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FLORIDA

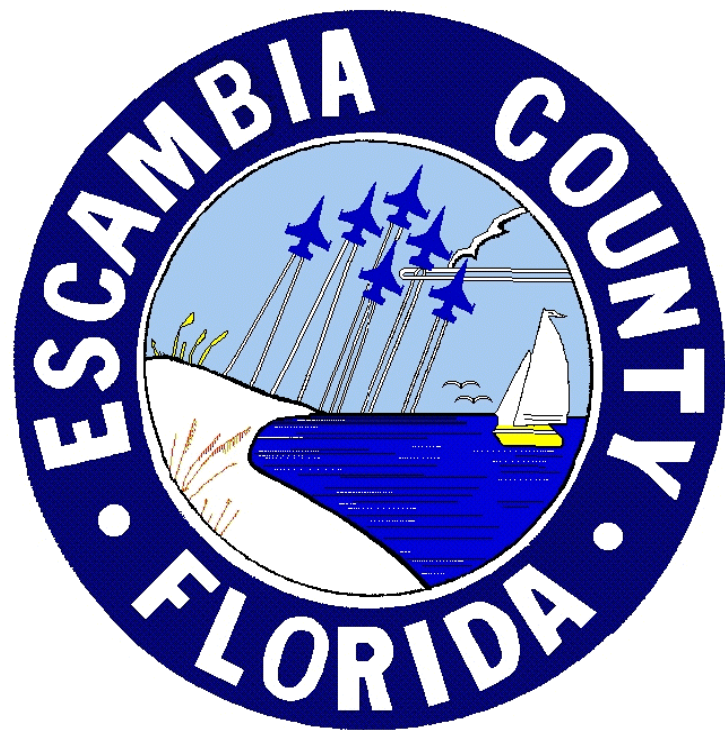
COMPREHENSIVE

ANNUAL

FINANCIAL

REPORT

(CAFR)



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FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2010

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**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**ESCAMBIA COUNTY, FLORIDA**  
**YEAR ENDED SEPTEMBER 30, 2010**

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**ESCAMBIA COUNTY, FLORIDA**  
**YEAR ENDED SEPTEMBER 30, 2010**

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## **INTRODUCTORY SECTION**

## **INTRODUCTORY SECTION**

This section contains the following subsections:

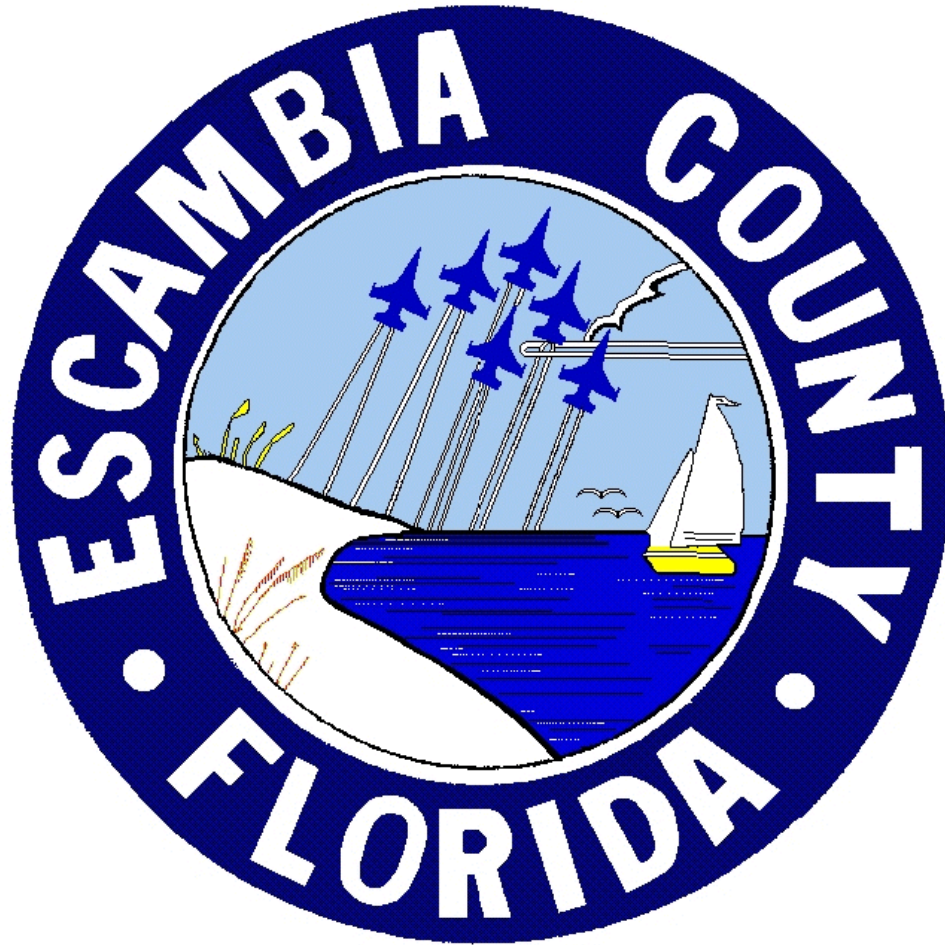
**TITLE PAGE**

**LETTER OF TRANSMITTAL**

**CERTIFICATE OF ACHIEVEMENT FOR  
EXCELLENCE IN FINANCIAL REPORTING**

**ESCAMBIA COUNTY ORGANIZATIONAL CHARTS**

**LIST OF OFFICIALS**



***COMPREHENSIVE ANNUAL FINANCIAL REPORT***

**ESCAMBIA COUNTY, FLORIDA**

**PREPARED BY**

**ERNIE LEE MAGAHA  
CLERK OF THE CIRCUIT COURT AND COMPTROLLER  
FINANCE DEPARTMENT**

**Patricia L. Sheldon, CPA, CGFO, CPFO, CPFIM  
Administrator for Financial Services  
Clerk of the Circuit Court and Comptroller  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010**

**ERNIE LEE MAGAHA**  
CLERK OF THE CIRCUIT COURT

APPEALS  
ARCHIVES AND RECORDS  
CHILD SUPPORT  
CIRCUIT CIVIL  
CIRCUIT CRIMINAL  
COUNTY CIVIL  
COUNTY CRIMINAL  
DOMESTIC RELATIONS  
FAMILY LAW  
GUARDIANSHIP  
JURY ASSEMBLY  
JUVENILE  
MARRIAGE  
MENTAL HEALTH  
PROBATE  
TRAFFIC



**BRANCH OFFICES**  
ARCHIVES AND RECORDS  
JUVENILE DIVISION  
CENTURY  
  
CLERK TO THE BOARD OF  
COUNTY COMMISSIONERS  
  
OFFICIAL RECORDS  
  
COUNTY TREASURY  
AUDITOR

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

March 24, 2011

To the Citizens of Escambia County, Florida

We are pleased to present to you, the Citizens of Escambia County, the Comprehensive Annual Financial Report (CAFR) of Escambia County, Florida, for the fiscal year ended September 30, 2010. The report was prepared in accordance with generally accepted accounting principles (GAAP) by the highly professional and dedicated staff of the Finance Department of the Clerk of the Circuit Court and Comptroller (the Clerk). The Clerk is mandated by the Constitution of the State of Florida to serve as the Chief Financial Officer of the County, and is responsible for establishing and maintaining internal controls and to provide reasonable, but not absolute, assurance regarding the safeguarding of assets from unauthorized use or disposition, the reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management. We believe that the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

We believe the data as presented is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain a comprehensive understanding of the County's financial activity have been included.



Chapter 218.39 of the Florida Statutes requires an annual financial audit performed by independent certified public accountants. This Comprehensive Annual Financial Report serves to fulfill this requirement and the report of the independent auditors has been included in the financial section of this report.

In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Federal Single Audit Act and the OMB Circular A-133. 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 available in a separately issued annual audit report, available on file with the Clerk to the Board.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Escambia County's MD&A can be found immediately following the report of the independent auditors.



**County Organization.** 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. John's County. Escambia County encompasses approximately 661 square miles, or 420,480 acres, with an additional 64,000 acres of water area and serves a population of approximately 300,000. Although northwest Florida has not experienced the rapid growth that southern and central Florida has experienced, the area has grown significantly during the past two decades. There are two municipalities within the County, the City of Pensacola, the County seat, and the Town of Century.

Pursuant to Florida Statutes, the legislative and policy-making powers are vested with the five-member Board of County Commissioners who is elected by district for four-year terms. The Chairman presides over the Board and is elected by the members annually. Separate powers for operation of specific functions of County government are vested with the five Constitutional Officers--Clerk and Comptroller, Property Appraiser, Sheriff, Supervisor of Elections and Tax Collector. The Board of County Commissioners' responsibilities include: passing ordinances and resolutions, adopting the budget and levying a property tax on real and personal property, appointing boards and committees and hiring the County Administrator and County Attorney. The Clerk and Comptroller serves as the Chief Financial Officer for the Board of County Commissioners acting as accountant, auditor, recorder, the custodian of all County funds and ex-officio Clerk to the Board. The County Administrator is the chief administrative official of the County responsible for carrying out the policies of the Board and overseeing the day-to-day operations of the County. The County Attorney represents the County Commission and all other departments, divisions, boards, and offices in legal matters affecting the County.

Escambia County provides a full range of services, including the construction and maintenance of highways, streets, and other infrastructure, law enforcement and fire protection, conservation and resource management, emergency medical services, landfill operations, mass transportation services and cultural and recreational programs. The Santa Rosa Island Authority (SRIA) provides management services for Escambia County's Beach Toll Facility and serves as the County's leasing agent for property on Santa Rosa Island owned by the County. The County approves the SRIA's annual budget and has veto power over decisions of the Authority. It is reported separately within Escambia County's financial statements. The Housing Finance Authority (HFA) is also presented separately within the County's financial statements. Although the County appoints the members of the HFA's board and must approve its budget, the HFA and the County are not substantially the same and the HFA does not provide services almost exclusively for the County. The Law Library is financially integrated with the County in that it relies on court fines and fees that are collected by the Clerk of the Court; therefore it is discretely presented in this report. For additional information on Escambia County's Component Units, please refer to the Notes Section of this report.

Escambia County is committed to providing high levels of service to its residents, at the lowest possible cost, in order to minimize taxpayer burden. As required by Florida Statutes, Chapter 129, on an annual basis, the County must prepare and adopt a balanced budget. The annual budget serves as the foundation for Escambia County's financial planning and control.

The County adopts formal budgets for all funds prior to October 1 of each fiscal year. The legal level of budgetary control is the fund level; therefore, during the year the County Administrator has the authority to approve intra-departmental budget amendments that do not change the fund total budget or change the personal services budget. The Board must approve budget amendments affecting personal services or reserve for contingencies. Supplemental budgets for revenues not anticipated must also receive Board approval. Encumbrance accounting is employed as a management control device in all funds. Although appropriations lapse at year end, outstanding encumbrances are generally re-appropriated as a part of the following year's budget. The elected officials, funded as a part of the County's annual budget, maintain their own budgetary systems consistent with the requirements of state law. As demonstrated

by the statements and schedules included in the financial section of this report, Escambia County continues to meet its responsibility for sound financial management.

Budget-to-actual comparisons are presented in this report for each governmental fund. The general fund and the major special revenues funds' comparisons are included in the basic financial statement section. All other governmental funds' budget-to-actual comparisons are included in the combining and individual statements and schedules section of this report.

**Local Economy.** Located in the westernmost area of Florida's Panhandle, along the emerald shores of the Gulf Coast, the tourism industry continues to maintain a steady pattern, bringing in more than 3.7 million visitors annually. The County's economic structure is comprised of the military, light industry, tourism and recreation, agriculture, and retail sales providing a historically stable base. Current expectations are that there may be a slight contraction of the population through 2010, following the overall state-wide trend, but this should reverse in the longer term.

The recent economic downturn has caused Escambia County's unemployment rate to rise this past fiscal year. The unemployment rate of 11% locally as compared to the state-wide average of 12% shows an increase from the previous fiscal year of 1.2%.

The County's industry base is diversified with the three largest industry sectors being health care, retail, and tourism. It is expected that unemployment will either remain stable or decrease in the near term as economic stimulus funds and County initiatives in economic development strategies help promote job growth.



**Long-term Financial Planning** is achieved through an informal policy utilized by the Management and Budget Services Bureau. It is the County's goal to maintain 10% of unreserved, undesignated fund balance in the general fund as a reserve to provide a buffer against revenue shortfalls, and to be prepared in the event of a natural or man-made disaster.

**Relevant Financial Policies.** This year the Escambia County Board of County Commissioners adopted a balanced budget without increasing the county-wide millage rate of 6.9755 and the Law Enforcement MSTU of .685 mills. The County avoided large-scale service reductions by aligning operations for efficiencies, tactful use of reserves and by operating budget cuts across the board. Several methodologies for achieving efficiencies will continue to be utilized as follows:



- Process improvement – establishing base-line customer service initiatives.
- "Pay-as-you-go" debt policy to avoid the extra costs in the form of interest payments.
- Continue to enhance neighborhood services throughout the County.
- Maintain infrastructure such as roads, bridges, and stormwater holding ponds.
- Continue to pursue grant funding for various projects and Federal Stimulus funds over the coming year.
- The Clerk's Finance Department monitors the daily cash needs of the County and invests the County's portfolio in accordance with the County's written investment policy. During fiscal year 2010, the investments made by the Clerk's Finance Department earned an average portfolio yield of .50% and generated nearly \$1.3 million in investment earnings.

**Major Initiatives.** The County's Budget was developed around the framework set by the County's Strategic Planning Initiative. It is the County's goal to provide the most efficient and effective budget strategies to the citizens of Escambia County by continuing to capitalize on alternative revenue sources. The County continues to aggressively pursue grant funding for various projects and the Federal Stimulus funds over the coming years. The primary themes of the Strategic Initiative are to:

- Improve customer service by continuing to look for ways to be a more functional, effective, and efficient organization.
- Restore public trust and confidence by implementing a new ethics policy, ethics training, conducting annual community and employee surveys, and education of the public on County processes.
- Pursue economic development programs in which the County works to eliminate inconsistencies in land use throughout the County by rewriting the land development code. This action should make the development review process more efficient while upgrading the standards demanded by the community and the State of Florida.
- Maintain infrastructure that enhances public safety initiatives to make sure our neighborhoods are clean and meet our County codes. The 2006 extension of the local option sales tax allows the County to make large investments in the construction of roads, public facilities, drainage improvements, and public safety equipment.
- Promote activities that improve the quality of life and build a sustainable, livable community.
- Foster economic growth and development.



**Awards.** The Government Finance Officers Association (GFOA) awarded Escambia County the Certificate of Achievement for Excellence in Financial Reporting for the fiscal year ended September 30, 2009. This is the 14<sup>th</sup> consecutive year that Escambia County has received 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 is valid for a period of one year only. We believe our current Comprehensive Annual Financial Report meets the Certificate of Achievement Program's standards and it will be submitted to the GFOA to determine its eligibility for this year's award.

Escambia County also received the GFOA's Distinguished Budget Presentation Award for its Annual Budget for fiscal year ended 2009. This is the 15<sup>th</sup> consecutive year that Escambia County has received this award. In order to qualify for this award, Escambia County's budget document was judged to be proficient in several categories, including a policy document, a financial plan, an operations guide, and a communications device.

**Acknowledgements.** This report is a product of the hard work and dedication of the Finance Department of the Clerk and Comptroller of Escambia County as Auditor and Accountant to the Board of County Commissioners. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. We appreciate the support and cooperation of the Board of County Commissioners and the departments that serve under them and thank the auditing firm of O'Sullivan Creel, LLP for their guidance.

Respectfully submitted,

*Ernie Lee Magaha*

Honorable Ernie Lee Magaha  
Clerk of the Circuit Court & Comptroller

*Patricia L. Sheldon*

Patricia L. Sheldon, CPA, CGFO, CPFO, CPFIM  
Administrator for Financial Services  
Clerk of the Circuit Court & Comptroller

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Escambia County  
Florida

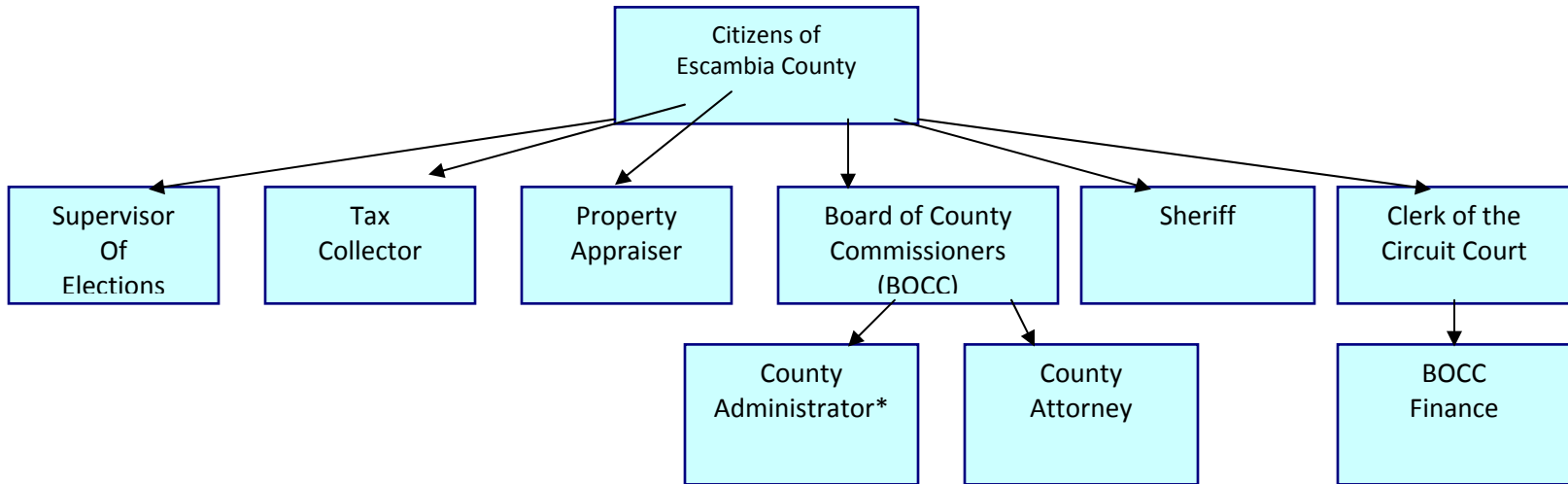
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

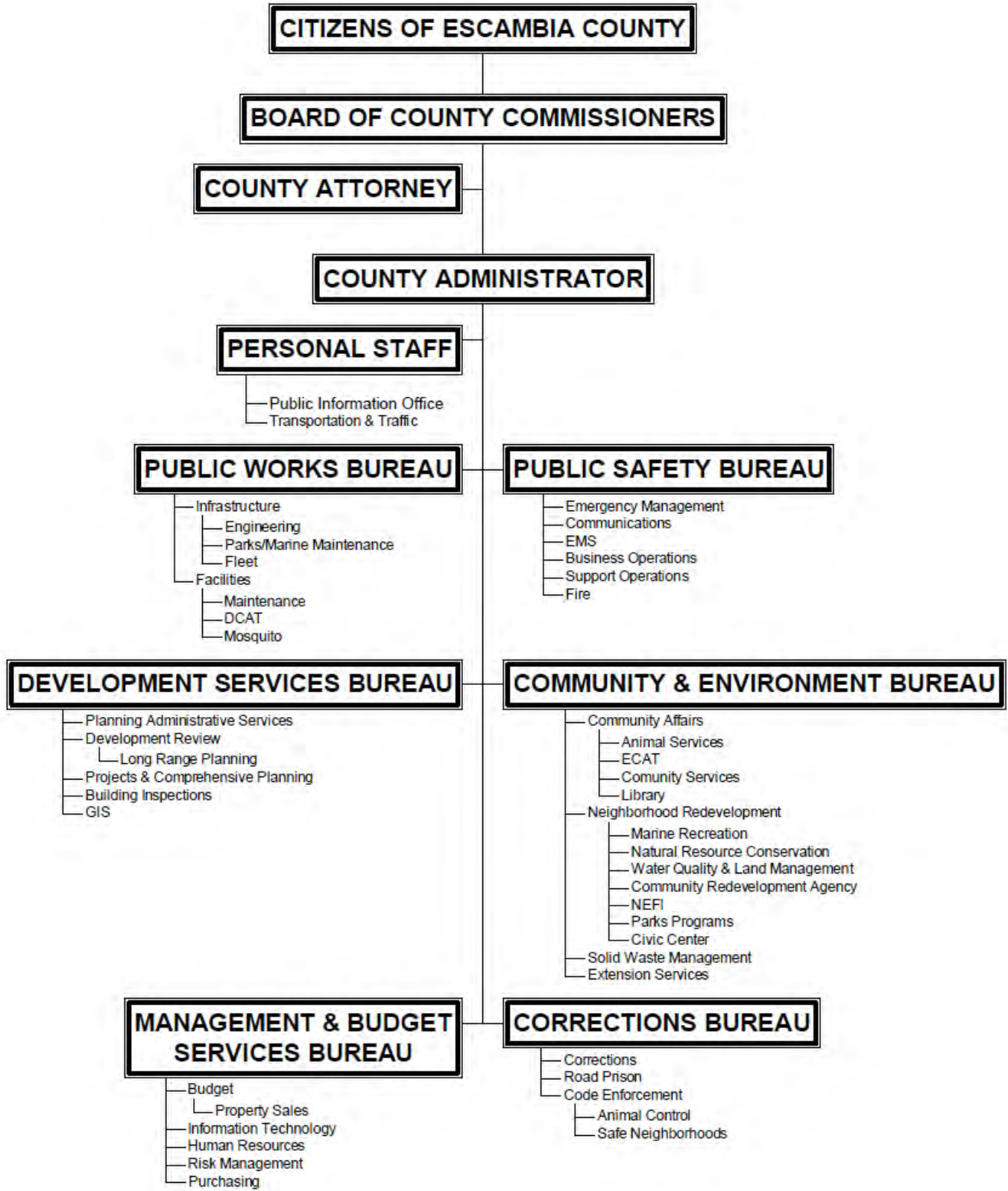


President

Executive Director



\*See next page for additional information.



## **COUNTY COMMISSIONERS**

Wilson B. Robertson, District 1  
Gene M. Valentino, District 2  
Marie K. Young, District 3  
Grover C. Robinson, IV, District 4 – Chairman  
Kevin W. White, District 5 – Vice Chairman

## **OTHER ELECTED OFFICIALS**

Ernie Lee Magaha, Clerk of the Circuit Court and Comptroller  
David Morgan, Sheriff  
Janet Holley, Tax Collector  
Chris Jones, Property Appraiser  
David Stafford, Supervisor of Elections

## **OTHER OFFICIALS**

Larry Newsom, Interim County Administrator  
Alison Rogers, County Attorney



## **FINANCIAL SECTION**

## **FINANCIAL SECTION**

This section contains the following subsections:

### **REPORT OF INDEPENDENT AUDITORS**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **BASIC FINANCIAL STATEMENTS**

### **FUND FINANCIAL STATEMENTS**

# **INDEPENDENT AUDITOR'S REPORT**



**REPORT OF INDEPENDENT AUDITORS**

Honorable Board of County Commissioners  
 Escambia County, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Escambia County, Florida, as of and for the year ended September 30, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Escambia County, Florida's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the following component units, as of and for the year ended September 30, 2010, which statements reflect total assets and total revenues as displayed below:

	<u>Total Assets</u>	<u>Total Revenues</u>	<u>Type of Component Unit</u>
Escambia County Housing Finance Authority	\$14,965,301	\$ 4,523,313	Business Type Activities-Discrete
Santa Rosa Island Authority	\$20,087,911	\$ 7,654,012	Business Type Activities-Discrete

Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the component units in the business-type activities component unit column, is based solely on the reports of the other auditors.

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 includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above, present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Escambia County, Florida, as of September 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General, Disaster Recovery, Community Redevelopment Agency, and Transportation and Drainage funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2011 on our consideration of Escambia County, Florida'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* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages three through nineteen and the schedule of funding progress on page seventy are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Escambia County, Florida's basic financial statements. The accompanying introductory section, combining and individual fund financial statements and budgetary schedules, statistical section, and continuing disclosure section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining fund financial statements and individual fund budgetary schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section, statistical section, and continuing disclosure section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on them.

*O'Sullivan Greel, LLP*

March 24, 2011

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## Management's Discussion and Analysis

As Clerk of the Circuit Court and Comptroller for Escambia County, we offer readers of Escambia County's financial statements this narrative overview and analysis of the financial activities of Escambia County for the fiscal year ended September 30, 2010. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages ii – v of this report.

### Financial Highlights

- ❖ Escambia County's assets exceeded its liabilities (net assets) as of September 30<sup>th</sup>, by \$606,895,762 for fiscal year 2010. Of this amount, \$107,616,576 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors. Unrestricted net assets increased \$5,930,838 from the previous year.
- ❖ The total net assets figures ending September 30, 2009, was increased by \$3,496,772 at the beginning of 2010 due to the implementation of GASB Statement 51, Accounting and Financial Reporting for Intangible Assets. In addition to the increase of \$3,496,772 for Intangible Assets, the County's total net assets this fiscal year increased \$23,662,757 from the previous year with an increase of \$12,613,833 resulting from governmental activities and an increase of \$11,048,924 resulting from business-type activities.
- ❖ At September 30, Escambia County's governmental funds reported combined ending fund balances of \$141,837,704, an increase of \$79,497 in comparison with the prior year. Of this amount, \$87,946,814 remains in the various fund types of the County as unreserved.
- ❖ The General Fund reported an unreserved fund balance of \$31,273,805; a decrease from last fiscal year of \$362,110.
- ❖ Escambia County's total bonded debt, leases and loans decreased \$13,052,008 from the previous fiscal year. Principal repayments account for the decrease.
- ❖ Governmental Funds' revenues increased \$5,411,164 or 1.9% over the prior fiscal year. This increase is primarily due to increases in several grants the County received namely \$2.2 million from FEMA recoveries, \$3.3 million from FTA for transit capital purchases, and \$2.7 million from BP for tourism promotion.
- ❖ The County's average investment portfolio yield declined from .92% in 2009 to .75% in 2010. Due to the continuous decline in the economy and interest rates, unrestricted interest revenue declined \$2.2 million.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Escambia County's basic financial statements, which include government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements which may be of interest to the reader.

#### ***Government-Wide Financial Statements***

Government-wide financial statements are designed to provide a broad overview of the financial position of Escambia County and are similar to private-sector financial statements. They include a **Statement of Net Assets** and a **Statement of Activities**. These appear on pages 20 – 22 of the report.

The **Statement of Net Assets** shows the County's assets less its liabilities at September 30, 2010. The difference between these assets and liabilities is reported as net assets. Changes in net assets over time may be helpful in indicating an improving or deteriorating financial position.

The **Statement of Activities** presents information showing how the net assets changed during the most recent fiscal year. The statement presents all underlying events giving rise to the change, *regardless of the timing of the related cash flows*. Some included items, such as accounts payable or earned but unused vacation leave, will produce changes in cash in a future fiscal period.

These two government-wide statements distinguish functions of Escambia 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).

Governmental activities reported in the statements include general government, public safety, physical environment, transportation, economic environment, human services, culture and recreation, and court related functions. Major business activities in Escambia County include landfill operations and ambulance service. Other business activities include inspections and the Civic Center. The government-wide financial statements include not only Escambia County itself (known as the "*primary*" government), but also the Santa Rosa Island Authority, the Housing Finance Authority, and the Escambia County Law Library, all legally separate entities for which Escambia County is financially accountable or with which the County is financially integrated. Financial information for these *component units* is reported separately from the financial information for the primary government itself.

### ***Fund Financial Statements***

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

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

By comparing functions between the two sets of statements for governmental funds and governmental activities, 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.

Governmental funds individually presented in Escambia County's statements include six major funds: the General Fund, the Disaster Recovery Fund, the Community Redevelopment Agency (CRA) Fund, the Transportation and Drainage Fund, the Debt Service Fund and the Local Option Sales Tax (LOST) Fund. Although there are many smaller governmental funds in Escambia County's government, they have been aggregated in a total column termed as "other governmental funds." Combining statements for these other governmental funds have been presented in the "Combining Statements and Schedules" section of this report.

Escambia County adopts an annual appropriated budget for all governmental funds. Budgetary comparison statements and schedules have been provided for these funds to demonstrate budgetary compliance.

**Proprietary Funds.** Escambia County maintains and presents two different types of proprietary funds--enterprise and internal service.

Enterprise funds report, in detail, the same information presented as business-type activities in the government-wide financial statements for landfill operations, building inspections, ambulance and emergency medical services, and Civic Center operations. Inspections and Civic Center are presented in one total column but may be separately reviewed in the combining statements elsewhere in the report.

The internal service fund is an accounting mechanism to accumulate and allocate costs internally for Escambia County's government. The County uses an internal service fund to account for the risk financing activities for the County's insurance program. Although the risk management program has transitioned to being fully insured in all areas, there are several residual workers' compensation cases that were incurred prior to June 9, 2008, that are still considered self insured. Garage and fuel activities provided to other County departments and the administration of employee benefits are also included in the internal service fund. The Sheriff and Clerk each use an Internal Service Fund to account for the annual costs related to the Compensated Absences Policy activities provided for by each respective office, as well as to accumulate certain compensated absences liabilities. The internal service fund is presented in one total column in the Proprietary Funds' financial statements but may be separately reviewed in the combining statements elsewhere in the report.

