1,303,412	\$ (2,770,836)
Charges for Services	-	20,940	20,940
Judgments and Fines	-	913	913
Investment Income	-	35,129	35,129
Miscellaneous Revenues	161,504	19,732	(141,772)
Total Revenues	<u>4,235,752</u>	<u>1,380,126</u>	<u>(2,855,626)</u>
EXPENDITURES			
Current:			
General Government	26,558	-	26,558
Public Safety	1,968,790	673,879	1,294,911
Physical Environment	1,140,205	470,489	669,716
Economic Environment	113,219	-	113,219
Human Services	49,937	42,665	7,272
Culture and Recreation	599,611	32,797	566,814
Court-Related	363,990	34,108	329,882
Total Expenditures	<u>4,262,310</u>	<u>1,253,938</u>	<u>3,008,372</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(26,558)</u>	<u>126,188</u>	<u>152,746</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Total Other Financing Sources and (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(26,558)	126,188	152,746
Fund Balance - Beginning	<u>26,558</u>	<u>1,068,584</u>	<u>1,042,026</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 1,194,772</u>	<u>\$ 1,194,772</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
DETENTION/JAIL COMMISSARY FUND
For the Year Ended September 30, 2019

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Charges for Services	\$ 1,187,500	\$ 1,662,868	\$ 475,368
Investment Income	-	103,671	103,671
Miscellaneous Revenues	-	-	-
Total Revenues	<u>1,187,500</u>	<u>1,766,539</u>	<u>579,039</u>
EXPENDITURES			
Current:			
Public Safety	<u>4,388,262</u>	<u>1,633,282</u>	<u>2,754,980</u>
Total Expenditures	<u>4,388,262</u>	<u>1,633,282</u>	<u>2,754,980</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,200,762)</u>	<u>133,257</u>	<u>3,334,019</u>
Net Change in Fund Balance	(3,200,762)	133,257	3,334,019
Fund Balance - Beginning	<u>3,200,762</u>	<u>3,200,762</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 3,334,019</u>	<u>\$ 3,334,019</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
LIBRARY FUND
For the Year Ended September 30, 2019

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Taxes	\$ 6,229,660	\$ 6,015,146	\$ (214,514)
Intergovernmental Revenues	130,000	115,188	(14,812)
Charges for Services	-	37,280	37,280
Judgments and Fines	71,250	81,490	10,240
Investment Income	-	144,955	144,955
Miscellaneous Revenues	68,669	37,653	(31,016)
Total Revenues	<u>6,499,579</u>	<u>6,431,712</u>	<u>(67,867)</u>
EXPENDITURES			
Current:			
Culture and Recreation	9,608,765	6,344,059	3,264,706
Total Expenditures	<u>9,608,765</u>	<u>6,344,059</u>	<u>3,264,706</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,109,186)</u>	<u>87,653</u>	<u>3,196,839</u>
Net Change in Fund Balance	(3,109,186)	87,653	3,196,839
Fund Balance - Beginning	<u>3,109,186</u>	<u>3,555,141</u>	<u>445,955</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 3,642,794</u>	<u>\$ 3,642,794</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
MISDEMEANOR PROBATION FUND
For the Year Ended September 30, 2019

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental	\$ -	\$ 50,000	\$ 50,000
Charges for Services	1,812,900	1,597,946	(214,954)
Judgements and Fines	8,550	11,200	2,650
Investment Income	-	6,699	6,699
Miscellaneous Revenue	39,900	45,867	5,967
Total Revenues	<u>1,861,350</u>	<u>1,711,712</u>	<u>(149,638)</u>
EXPENDITURES			
Current:			
Public Safety	2,172,470	2,007,632	164,838
Total Expenditures	<u>2,172,470</u>	<u>2,007,632</u>	<u>164,838</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(311,120)</u>	<u>(295,920)</u>	<u>15,200</u>
Net Change in Fund Balance	(311,120)	(295,920)	15,200
Fund Balance - Beginning	<u>311,120</u>	<u>311,120</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 15,200</u>	<u>\$ 15,200</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
ARTICLE V FUND
For the Year Ended September 30, 2019

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental	\$ 1,007,421	\$ 1,131,140	\$ 123,719
Charges for Services	1,960,800	2,117,899	157,099
Investment Income	-	119,247	119,247
Miscellaneous Revenues	-	11,138	11,138
Total Revenues	<u>2,968,221</u>	<u>3,379,424</u>	<u>411,203</u>
EXPENDITURES			
Current:			
Public Safety	811,998	113,465	698,533
Court-Related	6,130,282	3,297,422	2,832,860
Total Expenditures	<u>6,942,280</u>	<u>3,410,887</u>	<u>3,531,393</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,974,059)</u>	<u>(31,463)</u>	<u>3,942,596</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	1,146,638	1,146,638	-
Transfers (Out)	(931,000)	(931,000)	-
Total Other Financing Sources and (Uses)	<u>215,638</u>	<u>215,638</u>	<u>-</u>
Net Change in Fund Balance	(3,758,421)	184,175	3,942,596
Fund Balance - Beginning	<u>3,758,421</u>	<u>3,232,786</u>	<u>(525,635)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 3,416,961</u>	<u>\$ 3,416,961</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
DEVELOPMENT REVIEW FUND
For the Year Ended September 30, 2019

	Budget	Actual Amounts	Variance with Budget - Over (Under)
REVENUES			
Permits and Fees	\$ 207,100	\$ 253,256	\$ 46,156
Charges for Services	451,250	590,615	139,365
Investment Income	-	41,112	41,112
Miscellaneous Revenues	-	-	-
Total Revenues	<u>658,350</u>	<u>884,983</u>	<u>226,633</u>
EXPENDITURES			
Current:			
General Government	1,731,512	750,956	980,556
Total Expenditures	<u>1,731,512</u>	<u>750,956</u>	<u>980,556</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,073,162)</u>	<u>134,027</u>	<u>1,207,189</u>
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	(350,000)	(350,000)	-
Total Other Financing Sources and (Uses)	<u>(350,000)</u>	<u>(350,000)</u>	<u>-</u>
Net Change in Fund Balance	(1,423,162)	(215,973)	1,207,189
Fund Balance - Beginning	<u>1,423,162</u>	<u>1,423,162</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 1,207,189</u>	<u>\$ 1,207,189</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
PERDIDO KEY BEACH MOUSE FUND
For the Year Ended September 30, 2019

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Special Assessments	\$ -	\$ 142,500	\$ 142,500
Investment Income	-	31,009	31,009
Total Revenues	<u>-</u>	<u>173,509</u>	<u>173,509</u>
EXPENDITURES			
Current:			
Physical Environment	857,683	63,075	794,608
Total Expenditures	<u>857,683</u>	<u>63,075</u>	<u>794,608</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(857,683)</u>	<u>110,434</u>	<u>968,117</u>
Net Change in Fund Balance	(857,683)	110,434	968,117
Fund Balance - Beginning	<u>857,683</u>	<u>857,683</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 968,117</u>	<u>\$ 968,117</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
RESTORE FUND
For the Year Ended September 30, 2019

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 20,648,676	\$ 3,543,262	\$ (17,105,414)
Investment Income	-	11,265	11,265
Total Revenues	<u>20,648,676</u>	<u>3,554,527</u>	<u>(17,094,149)</u>
EXPENDITURES			
Current:			
General Government	24,243	-	24,243
Physical Environment	17,326,352	1,635,434	15,690,918
Culture/Recreation	3,795,708	1,902,928	1,892,780
Total Expenditures	<u>21,146,303</u>	<u>3,538,362</u>	<u>17,607,941</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(497,627)</u>	<u>16,165</u>	<u>513,792</u>
Net Change in Fund Balance	(497,627)	16,165	513,792
Fund Balance - Beginning	<u>497,627</u>	<u>24,244</u>	<u>(473,383)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 40,409</u>	<u>\$ 40,409</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
STATE HOUSING INITIATIVE PARTNERSHIP FUND (SHIP)
For the Year Ended September 30, 2019

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 3,323,858	\$ 521,800	\$ (2,802,058)
Miscellaneous Revenues	-	343,707	343,707
Total Revenues	<u>3,323,858</u>	<u>865,507</u>	<u>(2,458,351)</u>
EXPENDITURES			
Current:			
Economic Environment	3,323,858	1,628,981	1,694,877
Total Expenditures	<u>3,323,858</u>	<u>1,628,981</u>	<u>1,694,877</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(763,474)</u>	<u>(763,474)</u>
Net Change in Fund Balance	-	(763,474)	(763,474)
Fund Balance - Beginning	-	3,474,323	3,474,323
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 2,710,849</u>	<u>\$ 2,710,849</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
LAW ENFORCEMENT TRUST FUND
For the Year Ended September 30, 2019

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Judgments and Fines	\$ 180,244	\$ 414,622	\$ 234,378
Investment Income	-	9,628	9,628
Total Revenues	<u>180,244</u>	<u>424,250</u>	<u>244,006</u>
EXPENDITURES			
Current:			
Public Safety	436,625	401,700	34,925
Total Expenditures	<u>436,625</u>	<u>401,700</u>	<u>34,925</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(256,381)</u>	<u>22,550</u>	<u>278,931</u>
Net Change in Fund Balance	(256,381)	22,550	278,931
Fund Balance - Beginning	<u>256,381</u>	<u>256,381</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 278,931</u>	<u>\$ 278,931</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
ESCAMBIA COUNTY AFFORDABLE HOUSING FUND
For the Year Ended September 30, 2019

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ 10,000	\$ 53,438	\$ 43,438
Miscellaneous Revenues	48,600	60,044	11,444
Total Revenues	<u>58,600</u>	<u>113,482</u>	<u>54,882</u>
EXPENDITURES			
Current:			
Economic Environment	1,663,567	20,620	1,642,947
Total Expenditures	<u>1,663,567</u>	<u>20,620</u>	<u>1,642,947</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,604,967)</u>	<u>92,862</u>	<u>1,697,829</u>
Net Change in Fund Balance	(1,604,967)	92,862	1,697,829
Fund Balance - Beginning	<u>1,604,967</u>	<u>1,604,967</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 1,697,829</u>	<u>\$ 1,697,829</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
CDBG - HUD ENTITLEMENT FUND
For the Year Ended September 30, 2019

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 3,777,783	\$ 1,518,599	\$ (2,259,184)
Investment Income	-	17,710	17,710
Miscellaneous Revenues	181,031	3,450	(177,581)
Total Revenues	<u>3,958,814</u>	<u>1,539,759</u>	<u>(2,419,055)</u>
EXPENDITURES			
Current:			
Economic Environment	3,941,314	1,573,327	2,367,987
Total Expenditures	<u>3,941,314</u>	<u>1,573,327</u>	<u>2,367,987</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>17,500</u>	<u>(33,568)</u>	<u>(51,068)</u>
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	(17,500)	(17,500)	-
Total Other Financing Sources and (Uses)	<u>(17,500)</u>	<u>(17,500)</u>	<u>-</u>
Net Change in Fund Balance	-	(51,068)	(51,068)
Fund Balance - Beginning	-	431,516	431,516
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 380,448</u>	<u>\$ 380,448</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
HANDICAPPED PARKING FINES FUND
For the Year Ended September 30, 2019

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Charges for Services	\$ 11,875	\$ 11,193	\$ (682)
Investment Income	-	9,479	9,479
Total Revenues	<u>11,875</u>	<u>20,672</u>	<u>8,797</u>
EXPENDITURES			
Current:			
Public Safety	95,722	-	95,722
Human Services	208,114	36,455	171,659
Total Expenditures	<u>303,836</u>	<u>36,455</u>	<u>267,381</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(291,961)</u>	<u>(15,783)</u>	<u>276,178</u>
Net Change in Fund Balance	(291,961)	(15,783)	276,178
Fund Balance - Beginning	<u>291,961</u>	<u>291,961</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 276,178</u>	<u>\$ 276,178</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
FAMILY MEDIATION FUND
For the Year Ended September 30, 2019

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Investment Income	\$ -	\$ 3,199	\$ 3,199
Total Revenues	<u>-</u>	<u>3,199</u>	<u>3,199</u>
EXPENDITURES			
Current:			
Court-Related	96,517	3,108	93,409
Total Expenditures	<u>96,517</u>	<u>3,108</u>	<u>93,409</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(96,517)</u>	<u>91</u>	<u>96,608</u>
Net Change in Fund Balance	(96,517)	91	96,608
Fund Balance - Beginning	<u>96,517</u>	<u>96,517</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 96,608</u>	<u>\$ 96,608</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
FIRE PROTECTION FUND
For the Year Ended September 30, 2019

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Permits and Fees	\$ 66,500	\$ 108,566	\$ 42,066
Special Assessments	16,263,638	16,823,935	560,297
Intergovernmental Revenues	19,000	30,661	11,661
Charges for Services	195,700	206,000	10,300
Investment Income	42,750	136,743	93,993
Miscellaneous Revenues	30,175	32,306	2,131
Total Revenues	<u>16,617,763</u>	<u>17,338,211</u>	<u>720,448</u>
EXPENDITURES			
Current:			
Public Safety	18,105,191	17,469,385	635,806
Total Expenditures	<u>18,105,191</u>	<u>17,469,385</u>	<u>635,806</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,487,428)</u>	<u>(131,174)</u>	<u>1,356,254</u>
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	(266,256)	(266,256)	-
Total Other Financing Sources and (Uses)	<u>(266,256)</u>	<u>(266,256)</u>	<u>-</u>
Net Change in Fund Balance	(1,753,684)	(397,430)	1,356,254
Fund Balance - Beginning	<u>1,753,684</u>	<u>1,753,684</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 1,356,254</u>	<u>\$ 1,356,254</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
EMERGENCY 911 OPERATIONS FUND
For the Year Ended September 30, 2019

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 1,292,000	\$ 1,439,639	\$ 147,639
Investment Income	-	7,605	7,605
Miscellaneous Revenues	-	375	375
Total Revenues	<u>1,292,000</u>	<u>1,447,619</u>	<u>155,619</u>
EXPENDITURES			
Current:			
Public Safety	1,339,637	735,752	603,885
Total Expenditures	<u>1,339,637</u>	<u>735,752</u>	<u>603,885</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(47,637)</u>	<u>711,867</u>	<u>759,504</u>
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	(658,222)	(658,222)	-
Total Other Financing Sources and (Uses)	<u>(658,222)</u>	<u>(658,222)</u>	<u>-</u>
Net Change in Fund Balance	(705,859)	53,645	759,504
Fund Balance - Beginning	<u>705,859</u>	<u>705,859</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 759,504</u>	<u>\$ 759,504</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
HUD-CDBG HOUSING REHABILITATION LOAN FUND
For the Year Ended September 30, 2019

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 70,000	\$ -	\$ (70,000)
Investment Income	2,000	3,075	1,075
Miscellaneous Revenues	3,000	-	(3,000)
Total Revenues	<u>75,000</u>	<u>3,075</u>	<u>(71,925)</u>
EXPENDITURES			
Current:			
Economic Environment	157,610	7,088	150,522
Total Expenditures	<u>157,610</u>	<u>7,088</u>	<u>150,522</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(82,610)</u>	<u>(4,013)</u>	<u>78,597</u>
Net Change in Fund Balance	(82,610)	(4,013)	78,597
Fund Balance - Beginning	<u>82,610</u>	<u>82,610</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 78,597</u>	<u>\$ 78,597</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
HUD HOME FUND
For the Year Ended September 30, 2019

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 3,916,437	\$ 252,709	\$ (3,663,728)
Investment Income	-	18,340	18,340
Miscellaneous Revenues	434,337	238,888	(195,449)
Total Revenues	<u>4,350,774</u>	<u>509,937</u>	<u>(3,840,837)</u>
EXPENDITURES			
Current:			
Economic Environment	4,350,774	333,993	4,016,781
Total Expenditures	<u>4,350,774</u>	<u>333,993</u>	<u>4,016,781</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>175,944</u>	<u>175,944</u>
Net Change in Fund Balance	-	175,944	175,944
Fund Balance - Beginning	<u>-</u>	<u>396,166</u>	<u>396,166</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 572,110</u>	<u>\$ 572,110</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
BOB SIKES TOLL FACILITIES FUND
For the Year Ended September 30, 2019

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ -	\$ 75,000	\$ 75,000
Charges for Services	4,000,327	3,277,699	(722,628)
Investment Income	-	336,481	336,481
Total Revenues	<u>4,000,327</u>	<u>3,689,180</u>	<u>(311,147)</u>
EXPENDITURES			
Current:			
General Government	12,706,568	1,922,718	10,783,850
Total Expenditures	<u>12,706,568</u>	<u>1,922,718</u>	<u>10,783,850</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(8,706,241)</u>	<u>1,766,462</u>	<u>10,472,703</u>
OTHER FINANCING SOURCES			
Transfers In	-	-	-
Transfers (Out)	(1,319,001)	(1,349,183)	(30,182)
Total Other Financing Sources	<u>(1,319,001)</u>	<u>(1,349,183)</u>	<u>(30,182)</u>
Net Change in Fund Balance	(10,025,242)	417,279	10,442,521
Fund Balance - Beginning	<u>10,025,242</u>	<u>10,025,242</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 10,442,521</u>	<u>\$ 10,442,521</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
TRANSPORTATION TRUST FUND
For the Year Ended September 30, 2019

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Taxes	\$ 8,474,000	\$ 9,193,660	\$ 719,660
Permits and Fees	-	525	525
Intergovernmental Revenues	4,284,428	4,949,186	664,758
Charges for Services	285,000	296,579	11,579
Investment Income	-	141,046	141,046
Miscellaneous Revenues	1,234,888	1,183,193	(51,695)
Total Revenues	<u>14,278,316</u>	<u>15,764,189</u>	<u>1,485,873</u>
EXPENDITURES			
Current:			
Public Safety	7,890,246	7,485,578	404,668
Transportation	19,042,893	17,111,883	1,931,010
Total Expenditures	<u>26,933,139</u>	<u>24,597,461</u>	<u>2,335,678</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(12,654,823)</u>	<u>(8,833,272)</u>	<u>3,821,551</u>
OTHER FINANCING SOURCES			
Transfers In	8,240,698	8,240,698	-
Total Other Financing Sources	<u>8,240,698</u>	<u>8,240,698</u>	<u>-</u>
Net Change in Fund Balance	(4,414,125)	(592,574)	3,821,551
Fund Balance - Beginning	<u>4,414,125</u>	<u>4,688,047</u>	<u>273,922</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 4,095,473</u>	<u>\$ 4,095,473</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
MSBU ASSESSMENT PROGRAM FUND
For the Year Ended September 30, 2019

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Special Assessments	\$ 966,713	\$ 1,031,388	\$ 64,675
Investment Income	-	38,850	38,850
Total Revenues	<u>966,713</u>	<u>1,070,238</u>	<u>103,525</u>
EXPENDITURES			
Current:			
Transportation	7,698,633	1,060,149	6,638,484
Debt Service			
Principal Retirement	54,078	-	54,078
Interest and Fiscal Charges	17,706	8,908	8,798
Total Expenditures	<u>7,770,417</u>	<u>1,069,057</u>	<u>6,701,360</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,803,704)</u>	<u>1,181</u>	<u>6,804,885</u>
OTHER FINANCING SOURCES (USES)			
Issuance of Notes/Bonds Payable	6,292,537	-	(6,292,537)
Total Other Financing Sources and (Uses)	<u>6,292,537</u>	<u>-</u>	<u>(6,292,537)</u>
Net Change in Fund Balance	(511,167)	1,181	512,348
Fund Balance - Beginning	<u>511,167</u>	<u>511,167</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 512,348</u>	<u>\$ 512,348</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
MASTER DRAINAGE BASIN FUND
For the Year Ended September 30, 2019

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Special Assessments	\$ 97,374	\$ 147,270	\$ 49,896
Investment Income	-	23,174	23,174
Total Revenues	<u>97,374</u>	<u>170,444</u>	<u>73,070</u>
EXPENDITURES			
Current:			
Transportation	775,148	107,448	667,700
Total Expenditures	<u>775,148</u>	<u>107,448</u>	<u>667,700</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(677,774)</u>	<u>62,996</u>	<u>740,770</u>
Net Change in Fund Balance	(677,774)	62,996	740,770
Fund Balance - Beginning	<u>677,774</u>	<u>677,774</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 740,770</u>	<u>\$ 740,770</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
CLERK PROGRAMS
For the Year Ended September 30, 2019