**Fiduciary Funds.** Escambia County uses fiduciary agency funds to account for resources held for the benefit of parties outside of county government. Although these funds are presented in the fund financial statements, they do not appear in the government-wide financial statements because the resources of these agency funds are not available to support Escambia County's own programs. Agency funds are unlike all other fund types in that agency funds report only assets and liabilities. They do however, use the accrual basis of accounting to recognize receivables and payables.

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

**Other Information.** Combining and individual statements and schedules referred to earlier, which present more detailed views of nonmajor funds used in governmental and proprietary funds, includes schedules for nonmajor special revenue funds, capital project funds, enterprise funds, internal service funds, and agency funds. Additional information about the County is found under the Statistical and Continuing Disclosure sections of this report.

## Government-Wide Financial Analysis

Comparative data for fiscal years ending September 30, 2010 and 2009 are included in the analysis.

<b>Escambia County, Florida</b>						
<b>Net Assets (in thousands)</b>						
	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$202,229	\$204,656	\$29,750	\$19,076	\$231,979	\$223,732
Capital assets	538,970	528,029	49,095	47,589	588,065	575,618
Total assets	<u>741,199</u>	<u>732,685</u>	<u>78,845</u>	<u>66,665</u>	<u>820,044</u>	<u>799,350</u>
Long-term liabilities	152,288	152,539	15,284	14,335	167,572	166,874
Other liabilities	41,534	48,880	4,042	3,861	45,576	52,741
Total liabilities	<u>193,822</u>	<u>201,419</u>	<u>19,326</u>	<u>18,196</u>	<u>213,148</u>	<u>219,615</u>
Net assets:						
Invested in capital assets net of related debt	445,075	421,039	48,812	47,589	493,887	468,628
Restricted	5,393	9,422	0	0	5,393	9,422
Unrestricted	96,909	100,805	10,707	880	107,616	101,685
	<u>\$547,377</u>	<u>\$531,266</u>	<u>\$59,519</u>	<u>\$48,469</u>	<u>\$606,896</u>	<u>\$579,735</u>

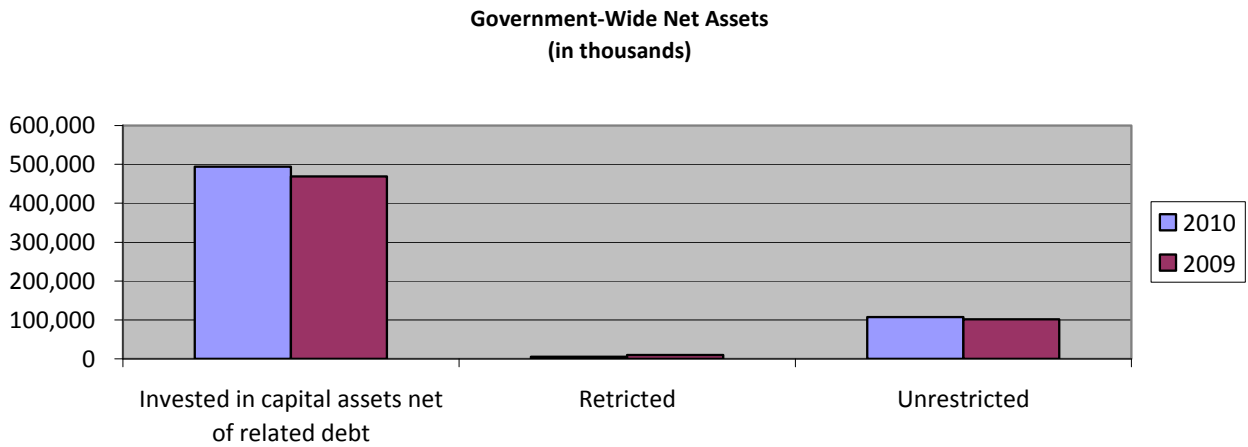
The overall financial position of the County is favorable in both fiscal years 2010 and 2009. As noted earlier, changes in net assets over time can be one of the best and most useful indicators of the County's financial position. Escambia County's increase in net assets for the fiscal years ending September 30, 2010 and 2009 amounted to \$23,662,757 and \$32,753,495, respectively even though overall, the County experienced a decrease in net assets of approximately 17% from last year. Escambia County's commitment to maintaining and improving infrastructure in order to foster economic development is a major component of net asset growth. While Escambia County remains committed to maintaining and improving infrastructure and services, declines in revenues account for the overall decline in the net assets growth rate.

As in the prior year, at the end of the fiscal year 2010, the County as a whole, is able to report positive balances in all three categories of net assets. The County's unrestricted net assets at September 30, 2010 increased \$5,930,838 from 2009 primarily due to the increase in net assets of the Solid Waste and Ambulance funds. As explained on page 10, the Solid Waste Fund received a transfer in \$5,900,000 from LOST to the Solid Waste Fund to be used in future years to develop an economic development park at the Old Saufley Field Landfill site.

The County's restricted net assets decreased from 2009 by \$4,029,461. This decrease reflects the County's use of cash reserves from the general fund to pay off two notes during fiscal 2010. By paying of the debt early, current year non-ad valorem revenues can be used for on-going projects and expenses. Unrestricted net assets are County resources that may be used to meet the County's ongoing obligations to citizens and creditors while restricted net assets are resources subject to external restriction.

Escambia County's investment in capital assets such as land, roads, parks, buildings, machinery and equipment, as a percentage of net assets, amounts to 81.38% and 80.83% at September 2010, and 2009, respectively. These asset values are presented less any outstanding debt related to the acquisition and accumulated depreciation of those assets. The County uses capital assets to provide services to the citizens and consequently these assets are not available for future spending. Although our investment in 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 graph below illustrates the allocation of government-wide net assets for fiscal year 2010 compared to fiscal year 2009.



Cash and investment accounts of the County’s funds increased a total of \$791,047 from the previous year, increasing \$196,269 in the current asset category and \$594,778 in the restricted asset category.

A comparison of current unrestricted assets as compared to current unrestricted liabilities for both governmental and business-type activities can be a good indication of the County’s ability to meet its current and existing operational responsibilities. The ratios for both years are as follows:

**Escambia County, Florida  
Comparison of Current Unrestricted Assets and Liabilities (in thousands)**

	Governmental Activities	Business-type Activities
<b>Fiscal year ending September 30, 2010:</b>		
Current unrestricted assets	\$202,189	\$23,780
Current unrestricted liabilities	\$41,494	\$3,645
Ratio of current assets to current liabilities	4.87	6.52
<b>Fiscal year ending September 30, 2009:</b>		
Current unrestricted assets	\$203,058	\$13,694
Current unrestricted liabilities	\$34,656	\$3,354
Ratio of current assets to current liabilities	5.86	4.08

The County continues to maintain healthy ratios as noted above which indicates more than adequate cash flows of Escambia County.

Changes in net assets are reflected in the next table. Changes in the governmental and business activities will be discussed in the pages to follow.

**Escambia County, Florida**  
**Changes In Net Assets**  
**Year Ended September 30, 2010**  
(in thousands)

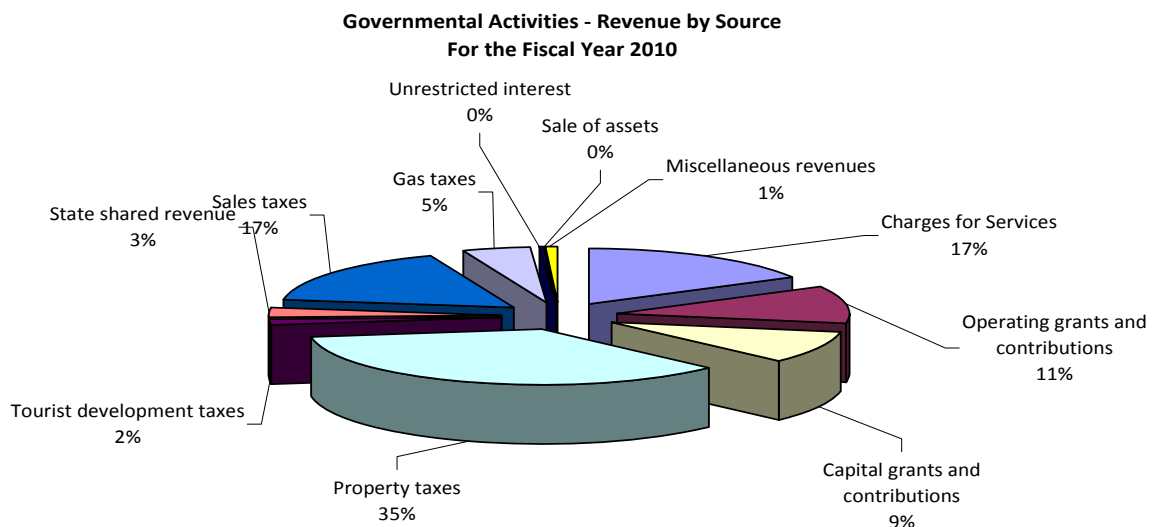
	Governmental		Business-type		Totals	
	2010	2009	2010	2009	2010	2009
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$49,683	\$54,857	\$31,407	\$29,374	\$81,090	\$84,231
Operating Grants and Contributions	31,039	15,183	107	6	31,146	15,189
Capital Grants and Contributions	27,450	33,056	1,624	972	29,074	34,028
General Revenues:						
Property Taxes	103,386	107,317	0	0	103,386	107,317
Sales Taxes	49,382	49,756	0	0	49,382	49,756
Other Taxes	18,439	18,774	0	0	18,439	18,774
Other	11,702	24,987	635	429	12,337	25,416
<b>Total Revenues</b>	<b>291,081</b>	<b>303,930</b>	<b>33,773</b>	<b>30,781</b>	<b>324,854</b>	<b>334,711</b>
<b>Expenses:</b>						
General Government/Court Related	66,970	77,170	0	0	66,970	77,170
Public Safety	120,345	118,799	0	0	120,345	118,799
Physical Environment	4,418	4,348	0	0	4,418	4,348
Transportation	44,860	43,887	0	0	44,860	43,887
Economic Environment	19,468	11,326	0	0	19,468	11,326
Human Services	3,318	3,386	0	0	3,318	3,386
Culture/Recreation	5,647	5,851	0	0	5,647	5,851
Interest on Long-Term Debt	5,397	6,471	0	0	5,397	6,471
Solid Waste	0	0	11,822	7,861	11,822	7,861
Inspections	0	0	2,874	3,141	2,874	3,141
Ambulance	0	0	9,563	14,195	9,563	14,195
Civic Center	0	0	6,509	5,523	6,509	5,523
<b>Total Expenses</b>	<b>270,423</b>	<b>271,238</b>	<b>30,768</b>	<b>30,720</b>	<b>301,191</b>	<b>301,958</b>
Increase (Decrease) in Net Assets						
before Transfers	20,658	32,692	3,005	61	23,663	32,753
Transfers	(8,044)	(2,830)	8,044	2,830	0	0
Increase in Net Assets	12,614	29,862	11,049	2,891	23,663	32,753
Net Assets, beginning (2010 restated)	534,763	501,404	48,470	45,579	583,233	546,983
Net Assets, ending	<b>\$547,377</b>	<b>\$531,266</b>	<b>\$59,519</b>	<b>\$48,470</b>	<b>\$606,896</b>	<b>\$579,736</b>

## Governmental Activities

Legislative changes and constitutional amendments to the Florida State Constitution during 2008 placed restrictions on the amount of property tax revenues received by the County. Fiscal year 2010 was the third full year impacted by these changes. The Board of County Commissioners left the millage rate at 6.976, the same rate for 2009. A reduction in assessed property values resulted in an approximate \$3.9 million reduction in property tax revenue. The \$374,113 reduction in sales tax revenues could reflect the continued general decline in the State's economy along with known impact from the reduction of tourists in the area following the April 21, 2010 Deepwater Horizon / BP oil spill. Along with sales tax revenue, the tourist development tax (TDT) revenue suffered a decline as well. Before the oil spill in April 2010, the TDT was trending upwards with 5% growth. In the four months remaining in the fiscal year, the TDT revenue experienced approximately a 10% decline. Claims have been filed with BP to recoup some of those losses, but at fiscal year end the County is waiting for the claims to be paid. Overall, the County experienced a 4.23% decline in governmental activities revenue and a corresponding .3% decrease in governmental activities expenses.

Changes for fiscal year 2010 occurred with a 14.64% decrease in general government, a 1.30% increase in public safety, a 1.60% increase in physical environment, a 2.22% increase in transportation, a 71.88% increase in economic environment, a 2.00% decrease in human services, a 3.48% decrease in culture/recreation, a 1.87% decrease in court-related services, and a 16.59% decrease in interest costs or long-term debt. Interest costs on debt decreased significantly as a result of the early payoff of the two capital improvement notes that had original maturity dates of October 1, 2017. Overall, these increases and decreases in costs reflect the County's continuing commitment to manage the basic needs of our growing population with the available resources.

This combination of increases and decreases in various functional areas described above resulted in an increase in governmental net assets of \$12,613,833 which is \$17,248,632 less than last year's net assets increase of \$29,862,465. The graph below illustrates the sources of **governmental activities revenues**.



## Governmental Function Expenses

The general government, public safety, and transportation functions account for most of the total governmental activities expense (83%). On a percentage basis, public safety generates the smallest amount of program revenues with \$82,654,080 of costs paid for with taxpayer dollars. The table below illustrates the net cost or net revenue generated by each of the County's programs. The net cost of service reflected below identifies the extent to which each governmental function draws from the general revenues of the County rather than being self-supporting through fees or charges. In other words, the financial burden for these functions is placed on the County's taxpayers.

Governmental Activities

Function	Total Cost of Service	Percentage of Total	Net Cost/(Revenue) of Service	Percentage of Total
General government	\$58,524,842	21.64%	\$30,520,228	18.81%
Public safety	120,344,577	44.50%	82,654,080	50.94%
Physical environment	4,417,970	1.63%	(788,350)	-0.49%
Transportation	44,860,390	16.59%	30,937,461	19.07%
Economic environment	19,468,278	7.20%	8,349,327	5.15%
Human services	3,317,724	1.23%	2,418,009	1.49%
Culture and recreation	5,647,172	2.09%	5,218,850	3.22%
Court related	8,445,723	3.12%	(2,454,761)	-1.51%
Interest on long term debt	5,396,938	2.00%	5,396,938	3.33%
Total	\$270,423,614	100.00%	\$162,251,782	100.00%

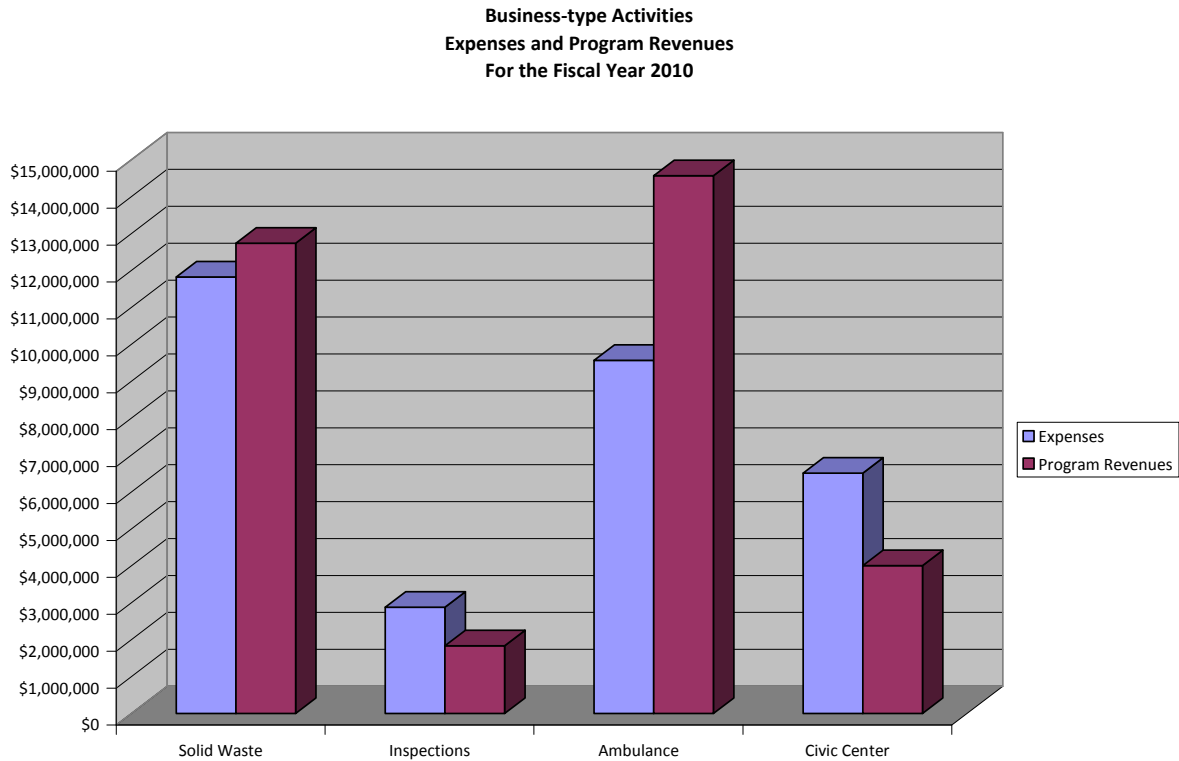
## Business-type Activities

Business-type activities increased the County's net assets by \$11,048,924 for the fiscal year 2010 as compared to an increase of \$2,891,030 for fiscal year 2009. Revenues in most funds increased, accompanied by an increase in expenses. For the most part, the increase in net assets is attributable to the transfer in \$5,900,000 from LOST to the Solid Waste Fund to be used in future years to develop an economic development park at the Old Saufley Field Landfill site. Key elements of decreased revenues and expenses between the years can be explained as follows:

- ❖ The Solid Waste fund experienced a 19% increase in charges for services revenue partially due to the new voluntary curbside recycling program that went into effect during fiscal year 2009. The Solid Waste Fund does not charge Emerald Coast Utilities Authority (ECUA) a tipping fee for recyclables that had previously been included in the dumping fee calculation.
- ❖ The Solid Waste Fund experienced an increase in the closure cost estimates of almost \$2.6 million, which overall increased their operating expenses. Landfill mining techniques that were initiated during fiscal year 2008 have been enacted and estimates for long term maintenance have been adjusted to account for these improvements. The landfill mining project will increase capacity and life of the landfill.
- ❖ The Inspections Fund continues to experience a decline in the number of permits issued. Fiscal year 2010 licenses and permits revenues decreased 14% which is reflective of the trend of reduced activity in the real estate market not only nationally, but locally as well.
- ❖ The Civic Center Fund experienced a 14% increase in charges for services revenues in fiscal year 2010. There was a 73% increase in the amount of transfer subsidy from the Tourist Development Tax in the form of a cash subsidy in order for the Civic Center to pay vendors and payroll. The increase in revenue was accompanied by a 25% increase in contractual services which when combined, resulted in a decrease in net assets of \$787,555.
- ❖ The Ambulance Fund experienced an improvement in fiscal year 2010 with an increase in net assets of \$5,836,846 compared to fiscal 2009's increase of \$2,231,946. The most significant reason for this improvement is due to the \$3.8 million paid by Eagle-SWS, a BP contractor for oil spill cleanup along the Gulf Coast. Eagle-SWS hired the County's Ambulance Fund to provide special standby services on site in

case any workers had health issues and needed ambulance transport. Expenses held fairly steady in fiscal year 2010 compared to fiscal year 2009. Additionally, there was an \$806,628 subsidy from the General Fund compared to a \$1,522,330 subsidy in 2009.

The graph below compares the expenses to the program revenues supporting the operations.



### Financial Analysis of Escambia County's Funds

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

**Governmental Funds.** Governmental funds focus on providing information on near-term inflows, outflows, and balances of *spendable resources*. In assessing Escambia County's financing requirements, unreserved fund balance is a particularly useful measure of net resources available for spending at the end of the fiscal year. The governmental fund types include the general fund, special revenue, debt service, and capital projects funds.

As of September 30, 2010, Escambia County governmental funds reported combined fund balances of \$141,837,704, an increase of \$79,497 compared to prior year balances. Governmental funds reserved \$29,924,002 of fund balance to meet current commitments in the next fiscal year, \$978,163 for inventory, \$5,392,681 for debt service, and \$17,596,044 for advances made to other funds.

**The General Fund** is the chief operating fund of the County. At September 30, 2010, total fund balance in the general fund was \$32,732,000 of which \$31,273,805 was unreserved. As a measure of the general fund's liquidity, a comparison of both total and unreserved fund balances compared to total fund expenditures shows percentages of 24.83% and 23.73%, respectively. The fund balance of the County's General Fund decreased by a modest \$432,961 during the current fiscal year. Key factors in keeping this decrease to a minimum are as follows:

- ❖ Total revenues decreased 3.6% from fiscal year 2009 and expenditures decreased 7.58% from fiscal year 2009.
- ❖ Transfer activity from the general fund overall decreased 25%, with decreased transfers going to the Transportation and Drainage Fund, Debt Service Fund, Mass Transit Fund, Disaster Recovery Fund, the Development Fund and the Ambulance Fund. At the current levels, revenues were sufficient to cover operating and transfer expenses during the fiscal year.

**The Other Major Governmental Funds** include the Disaster Recovery Fund, the CRA Fund, the Transportation and Drainage Fund, the Debt Service Fund and the LOST Fund.

The Disaster Recovery Fund was established to account for all the financing provided from various grants and/or reimbursements to aid the County's recovery from either natural or man-made disasters. Examples include Federal Emergency Management Agency (FEMA), insurance reimbursements, donations or other grants and aid. Escambia County was struck by Hurricane Ivan (a Category 3 hurricane) in September 2004 and Hurricane Dennis in July 2005. During 2010, FEMA progressed with the close-out of numerous projects and claims that were a result of Hurricanes Ivan, Dennis and Katrina in 2004 and 2005. As the projects are closed, FEMA determines the final amounts that may be due to, or payable by, the Board. During 2010, \$2.2 million has been disallowed and/or recouped by FEMA. Based on Board analysis of FEMA projects, receivables and payables from and to FEMA of \$942,000 and \$2,093,000, respectively, are reported at September 30, 2010 in the Disaster Recovery Fund. The Board will continue to monitor the status of the close-out process and record receivables/payables as they become probable and able to be reasonably estimated.

On April 21, 2010, the Deepwater Horizon oil well in the Gulf of Mexico collapsed causing a massive oil spill in the Gulf. The subsequent intrusion of oil onto the beaches of Northwest Florida caused a decline in tourism for the area due to the condition of the beach, resulting in loss of tourism and tax revenues to Escambia County. As a result of prevention and clean-up efforts, the County incurred expenditures totaling approximately \$2.9 million. Expenditure reimbursements from the well owner/operator are recorded as miscellaneous revenue in the Disaster Recovery Fund and lost tourist development tax revenue claims totaling approximately \$370,000 are recorded as miscellaneous revenue in the Tourist Promotion Fund. The ultimate financial impact of the oil spill on Escambia County is not known. At fiscal year end, the County has received \$2.8 million in reimbursements from BP.

The CRA Fund accounts for the revenues and expenditures for the redevelopment areas established in the County. There are currently five established redevelopment areas included under the CRA jurisdiction. The CRA is funded through transfers from the General Fund of tax increment (TIF) portions of property taxes for each respective district. The County's budgeting policy for the CRA complies with State Statute and allows for 50% of the TIF to be transferred from the General Fund. In fiscal year 2010, the TIF into the CRA Fund decreased by 34.64% due to the overall decrease in assessed property values. Expenses within the CRA districts decreased \$405,822. Net assets for the CRA Fund decreased a modest \$199,738 compared to the 2009 increase of \$102,728. The CRA enjoys a healthy fund balance at the end of fiscal year 2010 of \$5,788,376 and is well positioned to weather economic fluctuations.

Taxes are a major source of revenue for both the Transportation and Drainage Fund and the LOST Fund. Gas taxes are used by the Transportation Fund for the construction and maintenance of roads in the County. Gas taxes decreased .4% in fiscal year 2010 due to more stable demand as gasoline prices have leveled out this fiscal year. Revenues and expenditures in the Transportation and Drainage Fund reflect the continuation of multiple road improvement projects and drainage in which the County is engaged.

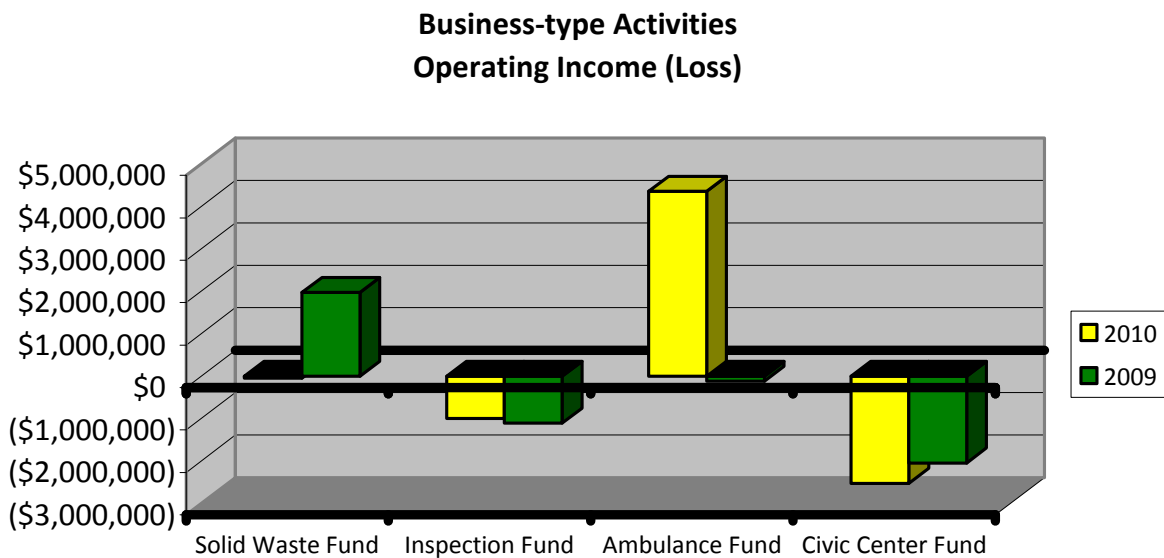
The local option sales tax imposed on Escambia County is used by the LOST Fund to acquire and construct capital projects within the County. Sales tax revenues decreased .75% over fiscal year 2009. Net assets increased by a modest \$911,618 as current year revenues were sufficient to cover operating expenses and transfers. The LOST Fund transferred \$5,900,000 to the Solid Waste Fund to establish reserves for a beautification and revitalization project taking place at the former Saufley Field Landfill. The landfill was closed and remediated by the Florida Department of Environmental Protection (FDEP) and the County took ownership of the property in order to revitalize it into either a nature park or industrial park. Interlocal agreements with the City of Pensacola and ECUA helped the County complete several major road and building projects. Expenditures increased 19.5% over fiscal year 2009 due to the following purchases:

- Renovations on the Old County Courthouse \$213,000
- Renovations at the Equestrian Center \$479,000
- Purchase of nine Fire Trucks \$ 4,611,943
- Purchase of three Ambulances \$596,000

**Proprietary Funds.** Proprietary fund statements provide the same information as in the business activities column of the government-wide statements, but in greater detail, and on a fund basis for enterprise funds and the internal service fund. The major enterprise funds reported are the Solid Waste Fund and the Ambulance Fund.

Enterprise Funds. At September 30, 2010, total net assets amounted to \$59,518,706 for enterprise funds, as compared to \$48,469,782 at September 30, 2009. Changes to net assets are a result of operations, other non-operating revenues and expenses, capital contributions and grants. The increase in net assets for enterprise funds was \$11,048,924 compared to an increase of \$2,891,030 for fiscal year 2009.

Operating income is the result of operating revenues less operating expenses. The chart below compares operating income or loss for all enterprise funds.



Operating revenues in the Solid Waste Fund increased 19.42% along with a 50% increase in operating expenses. The main reason for the increase in revenue was due to the implementation of a County-wide voluntary recycling program during the last fiscal year. As an incentive to recycle, the Perdido Landfill does not charge for the dumping of recyclable materials. The main reason for the increase in operating costs was due to the increase of \$2,608,796 in the engineering estimates of future landfill maintenance and closure costs. The Landfill's active landfill mining initiative started in 2008 has added life and capacity to the landfill cells at the Perdido Landfill.

Decreased expenses were noted in personal services, travel expenses, insurance costs, rents and leases, advertising and promotion, and miscellaneous expenses. Increases were noted in contractual services, materials, utilities, and maintenance expenses.

The Civic Center experienced an increase in operating revenues of \$507,105 or 14.57%. However, that increase was not enough to cover the \$986,311 or a 17.86% increase in operating expenses. In addition to the Tourist Development Taxes used to subsidize the operating losses at the Civic Center, the County gave the Civic Center a cash subsidy of approximately \$900,000 during fiscal year 2010, up from the \$520,158 cash subsidy given in fiscal 2009.

The Inspection Fund experienced a 14% decrease in permits and fees revenue this year as compared to fiscal year 2009 which was directly attributable to continued diminishment in the activity of the housing and commercial real estate market in general. While a 7.8% decrease in salaries, along with modest decreases in almost all categories of expenses were noted, the revenues generated were not sufficient to cover the costs, resulting in an operating loss of \$993,069.

The Ambulance Fund experienced a slight \$202,765 or 1.45% decrease in their charges for services revenue during fiscal year 2010. While holding their operating expenses at a fairly constant level from last year, it was possible to reduce the transfer subsidy from the General Fund by 47%, thus yielding a net change in assets of \$5,836,846. The Ambulance Fund ended the fiscal year with a net operating profit of \$4,360,822 compared to the operating loss in fiscal year 2009 of \$114,636, primarily due to the contract with Eagle-SWS that benefitted the fund by \$3.8 million. Overall results mark a notable improvement over the previous fiscal year.

Major enterprise funds are shown in the Financial Statements Section and the Non-Major enterprise funds are shown in the "Combining Statements" section of the annual report.

Other factors concerning the finances of these funds have been addressed in the discussion of the County's business-type activities.

Internal Service Funds. The Internal Service Fund as presented is a combination of the internal service fund of the Board of County Commissioners, the Sheriff, and the Clerk of the Circuit Court. The combining statements for the three internal service funds can be found in the Combining Statements section of this annual report. The Internal Service Fund is designed to recover the internal costs of general services provided to the other fund groups and to accumulate amounts required to fund the compensated absences liability of the Sheriff's and the Clerk of Court's employees. The Sheriff and Clerk continue to methodically fund the compensated absences liability of \$18,551,040 and \$1,769,570, respectively. The Board's Internal Service Fund experienced an operating loss of \$308,321. Additionally, the Board's Internal Service Fund transferred \$5 million to the Disaster Recovery Fund to help pay for the upfront costs of the BP Oil Spill disaster recovery. The Board anticipates those monies to be repaid by BP during fiscal 2011 and consequently the Internal Service Fund will be repaid. The net asset deficits for the combined internal service funds are (\$10,060,232) and (\$3,437,484) for the fiscal years 2010 and 2009, respectively.

## General Fund Budgetary Highlights

Operating a government the size of Escambia County is a dynamic business and budget amendments are approved throughout the year. The General Fund budget to actual statement is provided in the Basic Financial Statements section of this report on page 27. Budget columns are provided for both the original budget adopted for fiscal year 2010, as well as the final budget.

**Budgeted Revenues:** A comparison of original budget to final budget for general fund revenues shows no changes in taxes, permits and fees, and fines and forfeitures. Only slight changes were noted in intergovernmental revenue, charges for services, investment income, and miscellaneous revenues. These changes are related to changes in estimates of various collections and receipts or changes in amounts to be received from grants and

state-shared revenues. This is an indication that the County remains committed to a conservative approach when developing the budget for the general fund.

A comparison of final budget to actual general fund revenues shows a difference for taxes mainly due to less than expected ad valorem receipts, better than expected fee collections, better than expected state revenue sharing and half-cent sales tax dollars, better than expected interest earnings, and less than expected miscellaneous receipts.

**Budgeted Expenditures:** Minor differences between the original budgeted expenditures and the final amended budget for all categories of expenditures can be attributed to realignment during the year of program expenditures as the anticipated revenues to cover the expenditures materialized. A brief summary follows:

- ❖ Decrease in general government activities of \$3,070,428
- ❖ Increase in public safety activities of \$79,328
- ❖ Decrease in physical environment activities of \$6,464
- ❖ Increase in human services activities of \$25,000
- ❖ Increase in culture/recreation activities of \$36,543
- ❖ Increase in transfers out of \$6,801,760 to pay off two outstanding loans, thus allowing for future general fund dollars to be used to support current operating costs

The favorable difference between the final amended budget for total expenditures and the actual total expenditures is chiefly due to the \$23.4 million roll-forward of prior year funding that is appropriated as reserves in the general government category to be used for unanticipated events. The favorable difference in the transfers out category due to the early payoff of 2 capital improvement notes and therefore less transfers were needed for the interest payments on the loans.

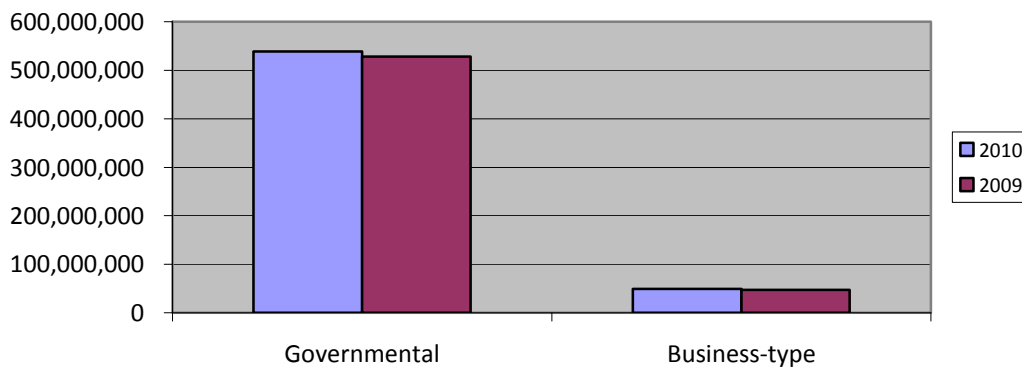
Prior to the transfer out of revenues of approximately \$26 million, as mentioned above, the General Fund had roughly a \$23 million increase in net assets.

## **Capital Asset and Debt Administration**

**Capital Assets.** The financial statements present capital assets in two groups: those assets subject to depreciation, such as equipment or operational facilities and those assets not subject to depreciation such as land and construction-in-progress.

Escambia County's capital assets for both governmental and business-type activities, net of accumulated depreciation totaled \$588,065,662 and \$575,618,531 for fiscal years 2010 and 2009, respectively. This investment in capital assets, both purchased and donated, includes land, buildings, improvements, machinery and equipment, computer software, parks, roads, bridges and other major infrastructure. A comparison of the increase in Escambia County's investment in capital assets, net of depreciation is depicted in the graph below. Governmental net capital assets increased by \$10,941,209 or 2.1% (including the effects of implementing GASB 51) and business-type net capital assets increased \$1,505,922 or 3.16%.

## Capital Asset and Debt Administration



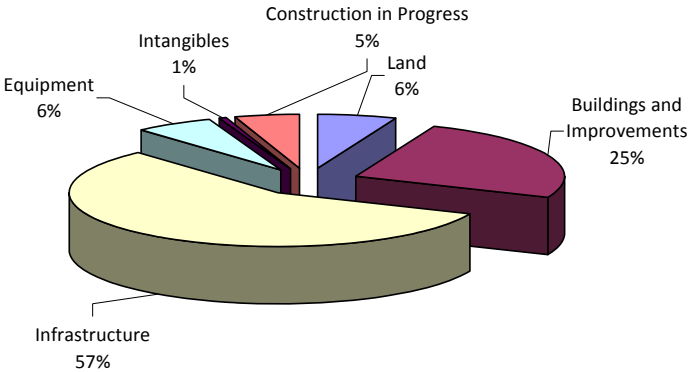
Sources of donated assets each year stem from new subdivisions in the County. New subdivisions are required to meet the County’s comprehensive planning requirements and, in doing so, provide additions to the County’s infrastructure for roads, sidewalks, stormwater drainage, and in some cases parks and recreational facilities.

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

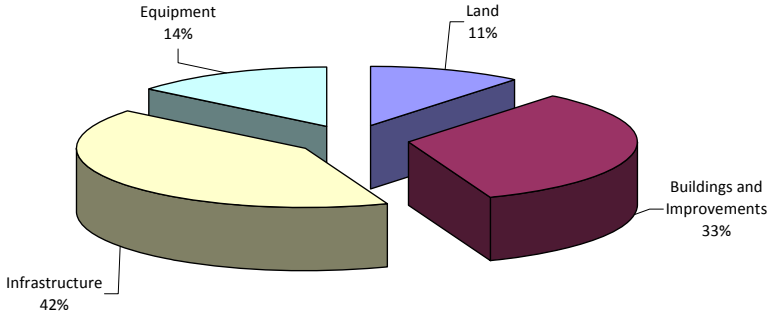
- ❖ Donated general government assets consist of developer funded road and drainage infrastructure and sidewalks in new planned developments and subdivisions. Donated infrastructure in fiscal year 2010 amounted to \$550,621 as compared to \$382,128 last fiscal year.
- ❖ Approximately \$824,000 of land was purchased as right-of-way acquisitions for on-going road projects.
- ❖ Construction began in 2009 on a new County facility to house the building inspections and engineering departments. The facility has been dubbed the “One-Stop Building” because citizens will be able to get all their permitting and plan development reviews, etc. taken care of all at this one site. The building was completed in August 2010 with costs this fiscal year totaling \$7,024,927 for a total approximate cost of \$12 million.
- ❖ Construction continued on many of the County’s capital projects including:
  - Road improvements in excess of \$5.4 million
  - Drainage improvements in excess of \$17 million
  - Right-of-ways and sidewalks \$287,500
  - Various other parks approximately \$1.4 million
  - Perdido Key improvements \$84,141
  - Various Fire Station renovations \$69,680
  - Various County facilities \$1.8 million
- ❖ Renovations and improvements to various County facilities, including the completion of the Pensacola Beach Fire Station, renovations at the Molino Community Center, the old County Courthouse, Wedgewood Community Center, the Sheriff’s Administrative Building, and energy efficiency retrofits totaling approximately \$775,000.
- ❖ Various departments purchased approximately \$154,000 of general computer equipment and upgrades.
- ❖ The Roads and Bridges Department purchased approximately \$580,000 of heavy equipment for use at the Road Department, and various other light equipment items to be used for road operations.
- ❖ The Fire Department purchased approximately \$3 million of fire fighting and rescue equipment and \$1.9 million for five new rescue pumps.
- ❖ Court-related functions purchased computer equipment and upgrades of \$93,000.
- ❖ The Supervisor of Elections purchased approximately \$98,000 of new voting machines and software as required by the State guidelines.
- ❖ Parks and Recreation purchased nearly \$127,000 of large vehicles and mowing equipment for purposes of parks maintenance and operations.

- ❖ Escambia County Area Transit (ECAT) purchased nearly \$33,400 of GPS devices and radios for the transit buses, along with \$4 million for 10 new buses, 2 mini-buses and a commuter van.
- ❖ Effective October 1, 2009, the County adopted GASB 51, Accounting and Financial Reporting for Intangible Assets. The beginning balance of the County’s capital assets have been restated to include \$3,739,446 costs for computer software purchased in previous years and categorized as Intangible Assets. During fiscal year 2010, the County purchased additional software for \$276,903.

**Governmental Activities  
Escambia County, Florida  
Capital Assets  
(net of depreciation)  
as of 09/30/2010**



**Business-type Activities  
Escambia County, Florida  
Capital Assets  
(net of accumulated depreciation)  
as of 09/30/2010**



Additional information on Escambia County’s capital assets can be found on pages 52 - 53 in the Notes Section of this report.

**Long-Term Debt.** At the end of the fiscal year 2010, the County had total bonded debt of \$108,540,000, or approximately \$368 per capita, which is secured solely by specified revenue sources (e.g., toll bridge revenues, tourist development taxes, and half-cent sales taxes). The County has no general obligation debt.

The County's outstanding notes, leases, and bonded debt increased / decreased by a net amount of \$13,052,008 during fiscal year 2010. During fiscal 2010, the County paid off two outstanding capital improvement notes that were scheduled to mature October 1, 2017. By paying off the debt, the County is able to use the general fund revenues previously pledged on these notes for other operating costs. Further discussion of other County debt can be found on pages 56 – 57 of this report.

**Escambia County, Florida  
Long-Term Debt**

	Governmental Activities	
	2010	2009
	2010	2009
<b>Revenue Bonds:</b>		
Sales tax revenue bonds	\$78,990,000	\$80,915,000
Tourist development bonds	10,415,000	11,385,000
Capital improvement bonds	19,135,000	19,630,000
<b>Total revenue bonds</b>	<b>108,540,000</b>	<b>111,930,000</b>
<b>Notes and loans:</b>		
Capital improvement notes	0	9,005,000
Capital Leases	507,504	1,164,512
<b>Total notes/loans/leases</b>	<b>507,504</b>	<b>10,169,512</b>
<b>Total Long-Term Debt</b>	<b>\$109,047,504</b>	<b>\$122,099,512</b>

Standard & Poor's affirmed that Escambia County maintains a bond rating of AA- with a stable rating. The stable rating indicates that a rating is not likely to change. The County has met and complied with all technical and financial covenants in the bond contracts.

No legal debt limit is set by the Constitution of the State of Florida or Escambia County. Additional information on Escambia County's long-term debt can be found in the Notes section of this report.

**Economic Factors and Year 2011 Budgets and Rates**

The fiscal 2011 budget was balanced holding the County-wide millage rate at 6.976 and the Law Enforcement MSTU rate remaining at .685 mils. The County is committed to responsible levels of taxation for the taxpayers of Escambia County.

Factors considered in preparing Escambia County's budget for the 2011 fiscal year included:

- ❖ The reduction in assessed values on the property in Escambia County contributed to a total overall budget reduction of over 5.16% for fiscal 2011, even though the millage rate remained at the 2010 level.
- ❖ The Consumer's Price Index (CPI) increased 2.86% over the previous year's rate. While the CPI is not specific to Escambia County, it does provide an indication of the overall economic condition of the nation and provides economic guidance for budgeting.
- ❖ One focus has been on continuing to reduce staffing levels paid from general fund revenues.
- ❖ Anticipation of higher levels of grant funding for various projects and activities to continue in the years to come.

- ❖ Maintenance of existing infrastructure consisting of transportation systems, County facilities, drainage and parks are a first priority.
- ❖ Continue to provide urban-type services including parks and recreation, public works, growth management, code enforcement, and fire protection services at a fiscally responsible cost.
- ❖ Looking for innovative methods of addressing the need to provide services while facing tough economic times evidenced by rising gas prices, falling property values, lack of an economic upturn, increased demand for services, and increased demands for subsidies.

During the current fiscal year, unreserved fund balance in the general fund decreased to \$31,273,805. An amount of \$15,793,392 is available for spending in the 2011 fiscal year budget, a 36.5% decrease from the prior fiscal year. However, this healthy fund balance still allows Escambia County Government to continue maintaining basic levels of service to the residents during fiscal 2011.

Escambia County continues to review various service fees and charges to meet the ongoing needs of infrastructure and services for County residents. The fiscal year 2011 budget development was challenging in that the County is faced with severely limited funding while trying to address the ever-expanding needs of the community. Escambia County remains committed to providing efficient and responsive services that enhance the quality of life, meet common needs, and promote a safe and healthy community.

**Requests for Information.** This financial report is designed to provide a general overview of Escambia County Government's finances. Questions concerning any of the information provided in this report or requests for additional financial information may be addressed to the Clerk of the Circuit Court & Comptroller, Finance Department, 221 Palafox Place, Suite 130, Pensacola, Florida 32502-5843. The Clerk's office may also be contacted through the Website address: [www.escambiaclerk.com](http://www.escambiaclerk.com).

## **BASIC FINANCIAL STATEMENTS**

ESCAMBIA COUNTY, FLORIDA

STATEMENT OF NET ASSETS

AS OF SEPTEMBER 30, 2010

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total Primary Government	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$18,346,804	\$370,377	\$18,717,181	\$3,166,623
Equity in pooled cash and investments	153,560,283	21,312,972	174,873,255	0
Investments	0	0	0	3,954,929
Receivables (net of allowance for uncollectibles)	4,174,344	6,471,153	10,645,497	1,331,748
Internal balances	4,688,571	(4,688,571)	0	0
Due from other governmental units	18,924,992	0	18,924,992	62,005
Inventory	1,245,693	226,512	1,472,205	0
Other current assets	1,248,263	87,962	1,336,225	106,223
Restricted assets	39,333	5,968,817	6,008,150	4,487,607
Bank participation agreements	0	0	0	294,692
Other assets	0	0	0	6,286,114
Capital assets:				
Land and construction in progress non-depreciable	60,179,795	5,262,329	65,442,124	0
Depreciable (net)	478,790,604	43,832,934	522,623,538	16,536,484
Total assets	741,198,682	78,844,485	820,043,167	36,226,425
<b>LIABILITIES</b>				
Vouchers payable	9,118,595	2,216,981	11,335,576	346,580
Contracts payable	1,456,085	165,871	1,621,956	0
Salaries and benefits payable	10,709,543	794,071	11,503,614	46,287
Due to other governmental units	7,777,867	15,537	7,793,404	24,229
Other current liabilities	12,432,259	452,895	12,885,154	735,627
Payable from restricted assets	39,333	396,227	435,560	0
Non-current liabilities:				
Due within one year:				
Notes, bonds, and loans payable	3,490,000	0	3,490,000	0
Capital leases	507,504	187,766	695,270	14,063
Compensated absences	5,291,497	78,300	5,369,797	0
Landfill closure and postclosure care payable	0	356,610	356,610	0
Claims liabilities	2,630,959	0	2,630,959	0
Due in more than one year:				
Compensated absences	24,337,485	1,530,685	25,868,170	222,050
Bonds payable (net of premium/discount)	104,332,538		104,332,538	0
Unearned revenues	0	0	0	660,015
Capital leases	0	96,100	96,100	61,464
Landfill closure and postclosure care payable	0	12,430,632	12,430,632	0
Other post-employment benefits	5,205,690	604,104	5,809,794	94,160
Claims liabilities	6,492,271	0	6,492,271	0
<b>Total liabilities</b>	193,821,626	19,325,779	213,147,405	2,204,475
<b>NET ASSETS</b>				
Invested in capital assets (net of related debt)	445,075,108	48,811,397	493,886,505	16,487,442
Restricted:				
Bond covenants	5,392,681	0	5,392,681	2,642,015
Unrestricted	96,909,267	10,707,309	107,616,576	14,892,493
<b>Total net assets</b>	\$547,377,056	\$59,518,706	\$606,895,762	\$34,021,950

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

ESCAMBIA COUNTY, FLORIDA

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

Function/Program Activities	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities:</b>				
General government	\$58,524,842	\$25,084,047	\$870,131	\$2,050,436
Public safety	120,344,577	17,468,571	9,461,672	10,760,254
Physical environment	4,417,970	2,566,137	15,389	2,624,794
Transportation	44,860,390	1,240,683	3,113,899	9,568,347
Economic environment	19,468,278	4,675	8,756,665	2,357,611
Human services	3,317,724	0	899,715	0
Culture and recreation	5,647,172	311,328	28,376	88,618
Court related	8,445,723	3,007,177	7,893,307	0
Interest on long term debt	5,396,938	0	0	0
Total governmental activities	<u>270,423,614</u>	<u>49,682,618</u>	<u>31,039,154</u>	<u>27,450,060</u>
<b>Business-type activities:</b>				
Solid waste	11,822,488	11,681,054	103,995	950,319
Inspection fund	2,874,077	1,828,945	0	2,184
Ambulance	9,562,983	13,923,727	2,710	641,502
Civic center	6,508,956	3,973,661	0	29,680
Total business-type activities	<u>30,768,504</u>	<u>31,407,387</u>	<u>106,705</u>	<u>1,623,685</u>
Total primary government	<u>\$301,192,118</u>	<u>\$81,090,005</u>	<u>\$31,145,859</u>	<u>\$29,073,745</u>
<b>Component units:</b>				
Law Library Board	\$79,750	\$92,404	\$0	\$0
Santa Rosa Island Authority	6,880,029	6,276,125	1,312,714	0
Housing Finance Authority	1,444,548	4,267,304	0	0
Total component units	<u>\$8,404,327</u>	<u>\$10,635,833</u>	<u>\$1,312,714</u>	<u>\$0</u>

General Revenues:  
 Property taxes  
 Tourist development taxes  
 Intergovernmental, unrestricted  
 Sales taxes  
 Gas taxes  
 Unrestricted interest  
 Gain/(Loss) on sale of assets  
 Miscellaneous revenues  
 Transfers - internal activities  
 Total general revenues, special items, and transfers  
 Change in net assets  
 Net assets - beginning, restated  
 Net assets - ending

The accompanying notes are an integral part of the financial statements

Net (Expense) Revenue and  
Changes in Net Assets

Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
(\$30,520,228)	\$0	(\$30,520,228)	\$0
(82,654,080)	0	(82,654,080)	0
788,350	0	788,350	0
(30,937,461)	0	(30,937,461)	0
(8,349,327)	0	(8,349,327)	0
(2,418,009)	0	(2,418,009)	0
(5,218,850)	0	(5,218,850)	0
2,454,761	0	2,454,761	0
(5,396,938)	0	(5,396,938)	0
<u>(162,251,782)</u>	<u>0</u>	<u>(162,251,782)</u>	<u>0</u>
0	912,880	912,880	0
0	(1,042,948)	(1,042,948)	0
0	5,004,956	5,004,956	0
0	(2,505,615)	(2,505,615)	0
<u>0</u>	<u>2,369,273</u>	<u>2,369,273</u>	<u>0</u>
<u>(162,251,782)</u>	<u>2,369,273</u>	<u>(159,882,509)</u>	<u>0</u>
\$0	\$0	\$0	\$12,654
0	0	0	708,810
0	0	0	2,822,756
<u>0</u>	<u>0</u>	<u>0</u>	<u>3,544,220</u>
103,385,982	0	103,385,982	0
5,051,422	0	5,051,422	0
8,226,556	0	8,226,556	0
49,382,166	0	49,382,166	0
13,387,523	0	13,387,523	0
1,162,568	130,141	1,292,709	308,857
133,421	89,752	223,173	12,791
2,179,993	415,742	2,595,735	208
(8,044,016)	8,044,016	0	0
<u>174,865,615</u>	<u>8,679,651</u>	<u>183,545,266</u>	<u>321,856</u>
12,613,833	11,048,924	23,662,757	3,866,076
534,763,223	48,469,782	583,233,005	30,155,874
<u>\$547,377,056</u>	<u>\$59,518,706</u>	<u>\$606,895,762</u>	<u>\$34,021,950</u>

ESCAMBIA COUNTY, FLORIDA

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2010**

	General	Disaster Recovery	Community Redevelopment Agency Fund	Transportation and Drainage	Debt Service	LOST	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>								
Cash and cash equivalents	\$8,616,734	\$0	\$0	\$70	\$0	\$0	\$6,601,932	\$15,218,736
Equity in pooled cash and investments	37,928,251	5,260,407	5,955,886	4,734,551	5,392,681	58,874,811	29,127,637	147,274,224
Receivables (net of allowance for uncollectibles)	1,528,972	816,185	0	11,670	0	3,857	684,515	3,045,199
Due from other funds	1,381,390	0	0	0	0	0	255,831	1,637,221
Due from other governmental units	3,889,133	876,178	0	1,192,597	0	9,403,606	3,552,962	18,914,476
Inventory	572,378	0	0	241,779	0	0	164,006	978,163
Other current assets	1,618	0	0	0	0	0	0	1,618
Advance to other funds	0	0	0	0	0	17,596,044	0	17,596,044
<b>Total assets</b>	<b>\$53,918,476</b>	<b>\$6,952,770</b>	<b>\$5,955,886</b>	<b>\$6,180,667</b>	<b>\$5,392,681</b>	<b>\$85,878,318</b>	<b>\$40,386,883</b>	<b>\$204,665,681</b>
<b>LIABILITIES</b>								
Vouchers payable	\$1,716,854	\$313,792	\$124,964	\$293,761	\$0	\$4,293,206	2,089,563	\$8,832,140
Contracts payable	5,333	0	2,673	3,483	0	1,344,169	92,108	1,447,766
Salaries payable	8,465,713	8,732	39,873	886,292	0	17,868	1,231,429	10,649,907
Due to other funds	114,641	0	0	0	0	2,605	1,634,594	1,751,840
Due to other governmental units	488,303	2,231,144	0	8,118	0	42,720	4,986,613	7,756,898
Other current liabilities	10,395,632	0	0	80,109	0	120	1,616,375	12,092,236
Long-term liabilities:								
Advance from other funds	0	17,252,149	0	343,895	0	2,146,667	554,479	20,297,190
<b>Total liabilities</b>	<b>21,186,476</b>	<b>19,805,817</b>	<b>167,510</b>	<b>1,615,658</b>	<b>0</b>	<b>7,847,355</b>	<b>12,205,161</b>	<b>62,827,977</b>
<b>FUND BALANCES</b>								
Reserved for encumbrances	885,817	152,232	350,764	656,192	0	21,238,142	6,640,855	29,924,002
Reserved for advances to other funds	0	0	0	0	0	17,596,044	0	17,596,044
Reserved for debt service	0	0	0	0	5,392,681	0	0	5,392,681
Reserved for inventory	572,378	0	0	241,779	0	0	164,006	978,163
Unreserved, reported in:								
General fund	31,273,805	0	0	0	0	0	0	31,273,805
Special revenue funds	0	(13,005,279)	5,437,612	3,667,038	0	0	21,221,361	17,320,732
Capital projects	0	0	0	0	0	39,196,777	155,500	39,352,277
<b>Total fund balances</b>	<b>32,732,000</b>	<b>(12,853,047)</b>	<b>5,788,376</b>	<b>4,565,009</b>	<b>5,392,681</b>	<b>78,030,963</b>	<b>28,181,722</b>	<b>141,837,704</b>
<b>Total liabilities and fund balances</b>	<b>\$53,918,476</b>	<b>\$6,952,770</b>	<b>\$5,955,886</b>	<b>\$6,180,667</b>	<b>\$5,392,681</b>	<b>\$85,878,318</b>	<b>\$40,386,883</b>	<b>\$204,665,681</b>

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

**ESCAMBIA COUNTY, FLORIDA**

**RECONCILIATION OF THE BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
GOVERNMENTAL FUNDS**

**AS OF SEPTEMBER 30, 2010**

Fund balances - total governmental funds \$141,837,704

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

Capital assets used in governmental activities are not financial  
resources and therefore are not reported in the governmental funds.  
The cost of the assets is \$1,017,063,709 and the accumulated  
depreciation is \$478,962,655.

538,101,054

Long-term liabilities, including bonds payable are not due and  
payable in the current period and therefore are not reported  
in the governmental funds.

Governmental bonds, notes and loans payable	(\$108,540,000)	
Compensated absences	(9,006,231)	
Leases	(507,504)	
Unamortized bond issuance costs	1,486,998	
Unamortized original issue bond premium	(769,536)	
Other post-employment benefits	(5,165,197)	(122,501,470)

Internal service funds are used by management to charge the costs  
of certain activities to individual funds. The assets and liabilities  
of the internal service fund are reported with governmental activities.