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental Revenues	\$ 517,000	\$ 402,164	\$ (114,836)
Charges for Services	587,000	639,197	52,197
Judgments and Fines	-	-	-
Miscellaneous Revenues	-	119	119
Total Revenues	<u>1,104,000</u>	<u>1,041,480</u>	<u>(62,520)</u>
EXPENDITURES			
Current:			
Court-Related	1,104,000	686,524	417,476
Total Expenditures	<u>1,104,000</u>	<u>686,524</u>	<u>417,476</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>354,956</u>	<u>354,956</u>
Net Change in Fund Balance	-	354,956	354,956
Fund Balance - Beginning	<u>-</u>	<u>2,467,132</u>	<u>2,467,132</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 2,822,088</u>	<u>\$ 2,822,088</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
SHERIFF PROGRAMS
For the Year Ended September 30, 2019

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental	\$ 874,724	\$ 574,807	\$ (299,917)
Total Revenues	<u>874,724</u>	<u>574,807</u>	<u>(299,917)</u>
EXPENDITURES			
Current:			
Public Safety	874,724	574,807	299,917
Total Expenditures	<u>874,724</u>	<u>574,807</u>	<u>299,917</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
SUPERVISOR OF ELECTIONS PROGRAMS
For the Year Ended September 30, 2019

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Over (Under)</u>
REVENUES			
Intergovernmental	\$ 150,953	\$ 114,763	\$ (36,190)
Investment Income	-	829	829
Total Revenues	<u>150,953</u>	<u>115,592</u>	<u>(35,361)</u>
EXPENDITURES			
Current:			
General Government	155,643	120,282	35,361
Total Expenditures	<u>155,643</u>	<u>120,282</u>	<u>35,361</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,690)</u>	<u>(4,690)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	4,690	4,690	-
Total Other Financing Sources and (Uses)	<u>4,690</u>	<u>4,690</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ESCAMBIA COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
For the Year Ended September 30, 2019

	Budget	Actual Amounts	Variance with Budget - Over (Under)
REVENUES			
Intergovernmental	\$ -	60,000	60,000
Investment Income	10,375	139,594	129,219
Miscellaneous	2,294,123	-	(2,294,123)
Total Revenues	2,304,498	199,594	(2,104,904)
EXPENDITURES			
Debt Service			
Principal Retirement	7,335,154	7,765,000	(429,846)
Interest and Fiscal Charges	7,482,397	6,838,582	643,815
Bond Issuance Cost	345,831	310,578	35,253
Total Expenditures	15,163,382	14,914,160	249,222
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,858,884)	(14,714,566)	(1,855,682)
OTHER FINANCING SOURCES (USES)			
Transfers In	12,049,002	13,104,058	1,055,056
Issuance of Refunding Bonds Payable	41,545,000	41,545,000	-
Premium(Discount)Notes/Bonds	5,318,882	5,318,882	-
Payment to Refunded Bond Holders	(46,554,000)	(46,554,000)	-
Total Other Financing Sources and (Uses)	12,358,884	13,413,940	1,055,056
Net Change in Fund Balance	(500,000)	(1,300,626)	(800,626)
Fund Balance - Beginning	500,000	1,570,981	1,070,981
Fund Balance - Ending	\$ -	\$ 270,355	\$ 270,355

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, 2019

	Business-type Activities - Enterprise Funds		
	Inspection Fund	Bay Center Fund	Totals
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 2,598,562	\$ 2,891,433	\$ 5,489,995
Restricted Assets Available for			
Current Liabilities	7,285	-	7,285
Investments	1,932,367	537,235	2,469,602
Accounts Receivable, Net of Allowance			
for Uncollectable Accounts	-	118,887	118,887
Inventories	-	101,902	101,902
Total Current Assets	4,538,214	3,649,457	8,187,671
Noncurrent Assets:			
Restricted Assets:			
Escrow Deposits - restricted	7,285	-	7,285
Less: Portion Classified as Current	(7,285)	-	(7,285)
Total Restricted Assets	-	-	-
Capital Assets:			
Buildings	-	25,915,343	25,915,343
Improvements Other than Buildings	-	3,094,463	3,094,463
Machinery, Equipment and Vehicles	549,874	2,299,689	2,849,563
Less: Accumulated Depreciation	(352,277)	(27,744,626)	(28,096,903)
Total Capital Assets (Net)	197,597	3,564,869	3,762,466
Total Noncurrent Assets	197,597	3,564,869	3,762,466
Total Assets	4,735,811	7,214,326	11,950,137
DEFERRED OUTFLOW OF RESOURCES			
Pension Cost and Subsequent			
Contributions	670,613	-	670,613
OPEB Cost and Subsequent			
Contributions	9,953	-	9,953
Total deferred outflow of resources	680,566	-	680,566

Continued

ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF NET POSITION - Continued
NONMAJOR PROPRIETARY FUNDS
September 30, 2019

	Business-type Activities - Enterprise Funds		
	Inspection	Bay Center	
	Fund	Fund	Totals
LIABILITIES			
Current Liabilities:			
Accounts Payable	37,464	946,419	983,883
Accrued Liabilities	88,636		88,636
Compensated Absences Payable	32,758	-	32,758
Due to Other Governments	-	31,472	31,472
Deposits	30,498	260	30,758
Other Current liabilities	-	2,076,332	2,076,332
Current Liabilities Payable from Restricted Assets:			
Escrow Deposits - restricted	7,285	-	7,285
Total Current Liabilities	196,641	3,054,483	3,251,124
Noncurrent Liabilities:			
Compensated Absences Payable	294,819	-	294,819
Other Post Employment Benefits	143,780	-	143,780
Net Pension Liability Proportionate Share	1,784,079	-	1,784,079
Total Noncurrent Liabilities	2,222,678	-	2,222,678
Total Liabilities	2,419,319	3,054,483	5,473,802
DEFERRED INFLOW OF RESOURCES			
Unamortized Pension Costs	149,100	-	149,100
Unamortized OPEB Costs	10,065	-	10,065
Total deferred inflow of resources	159,165	-	159,165
NET POSITION			
Net Investment in Capital Assets	197,597	3,564,869	3,762,466
Unrestricted	2,640,296	594,974	3,235,270
Total Net Position	\$ 2,837,893	\$ 4,159,843	\$ 6,997,736

ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR PROPRIETARY FUNDS
For the Year Ended September 30, 2019

	Business-type Activities - Enterprise Funds		
	Inspection	Bay Center	
	Fund	Fund	Total
Operating Revenues:			
Charges for Services	\$ 2,976,526	\$ 5,489,189	\$ 8,465,715
Miscellaneous Revenues	63,248	25,115	88,363
Total Operating Revenues	3,039,774	5,514,304	8,554,078
Operating Expenses:			
Personal Services	2,127,637	-	2,127,637
Contracted Services	-	6,674,703	6,674,703
Supplies and Materials	8,205	-	8,205
Repairs and Maintenance	59,318	949	60,267
Other Services and Charges	378,009	9,809	387,818
Depreciation	37,500	757,590	795,090
Premiums/Claims Expense	8,205	119,165	127,370
Total Operating Expenses	2,618,874	7,562,216	10,181,090
Operating Income (Loss)	420,900	(2,047,912)	(1,627,012)
Nonoperating Revenues (Expenses):			
Grants	-	-	-
Investment Income	128,845	11,101	139,946
Total Nonoperating Revenues	128,845	11,101	139,946
(Expenses)	128,845	11,101	139,946
Income Before Transfers and Contributions	549,745	(2,036,811)	(1,487,066)
Transfer In	-	1,700,000	1,700,000
Capital Contributions	-	97,294	97,294
Change in Net Position	549,745	(239,517)	310,228
Net Position - Beginning	2,288,148	4,399,360	6,687,508
Net Position - Ending	\$ 2,837,893	\$ 4,159,843	\$ 6,997,736

ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
For the Year Ended September 30, 2019

	Business-type Activities - Enterprise Funds		
	Inspection Fund	Bay Center Fund	Total
Cash Flows from Operating Activities			
Receipts from customers and users	\$ 3,057,588	\$ 5,901,828	\$ 8,959,416
Payments to suppliers	(448,674)	(6,514,494)	(6,963,168)
Payments to employees	(1,961,117)	-	(1,961,117)
Net Cash Provided (Used) by Operating Activities	647,797	(612,666)	35,131
Cash Flows from Noncapital Financing Activities			
Transfers from other funds	-	1,700,000	1,700,000
Subsidy from federal/state grants	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	-	1,700,000	1,700,000
Cash Flows from Capital and Related Financing Activities			
Acquisition/construction of capital assets	(86,093)	29,680	(56,413)
Net Cash (Used) by Capital and Related Financing Activities	(86,093)	29,680	(56,413)
Cash Flows from Investing Activities			
Sale (purchase) of investments	(96,374)	(138,293)	(234,667)
Interest received	128,845	11,101	139,946
Net Cash Provided (Used) by Investing Activities	32,471	(127,192)	(94,721)
Net Increase (Decrease) in Cash and Cash Equivalents	594,175	989,822	1,583,997
Cash and cash equivalents at beginning of year	2,011,672	1,901,611	3,913,283
Cash and cash equivalents at end of year	\$ 2,605,847	\$ 2,891,433	\$ 5,497,280
Cash and Cash Equivalents Classified As:			
Current assets	\$ 2,598,562	\$ 2,891,433	\$ 5,489,995
Current restricted assets	7,285	-	7,285
Total Cash and Cash Equivalents	\$ 2,605,847	\$ 2,891,433	\$ 5,497,280

Continued

ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF CASH FLOWS - Continued
NONMAJOR PROPRIETARY FUNDS
For the Year Ended September 30, 2019

	Business-type Activities - Enterprise Funds		
	Inspection Fund	Bay Center Fund	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating income (loss)	\$ 420,900	\$ (2,047,912)	\$ (1,627,012)
Depreciation	37,500	757,590	795,090
Change in Assets and Liabilities:			
Accounts receivable	299	15,854	16,153
Inventories	-	(28,274)	(28,274)
Prepays	-	-	-
Accounts payable	17,873	304,768	322,641
Accrued liabilities	(8,724)	-	(8,724)
Due to other governments	(12,810)	13,638	828
Customer deposits	17,515	260	17,775
Other current liabilities	-	371,410	371,410
Compensated absences	(26,760)	-	(26,760)
Post employment benefits	3,322	-	3,322
Net pension liability proportionate share and related deferred outflows/inflows of resources	198,682	-	198,682
Total Adjustments	226,897	1,435,246	1,662,143
Net Cash Provided (Used) by Operating Activities	\$ 647,797	\$ (612,666)	\$ 35,131
Schedule of non-cash capital activities:			
Contributions of capital assets	\$ -	\$ 97,294	\$ 97,294

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, 2019

	Governmental Activities- Internal Service Funds		
	Clerk		Totals
	BCC Internal Service Fund	Internal Service Fund	
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 9,986,848	\$ 691,929	\$ 10,678,777
Investments	7,325,979	-	7,325,979
Accounts Receivable, Net of Allowance for Uncollectable Accounts	1,374,962	-	1,374,962
Due from Other Funds	630,567	-	630,567
Due from Other Governments	123,573	-	123,573
Inventories	322,329	-	322,329
Total Current Assets	19,764,258	691,929	20,456,187
Advances Due from Other Funds	-	-	-
Capital Assets:			
Buildings	399,564	-	399,564
Improvements Other than Buildings	937,373	-	937,373
Machinery, Equipment and Vehicles	297,933	-	297,933
Less: Accumulated Depreciation	(1,086,159)	-	(1,086,159)
Total Capital Assets (Net)	548,711	-	548,711
Total Noncurrent Assets	548,711	-	548,711
Total Assets	20,312,969	691,929	21,004,898
DEFERRED OUTFLOW OF RESOURCES			
Unamortized Pension Cost and Subsequent Contributions	284,420	-	284,420
Unamortized OBEB Cost and Subsequent Contributions	6,186	-	6,186
Total deferred outflow of resources	290,606	-	290,606

Continued

ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
September 30, 2019

	Governmental Activities- Internal Service funds		
	Clerk		Totals
	BCC Internal	Internal	
	Service Fund	Service Fund	
LIABILITIES			
Current Liabilities:			
Accounts Payable	5,040,699	-	5,040,699
Contracts Payable	26,838	-	26,838
Accrued Liabilities	55,387	-	55,387
Compensated Absences Payable	23,473	69,193	92,666
Estimated Claims Payable	2,916,000	-	2,916,000
Due to Other Governments	5,495	-	5,495
Deposits	1,382	-	1,382
Total Current Liabilities	<u>8,069,274</u>	<u>69,193</u>	<u>8,138,467</u>
Noncurrent Liabilities:			
Compensated Absences Payable	211,253	622,736	833,989
Other Post Employment Benefits	80,226	-	80,226
Net Pension Liability	795,270	-	795,270
Estimated Claims Payable	6,562,000	-	6,562,000
Total Noncurrent Liabilities	<u>7,648,749</u>	<u>622,736</u>	<u>8,271,485</u>
Total Liabilities	<u>15,718,023</u>	<u>691,929</u>	<u>16,409,952</u>
DEFERRED INFLOW OF RESOURCES			
Unamortized Pension Costs	67,638	-	67,638
Unamortized OPEB Costs	6,256	-	6,256
Total deferred inflow of resources	<u>73,894</u>	<u>-</u>	<u>73,894</u>
NET POSITION			
Net Investment in Capital Assets	548,711	-	548,711
Unrestricted	4,262,947	-	4,262,947
Total Net Position	<u><u>\$ 4,811,658</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,811,658</u></u>

ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2019

	Governmental Activities- Internal Service Funds		
	BCC Internal Service Fund	Clerk Internal Service Fund	Total
Operating Revenues:			
Charges for Services	\$ 37,729,427	\$ 475,040	\$ 38,204,467
Miscellaneous Revenues	-	-	-
Total Operating Revenues	37,729,427	475,040	38,204,467
Operating Expenses:			
Personal Services	1,218,706	475,040	1,693,746
Claims Incurred and Changes in Estimate	1,982,591	-	1,982,591
Repairs and Maintenance	31,347	-	31,347
Other Services and Charges	4,126,419	-	4,126,419
Depreciation	69,836	-	69,836
Premiums/Claims Expense	30,850,741	-	30,850,741
Total Operating Expenses	38,279,640	475,040	38,754,680
Operating Income (Loss)	(550,213)	-	(550,213)
Nonoperating Revenues (Expenses):			
Investment Income	441,578	-	441,578
Total Nonoperating Revenues (Expenses)	441,578	-	441,578
Income Before Transfers and Contributions	(108,635)	-	(108,635)
Transfer In	-	-	-
Transfer (Out)	-	-	-
Change in Net Position	(108,635)	-	(108,635)
Net Position - Beginning	4,920,293	-	4,920,293
Net Position - Ending	\$ 4,811,658	\$ -	\$ 4,811,658

ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2019

	Governmental Activities- Internal Service Funds		
	BCC Internal Service Fund	Clerk Internal Service Fund	Total
Cash Flows from Operating Activities			
Receipts from customers and users	\$ 5,393,542	\$ -	\$ 5,393,542
Receipts from interfund risk/benefits management	27,692,838	-	27,692,838
Receipts from interfund fleet/fuel management	3,942,934	-	3,942,934
Payments to suppliers	(34,936,374)	-	(34,936,374)
Payments to employees	(1,164,397)	4,946	(1,159,451)
Net Cash Provided (Used) by Operating Activities	928,543	4,946	933,489
Cash Flows from Noncapital Financing Activities			
Transfers to Other Funds	-	-	-
Transfers from Other Funds	-	-	-
Advances due to/from other funds	204,551	-	204,551
Net Cash Provided (Used) by Noncapital Financing Activities	204,551	-	204,551
Cash Flows from Capital and Related Financing Activities			
Acquisition/construction of capital assets	(23,811)	-	(23,811)
Net Cash (Used) by Capital and Related Financing Activities	(23,811)	-	(23,811)
Cash Flows from Investing Activities			
Sale (purchase) of investments	147,110	-	147,110
Interest received	441,578	-	441,578
Net Cash Provided (Used) by Investing Activities	588,688	-	588,688
Net Increase (Decrease) in Cash and Cash Equivalents	1,697,971	4,946	1,702,917
Cash and cash equivalents at beginning of year	8,288,877	686,983	8,975,860
Cash and Cash Equivalents at End of Year	\$ 9,986,848	\$ 691,929	\$ 10,678,777
Cash and Cash Equivalents Classified As:			
Current assets	\$ 9,986,848	\$ 691,929	\$ 10,678,777
Total Cash and Cash Equivalents	\$ 9,986,848	\$ 691,929	\$ 10,678,777

Continued

ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF CASH FLOWS - Continued
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2019

	Governmental Activities - Internal Service Funds		
	BCC Internal Service Fund	Clerk Internal Service Fund	Total
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities			
Operating Income	\$ (550,213)	\$ -	\$ (550,213)
Depreciation	69,836	-	69,836
(Increase) Decrease in accounts receivable	(705,632)	-	(705,632)
(Increase) Decrease in inventories	51,335	-	51,335
Increase (Decrease) in accounts payable	2,466,776	-	2,466,776
Increase (Decrease) in contracts payable	26,838	-	26,838
Increase (Decrease) in accrued liabilities other governments	4,877	-	4,877
	3,696	-	3,696
Increase (Decrease) in customer deposits	1,382	-	1,382
Increase (Decrease) in compensated absences	(40,710)	4,946	(35,764)
Increase (Decrease) in Post Employment Benefits	(7,071)	-	(7,071)
Increase (Decrease) in net pension liability and related deferred outflows/inflows of resources	101,350	-	101,350
Increase (Decrease) in claims payable	(493,921)	-	(493,921)
Total Adjustments	1,478,756	4,946	1,483,702
Net Cash Provided (Used for) Operating Activities	\$ 928,543	\$ 4,946	\$ 933,489
Schedule of non-cash capital activities:			
Contributions of capital assets	\$ -	\$ -	\$ -

FIDUCIARY FUNDS

AGENCY FUNDS

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

Clerk of the Circuit Court and Comptroller

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

Sheriff

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

Tax Collector

Used to account for property taxes and fees for licenses.

ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
September 30, 2019

	<u>Clerk General Agency</u>	<u>Sheriff General Agency</u>	<u>Tax Collector General Agency</u>	<u>Totals</u>
ASSETS				
Cash and Cash Equivalents	\$ 5,816,293	\$ 344,102	\$ 5,302,205	\$ 11,462,600
Accounts Receivable	-	-	487,031	487,031
Total Assets	<u>\$ 5,816,293</u>	<u>\$ 344,102</u>	<u>\$ 5,789,236</u>	<u>\$ 11,949,631</u>
LIABILITIES				
Due to Other Governments	\$ 17,468	\$ -	\$ 4,177,323	\$ 4,194,791
Due to Individuals	1,896,913	344,102	1,611,913	3,852,928
Other Current Liabilities	3,901,912	-	-	3,901,912
Total Liabilities	<u>\$ 5,816,293</u>	<u>\$ 344,102</u>	<u>\$ 5,789,236</u>	<u>\$ 11,949,631</u>

ESCAMBIA COUNTY, FLORIDA
STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Year Ended September 30, 2019

CLERK GENERAL AGENCY FUNDS

	Balance 10/01/18	Additions	Deductions	Balance 09/30/19
ASSETS				
Cash and Cash Equivalents	\$ 5,360,479	\$ 23,591,358	\$ 23,135,544	\$ 5,816,293
Accounts Receivable	-	-	-	-
Total Assets	\$ 5,360,479	\$ 23,591,358	\$ 23,135,544	\$ 5,816,293
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Governments	25,175	216,381	224,088	17,468
Due to Individuals	1,733,124	2,481,607	2,317,818	1,896,913
Other Current Liabilities	3,602,180	20,893,370	20,593,638	3,901,912
Total Liabilities	\$ 5,360,479	\$ 23,591,358	\$ 23,135,544	\$ 5,816,293

SHERIFF GENERAL AGENCY FUNDS

	Balance 10/01/18	Additions	Deductions	Balance 09/30/19
ASSETS				
Cash and Cash Equivalents	427,665	\$ 1,066,764	\$ 1,150,327	\$ 344,102
Accounts Receivable	-	-	-	-
Total Assets	\$ 427,665	\$ 1,066,764	\$ 1,150,327	\$ 344,102
LIABILITIES				
Due to Other Governments	51,660	\$ 315,669	\$ 367,329	\$ -
Due to Individuals	376,005	751,095	782,998	344,102
Other Current Liabilities	-	-	-	-
Total Liabilities	\$ 427,665	\$ 1,066,764	\$ 1,150,327	\$ 344,102

TAX COLLECTOR GENERAL AGENCY FUNDS

	Balance 10/01/18	Additions	Deductions	Balance 09/30/19
ASSETS				
Cash and Cash Equivalents	\$ 3,919,044	\$ 2,228,187,909	\$ 2,226,804,748	\$ 5,302,205
Accounts Receivable	422,557	203,022,906	202,958,432	487,031
Total Assets	\$ 4,341,601	\$ 2,431,210,815	\$ 2,429,763,180	\$ 5,789,236
LIABILITIES				
Due to Other Governments	\$ 4,016,518	\$ 398,740,287	\$ 398,579,482	\$ 4,177,323
Due to Individuals	325,083	121,467,189	120,180,359	1,611,913
Total Liabilities	\$ 4,341,601	\$ 520,207,476	\$ 518,759,841	\$ 5,789,236

Continued

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

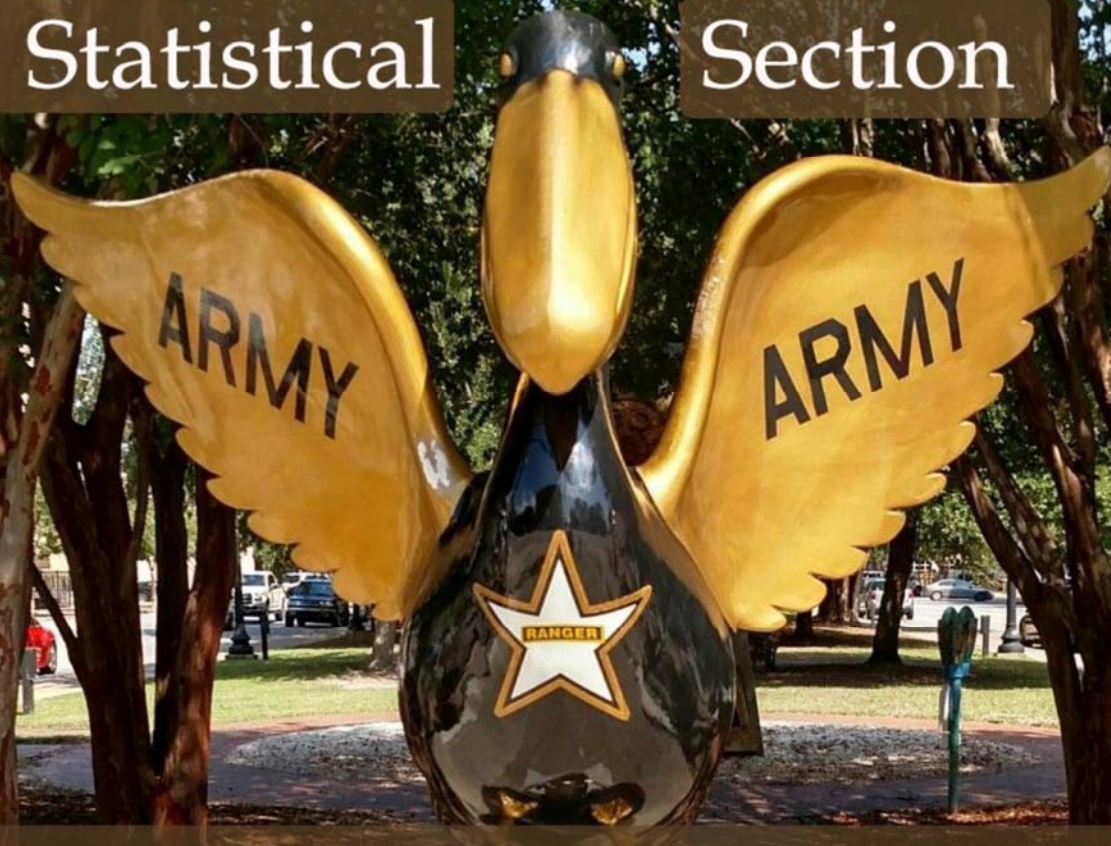
For the Year Ended September 30, 2019

AGENCY COMBINED TOTALS

	Balance 10/01/18	Additions	Deductions	Balance 09/30/19
ASSETS				
Cash and Cash Equivalents	\$ 9,707,188	\$ 2,252,846,031	\$ 2,251,090,619	\$ 11,462,600
Accounts Receivable	422,557	203,022,906	202,958,432	487,031
Total Assets	\$ 10,129,745	\$ 2,455,868,937	\$ 2,454,049,051	\$ 11,949,631
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Governments	4,093,353	399,272,337	399,170,899	4,194,791
Due to Individuals	2,434,212	124,699,891	123,281,175	3,852,928
Other Current Liabilities	3,602,180	20,893,370	20,593,638	3,901,912
Total Liabilities	\$ 10,129,745	\$ 544,865,598	\$ 543,045,712	\$ 11,949,631

Statistical

Section



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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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



Schedule 1
Escambia County, Florida

NET POSITION BY COMPONENT

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

	Fiscal Year			
	<u>2019</u>	<u>2018</u>	<u>2017*</u>	<u>2016</u>
Governmental activities				
Net investment in capital assets	\$ 535,721	\$ 482,496	\$ 463,840	\$ 437,792
Restricted	163,964	162,236	164,972	155,972
Unrestricted	(135,138)	(107,680)	(110,792)	(68,495)
Total governmental activities net position	<u>564,547</u>	<u>537,052</u>	<u>518,020</u>	<u>525,269</u>
Business-type activities				
Net investment in capital assets	51,369	50,808	49,735	47,463
Unrestricted	21,648	22,482	25,238	26,377
Total business-type activities net position	<u>73,017</u>	<u>73,290</u>	<u>74,973</u>	<u>73,840</u>
Primary government				
Net investment in capital assets	587,090	533,304	513,575	485,255
Restricted	163,964	162,236	164,972	155,972
Unrestricted	(113,490)	(85,198)	(85,554)	(42,118)
Total primary government net position	<u>\$ 637,564</u>	<u>\$ 610,342</u>	<u>\$ 592,993</u>	<u>\$ 599,109</u>

* As restated for change in Accounting Principle

Continued next page

<u>2015</u>	<u>2014*</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 436,375	\$ 442,851	\$ 452,717	\$ 458,089	\$ 458,331	\$ 445,075
128,529	64,981	102,728	86,651	85,670	91,990
(58,603)	(22,759)	15,359	30,839	10,083	10,312
<u>506,301</u>	<u>485,073</u>	<u>570,804</u>	<u>575,579</u>	<u>554,084</u>	<u>547,377</u>
51,827	50,952	52,502	49,930	49,870	48,811
17,218	13,816	15,992	14,852	14,200	10,707
<u>69,045</u>	<u>64,768</u>	<u>68,494</u>	<u>64,782</u>	<u>64,070</u>	<u>59,518</u>
488,202	493,803	505,219	508,019	508,201	493,887
128,529	64,981	102,728	86,651	85,670	91,990
(41,384)	(8,943)	31,351	45,691	24,283	21,019
<u>\$ 575,347</u>	<u>\$ 549,841</u>	<u>\$ 639,298</u>	<u>\$ 640,361</u>	<u>\$ 618,154</u>	<u>\$ 606,896</u>

Schedule 2
Escambia County, Florida

CHANGES IN NET POSITION

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

Expenses	Fiscal Year			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Governmental activities:				
General government	\$ 74,074	\$ 69,239	\$ 71,637	\$ 59,270
Public Safety	170,752	154,065	148,553	146,708
Physical environment	6,048	5,831	2,855	2,736
Transportation	50,356	49,239	48,569	56,118
Economic environment	14,642	15,180	14,088	12,461
Human services	4,086	3,011	2,679	2,602
Culture and recreation	11,408	14,177	9,957	10,248
Court related	12,530	11,426	12,583	11,686
Interest	6,621	6,491	4,574	3,277
Total governmental activities expenses	<u>350,517</u>	<u>328,659</u>	<u>315,495</u>	<u>305,106</u>
Business-type activities:				
Solid waste	11,556	10,443	10,110	10,143
Emergency medical services	16,207	15,099	13,616	12,678
Inspection fund	2,619	2,594	2,500	2,435
Bay Center	7,562	7,153	7,006	6,837
Total business-type activities expenses	<u>37,944</u>	<u>35,289</u>	<u>33,232</u>	<u>32,093</u>
Total primary government expenses	<u>\$ 388,461</u>	<u>\$ 363,948</u>	<u>\$ 348,727</u>	<u>\$ 337,199</u>
Program Revenues				
Governmental activities:				
Charges for services				
General government	5,821	5,551	5,378	4,933
Public safety	21,952	21,538	22,684	19,472
Physical environment	17,006	16,897	15,806	15,707
Transportation	6,952	6,747	7,053	6,854
Economic environment	643	766	382	581
Culture/recreation	457	435	514	520
Court related	11,718	11,449	12,316	11,559
Operating grants and contributions	17,244	27,145	19,187	24,286
Capital grants and contributions	37,113	16,103	9,856	8,255
Total governmental activities program revenue	<u>118,906</u>	<u>106,631</u>	<u>93,176</u>	<u>92,167</u>
Business-type activities:				
Charges for services				
Solid waste	16,075	14,998	15,373	15,141
Emergency medical services	11,863	12,773	10,963	12,832
Inspection fund	2,977	2,890	2,622	2,581
Bay Center	5,489	5,101	4,564	4,975
Operating grants and contributions	-	-	-	-
Capital grants and contributions	305	125	155	161
Total business-type activities program revenue	<u>36,709</u>	<u>35,887</u>	<u>33,677</u>	<u>35,690</u>
Total primary government program revenues	<u>\$ 155,615</u>	<u>\$ 142,518</u>	<u>\$ 126,853</u>	<u>\$ 127,857</u>
Net (Expense)/Revenue				
Governmental activities	\$ (231,611)	\$ (222,028)	\$ (222,319)	\$ (212,939)
Business-type activities	(1,235)	598	445	3,597
Total primary government net expense	<u>\$ (232,846)</u>	<u>\$ (221,430)</u>	<u>\$ (221,874)</u>	<u>\$ (209,342)</u>

Continued next page

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$	52,406	\$ 63,252	\$ 74,163	\$ 67,918	\$ 66,068	\$ 58,525
	127,345	127,213	107,598	120,918	117,657	120,345
	2,423	1,618	2,057	4,694	6,892	4,418
	51,235	48,542	52,130	49,084	47,726	44,860
	11,486	12,139	11,274	13,225	13,361	19,468
	2,689	2,462	2,493	2,781	2,790	3,318
	9,140	8,930	4,464	7,024	6,073	5,647
	12,955	11,215	10,152	7,922	8,405	8,446
	3,441	3,392	3,058	4,388	5,165	5,397
	<u>273,120</u>	<u>278,763</u>	<u>267,389</u>	<u>277,954</u>	<u>274,137</u>	<u>270,424</u>
	9,956	9,919	9,988	10,254	11,941	11,822
	10,978	10,796	9,912	9,723	9,387	9,563
	2,187	2,079	1,876	2,285	2,580	2,874
	6,685	6,560	6,583	5,876	5,743	6,509
	<u>29,806</u>	<u>29,354</u>	<u>28,359</u>	<u>28,138</u>	<u>29,651</u>	<u>30,769</u>
\$	<u>302,926</u>	<u>\$ 308,117</u>	<u>\$ 295,748</u>	<u>\$ 306,092</u>	<u>\$ 303,788</u>	<u>\$ 301,193</u>
	4,471	4,273	4,285	25,380	25,142	25,084
	17,998	17,947	17,725	18,629	17,679	17,469
	17,732	14,935	13,582	2,625	2,364	2,566
	6,746	6,509	6,249	1,254	1,444	1,241
	270	380	321	6	42	5
	522	494	380	397	300	311
	11,543	10,021	6,674	2,791	3,070	3,007
	18,434	18,946	19,239	45,950	32,687	31,039
	8,104	10,655	4,813	10,683	11,704	27,450
	<u>85,820</u>	<u>84,160</u>	<u>73,268</u>	<u>107,716</u>	<u>94,432</u>	<u>108,172</u>
	13,485	13,618	11,998	11,674	12,489	11,681
	12,013	12,158	11,454	9,386	11,548	13,924
	2,262	2,299	2,091	1,970	1,904	1,829
	4,409	4,558	3,905	3,735	3,490	3,974
	-	103	2	236	14	107
	735	131	1,556	92	718	1,624
	<u>32,904</u>	<u>32,867</u>	<u>31,006</u>	<u>27,093</u>	<u>30,163</u>	<u>33,138</u>
\$	<u>118,724</u>	<u>\$ 117,027</u>	<u>\$ 104,274</u>	<u>\$ 134,809</u>	<u>\$ 124,595</u>	<u>\$ 141,310</u>
\$	(187,300)	\$ (194,603)	\$ (194,121)	\$ (170,237)	\$ (179,705)	\$ (162,252)
	3,098	3,513	2,647	(1,046)	512	2,369
\$	<u>(184,202)</u>	<u>\$ (191,090)</u>	<u>\$ (191,474)</u>	<u>\$ (171,283)</u>	<u>\$ (179,193)</u>	<u>\$ (159,883)</u>

Schedule 2
Escambia County, Florida

CHANGES IN NET POSITION (Continued)

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

	Fiscal Year			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	\$ 124,916	\$ 116,325	\$ 110,051	\$ 109,691
Sales tax	75,533	72,004	66,762	64,634
Gasoline taxes	19,040	18,890	18,797	18,178
Tourist development tax	12,333	11,361	10,598	9,956
Other taxes and payments in lieu of taxes	4,734	4,849	4,789	4,759
Intergovernmental-unrestricted	9,414	8,889	8,522	8,216
Investment income	9,525	3,421	2,135	2,805
Gain (loss) on sale of capital assets			-	-
Miscellaneous	2,987	2,645	2,908	4,677
Gain (loss) on sale of capital assets			-	-
Transfers - internal activities	624	2,677	(744)	(697)
Special Item	-	-	-	9,689
Total general revenues and transfers	<u>259,106</u>	<u>241,061</u>	<u>223,818</u>	<u>231,908</u>
Business-type activities:				
Investment income	1,417	322	258	416
Gain (loss) on sale of capital assets	-	-	-	-
Miscellaneous	169	75	43	83
Capital contributions	-	-	-	-
Transfers - internal activities	(624)	(2,678)	744	697
Total business-type activities	<u>962</u>	<u>(2,281)</u>	<u>1,045</u>	<u>1,196</u>
Total primary government	<u>\$ 260,068</u>	<u>\$ 238,780</u>	<u>\$ 224,863</u>	<u>\$ 233,104</u>
Change in Net Position				
Governmental activities	\$ 27,495	\$ 19,033	\$ 1,499	\$ 18,969
Business-type activities	(273)	(1,683)	1,490	4,793
Total change in net position	<u>\$ 27,222</u>	<u>\$ 17,350</u>	<u>\$ 2,989</u>	<u>\$ 23,762</u>

Continued next page

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$	108,848	\$ 101,076	\$ 93,789	\$ 99,683	\$ 105,428	\$ 103,386
	62,074	59,450	56,515	54,113	53,164	49,382
	17,507	16,107	12,621	13,069	13,315	13,388
	9,160	8,396	7,801	7,156	6,462	5,051
	5,961	6,028	7,865	-	-	-
	7,987	7,408	7,024	8,333	8,189	8,227
	2,659	1,348	390	3,617	1,509	1,163
	-	-	-	5,246	104	133
	6,528	8,131	4,249	1,619	1,698	2,180
	(11,481)	-	-	-	-	-
	(715)	(763)	(907)	(1,104)	(3,456)	(8,044)
	-	-	-	-	-	-
	<u>208,528</u>	<u>207,181</u>	<u>189,347</u>	<u>191,732</u>	<u>186,413</u>	<u>174,866</u>
	386	177	53	615	228	130
	-	-	-	-	146	90
	79	400	104	38	209	416
	-	-	-	-	-	-
	715	763	907	1,104	3,456	8,044
	<u>1,180</u>	<u>1,340</u>	<u>1,064</u>	<u>1,757</u>	<u>4,039</u>	<u>8,680</u>
\$	<u>209,708</u>	<u>208,521</u>	<u>190,411</u>	<u>193,489</u>	<u>190,452</u>	<u>183,546</u>
\$	21,228	\$ 12,578	\$ (4,774)	\$ 21,495	\$ 6,708	\$ 12,614
	4,278	4,853	1,064	1,757	4,039	8,680
\$	<u>25,506</u>	<u>17,431</u>	<u>(3,710)</u>	<u>23,252</u>	<u>10,747</u>	<u>21,294</u>

Schedule 3
Escambia County, Florida

FUND BALANCES OF GOVERNMENTAL FUNDS

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

	Fiscal Year			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
General Fund:				
Nonspendable	\$ 727	\$ 753	\$ 694	\$ 644
Restricted			-	-
Committed			-	-
Assigned	18,484	15,268	16,297	18,952
Unassigned	29,037	34,190	30,149	27,682
Total general fund	<u>48,248</u>	<u>50,211</u>	<u>47,140</u>	<u>47,278</u>
All Other Governmental Funds:				
Nonspendable	\$ 334	\$ 501	563	17,954
Restricted	208,757	239,658	244,779	138,898
Committed	17,393	17,377	17,115	14,916
Assigned	-	-	-	-
Unassigned	(6,585)	(9,546)	(9,820)	(8,204)
Total all other governmental funds	<u>219,899</u>	<u>247,990</u>	<u>252,637</u>	<u>163,564</u>
Total all governmental funds	<u>\$ 268,147</u>	<u>\$ 298,201</u>	<u>\$ 299,777</u>	<u>\$ 210,842</u>

	Fiscal Year
	<u>2010</u>
General Fund:	
Reserved	\$ 1,458
Unreserved	31,274
Total general fund	<u>32,732</u>
All Other Governmental Funds:	
Reserved	52,433
Unreserved, reported in:	
Special revenue funds	17,321
Debt service fund	-
Capital projects funds	39,352
Total all other governmental funds	<u>109,106</u>
Total all governmental funds	<u>\$ 141,838</u>

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

Continued next page

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 4,292	\$ 4,367	\$ 4,805	\$ 5,021	\$ 579
-	-	52	-	-
-	-	-	-	-
17,911	10,073	8,402	4,908	903
25,536	23,647	19,361	16,868	27,954
<u>47,739</u>	<u>38,087</u>	<u>32,620</u>	<u>26,798</u>	<u>29,437</u>
10,118	5,609	2,567	7,776	18,896
124,568	123,349	99,764	86,651	85,670
16,121	14,267	13,545	9,100	8,418
-	-	-	8,777	7,655
(6,240)	(3,836)	(3,980)	(6,088)	(18,135)
<u>144,567</u>	<u>139,389</u>	<u>111,896</u>	<u>106,216</u>	<u>102,504</u>
<u>\$ 192,306</u>	<u>\$ 177,476</u>	<u>\$ 144,516</u>	<u>\$ 133,014</u>	<u>\$ 131,941</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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
REVENUES				
Taxes	\$ 202,217	\$ 190,782	\$ 180,220	\$ 177,312
Permits, fees and special assessments	19,392	19,127	19,048	15,966
Franchise fees	15,464	15,461	14,747	14,883
Intergovernmental revenue	94,857	83,736	67,034	70,451
Charges for services	24,949	23,908	25,441	23,968
Fines and forfeits	2,516	2,376	2,900	2,529
Investment income	9,083	3,337	2,059	2,620
Miscellaneous	6,054	5,794	5,615	6,492
Total revenues	<u>374,532</u>	<u>344,521</u>	<u>317,064</u>	<u>314,221</u>
EXPENDITURES				
General government	65,321	57,291	55,134	55,544
Public safety	141,880	136,213	132,449	132,149
Physical environment	4,338	8,486	3,385	2,110
Transportation	35,437	33,702	33,724	34,398
Economic environment	14,323	14,959	14,635	12,322
Human services	3,805	2,793	2,449	2,549
Culture and recreation	11,287	9,221	8,320	7,677
Court-related	10,841	11,180	11,286	10,541
Debt service:				
Principal	7,765	8,024	7,343	7,160
Interest	6,847	6,706	3,961	3,127
Bond issuance costs	310	-	552	-
Capital outlay	103,365	60,203	42,054	27,418
Total expenditures	<u>405,519</u>	<u>348,778</u>	<u>315,292</u>	<u>294,995</u>
Excess of revenues over (under) expenditures	<u>(30,987)</u>	<u>(4,257)</u>	<u>1,772</u>	<u>19,226</u>
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	41,545	-	-	-
Refunding notes issued	-	-	-	-
Bonds issued	-	-	78,060	-
Premium(Discount)Notes/Bonds	5,319	-	10,682	-
Notes issued	-	-	-	-
Payments made to bond escrow agents	-	-	-	-
Payments made to refunded bond holders	(46,554)	-	-	-
Insurance recoveries	-	-	-	-
Transfers in	26,862	36,849	24,865	22,053
Transfers out	(26,239)	(34,167)	(26,444)	(22,743)
Total other financing sources (uses)	<u>933</u>	<u>2,682</u>	<u>87,163</u>	<u>(690)</u>
Net change in fund balances	<u>\$ (30,054)</u>	<u>\$ (1,575)</u>	<u>\$ 88,935</u>	<u>\$ 18,536</u>
Debt service as a percentage of noncapital expenditures	5.01%	5.28%	4.27%	3.95%