(10,060,232)

Net assets of governmental activities

\$547,377,056

The accompanying notes 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, 2010

	General	Disaster Recovery	Community Redevelopment Fund	Transportation and Drainage	Debt Service	LOST	Other Governmental Funds	Total Governmental Funds
Revenues:								
Taxes	\$107,235,651	\$0	\$0	\$8,764,952	\$0	\$31,292,304	\$5,051,422	\$152,344,329
Permits, fees and special assessments	13,561,635	0	0	829,617	0	0	11,897,853	26,289,105
Intergovernmental	25,375,859	2,255,799	0	4,494,706	660,000	17,112,555	35,635,225	85,534,144
Charges for services	6,194,666	0	0	238,257	0	96,545	10,355,889	16,885,357
Fines and forfeitures	23,365	0	0	0	0	0	966,859	990,224
Investment income	306,689	16,336	37,182	26,311	62,763	401,680	190,974	1,041,935
Miscellaneous	1,948,622	2,840,841	11	314,351	754,394	351,012	777,553	6,986,784
Total revenues	<u>154,646,487</u>	<u>5,112,976</u>	<u>37,193</u>	<u>14,668,194</u>	<u>1,477,157</u>	<u>49,254,096</u>	<u>64,875,775</u>	<u>290,071,878</u>
Expenditures:								
Current:								
General government	48,828,169	0	1,521,833	0	560,000	0	10,408,521	61,318,523
Public safety	78,377,930	4,501,376	0	6,020,761	0	0	19,284,034	108,184,101
Physical environment	937,093	0	0	543,474	0	0	4,008,989	5,489,556
Transportation	0	0	0	15,009,521	0	0	8,888,035	23,897,556
Economic environment	0	0	0	0	0	0	18,973,266	18,973,266
Human services	2,296,983	0	0	0	0	0	488,605	2,785,588
Culture and recreation	1,366,350	0	0	0	0	0	42,669	1,409,019
Capital improvements:	0	0	0	0	0	42,467,488	3,970,520	46,438,008
Debt service:								
Principal retirement	0	0	0	0	13,052,008	0	0	13,052,008
Interest and fiscal charges	0	49,632	0	0	5,310,540	3,366	33,400	5,396,938
Total expenditures	<u>131,806,525</u>	<u>4,551,008</u>	<u>1,521,833</u>	<u>21,573,756</u>	<u>18,922,548</u>	<u>42,470,854</u>	<u>66,098,039</u>	<u>286,944,563</u>
Excess (deficiency) of revenue over (under) expenditures	<u>22,839,962</u>	<u>561,968</u>	<u>(1,484,640)</u>	<u>(6,905,562)</u>	<u>(17,445,391)</u>	<u>6,783,242</u>	<u>(1,222,264)</u>	<u>3,127,315</u>
Other financing sources (uses):								
Payments to State Clerk of Court Trust Fund	0	0	0	0	0	0	(311,714)	(311,714)
Insurance reimbursements	92,881	0	0	86,106	0	28,376	100,549	307,912
Transfers in	2,834,281	5,500,000	1,284,902	7,032,415	13,415,927	0	5,730,429	35,797,954
Transfers out	(26,200,085)	0	0	0	0	(5,900,000)	(6,741,885)	(38,841,970)
Total other financing sources (uses)	<u>(23,272,923)</u>	<u>5,500,000</u>	<u>1,284,902</u>	<u>7,118,521</u>	<u>13,415,927</u>	<u>(5,871,624)</u>	<u>(1,222,621)</u>	<u>(3,047,818)</u>
Net change in fund balances	<u>(432,961)</u>	<u>6,061,968</u>	<u>(199,738)</u>	<u>212,959</u>	<u>(4,029,464)</u>	<u>911,618</u>	<u>(2,444,885)</u>	<u>79,497</u>
Fund balances at beginning of year	<u>33,164,961</u>	<u>(18,915,015)</u>	<u>5,988,114</u>	<u>4,352,050</u>	<u>9,422,145</u>	<u>77,119,345</u>	<u>30,626,607</u>	<u>141,758,207</u>
Fund balances (deficit) at end of year	<u>\$32,732,000</u>	<u>(\$12,853,047)</u>	<u>\$5,788,376</u>	<u>\$4,565,009</u>	<u>\$5,392,681</u>	<u>\$78,030,963</u>	<u>\$28,181,722</u>	<u>\$141,837,704</u>

The accompanying notes are an integral part of the financial statements

**ESCAMBIA COUNTY, FLORIDA**

**RECONCILIATION OF THE STATEMENT  
OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
OF GOVERNMENT FUNDS TO THE  
STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED SEPTEMBER 30, 2010**

Net change in fund balances - total governmental funds		\$79,497
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives:		
Expenditures for capital assets	\$50,920,905	
Less current year depreciation	<u>(44,123,468)</u>	6,797,437
Repayment of borrowed funds - principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets:		
Principal payments		13,052,008
Expenses and revenues related to the issuance of bonds is amortized over the life of the bonds:		
Bond issuance costs	(79,649)	
Original issue premium/discount	<u>42,882</u>	(36,767)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:		
Salary expense associated with compensated absences		(200,158)
Salary expense associated with other post-employment benefits		(944,068)
Internal service funds are used by management to charge the costs of certain activities to individual funds.		
The net (expenses) revenue of the internal service fund is reported with governmental activities		(6,622,748)
Losses on disposal of capital assets do not reduce financial resources of governmental funds.		
		(61,989)
Donations of capital items increase financial resources of governmental funds.		
		550,621
Change in net assets of governmental activities		<u><u>\$12,613,833</u></u>

The accompanying notes are an integral part of the financial statements

ESCAMBIA COUNTY, FLORIDA

GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$110,860,913	\$110,860,913	\$107,235,651	(\$3,625,262)
Permits, fees and special assessments	12,385,350	12,385,350	13,561,635	1,176,285
Intergovernmental	24,378,367	23,971,771	25,375,859	1,404,088
Charges for services	5,763,991	5,938,423	6,194,666	256,243
Fines and forfeitures	50,000	50,000	23,365	(26,635)
Investment income	5,500	4,084	306,689	302,605
Miscellaneous	3,598,233	2,013,696	1,948,622	(65,074)
Total revenues	<u>157,042,354</u>	<u>155,224,237</u>	<u>154,646,487</u>	<u>(577,750)</u>
Expenditures:				
Current:				
General government	74,274,935	71,204,507	48,828,169	22,376,338
Public safety	78,587,430	78,666,758	78,377,930	288,828
Physical environment	1,107,797	1,101,333	937,093	164,240
Human services	2,905,008	2,930,008	2,296,983	633,025
Culture and recreation	1,414,185	1,450,728	1,366,350	84,378
Total expenditures	<u>158,289,355</u>	<u>155,353,334</u>	<u>131,806,525</u>	<u>23,546,809</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(1,247,001)</u>	<u>(129,097)</u>	<u>22,839,962</u>	<u>22,969,059</u>
Other financing sources (uses):				
Insurance reimbursements	0	72,936	92,881	19,945
Transfers in	1,814,279	2,785,460	2,834,281	48,821
Transfers out	(20,808,290)	(27,610,050)	(26,200,085)	1,409,965
Total other financing sources (uses)	<u>(18,994,011)</u>	<u>(24,751,654)</u>	<u>(23,272,923)</u>	<u>1,478,731</u>
Net change in fund balances	<u>(20,241,012)</u>	<u>(24,880,751)</u>	<u>(432,961)</u>	<u>24,447,790</u>
Fund balances at beginning of year	<u>20,241,012</u>	<u>24,880,751</u>	<u>33,164,961</u>	<u>8,284,210</u>
Fund balances (deficit) at end of year	<u>\$0</u>	<u>\$0</u>	<u>\$32,732,000</u>	<u>\$32,732,000</u>

The accompanying notes are an integral part of the financial statements

ESCAMBIA COUNTY, FLORIDA

DISASTER RECOVERY  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$0	\$251,327	\$2,255,799	\$2,004,472
Investment income	0	0	16,336	16,336
Miscellaneous	0	0	2,840,841	2,840,841
Total revenues	<u>0</u>	<u>251,327</u>	<u>5,112,976</u>	<u>4,861,649</u>
Expenditures:				
Current:				
Public safety	0	5,292,581	4,501,376	791,205
Debt service:				
Interest and fiscal charges	500,000	479,838	49,632	430,206
Total expenditures	<u>500,000</u>	<u>5,772,419</u>	<u>4,551,008</u>	<u>1,221,411</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(500,000)</u>	<u>(5,521,092)</u>	<u>561,968</u>	<u>6,083,060</u>
Other financing sources (uses):				
Transfers in	500,000	5,500,000	5,500,000	0
Total other financing sources (uses)	<u>500,000</u>	<u>5,500,000</u>	<u>5,500,000</u>	<u>0</u>
Net change in fund balances	<u>0</u>	<u>(21,092)</u>	<u>6,061,968</u>	<u>6,083,060</u>
Fund balances at beginning of year	0	21,092	(18,915,015)	(18,936,107)
Fund balances (deficit) at end of year	<u>\$0</u>	<u>\$0</u>	<u>(\$12,853,047)</u>	<u>(\$12,853,047)</u>

The accompanying notes are an integral part of the financial statements

ESCAMBIA COUNTY, FLORIDA

COMMUNITY REDEVELOPMENT AGENCY  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment income	\$0	\$0	\$37,182	\$37,182
Miscellaneous	0	0	11	11
Total revenues	0	0	37,193	37,193
Expenditures:				
Current:				
General government	2,521,088	7,273,016	1,521,833	5,751,183
Total expenditures	2,521,088	7,273,016	1,521,833	5,751,183
Excess (deficiency) of revenue over (under) expenditures	(2,521,088)	(7,273,016)	(1,484,640)	5,788,376
Other financing sources (uses):				
Transfers in	1,300,000	1,284,902	1,284,902	0
Total other financing sources (uses)	1,300,000	1,284,902	1,284,902	0
Net change in fund balances	(1,221,088)	(5,988,114)	(199,738)	5,788,376
Fund balances at beginning of year	1,221,088	5,988,114	5,988,114	0
Fund balances (deficit) at end of year	\$0	\$0	\$5,788,376	\$5,788,376

The accompanying notes are an integral part of the  
financial statements

ESCAMBIA COUNTY, FLORIDA

TRANSPORTATION AND DRAINAGE  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$8,300,000	\$8,300,000	\$8,764,952	\$464,952
Permits, fees and special assessments	808,111	808,111	829,617	21,506
Intergovernmental	4,417,000	4,417,000	4,494,706	77,706
Charges for services	229,853	229,853	238,257	8,404
Investment income	0	0	26,311	26,311
Miscellaneous	433,427	258,427	314,351	55,924
Total revenues	<u>14,188,391</u>	<u>14,013,391</u>	<u>14,668,194</u>	<u>654,803</u>
Expenditures:				
Current:				
Public safety	5,675,869	6,325,288	6,020,761	304,527
Physical environment	659,520	675,095	543,474	131,621
Transportation	<u>14,218,982</u>	<u>18,263,103</u>	<u>15,009,521</u>	<u>3,253,582</u>
Total expenditures	<u>20,554,371</u>	<u>25,263,486</u>	<u>21,573,756</u>	<u>3,689,730</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(6,365,980)</u>	<u>(11,250,095)</u>	<u>(6,905,562)</u>	<u>4,344,533</u>
Other financing sources (uses):				
Note(s) issuance	0	475,000	0	(475,000)
Insurance reimbursements	0	67,076	86,106	19,030
Transfers in	<u>7,032,415</u>	<u>7,032,415</u>	<u>7,032,415</u>	<u>0</u>
Total other financing sources (uses)	<u>7,032,415</u>	<u>7,574,491</u>	<u>7,118,521</u>	<u>(455,970)</u>
Net change in fund balances	<u>666,435</u>	<u>(3,675,604)</u>	<u>212,959</u>	<u>3,888,563</u>
Fund balances at beginning of year	<u>(666,435)</u>	<u>3,675,604</u>	<u>4,352,050</u>	<u>676,446</u>
Fund balances (deficit) at end of year	<u>\$0</u>	<u>\$0</u>	<u>\$4,565,009</u>	<u>\$4,565,009</u>

The accompanying notes are an integral part of the  
financial statements

ESCAMBIA COUNTY, FLORIDA

STATEMENT OF NET ASSETS  
 PROPRIETARY FUNDS

SEPTEMBER 30, 2010

	Business-type Activities				Governmental
	Solid Waste	Ambulance	Other Non-major	Total	Internal Service Fund
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$2,625	\$300	\$367,452	\$370,377	\$3,128,068
Equity in pooled cash and investments	11,369,423	6,315,970	3,627,579	21,312,972	6,286,059
Receivables (net of allowance for uncollectibles)	1,091,297	5,278,718	101,138	6,471,153	1,129,145
Due from other funds	0	0	0	0	114,641
Due from other governmental units	0	0	0	0	10,516
Inventory	0	158,386	68,126	226,512	267,530
Restricted cash and cash equivalents	462,115	0	290,722	752,837	39,333
Other current assets	0	0	87,962	87,962	1,246,645
<b>Total current assets</b>	<b>12,925,460</b>	<b>11,753,374</b>	<b>4,542,979</b>	<b>29,221,813</b>	<b>12,221,937</b>
Noncurrent assets:					
Restricted assets					
Cash and cash equivalents	4,932,538	0	283,442	5,215,980	0
Capital assets:					
Land and other non-depreciable assets	5,255,886	6,443	0	5,262,329	0
Capital assets (net of depreciation)	31,329,253	2,595,484	9,908,197	43,832,934	869,345
Advance to other funds	0	0	0	0	7,389,717
<b>Total noncurrent assets</b>	<b>41,517,677</b>	<b>2,601,927</b>	<b>10,191,639</b>	<b>54,311,243</b>	<b>8,259,062</b>
<b>Total assets</b>	<b>54,443,137</b>	<b>14,355,301</b>	<b>14,734,618</b>	<b>83,533,056</b>	<b>20,480,999</b>
<b>LIABILITIES</b>					
Current liabilities:					
Vouchers payable	1,352,921	45,479	818,581	2,216,981	286,455
Contracts payable	165,871	0	0	165,871	8,319
Salaries and benefits payable	156,152	502,973	134,946	794,071	59,636
Due to other funds	0	0	0	0	22
Due to other governmental units	14,356	396	785	15,537	20,969
Compensated absences payable	30,681	24,439	23,180	78,300	1,906,898
Payable from restricted assets:					
Customer deposits	105,505	0	290,722	396,227	39,333
Landfill closure	356,610	0	0	356,610	0
Other current liabilities	2,022	0	450,873	452,895	340,023
Claims liabilities	0	0	0	0	2,630,959
Capital lease payable	162,713	25,053	0	187,766	0
<b>Total current liabilities</b>	<b>2,346,831</b>	<b>598,340</b>	<b>1,719,087</b>	<b>4,664,258</b>	<b>5,292,614</b>
Non-current liabilities:					
Compensated absences	582,948	507,318	440,419	1,530,685	18,715,853
Advance from other funds	4,688,571	0	0	4,688,571	0
Other post-employment benefits	133,250	356,162	114,692	604,104	40,493
Capital lease payable	96,100	0	0	96,100	0
Landfill closure and postclosure care payable	12,430,632	0	0	12,430,632	0
Claims liabilities	0	0	0	0	6,492,271
<b>Total non-current liabilities</b>	<b>17,931,501</b>	<b>863,480</b>	<b>555,111</b>	<b>19,350,092</b>	<b>25,248,617</b>
<b>Total liabilities</b>	<b>20,278,332</b>	<b>1,461,820</b>	<b>2,274,198</b>	<b>24,014,350</b>	<b>30,541,231</b>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	36,326,326	2,576,874	9,908,197	48,811,397	869,345
Unrestricted	(2,161,521)	10,316,607	2,552,223	10,707,309	(10,929,577)
<b>Total net assets</b>	<b>\$34,164,805</b>	<b>\$12,893,481</b>	<b>\$12,460,420</b>	<b>\$59,518,706</b>	<b>(\$10,060,232)</b>

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

ESCAMBIA COUNTY, FLORIDA

STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET ASSETS  
PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Business-type Activities				Governmental Activities Internal Service Fund
	Solid Waste	Ambulance	Other Non-major	Total	
<b>Operating revenues:</b>					
Permits, fees and special assessments	\$0	\$0	\$1,671,471	\$1,671,471	\$0
Intergovernmental	66,294	0	0	66,294	0
Charges for services	11,681,054	13,710,466	3,980,517	29,372,037	18,163,930
Fines and forfeitures	0	0	19,165	19,165	64
Miscellaneous income	245	213,336	196,870	410,451	279,382
<b>Total operating revenues</b>	<b>11,747,593</b>	<b>13,923,802</b>	<b>5,868,023</b>	<b>31,539,418</b>	<b>18,443,376</b>
<b>Operating expenses:</b>					
Personal services	2,780,092	7,146,063	2,248,714	12,174,869	12,519,110
Contractual services	2,844,150	279,723	5,453,320	8,577,193	149,503
Claims expense, changes in estimate, and fees	0	0	0	0	5,762
Materials and supplies	700,301	739,822	71,466	1,511,589	4,003,844
Travel and vehicle costs	32,747	2,304	3,129	38,180	1,880
Depreciation	2,429,644	754,442	1,005,051	4,189,137	64,350
Memberships, dues and subscriptions	10,625	7,973	2,682	21,280	2,273
Insurance and bonds	218,005	103,018	86,748	407,771	3,407,355
Communications and freight services	34,707	62,024	45,037	141,768	2,497
Utilities	454,557	14,072	34,396	503,025	0
Maintenance	800,288	401,756	14,367	1,216,411	71,807
Rentals and leases	109,056	27,040	168,766	304,862	1,842
Provision for closure and long-term care	818,235	0	0	818,235	0
Training	14,392	4,050	1,837	20,279	3,431
Advertising and promotion	21,026	0	75,000	96,026	0
Miscellaneous	522,914	20,693	172,520	716,127	2,629
<b>Total operating expenses</b>	<b>11,790,739</b>	<b>9,562,980</b>	<b>9,383,033</b>	<b>30,736,752</b>	<b>20,236,283</b>
<b>Operating income (loss)</b>	<b>(43,146)</b>	<b>4,360,822</b>	<b>(3,515,010)</b>	<b>802,666</b>	<b>(1,792,907)</b>
<b>Non-operating revenues (expenses):</b>					
Interest income	82,075	21,987	26,079	130,141	129,811
Interest expense	(31,749)	(3)	0	(31,752)	0
Insurance reimbursements	0	0	0	0	40,348
Gain (loss) on disposal of assets	53,376	3,200	33,176	89,752	0
Insurance reimbursements	37,701	2,294	0	39,995	0
Other income	350,005	416	0	350,421	0
<b>Total non-operating revenues (expenses)</b>	<b>491,408</b>	<b>27,894</b>	<b>59,255</b>	<b>578,557</b>	<b>170,159</b>
<b>Income (loss) before contributions and transfers</b>	<b>448,262</b>	<b>4,388,716</b>	<b>(3,455,755)</b>	<b>1,381,223</b>	<b>(1,622,748)</b>
Capital contributions	950,319	641,502	31,864	1,623,685	0
Transfers in	5,900,000	806,628	1,775,360	8,481,988	0
Transfers (out)	(437,972)	0	0	(437,972)	(5,000,000)
<b>Total contributions and transfers</b>	<b>6,412,347</b>	<b>1,448,130</b>	<b>1,807,224</b>	<b>9,667,701</b>	<b>(5,000,000)</b>
<b>Change in net assets</b>	<b>6,860,609</b>	<b>5,836,846</b>	<b>(1,648,531)</b>	<b>11,048,924</b>	<b>(6,622,748)</b>
<b>Net assets at beginning of year</b>	<b>27,304,196</b>	<b>7,056,635</b>	<b>14,108,951</b>	<b>48,469,782</b>	<b>(3,437,484)</b>
<b>Net assets at ending of year</b>	<b>\$34,164,805</b>	<b>\$12,893,481</b>	<b>\$12,460,420</b>	<b>\$59,518,706</b>	<b>(\$10,060,232)</b>

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

ESCAMBIA COUNTY, FLORIDA

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Business-type Activities				Governmental
	Solid Waste	Ambulance	Other Non-major	Total	Activities Internal Service Fund
<b>Cash flows from operating activities:</b>					
Cash received from customers	\$11,358,792	\$16,535,567	\$5,860,854	\$33,755,213	\$10,449,101
Cash payments to suppliers for goods and services	(6,198,735)	(6,497,750)	(6,299,964)	(18,996,449)	(10,494,614)
Cash payments to employees for services	(2,685,583)	(7,143,630)	(2,212,334)	(12,041,547)	(2,634,139)
Other non-operating revenues (expenses)	387,706	2,710	0	390,416	40,348
<b>Net cash provided by (used in) operating activities</b>	<u>2,862,180</u>	<u>2,896,897</u>	<u>(2,651,444)</u>	<u>3,107,633</u>	<u>(2,639,304)</u>
<b>Cash flows from noncapital financing activities:</b>					
Transfers in	5,900,000	806,628	1,775,360	8,481,988	0
Transfers out	(437,972)	0	0	(437,972)	(5,000,000)
Advances from (to) other funds	0	0	0	0	(1,365,238)
Principal (paid)/received on interfund advance	(781,429)	0	0	(781,429)	0
<b>Net cash provided by (used in) noncapital financing activities</b>	<u>4,680,599</u>	<u>806,628</u>	<u>1,775,360</u>	<u>7,262,587</u>	<u>(6,365,238)</u>
<b>Cash flows from capital and related financing activities:</b>					
Acquisition and construction of capital assets	(2,855,952)	(4,643)	(347,383)	(3,207,978)	(214,398)
Capital lease payments	(165,600)	(18,786)	0	(184,386)	0
Interest paid on revenue bonds, notes and lease purchase contracts	(26,336)	0	0	(26,336)	0
Proceeds from sale of assets	82,501	3,200	33,176	118,877	0
<b>Net cash used in capital and related financing activities</b>	<u>(2,965,387)</u>	<u>(20,229)</u>	<u>(314,207)</u>	<u>(3,299,823)</u>	<u>(214,398)</u>
<b>Cash flow from investing activities:</b>					
Interest on investments	82,075	21,987	26,079	130,141	129,811
<b>Net cash provided by investing activities</b>	<u>82,075</u>	<u>21,987</u>	<u>26,079</u>	<u>130,141</u>	<u>129,811</u>
<b>Net increase (decrease) in cash &amp; cash equivalents</b>	4,659,467	3,705,283	(1,164,212)	7,200,538	(9,089,129)
Cash and cash equivalents at beginning of year	12,107,234	2,610,987	5,733,407	20,451,628	18,542,589
Cash and cash equivalents at end of year	<u>\$16,766,701</u>	<u>\$6,316,270</u>	<u>\$4,569,195</u>	<u>\$27,652,166</u>	<u>\$9,453,460</u>
<b>Non-cash investing, capital and financing activities</b>					
Capital contributions	\$950,319	\$641,502	\$31,864	\$1,653,365	\$0

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

(Continued)

ESCAMBIA COUNTY, FLORIDA

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 (CONTINUED)  
 FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Business-type Activities				Governmental
	Solid Waste	Ambulance	Other Non-major	Total	Activities Internal Service Fund
Reconciliation of cash and cash equivalents at end of year to Statement of Net Assets:					
Current assets:					
Cash and cash equivalents	\$2,625	\$300	\$367,452	\$370,377	\$3,128,068
Equity in pooled cash and investments	11,369,423	6,315,970	3,627,579	21,312,972	6,286,059
Restricted assets:					
Cash and cash equivalents	5,394,653	0	290,722	5,685,375	0
Equity in pooled cash and investments	0	0	283,442	283,442	39,333
Total cash and cash equivalents at end of year	<u>\$16,766,701</u>	<u>\$6,316,270</u>	<u>\$4,569,195</u>	<u>\$27,652,166</u>	<u>\$9,453,460</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	(\$43,146)	\$4,360,822	(\$3,515,010)	\$802,666	(\$1,792,907)
Other non-operating revenues	387,706	2,710	0	390,416	40,348
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	2,429,644	754,442	1,005,051	4,189,137	64,350
Provision for uncollectible accounts	2,148	4,860,694	29,407	4,892,249	447,873
(Increase) decrease in assets:					
Accounts receivable	(398,032)	(7,109,623)	(13,927)	(7,521,582)	(225,435)
Due from other governments	0	0	0	0	208,922
Inventory	0	14,470	(21,467)	(6,997)	55,909
Prepaid expense	0	0	(54,431)	(54,431)	(53,970)
Increase (decrease) in liabilities:					
Vouchers payable	(131,428)	16,283	(19,746)	(134,891)	(481,903)
Salaries and benefits payable	6,403	67,011	2,789	76,203	5,930
Compensated absences	64,706	(127,371)	14,337	(48,328)	939,298
Accrued taxes payable	0	0	(45,232)	(45,232)	0
Deposits	4,935	0	(9,495)	(4,560)	8,142
Due to other governments	13,411	(5,334)	(413)	7,664	20,936
Deferred revenue	0	0	(42,561)	(42,561)	58,172
Landfill closure and long-term care payable	502,433	0	0	502,433	0
Other post-employment benefits	23,400	62,793	19,254	105,447	8,063
Claims payable	0	0	0	0	(1,943,032)
Net cash provided by (used in) operating activities	<u>\$2,862,180</u>	<u>\$2,896,897</u>	<u>(\$2,651,444)</u>	<u>\$3,107,633</u>	<u>(\$2,639,304)</u>

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

ESCAMBIA COUNTY, FLORIDA

STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS

SEPTEMBER 30, 2010

**ASSETS**

Cash and cash equivalents	\$10,558,324
Receivables (net of allowance for uncollectibles)	139,932
Due from other governments	4,898
Total assets	<u>\$10,703,154</u>

**LIABILITIES**

Payable to others	\$1,091,659
Due to other governmental units	4,775,765
Other current liabilities	4,835,730
Total liabilities	<u>\$10,703,154</u>

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

ESCAMBIA COUNTY, FLORIDA

STATEMENT OF NET ASSETS  
COMPONENT UNITS

SEPTEMBER 30, 2010

	Governmental	Business-Type Activities		Total Governmental and Business-Type Activities
	Activities	Escambia County Law Library Board	Santa Rosa Island Authority	
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$39,232	\$684,929	\$2,442,462	\$3,166,623
Investments	0	0	3,954,929	3,954,929
Receivables (net of allowance for uncollectibles)	345	474,740	856,663	1,331,748
Due from other governmental units	20,275	41,730	0	62,005
Other current assets	0	86,963	19,260	106,223
<b>Total current assets</b>	<b>59,852</b>	<b>1,288,362</b>	<b>7,273,314</b>	<b>8,621,528</b>
Noncurrent assets:				
Restricted assets				
Cash and cash equivalents	0	681,364	0	681,364
Investments	0	3,806,243	0	3,806,243
Capital assets (net of depreciation)	1,113,361	14,311,942	1,111,181	16,536,484
Bank participation agreements	0	0	294,692	294,692
Other noncurrent assets	0	0	6,286,114	6,286,114
Total noncurrent assets	1,113,361	18,799,549	7,691,987	27,604,897
<b>Total assets</b>	<b>1,173,213</b>	<b>20,087,911</b>	<b>14,965,301</b>	<b>36,226,425</b>
<b>LIABILITIES</b>				
Current liabilities:				
Vouchers payable	278	277,674	68,628	346,580
Salaries, benefits and compensated absences payable	7,141	39,146	0	46,287
Due to other governmental units	0	24,229	0	24,229
Notes, loans, leases and bonds payable	0	14,063	0	14,063
Other current liabilities	0	735,627	0	735,627
<b>Total current liabilities</b>	<b>7,419</b>	<b>1,090,739</b>	<b>68,628</b>	<b>1,166,786</b>
Non-current liabilities:				
Compensated absences	0	222,050	0	222,050
Leases payable	0	61,464	0	61,464
Other post-employment benefits	0	94,160	0	94,160
Deferred revenues	0	660,015	0	660,015
<b>Total non-current liabilities</b>	<b>0</b>	<b>1,037,689</b>	<b>0</b>	<b>1,037,689</b>
<b>Total liabilities</b>	<b>7,419</b>	<b>2,128,428</b>	<b>68,628</b>	<b>2,204,475</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	1,113,361	14,262,900	1,111,181	16,487,442
Restricted net assets	0	1,506,042	1,135,973	2,642,015
Unrestricted net assets	52,433	2,190,541	12,649,519	14,892,493
<b>Total net assets</b>	<b>\$1,165,794</b>	<b>\$17,959,483</b>	<b>\$14,896,673</b>	<b>\$34,021,950</b>

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

ESCAMBIA COUNTY, FLORIDA

STATEMENT OF ACTIVITIES  
COMPONENT UNITS

FOR THE YEAR ENDED SEPTEMBER 30, 2010

Function/Program Activities	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
Escambia County Law Library	\$79,750	\$92,404	\$0	\$0
Total Governmental activities	79,750	92,404	0	0
<b>Business-type activities:</b>				
Santa Rosa Island Authority	6,880,029	6,276,125	1,312,714	0
Housing Finance Authority	1,444,548	4,267,304	0	0
Total business-type activities	8,324,577	10,543,429	1,312,714	0
Total component units	\$8,404,327	\$10,635,833	\$1,312,714	\$0

General Revenues

Investment earnings

Miscellaneous

Sale of assets

Total general revenues

Change in net assets

Net assets - beginning

Net assets - ending

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

Net (Expense) Revenue and  
Changes in Net Assets

Governmental Activities	Business-type Activities		
Law Library	Santa Rosa Island Authority	Housing Finance Authority	Totals
\$12,654	\$0	\$0	\$12,654
12,654	0	0	12,654
	708,810	0	708,810
	0	2,822,756	2,822,756
0	708,810	2,822,756	3,531,566
12,654	708,810	2,822,756	3,544,220
466	52,382	256,009	308,857
208	0	0	208
0	12,791	0	12,791
674	65,173	256,009	321,856
13,328	773,983	3,078,765	3,866,076
1,152,466	17,185,500	11,817,908	30,155,874
<u>\$1,165,794</u>	<u>\$17,959,483</u>	<u>\$14,896,673</u>	<u>\$34,021,950</u>

## **NOTES TO FINANCIAL STATEMENTS**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**ESCAMBIA COUNTY, FLORIDA**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2010**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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 and their governmental powers cannot be delegated. The Board appoints an administrator to administer all policies emanating from its statutory powers and authority. 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: Clerk of the Circuit Court & Comptroller (the Clerk), Sheriff, Tax Collector, Property Appraiser, and Supervisor of Elections.

The accounting policies of the County conform to accounting principles generally accepted in the United States (US) as applicable to governments. The following is a summary of the more significant accounting policies.

**A. Financial Reporting Entity**

The combined financial statements include the operations of the Board, Clerk, 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, although legally separate entities, are, in substance, part of the government operations. 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 Units**

**Community Redevelopment Agency (CRA)** – In 1995, the Board of County Commissioners adopted Ordinance No. 95-6 which established the Community Redevelopment Agency (CRA) of Escambia County pursuant to “The Community Redevelopment Act of 1969”. The 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 special revenue fund. Five redevelopment areas are included under the CRA jurisdiction.

**Discretely Presented Component Units**

**Governmental Fund Type:**

**Escambia County Law Library Board** – The Escambia County Law Library Board, created under Special Act, Chapter 69-1048, Laws of Florida, provides for the maintenance of a central law library for the use of citizens, county officials, judges and officers of the courts of Escambia County. The Law Library is financially integrated with the County in that it is funded by collection of certain court fees. The Law Library is housed in a County facility and shares in administrative services provided by the County. The Law Library Board is composed of two (2) circuit judges, two (2) county judges and one (1) lawyer appointed by the local bar association. The operations of the Law Library are reported in the Law Library Fund, a special revenue fund, as a discrete component unit. Financial statements for the Escambia County Law Library Board can be obtained at 190 Governmental Center, Pensacola, Florida 32502-5773.

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**NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)**  
**SEPTEMBER 30, 2010**

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**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 Authority's budget and issuance of debt. The County has veto power over decisions of the Authority. 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.

**Escambia County Housing Finance Authority** – The Escambia County Housing Finance Authority (HFA) was created in 1982 by Ordinance No. 80-12 pursuant to Chapter 78-89, Laws of Florida codified as Chapter 159, Part IV, Section 159.601 through 159.23. The County appoints five (5) members of the HFA and must approve by resolution any rules or regulations, the issuance of revenue bonds and all contracts and agreements. The Escambia County HFA and the County are not substantially the same. The HFA does not provide services almost entirely for the County. Therefore, the operations of the Escambia County HFA are reported as a discrete component unit in this report. Financial statements for the Escambia County HFA can be obtained at 25 West Cedar Street, Suite 530, Pensacola, Florida 32502-5945.

Because these component units have been reported as a part of the County, there are limited instances where special note references or separation will be required. If no separate note reference or categorization is made, the user should assume that information presented is equally applicable.

**Joint Ventures** – As defined in Governmental Accounting Standards Board (GASB) Statement Number 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 nonequity joint ventures:

**Human Relations Commission (HRC)** – The Commission was created by an Interlocal Agreement between Escambia County and the City of Pensacola in 1978, pursuant to Florida Statutes, Chapter 163.01, for the purpose of being "responsible for the promotion of fair treatment and equal opportunity to all citizens of the local community." The Commission is composed of fourteen (14) members; seven (7) selected by the County and seven (7) selected by the City of Pensacola. The duration of this agreement is for a period of two (2) years, with a renewal provision. The County does not control budgeting or financing for the Commission. Separate financial statements are available from the Commission at 2257 Baylen Street, Pensacola, Florida 32501.

**Pensacola – Escambia County Promotion and Development Commission (PEDC)** – This Commission was created in 1967 by Chapter 67-1365, Laws of Florida, amended in 1980 by Chapter 80-579, to promote and develop tourism and industry in Escambia County and in the City of Pensacola. The nine (9) member Commission consists of two (2) members of the Pensacola City Council, two (2) members of the Escambia County Commission, one (1) member of the Century City Council, the President of the Chamber of Commerce (1), 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. The Commission has no outstanding debt. Separate financial statements are available from the Pensacola

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**NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)**  
**SEPTEMBER 30, 2010**

– Escambia County Promotion and Development Commission at 117 West Garden Street, Pensacola, Florida 32593-0550.

Summary financial statements as of September 30, 2010 for the joint ventures are as follows:

<b>STATEMENTS OF NET ASSETS</b>		
<b>SEPTEMBER 30, 2010</b>	<u>HRC</u>	<u>PEDC</u>
Assets and other debits	<u>\$32,232</u>	<u>\$8,665,196</u>
Liabilities	<u>6,565</u>	<u>8,325,000</u>
Net assets		
Invested in capital assets	3,603	0
Restricted assets	0	61,198
Unrestricted	<u>22,064</u>	<u>278,998</u>
Total net assets	<u><u>\$25,667</u></u>	<u><u>\$8,665,196</u></u>
<b>STATEMENTS OF ACTIVITIES</b>		
<b>FISCAL YEAR ENDED</b>		
<b>SEPTEMBER 30, 2010</b>	<u>HRC</u>	<u>PEDC</u>
Revenues	\$237,284	\$270,516
Expenses	<u>(228,271)</u>	<u>(260,231)</u>
Change in net assets	9,013	10,285
Net assets beginning	<u>16,654</u>	<u>329,911</u>
Net assets ending	<u><u>\$25,667</u></u>	<u><u>\$340,196</u></u>

**B. Basic Financial Statements – Government-Wide and Fund Financial Statements**

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

The government-wide financial statements include a Statement of Net Assets and a Statement of Activities which report on the government as a whole and provide a consolidated financial picture of the government. For the most part, 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 demonstrates 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.

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
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**NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)**  
**SEPTEMBER 30, 2010**

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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 *Disaster Recovery Fund* accounts for financing provided from various grants, and/or reimbursements to aid the County's recovery from either natural or man-made disasters.

The *Community Redevelopment Agency (CRA)* accounts for the revenues and expenditures of the redevelopment areas established within the County.

The *Transportation and Drainage Fund* accounts for monies collected through permits, fees, and certain taxes and assessments. These monies are expended on engineering, street lighting, transportation, and road projects that benefit those citizens of the unincorporated areas of the County.

The *Debt Service Fund* accounts for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

The *Local Option Sales Tax Fund* 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.

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 *Ambulance 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 and garage and fuel activities provided to other County departments, as well as the administration of employee benefits. Additionally, it is used to account for balances and activity related to compensated absences policies of the Clerk and Sheriff.

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
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**SEPTEMBER 30, 2010**

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*Agency Funds* which are custodial in nature (assets equal liabilities) have no measurement focus since they serve only as clearing accounts for assets held by the County in a custodial or agency capacity for others. They do, however, use the accrual basis of accounting to recognize receivables and payables. Agency funds are utilized by the Clerk of the Circuit Court, the Tax Collector and the Sheriff for various client related funds held by each entity until returned to the client.

**C. Basis of Presentation, 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, except for certain grant revenues which are recognized as revenues in the same period the grant expenditures occurred. 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*.

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.

Under the terms of some grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

The County has elected to follow FASB statements and interpretations issued on or before November 30, 1989, for all governmental and business-type activities and enterprise funds, unless those standards conflict with or contradict guidance of the GASB pronouncements.

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 for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes.

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**NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)**  
**SEPTEMBER 30, 2010**

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**Proprietary fund financial statements** are reported using the accrual basis of accounting, distinguishing *operating* revenues and expenses from *nonoperating* 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.

**D. Assets, Liabilities and Net Assets or Equity**

**Cash or Cash Equivalents** consists of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition.

**Equity in Pooled Cash and Investments** represent assets pooled for investment purposes with each individual fund and/or account maintained on a daily transaction basis. Such investments consist of demand deposits, certificates of deposit, U.S. Treasury Bills, and notes of certain instrumentalities. Investment earnings are allocated to the participating funds on a pro-rata basis.

Section 218.415, Florida Statutes, limits the types of investments the County can invest in unless specifically authorized in the County's investment policy. The County's policy allows the following instruments: US Government Securities, US Government Agencies, Federal Instrumentalities, Interest Bearing Time Deposit or Savings Accounts, Repurchase Agreements, Commercial Paper, Corporate Notes, Bankers' Acceptances, State and/or Local Government Taxable and/or Tax Exempt Debt, Registered Investment Companies (Money Market Mutual Funds), and Intergovernmental Investment Pools.

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.

**Trade Receivables** 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 on those receivables where there have been no collections during the past year. All other County Funds record an allowance on accounts older than 120 days. The County records unbilled service receivables for services that have been rendered but not billed at the end of the fiscal year.

**Real and Personal Property Valuations** are determined each year as of January 1 by the Property Appraiser's Office. Florida Statutes require all property be assessed at 100% of just value. For fiscal year 2010, the Countywide millage rate was 6.9755 mills. All property taxes are billed in arrears and become due and payable on November 1 and are delinquent on April 1, of the following year. The legal lien date is January 1 of each year. Discounts of 4, 3, 2, and 1 percent are allowed for early payment in November through February, respectively. Virtually all unpaid taxes are collected via the sale of tax certificates prior to year end.

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**Due From/(To) Other Funds** are activities between funds. Such amounts are representative of lending/borrowing arrangements outstanding at the end of the fiscal year and referred to as either “due to /from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non—current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

**Advances To/(From) Other Funds**, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

**Inventory** amounts are valued at cost (first-in, first-out). Inventory balances in general, special revenue and enterprise funds are accounted for on the consumption method, i.e., expenditures and expenses are recognized when inventories are used. Reported inventories are equally offset by a fund balance reserve to indicate that they are not “available spendable resources” even though they are a component of net current assets.

**Restricted Assets** are assets of both governmental and business-type activities that are restricted per resolutions or other agreements.

**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 costs or estimated costs. Donated capital assets are recorded at estimated fair market value at the date of donation.

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, and 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.

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

**Compensated Absences** represent the liability under the County’s policy which permits employees to accumulate a limited amount of earned but unused leave benefits, which are paid upon separation of service. Unpaid compensated absences are recorded as a liability when the benefits are earned in the government-wide and proprietary fund financial statements. The governmental funds, under GASB Statement 16, recognize an expenditure at the time payments are made to employees.

**Other Post-Employment Benefits** provisions were adopted by the County effective October 1, 2007 under the provisions of GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. The effect of this adoption was to establish uniform reporting standards for Other

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Postemployment Benefit (OPEB) expense and related liabilities (assets), note disclosures, and required supplementary information (RSI) in annual financial reports of governmental entities. GASB Statement No. 45, improves the relevance and usefulness of financial reporting by: (a) requiring systematic, accrual-basis measurement and recognition of Other Postemployment Benefit (OPEB) cost (expense) over a period that approximates employees' years of service and (b) providing information about actuarial accrued liabilities associated with OPEB and whether and to what extent progress is being made in funding the plan.

**Unearned Revenues** include amounts collected before revenue recognition criteria are met.

**Self Insurance Claims Payable** represents liabilities for reported claims and incurred but not reported claims based on an actuarial review of claims pending and historical experience.

**Landfill Closure and Postclosure Care Payable** represents the recognition of Municipal Solid Waste Landfill (MSWLF) closure and postclosure care costs under the State of Florida's Solid Waste Management Act of 1988 (the "1988 Act"), regulations of the Federal Environmental Protection Agency (EPA) and GASB Statement No. 18. MSWLF costs incurred for landfills accepting solid waste after final implementation of the 1988 Act and EPA regulations are recognized as an expense and a liability in each year that the MSWLF accepts solid waste based upon the landfill capacity used during that year.

**Long Term Obligations** in the government-wide and the proprietary fund financial statements are reported as liabilities in the statement of net assets. Bond premiums, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method.

The County reports pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution, 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 County is in violation of a pollution prevention-related permit or license; the County has been named as a responsible party under Superfund or similar state laws; the County is named in a lawsuit that would require participation in remediation activities; or the County legally commits itself to conduct remediation activities.

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financial sources. Premiums received on debt issuances are reported as other financing sources while discounts and debt issuance costs are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures of the funds in which proceeds of debt issuances are recorded.

**Fund Equity** in the governmental fund's financial statements report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

#### **Net Assets**

The government-wide and business type fund financial statements utilize a net asset presentation. Net assets are categorized as invested in capital assets (net of related debt), restricted and unrestricted.

**Invested in Capital Assets (net of related debt)** is intended to reflect the portion of net assets which are associated with non-liquid, capital assets less outstanding capital asset related debt.

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**Restricted Net Assets** are liquid assets (generated from revenues and net bond proceeds) which are not accessible for general use because of third-party (statutory, bond covenant or granting agency) limitations.

**Unrestricted Net Assets** represent unrestricted liquid assets. While County management may have categorized and segmented portions for various purposes, the Board of County Commissioners has the unrestricted authority to revisit or alter these managerial decisions.

**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**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. All annual appropriations lapse at fiscal year end.

On or before May 1 of each year, the Sheriff, Clerk, Tax Collector, Property Appraiser, and Supervisor of Elections 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 Budget Officer submits to the Board a proposed budget for the fiscal year commencing the following October 1<sup>st</sup>. The Budget includes proposed expenditures and the means of financing them.

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 Management and Budget Services Bureau 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.

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**NOTE 3 – DETAIL NOTES ON ALL FUNDS**

**A. Assets**

**Deposits and Investments**

As of September 30, 2010, the carrying value of the County’s deposits and investments was as follows:

Investment Type	Fair Value	Weighted Average Maturity (years)
Demand and time deposits	\$59,387,713	N/A
Certificates of Deposit	25,000,000	0.46
Money Market Fund	104,728	0.09
US Treasuries	22,498,884	1.96
Federal Instrumentalities	87,624,753	2.20
Corporate Notes	8,241,325	2.64
Commercial Paper	7,299,507	0.04
Total Deposits and Investments	<u>\$210,156,910</u>	

Interest Rate Risk

To the extent possible, an attempt is made to match investment maturities with known cash needs and anticipated cash flow requirements. For operating funds, investment maturities are matched with known cash needs and anticipated cash flow requirements. Investments of current operating funds shall have maturities of no longer than twelve (12) months. For core funds, investments of reserves, project funds, debt proceeds and other non-operating funds shall have a term appropriate to the need for funds and in accordance with debt covenants, but in no event shall exceed five (5) years and the average duration of the funds as a whole may not exceed three (3) years.

The County utilizes “weighted average maturity” as a measurement of interest rate risk and as of September 30, 2010, the investments had a weighted average duration of 1.79 years.

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:

1. U.S. Government Treasury Securities, U.S. Government Agency, and Federal Instruments.
2. Commercial paper of any United States company that is rated, at the time or purchase, “Prime-1” by Moody’s and “A-1” by Standard & Poor’s (prime commercial paper).
3. 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 or purchase, at a minimum “Aa” by Moody’s and a minimum long-term debt rating of “AA” by Standard & Poor’s.

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4. 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" Standard & Poor's.
5. 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.
6. Registered Investment Companies (Money Market Mutual Funds) rated "AAAm" by Standard & Poor's or the equivalent by another rating agency.
7. The Intergovernmental Investment Pool if rated "AAAm" by Standard & Poor's or the equivalent by another rating agency.

The County's bank balance of \$59,387,713 was deposited in a qualified public depository, as required by Chapter 280, Florida Statutes.

As of September 30, 2010, the County's investments had the following credit quality:

Security Type	Credit Rating	Portfolio Asset Allocation
US Treasury Bills/Notes	TSY	14.92%
Federal Instrumentalities - Notes	AAA	38.24%
Federal Instrumentalities - Discount Notes	A-1+	19.88%
Corporate Notes	AA	5.47%
Commercial Paper	A-1+	4.84%
Certificates of Deposit	N/A	16.58%
Federated Government Obligation Money Market Fund*	AAAm	0.07%
<b>Total</b>		<b>100.00%</b>

\*Federated Government Obligation Money Market Fund's Fund Fact Sheet as of September 30, 2010 provided the Credit Rating.

**Custodial Credit Risk**

Securities, with the exception of certificates of deposits, shall be held with a third party custodian; and all securities purchased by, and all collateral obtained by the County should 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 will be placed in the provider's safekeeping department for the term of the deposit.

As of September 30, 2010, the County's investment portfolio was held with a third-party custodian as required by the County's investment policy.

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Concentration of Credit Risk

The County's investment policy has established 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	50%		10%
Federal Instrumentalities	100%		25%
Interest Bearing Time Deposit or Saving Account	20%		10%
Repurchase Agreements	20%		10%
Commercial Paper	25%		5%
Corporate Notes	20%		5%
Bankers' Acceptances	25%		5%
State and/or Local Government Taxable and/or Tax-Exempt Debt	25%		10%
Registered Investment Companies (Money Market Mutual Funds)	50%		25%
Intergovernmental Investment Pool	25%		N/A

\*Treasury Strips are limited to 10% of available funds

As of September 30, 2010, the County had the following issuer concentrations based on fair value:

<u>Security Type</u>	<u>Fair Value</u>	<u>Portfolio Asset Allocation</u>
US Treasury Bills/Notes	\$22,498,884	14.92%
Federal Home Loan Bank (FHLB)	21,214,996	14.07%
Federal National Mortgage Association (FNMA)	34,499,174	22.88%
Federal Home Loan Mortgage Corporation (FHLMC)	31,910,583	21.17%
Wal-Mart Stores Inc. Corporate Notes	4,369,714	2.90%
General Electric Capital Corp. Corporate Notes	3,871,611	2.57%
BNP Paribas Finance Inc. Commercial Paper	3,599,784	2.39%
Credit Agricole NA Commercial Paper	3,699,723	2.45%
Compass Bank Certificates of Deposit	25,000,000	16.58%
Federated Government Obligation Money Market Fund	104,728	0.07%
<b>Total</b>	<b>\$150,769,197</b>	<b>100.00%</b>

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**Receivables** at year end for the government's individual major funds, nonmajor, and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Accounts	Notes	Accrued Interest	Gross Receivables	Allowance for Uncollectible	Net
<b>Governmental activities:</b>						
General	\$8,175,155	\$0	\$436,960	\$8,612,115	(\$7,083,143)	\$1,528,972
Disaster recovery	816,185	0	0	816,185	0	816,185
Transportation and drainage	11,670	0	0	11,670	0	11,670
Local option sales tax	102,054	0	0	102,054	(98,197)	3,857
Other non major funds	709,241	36,165	0	745,406	(60,891)	684,515
Internal Service Fund	3,094,432	0	0	3,094,432	(1,965,287)	1,129,145
Total governmental activities	<u>\$12,908,737</u>	<u>\$36,165</u>	<u>\$436,960</u>	<u>\$13,381,862</u>	<u>(\$9,207,518)</u>	<u>\$4,174,344</u>
<b>Business-type activities:</b>						
Solid Waste	\$1,093,445	\$0	\$0	\$1,093,445	(\$2,148)	\$1,091,297
Ambulance	6,947,103	0	0	6,947,103	(1,668,385)	5,278,718
Non major and other funds	133,280	0	0	133,280	(32,142)	101,138
Total business-type activities	<u>\$8,173,828</u>	<u>\$0</u>	<u>\$0</u>	<u>\$8,173,828</u>	<u>(\$1,702,675)</u>	<u>\$6,471,153</u>
<b>Component units:</b>						
Santa Rosa Island Authority	\$474,740	\$0	\$0	\$474,740	\$0	\$474,740
Housing Finance Authority	856,663	0	0	856,663	0	856,663
Total component units	<u>\$1,331,403</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,331,403</u>	<u>\$0</u>	<u>\$1,331,403</u>

There were no unbilled receivables at September 30, 2010. The General Fund receivable contains approximately \$7 million contested property taxes billed on Pensacola Beach. Due to pending litigation which may affect the assessed value of the property, this receivable is fully offset with an allowance for uncollectible accounts.

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**Capital Assets** activity for the year ended September 30, 2010 was as follows:

	Balance at 10/01/2009	Increases	Transfers / Decreases	Balance at 09/30/2010
<b>Primary Government:</b>				
<b>Governmental activities:</b>				
<i>Capital assets not depreciated:</i>				
Land	\$32,578,805	\$824,383	\$0	\$33,403,188
Construction in progress	38,746,447	26,776,607	(38,746,447)	26,776,607
Total capital assets not depreciated	<u>71,325,252</u>	<u>27,600,990</u>	<u>(38,746,447)</u>	<u>60,179,795</u>
<i>Capital assets depreciated:</i>				
Infrastructure	591,738,238	32,996,593	0	624,734,831
Buildings and improvements	194,931,605	14,755,000	0	209,686,605
Intangibles	3,739,446	276,903	0	4,016,349
Equipment	109,048,081	14,811,204	(4,064,359)	119,794,926
Total capital assets depreciated	<u>899,457,370</u>	<u>62,839,700</u>	<u>(4,064,359)</u>	<u>958,232,711</u>
<i>Less accumulated depreciation:</i>				
Infrastructure	291,060,232	26,417,159	0	317,477,391
Building and improvements	67,501,414	6,653,702	0	74,155,116
Intangibles	242,673	606,438	0	849,111
Equipment	80,452,340	10,510,519	(4,002,370)	86,960,489
Total accumulated depreciation	<u>439,256,659</u>	<u>44,187,818</u>	<u>(4,002,370)</u>	<u>479,442,107</u>
Total capital assets depreciated, net	<u>460,200,711</u>	<u>18,651,882</u>	<u>(61,989)</u>	<u>478,790,604</u>
Governmental-type activities capital assets, net	<u>\$531,525,963</u>	<u>\$46,252,872</u>	<u>(\$38,808,436)</u>	<u>\$538,970,399</u>

Effective October 1, 2009, the County adopted the GASB Statement 51, Accounting and Financial Reporting for Intangible Assets, which requires the reporting of intangible assets utilized by governments. Accordingly, the beginning balance of the County's capital assets has been restated by \$3,496,773 to reflect the implementation of GASB 51.

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	Balance at 10/01/2009	Increases	Transfers / Decreases	Balance at 09/30/2010
<b>Business-type activities:</b>				
Land	\$4,849,859	\$412,470	\$0	\$5,262,329
<i>Capital assets depreciated:</i>				
Buildings	37,357,787	223,360	0	37,581,147
Infrastructure	30,335,128	3,255,150	0	33,590,278
Equipment	18,971,412	2,098,650	(1,047,528)	20,022,534
Total capital assets depreciated	<u>86,664,327</u>	<u>5,577,160</u>	<u>(1,047,528)</u>	<u>91,193,959</u>
<i>Less accumulated depreciation:</i>				
Buildings	20,126,033	1,090,693	0	21,216,726
Infrastructure	11,787,886	1,304,142	0	13,092,028
Equipment	12,010,926	1,794,302	(752,957)	13,052,271
Total accumulated depreciation	<u>43,924,845</u>	<u>4,189,137</u>	<u>(752,957)</u>	<u>47,361,025</u>
Total capital assets depreciated, net	<u>42,739,482</u>	<u>1,388,023</u>	<u>(294,571)</u>	<u>43,832,934</u>
Business-type activities capital assets, net	<u>\$47,589,341</u>	<u>\$1,800,493</u>	<u>(\$294,571)</u>	<u>\$49,095,263</u>

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Depreciation expense was charged to functions/programs of the primary government as follows:

<i>Governmental activities:</i>		<i>Business-type activities:</i>	
General government	\$5,065,144	Solid waste	\$2,429,644
Public safety	10,690,676	Inspections (non-major)	69,015
Physical environment	354,735	Ambulance	754,442
Transportation*	22,764,970	Civic center (non-major)	<u>936,036</u>
Economic environment	1,226,051	Total depreciation expense	<u><u>\$4,189,137</u></u>
Human services	513,740		
Culture and recreation	<u>3,572,502</u>		
Total depreciation expense	<u><u>\$44,187,818</u></u>		

\*Transportation includes depreciation of general infrastructure assets.

Depreciation on capital assets held by the government's internal service funds are charged to the general government function.

**Discretely Presented Component Units** reported the following capital asset balances at September 30, 2010:

<b>SANTA ROSA ISLAND AUTHORITY</b>		<b>HOUSING FINANCE AUTHORITY</b>	
Land	\$1,803,000	Land	\$1,100,000
Buildings	\$3,669,342	Equipment	<u>46,203</u>
Improvements other than buildings	14,337,359	Total at historical cost	<u>1,146,203</u>
Equipment	<u>1,388,486</u>		
Total at historical cost	<u>21,198,187</u>	Less accumulated depreciation	<u>(35,022)</u>
Less accumulated depreciation	<u>(6,886,245)</u>	Housing Finance Authority capital assets, net	<u><u>\$1,111,181</u></u>
Santa Rosa Island Authority capital assets, net	<u><u>\$14,311,942</u></u>		

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**Interfund Receivables / Payables:**

During the course of its operations, the County has numerous transactions between funds to finance operations, provide services, construct assets, and service debt to the extent that certain interfund receivables and payables exist as of September 30, 2010. Balances of interfund receivables, payables, and advances are as follows:

	Interfund Receivables	Interfund Payables	Advances To	Advances From
General fund	\$1,381,390	\$114,641	\$0	\$0
Disaster recovery	0	0	0	17,252,149
Transportation and drainage	0	0	0	343,895
Local option sales tax	0	2,605	17,596,044	2,146,667
Nonmajor governmental funds	255,831	1,634,594	0	554,479
	<u>1,637,221</u>	<u>1,751,840</u>	<u>17,596,044</u>	<u>20,297,190</u>
Solid waste fund	0	0	0	4,688,571
Internal service	114,641	22	7,389,717	0
Total major and nonmajor	<u>\$1,751,862</u>	<u>\$1,751,862</u>	<u>\$24,985,761</u>	<u>\$24,985,761</u>

**Interfund Transfers:**

	Transfer In	Transfer Out
<b>Major Governmental Funds:</b>		
General fund	\$2,834,281	\$26,200,085
Disaster recovery	5,500,000	0
Community redevelopment agency	1,284,902	0
Transportation and drainage	7,032,415	0
Debt service	13,415,927	0
Local option sales tax	0	5,900,000
<b>Non-major Governmental Funds:</b>		
Development	2,042,706	1,000,000
Mass transit	3,186,706	0
Grant projects	144,954	200,000
Tourist promotion	0	1,700,000
Public safety programs	356,063	2,101,355
HHRP	0	139,748
Bob Sikes toll facilities		1,600,782
<b>Major Business-type Activities:</b>		
Solid waste	5,900,000	437,972
Ambulance	806,628	0
<b>Non-major Business-type Activities:</b>		
Civic center	1,775,360	0
Internal service fund	0	5,000,000
Total	<u>\$44,279,942</u>	<u>\$44,279,942</u>

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

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**Restricted Assets** for business activities contain the following balances:

	Solid Waste	Non-major	Total Enterprise Funds	Internal Service Fund
Customer deposits	\$105,505	\$290,722	\$396,227	\$39,333
Landfill closure	5,289,148	0	5,289,148	0
Renewal and replacement	0	283,442	283,442	0
	<u>\$5,394,653</u>	<u>\$574,164</u>	<u>\$5,968,817</u>	<u>\$39,333</u>

**B. Liabilities**

**Payable from Restricted Assets** in the business-type activities contain the following balances:

	Solid Waste	Non-major	Total Enterprise Funds	Internal Service
Customer deposits	\$105,505	\$290,722	\$396,227	\$39,333
Landfill closure and postclosure	356,610	0	356,610	0
	<u>\$462,115</u>	<u>\$290,722</u>	<u>\$752,837</u>	<u>\$39,333</u>

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**Long-Term Debt Changes** in long-term bonds, notes payable, loans, capital leases, and compensated absences during 2010 are as follows:

Long-Term Debt	Beginning Balance 10/1/2009	Additions	(Retirements)	Long-Term Balance Outstanding 9/30/2010	Amounts Due Within One Year of 09/30/2010
<b>Governmental-type activities:</b>					
Sales Tax Revenue Bonds	\$80,915,000	\$0	(\$1,925,000)	\$78,990,000	\$1,985,000
Capital Improvement Bonds	19,630,000	0	(495,000)	19,135,000	510,000
Tourist Development Bonds	11,385,000	0	(970,000)	10,415,000	995,000
Capital Improvement Notes	9,005,000	0	(9,005,000)	0	0
Capital Leases	1,164,512	0	(657,008)	507,504	507,504
General Compensated Absences:					
Board of County Commissioners	7,458,057	2,869,418	(2,666,191)	7,661,284	2,840,217
Tax Collector	678,187	95,095	(69,482)	703,800	38,933
Property Appraiser	494,429	337,623	(379,111)	452,941	365,419
Supervisor of Elections	183,784	144,452	(140,030)	188,206	140,030
Internal Service Compensated Absences:					
Board of County Commissioners	288,478	46,105	(32,442)	302,141	15,107
Clerk of the Circuit Court	1,745,421	883,790	(859,641)	1,769,570	218,694
Sheriff	17,649,553	10,685,998	(9,784,511)	18,551,040	1,673,097
Total	<u>\$150,597,421</u>	<u>\$15,062,481</u>	<u>(\$26,983,416)</u>	<u>\$138,676,486</u>	<u>\$9,289,001</u>
<b>Business-type activities:</b>					
Capital leases:					
Solid Waste	\$0	\$419,000	(\$160,187)	\$258,813	\$162,713
Ambulance	0	43,836	(18,783)	25,053	25,053
Total	<u>\$0</u>	<u>\$462,836</u>	<u>(\$178,970)</u>	<u>\$283,866</u>	<u>\$187,766</u>
Compensated Absences:					
Solid Waste Compensated Absences	\$548,923	\$213,905	(\$149,199)	\$613,629	\$30,681
Inspections Compensated Absences	449,262	145,973	(131,636)	463,599	23,180
Ambulance Compensated Absences	659,128	153,040	(280,411)	531,757	24,439
Total	<u>\$1,657,313</u>	<u>\$512,918</u>	<u>(\$561,246)</u>	<u>\$1,608,985</u>	<u>\$78,300</u>

The General Fund generally liquidates claims and judgments, and compensated absences for governmental activities.