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Fiscal Year					
<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 173,928	\$ 161,956	\$ 149,265	\$ 153,137	\$ 157,787	\$ 152,344
16,027	13,916	13,546	12,893	12,074	12,180
15,140	14,608	13,308	13,372	13,811	14,109
62,617	62,337	57,770	81,844	68,947	85,534
23,618	21,677	18,111	17,627	17,218	16,885
2,606	2,407	2,262	1,145	1,207	990
2,504	1,344	418	3,415	1,395	1,042
9,820	11,935	8,992	5,180	10,453	6,987
<u>306,260</u>	<u>290,180</u>	<u>263,672</u>	<u>288,613</u>	<u>282,892</u>	<u>290,071</u>
53,032	56,079	58,979	59,147	61,209	51,716
124,781	119,698	103,464	112,270	112,160	108,184
4,173	1,731	2,279	5,251	6,432	5,490
30,601	27,584	26,812	26,183	26,172	23,898
11,227	12,796	10,419	12,517	13,428	18,973
2,686	2,337	2,079	2,254	2,323	2,786
7,450	6,867	2,271	1,556	2,186	1,409
11,693	10,071	9,132	9,308	9,576	9,603
6,812	4,397	3,526	3,670	3,998	13,052
3,290	3,241	3,148	4,388	5,165	5,397
-	-	-	-	-	-
34,970	32,156	32,279	50,446	42,539	46,438
<u>290,715</u>	<u>276,957</u>	<u>254,388</u>	<u>286,991</u>	<u>285,188</u>	<u>286,946</u>
<u>15,545</u>	<u>13,223</u>	<u>9,284</u>	<u>1,622</u>	<u>(2,296)</u>	<u>3,125</u>
-	-	8,406	48,880	-	-
-	-	-	48,040	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	20,500	-	-	-	-
-	-	(8,362)	(96,700)	-	-
-	-	-	749	301	308
21,251	18,331	18,256	36,443	26,941	35,798
(21,966)	(19,094)	(16,083)	(38,057)	(34,843)	(38,842)
<u>(715)</u>	<u>19,737</u>	<u>2,217</u>	<u>(645)</u>	<u>(7,601)</u>	<u>(2,736)</u>
<u>\$ 14,830</u>	<u>\$ 32,960</u>	<u>\$ 11,501</u>	<u>\$ 976</u>	<u>\$ (9,897)</u>	<u>\$ 389</u>
4.09%	3.21%	3.08%	3.54%	4.06%	4.09%

**Schedule 5
Escambia County, Florida**

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

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

Fiscal Year	Net Assessed Value of Real Property (1)				Personal Property (2)	Total	Total Direct Tax Rate
	Residential Property	Commercial and Industrial Property	Other Property				
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
2018	11,727,822	3,150,769	384,934		2,036,817	17,300,342	7.6605
2019	12,381,210	3,526,119	398,812		2,158,624	18,464,765	7.6605

Source: Escambia County Property Appraiser

www.escpa.org

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

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



Schedule 6
Escambia County, Florida

DIRECT AND OVERLAPPING PROPERTY TAX RATES

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

	Fiscal Year			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Direct:				
Escambia County	6.6165	6.6165	6.6165	6.6165
Library	0.3590	0.3590	0.3590	0.3590
Escambia County Law Enforcement Service Taxing Unit	<u>0.685</u>	<u>0.685</u>	<u>0.685</u>	<u>0.685</u>
Total direct rate	<u>7.6605</u>	<u>7.6605</u>	<u>7.6605</u>	<u>7.6605</u>
Overlapping:				
Escambia County School Board	6.0430	6.3250	6.6310	6.8760
City of Pensacola	4.2895	4.2895	4.2895	4.2895
City of Pensacola Downtown Improvement Board	2.0000	2.0000	2.0000	2.0000
Northwest Florida Water Management	0.0327	0.0338	0.0353	0.0366
Town of Century	<u>0.9204</u>	<u>0.9204</u>	<u>0.9204</u>	<u>0.9732</u>
Total overlapping rates	<u>13.2856</u>	<u>13.5687</u>	<u>13.8762</u>	<u>14.1753</u>

Source: Escambia County Property Appraiser
www.escpa.org

Continued next page

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
6.6165	6.6165	6.9755	6.9755	6.9755	6.9755
0.3590	0.359	-	-	-	-
<u>0.685</u>	<u>0.685</u>	<u>0.685</u>	<u>0.685</u>	<u>0.685</u>	<u>0.685</u>
<u>7.6605</u>	<u>7.6605</u>	<u>7.6605</u>	<u>7.6605</u>	<u>7.6605</u>	<u>7.6605</u>
7.1130	7.557	7.558	7.821	7.860	7.860
4.2895	4.2895	4.2895	4.2895	4.5395	4.5395
2.0000	2.000	2.000	2.000	2.000	2.000
0.0378	0.039	0.040	0.040	0.045	0.045
<u>0.9006</u>	<u>0.9006</u>	<u>0.9048</u>	<u>0.9048</u>	<u>0.9048</u>	<u>0.823</u>
<u>14.3409</u>	<u>14.7861</u>	<u>14.7921</u>	<u>15.0553</u>	<u>15.3493</u>	<u>15.2675</u>

**Schedule 7
Escambia County, Florida**

PRINCIPAL PROPERTY TAX PAYERS

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

<u>Taxpayer</u>	<u>Fiscal Year 2019</u>			<u>Fiscal Year 2010</u>		
	<u>Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total County Assessed Value</u>	<u>Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total County Assessed Value</u>
Gulf Power Company	\$ 709,213	1	3.84%	\$ 455,613	1	1.74%
Sacred Heart Health Systems	328,740	2	1.78%			0.00%
International Paper Corp	267,086	3	1.45%	374,457	2	1.43%
City of Pensacola	260,159	4	1.41%			0.00%
Navy Federal Credit Union	162,287	5	0.88%			0.00%
Pensacola POB/Baptist	146,583	6	0.79%	66,231	9	0.25%
Ascend Performance Material*	128,613	7	0.70%	140,170	3	0.54%
Pensacola Christian College	126,229	8	0.68%			0.00%
West Florida Regional Medical	113,654	9	0.62%	91,542	4	0.35%
Walmart/Sams	75,565	10	0.41%	64,397	6	0.25%
Bellsouth Telecommunication				71,747	5	0.27%
CoxCom Inc (formerly Cox Cable)				50,584	7	0.19%
Simon Debartolo Group				35,322	8	0.14%
Exxon/Mobil Chemical				40,191	10	0.15%
Total	<u><u>\$ 2,318,129</u></u>		<u><u>12.55%</u></u>	<u><u>\$ 1,390,254</u></u>		<u><u>5.32%</u></u>
	(1) <u><u>\$ 18,464,765</u></u>			(1) <u><u>\$ 26,146,258</u></u>		

Sources:

Escambia County Tax Roll compiled by the Escambia County Property Appraiser

www.escpa.org

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

www.escambiataxcollector.com

(1) Total Estimated Assessed Value Countywide per Schedule 5

*Formerly Solutia, Inc.

**Schedule 8
Escambia County, Florida**

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

Fiscal Year Ended Sept. 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections Received from Prior Year Levies	Total Collections to Date	
		Amount	Percentage of Original Levy		Amount	Percentage of Levy
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%
2018	120,238,390	115,369,234	95.95%	955,642	116,324,876	96.75%
2019	128,396,943	124,720,215	97.14%	195,569	124,915,784	97.29%

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

Fiscal Year	Governmental Activities				Business Activities	
	Bonds	Unamortized Bond Issue Premiums (2)	Capital Leases	Notes	Bonds	Notes
2010	108,540,000	-	507,504	-	-	-
2011	105,050,000	-	-	-	-	-
2012	56,680,000	-	-	48,040,000	-	-
2013	47,545,000	-	-	53,660,000	-	-
2014	46,780,000	-	-	70,528,000	-	-
2015	44,820,000	-	-	65,676,000	-	-
2016	42,610,000	-	-	60,726,000	-	-
2017	118,395,000	10,593,411	-	55,658,000	-	-
2018	115,545,000	10,228,121	-	50,484,000	-	-
2019	115,890,000	14,854,399	-	37,365,000	-	-

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

(1) See Schedule 16 for more Demographic and Economic Statistics. Population and Personal income data can be found in the Schedule of Demographic and Economic Statistics on Schedule 16.

(2) Unamortized Bond Issue Premium associated with the Sales Tax Revenue Bonds, Series 2017; and Capital Improvement Refunding Revenue Bond, Series 2018.

Continued next page

Total Outstanding Debt	Percentage of Personal Income (1)	Population (1)	Debt Per Capita (1)	Percentage of Per Capita Income (1)
109,047,504	1034.68%	297,619	366	0.032%
105,050,000	950.88%	299,653	351	0.035%
104,720,000	913.59%	304,191	344	0.036%
101,205,000	856.63%	307,753	329	0.038%
117,308,000	1036.24%	309,034	380	0.031%
110,496,000	925.04%	311,003	355	0.035%
103,336,000	837.53%	311,711	332	0.038%
184,646,411	1442.65%	313,512	589	0.022%
176,257,121	1313.21%	315,534	559	0.024%
168,109,399	1252.50%	315,534	533	0.025%

Schedule 10
Escambia County, Florida

Direct and Overlapping Governmental Activities Debt and Computation of Legal Debt Margin
As of September 30, 2019

Computation of Direct and Overlapping Debt (1)

Governmental Unit	Debt Outstanding	Percentage Applicable to This Governmental Unit
Direct Debt:		
Escambia County - Revenue Bonds	\$ 115,890,000	100.00%
Escambia County - Revenue Notes	37,365,000	100.00%
Escambia County - Unamortized Bond Issue Premiums (3)	<u>14,854,399</u>	100.00%
Total Direct Debt	<u>\$ 168,109,399</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, 2019.

(1) Source: Escambia County Government

(2) Source: Florida Statutes

(3) Unamortized Bond Issue Premiums associated with the Sales Tax Revenue Bonds, Series 2017; and the Capital Improvement Refunding Revenue Bonds, Series 2018.



**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	
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
2018	25,920,787	3,980,000	3,687,105	3.38	3,738,275	2,795,000	942,774	1.00
2019	27,392,846	2,560,000	4,883,072	3.68	6,206,861	3,935,000	1,935,203	1.06

(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	
5,051,422	(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
11,361,080	(1,300,000)	10,061,080	1,249,000	40,279	8.81
10,633,148	(1,700,000)	8,933,148	1,270,000	20,307	8.24

Schedule 12
Escambia County, Florida

HISTORICAL SALES TAX REVENUE (1)

Last Ten Fiscal Years

Fiscal Year	Half-Cent Sales Tax Revenues (2)	Percentage Change
2010	18,089,862	-0.7%
2011	19,531,628	8.0%
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%
2018	25,920,787	7.2%
2019	27,392,846	5.7%

(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, 2010 through 2019 (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.

(2) 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 REVENUES

Last Eight Fiscal Years

	Fiscal Year Ended September 30,			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Sales Tax Revenue	\$ 27,392,846	\$ 25,920,787	\$ 24,173,396	\$ 23,418,049
Maximum Annual Debt Service on the Series 2012 Note and Series 2017 Bonds (1)	9,571,501	9,572,824	9,572,824	9,572,824
Sales Tax Revenue coverage of Maximum Annual Debt Service on the Series 2012 Note and Series 2017 Bonds (1)	2.86 x	2.71 x	2.53 x	2.45 x

(1) The coverage table compares the historical Sales Tax Revenues to the pro forma aggregate maximum annual debt service on 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 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 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. The maximum annual debt service above assumes the owner of the Note does not exercise the mandatory prepayment option.

Continued next page

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 22,513,589	\$ 21,735,479	\$ 20,617,921	\$ 19,793,471
9,572,824	9,572,824	9,572,824	9,572,824
2.35 x	2.27 x	2.15 x	2.07 x

**Schedule 14
Escambia County, Florida**

HISTORICAL NON-AD VALOREM REVENUE (1)

Last Six Fiscal Years

	Fiscal Year Ended September 30,		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Charges for Other Services	\$ 24,949,395	\$ 23,908,299	\$ 25,441,094
Half-Cent Sales Tax	27,392,846	25,920,787	24,173,396
Electric Franchise Fee	11,813,944	11,877,215	11,353,718
Communication Services Tax	2,225,150	2,467,712	2,461,336
State Revenue Sharing	9,343,600	8,883,539	8,477,607
Reimbursement of Indirect Costs	2,342,595	3,259,281	3,355,784
Investment Income	9,082,990	3,336,558	2,058,847
Miscellaneous	6,054,107	5,794,200	5,607,165
Permits & Fees	362,347	381,468	327,086
Judgements & Fines	2,515,765	2,376,467	2,900,280
Excess Fees - Constitutional Officers	2,691,540	1,837,347	1,954,195
Other Non-enterprise, Non-Ad Valorem	150,841,604	138,153,148	118,902,982
	<u>\$ 249,615,883</u>	<u>\$ 228,196,021</u>	<u>\$ 207,013,490</u>
TOTALS	<u>\$ 249,615,883</u>	<u>\$ 228,196,021</u>	<u>\$ 207,013,490</u>

(1) The table sets forth the sources and total amounts of Non-Ad Valorem Revenue of the county for the Fiscal Years ended September 30, 2014 through 2019 (audited).

Continued next page

<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 23,968,246	\$ 23,617,512	\$ 21,677,255
23,418,049	22,513,589	21,735,479
11,540,341	11,830,914	11,273,510
2,659,111	2,737,529	2,661,569
8,168,290	7,949,431	7,357,972
2,866,294	2,727,676	2,143,749
2,619,591	2,503,613	1,343,694
6,492,126	9,819,968	11,934,939
331,995	259,021	235,927
2,528,843	2,605,545	2,406,901
1,146,715	1,663,774	1,889,212
118,790,108	109,182,868	109,721,231
<u>\$ 204,529,709</u>	<u>\$ 197,411,440</u>	<u>\$ 194,381,438</u>

Schedule 15
Escambia County, Florida

DEBT SERVICE REQUIREMENTS FROM NON-AD VALOREM REVENUES (1)

Last Six Fiscal Years

	Fiscal Year Ended September 30,					
	<u>2019</u>	<u>2018 (2)</u>	<u>2017 (2)</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Governmental Fund Revenues	374,531,667	344,520,897	317,064,265	314,220,781	306,259,820	290,180,326
Less Ad Valorem Revenues	<u>(124,915,784)</u>	<u>(116,324,876)</u>	<u>(110,050,775)</u>	<u>(109,691,072)</u>	<u>(108,848,380)</u>	<u>(95,798,888)</u>
Non-Ad Valorem Revenues	249,615,883	228,196,021	207,013,490	204,529,709	197,411,440	194,381,438
Essential Expenditures						
General Government	(65,320,610)	(57,290,782)	(55,134,177)	(55,543,552)	(53,031,820)	(56,078,759)
Public Safety	<u>(141,879,522)</u>	<u>(136,212,623)</u>	<u>(132,448,931)</u>	<u>(132,149,155)</u>	<u>(124,781,265)</u>	<u>(119,698,436)</u>
Total Essential Expenditures	<u>(207,200,132)</u>	<u>(193,503,405)</u>	<u>(187,583,108)</u>	<u>(187,692,707)</u>	<u>(177,813,085)</u>	<u>(175,777,195)</u>
Allocable Portion of Essential Expenditures	(138,093,647)	(128,168,443)	(122,474,331)	(122,171,215)	(114,616,201)	(117,746,866)
Revenues for Coverage	111,522,236	100,027,578	84,539,159	82,358,494	82,795,239	76,634,572
Total Maximum Annual Debt Service (2)	15,543,460	14,780,583	14,477,293	10,285,572	10,285,572	10,285,572
Coverage	7.17 x	6.77 x	5.84 x	8.01 x	8.05 x	7.45 x

(1) The coverage table sets forth the debt service requirements on the Bonds and other outstanding County indebtedness secured by a pledge of a portion or a covenant to budget and appropriate Non-Advalorem Revenues.

(2) The Total Maximum Annual Debt Services for 2018 and 2017 includes the refunded obligations on November 28, 2018, as described in Note 6 of the notes to financial statements of the 2018 CAFR.

**Schedule 16
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)
2010	297,619	37.0	35,412	10,539,284	40,049	10.1%
2011	299,653	37.5	36,868	11,047,607	39,658	9.9%
2012	304,191	38.0	37,682	11,462,525	39,870	8.1%
2013	307,753	37.6	38,389	11,814,330	40,082	6.5%
2014	309,034	37.6	36,632	11,320,533	43,010	6.1%
2015	311,003	37.3	38,408	11,945,003	42,082	5.2%
2016	311,711	36.9	39,582	12,338,145	39,284	5.1%
2017	313,512	37.2	40,825	12,799,127	39,859	4.0%
2018	315,534	37.1	42,537	13,421,870	39,078	3.0%
2019	315,534	37.3	42,537	13,421,870	38,698	3.0%

Sources:

- (1) Florida Research and Economic Information Database (FRIEDA) <http://freida.labormarketinfo.com>
 2019 Population was unavailable at time of issue, and is based on 2018 data
 2019 Per Capita Personal Income was unavailable at time of issue, and is based on 2018 data
- (2) University of West Florida HAAS Center www.haas.uwf.edu
- (3) Personal income is a calculated amount based on population and per capita personal income.
- (4) Escambia County School District - School Board Budget Department www.escambia.k12.fl.us

**Schedule 17
Escambia County, Florida**

PRINCIPAL EMPLOYERS

Current and Nine Years Ago

<u>Employer</u>	2019 (1)			2010 (2)		
	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
Local government	15,500	1	28.05%	15,790	1	36.50%
Navy Federal Credit Union	8,375	2	15.16%			
State government	7,400	4	13.39%	5,970	3	13.80%
Baptist Health Care	7,347	5	13.30%	3,163	5	7.31%
Federal government	6,800	3	12.31%	7,403	2	17.11%
Sacred Heart Health Systems	4,820	6	8.72%	5,000	4	11.56%
Gulf Power Company	1,774	7	3.21%			
Ascend Performance Materials	1,288	8	2.33%	1,400	8	3.24%
West Florida Healthcare	1,200	9	2.17%			
Innisfree Hotels	750	10	1.36%	1,300	9	3.01%
Lakeview Center				2,000	6	4.62%
University of West Florida				1,231	10	2.85%
Total Employees	55,254			43,257		

Source:

(1) Florida West Economic Development Alliance www.FloridaWestEDA.com and Florida Research and Economic Information Database Applications (Total Government) www.FREIDA.labormarketinfo.com

(2) Escambia County Comprehensive Annual Fiscal Report for the year ending 2010.



**Schedule 18
Escambia County, Florida**

ESCAMBIA COUNTY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

Last Ten Fiscal Years

<u>Function/Program</u>	<u>Number of Full Time Equivalent Employees as of September 30</u>			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>General government</u>				
Board of County Commissioners	193	200	215	177
Clerk of Circuit Court & Comptroller	42	42	41	41
Property Appraiser	71	70	70	70
Supervisor of Elections	15	15	15	13
Tax Collector	103	103	100	100
<u>Public safety</u>				
Board of County Commissioners	924	925	918	862
Sheriff	693	704	652	652
<u>Physical environment</u>				
Board of County Commissioners	70	63	67	65
<u>Transportation</u>				
Board of County Commissioners	326	324	225	229
<u>Economic environment</u>				
Board of County Commissioners	5	6	6	6
<u>Human services</u>				
Board of County Commissioners	30	30	29	43
<u>Culture and recreation</u>				
Board of County Commissioners	93	85	26	26
<u>Court related</u>				
Board of County Commissioners	15	14	14	13
Clerk of Circuit Court & Comptroller	112	108	119	118
Total	<u>2,692</u>	<u>2,689</u>	<u>2,497</u>	<u>2,415</u>

Source: Escambia County Government

Continued next page

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
197	192	211	198	197	207
53	53	55	54	53	53
70	75	70	70	69	69
13	13	15	15	14	15
100	103	103	89	89	89
841	810	373	379	379	398
670	645	1,079	1,102	1,094	1,103
66	105	103	98	104	105
197	192	196	194	190	199
5	4	-	-	-	-
43	30	29	27	28	26
24	25	26	25	24	26
7	6	4	4	3	3
<u>117</u>	<u>116</u>	<u>117</u>	<u>125</u>	<u>130</u>	<u>130</u>
<u><u>2,403</u></u>	<u><u>2,369</u></u>	<u><u>2,381</u></u>	<u><u>2,380</u></u>	<u><u>2,374</u></u>	<u><u>2,423</u></u>

Schedule 19
Escambia County, Florida

OPERATING INDICATORS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
General Government				
County residents per employee (1)	117	117	126	129
Public Safety				
Building permits -total value	unavailable	unavailable	\$ 228,500,135	\$ 202,881,216
Building permits - single & multi-family units	1,138	1,371	928	923
Building permits - single family units	unavailable	unavailable	836	816
Building permits - multi-family units	unavailable	unavailable	92	107
Total fire responses	21,137	18,440	16,683	14,317
Total permits issued	24,831	26,110	20,881	20,200
Total inspections performed	46,043	51,120	38,848	34,461
Code enforcement complaints	6,479	6,753	6,471	6,431
Emergency calls (ambulance)	67,866	58,653	51,464	46,881
Non-emergency calls (ambulance)	3,369	4,400	2,760	2,435
Total ambulance transports	42,727	40,288	36,595	36,442
911 calls - City	70,347	45,962	49,636	51,159
Arrests - City	3,959	3,697	3,301	3,039
Traffic violations - City	8,391	7,315	8,009	6,804
911 calls - County	48,410	50,468	50,661	50,536
Arrests - County	12,015	20,107	15,953	14,137
Traffic violations - County	14,435	23,255	32,381	22,559
Physical environment				
Solid waste managed at Perdido Landfill (tons)	428,933	396,444	411,452	334,027
Waste disposed of in the class I landfill (tons)	361,620	339,170	362,882	318,320
Tons of yard trash recycled	10,198	9,170	7,609	8,033
Tons of various recycled materials	56,496	47,520	40,053	4,924
Hazardous material disposed of (tons)	44	42	43	76
Transportation				
Passenger trips - fixed route services	1,398,149	1,445,102	1,578,305	1,443,463
Passenger trips - paratransit/demand services	105,879	101,579	92,820	87,558
Bob Sikes toll receipts	3,277,699	3,403,058	3,540,583	3,452,765
Culture and recreation				
Bay Center operating revenues	5,514,304	5,148,240	4,573,010	4,989,232
Parks & recreation park uses	118	127	78	73
Equestrian Center events	37	53	66	56
Lake Stone rentals	531	447	473	426
Naval Air Museum visitors	720,951	738,043	772,997	842,639
Students enrolled - University of West Florida	12,850	13,033	12,979	12,798
Students enrolled - Pensacola State College	7,054	8,824	8,651	8,229

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 16 and total County government employees on Schedule 18

Continued next page

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
129	130	129	128	126	123
\$ 160,326,832	\$ 130,236,352	\$ 113,949,035	\$ 91,212,174	\$ 62,593,839	\$ 90,953,291
771	915	787	623		
761	669	777	621	609	529
10	246	10	2	2	391
15,320	14,769	15,946	15,392	15,736	15,493
18,786	19,416	17,440	15,176	15,741	15,330
33,628	34,490	31,798	27,205	25,288	25,581
7,579	6,165	8,292	6,400	6,354	7,418
41,537	41,599	37,872	38,668	36,516	35,557
534	950	2,103	531	797	1,068
35,225	33,715	33,136	31,542	37,313	36,625
56,602	61,540	57,416	59,583	55,093	52,780
3,176	3,225	3,773	3,316	3,405	3,375
6,859	7,367	8,179	5,894	5,879	5,786
42,402	46,199	46,246	48,467	45,071	45,710
11,306	15,348	16,944	17,850	16,986	18,776
12,014	10,254	9,114	14,314	7,833	11,201
257,778	280,128	258,856	266,114	270,935	284,689
234,031	267,821	244,018	243,737	240,934	257,192
20,262	9,377	5,015	6,315	14,977	17,628
3,380	2,247	6,726	9,316	20,531	24,343
34	43	70	72	58	35
1,490,282	1,516,853	1,561,371	1,359,002	1,145,539	1,164,519
87,355	56,651	43,774	49,639	49,138	46,383
3,537,142	3,327,729	3,310,752	3,316,180	3,249,907	2,902,503
4,434,520	4,563,725	3,937,617	3,750,220	3,514,818	4,016,368
69	96	89	104	99	85
56	51	47	42	37	35
391	432	439	450	588	688
872,082	799,380	765,063	804,344	801,397	726,688
12,602	12,588	12,823	11,982	11,599	11,184
9,022	9,568	9,328	9,509	9,335	9,276

Schedule 20
Escambia County, Florida

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

Function/Program	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
General government				
Facilities - number	224	223	219	219
Facilities - square footage	2,416,378	2,410,929	2,344,323	2,357,518
Public Safety				
Road prison capacity	236	256	256	252
Work release facility capacity	438	438	412	380
Fire stations	21	21	22	22
Rescue vehicles (fire trucks, etc)	52	52	52	53
Ambulances	32	29	33	30
Mass transit bus/trolley	82	83	71	70
Sheriffs vehicles (marked/unmarked)	420	420	425	400
Sheriff substations	7	4	4	6
Physical environment				
Landfills in operation (accepting waste)	1	1	1	1
Beaches (miles)				
Pensacola (1)*	17	17	17	17
Perdido Key (2)*	13	13	13	13
Transportation				
Centerline miles of county roads				
Paved mileage	1,499	1,496	1,493	1,486
Unpaved mileage	67	69	70	75.15
Traffic signals	455	435	414	361
Bridges	148	148	150	150
Culture and recreation				
Athletic parks	16	16	16	16
Campgrounds	2	2	2	2
Community centers	16	16	16	16
Equestrian center	1	1	1	1
Neighborhood parks	82	82	82	82
Undeveloped parks	11	11	11	11
Beach access/boat ramps	21	21	21	21
Libraries (locations)	7	7	7	7

N/A: Information not available

Sources: Individual County departments

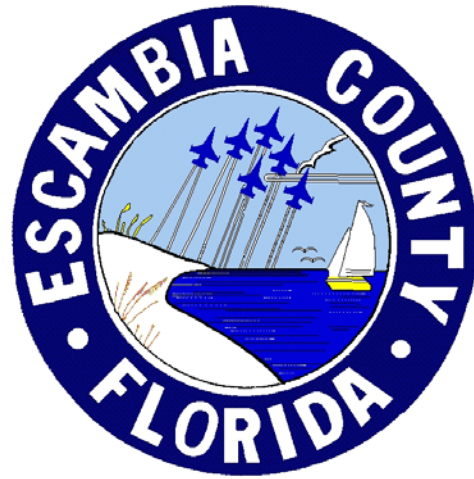
(1) Source: Santa Rosa Island Authority and Community & Environment Bureau

(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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
213	226	224	214	224	216
2,515,675	2,489,964	2,497,854	2,329,716	2,437,151	2,294,305
236	236	236	236	236	236
380	380	280	280	280	280
22	23	23	22	22	21
53	53	57	67	81	81
29	25	30	30	26	31
83	66	54	44	46	43
400	400	400	365	375	333
6	6	6	6	6	6
1	1	1	2	2	2
17	17	17	17	17	17
13	13	13	13	13	13
1,479	1,474	1,467.60	1,467.60	1,463.86	1,456.02
80.09	84.07	89.39	89.39	91.83	93.49
356	338	318	324	340	310
165	139	139	132	128	126
16	16	16	16	15	15
2	2	2	2	2	2
16	16	16	16	15	15
1	1	1	1	1	1
82	82	82	82	82	82
11	11	11	11	11	11
21	21	20	20	20	20
6	6	6	6	6	6



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 the OMB Subpart F of 2 C.F.R. Part 200 (Uniform Guidance) 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, 2019, 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 10, 2020. 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.

Warren Averett, LLC

Pensacola, Florida
February 10, 2020

**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, 2019:

- (1) Florida Statute 218.415 in regard to investments.
- (2) Florida Statute 288.8018 in regard to the Deepwater Horizon Oil Spill receipts and expenditures.
- (3) Florida Statutes 365.172 and 365.173 in regard 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, 2019.

Warren Averett, LLC

Pensacola, Florida
February 10, 2020

**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, 2019, and have issued our report thereon dated February 20, 2019, 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 223 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 10, 2020

Escambia County, Florida

**SCHEDULE OF RECEIPTS AND EXPENDITURES OF
FUNDS RELATED TO THE DEEPWATER HORIZON OIL SPILL
For the Fiscal Year Ended September 30, 2019**

Source	Amount Received in the 2018-19 Fiscal Year	Amount Expended in the 2018-19 Fiscal Year
Office of Gulf Coast Restoration:		
RESTORE MYIP AMENDMENTS AWARD 1 RDCGR080042-01-00	\$ 38,208	\$ 40,687
RESTORE MYIP CARPENTER CREEK/TEXAR PLAN 1 RDCGR080046-01-00	9,026	9,370
RESTORE MYIP UNIVERSAL ACCESS PLAN 1 RDCGR080048-01-00	55,765	56,319
RESTORE MYIP MYIP ELEVEN MILE PONDS PLAN 1 RDCGR080049-01-00	8,588	8,934
RESTORE MYIP HOLLIS T WILLIAMS PARK 1 RDCGR080054-01-00	2,856	2,983
RESTORE MYIP SOUTH DOGTRACK DRAINAGE 1 RDCGR080055-01-00	16,681	17,364
SUBTOTAL:	131,124	135,657
Environmental Protection Agency:		
DEEPWATER HORIZON-PENSACOLA BAY LIVING SHORELINE G0448	41,225	41,225
SUBTOTAL:	41,225	41,225
NRDA Grant Funds:		
NRDA ERP DEP BOAT RAMPS S0779	39,816	39,816
NRDA ERP DEP TURTLE LIGHTING S0705	128,849	128,849
NRDA ERP DEP PERDIDO KEY DUNE RESTORATION S0927	15,111	184
SUBTOTAL:	183,776	168,849
TOTAL:	\$ 356,125	\$ 345,731

Note: These funds related to the Deepwater Horizon Oil Spill are considered Federal and State awards and are reported on the Schedule of Expenditures of Federal Awards and State Financial Assistance under CFDA #21.015, CFDA #87.051, and CFDA #37.081.

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, 2019, and have issued our report thereon dated February 10, 2020.

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 10, 2020, 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 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.b. 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 communicate in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Special District Component Units

Section 10.554(1)(i)5.c, *Rules of the Auditor General*, requires that we determine whether 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 us to communicate noncompliance with provisions of contracts or grant agreements or abuse that have occurred or are likely to have occurred that have an effect on the financial statements that is less than material, but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such to include.

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 10, 2020

**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, 2019. 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, 2019.

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, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated February 10, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance is presented for the purposes of additional analysis as required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and State Financial Assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

Purpose of this Report

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

Warren Averett, LLC

Pensacola, Florida
February 10, 2020

**ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Federal and State Grantor/Pass-Through Grantor/Program Title	CSFA Number	Contract / Grant Number	Expenditures	Passed Through to Subrecipients
FEDERAL AWARDS				
<u>Gulf Coast Ecosystem Restoration Council</u>				
Passed Through Florida Department of Environmental Protection:				
Gulf Coast Ecosystem Restoration Council Comprehensive Plan Component Program	87.051	G0448	\$ 41,225	\$ -
<u>U.S. Department of Agriculture</u>				
Direct Programs:				
Emergency Watershed Program	10.923	NR184209XXXXC038	423,918	-
<u>U.S. Department of Health and Human Services</u>				
Passed Through Florida Department of Revenue:				
Child Support Enforcement	93.563	CST17	48,504	-
Child Support Enforcement	93.563	COC17	402,164	-
			450,668	-
Passed Through Big Bend Community Based Care, Inc.:				
Block Grants for Community Mental Health Services	93.958	A0150	42,665	-
<u>U.S. Department of Homeland Security</u>				
Passed Through Florida Division of Emergency Management:				
Flood Mitigation Assistance	97.029	16FM-J8-01-27-01-265	398,186	-
Flood Mitigation Assistance	97.029	18FM-S7-01-27-01-081	113,646	-
Flood Mitigation Assistance	97.029	18FM-S3-01-27-01-019	8,209	-
			520,041	-
Passed Through Florida Division of Emergency Management:				
Disaster Grants-Public Assistance	97.036	13-IS-3S-01-27-02-558	2,744,481	-
Disaster Grants-Public Assistance	97.036	15SP-8Z-01-27-02-514	26,214,242	-
			28,958,723	-
Passed Through Florida Division of Emergency Management:				
Hazard Mitigation Grant	97.039	16HM-H4-01-27-01-452	1,489,656	-
Hazard Mitigation Grant	97.039	16HM-H4-01-27-01-XXX	14,893	-
Hazard Mitigation Grant	97.039	17HM-H4-01-27-01-314	226,721	-
Hazard Mitigation Grant	97.039	18HM-H4-01-27-01-XXX	14,658	-
			1,745,928	-
Passed Through Florida Division of Emergency Management:				
Emergency Management Performance Grants	97.042	G0021	17,224	-
Emergency Management Performance Grants	97.042	19-FG-AF -01-27-01-097	67,633	-
Passed Through Florida Commission on Community Service DBA Volunteer Florida:				
Emergency Management Performance Grants	97.042	CERT Contract Agreement 2018-2019	5,000	-
			89,857	-
Direct Programs:				
Homeland Security Grant Program	97.067	19-DS-X1-27-01-128	998	-
<u>U.S. Department of Housing and Urban Development</u>				
Direct Programs:				
Community Development Block Grant/Entitlement Grants	14.218	B-14-UC-12-0012	89,279	-
Community Development Block Grant/Entitlement Grants	14.218	B-15-UC-12-0012	485,920	-
Community Development Block Grant/Entitlement Grants	14.218	B-16-UC-12-0012	97,236	-
Community Development Block Grant/Entitlement Grants	14.218	B-17-UC-12-0012	155,221	-
Community Development Block Grant/Entitlement Grants	14.218	B-18-UC-12-0012	759,721	-
			1,587,377	-

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, 2019**

Federal and State Grantor/Pass-Through Grantor/Program Title	CFDA / CSFA Number	Contract / Grant Number	Expenditures	Passed Through to Subrecipients
<u>U.S. Department of Housing and Urban Development-Continued</u>				
Direct Programs:				
Home Investment Partnerships Program	14.239	M-13-DC-12-0225	62,529	-
Home Investment Partnerships Program	14.239	M-14-DC-12-0225	61,155	-
Home Investment Partnerships Program	14.239	M-16-DC-12-0225	2,624	2,624
Home Investment Partnerships Program	14.239	M-17-DC-12-0225	21,027	19,178
Home Investment Partnerships Program	14.239	M-18-DC-12-0225	105,690	53,974
			253,025	75,776
<u>U.S. Department of Justice</u>				
Direct Programs:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2016-DJ-BX-1080	92,382	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2017-DJ-BX-0830	82,164	-
Passed Through Florida Department of Law Enforcement:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-JAGC-ESCA-1-N2-072	50,000	-
			224,546	-
<u>U.S. Department of Transportation</u>				
Passed Through Florida Department of Transportation:				
Highway Planning and Construction	20.205	G0072	167,947	-
Highway Planning and Construction	20.205	G0K38	52,356	-
Highway Planning and Construction	20.205	G0M06	237,692	-
Highway Planning and Construction	20.205	G0M80	416,816	-
Highway Planning and Construction	20.205	G0W17	82,913	-
Highway Planning and Construction	20.205	G0073	103,866	-
			1,061,590	-
Federal Transit Cluster				
Direct Programs:				
State of Good Repair Grants Program	20.525	FL-04-0181-00	44,425	-
Direct Programs:				
Federal Transit Formula Grants	20.507	FL-90-X938-00	3,425	-
Federal Transit Formula Grants	20.507	FL-90-X759-00	203,989	-
Federal Transit Formula Grants	20.507	FL-90-X804-00	36,437	-
Federal Transit Formula Grants	20.507	FL-90-X825-00	5,166	-
Federal Transit Formula Grants	20.507	FL-90-X990	265,744	-
Federal Transit Formula Grants	20.507	FL-90-X877-00	2,476	-
Federal Transit Formula Grants	20.507	FL 2019-034-00	300,000	-
Federal Transit Formula Grants	20.507	FL2019-059-00	3,433,635	-
			4,250,872	-
Direct Programs:				
Bus and Facilities Formula Program	20.526	FL-34-0021-00	71,770	-
Bus and Facilities Formula Program	20.526	FL-2017-005-00	768	-
			72,538	-
Subtotal Federal Transit Cluster			4,367,835	-
Passed Through Florida Department of Transportation:				
Formula Grant for Rural Areas	20.509	G0R31	80,939	-

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, 2019**

Federal and State Grantor/Pass-Through Grantor/Program Title	CSFA Number	Contract / Grant Number	Expenditures	Passed Through to Subrecipients
<u>U.S. Department of the Treasury</u>				
Direct Program:				
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	21.015	1 RDCGR080046-01-00	9,370	-
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	21.015	1 RDCGR080048-01-00	56,319	-
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	21.015	1 RDCGR080049 -01-00	8,934	-
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	21.015	1 RDCGR080042-01-00	40,687	-
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	21.015	1 RDCGR080054-01-00	2,983	-
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	21.015	1 RDCGR080055-01-00	17,364	-
			135,657	-
<u>U.S. Election Assistance Commission</u>				
Passed Through Florida Department of State:				
Help America Vote Act Requirements	90.401	MOA 2017-2018-0001-ESC	11,418	-
Help America Vote Act Requirements	90.401	MOA 2018-2019-001-ESC	108,864	-
Help America Vote Act Requirements	90.401	MOA 2018-2019-002-ESC	5,640	-
			125,922	-
<u>U.S. Environmental Protection Agency</u>				
Gulf Coast Ecosystem Restoration Council Comprehensive Plan	66.130	00D81118	35,829	-
Direct Program:				
Gulf of Mexico Program	66.475	D43616	50,391	-
			\$ 40,197,134	\$ 75,776
 STATE AWARDS				
<u>Executive Office of the Governor</u>				
Direct Program:				
Emergency Management Programs	31.063	19-BG-21-01-27-01-024	\$ 56,500	\$ -
Emergency Management Projects	31.067	19-CP-11-01-27-01-105-166	11,915	-
<u>Florida Department of Agriculture and Consumer Services</u>				
Direct Program:				
Mosquito Control	42.003	025495	42,133	-
<u>Florida Department of Economic Opportunity</u>				
Passed Through Enterprise Florida, Inc.:				
Local Economic Development Initiatives	40.012	14-07	183,424	-
Local Economic Development Initiatives	40.012	DIG 15-09	200,000	-
Direct Program:				
Florida Defense Infrastructure Grant	40.012	S0031	100,000	-
			483,424	-
<u>Florida Department of Environmental Protection</u>				
Direct Program:				
Statewide Surface Water Restoration and Wastewater Projects	37.039	S0878	101,850	-
Direct Programs:				
Early Restoration Deepwater Horizon Oil Spill	37.081	S0779	39,816	-
Early Restoration Deepwater Horizon Oil Spill	37.081	S0705	128,849	-
Early Restoration Deepwater Horizon Oil Spill	37.081	S0927	184	-
			168,849	-

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, 2019**

Federal and State Grantor/Pass-Through Grantor/Program Title	CFDA / CSFA Number	Contract / Grant Number	Expenditures	Passed Through to Subrecipients
Florida Department of Health				
Direct Program:				
County Grant Awards	64.005	C7017	26,994	-
Florida Department of State and Secretary of State				
Direct Program:				
State Aid To Libraries	45.030	19-ST-91	115,188	-
Florida Department of Transportation				
Direct Program:				
Commission for the Transportation Disadvantaged (CTD) Trip and Equipment Grant Program	55.001	G1A24	172,843	-
Commission for the Transportation Disadvantaged (CTD) Trip and Equipment Grant Program	55.001	G0X22	218,010	-
Commission for the Transportation Disadvantaged (CTD) Trip and Equipment Grant Program	55.001	GOY02	26,122	-
Direct Program:				
Public Transit Block Grant Program	55.010	G0Z76	942,970	-
Direct Program:				
Transit Corridor Program	55.013	G1036	434,059	-
Direct Program:				
Economic Development Transportation Project Fund	55.032	G0U96	253,801	-
Direct Program:				
Economic Development Transportation Project Fund	55.039	G0W62	500,000	-
Florida Department of Education and Commissioner of Education				
Direct Program:				
Coach Aaron Feis Guardian Program	48.140	96Z-90210-9D001	220,612	-
Florida Fish and Wildlife Conservation Commission				
Direct Program:				
Derelict Vessel Removal Program	77.005	18212	8,042	-
Direct Programs:				
Artificial Reef Grants Program	77.007	15104	39,312	-
Artificial Reef Grants Program	77.007	15153	1,817,612	-
			<u>1,856,924</u>	-
Florida Housing Finance Corporation				
Direct Programs:				
State Housing Initiatives Partnership Program	40.901	2017 SHIP	1,105,541	-
State Housing Initiatives Partnership Program	40.901	2018 SHIP	250,935	-
State Housing Initiatives Partnership Program	40.901	2019 SHIP	272,506	23,265
			<u>1,628,982</u>	<u>23,265</u>
TOTAL STATE AWARDS			<u>\$ 7,269,218</u>	<u>\$ 23,265</u>
TOTAL FEDERAL AND STATE AWARDS			<u>\$ 47,466,352</u>	<u>\$ 99,041</u>

See accompanying notes to the schedule of expenditures of federal awards and state financial assistance.