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**Long-term Debt** for governmental activities consists of the following:

Governmental Activities	Interest Rates %	Annual Principal	Final Maturity	Amount Outstanding 9/30/2010
<b>Bonds:</b>				
<u>Sales Tax Revenue Bonds</u>				
Serial Bonds - Series 2002	3.250 - 5.250	1,985,000 to 3,290,000	10/01/22	30,615,000
Term Bond - Series 2002	4.75	3,450,000 to 5,485,000	10/01/33	48,375,000
Total Sales Tax Revenue Bonds				<u>78,990,000</u>
<u>Capital Improvement Bonds</u>				
Serial Bonds - Series 2002	3.40 - 4.43	510,000 to 675,000	10/01/17	3,618,000
Term Bonds - Series 2002	4.75 - 5.25	1,130,000 to 6,260,000	10/01/32	15,517,000
Total Road Improvement Bonds				<u>19,135,000</u>
<u>Tourist Development Bonds</u>				
Series 2002	3.10 - 5.00	995,000 to 1,355,000	10/01/19	10,415,000
<b>Total Long-term Bonds</b>				<b><u>108,540,000</u></b>
<u>Capital Leases</u>				
SunTrust - Central Chiller Lease	3.55	232,297	04/01/11	232,297
SunTrust - Leonard Street Chiller	3.25	275,208	05/28/11	275,207
<b>Total Capital Leases</b>				<b><u>507,504</u></b>
<b>Compensated Absences:</b>				
Board of County Commissioners	N / A	--	--	7,661,284
BOCC Self Insurance Fund	N / A	--	--	302,141
Clerk of the Circuit Court	N / A	--	--	1,769,570
Sheriff	N / A	--	--	18,551,040
Tax Collector	N / A	--	--	703,800
Property Appraiser	N / A	--	--	452,941
Supervisor of Elections	N / A	--	--	188,206
Subtotal				29,628,982
Current				(5,291,497)
Long-term compensated absences				<u>24,337,485</u>
<b>Total Outstanding Compensated Absences</b>				<b><u>29,628,982</u></b>
<b>Total Long-Term Debt</b>				<b><u>\$138,676,486</u></b>

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Business activity long-term debt consists of the following:

Business Activities	Interest Rates %	Annual Principal	Final Maturity	Amount Outstanding 9/30/2010
<b>Capital Leases - Business Activities:</b>				
Solid Waste Fund	1.565%	\$162,713	April 2012	\$258,813
Ambulance Fund	2.700%	25,053	Jan 2011	25,053
<b>Total Capital Leases - Business Activities</b>				<b><u>\$283,866</u></b>
<b>Compensated Absences - Business Activities:</b>				
Solid Waste Fund	N / A		N / A	\$613,629
Inspections Fund	N / A		N / A	463,599
Ambulance Fund	N / A		N / A	531,757
<b>Total Business Activities Compensated Absences</b>				<b><u>\$1,608,985</u></b>

**Annual debt service requirements to maturity** to retire long-term bonds, notes, and loans are as follows:

Fiscal Year Ending September 30,	Revenue Bonds		Total Principal and Interest
	Principal	Interest	
	2011	\$3,490,000	
2012	3,605,000	5,011,416	8,616,416
2013	3,735,000	4,887,229	8,622,229
2014	3,880,000	4,743,701	8,623,701
2015	4,070,000	4,557,599	8,627,599
2016-2020	22,135,000	19,530,027	41,665,027
2021-2025	21,730,000	14,245,100	35,975,100
2026-2030	27,485,000	8,488,639	35,973,639
2031-2033	18,410,000	1,719,913	20,129,913
<b>Total governmental debt</b>	<b><u>\$108,540,000</u></b>	<b><u>\$68,311,736</u></b>	<b><u>\$176,851,736</u></b>

**Long-Term Debt – Bonds**

**Sales Tax Revenue Refunding Bonds** Series 2002 in aggregate principal amount of \$89,730,000, were issued under and pursuant to the Constitution and laws of the State of Florida, particularly Chapter 125, Florida Statutes, as amended, Home Rule Ordinance No. 74-8 of the County, as amended, and ordinances and resolutions adopted by the Commission of the County. The Bonds are limited special obligations of the County collateralized by a lien on and pledge of, among other things, the proceeds of the local government half-cent sales tax distributed to the County from the Local Government Half-Cent Sales Tax Clearing Trust Fund. The proceeds of the bonds were used to finance the costs of a current refunding of all of the County's Sales Tax Revenue Refunding Bonds Series 1993, originally issued in the amount of \$50,355,000, with a balance of \$48,830,000 at the date of refunding, and to provide approximately \$39,000,000 to finance the cost of certain capital improvement projects of the County including (1) renovating and expanding the Sheriff's administrative building; (2) renovating the jail infirmary; (3) expanding the jail annex; (4) expanding the road prison; (5) acquiring and constructing a parking garage; (6) constructing, renovating, and expanding certain facilities contained within the administrative master plan; (7) constructing a library facility in Perdido Key; (8) renovating the juvenile justice addition; (9) constructing a new one-stop permitting building; (10) finishing out the third, fourth and fifth floors of the M.C. Blanchard Judicial

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Building; and (11) making certain stormwater improvements. The Project also includes construction and/or equipping of other capital improvements to be determined by the County.

**Capital Improvement Revenue Bonds** Series 2002 in aggregate principal amount of \$22,305,000 were issued pursuant to the authority of the Constitution, the laws of the State of Florida, County ordinances, the Santa Rosa Island Authority Special Act and various resolutions, including the interlocal agreement entered into by the Authority and the County. The proceeds were spent to finance the construction of certain capital improvements on Santa Rosa Island including road improvements to Via DeLuna Drive and Fort Pickens Road, constructing a water reclamation and reuse system, making improvements to the stormwater management system, burying existing above-ground utilities, and making certain landscaping improvements. The 2002 Bonds are special limited obligations of the County, payable solely from and secured by pledge of residential and commercial lease revenues collected by Santa Rosa Island Authority from island leaseholders (per interlocal agreement) and net toll revenues collected for passage across Bob Sikes Bridge to Santa Rosa Island.

**Tourist Development Revenue Refunding Bonds** Series 2002 in aggregate principal amount of \$16,885,000 were issued pursuant to the authority of the Constitution, the laws of the State of Florida, including the County's Home Rule Ordinances 74-8 and 89-7, and resolutions adopted by the Board of County Commissioners. The proceeds, together with other available moneys, were used to finance the costs of refunding all of the County's Tourist Development Revenue Bonds, Series 1992, originally issued in the amount of \$6,915,000, with a balance of \$4,650,000 at the date of refunding, and the County's outstanding promissory note payable to the Florida Local Government Finance Commission in the amount of \$850,000, and to provide approximately \$12,000,000 for certain improvements on Santa Rosa Island consisting of beach nourishment and certain capital improvements to the Civic Center. The principal and interest on the 2002 Bonds are payable solely from and collateralized by a lien upon and a pledge of the Tourist Development Tax levied and collected by the County.

#### **Long-Term Debt – Notes**

**Capital Improvement Revenue Note** Series 1997 allowed the Board to borrow \$10,000,000 from the Gulf Breeze, Florida Capital Funding Program to fund the acquisition and construction of certain capital improvement projects. Pledged revenues toward payment of the loan were the electric franchise fees. The loan required monthly interest payments at variable rates equal to the PSA Municipal Market, plus a maximum 34 basis points. The note was paid off in its entirety during fiscal year 2010.

**Capital Improvement Revenue Note** Series 2003 permitted the Board to borrow \$3,000,000 from the Gulf Breeze, Florida Capital Funding Program to fund a capital building project for the Work Release Facility. There was a covenant by the Board to annually budget and appropriate sufficient funds to pay the debt service. Repayments under the loan required monthly interest payments at variable rates equal to the PSA Municipal Market, plus a maximum 34 basis points. The note was paid off in its entirety during fiscal year 2010.

#### **Capital Leases**

The Board is obligated under lease-purchase agreements for the purchase of new chiller equipment, two trucks and four all terrain vehicles (ATVs). These leases qualify as capital leases for accounting purposes and are recorded at the present value of the future minimum lease payments at the inception of the lease. The chiller equipment has been recorded in the governmental assets at a book value of \$3,283,482. Amortization of \$213,614 on the leased equipment is included in current year depreciation expense. The two articulated trucks and four ATVs have been recorded in the business-type assets at a book value of \$380,592 and \$43,836, respectively. Amortization of

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\$38,408 and \$3,653, respectively is included in the current year depreciation expense of the Solid Waste Fund and the Ambulance Fund, respectively.

The Santa Rosa Island Authority has entered into several capital leases for office equipment with terms of 39-48 months. The acquired assets have been recorded at a book value of \$58,097. Amortization on equipment under capital lease is included in depreciation expense.

Maturities of the obligations under capital lease are as follows:

	Board of County Commissioners	Santa Rosa Island Authority
Balance 10/01/2009	\$1,164,512	\$2,143
Additions	462,836	84,500
Principal payments	(835,978)	(11,116)
Balance 09/30/2010	<u>\$791,370</u>	<u>\$75,527</u>
Future lease payments		
2011	\$698,157	\$32,569
2012	96,600	36,325
2013	0	36,112
2014	0	7,160
Total minimum lease payments	<u>794,757</u>	<u>112,166</u>
Less amount representing interest	<u>(3,387)</u>	<u>(36,639)</u>
Net minimum lease payments	<u>\$791,370</u>	<u>\$75,527</u>

**Refunding of Outstanding Debt** in prior years permitted the Board to defease certain special obligation and other revenue bonds by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust account asset and liabilities are not included in the County's financial statements. On September 30, 2010, three bond issues are outstanding with an aggregate principal amount of \$26,920,000.

**Long-Term Debt – Arbitrage 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. 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, 2010, there is no arbitrage rebate liability outstanding.

**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. Neither the Board, 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, 2010, the outstanding conduit debt of Escambia County is \$3,739,455,818.

**Landfill Closure and Postclosure Care Payable** represents the accrued liability for closure and post-closure costs for the County's landfills. Regulations require the Board to cover landfills when they stop accepting waste and to perform certain maintenance and monitoring functions for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date the landfills stop accepting waste, the Board reports

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a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each statement of net assets date. Currently, the Beulah, Klondike, Mobile Highway and Camp Five sites are closed. The Perdido Landfill is the only site accepting waste.

At year end, \$12,787,242 was reported (\$356,610 payable from restricted assets and \$12,430,632 as long-term liability) as the landfill closure and postclosure care liability in the statement of net assets. This amount is based upon estimated costs to perform closure and postclosure care in 2010, determined from the most recently available engineering studies computed on the ratio of landfill capacity filled at year end to total estimated capacity. Capacity is measured in space utilized by the type of waste being accepted. The Class I capacity is at 67% and the Class III capacity is at 68%. The Board will recognize the remaining estimated costs of closure and postclosure care of approximately \$4.4 million as the remaining estimated capacity is filled. Actual cost may be higher due to inflation, changes in technology or changes in regulations.

Closure and Postclosure Care Liability:

	Beginning Balance 10/1/2009	Additions	Deletions	Ending Balance 9/30/2010
Current:	\$105,398	\$251,212	\$0	\$356,610
Long-term Liability	12,179,411	502,433	(251,212)	12,430,632
Total	<u>\$12,284,809</u>	<u>\$753,645</u>	<u>(\$251,212)</u>	<u>\$12,787,242</u>

State and federal laws and regulations require the Board to make annual contributions to a cash escrow account to meet financial assurance requirements. The Board is in compliance with these requirements at September 30, 2010 with restricted cash and investments of \$5,289,148 for these purposes. In the event closure escrows and interest earnings prove inadequate due to inflation, changes in technology or additional closure/postclosure care requirements, these costs may need to be covered by increased user charges.

**Pollution Remediation Obligation** – The County has identified several potential pollution sites within the County which may require remediation. Several of the sites are part of the State of Florida Department of Environmental Protection (FDEP) cleanup program in which the County will share some of the cleanup responsibility and costs with the State. The County estimates a cost of approximately \$1,050,000 for remediation and monitoring of these sites.

In the case of County owned property at the location of the former Escambia County Mosquito Control Facility, the County has been named the party responsible and has estimated a cost for remediation of \$800,000.

In 2010, the County assumed ownership of the abandoned Saufley Construction and Demolition (C&D) Debris Facility, and intends to convert the facility to a beneficial use. The County has entered into an agreement with the FDEP whereby the County agrees to begin a beautification project within twenty-four months of ownership, and conduct the groundwater monitoring of the Facility in accordance with applicable FDEP rules. As part of this agreement, FDEP shall direct Evanston Insurance Company to reimburse the County for authorized closure costs incurred to the extent such funds are available from the insurer. Costs to convert the land to a beneficial use are estimated to be \$5.9 million, and will be included as capital assets as costs are incurred. An additional \$150,000 obligation is estimated for long-term groundwater monitoring.

Combined with the cost-sharing programs mentioned above, the total pollution remediation obligation reported at September 30, 2010 in the governmental activities at the government-wide statement of net assets is estimated to be \$2 million.

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**NOTE 4 – OTHER INFORMATION**

The **Risk Management** program was established by the County to insure certain types of claims against the Board of County Commissioners, Constitutional Officers, and Santa Rosa Island Authority including losses related to theft, damage and destruction of assets; torts; errors and omissions; injuries to employees; and natural disasters. The following are the types of risks and coverage:

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

Casualty and Property – Casualty limits are self-insured for \$100,000 per claim with a \$200,000 aggregate limit. Property limits are \$50,000 - \$250,000 self insured retentions per occurrence with excess limits of \$90 million including wind.

Prior to June 9, 2008, the County was self-insured for worker’s compensation claims up to a limit of \$450,000 per occurrence with statutory limits. The County will continue to contract with a third party administrator to service all worker’s compensation claims with dates of loss prior to June 9, 2008. During the fiscal year ended September 30, 2010, there have been no settlements which exceeded the County’s insurance coverage for the last three fiscal years.

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 claims prior to June 9, 2008 include an amount for claims that have been incurred but not reported (IBNR). The claims liabilities totaling \$9,123,230 reported in the Internal Service Fund at September 30, 2010 are actuarially determined based on historical and current information regarding the Fund.

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

	<u>2010</u>	<u>2009</u>
Unpaid claims, beginning	\$11,066,262	\$10,818,626
Claims incurred and changes in estimates	1,248,260	4,756,111
Less: claims paid	<u>(3,191,292)</u>	<u>(4,508,475)</u>
Unpaid claims, ending	9,123,230	11,066,262
Estimated claims due within one year	<u>(2,630,959)</u>	<u>(4,611,673)</u>
Estimated claims due longer than one year	<u><u>\$6,492,271</u></u>	<u><u>\$6,454,589</u></u>

**Pension and Retirement Plan** – Substantially all full-time employees of the County are covered by the Florida Retirement System (FRS). The FRS was established in 1970 by Chapter 121, Florida Statutes and is administered by the Florida Department of Management Services, Division of Retirement. Changes to the FRS can be made only 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 FRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to FRS, 2639-C North Monroe Street, Tallahassee, Florida 32399-1560.

The FRS offers two retirement plans – the FRS Pension Plan and the FRS Investment Plan. An employee may participate in only one of the plans.

The FRS Pension Plan is a multiple employer cost sharing defined benefit plan which provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Normal retirement benefits are available to employees who retire at age 62 with 6 or more years of service, or to those employees who have at least 30 years of creditable service, regardless of age. Retirement age and years of

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service requirements vary depending on membership class. Early retirement is available after 6 years of service with a 5% reduction of benefits for each year prior to the normal retirement age. Retirement benefits are based upon age, average compensation and years-of-service credit where average compensation is computed as the average of an individual's five highest years of earnings.

The FRS Investment Plan is a defined contribution plan in which participants are vested after one year of service. The employer makes contributions each month based on a percentage of the employee's gross salary and membership class. The contribution percentage is the same whether participating in the Pension Plan or Investment Plan. Members in the Investment Plan decide how their funds are allocated between various investment accounts and the funds are portable upon termination if the participant is vested. Members in the Investment Plan are not eligible for participation in the Deferred Retirement Option Program (DROP).

Deferred Retirement Option Program (DROP) is an elective program available for members of the FRS who are eligible for normal retirement. Under this program, a member effectively retires and continues covered employment for up to 5 years. While in DROP, the member's deferred monthly retirement benefits accumulate, earning interest and cost-of-living increases. When the DROP period is over, the participant terminates covered employment and begins receiving his/her predetermined monthly retirement benefit, as well as the accrued DROP benefit. Disability retirees are not eligible to participate in DROP and DROP participants do not qualify for disability retirement.

The plans are noncontributory for employees and all contributions are made by participating FRS employers. Participating employer contributions are based upon state-wide rates established by the State of Florida. Average contribution rates for the fiscal year ended September 30, 2010 were as follows: regular employees, 10.08%, special risk employees, 21.50%, elected officials, 17.06%, senior management employees, 13.48%, and DROP participants, 11.25%.

Contributions made are equal to the actuarially determined contribution requirements for each year and are funded on a pay-as-you-go basis. Contributions for the past three years were as follows:

	2010	2009	2008
Primary government	\$15,219,343	\$14,179,598	\$14,897,685
Discretely presented component units:			
Santa Rosa Island Authority	158,154	141,473	141,869
Law Library Board	3,394	3,090	3,090
	<u>\$15,380,891</u>	<u>\$14,324,161</u>	<u>\$15,042,644</u>

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

The County engaged an actuarial firm to determine the estimated obligation associated with the plan. The County may amend the OPEB plan at its discretion. At October 1, 2009, the date of the latest actuarial valuation, plan participation consisted of:

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OPEB plan participants	2,143
Retirees receiving benefits	354

The County has the authority to establish and amend the OPEB funding policy, and is not required by law or other contractual agreement to provide funding for the implicit rate subsidy other than the pay-as-you-go amount necessary to provide current benefits for participants in its health insurance plan. During 2010, the County paid \$573,899 as funding of the implicit rate subsidy OPEB.

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

For the fiscal year ended	<u>9/30/2010</u>
<u>Determination of Annual Required Contribution (ARC)</u>	
Normal Cost at year end	\$977,557
Amortization of the unfunded actuarial liability (UAAL)	<u>643,262</u>
Annual Required Contribution (ARC)	\$1,620,819
<u>Annual OPEB Cost and Net OPEB Obligation</u>	
Annual Required Contribution (ARC)	\$1,620,819
Interest on net OPEB obligation	187,255
Adjustment to annual required contribution	<u>(178,883)</u>
Annual OPEB cost (expense)	1,629,191
Employer contributions made*	<u>(573,899)</u>
Increase in net OPEB obligation	1,055,292
Net OPEB obligation - beginning of year	4,754,502
Estimated Net OPEB obligation - end of year	<u><u>\$5,809,794</u></u>

\*Actuarially estimated employer contributions for 2010.

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The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 and the two preceding years were as follows:

Fiscal year ended	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
9/30/2008	\$3,693,430	35.29%	\$2,390,019
9/30/2009	\$3,810,061	37.94%	\$4,754,502
9/30/2010	\$1,629,191	35.23%	\$5,809,794

Funding Policy and Status - As of October 1, 2009, the plan was 0% funded. The actuarial accrued liability (AAL) for benefits was \$16,833,857 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$16,833,857. The covered payroll (annual payroll of active employees covered by the OPEB Plan) was approximately \$144 million, and the ratio of the UAAL to the covered payroll was 11.71%.

Actuarial Methods and Assumptions: Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

The actuarial methods are:

Actuarial cost method:	Projected unit credit actuarial cost method
Amortization method:	Level percent of pay, open
Amortization period (closed)	30 years
Asset valuation method	Market value of assets, if any, as of valuation date

The actuarial assumptions are:

Investment rate of return	4%, compounded annually
Medical cost trend rate*	
Pre-Medicare	10.50%

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**ESCAMBIA COUNTY, FLORIDA**  
**NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)**  
**SEPTEMBER 30, 2010**

Ultimate trend rate*	
Pre-Medicare	5.00%
Year of Ultimate trend rate	2016

\*Includes inflation of 3.00%

**Leasing Arrangements** provide almost all of the revenues for the Santa Rosa Island Authority. The Authority leases the land on County-owned Santa Rosa Island to residents and businesses under residential and commercial leases that typically run for a period of 99 years. Many of the 99-year leases have options to renew for another 99-year term. Many leases, particularly those for restaurants and concessions, are generally for a shorter period. Lease payments in future years are estimated to average approximately \$3.7 million per year.

**Construction Commitments** - The County has active construction projects as of September 30, 2010 as follows:

Construction - Buildings	\$935,725
Engineering Services - Building	594,208
Construction - Road Paving and Drainage	12,130,190
Engineering - Roads and Drainage	10,252,743
Construction - Various	4,037,887
Engineering Services - Various	721,930
Other - Various commitments	715,783
	<u>\$29,388,466</u>

Of these commitments, \$25,128,026 is reported in the governmental fund financial statements as reserved for encumbrances. The remaining \$4,260,440 represents commitments in proprietary type funds which are not included in the financial statements in accordance with GAAP. These commitments are evidenced by signed purchase orders and contracts which were entered into prior to September 30, 2010.

**Other Commitments** - The County has various non-construction contractual commitments at fiscal year end that will be re-appropriated in the new fiscal year. These commitments of \$4,795,976 are included in Reserve for Encumbrances at September 30, 2010.

On September 30, 2002, the Santa Rosa Island Authority's Board of Directors approved an interlocal agreement with Escambia County in connection with certain plans for economic development, transportation and beach improvements at Pensacola Beach. By resolution approved by the Santa Rosa Island Authority Board, the Authority's lease fee revenues are pledged for repayment of Tourist Development Refunding Revenue Bonds, Series 2002 and the Capital Improvement Revenue Bonds, Series 2002. The Authority is scheduled to make payments to Escambia County of at least \$600,000 each year through 2032.

**Significant Commitments** - The Sheriff entered into a cancelable agreement with a vendor to provide management services, food, materials, and supplies necessary to feed the inmate population at the corrections facility and the Escambia County Jail, through February 28, 2011. Food service expense under this contract for the year ended September 30, 2010 was approximately \$1.85 million.

**Operating leases** for the Board of County Commissioners are for various spaces throughout the County containing minimum guaranteed rentals averaging \$5,775 monthly. The Board of County Commissioners has the option to extend lease terms annually. Lease expense for the year ended September 30, 2010 was \$260,014.

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**ESCAMBIA COUNTY, FLORIDA**  
**NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)**  
**SEPTEMBER 30, 2010**

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The Tax Collector is obligated under operating leases for office space with noncancellable terms in excess of one year as of September 30, 2010. Rent expense for the year ended September 30, 2010 was approximately \$353,000.

Future minimum payments, as of September 30, 2010 for the Tax Collector, are as follows:

<u>Year</u>	Tax Collector Amount
2011	\$300,361
2012	313,660
2013	174,494
2014	123,660
2015	124,055
	<u>\$1,036,230</u>

**NOTE 5 – CONTINGENT LIABILITIES**

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County Attorney the resolution of these matters will not have a material adverse effect on the financial condition of the County.

The County receives significant financial assistance from federal and state agencies primarily in the form of capital and operating grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by grantor agencies. Disallowed claims, if any, resulting from such audits may become liabilities of the County. However, in the opinion of management, disallowed claims, if any, will not have a material effect on the County's financial statements.

On April 21, 2010, the Deepwater Horizon oil well in the Gulf of Mexico collapsed causing a massive oil spill in the Gulf. The subsequent intrusion of oil onto the beaches of Northwest Florida caused a decline in tourism for the area due to the condition of the beach, resulting in loss of tourism and tax revenues to Escambia County. As a result of prevention and clean-up efforts, the County incurred expenditures totaling approximately \$2.9 million. Expenditure reimbursements from the well owner/operator are recorded as miscellaneous revenue in the Disaster Recovery Fund and lost tourist development tax revenue claims totaling approximately \$370,000 and are recorded as miscellaneous revenue in the Tourist Promotion Fund. The ultimate financial impact of the oil spill on Escambia County is not known.

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**ESCAMBIA COUNTY, FLORIDA**  
**NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)**  
**SEPTEMBER 30, 2010**

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**NOTE 6 – INTERNAL SERVICE FUNDS**

The Sheriff and Clerk each established an internal service fund in 2004 to record the annual costs related to their respective compensated absences policies, to record the short-term and long-term components of such liabilities (including payments to employees), and to collect and hold cash and investments necessary to liquidate such liabilities. The related costs associated with these funds will be recovered via charges to the respective general funds and other funds having employees, in accordance with generally accepted criteria for establishment and use of an internal service fund. At September 30, 2010, the Sheriff's and Clerk's internal service funds have accumulated deficits of (\$16,877,943) and (\$345,888), respectively, which will be eliminated over a reasonable period of time.

**NOTE 7 – SIGNIFICANT EVENTS**

During 2010, FEMA progressed with the close-out of numerous projects and claims that were a result of Hurricanes Ivan, Dennis and Katrina in 2004 and 2005. As the projects are closed, FEMA determines the final amounts that may be due to, or payable by, the Board. During 2010, \$2.2 million has been disallowed and/or recouped by FEMA. Based on Board analysis of FEMA projects, amounts due from or payable to FEMA are approximately \$876,000 and \$2,093,000 respectively, are reported at September 30, 2010 in the Disaster Recovery Fund. The Board will continue to monitor the status of the close-out process and record receivables/payables as they become probable and able to be reasonably estimated.

In January 2011, The First District Court of Appeal upheld the trial court's opinion in Portofino Tower One Homeowners Association, et al. v. Jones, which held that the condominium units at the Portofino Condominium Towers are subject to ad valorem taxation at local government rates. Although the Portofino unit owners are now subject to ad valorem taxation, the unit owners successfully petitioned the trial court to reduce the valuations upon which such taxes are levied. The trial court's determination as to the proper valuation of the condominium units has been appealed to the First District Court of Appeal. If the First District affirms the ruling as to the valuation, the taxing authorities will share pro-rata in the liability for refunding any taxes that were overpaid by Portofino unit owners. Some of the unit owners did not pay any tax and therefore are not entitled to refunds. If the Court rules in favor of the unit owners, the Board would have to refund approximately \$1.5 million.

**REQUIRED SUPPLEMENTARY INFORMATION**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**ESCAMBIA COUNTY, FLORIDA**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2010**

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**Escambia County, Florida**  
**Other Postemployment Benefit Plan**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Liabilities (AAL) <sup>(1)</sup>	Unfunded Actuarial Liabilities (UAAL) <sup>(2)</sup>	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
October 1, 2007	\$0	\$35,895,656	\$35,895,656	0%	\$152,785,238	23.49%
October 1, 2008	\$0	\$37,568,452	\$37,568,452	0%	\$143,780,473	26.13%
October 1, 2009	\$0	\$16,833,857	\$16,833,857	0%	\$143,742,368	11.71%

<sup>(1)</sup> Actuarial liability determined under the unit credit cost method.

<sup>(2)</sup> Actuarial liability less actuarial value of assets, if any.

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## **COMBINING STATEMENTS AND SCHEDULES**

## **GENERAL FUND**

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government for all Elected Officials, except those required to be accounted for in another fund.

The Elected Officials for Escambia County:

Board of County Commissioners

Clerk of the Circuit Court and Comptroller

Sheriff

Tax Collector

Property Appraiser

Supervisor of Elections

ESCAMBIA COUNTY, FLORIDA

GENERAL FUND  
COMBINING BALANCE SHEET

SEPTEMBER 30, 2010

Assets	Board of County Commissioners	Clerk of the Circuit Court	Sheriff	Tax Collector	Property Appraiser	Supervisor of Elections	Eliminating Entries	Total
Cash and cash equivalents	\$5,929	\$408,493	\$5,666,545	\$1,673,227	\$862,540	\$0	\$0	\$8,616,734
Equity in pooled cash and investments	37,928,251	0	0	0	0	0	0	37,928,251
Receivables (net of allowance for uncollectibles)	1,502,387	6,971	19,614	0	0	0	0	1,528,972
Due from other funds	1,034,787	10,626	316,657	0	0	19,320	0	1,381,390
Due from other governmental units	6,179,879	3,412	2,120	0	0	159,277	(2,455,555)	3,889,133
Inventory	230,488	0	341,890	0	0	0	0	572,378
Other current assets	0	0	0	0	1,618	0	0	1,618
Total assets	<u>\$46,881,721</u>	<u>\$429,502</u>	<u>\$6,346,826</u>	<u>\$1,673,227</u>	<u>\$864,158</u>	<u>\$178,597</u>	<u>(\$2,455,555)</u>	<u>\$53,918,476</u>
<b>Liabilities and Fund Balances</b>								
Vouchers payable	\$946,594	\$11,047	\$482,310	\$38,677	\$118,902	\$119,324	\$0	\$1,716,854
Contracts payable	5,333	0	0	0	0	0	0	5,333
Salaries payable	2,544,215	142,387	5,296,093	212,335	226,672	44,011	0	8,465,713
Due to other funds	0	0	114,641	0	0	0	0	114,641
Due to other governmental units	339,456	266,621	453,782	1,364,486	518,584	929	(2,455,555)	488,303
Other current liabilities	10,314,123	9,447	0	57,729	0	14,333	0	10,395,632
Total liabilities	<u>14,149,721</u>	<u>429,502</u>	<u>6,346,826</u>	<u>1,673,227</u>	<u>864,158</u>	<u>178,597</u>	<u>(2,455,555)</u>	<u>21,186,476</u>
Fund balances:								
Reserved for encumbrances	885,817	0	0	0	0	0	0	885,817
Reserved for inventory	230,488	0	341,890	0	0	0	0	572,378
Unreserved (undesignated)	31,615,695	0	(341,890)	0	0	0	0	31,273,805
Total fund balances	<u>32,732,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>32,732,000</u>
Total liabilities and fund balances	<u>\$46,881,721</u>	<u>\$429,502</u>	<u>\$6,346,826</u>	<u>\$1,673,227</u>	<u>\$864,158</u>	<u>\$178,597</u>	<u>(\$2,455,555)</u>	<u>\$53,918,476</u>

ESCAMBIA COUNTY, FLORIDA

GENERAL FUND  
COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN  
FUND BALANCES

YEAR ENDED SEPTEMBER 30, 2010

	Board of County Commissioners	Clerk of the Circuit Court	Sheriff	Tax Collector	Property Appraiser	Supervisor of Elections	Eliminating Entries	Total
Revenues:								
Taxes	\$107,235,651	\$0	\$0	\$0	\$0	\$0	\$0	\$107,235,651
Permits, fees and special assessments	13,561,635	0	0	0	0	0	0	13,561,635
Intergovernmental	25,192,184	91,920	0	0	0	91,755	0	25,375,859
Charges for services	2,176,725	1,379,361	0	2,592,492	16,215	29,873	0	6,194,666
Fines and forfeitures	23,365	0	0	0	0	0	0	23,365
Investment income	303,045	3,644	0	0	0	0	0	306,689
Miscellaneous	1,816,139	0	0	129,391	3,092	0	0	1,948,622
Total revenues	<u>150,308,744</u>	<u>1,474,925</u>	<u>0</u>	<u>2,721,883</u>	<u>19,307</u>	<u>121,628</u>	<u>0</u>	<u>154,646,487</u>
Expenditures:								
Current:								
General government	32,134,680	3,749,804	0	6,134,089	5,044,249	1,765,347	0	48,828,169
Public safety	3,747,756	0	74,630,174	0	0	0	0	78,377,930
Physical environment	937,093	0	0	0	0	0	0	937,093
Human services	2,296,983	0	0	0	0	0	0	2,296,983
Culture and recreation	1,366,350	0	0	0	0	0	0	1,366,350
Total expenditures	<u>40,482,862</u>	<u>3,749,804</u>	<u>74,630,174</u>	<u>6,134,089</u>	<u>5,044,249</u>	<u>1,765,347</u>	<u>0</u>	<u>131,806,525</u>
Excess (deficiency) of revenue over (under) expenditures	<u>109,825,882</u>	<u>(2,274,879)</u>	<u>(74,630,174)</u>	<u>(3,412,206)</u>	<u>(5,024,942)</u>	<u>(1,643,719)</u>	<u>0</u>	<u>22,839,962</u>
Other financing sources (uses):								
Insurance reimbursements	0	59,110	0	33,771	0	0	0	92,881
Operating transfers in	4,777,094	2,275,331	74,694,402	4,739,378	5,542,134	1,643,719	(90,837,777)	2,834,281
Operating transfers out	<u>(115,095,047)</u>	<u>(452)</u>	<u>(97,999)</u>	<u>(1,327,172)</u>	<u>(517,192)</u>	<u>0</u>	<u>90,837,777</u>	<u>(26,200,085)</u>
Total other financing sources (uses)	<u>(110,258,843)</u>	<u>2,274,879</u>	<u>74,630,174</u>	<u>3,412,206</u>	<u>5,024,942</u>	<u>1,643,719</u>	<u>0</u>	<u>(23,272,923)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>(432,961)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(432,961)</u>
Fund balances at beginning of year	<u>33,164,961</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>33,164,961</u>
Fund balances at end of year	<u>\$32,732,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$32,732,000</u>

**NON-MAJOR FINANCIAL STATEMENTS**

## NON-MAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

**Escambia County Restricted** – to account for monies donated to the County for a specific purpose.

**Development** – to account for the development and operation of industrial parks, enforcement of ordinances and statutes to enhance the quality of life, developmental impact fees on the natural habitat of the Perdido Beach Mouse (an endangered species per Florida Fish and Wildlife Agency), and revenues and expenditures associated with the planning and development of the County's "Southwest Corridor" road project.