**ESCAMBIA COUNTY FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

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, 2019. Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Escambia County, Florida did not elect to utilize the ten 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.

NOTE D – EXPENDITURES INCURRED IN PRIOR FISCAL YEAR

Total CFDA 97.036 expenditures for contract 13-IS-3S-01-27-02-558 of \$2,744,481 were incurred in a prior fiscal year and obligated by FEMA in the current fiscal year.

**ESCAMBIA COUNTY FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

A. SUMMARY OF AUDITOR RESULTS

FINANCIAL STATEMENTS

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

FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

Internal control over major programs:
Material weakness(es) identified? _____ yes no
Significant deficiency(ies) identified that are
not considered to be material weakness(es)? _____ yes none reported
Type of auditors' report issued on compliance
for major programs: Unmodified Opinion
Any audit findings disclosed that are required
to be reported in accordance with the Uniform
Guidance or Chapter 10.550, Rules of
the Auditor General? _____ yes no

IDENTIFICATION OF MAJOR PROGRAM

Federal Program

CFDA No. 14.218 Community Development Block Grant/Entitlement Grants
CFDA No. 97.036 Disaster Grants-Public Assistance

Dollar threshold used to distinguish
between type A and type B programs: \$ 1,205,914
Auditee qualified as low-risk auditee? yes _____ no

**ESCAMBIA COUNTY FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

A. SUMMARY OF AUDITOR RESULTS – (CONTINUED)

State Projects

CSFA No. 40.901 State Housing Initiatives Partnership Program
CSFA No. 55.010 Public Transit Block Grant Program
CSFA No. 77.007 Artificial Reef Grants Program

Dollar threshold used to distinguish
between type A and type B programs: \$ 750,000

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 General Auditor 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, 2019

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL REPORTS**

**ESCAMBIA COUNTY, FLORIDA CLERK OF THE CIRCUIT COURT AND COMPTROLLER
SEPTEMBER 30, 2019**

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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, 2019, 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, 2019, 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, 2019, 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.*"

Purpose of this Report

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

Pensacola, Florida

January 3, 2020

Financial Statements

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

**BALANCE SHEET
GOVERNMENTAL FUNDS**

SEPTEMBER 30, 2019

	<u>Major Funds</u>		
	<u>General Fund</u>	<u>Public Records Modernization Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 4,072,833	\$ 2,902,767	\$ 6,975,600
Accounts receivable, net	379	-	379
Due from other governmental units	7,372	80,124	87,496
Total assets	<u>\$ 4,080,584</u>	<u>\$ 2,982,891</u>	<u>\$ 7,063,475</u>
LIABILITIES			
Accounts payable	\$ 385,939	\$ 6,555	\$ 392,494
Contracts payable	27,240	-	27,240
Accrued liabilities	288,483	23,824	312,307
Due to BCC	1,291,537	-	1,291,537
Due to other governmental units	2,003,966	130,424	2,134,390
Other current liabilities	83,419	-	83,419
Total liabilities	<u>4,080,584</u>	<u>160,803</u>	<u>4,241,387</u>
FUND BALANCES			
Restricted for:			
Records modernization technology	-	2,822,088	2,822,088
Unassigned:	-	-	-
Total fund balances	<u>-</u>	<u>2,822,088</u>	<u>2,822,088</u>
Total liabilities and fund balances	<u>\$ 4,080,584</u>	<u>\$ 2,982,891</u>	<u>\$ 7,063,475</u>

See accompanying notes to financial statements.

**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, 2019

	Major Funds		
	General Fund	Public Records Modernization Fund	Total Governmental Funds
REVENUES			
Intergovernmental	\$ 289,560	\$ 402,164	\$ 691,724
Charges for services	6,174,278	639,197	6,813,475
Judgments, fines and forfeitures	1,532,857	-	1,532,857
Investment income	326,816	-	326,816
Miscellaneous revenue	385,138	119	385,257
Total Revenues	<u>8,708,649</u>	<u>1,041,480</u>	<u>9,750,129</u>
EXPENDITURES			
Current:			
General government:			
Salaries and benefits	3,241,664	-	3,241,664
Operating expenditures	446,693	-	446,693
Capital outlay	172,576	-	172,576
Court related:			
Salaries and benefits	5,294,093	658,174	5,952,267
Operating expenditures	665,862	28,350	694,212
Capital outlay	57,835	-	57,835
Payments to State	802,184	-	802,184
Total Expenditures	<u>10,680,907</u>	<u>686,524</u>	<u>11,367,431</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,972,258)</u>	<u>354,956</u>	<u>(1,617,302)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	2,995,100	-	2,995,100
Transfers out	(1,022,842)	-	(1,022,842)
Total Other Financing Sources and Uses	<u>1,972,258</u>	<u>-</u>	<u>1,972,258</u>
Net Change in Fund Balances	-	354,956	354,956
Fund Balances, October 1, 2018	<u>-</u>	<u>2,467,132</u>	<u>2,467,132</u>
Fund Balances, September 30, 2019	<u>\$ -</u>	<u>\$ 2,822,088</u>	<u>\$ 2,822,088</u>

See notes to financial statements.

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

**INTERNAL SERVICE FUND
STATEMENT OF NET POSITION**

SEPTEMBER 30, 2019

ASSETS

Current assets:

Cash and cash equivalents	\$ 691,929
Total current assets	<u>\$ 691,929</u>

LIABILITIES

Current liabilities:

Compensated absences payable	\$ 69,193
Total current liabilities	<u>69,193</u>

Noncurrent Liabilities:

Compensated absences payable	622,736
Total noncurrent liabilities	<u>622,736</u>
Total liabilities	<u>691,929</u>

NET POSITION

Unrestricted	<u>0</u>
Total net position	<u>\$ 0</u>

**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, 2019

Operating revenues:	
Charges for services	\$ 475,040
Total operating revenue	<u>475,040</u>
Operating expenses:	
Personnel services	<u>475,040</u>
Total operating expense	<u>475,040</u>
Operating income (loss)	<u>-</u>
Changes in net position	-
Net position-beginning	<u>-</u>
Net position-ending	<u><u>\$ -</u></u>

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

**INTERNAL SERVICE FUND
STATEMENT OF CASH FLOWS**

YEAR ENDED SEPTEMBER 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

Net reimbursement for personal services paid by Court Fund	\$ 4,946
Net increase (decrease) in cash and cash equivalents	4,946
Cash and cash equivalents, beginning of year	<u>686,983</u>
Cash and cash equivalents, end of year	<u>\$ 691,929</u>

**Reconciliation of operating income (loss) to net cash provided by
(used for) operating activities:**

Operating income (loss)	\$ -
Increase (decrease) in compensated absences payable	4,946
Net cash provided by (used for) operating activities	<u>\$ 4,946</u>

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

SEPTEMBER 30, 2019

ASSETS

Cash and cash equivalents	\$ 5,816,293
Total Assets	<u>\$ 5,816,293</u>

LIABILITIES

Cash bonds payable	\$ 369,956
Court registry payable	3,528,500
General trust payable	3,456
Due to other governments	17,468
Due to individuals	<u>1,896,913</u>
Total Liabilities	<u>\$ 5,816,293</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, 2019, 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, 2019, 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, 2019, 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. Clerks 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, 2019, the reported amount of the Clerk's deposits was approximately \$13.5 million, and the bank balance was approximately \$13.7 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, 2019, there were no interfund receivables or payables within the Clerk's funds. Transfers consist of \$2,995,100 of "transfers in" from the Board of County Commissioners and "transfers out" of excess budget and fees totaling \$1,022,842.

4. Due from/to other governments

At September 30, 2019, due from other governments contains \$80,124 due from the State for Title IV-D services. The due to other governments includes \$1,291,537 payable to the Board of County Commissioners of which \$1,022,842 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 \$843,611 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 five or eight 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 six 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 eight 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 an 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, 2019, 2018 and 2017 were \$702,507, \$689,477, and \$654,247, respectively, equal to the required contributions for each year.

The contribution rates in effect during the period ended September 30, 2019, 2018, and 2017 were as follows:

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>Regular Class:</u>	8.47%	8.26%	7.92%
Members not qualifying for other classes.			
<u>Senior Management Class:</u>	25.41%	24.06%	22.71%
Members of senior management who do not elect the optional annuity retirement program.			
<u>Elected Officials Class:</u>	48.82%	48.70%	45.50%
Certain elected county officials.			
<u>Deferred Retirement Option Program (DROP):</u>	14.60%	14.03%	13.26%
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 (OPEB) to all retired employees of the Clerk'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, and the total OPEB liability is measured as the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service. The total OPEB liability and other required disclosures have been calculated for the County, as a whole and not separately for the Clerk's Office. 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 2019 at a cost of \$16,899. 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 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**

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

YEAR ENDED SEPTEMBER 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>with Final Budget</u>
REVENUES				
Intergovernmental	\$ 278,645	\$ 278,645	\$ 289,560	\$ 10,915
Charges for services	5,506,551	5,506,551	6,174,278	667,727
Judgments, fines and forfeitures	1,640,000	1,640,000	1,532,857	(107,143)
Investment income	225,070	225,070	326,816	101,746
Miscellaneous	405,200	405,200	385,138	(20,062)
Total Revenues	<u>8,055,466</u>	<u>8,055,466</u>	<u>8,708,649</u>	<u>653,183</u>
EXPENDITURES				
Current:				
General government:				
Salaries and benefits	3,908,500	3,908,500	3,241,664	666,836
Operating expenditures	614,607	614,607	446,693	167,914
Capital outlay	4,500	4,500	172,576	(168,076)
Court related:				
Salaries and benefits	5,946,459	5,946,459	5,294,093	652,366
Operating expenditures	548,000	548,000	665,862	(117,862)
Capital outlay	28,500	28,500	57,835	(29,335)
Payments to State	-	-	802,184	(802,184)
Total Expenditures	<u>11,050,566</u>	<u>11,050,566</u>	<u>10,680,907</u>	<u>369,659</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,995,100)</u>	<u>(2,995,100)</u>	<u>(1,972,258)</u>	<u>1,022,842</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,995,100	2,995,100	2,995,100	-
Transfers out	-	-	(1,022,842)	(1,022,842)
Total Other Financing Sources (Uses)	<u>2,995,100</u>	<u>2,995,100</u>	<u>1,972,258</u>	<u>(1,022,842)</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, October 1, 2018	-	-	-	-
Fund Balance, September 30, 2019	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to required supplementary information.

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

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL –
PUBLIC RECORDS MODERNIZATION FUND**

YEAR ENDED SEPTEMBER 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 517,000	\$ 517,000	\$ 402,164	\$ (114,836)
Charges for services	587,000	587,000	639,197	52,197
Judgments, fines and forfeitures	-	-	-	-
Miscellaneous revenue	-	-	119	119
Total Revenues	<u>1,104,000</u>	<u>1,104,000</u>	<u>1,041,480</u>	<u>(62,520)</u>
EXPENDITURES				
Current:				
Court related:				
Salaries and benefits	822,100	822,100	658,174	163,926
Operating expenditures	281,900	281,900	28,350	253,550
Capital outlay	-	-	-	-
Total Expenditures	<u>1,104,000</u>	<u>1,104,000</u>	<u>686,524</u>	<u>417,476</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>354,956</u>	<u>354,956</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>354,956</u>	<u>354,956</u>
Fund Balance, October 1, 2018	<u>-</u>	<u>-</u>	<u>2,467,132</u>	<u>2,467,132</u>
Fund Balance, September 30, 2019	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,822,088</u>	<u>\$ 2,822,088</u>

See notes to required supplementary information.

**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, 2019

	<u>General Fund</u>	<u>General Fund Court Services</u>	<u>Total General Fund</u>
ASSETS			
Cash and cash equivalents	\$ 2,294,404	\$ 1,778,429	\$ 4,072,833
Accounts receivable	379	-	379
Due from other governmental units	7,372	-	7,372
Total assets	<u>\$ 2,302,155</u>	<u>\$ 1,778,429</u>	<u>\$ 4,080,584</u>
LIABILITIES			
Accounts payable	\$ 189,792	\$ 196,147	\$ 385,939
Contracts payable	25,284	1,956	27,240
Accrued liabilities	119,895	168,588	288,483
Due to BCC	1,123,412	168,125	1,291,537
Due to other governmental units	805,062	1,198,904	2,003,966
Unearned revenue	-	-	-
Other current liabilities	38,710	44,709	83,419
Total liabilities	<u>2,302,155</u>	<u>1,778,429</u>	<u>4,080,584</u>
FUND BALANCES			
Restricted for:			
Records Modernization Technology	-	-	-
State court operations	-	-	-
Unassigned:	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 2,302,155</u>	<u>\$ 1,778,429</u>	<u>\$ 4,080,584</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, 2019

	General Fund	General Fund Court Services	Total General Fund
REVENUES			
Intergovernmental	\$ -	\$ 289,560	\$ 289,560
Charges for services	1,888,523	4,285,755	6,174,278
Judgments, fines and forfeitures	-	1,532,857	1,532,857
Investment income	-	326,816	326,816
Miscellaneous revenue	152	384,986	385,138
Total Revenues	<u>1,888,675</u>	<u>6,819,974</u>	<u>8,708,649</u>
EXPENDITURES			
Current:			
General government:			
Salaries and benefits	3,241,664	-	3,241,664
Operating expenditures	446,693	-	446,693
Capital outlay	172,576	-	172,576
Court related:			
Salaries and benefits	-	5,294,093	5,294,093
Operating expenditures	-	665,862	665,862
Capital outlay	-	57,835	57,835
Payments to State	-	802,184	802,184
Total Expenditures	<u>3,860,933</u>	<u>6,819,974</u>	<u>10,680,907</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,972,258)</u>	<u>-</u>	<u>(1,972,258)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	2,995,100	-	2,995,100
Transfers out	(1,022,842)	-	(1,022,842)
Total Other Financing Sources and Uses	<u>1,972,258</u>	<u>-</u>	<u>1,972,258</u>
Net Change in Fund Balances	-	-	-
Fund Balances, October 1, 2018	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, September 30, 2019	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

**YEAR ENDED SEPTEMBER 30, 2019
(Continued)**

	General Fund		
	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Intergovernmental	\$ -	-	\$ -
Charges for services	1,532,507	1,532,507	1,888,523
Judgments, fines and forfeitures	-	-	-
Investment income	-	-	-
Miscellaneous revenue	-	-	152
Total Revenues	<u>1,532,507</u>	<u>1,532,507</u>	<u>1,888,675</u>
EXPENDITURES			
Current:			
General government:			
Salaries and benefits	3,908,500	3,908,500	3,241,664
Operating expenditures	614,607	614,607	446,693
Capital outlay	4,500	4,500	172,576
Court related:			
Salaries and benefits	-	-	-
Operating expenditures	-	-	-
Capital outlay	-	-	-
Payments to State	-	-	-
Total Expenditures	<u>4,527,607</u>	<u>4,527,607</u>	<u>3,860,933</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,995,100)</u>	<u>(2,995,100)</u>	<u>(1,972,258)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	2,995,100	2,995,100	2,995,100
Transfers out	-	-	(1,022,842)
Total Other Financing Sources (Uses)	<u>2,995,100</u>	<u>2,995,100</u>	<u>1,972,258</u>
Net Change in Fund Balance	-	-	-
Fund Balance, October 1, 2018	-	-	-
Fund Balance, September 30, 2019	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

**YEAR ENDED SEPTEMBER 30, 2019
(Continued)**

	General Fund - Court Services		
	Budgeted Amounts		
	Original	Final	Actual
REVENUES			
Intergovernmental	\$ 278,645	\$ 278,645	\$ 289,560
Charges for services	3,974,044	3,974,044	4,285,755
Judgments, fines and forfeitures	1,640,000	1,640,000	1,532,857
Investment income	225,070	225,070	326,816
Miscellaneous revenue	405,200	405,200	384,986
Total Revenues	6,522,959	6,522,959	6,819,974
EXPENDITURES			
Current:			
General government:			
Salaries and benefits	-	-	-
Operating expenditures	-	-	-
Capital outlay	-	-	-
Court related:			
Salaries and benefits	5,946,459	5,946,459	5,294,093
Operating expenditures	548,000	548,000	665,862
Capital outlay	28,500	28,500	57,835
Payments to State	-	-	802,184
Total Expenditures	6,522,959	6,522,959	6,819,974
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balance	-	-	-
Fund Balance, October 1, 2018	-	-	-
Fund Balance, September 30, 2019	\$ -	\$ -	\$ -

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

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

**YEAR ENDED SEPTEMBER 30, 2019
(Continued)**

	<u>Total General Fund</u>			Variance with Final Budget Positive (Negative)
	<u>Budget Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 278,645	\$ 278,645	\$ 289,560	\$ 10,915
Charges for services	5,506,551	5,506,551	6,174,278	667,727
Judgments, fines and forfeitures	1,640,000	1,640,000	1,532,857	(107,143)
Investment income	225,070	225,070	326,816	101,746
Miscellaneous revenue	405,200	405,200	385,138	(20,062)
Total Revenues	<u>8,055,466</u>	<u>8,055,466</u>	<u>8,708,649</u>	<u>653,183</u>
EXPENDITURES				
Current:				
General government:				
Salaries and benefits	3,908,500	3,908,500	3,241,664	666,836
Operating expenditures	614,607	614,607	446,693	167,914
Capital outlay	4,500	4,500	172,576	(168,076)
Court related:				
Salaries and benefits	5,946,459	5,946,459	5,294,093	652,366
Operating expenditures	548,000	548,000	665,862	(117,862)
Capital outlay	28,500	28,500	57,835	(29,335)
Payments to State	-	-	802,184	(802,184)
Total Expenditures	<u>11,050,566</u>	<u>11,050,566</u>	<u>10,680,907</u>	<u>369,659</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,995,100)</u>	<u>(2,995,100)</u>	<u>(1,972,258)</u>	<u>1,022,842</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,995,100	2,995,100	2,995,100	-
Transfers out	-	-	(1,022,842)	(1,022,842)
Total Other Financing Sources (Uses)	<u>2,995,100</u>	<u>2,995,100</u>	<u>1,972,258</u>	<u>(1,022,842)</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, October 1, 2018	-	-	-	-
Fund Balance, September 30, 2019	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2019