**Industrial Parks** – to account for the development and operation of the industrial parks of Escambia County.

**Code Enforcement** – to account for the enforcement of ordinances and statutes to enhance the quality of life for and protect citizens from environmentally unsafe conditions.

**Mass Transit Fund** - to account for the operation and maintenance of the Escambia County Transit System. Financing is provided from user fees, reimbursement from the City of Pensacola and an Urban Mass Transit Administration operating grant.

**Grant Projects** – to account for financing provided from various State and Federal grants, such as Federal Emergency Management Agency (FEMA), Mosquito and Anthropod control, affordable housing programs and CDBG and HUD Housing programs.

**Tourist Promotion Fund** - 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.

**Public Safety Programs** – to account for revenues and costs associated with various programs such as the misdemeanor probation program, deputies training programs, law enforcement forfeiture proceedings, traffic control and parking violations, family mediation, fire protection and emergency 9-1-1 operations.

**Perdido Key Beach Mouse** – to account for developmental impact fees on the natural habitat of the Perdido Key Beach Mouse, an endangered species, as determined by the Florida Fish and Wildlife Agency. These funds will be used to mitigate the negative impact on the mouse habitat.

**Hurricane Housing Recovery Program (HHRP)** – to account for the state grant revenues and allowable expenditures of HHRP. The State grant program is designed to provide stable and adequate funding to rebuild housing destroyed or damaged by hurricanes.

**Southwest Sector Road Project** – to account for revenues and expenditures associated with the planning and development of the County's "Southwest Corridor" road project.

**Bob Sikes Toll Facilities Fund** - to account for monies received from tolls, rates, fees, permits and passes for the operation, maintenance and debt service of the bridge, and other expenses for parks and recreation on Santa Rosa Island as approved by the Board of County Commissioners.

**Clerk's Programs** - to account for monies collected according to Chapter 28.24, Florida Statutes to be used exclusively for equipment, personnel training, and technical assistance in modernizing the official records system and to pay for equipment and start up costs necessitated by a statewide recording system. Also to account for revenues and costs for court related fees, charges, costs, fines and other monetary penalties.

**Sheriff's Programs** – to account for the collection and expenditure of U.S. Treasury and U.S. Justice forfeiture sharing programs, as well as monies received from various Federal and State grants. This also includes the revenues and expenditures generated by the jail commissary.

**DEBT SERVICE FUND** – to account for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

**CAPITAL PROJECTS FUND** – to account for resources designated for use on various capital improvements; to account for local option gas taxes used for the acquisition and construction of new roads, special assessments to property owners for the specifically benefited properties and loan proceeds used for the engineering study on the feasibility of Interstate 110 extension; and to financing provided by grants from the Federal Transit Administration for the cost of machinery, equipment, and office furniture for the Mass Transit activity for the County.

ESCAMBIA COUNTY, FLORIDA

NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET

Special Revenue Funds

SEPTEMBER 30, 2010

	Escambia County <u>Restricted</u>	<u>Development</u>	Mass <u>Transit</u>	Grant <u>Projects</u>	Tourist <u>Promotion</u>	Public Safety <u>Programs</u>	<u>HHRP</u>
<b>Assets</b>							
Cash and cash equivalents	\$0	\$0	\$0	\$1,028,315	\$0	\$0	\$0
Equity in pooled cash and investments	1,350,163	7,091,895	692,105	4,096,405	2,650,204	8,397,747	0
Receivables (net of allowance for uncollectibles)	2,172	120,779	93,101	41,027	367,477	15,850	0
Due from other funds	24,647	10,245	0	3,380	220	200,607	0
Due from other governmental units	0	80,550	252,792	2,032,844	0	710,079	0
Inventory	7,896	0	156,110	0	0	0	0
Total assets	<u>\$1,384,878</u>	<u>\$7,303,469</u>	<u>\$1,194,108</u>	<u>\$7,201,971</u>	<u>\$3,017,901</u>	<u>\$9,324,283</u>	<u>\$0</u>
<b>Liabilities and Fund Balances</b>							
<b>Liabilities:</b>							
Vouchers payable	\$12,534	\$141,150	\$32,344	\$1,150,975	\$294,064	\$373,219	\$0
Contracts payable	0	0	0	75,111	0	40	0
Salaries payable	6,608	101,058	0	22,114	6,003	653,406	0
Due to other funds	0	0	1,000,000	26,641	0	62,075	0
Due to other governmental units	13,343	92	1,589	164,062	0	1,620,283	0
Other current liabilities	0	0	0	1,356,345	0	0	0
Advance from other funds	0	554,479	0	0	0	0	0
Total liabilities	<u>32,485</u>	<u>796,779</u>	<u>1,033,933</u>	<u>2,795,248</u>	<u>300,067</u>	<u>2,709,023</u>	<u>0</u>
<b>Fund balances:</b>							
Reserved for encumbrances	22,000	4,271,947	0	1,699,546	26,600	17,114	0
Reserved for inventory	7,896	0	156,110	0	0	0	0
Unreserved - undesignated	<u>1,322,497</u>	<u>2,234,743</u>	<u>4,065</u>	<u>2,707,177</u>	<u>2,691,234</u>	<u>6,598,146</u>	<u>0</u>
Total fund balances	<u>1,352,393</u>	<u>6,506,690</u>	<u>160,175</u>	<u>4,406,723</u>	<u>2,717,834</u>	<u>6,615,260</u>	<u>0</u>
Total liabilities and fund balances	<u>\$1,384,878</u>	<u>\$7,303,469</u>	<u>\$1,194,108</u>	<u>\$7,201,971</u>	<u>\$3,017,901</u>	<u>\$9,324,283</u>	<u>\$0</u>

(Continued)

ESCAMBIA COUNTY, FLORIDA

**NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
(Continued)  
SEPTEMBER 30, 2010**

	Special Revenue Funds				Totals
	Bob Sikes Toll Facilities	Clerk's Programs	Sheriff's Programs	Capital Projects Fund	
<b>Assets</b>					
Cash and cash equivalents	\$1,000	\$2,621,423	\$2,951,194	\$0	\$6,601,932
Equity in pooled cash and investments	4,076,153	0	0	772,965	29,127,637
Receivables (net of allowance for uncollectibles)	0	515	43,594	0	684,515
Due from other funds	0	0	16,732	0	255,831
Due from other governmental units	24,166	147,951	270,501	34,079	3,552,962
Inventory	0	0	0	0	164,006
Total assets	<u>\$4,101,319</u>	<u>\$2,769,889</u>	<u>\$3,282,021</u>	<u>\$807,044</u>	<u>\$40,386,883</u>
<b>Liabilities and Fund Balances</b>					
Liabilities:					
Vouchers payable	\$1,860	\$13,744	\$21,847	\$47,826	\$2,089,563
Contracts payable	0	16,957	0	0	92,108
Salaries payable	0	363,432	78,808	0	1,231,429
Due to other funds	0	241,315	304,563	0	1,634,594
Due to other governmental units	7,599	1,092,314	2,087,261	70	4,986,613
Other current liabilities	0	47,130	212,900	0	1,616,375
Advance from other funds	0	0	0	0	554,479
Total liabilities	<u>9,459</u>	<u>1,774,892</u>	<u>2,705,379</u>	<u>47,896</u>	<u>12,205,161</u>
Fund balances:					
Reserved for encumbrances	0	0	0	603,648	6,640,855
Reserved for inventory	0	0	0	0	164,006
Unreserved - undesignated	4,091,860	994,997	576,642	155,500	21,376,861
Total fund balances	<u>4,091,860</u>	<u>994,997</u>	<u>576,642</u>	<u>759,148</u>	<u>28,181,722</u>
Total liabilities and fund balances	<u>\$4,101,319</u>	<u>\$2,769,889</u>	<u>\$3,282,021</u>	<u>\$807,044</u>	<u>\$40,386,883</u>

ESCAMBIA COUNTY, FLORIDA

NON-MAJOR GOVERNMENTAL FUNDS  
 COMBINING STATEMENT OF REVENUES,  
 EXPENDITURES  
 AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Special Revenue Funds						
	Escambia County Restricted	Development	Mass Transit	Grant Projects	Tourist Promotion	Public Safety Programs	HHRP
<b>Revenues:</b>							
Taxes	\$0	\$0	\$0	\$0	\$5,051,422	\$0	\$0
Permits, fees and special assessments	0	1,502,377	0	0	50	10,395,426	0
Intergovernmental	18,024	229,315	3,308,193	13,436,937	2,749,749	2,288,945	0
Charges for services	294,987	256,731	1,096,356	22,997	0	4,531,320	0
Fines and forfeitures	0	217,059	0	1,406	0	332,077	0
Investment income	8,224	43,497	3,078	35,337	15,618	53,785	2,077
Miscellaneous	32,053	67,577	5,489	132,111	367,952	107,558	32,017
Total revenues	<u>353,288</u>	<u>2,316,556</u>	<u>4,413,116</u>	<u>13,628,788</u>	<u>8,184,791</u>	<u>17,709,111</u>	<u>34,094</u>
<b>Expenditures:</b>							
<b>Current:</b>							
General government	16,943	298,477	0	417,239	0	971,036	0
Public safety	114,744	0	0	2,072,751	0	14,935,074	0
Physical environment	56,435	2,150,391	0	1,693,035	109,128	0	0
Transportation	0	430,629	8,041,156	416,250	0	0	0
Economic environment	0	1,058,078	0	11,547,474	5,940,780	0	426,934
Human services	124,179	0	0	357,773	0	6,653	0
Culture and recreation	27,289	0	0	15,380	0	0	0
Capital improvements:	0	0	0	0	0	0	0
<b>Debt service:</b>							
Interest and fiscal charges	0	33,269	131	0	0	0	0
Total expenditures	<u>339,590</u>	<u>3,970,844</u>	<u>8,041,287</u>	<u>16,519,902</u>	<u>6,049,908</u>	<u>15,912,763</u>	<u>426,934</u>
Excess (deficiency) of revenue over (under) expenditures	<u>13,698</u>	<u>(1,654,288)</u>	<u>(3,628,171)</u>	<u>(2,891,114)</u>	<u>2,134,883</u>	<u>1,796,348</u>	<u>(392,840)</u>
<b>Other financing sources (uses):</b>							
Payments to State Clerk of Court Trust Fund	0	0	0	0	0	0	0
Insurance reimbursements	0	9,262	86,060	0	0	5,227	0
Transfers in	0	2,042,706	3,186,706	144,954	0	356,063	0
Transfers out	0	(1,000,000)	0	(200,000)	(1,700,000)	(2,101,355)	(139,748)
Net other financing sources (uses)	<u>0</u>	<u>1,051,968</u>	<u>3,272,766</u>	<u>(55,046)</u>	<u>(1,700,000)</u>	<u>(1,740,065)</u>	<u>(139,748)</u>
Net change in fund balance	<u>13,698</u>	<u>(602,320)</u>	<u>(355,405)</u>	<u>(2,946,160)</u>	<u>434,883</u>	<u>56,283</u>	<u>(532,588)</u>
Fund balances at beginning of year	<u>1,338,695</u>	<u>7,109,010</u>	<u>515,580</u>	<u>7,352,883</u>	<u>2,282,951</u>	<u>6,558,977</u>	<u>532,588</u>
Fund balances at end of year	<u>\$1,352,393</u>	<u>\$6,506,690</u>	<u>\$160,175</u>	<u>\$4,406,723</u>	<u>\$2,717,834</u>	<u>\$6,615,260</u>	<u>\$0</u>

(Continued)

ESCAMBIA COUNTY, FLORIDA

NON-MAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES,

EXPENDITURES

AND CHANGES IN FUND BALANCES

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Special Revenue Funds				Totals
	Bob Sikes Toll Facilities	Clerk's Programs	Sheriff's Programs	Capital Projects Fund	
Revenues:					
Taxes	\$0	\$0	\$0	\$0	\$5,051,422
Permits, fees and special assessments	0	0	0	0	11,897,853
Intergovernmental	0	8,195,252	1,515,734	3,893,076	35,635,225
Charges for services	2,902,503	497,793	753,202	0	10,355,889
Fines and forfeitures	0	270,906	145,411	0	966,859
Investment income	22,288	1,887	348	4,835	190,974
Miscellaneous	4,577	20,970	7,249	0	777,553
Total revenues	<u>2,929,368</u>	<u>8,986,808</u>	<u>2,421,944</u>	<u>3,897,911</u>	<u>64,875,775</u>
Expenditures:					
Current:					
General government	792,511	7,912,315	0	0	10,408,521
Public safety	0	0	2,161,465	0	19,284,034
Physical environment	0	0	0	0	4,008,989
Transportation	0	0	0	0	8,888,035
Economic environment	0	0	0	0	18,973,266
Human services	0	0	0	0	488,605
Culture and recreation	0	0	0	0	42,669
Capital improvements:	0	0	0	3,970,520	3,970,520
Debt service:					
Interest and fiscal charges	0	0	0	0	33,400
Total expenditures	<u>792,511</u>	<u>7,912,315</u>	<u>2,161,465</u>	<u>3,970,520</u>	<u>66,098,039</u>
Excess (deficiency) of revenue over (under) expenditures	<u>2,136,857</u>	<u>1,074,493</u>	<u>260,479</u>	<u>(72,609)</u>	<u>(1,222,264)</u>
Other financing sources (uses):					
Payments to State Clerk of Court Trust Fund	0	(311,714)	0	0	(311,714)
Insurance reimbursements	0	0	0	0	100,549
Transfers in	0	0	0	0	5,730,429
Transfers out	(1,600,782)	0	0	0	(6,741,885)
Net other financing sources (uses)	<u>(1,600,782)</u>	<u>(311,714)</u>	<u>0</u>	<u>0</u>	<u>(1,222,621)</u>
Net change in fund balance	<u>536,075</u>	<u>762,779</u>	<u>260,479</u>	<u>(72,609)</u>	<u>(2,444,885)</u>
Fund balances at beginning of year	<u>3,555,785</u>	<u>232,218</u>	<u>316,163</u>	<u>831,757</u>	<u>30,626,607</u>
Fund balances at end of year	<u>\$4,091,860</u>	<u>\$994,997</u>	<u>\$576,642</u>	<u>\$759,148</u>	<u>\$28,181,722</u>

ESCAMBIA COUNTY, FLORIDA

ESCAMBIA COUNTY RESTRICTED  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$18,000	\$18,000	\$18,024	\$24
Charges for services	211,000	233,971	294,987	61,016
Investment income	0	0	8,224	8,224
Miscellaneous	22,000	22,000	32,053	10,053
Total revenues	<u>251,000</u>	<u>273,971</u>	<u>353,288</u>	<u>79,317</u>
Expenditures:				
Current:				
General government	20,900	131,164	16,943	114,221
Public safety	104,500	670,247	114,744	555,503
Physical environment	95,830	430,855	56,435	374,420
Transportation	0	62,073	0	62,073
Human services	84,800	246,888	124,179	122,709
Culture and recreation	0	58,889	27,289	31,600
Total expenditures	<u>306,030</u>	<u>1,600,116</u>	<u>339,590</u>	<u>1,260,526</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(55,030)</u>	<u>(1,326,145)</u>	<u>13,698</u>	<u>1,339,843</u>
Fund balances at beginning of year	<u>55,030</u>	<u>1,326,145</u>	<u>1,338,695</u>	<u>12,550</u>
Fund balances (deficit) at end of year	<u>\$0</u>	<u>\$0</u>	<u>\$1,352,393</u>	<u>\$1,352,393</u>

ESCAMBIA COUNTY, FLORIDA

DEVELOPMENT  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Permits, fees and special assessments	\$1,320,000	\$1,320,000	\$1,502,377	\$182,377
Intergovernmental	0	2,581,739	229,315	(2,352,424)
Charges for services	350,000	350,000	256,731	(93,269)
Fines and forfeitures	125,000	125,000	217,059	92,059
Investment income	0	0	43,497	43,497
Miscellaneous	25,000	25,000	67,577	42,577
Total revenues	<u>1,820,000</u>	<u>4,401,739</u>	<u>2,316,556</u>	<u>(2,085,183)</u>
Expenditures:				
Current:				
General government	332,500	409,483	298,477	111,006
Physical environment	2,502,246	3,176,054	2,150,391	1,025,663
Transportation	0	5,164,004	430,629	4,733,375
Economic environment	3,000,000	4,161,428	1,058,078	3,103,350
Debt service:				
Interest and fiscal charges	0	35,000	33,269	1,731
Total expenditures	<u>5,834,746</u>	<u>12,945,969</u>	<u>3,970,844</u>	<u>8,975,125</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(4,014,746)</u>	<u>(8,544,230)</u>	<u>(1,654,288)</u>	<u>6,889,942</u>
Other financing sources (uses):				
Insurance proceeds	0	0	9,262	9,262
Transfers in	1,098,246	2,042,706	2,042,706	0
Transfers out	0	(1,000,000)	(1,000,000)	0
Total other financing sources (uses)	<u>1,098,246</u>	<u>1,042,706</u>	<u>1,051,968</u>	<u>9,262</u>
Net change in fund balances	<u>(2,916,500)</u>	<u>(7,501,524)</u>	<u>(602,320)</u>	<u>6,899,204</u>
Fund balances at beginning of year	<u>2,916,500</u>	<u>7,501,524</u>	<u>7,109,010</u>	<u>(392,514)</u>
Fund balances (deficit) at end of year	<u>\$0</u>	<u>\$0</u>	<u>\$6,506,690</u>	<u>\$6,506,690</u>

ESCAMBIA COUNTY, FLORIDA

MASS TRANSIT  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$3,750,080	\$3,750,080	\$3,308,193	(\$441,887)
Charges for services	2,168,199	1,831,829	1,096,356	(735,473)
Investment income	35,000	35,000	3,078	(31,922)
Miscellaneous	3,793	3,793	5,489	1,696
Total revenues	<u>5,957,072</u>	<u>5,620,702</u>	<u>4,413,116</u>	<u>(1,207,586)</u>
Expenditures:				
Current:				
Transportation	8,844,439	9,080,094	8,041,156	1,038,938
Debt service:				
Interest and fiscal charges	30,000	30,000	131	29,869
Total expenditures	<u>8,874,439</u>	<u>9,110,094</u>	<u>8,041,287</u>	<u>1,068,807</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(2,917,367)</u>	<u>(3,489,392)</u>	<u>(3,628,171)</u>	<u>(138,779)</u>
Other financing sources (uses):				
Insurance reimbursements	0	71,928	86,060	14,132
Transfers in	3,042,581	3,186,706	3,186,706	0
Total other financing sources (uses)	<u>3,042,581</u>	<u>3,258,634</u>	<u>3,272,766</u>	<u>14,132</u>
Net change in fund balances	<u>125,214</u>	<u>(230,758)</u>	<u>(355,405)</u>	<u>(124,647)</u>
Fund balances at beginning of year	<u>(125,214)</u>	<u>230,758</u>	<u>515,580</u>	<u>284,822</u>
Fund balances (deficit) at end of year	<u>\$0</u>	<u>\$0</u>	<u>\$160,175</u>	<u>\$160,175</u>

ESCAMBIA COUNTY, FLORIDA

GRANT PROJECTS  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$18,147,565	\$43,732,634	\$13,436,937	(\$30,295,697)
Charges for services	0	0	22,997	22,997
Fines and forfeitures	0	0	1,406	1,406
Investment income	57,000	67,894	35,337	(32,557)
Miscellaneous	176,000	260,941	132,111	(128,830)
Total revenues	<u>18,380,565</u>	<u>44,061,469</u>	<u>13,628,788</u>	<u>(30,432,681)</u>
Expenditures:				
Current:				
General government	385,800	2,116,684	417,239	1,699,445
Public safety	81,058	13,523,561	2,072,751	11,450,810
Physical environment	102,930	5,705,648	1,693,035	4,012,613
Transportation	0	2,285,054	416,250	1,868,804
Economic environment	18,740,426	22,317,137	11,547,474	10,769,663
Human services	436,957	502,084	357,773	144,311
Culture and recreation	90,000	750,458	15,380	735,078
Total expenditures	<u>19,837,171</u>	<u>47,200,626</u>	<u>16,519,902</u>	<u>30,680,724</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(1,456,606)</u>	<u>(3,139,157)</u>	<u>(2,891,114)</u>	<u>248,043</u>
Other financing sources (uses):				
Transfers in	0	5,206	144,954	139,748
Transfers out	(200,000)	(200,000)	(200,000)	0
Total other financing sources (uses)	<u>(200,000)</u>	<u>(194,794)</u>	<u>(55,046)</u>	<u>139,748</u>
Net change in fund balances	<u>(1,656,606)</u>	<u>(3,333,951)</u>	<u>(2,946,160)</u>	<u>387,791</u>
Fund balances at beginning of year	<u>1,656,606</u>	<u>3,333,951</u>	<u>7,352,883</u>	<u>4,018,932</u>
Fund balances (deficit) at end of year	<u>\$0</u>	<u>\$0</u>	<u>\$4,406,723</u>	<u>\$4,406,723</u>

ESCAMBIA COUNTY, FLORIDA

TOURIST PROMOTION FUND  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$5,150,000	\$5,150,000	\$5,051,422	(\$98,578)
Permits, fees and special assessments	0	0	50	50
Intergovernmental	0	2,749,749	2,749,749	0
Investment income	0	0	15,618	15,618
Miscellaneous	0	0	367,952	367,952
Total revenues	<u>5,150,000</u>	<u>7,899,749</u>	<u>8,184,791</u>	<u>285,042</u>
Expenditures:				
Current:				
Physical environment	149,531	159,131	109,128	50,003
Economic environment	<u>3,842,969</u>	<u>6,900,312</u>	<u>5,940,780</u>	<u>959,532</u>
Total expenditures	<u>3,992,500</u>	<u>7,059,443</u>	<u>6,049,908</u>	<u>1,009,535</u>
Excess (deficiency) of revenue over (under) expenditures	<u>1,157,500</u>	<u>840,306</u>	<u>2,134,883</u>	<u>1,294,577</u>
Other financing sources (uses):				
Transfers out	<u>(1,325,000)</u>	<u>(2,865,757)</u>	<u>(1,700,000)</u>	<u>1,165,757</u>
Total other financing sources (uses)	<u>(1,325,000)</u>	<u>(2,865,757)</u>	<u>(1,700,000)</u>	<u>1,165,757</u>
Net change in fund balances	<u>(167,500)</u>	<u>(2,025,451)</u>	<u>434,883</u>	<u>2,460,334</u>
Fund balances at beginning of year	<u>167,500</u>	<u>2,025,451</u>	<u>2,282,951</u>	<u>257,500</u>
Fund balances (deficit) at end of year	<u>\$0</u>	<u>\$0</u>	<u>\$2,717,834</u>	<u>\$2,717,834</u>

ESCAMBIA COUNTY, FLORIDA

PUBLIC SAFETY PROGRAMS  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Permits, fees and special assessments	\$9,750,000	\$9,750,000	\$10,395,426	\$645,426
Intergovernmental	2,434,268	2,483,168	2,288,945	(194,223)
Charges for services	4,530,700	2,795,700	4,531,320	1,735,620
Fines and forfeitures	3,500	3,500	332,077	328,577
Investment income	65,000	65,000	53,785	(11,215)
Miscellaneous	25,000	25,000	107,558	82,558
Total revenues	<u>16,808,468</u>	<u>15,122,368</u>	<u>17,709,111</u>	<u>2,586,743</u>
Expenditures:				
Current:				
General government	2,124,977	3,272,168	971,036	2,301,132
Public safety	14,355,264	17,598,655	14,935,074	2,663,581
Human services	14,251	164,561	6,653	157,908
Total expenditures	<u>16,494,492</u>	<u>21,035,384</u>	<u>15,912,763</u>	<u>5,122,621</u>
Excess (deficiency) of revenue over (under) expenditures	<u>313,976</u>	<u>(5,913,016)</u>	<u>1,796,348</u>	<u>7,709,364</u>
Other financing sources (uses):				
Insurance reimbursements	0	235,000	5,227	(229,773)
Transfers in	356,063	356,063	356,063	0
Transfers out	(2,101,355)	(2,101,355)	(2,101,355)	0
Total other financing sources (uses)	<u>(1,745,292)</u>	<u>(1,510,292)</u>	<u>(1,740,065)</u>	<u>(229,773)</u>
Net change in fund balances	<u>(1,431,316)</u>	<u>(7,423,308)</u>	<u>56,283</u>	<u>7,479,591</u>
Fund balances at beginning of year	<u>1,431,316</u>	<u>7,423,308</u>	<u>6,558,977</u>	<u>(864,331)</u>
Fund balances (deficit) at end of year	<u>\$0</u>	<u>\$0</u>	<u>\$6,615,260</u>	<u>\$6,615,260</u>

ESCAMBIA COUNTY, FLORIDA

HHRP  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment income	\$10,000	\$10,000	\$2,077	(\$7,923)
Miscellaneous	682,000	682,000	32,017	(649,983)
Total revenues	<u>692,000</u>	<u>692,000</u>	<u>34,094</u>	<u>(657,906)</u>
Expenditures:				
Current:				
Economic environment	692,000	692,000	426,934	265,066
Total expenditures	<u>692,000</u>	<u>692,000</u>	<u>426,934</u>	<u>265,066</u>
Excess (deficiency) of revenue over (under) expenditures	<u>0</u>	<u>0</u>	<u>(392,840)</u>	<u>(392,840)</u>
Other financing sources (uses):				
Transfers out	0	0	(139,748)	(139,748)
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>(139,748)</u>	<u>(139,748)</u>
Net change in fund balances	<u>0</u>	<u>0</u>	<u>(532,588)</u>	<u>(532,588)</u>
Fund balances at beginning of year	0	0	532,588	532,588
Fund balances (deficit) at end of year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

The accompanying notes are an integral part of the financial statements

ESCAMBIA COUNTY, FLORIDA

BOB SIKES TOLL FACILITIES  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for services	\$2,560,000	\$2,560,000	\$2,902,503	\$342,503
Investment income	0	0	22,288	22,288
Miscellaneous	0	0	4,577	4,577
Total revenues	<u>2,560,000</u>	<u>2,560,000</u>	<u>2,929,368</u>	<u>369,368</u>
Expenditures:				
Current:				
General government	829,062	1,651,746	792,511	859,235
Total expenditures	<u>829,062</u>	<u>1,651,746</u>	<u>792,511</u>	<u>859,235</u>
Excess (deficiency) of revenue over (under) expenditures	<u>1,730,938</u>	<u>908,254</u>	<u>2,136,857</u>	<u>1,228,603</u>
Other financing sources (uses):				
Transfers out	(1,602,938)	(1,602,938)	(1,600,782)	2,156
Total other financing sources (uses)	<u>(1,602,938)</u>	<u>(1,602,938)</u>	<u>(1,600,782)</u>	<u>2,156</u>
Net change in fund balances	<u>128,000</u>	<u>(694,684)</u>	<u>536,075</u>	<u>1,230,759</u>
Fund balances at beginning of year	<u>(128,000)</u>	<u>694,684</u>	<u>3,555,785</u>	<u>2,861,101</u>
Fund balances (deficit) at end of year	<u>\$0</u>	<u>\$0</u>	<u>\$4,091,860</u>	<u>\$4,091,860</u>