	Agency Funds				TOTAL
	Court Registry	Juror and Witness	Restitution	General Trust	
ASSETS					
Cash and cash equivalents	\$ 5,375,359	\$ 33,280	\$ 34,242	\$ 373,412	\$ 5,816,293
Total Assets	\$ 5,375,359	\$ 33,280	\$ 34,242	\$ 373,412	\$ 5,816,293
LIABILITIES					
Cash bonds payable	\$ -	\$ -	\$ -	\$ 369,956	\$ 369,956
Court registry payable	3,528,500	-	-	-	3,528,500
General trust payable	-	-	-	3,456	3,456
Due to other governments	-	17,468	-	-	17,468
Due to individuals	1,846,859	15,812	34,242	-	1,896,913
Total Liabilities	\$ 5,375,359	\$ 33,280	\$ 34,242	\$ 373,412	\$ 5,816,293

**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, 2019

	Balance September 30, 2018	Additions	Deductions	Balance September 30, 2019
COURT REGISTRY				
ASSETS				
Cash and cash equivalents	<u>\$ 4,838,271</u>	<u>\$ 22,248,478</u>	<u>\$ 21,711,390</u>	<u>\$ 5,375,359</u>
LIABILITIES				
Court registry payable	\$ 3,143,646	\$ 20,041,514	\$ 19,656,660	\$ 3,528,500
Due to individuals	<u>1,694,625</u>	<u>2,206,964</u>	<u>2,054,730</u>	<u>1,846,859</u>
Total Liabilities	<u>\$ 4,838,271</u>	<u>\$ 22,248,478</u>	<u>\$ 21,711,390</u>	<u>\$ 5,375,359</u>
 JUROR AND WITNESS				
ASSETS				
Cash and cash equivalents	<u>\$ 35,992</u>	<u>\$ 221,376</u>	<u>\$ 224,088</u>	<u>\$ 33,280</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to individuals	10,817	4,995	-	15,812
Due to other governments	<u>25,175</u>	<u>216,381</u>	<u>224,088</u>	<u>17,468</u>
Total Liabilities	<u>\$ 35,992</u>	<u>\$ 221,376</u>	<u>\$ 224,088</u>	<u>\$ 33,280</u>

**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, 2019

	<u>Balance September 30, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2019</u>
RESTITUTION				
ASSETS				
Cash and cash equivalents	\$ 27,682	\$ 269,648	\$ 263,088	\$ 34,242
LIABILITIES				
Due to individuals	\$ 27,682	\$ 269,648	\$ 263,088	\$ 34,242
GENERAL TRUST				
ASSETS				
Cash and cash equivalents	\$ 458,534	\$ 851,856	\$ 936,978	\$ 373,412
LIABILITIES				
Cash bonds payable	\$ 452,817	\$ 685,751	\$ 768,612	\$ 369,956
General trust payable	5,717	166,105	168,366	3,456
Total Liabilities	\$ 458,534	\$ 851,856	\$ 936,978	\$ 373,412

**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, 2019

	<u>Balance September 30, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2019</u>
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 5,360,479	\$ 23,591,358	\$ 23,135,544	\$ 5,816,293
Total Assets	<u>\$ 5,360,479</u>	<u>\$ 23,591,358</u>	<u>\$ 23,135,544</u>	<u>\$ 5,816,293</u>
LIABILITIES				
Cash bonds payable	\$ 452,817	\$ 685,751	\$ 768,612	\$ 369,956
Court registry payable	3,143,646	20,041,514	19,656,660	3,528,500
General trust payable	5,717	166,105	168,366	3,456
Due to other governments	25,175	216,381	224,088	17,468
Due to individuals	<u>1,733,124</u>	<u>2,481,607</u>	<u>2,317,818</u>	<u>1,896,913</u>
Total Liabilities	<u>\$ 5,360,479</u>	<u>\$ 23,591,358</u>	<u>\$ 23,135,544</u>	<u>\$ 5,816,293</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, 2019, and the related notes to the financial statements, which collectively comprise the Clerk's financial statements, and have issued our report thereon dated January 3, 2020.

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.

Warren Averett, LLC

Pensacola, Florida

January 3, 2020

**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 regard to certain court-related functions, and Florida Statute 61.181 in regard to operation of a depository for alimony and child support for the year ended September 30, 2019. 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Clerk complied, in all material respects, with the specified requirements. An examination involves performing procedures to obtain evidence about whether the Clerk complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the 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, 2019.

Warren Averett, LLC

Pensacola, Florida
January 3, 2020

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 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, 2019, and the related notes to the financial statements, and have issued our report thereon dated January 3, 2020.

Auditors’ Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant’s Report on Examination of Compliance Requirements in Accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated January 3, 2020, 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 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 communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

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

Purpose of this Letter

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

Pensacola, Florida
January 3, 2020

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

SCHEDULE OF FINDINGS AND RESPONSES

SEPTEMBER 30, 2019

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

**ESCAMBIA COUNTY, FLORIDA
PROPERTY APPRAISER**

FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

**ESCAMBIA COUNTY, FLORIDA
PROPERTY APPRAISER**

FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

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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, 2019, 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, 2019, 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, 2019, 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.

Warren Averett, LLC

Pensacola, Florida
November 22, 2019

FINANCIAL STATEMENTS

ESCAMBIA COUNTY, FLORIDA
PROPERTY APPRAISER

BALANCE SHEET
GOVERNMENTAL FUND

SEPTEMBER 30, 2019

	<u>General Fund</u>
Assets	
Cash	\$ 542,595
	<u>542,595</u>
Liabilities	
Accounts payable	\$ 69,765
Accrued liabilities	174,272
Due to other governmental units	298,558
Total liabilities	<u>542,595</u>
Fund Balance	
Unassigned:	<u>-</u>
Total fund balance	<u>-</u>
Total liabilities and fund balance	<u>\$ 542,595</u>

**ESCAMBIA COUNTY, FLORIDA
PROPERTY APPRAISER**

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

YEAR ENDED SEPTEMBER 30, 2019

	General Fund
Revenues:	
Charges for services	\$ 14,758
Miscellaneous revenue	4,287
Total Revenues	19,045
Expenditures:	
Current:	
General government:	
Salaries and benefits	4,948,509
Operating expenditures	947,064
Capital outlay	4,994
Total Expenditures	5,900,567
Deficiency of Revenues Over Expenditures	(5,881,522)
Other Financing Sources and (Uses):	
Transfers in	6,179,396
Transfers out	(297,874)
Total Other Financing Sources and (Uses)	5,881,522
Net Change in Fund Balance	-
Fund Balance, October 1, 2018	-
Fund Balance, September 30, 2019	\$ -

**ESCAMBIA COUNTY, FLORIDA
PROPERTY APPRAISER**

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

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 Florida Department of Revenue (per Florida Statute 195.087) 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.

**ESCAMBIA COUNTY, FLORIDA
PROPERTY APPRAISER**

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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.

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.

**ESCAMBIA COUNTY, FLORIDA
PROPERTY APPRAISER**

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

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, 2019, the reported amount of the Property Appraiser's deposits and the bank balance consisting entirely of deposits in a checking account were approximately \$543,000.

3. TRANSFERS

Transfers in consist of \$6,179,396 from the Escambia County Board of County Commissioners, and transfers out represent excess appropriations and fees returned to the Board in the amount of \$297,874.

4. DUE TO/FROM OTHER GOVERNMENTS

At September 30, 2019, the amounts due to other governments totals \$298,558 and mainly consists of excess appropriations and fees over expenditures payable to the Board in the amount of \$297,874.

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 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.

**ESCAMBIA COUNTY, FLORIDA
PROPERTY APPRAISER**

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

5. RETIREMENT PLAN – CONTINUED

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 five or eight 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 six 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 eight 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 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.

**ESCAMBIA COUNTY, FLORIDA
PROPERTY APPRAISER**

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

5. RETIREMENT PLAN – CONTINUED

The Property Appraiser’s contributions to FRS for the years ended September 30, 2019, 2018 and 2017, were \$405,363, \$380,963 and \$361,711, respectively, equal to the required contributions for each year.

The contribution rates in effect during the period ended September 30, 2019, 2018 and 2017, are as follows:

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>Regular Class:</u>	8.47%	8.26%	7.92%
Members not qualifying for other classes.			
<u>Senior Management Class:</u>	25.41%	24.06%	22.71%
Members of senior management who do not elect the optional annuity retirement program.			
<u>Elected Officials Class:</u>	48.82%	48.70%	45.50%
Certain elected county officials.			
<u>Deferred Retirement Option Program (DROP):</u>	14.60%	14.03%	13.26%
Members are enrolled in DROP from FRS			

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 (OPEB) 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 and the total OPEB liability is measured as the portion of the actuarial present value of projected benefit payments that are attributed to past periods of employee service. The total OPEB liability 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.

**ESCAMBIA COUNTY, FLORIDA
PROPERTY APPRAISER**

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

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 \$28,075. 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.

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 November 22, 2019, 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**

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

YEAR ENDED SEPTEMBER 30, 2019

	General Fund			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 12,955	\$ 14,185	\$ 14,758	\$ 573
Miscellaneous revenue	-		4,287	4,287
Total Revenues	12,955	14,185	19,045	4,860
Expenditures:				
Current:				
General government:				
Salaries and benefits	5,201,775	5,203,178	4,948,509	254,669
Operating expenditures	807,028	807,028	947,064	(140,036)
Capital outlay	-	-	4,994	(4,994)
Reserved for contingencies	183,375	183,375	-	183,375
Total Expenditures	6,192,178	6,193,581	5,900,567	293,014
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,179,223)	(6,179,396)	(5,881,522)	297,874
Other Financing Sources and Uses:				
Transfers in	6,179,223	6,179,396	6,179,396	-
Transfers out	-	-	(297,874)	(297,874)
Total Other Financing Sources (Uses)	6,179,223	6,179,396	5,881,522	(297,874)
Net Change in Fund Balance	-	-	-	-
Fund Balance, October 1, 2018	-	-	-	-
Fund Balance, September 30, 2019	\$ -	\$ -	\$ -	\$ -

**ESCAMBIA COUNTY, FLORIDA
PROPERTY APPRAISER**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2019

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, 2019, and the related notes to the financial statements, and have issued our report thereon dated November 22, 2019.

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
November 22, 2019

**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 regard to investments for the year ended September 30, 2019.

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

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

In our opinion, the Property Appraiser complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

Warren Averett, LLC

Pensacola, Florida
November 22, 2019

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, 2019, and the related notes to the financial statements, and have issued our report thereon dated November 22, 2019.

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 November 22, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. 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 communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

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

Purpose of this Letter

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

Warren Averett, LLC

Pensacola, Florida
November 22, 2019

**ESCAMBIA COUNTY, FLORIDA
PROPERTY APPRAISER**

SCHEDULE OF FINDINGS AND RESPONSES

SEPTEMBER 30, 2019

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

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL REPORTS**

**ESCAMBIA COUNTY, FLORIDA
SHERIFF**

SEPTEMBER 30, 2019

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL REPORTS**

**ESCAMBIA COUNTY, FLORIDA
SHERIFF
SEPTEMBER 30, 2019**

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**FINANCIAL STATEMENTS AND
SUPPLEMENTAL REPORTS**

**ESCAMBIA COUNTY, FLORIDA
SHERIFF
SEPTEMBER 30, 2019**

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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, 2019, 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, 2019, 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, 2019, 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 - 20 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 dated December 11, 2019, 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.

Warren Averett, LLC

Pensacola, Florida
December 11, 2019

Financial Statements

**ESCAMBIA COUNTY, FLORIDA
SHERIFF**

**BALANCE SHEET
GOVERNMENTAL FUNDS**

SEPTEMBER 30, 2019

	<u>General Fund</u>	<u>Sheriff's Programs Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 3,216,480	\$ 23,720	\$ 3,240,200
Due from other funds	400,261	-	400,261
Due from Board of County Commissioners	143,795	-	143,795
Due from other governmental units	-	400,261	400,261
Inventory	302,666	-	302,666
Total assets	<u>\$ 4,063,202</u>	<u>\$ 423,981</u>	<u>\$ 4,487,183</u>
LIABILITIES			
Accounts payable	\$ 424,256	\$ 1,200	\$ 425,456
Accrued liabilities	2,794,199	-	2,794,199
Due to other funds	-	400,261	400,261
Due to Board of County Commissioners	542,081	-	542,081
Unearned revenue	-	22,520	22,520
Total liabilities	3,760,536	423,981	4,184,517
FUND BALANCE			
Nonspendable:			
Inventory	302,666	-	302,666
Total fund balance	<u>302,666</u>	<u>-</u>	<u>302,666</u>
Total liabilities and fund balance	<u>\$ 4,063,202</u>	<u>\$ 423,981</u>	<u>\$ 4,487,183</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, 2019

	<u>General Fund</u>	<u>Sheriff's Programs Fund</u>	<u>Total Governmental Funds</u>
Revenues:			
Grant revenue	\$ -	\$ 574,807	\$ 574,807
Total Revenues	-	574,807	574,807
Expenditures:			
Current:			
Public safety			
Salaries and benefits	52,584,835	334,188	52,919,023
Operating expenditures	7,452,318	142,505	7,594,823
Capital outlay	525,988	98,114	624,102
Total Expenditures	60,563,141	574,807	61,137,948
Excess (Deficiency) of Revenues Over (Under) Expenditures	(60,563,141)	-	(60,563,141)
Other Financing Sources and Uses:			
Transfers in	61,263,474	-	61,263,474
Transfers out	(700,333)	-	(700,333)
Total Other Financing Sources and Uses	60,563,141	-	60,563,141
Net Change in Fund Balance	-	-	-
Fund Balance, October 1, 2018	297,942	-	297,942
Change in inventory	4,724	-	4,724
Fund Balance, September 30, 2019	<u>\$ 302,666</u>	<u>\$ -</u>	<u>\$ 302,666</u>

See accompanying notes to financial statements.

ESCAMBIA COUNTY, FLORIDA
SHERIFF

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES – AGENCY FUNDS

SEPTEMBER 30, 2019

ASSETS

Cash and cash equivalents	\$ 344,102
Total Assets	<u>\$ 344,102</u>

LIABILITIES

Deposits	\$ 344,102
Total Liabilities	<u>\$ 344,102</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 several 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, 2019, 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 \$302,666 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, 2019, 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, 2019, the Sheriff had no committed fund balances.

Assigned fund balances are fund balances intended to be used for specific purposes, but do not meet the more formal criterion to be considered either restricted or committed. As of September 30, 2019, 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, 2019, 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 value. 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, 2019, the reported amount of the Sheriff’s deposits was approximately \$3.6 million, and the bank balance was approximately \$4.2 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 \$61,263,474 of “transfers in” from the Board and “transfers out” of unspent appropriations in the amount of \$700,333.

**ESCAMBIA COUNTY, FLORIDA
SHERIFF**

NOTES TO FINANCIAL STATEMENTS

4. Due to / from Board of County Commissioners

At September 30, 2019, the \$143,795 receivable from the Board is comprised mainly of expenditures paid on their behalf. The \$542,081 payable to the Board is partially comprised of unspent appropriations of \$200,333.

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 are recorded as expenditures when purchased and also reported as inventory assets 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 five or eight 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 six 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 eight 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 an 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, 2019, 2018 and 2017 were \$6.5 million, \$6 million and \$5.6 million, respectively, equal to the required contributions for each year.

The contribution rates in effect during the period ended September 30, 2019, 2018 and 2017 were as follows:

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>Regular Class:</u> Members not qualifying for other classes.	8.47%	8.26%	7.92%
<u>Senior Management Class:</u> Members of senior management who do not elect the optional annuity retirement program	25.41%	24.06%	22.71%
<u>Elected Officials Class:</u> Certain elected county officials.	48.82%	48.70%	45.50%
<u>Deferred Retirement Option Program (DROP):</u> Members are enrolled in DROP from FRS	14.60%	14.03%	13.26%
<u>Special Risk Class:</u> Members employed as law enforcement officers, firefighters, or correctional officers meet the criteria to qualify for this class	25.48%	24.50%	23.27%

**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 report of Escambia County, Florida.

7. Other Postemployment Benefit (OPEB) Obligations, Other Than Pensions

The Sheriff offers post-employment health care benefits (OPEB) 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. This implicit subsidy has a cost; however, this annual cost and the total OPEB liability is measured as the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service. The total OPEB liability and other required disclosures have been calculated for the County, as a whole and not separately for the Sheriff. Accordingly, these calculations and disclosures can be found in the County’s comprehensive annual financial report.

8. Risk Management

The Sheriff participates in the Florida Sheriff’s Self Insurance Fund with an annual premium cost for the year ended September 30, 2019, of approximately \$1.2 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, 2019, 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

At September 30, 2019, due from other governments contains \$400,261 receivable from federal and state awards. 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
Florida Division of Emergency Management – All Hazard Incident Management Team
Coach Aaron Feis Guardian Program

**ESCAMBIA COUNTY, FLORIDA
SHERIFF**

NOTES TO FINANCIAL STATEMENTS

10. Fund Expenditure Details

The following is a schedule of the General Fund's expenditures for the year ended September 30, 2019:

<u>Account Description</u>	<u>Law Enforcement</u>	<u>Court Security</u>	<u>Totals</u>
Salary & Benefits	\$ 49,267,446	\$ 3,317,389	\$ 52,584,835
Other Operating	7,449,539	2,779	7,452,318
Capital Outlay	<u>521,288</u>	<u>4,700</u>	<u>525,988</u>
Totals	<u>\$ 57,238,273</u>	<u>\$ 3,324,868</u>	<u>\$ 60,563,141</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, 2019 and December 11, 2019, 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**

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

YEAR ENDED SEPTEMBER 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
General government:				
Salaries and benefits	-	-	-	-
Operating expenditures	-	-	-	-
Capital outlay	-	-	-	-
Reserved for contingencies	-	-	-	-
Public safety				
Salaries and benefits	53,991,849	54,691,849	52,584,835	2,107,014
Operating expenditures	6,148,019	6,471,625	7,452,318	(980,693)
Payments to State	-	-	-	-
Capital outlay	100,000	100,000	525,988	(425,988)
Total Expenditures	<u>60,239,868</u>	<u>61,263,474</u>	<u>60,563,141</u>	<u>700,333</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(60,239,868)</u>	<u>(61,263,474)</u>	<u>(60,563,141)</u>	<u>700,333</u>
Other Financing Sources and Uses:				
Transfers in	60,239,868	61,263,474	61,263,474	-
Transfers out	-	-	(700,333)	(700,333)
Total Other Financing Sources (Uses)	<u>60,239,868</u>	<u>61,263,474</u>	<u>60,563,141</u>	<u>(700,333)</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, October 1, 2018	-	-	297,942	297,942
Change in inventory	-	-	4,724	4,724
Fund Balance, September 30, 2019	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 302,666</u>	<u>\$ 302,666</u>

See accompanying notes to required supplementary information.

**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

**ESCAMBA COUNTY, FLORIDA
SHERIFF**

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL –
SHERIFF’S PROGRAMS FUND**

YEAR ENDED SEPTEMBER 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Grant revenue				
Guardian Program	\$ 477,398	\$ 473,264	\$ 220,612	\$ (252,652)
Disaster Relief	84,313	179,649	179,649	-
Jag Federal 2016	91,296	92,382	92,382	-
US Marshal's	-	-	-	-
Jag Federal 2017	128,738	129,429	82,164	(47,265)
Total Revenues	<u>781,745</u>	<u>874,724</u>	<u>574,807</u>	<u>(299,917)</u>
Expenditures:				
Current:				
Public safety				
Salaries and benefits	761,029	799,535	334,188	465,347
Operating expenditures	20,716	75,189	142,505	(67,316)
Capital outlay	-	-	98,114	(98,114)
Total Expenditures	<u>781,745</u>	<u>874,724</u>	<u>574,807</u>	<u>299,917</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	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, October 1, 2018	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, September 30, 2019	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ESCAMBIA COUNTY, FLORIDA
SHERIFF**

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

SEPTEMBER 30, 2019

	Agency Funds			
	Evidence Trust Fund	Trust Fund	General Employee Events Fund	TOTAL
ASSETS				
Cash and cash equivalents	\$ 316,323	\$ 5,759	\$ 22,020	\$ 344,102
Total Assets	\$ 316,323	\$ 5,759	\$ 22,020	\$ 344,102
LIABILITIES				
Deposits	\$ 316,323	\$ 5,759	\$ 22,020	\$ 344,102
Total Liabilities	\$ 316,323	\$ 5,759	\$ 22,020	\$ 344,102

**ESCAMBIA COUNTY, FLORIDA
SHERIFF**

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

YEAR ENDED SEPTEMBER 30, 2019

	<u>Balance September 30, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2019</u>
EVIDENCE TRUST FUND				
ASSETS				
Cash and cash equivalents	\$ 325,383	\$ 590,006	\$ 599,066	\$ 316,323
Total Assets	<u>\$ 325,383</u>	<u>\$ 590,006</u>	<u>\$ 599,066</u>	<u>\$ 316,323</u>
LIABILITIES				
Deposits	\$ 325,383	\$ 590,006	\$ 599,066	\$ 316,323
Total Liabilities	<u>\$ 325,383</u>	<u>\$ 590,006</u>	<u>\$ 599,066</u>	<u>\$ 316,323</u>
TRUST FUND				
ASSETS				
Cash and cash equivalents	\$ 77,482	\$ 453,704	\$ 525,427	\$ 5,759
Total Assets	<u>\$ 77,482</u>	<u>\$ 453,704</u>	<u>\$ 525,427</u>	<u>\$ 5,759</u>
LIABILITIES				
Deposits	\$ 25,822	\$ 138,035	\$ 158,098	\$ 5,759
Due to other governmental units	51,660	315,669	367,329	-
Total Liabilities	<u>\$ 77,482</u>	<u>\$ 453,704</u>	<u>\$ 525,427</u>	<u>\$ 5,759</u>
GENERAL EMPLOYEE EVENTS FUND				
ASSETS				
Cash and cash equivalents	\$ 13,503	\$ 12,428	\$ 3,911	\$ 22,020
Total Assets	<u>\$ 13,503</u>	<u>\$ 12,428</u>	<u>\$ 3,911</u>	<u>\$ 22,020</u>
LIABILITIES				
Deposits	\$ 13,503	\$ 12,428	\$ 3,911	\$ 22,020
Total Liabilities	<u>\$ 13,503</u>	<u>\$ 12,428</u>	<u>\$ 3,911</u>	<u>\$ 22,020</u>

**ESCAMBIA COUNTY, FLORIDA
SHERIFF**

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

YEAR ENDED SEPTEMBER 30, 2019

(Continued)

	<u>Balance September 30, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2019</u>
EXPLORERS' FUND				
ASSETS				
Cash and cash equivalents	\$ 11,297	\$ 10,626	\$ 21,923	\$ -
Total Assets	<u>\$ 11,297</u>	<u>\$ 10,626</u>	<u>\$ 21,923</u>	<u>\$ -</u>
LIABILITIES				
Deposits	\$ 11,297	\$ 10,626	\$ 21,923	\$ -
Total Liabilities	<u>\$ 11,297</u>	<u>\$ 10,626</u>	<u>\$ 21,923</u>	<u>\$ -</u>
TOTAL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 427,665	\$ 1,066,764	\$ 1,150,327	\$ 344,102
Total Assets	<u>\$ 427,665</u>	<u>\$ 1,066,764</u>	<u>\$ 1,150,327</u>	<u>\$ 344,102</u>
LIABILITIES				
Deposits	\$ 376,005	\$ 751,095	\$ 782,998	\$ 344,102
Due to other governmental units	51,660	315,669	367,329	-
Total Liabilities	<u>\$ 427,665</u>	<u>\$ 1,066,764</u>	<u>\$ 1,150,327</u>	<u>\$ 344,102</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, 2019, and the related notes to the financial statements, which collectively comprise the Sheriff's financial statements, and have issued our report thereon dated December 11, 2019.

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.

Warren Averett, LLC

Pensacola, Florida
December 11, 2019

**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, 2019. 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Sheriff complied, in all material respects, with the specified requirements. An examination involves performing procedures to obtain evidence about whether the Sheriff complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

In our opinion, the Sheriff complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

Warren Averett, LLC

Pensacola, Florida
December 11, 2019

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, 2019, and the related notes to the financial statements, and have issued our report thereon dated December 11, 2019.

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 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 Accountant’s Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated December 11, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. 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 communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

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

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the Sheriff, and the Escambia County Board of County Commissioners and is not intended to be and should not be used by anyone other than these specified parties.

Warren Averett, LLC

Pensacola, Florida
December 11, 2019

**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, 2019

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL REPORTS**

**ESCAMBIA COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

SEPTEMBER 30, 2019

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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, 2019, 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, 2019, 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, 2019, 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.

Warren Averett, LLC

Pensacola, Florida
December 16, 2019

Financial Statements

**ESCAMBIA COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

**BALANCE SHEET
GOVERNMENTAL FUNDS**

SEPTEMBER 30, 2019

	General Fund	Grant Fund
Assets		
Due from other governmental units	\$ 59,764	\$ 36,479
Total assets	\$ 59,764	\$ 36,479
Liabilities		
Accounts payable	\$ 30,468	\$ -
Accrued liabilities	28,580	-
Due to other governmental units	716	-
Unearned revenue	-	36,479
Total liabilities	59,764	36,479
Fund Balance		
Restricted for:		
Grants	-	-
Total fund balance	-	-
Total liabilities and fund balance	\$ 59,764	\$ 36,479

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, 2019

	General Fund	Grant Fund
Revenues:		
Grant revenue	\$ 5,640	\$ 114,763
Charges for services	6,036	-
Investment income	-	829
	11,676	115,592
Total Revenues		
Expenditures:		
Current:		
General government:		
Salaries and benefits	1,250,606	-
Operating expenditures	716,486	-
Operating expenditures-grants	-	110,884
Capital outlay	2,800	9,398
	1,969,892	120,282
Total Expenditures		
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,958,216)	(4,690)
Other Financing Sources and Uses:		
Transfers in	1,962,906	4,690
Transfers out	(4,690)	-
	1,958,216	4,690
Total Other Financing Sources and Uses		
Net Change in Fund Balance	-	-
Fund Balance, October 1, 2018	-	-
Fund Balance, September 30, 2019	\$ -	\$ -

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, 2019, 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, 2019, 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, 2019, 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, 2019, 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, 2019, 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, 2019, 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, 2019, the amounts due to other governmental units totaled \$716 and was payable to the Board. The due from other governmental units totaled \$96,243 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 five or eight 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 six 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 eight 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, 2019, 2018 and 2017 were \$126,918, \$120,165 and \$110,263, respectively, equal to the required contributions for each year.

The contribution rates in effect during the period ended September 30, 2019, 2018 and 2017 were as follows:

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>Regular Class:</u>	8.47%	8.26%	7.92%
Members not qualifying for other classes.			
<u>Senior Management Class:</u>	25.41%	24.06%	22.71%
Members of senior management who do not elect the optional annuity retirement program.			
<u>Elected Officials Class:</u>	48.82%	48.70%	45.50%
Certain elected county officials.			
<u>Deferred Retirement Option Program (DROP):</u>	14.60%	14.03%	13.26%
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 (OPEB) 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; however, this annual cost and the total OPEB liability is measured as the portion of the actuarial present value of the projected benefit payments that is attributed to past periods of employee service. The total OPEB liability 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 2019 at a cost of \$2,190. 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. Subsequent events

The Supervisor of Elections has evaluated events and transactions for potential recognition or disclosure in the financial statements through December 16, 2019, 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**

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

YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Grant revenue	\$ -	\$ -	\$ 5,640	\$ 5,640
Charges for services	-	-	6,036	6,036
Total Revenues	-	-	11,676	11,676
Expenditures:				
Current:				
General government:				
Salaries and benefits	1,442,078	1,455,625	1,250,606	205,019
Operating expenditures	926,220	924,370	716,486	207,884
Operating expenditures-Grants	-	-	-	-
Capital outlay	-	2,800	2,800	-
Total Expenditures	2,368,298	2,382,795	1,969,892	412,903
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,368,298)	(2,382,795)	(1,958,216)	424,579
Other Financing Sources and Uses:				
Transfers in	2,368,298	2,387,485	1,962,906	(424,579)
Transfers out	-	(4,690)	(4,690)	-
Total Other Financing Sources (Uses)	2,368,298	2,382,795	1,958,216	(424,579)
Net Change in Fund Balance	-	-	-	-
Fund Balance, October 1, 2018	-	-	-	-
Fund Balance, September 30, 2019	\$ -	\$ -	\$ -	\$ -

See accompanying notes to required supplementary information.

**ESCAMBIA COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

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

YEAR ENDED SEPTEMBER 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Grant revenue	\$ -	\$ 150,953	\$ 114,763	\$ (36,190)
Investment income	-	-	829	829
Total Revenues	-	150,953	115,592	(35,361)
Expenditures:				
Current:				
General government:				
Operating expenditures grants	-	136,043	110,884	25,159
Capital outlay	-	19,600	9,398	10,202
Total Expenditures	-	155,643	120,282	35,361
Other Financing Sources and Uses:				
Transfers in	-	4,690	4,690	-
Total Other Financing Sources (Uses)	-	4,690	4,690	-
Net Change in Fund Balance	-	-	-	-
Fund Balance, October 1, 2018	-	-	-	-
Fund Balance, September 30, 2019	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2019, 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 16, 2019.

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.

Warren Averett, LLC

Pensacola, Florida
December 16, 2019

**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, 2019.

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

Our examination does not provide a legal determination on the Supervisor 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, 2019.

Warren Averett, LLC

Pensacola, Florida
December 16, 2019

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, 2019, and the related notes to the financial statements and have issued our report thereon dated December 16, 2019.

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 16, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether 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.



Pensacola, Florida
December 16, 2019

ANNUAL AUDIT REPORT
SUPERVISOR OF ELECTIONS
ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND REPOSES
SEPTEMBER 30, 2019

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

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL REPORTS**

**ESCAMBIA COUNTY, FLORIDA
TAX COLLECTOR**

SEPTEMBER 30, 2019

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL REPORTS**

**ESCAMBIA COUNTY, FLORIDA
TAX COLLECTOR
SEPTEMBER 30, 2019**

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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, 2019, and the related notes to the financial statements, which collectively comprise 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, 2019, and the respective changes in financial position, where applicable, thereof and 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, 2019, 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 5, 2019
Pensacola, Florida

Financial Statements

**ESCAMBIA COUNTY, FLORIDA
TAX COLLECTOR**

BALANCE SHEET – GOVERNMENTAL FUND

SEPTEMBER 30, 2019

	<u>General Fund</u>
Assets	
Cash and cash equivalents	\$ 1,258,556
Total assets	<u>\$ 1,258,556</u>
Liabilities	
Accounts payable	\$ 202,961
Accrued liabilities	223,334
Due to other governmental units	672,156
Unearned revenue	<u>160,105</u>
Total liabilities	1,258,556
Fund Balance	<u>-</u>
Total liabilities and fund balance	<u>\$ 1,258,556</u>

**ESCAMBIA COUNTY, FLORIDA
TAX COLLECTOR**

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

YEAR ENDED SEPTEMBER 30, 2019

	General Fund
Revenues:	
Charges for services	\$ 3,769,220
Miscellaneous revenue	116,950
	3,886,170
Total Revenues	3,886,170
Expenditures:	
Current:	
General government:	
Salaries and benefits	6,296,001
Operating expenditures	1,514,559
Capital outlay	39,144
	7,849,704
Total Expenditures	7,849,704
Deficiency of revenues over expenditures	(3,963,534)
Other Financing Sources and (Uses):	
Transfers in	4,634,025
Transfers out	(670,491)
	3,963,534
Total Other Financing Sources and (Uses)	3,963,534
Net Change in Fund Balance	-
Fund Balance, October 1, 2018	-
Fund Balance, September 30, 2019	\$ -

**ESCAMBIA COUNTY, FLORIDA
TAX COLLECTOR**

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES – AGENCY FUNDS

SEPTEMBER 30, 2019

Assets

Cash and cash equivalents	\$ 5,302,205
Accounts receivable	<u>487,031</u>
Total Assets	<u><u>\$ 5,789,236</u></u>

Liabilities

Due to individuals	\$ 1,611,913
Due to other governmental units	<u>4,177,323</u>
Total Liabilities	<u><u>\$ 5,789,236</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 accounting 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, 2019, the reported amount of the Tax Collector's deposits was approximately \$6.6 million, and the bank balance was approximately \$9.4 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, 2019, there were no interfund receivables or payables within the Tax Collector's funds. Transfers in consist of \$4,634,025 from the Board of County Commissioners, and transfers out (excess budget and fees to the Board) totaled \$670,491.

4. Due To/From Other Governments

At September 30, 2019, the due to other governmental units totals \$672,156 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 five or eight 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 six 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 eight 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, 2019, 2018 and 2017 were \$508,102, \$471,709, and \$432,519, 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, 2019, 2018 and 2017 were as follows:

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>Regular Class:</u> Members not qualifying for other classes.	8.47%	8.26%	7.92%
<u>Senior Management Class:</u> Members of senior management who do not elect the optional annuity retirement program.	25.41%	24.06%	22.71%
<u>Elected Officials Class:</u> Certain elected county officials.	48.82%	48.70%	45.50%
<u>Deferred Retirement Option Program (DROP):</u> Members are enrolled in DROP from FRS	14.60%	14.03%	13.26%

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 (OPEB) 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; however, this annual cost, and the total OPEB liability is measured as the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service. The total OPEB liability and other required disclosures have 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.

**ESCAMBIA COUNTY, FLORIDA
TAX COLLECTOR**

NOTES TO THE FINANCIAL STATEMENTS

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 Tax Collector participated in the County’s insurance program during fiscal year 2019 at a cost of \$9,656. 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 non-cancellable terms in excess of one year. Future minimum lease payments are as follows:

<u>Year</u>	<u>Amount</u>
2020	\$ 278,652
2021	202,500
2022	<u>50,625</u>
	<u><u>\$ 531,777</u></u>

Rent expense for the year ended September 30, 2019 was \$317,698.

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**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL –
GAAP BASIS – GENERAL FUND**

YEAR ENDED SEPTEMBER 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
Revenues:				
Charges for services	\$ 3,610,585	\$ 3,610,585	\$ 3,769,220	\$ 158,635
Miscellaneous revenue	95,500	95,500	116,950	21,450
Total Revenues	3,706,085	3,706,085	3,886,170	180,085
Expenditures:				
Current:				
General government:				
Salaries and benefits	6,594,183	6,555,036	6,296,001	259,035
Operating expenditures	1,678,971	1,678,971	1,514,559	164,412
Capital outlay	-	39,147	39,144	3
Total Expenditures	8,273,154	8,273,154	7,849,704	423,450
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,567,069)	(4,567,069)	(3,963,534)	(603,535)
Other Financing Sources and Uses:				
Transfers in	4,634,025	4,634,025	4,634,025	-
Transfers out	(66,956)	(66,956)	(670,491)	603,535
Total Other Financing Sources (Uses)	4,567,069	4,567,069	3,963,534	603,535
Net Change in Fund Balance	-	-	-	-
Fund Balance, October 1, 2018	-	-	-	-
Fund Balance, September 30, 2019	\$ -	\$ -	\$ -	\$ -

**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 ASSETS AND LIABILITIES –
AGENCY FUNDS**

SEPTEMBER 30, 2019

	Agency Funds		
	Tax Fund	Tag Fund	TOTAL
Assets			
Cash and cash equivalents	\$ 3,470,217	\$ 1,831,988	\$ 5,302,205
Accounts receivable	251	486,780	487,031
Total Assets	\$ 3,470,468	\$ 2,318,768	\$ 5,789,236
Liabilities			
Due to individuals	\$ 283,551	\$ 1,328,362	\$ 1,611,913
Due to other governmental units	3,186,917	990,406	4,177,323
Total Liabilities	\$ 3,470,468	\$ 2,318,768	\$ 5,789,236

**ESCAMBIA COUNTY, FLORIDA
TAX COLLECTOR**

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

SEPTEMBER 30, 2019

	<u>Balance September 30, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2019</u>
TAX FUND				
ASSETS				
Cash and cash equivalents	\$ 3,274,176	\$ 854,457,949	\$ 854,261,908	\$ 3,470,217
Accounts receivable	251	-	-	251
Total Assets	<u><u>\$ 3,274,427</u></u>	<u><u>\$ 854,457,949</u></u>	<u><u>\$ 854,261,908</u></u>	<u><u>\$ 3,470,468</u></u>
LIABILITIES				
Due to individuals	\$ 221,689	\$ 10,640,408	\$ 10,578,546	\$ 283,551
Due to other governmental units	3,052,738	310,512,557	310,378,378	3,186,917
Total Liabilities	<u><u>\$ 3,274,427</u></u>	<u><u>\$ 321,152,965</u></u>	<u><u>\$ 320,956,924</u></u>	<u><u>\$ 3,470,468</u></u>
 TAG FUND				
ASSETS				
Cash and cash equivalents	\$ 644,868	\$1,373,729,960	\$1,372,542,840	\$ 1,831,988
Accounts receivable	422,306	203,022,906	202,958,432	486,780
Total Assets	<u><u>\$ 1,067,174</u></u>	<u><u>\$1,576,752,866</u></u>	<u><u>\$1,575,501,272</u></u>	<u><u>\$ 2,318,768</u></u>
LIABILITIES				
Accounts payable	\$ 103,394	\$ 110,826,781	\$ 109,601,813	\$ 1,328,362
Due to other governmental units	963,780	88,227,730	88,201,104	990,406
Total Liabilities	<u><u>\$ 1,067,174</u></u>	<u><u>\$ 199,054,511</u></u>	<u><u>\$ 197,802,917</u></u>	<u><u>\$ 2,318,768</u></u>

**ESCAMBIA COUNTY, FLORIDA
TAX COLLECTOR**

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

YEAR ENDED SEPTEMBER 30, 2019

(Continued)

	<u>Balance September 30, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2019</u>
Total Agency				
ASSETS				
Cash and cash equivalents	\$ 3,919,044	\$ 2,228,187,909	\$ 2,226,804,748	\$ 5,302,205
Accounts receivable	<u>422,557</u>	<u>203,022,906</u>	<u>202,958,432</u>	<u>487,031</u>
Total Assets	<u><u>\$ 4,341,601</u></u>	<u><u>\$ 2,431,210,815</u></u>	<u><u>\$ 2,429,763,180</u></u>	<u><u>\$ 5,789,236</u></u>
LIABILITIES				
Due to individuals	\$ 325,083	\$ 121,467,189	\$ 120,180,359	\$ 1,611,913
Due to other governmental units	<u>4,016,518</u>	<u>398,740,287</u>	<u>398,579,482</u>	<u>4,177,323</u>
Total Liabilities	<u><u>\$ 4,341,601</u></u>	<u><u>\$ 520,207,476</u></u>	<u><u>\$ 518,759,841</u></u>	<u><u>\$ 5,789,236</u></u>

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

Honorable 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, 2019, 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 5, 2019.

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.

Warren Averett, LLC

December 5, 2019
Pensacola, Florida

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

Honorable Scott Lunsford
Escambia County Tax Collector

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, 2019. 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Tax Collector complied, in all material respects, with the specified requirements. An examination involves performing procedures to obtain evidence about whether the Tax Collector complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

In our opinion, the Tax Collector complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

Warren Averett, LLC

December 5, 2019
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, 2019, and the related notes to the financial statements, and have issued our report thereon dated December 5, 2019.

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 Accountant’s 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 5, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Additional Matters

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

Purpose of this Letter

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

Warren Averett, LLC

December 5, 2019
Pensacola, Florida

**ESCAMBIA COUNTY, FLORIDA
TAX COLLECTOR
SCHEDULE OF FINDINGS AND RESPONSES
SEPTEMBER 30, 2019**

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