ESCAMBIA COUNTY, FLORIDA

CLERK'S PROGRAMS  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$7,811,112	\$7,903,778	\$8,195,252	\$291,474
Charges for services	500,971	491,235	497,793	6,558
Fines and forfeitures	190,000	190,000	270,906	80,906
Investment income	1,000	1,000	1,887	887
Miscellaneous	0	21,970	20,970	(1,000)
Total revenues	<u>8,503,083</u>	<u>8,607,983</u>	<u>8,986,808</u>	<u>378,825</u>
Expenditures:				
Current:				
General government	8,503,083	8,607,983	7,912,315	695,668
Total expenditures	<u>8,503,083</u>	<u>8,607,983</u>	<u>7,912,315</u>	<u>695,668</u>
Excess (deficiency) of revenue over (under) expenditures	<u>0</u>	<u>0</u>	<u>1,074,493</u>	<u>1,074,493</u>
Other financing sources (uses):				
Payments to State Clerk of Court Trust Fund	0	0	(311,714)	(311,714)
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>(311,714)</u>	<u>(311,714)</u>
Net change in fund balances	<u>0</u>	<u>0</u>	<u>762,779</u>	<u>762,779</u>
Fund balances at beginning of year	0	0	232,218	232,218
Fund balances (deficit) at end of year	<u>\$0</u>	<u>\$0</u>	<u>\$994,997</u>	<u>\$994,997</u>

ESCAMBIA COUNTY, FLORIDA

SHERIFF'S PROGRAMS  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$0	\$1,875,736	\$1,515,734	(\$360,002)
Charges for services	0	1,030,656	753,202	(277,454)
Fines and forfeitures	0	349,608	145,411	(204,197)
Investment income	0	347	348	1
Miscellaneous	0	6,379	7,249	870
Total revenues	<u>0</u>	<u>3,262,726</u>	<u>2,421,944</u>	<u>(840,782)</u>
Expenditures:				
Current:				
Public safety	0	3,262,726	2,161,465	1,101,261
Total expenditures	<u>0</u>	<u>3,262,726</u>	<u>2,161,465</u>	<u>1,101,261</u>
Excess (deficiency) of revenue over (under) expenditures	<u>0</u>	<u>0</u>	<u>260,479</u>	<u>260,479</u>
Fund balances at beginning of year	<u>0</u>	<u>316,163</u>	<u>316,163</u>	<u>0</u>
Fund balances (deficit) at end of year	<u>\$0</u>	<u>\$316,163</u>	<u>\$576,642</u>	<u>\$260,479</u>

ESCAMBIA COUNTY, FLORIDA

DEBT SERVICE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$600,000	\$600,000	\$660,000	\$60,000
Investment income	725	10,725	62,763	52,038
Miscellaneous	0	0	754,394	754,394
Total revenues	<u>600,725</u>	<u>610,725</u>	<u>1,477,157</u>	<u>866,432</u>
Expenditures:				
Current:				
General government	560,000	2,166,820	560,000	1,606,820
Debt service:				
Principal retirement	4,804,673	12,642,007	13,052,008	(410,001)
Interest and fiscal charges	<u>5,712,794</u>	<u>5,722,794</u>	<u>5,310,540</u>	<u>412,254</u>
Total expenditures	<u>11,077,467</u>	<u>20,531,621</u>	<u>18,922,548</u>	<u>1,609,073</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(10,476,742)</u>	<u>(19,920,896)</u>	<u>(17,445,391)</u>	<u>2,475,505</u>
Other financing sources (uses):				
Transfers in	<u>7,619,391</u>	<u>14,592,355</u>	<u>13,415,927</u>	<u>(1,176,428)</u>
Total other financing sources (uses)	<u>7,619,391</u>	<u>14,592,355</u>	<u>13,415,927</u>	<u>(1,176,428)</u>
Net change in fund balances	<u>(2,857,351)</u>	<u>(5,328,541)</u>	<u>(4,029,464)</u>	<u>1,299,077</u>
Fund balances at beginning of year	<u>2,857,351</u>	<u>5,328,541</u>	<u>9,422,145</u>	<u>4,093,604</u>
Fund balances (deficit) at end of year	<u>\$0</u>	<u>\$0</u>	<u>\$5,392,681</u>	<u>\$5,392,681</u>

ESCAMBIA COUNTY, FLORIDA

CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$0	\$6,337,958	\$3,893,076	(\$2,444,882)
Investment income	0	0	4,835	4,835
Total revenues	0	6,337,958	3,897,911	(2,440,047)
Expenditures:				
Capital improvements:				
Transportation	0	7,066,077	3,970,520	3,095,557
Total expenditures	0	7,066,077	3,970,520	3,095,557
Excess (deficiency) of revenue over (under) expenditures	0	(728,119)	(72,609)	655,510
Other financing sources (uses):				
Insurance reimbursements	0	190,197	0	(190,197)
Total other financing sources (uses)	0	190,197	0	(190,197)
Net change in fund balances	0	(537,922)	(72,609)	465,313
Fund balances at beginning of year	0	537,922	831,757	293,835
Fund balances (deficit) at end of year	\$0	\$0	\$759,148	\$759,148

ESCAMBIA COUNTY, FLORIDA

LOCAL OPTION SALES TAX  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$35,687,288	\$35,687,288	\$31,292,304	(\$4,394,984)
Intergovernmental	0	23,535,453	17,112,555	(6,422,898)
Charges for services	100,526	100,526	96,545	(3,981)
Investment income	0	0	401,680	401,680
Miscellaneous	0	149,314	351,012	201,698
Total revenues	<u>35,787,814</u>	<u>59,472,581</u>	<u>49,254,096</u>	<u>(10,218,485)</u>
Expenditures:				
Capital improvements:				
General government	0	33,594,054	10,078,728	23,515,326
Public safety	6,674,607	14,886,157	9,301,145	5,585,012
Physical environment	2,003,334	6,660,570	1,620,716	5,039,854
Transportation	23,430,000	63,556,103	19,205,870	44,350,233
Human services	1,961,228	0	0	0
Culture and recreation	0	12,058,151	2,261,029	9,797,122
Debt service:				
Principal retirement	0	446,405	0	446,405
Interest and fiscal charges	0	34,500	3,366	31,134
Total expenditures	<u>34,069,169</u>	<u>131,235,940</u>	<u>42,470,854</u>	<u>88,765,086</u>
Excess (deficiency) of revenue over (under) expenditures	<u>1,718,645</u>	<u>(71,763,359)</u>	<u>6,783,242</u>	<u>78,546,601</u>
Other financing sources (uses):				
Note proceeds	0	2,300,000	0	(2,300,000)
Insurance reimbursements	0	28,376	28,376	0
Transfers out	0	(5,900,000)	(5,900,000)	0
Total other financing sources (uses)	<u>0</u>	<u>(3,571,624)</u>	<u>(5,871,624)</u>	<u>(2,300,000)</u>
Net change in fund balances	<u>1,718,645</u>	<u>(75,334,983)</u>	<u>911,618</u>	<u>76,246,601</u>
Fund balances at beginning of year	<u>(1,718,645)</u>	<u>75,334,983</u>	<u>77,119,345</u>	<u>1,784,362</u>
Fund balances (deficit) at end of year	<u>\$0</u>	<u>\$0</u>	<u>\$78,030,963</u>	<u>\$78,030,963</u>

## **NON-MAJOR ENTERPRISE FUNDS**

**Inspection Fund** - to account for building inspection services provided to the residents of Escambia County. All activities necessary to provide such services are accounted for in this fund.

**Civic Center Fund** – to account for the operation, maintenance and improvements of the County’s Civic Center.

ESCAMBIA COUNTY, FLORIDA

NON-MAJOR ENTERPRISE FUNDS  
COMBINING STATEMENT OF NET ASSETS

SEPTEMBER 30, 2010

<b>ASSETS</b>	<u>Inspection</u>	<u>Civic Center</u>	<u>Totals</u>
Current assets:			
Cash and cash equivalents	\$700	\$366,752	\$367,452
Equity in pooled cash and investments	3,331,220	296,359	3,627,579
Receivables (net of allowance for uncollectibles)	294	100,844	101,138
Inventory	0	68,126	68,126
Restricted cash and cash equivalents	290,722	0	290,722
Other current assets	0	87,962	87,962
<b>Total current assets</b>	<u>3,622,936</u>	<u>920,043</u>	<u>4,542,979</u>
Noncurrent assets:			
Restricted assets	0	283,442	283,442
Capital assets:			
Capital assets (net of depreciation)	28,868	9,879,329	9,908,197
Total noncurrent assets	<u>28,868</u>	<u>10,162,771</u>	<u>10,191,639</u>
<b>Total assets</b>	<u>3,651,804</u>	<u>11,082,814</u>	<u>14,734,618</u>
<b>LIABILITIES</b>			
Current liabilities:			
Vouchers payable	8,601	809,980	818,581
Salaries and benefits payable	134,946	0	134,946
Due to other governmental units	785	0	785
Compensated absences payable	23,180	0	23,180
Payable from restricted assets	290,722	0	290,722
Other current liabilities	7,489	443,384	450,873
<b>Total current liabilities</b>	<u>465,723</u>	<u>1,253,364</u>	<u>1,719,087</u>
Compensated absences	440,419	0	440,419
Other post-employment benefits	114,692	0	114,692
<b>Total non-current liabilities</b>	<u>555,111</u>	<u>0</u>	<u>555,111</u>
<b>Total liabilities</b>	<u>1,020,834</u>	<u>1,253,364</u>	<u>2,274,198</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	28,868	9,879,329	9,908,197
Unrestricted	2,602,102	(49,879)	2,552,223
<b>Total net assets</b>	<u>\$2,630,970</u>	<u>\$9,829,450</u>	<u>\$12,460,420</u>

ESCAMBIA COUNTY, FLORIDA

NON-MAJOR ENTERPRISE FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN NET ASSETS

YEAR ENDED SEPTEMBER 30, 2010	Inspection	Civic Center	Totals
<b>Operating revenues:</b>			
Permits, fees and special assessments	\$1,671,471	\$0	\$1,671,471
Charges for services	6,856	3,973,661	3,980,517
Fines and forfeitures	19,165	0	19,165
Miscellaneous income	183,516	13,354	196,870
Total operating revenues	<u>1,881,008</u>	<u>3,987,015</u>	<u>5,868,023</u>
<b>Operating expenses:</b>			
Personal services	2,248,714	0	2,248,714
Contractual services	92,508	5,360,812	5,453,320
Materials and supplies	67,252	4,214	71,466
Travel and vehicle costs	3,129	0	3,129
Depreciation	69,015	936,036	1,005,051
Memberships, dues and subscriptions	2,682	0	2,682
Insurance and bonds	8,785	77,963	86,748
Communications and freight services	45,037	0	45,037
Utilities	34,396	0	34,396
Maintenance	14,367	0	14,367
Rentals and leases	168,766	0	168,766
Training	1,837	0	1,837
Miscellaneous	117,589	54,931	172,520
Total operating expenses	<u>2,874,077</u>	<u>6,508,956</u>	<u>9,383,033</u>
Operating income (loss)	<u>(993,069)</u>	<u>(2,521,941)</u>	<u>(3,515,010)</u>
<b>Non-operating revenues (expenses):</b>			
Interest income	21,373	4,706	26,079
Gain (loss) on disposal of assets	33,176	0	33,176
Total non-operating revenues (expenses)	<u>54,549</u>	<u>4,706</u>	<u>59,255</u>
<b>Income (loss) before contributions and transfers</b>	<u>(938,520)</u>	<u>(2,517,235)</u>	<u>(3,455,755)</u>
Capital contributions	2,184	29,680	31,864
Transfers in	75,360	1,700,000	1,775,360
Total other financing sources (uses)	<u>77,544</u>	<u>1,729,680</u>	<u>1,807,224</u>
<b>Change in net assets</b>	<u>(860,976)</u>	<u>(787,555)</u>	<u>(1,648,531)</u>
<b>Net assets - beginning</b>	<u>3,491,946</u>	<u>10,617,005</u>	<u>14,108,951</u>
<b>Net assets - ending</b>	<u>\$2,630,970</u>	<u>\$9,829,450</u>	<u>\$12,460,420</u>

ESCAMBIA COUNTY, FLORIDA

NON-MAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS

YEAR ENDED SEPTEMBER 30, 2010

	<u>Inspection</u>	<u>Civic Center</u>	<u>Totals</u>
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$1,871,452	\$3,989,402	\$5,860,854
Cash payments to suppliers for goods and services	(552,972)	(5,746,992)	(6,299,964)
Cash payments to employees for services	(2,212,334)	0	(2,212,334)
<b>Net cash provided by (used in) operating activities</b>	<u>(893,854)</u>	<u>(1,757,590)</u>	<u>(2,651,444)</u>
<b>Cash flows from noncapital financing activities:</b>			
Transfers in	75,360	1,700,000	1,775,360
<b>Net cash provided by (used in) noncapital financing activities</b>	<u>75,360</u>	<u>1,700,000</u>	<u>1,775,360</u>
<b>Cash flows from capital and related financing activities:</b>			
Acquisition and construction of capital assets	(1,024)	(346,359)	(347,383)
Proceeds from sale of assets	33,176	0	33,176
<b>Net cash used in capital and related financing activities</b>	<u>32,152</u>	<u>(346,359)</u>	<u>(314,207)</u>
<b>Cash flow from investing activities:</b>			
Interest on investments	21,373	4,706	26,079
<b>Net cash provided by investing activities</b>	<u>21,373</u>	<u>4,706</u>	<u>26,079</u>
Net increase (decrease) in cash & cash equivalents	<u>(764,969)</u>	<u>(399,243)</u>	<u>(1,164,212)</u>
Cash and cash equivalents at beginning of year	4,387,611	1,345,796	5,733,407
Cash and cash equivalents at end of year	<u>\$3,622,642</u>	<u>\$946,553</u>	<u>\$4,569,195</u>
Non-cash investing, capital and financing activities:			
Capital contributions	\$2,184	\$29,680	\$31,864

(Continued)

ESCAMBIA COUNTY, FLORIDA

NON-MAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS

(Continued)

YEAR ENDED SEPTEMBER 30, 2010

	<u>Inspection</u>	<u>Civic Center</u>	<u>Totals</u>
Reconciliation of cash and cash equivalents at end of year to statement of net assets:			
Current assets:			
Cash and cash equivalents	\$700	\$366,752	\$367,452
Equity in pooled cash and investments	3,331,220	296,359	3,627,579
Restricted assets:			
Cash and cash equivalents	290,722	0	290,722
Equity in pooled cash and investments	0	283,442	283,442
Total cash and cash equivalents at end of year	<u>\$3,622,642</u>	<u>\$946,553</u>	<u>\$4,569,195</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	(\$993,069)	(\$2,521,941)	(\$3,515,010)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	69,015	936,036	1,005,051
Provision for uncollectible accounts	54	29,353	29,407
(Increase) decrease in assets:			
Accounts receivable	(169)	(13,758)	(13,927)
Inventory	0	(21,467)	(21,467)
Prepaid expense	0	(54,431)	(54,431)
Increase (decrease) in liabilities:			
Vouchers payable	3,843	(23,589)	(19,746)
Salaries and benefits payable	2,789	0	2,789
Compensated absences	14,337	0	14,337
Accrued taxes payable	0	(45,232)	(45,232)
Deposits	(9,495)	0	(9,495)
Due to other governments	(413)	0	(413)
Deferred revenue	0	(42,561)	(42,561)
Other post-employment benefits	19,254	0	19,254
Net cash provided by (used in) operating activities	<u>(\$893,854)</u>	<u>(\$1,757,590)</u>	<u>(\$2,651,444)</u>

## **INTERNAL SERVICE FUNDS**

### **Board of County Commissioners:**

#### **Internal Service Fund:**

The Internal Service Fund accounts for risk management activities provided to other County departments.

### **Clerk of the Circuit Court:**

#### **Internal Service Fund:**

The Internal Service Fund accounts for the annual costs related to the Compensated Absences Policy activities provided for the Clerk of the Circuit Court.

### **Sheriff:**

#### **Internal Service Fund:**

The Internal Service Fund accounts for the annual costs related to the Compensated Absences Policy activities provided for the Sheriff's Office.

ESCAMBIA COUNTY, FLORIDA

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2010

	Board of County Commissioners	Clerk of Court	Sheriff	Total
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$31,289	\$1,423,682	\$1,673,097	\$3,128,068
Equity in pooled cash and investments	6,286,059	0	0	6,286,059
Receivables (net of allowance for uncollectibles)	1,129,145	0	0	1,129,145
Due from other funds	114,641	0	0	114,641
Due from other governmental units	10,516	0	0	10,516
Inventory	267,530	0	0	267,530
Restricted cash and cash equivalents	39,333	0	0	39,333
Other current assets	1,246,645	0	0	1,246,645
<b>Total current assets</b>	<u>9,125,158</u>	<u>1,423,682</u>	<u>1,673,097</u>	<u>12,221,937</u>
Noncurrent assets:				
Capital assets:				
Capital assets (net of depreciation)	869,345	0	0	869,345
Advance to other funds	7,389,717	0	0	7,389,717
Total noncurrent assets	<u>8,259,062</u>	<u>0</u>	<u>0</u>	<u>8,259,062</u>
<b>Total assets</b>	<u>17,384,220</u>	<u>1,423,682</u>	<u>1,673,097</u>	<u>20,480,999</u>
<b>LIABILITIES</b>				
Current liabilities:				
Vouchers payable	286,455	0	0	286,455
Contracts payable	8,319	0	0	8,319
Salaries and benefits payable	59,636	0	0	59,636
Due to other funds	22	0	0	22
Due to other governmental units	20,969	0	0	20,969
Compensated absences payable	15,107	218,694	1,673,097	1,906,898
Other current liabilities	340,023	0	0	340,023
Claims liabilities	2,630,959	0	0	2,630,959
Customer deposits	39,333	0	0	39,333
<b>Total current liabilities</b>	<u>3,400,823</u>	<u>218,694</u>	<u>1,673,097</u>	<u>5,292,614</u>
Non-current liabilities:				
Compensated absences	287,034	1,550,876	16,877,943	18,715,853
Other post-employment benefits	40,493	0	0	40,493
Claims liabilities	6,492,271	0	0	6,492,271
<b>Total non-current liabilities</b>	<u>6,819,798</u>	<u>1,550,876</u>	<u>16,877,943</u>	<u>25,248,617</u>
<b>Total liabilities</b>	<u>10,220,621</u>	<u>1,769,570</u>	<u>18,551,040</u>	<u>30,541,231</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	869,345	0	0	869,345
Unrestricted	6,294,254	(345,888)	(16,877,943)	(10,929,577)
<b>Total net assets</b>	<u>\$7,163,599</u>	<u>(\$345,888)</u>	<u>(\$16,877,943)</u>	<u>(\$10,060,232)</u>

ESCAMBIA COUNTY, FLORIDA

INTERNAL SERVICE FUNDS

STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET ASSETS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Board of County Commissioners	Clerk of Court	Sheriff	Total
<b>Operating revenues:</b>				
Charges for services	\$8,078,729	\$1,060,215	\$9,024,986	\$18,163,930
Fines and forfeitures	64	0	0	64
Miscellaneous income	279,382	0	0	279,382
<b>Total operating revenues</b>	<u>8,358,175</u>	<u>1,060,215</u>	<u>9,024,986</u>	<u>18,443,376</u>
<b>Operating expenses:</b>				
Personal services	949,323	883,790	10,685,997	12,519,110
Claims expense, changes in estimate, and fees	5,762	0	0	5,762
Contractual services	149,503	0	0	149,503
Materials and supplies	4,003,844	0	0	4,003,844
Travel and vehicle costs	1,880	0	0	1,880
Depreciation	64,350	0	0	64,350
Memberships, dues and subscriptions	2,273	0	0	2,273
Insurance and bonds	3,407,355	0	0	3,407,355
Communications and freight services	2,497	0	0	2,497
Maintenance	71,807	0	0	71,807
Rentals and leases	1,842	0	0	1,842
Training	3,431	0	0	3,431
Miscellaneous	2,629	0	0	2,629
<b>Total operating expenses</b>	<u>8,666,496</u>	<u>883,790</u>	<u>10,685,997</u>	<u>20,236,283</u>
<b>Operating income (loss)</b>	<u>(308,321)</u>	<u>176,425</u>	<u>(1,661,011)</u>	<u>(1,792,907)</u>
<b>Non-operating revenues (expenses):</b>				
Interest income	129,811	0	0	129,811
Insurance reimbursements	40,348	0	0	40,348
<b>Total non-operating revenues (expenses)</b>	<u>170,159</u>	<u>0</u>	<u>0</u>	<u>170,159</u>
<b>Income (loss) before contributions and transfers</b>	<u>(138,162)</u>	<u>176,425</u>	<u>(1,661,011)</u>	<u>(1,622,748)</u>
Transfers (out)	(5,000,000)	0	0	(5,000,000)
<b>Total contributions and transfers</b>	<u>(5,000,000)</u>	<u>0</u>	<u>0</u>	<u>(5,000,000)</u>
<b>Change in net assets</b>	<u>(5,138,162)</u>	<u>176,425</u>	<u>(1,661,011)</u>	<u>(6,622,748)</u>
<b>Net assets at beginning of year</b>	<u>12,301,761</u>	<u>(522,313)</u>	<u>(15,216,932)</u>	<u>(3,437,484)</u>
<b>Net assets at ending of year</b>	<u>\$7,163,599</u>	<u>(\$345,888)</u>	<u>(\$16,877,943)</u>	<u>(\$10,060,232)</u>

ESCAMBIA COUNTY, FLORIDA

INTERNAL SERVICE FUNDS

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Board of County Commissioners	Clerk of Court	Sheriff	Total
<b>Cash flows from operating activities:</b>				
Cash received from customers	\$9,295,580	\$296,433	\$857,088	\$10,449,101
Cash payments to suppliers for goods and services	(10,494,614)	0	0	(10,494,614)
Cash payments to employees for services	(921,667)	(95,859)	(1,616,613)	(2,634,139)
Other non-operating revenues (expenses)	40,348	0	0	40,348
<b>Net cash provided by (used in) operating activities</b>	<u>(2,080,353)</u>	<u>200,574</u>	<u>(759,525)</u>	<u>(2,639,304)</u>
<b>Cash flows from noncapital financing activities:</b>				
Transfers out	(5,000,000)	0	0	(5,000,000)
Advances from (to) other funds	(1,365,238)	0	0	(1,365,238)
<b>Net cash provided by (used in) noncapital financing activities</b>	<u>(6,365,238)</u>	<u>0</u>	<u>0</u>	<u>(6,365,238)</u>
<b>Cash flows from capital and related financing activities:</b>				
Acquisition and construction of capital assets	(214,398)	0	0	(214,398)
<b>Net cash provided by (used in) capital and related financing activities</b>	<u>(214,398)</u>	<u>0</u>	<u>0</u>	<u>(214,398)</u>
<b>Cash flow from investing activities:</b>				
Interest on investments	129,811	0	0	129,811
<b>Net cash provided by investing activities</b>	<u>129,811</u>	<u>0</u>	<u>0</u>	<u>129,811</u>
<b>Net increase (decrease) in cash &amp; cash equivalents</b>	<u>(8,530,178)</u>	<u>200,574</u>	<u>(759,525)</u>	<u>(9,089,129)</u>
Cash and cash equivalents at beginning of year	14,886,859	1,223,108	2,432,622	18,542,589
Cash and cash equivalents at end of year	<u>\$6,356,681</u>	<u>\$1,423,682</u>	<u>\$1,673,097</u>	<u>\$9,453,460</u>
<b>Non-cash investing, capital and financing activities</b>				
Capital contributions	\$0	\$0	\$0	\$0

**ESCAMBIA COUNTY, FLORIDA**

**INTERNAL SERVICE FUNDS**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	Board of County Commissioners	Clerk of Court	Sheriff	Total
Reconciliation of cash and cash equivalents at end of year to Statement of Net Assets:				
Current assets:				
Cash and cash equivalents	\$31,289	\$1,423,682	\$1,673,097	\$3,128,068
Equity in pooled cash and investments	6,286,059	0	0	6,286,059
Restricted assets:				
Equity in pooled cash and investments	39,333	0	0	39,333
Total cash and cash equivalents at end of year	<u>\$6,356,681</u>	<u>\$1,423,682</u>	<u>\$1,673,097</u>	<u>\$9,453,460</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	(\$308,321)	\$176,425	(\$1,661,011)	(\$1,792,907)
Other non-operating revenues	40,348	0	0	40,348
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	64,350	0	0	64,350
Provision for uncollectible accounts	447,873			447,873
(Increase) decrease in assets:				
Accounts receivable	(225,435)	0	0	(225,435)
Due from other governments	208,922	0	0	208,922
Inventory	55,909	0	0	55,909
Prepaid expense	(53,970)	0	0	(53,970)
Increase (decrease) in liabilities:				
Vouchers payable	(481,903)	0	0	(481,903)
Salaries and benefits payable	5,930	0	0	5,930
Compensated absences	13,663	24,149	901,486	939,298
Deposits	8,142	0	0	8,142
Due to other governments	20,936	0	0	20,936
Deferred revenue	58,172	0	0	58,172
Other post-employment benefits	8,063	0	0	8,063
Claims payable	(1,943,032)	0	0	(1,943,032)
Net cash provided by (used in) operating activities	<u>(\$2,080,353)</u>	<u>\$200,574</u>	<u>(\$759,525)</u>	<u>(\$2,639,304)</u>

## FIDUCIARY FUNDS

### **Clerk of the Circuit Court:**

#### **Agency Fund:**

To account for the collection and disbursement of deposits which are required to be filed with the court pending the outcome of civil suits; to account for the collection and disbursement of deposits received by the Clerk from the State and County governments for payment of citizen services; and to account for the collection and disbursement of cash bonds, overpayments and miscellaneous items.

### **Sheriff:**

#### **Agency Fund:**

To account for the collection and disbursement of monies posted by individuals upon arrest and held by the Sheriff until final disposition by the court; to account for the collection and disbursement of monies forfeited by court order, that are designated to be used by the Sheriff for purposes other than meeting normal operating needs; to account for the collection and disbursement of monies deposited by insurance companies and attorneys awaiting civil execution, and monies obtained from Sheriff's sale of abandoned and confiscated property, various court levies, writs of execution and miscellaneous receipts; to account for monies received from auction of unclaimed property held by the Sheriff; and to account for bond and purge monies and monies held on behalf of the inmates.

### **Tax Collector:**

#### **Agency Fund:**

To account for the collection and disbursement of ad valorem taxes, tangible personal property taxes and occupational licenses, as agent for other governments; and to account for the collection and disbursement of automobile registration, sales tax, boat licenses, hunting and fishing licenses and property appraiser fees, as agent for other governments.

ESCAMBIA COUNTY, FLORIDA

COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
AGENCY FUNDS

SEPTEMBER 30, 2010

	Clerk General <u>Agency Funds</u>	Sheriff General <u>Agency Funds</u>	Tax Collector General <u>Agency Funds</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$3,684,727	\$1,462,385	\$5,411,212	\$10,558,324
Receivables (net of allowance for uncollectibles)	33,191	0	106,741	139,932
Due from other governments	4,898	0	0	4,898
Total assets	<u>\$3,722,816</u>	<u>\$1,462,385</u>	<u>\$5,517,953</u>	<u>\$10,703,154</u>
<b>LIABILITIES</b>				
Payable to others	\$243,544	\$58,348	\$789,767	\$1,091,659
Due to other governmental units	10	47,569	4,728,186	4,775,765
Other current liabilities	3,479,262	1,356,468	0	4,835,730
Total liabilities	<u>\$3,722,816</u>	<u>\$1,462,385</u>	<u>\$5,517,953</u>	<u>\$10,703,154</u>

ESCAMBIA COUNTY, FLORIDA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS

YEAR ENDED SEPTEMBER 30, 2010

	Balance October 1, 2009	Additions	Deductions	Balance September 30, 2010
<b>Clerk of the Circuit Court:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$9,592,070	19,132,929	(\$25,040,272)	\$3,684,727
Accounts receivable (net of allowance for uncollectibles)	25,141	97,443	(89,393)	33,191
Due from other funds	101,411	0	(101,411)	0
Due from other governmental units	0	4,898	0	4,898
Total assets	<u>9,718,622</u>	<u>19,235,270</u>	<u>(25,231,076)</u>	<u>3,722,816</u>
<b>Liabilities:</b>				
Payable to others	\$152,951	\$8,252,155	(\$8,161,562)	\$243,544
Due to other governmental units	2,841	102,250	(105,081)	10
Other current liabilities	9,562,830	10,868,588	(16,952,156)	3,479,262
Total liabilities	<u>9,718,622</u>	<u>19,222,993</u>	<u>(25,218,799)</u>	<u>3,722,816</u>
<b>Sheriff:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$1,339,445	\$4,444,437	(\$4,321,497)	\$1,462,385
Due from other government units	1,200	0	(1,200)	0
Total assets	<u>1,340,645</u>	<u>4,444,437</u>	<u>(4,322,697)</u>	<u>1,462,385</u>
<b>Liabilities:</b>				
Payable to others	\$73,085	\$4,049,326	(\$4,064,063)	\$58,348
Due to other governmental units	47,819	384,164	(384,414)	47,569
Other current liabilities	1,219,741	138,618	(1,891)	1,356,468
Total liabilities	<u>1,340,645</u>	<u>4,572,108</u>	<u>(4,450,368)</u>	<u>1,462,385</u>

(Continued)

ESCAMBIA COUNTY, FLORIDA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS

YEAR ENDED SEPTEMBER 30, 2010

	Balance October 1, 2009	Additions	Deductions	Balance September 30, 2010
<b>Tax Collector:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$5,594,882	\$995,875,298	(\$996,058,968)	\$5,411,212
Accounts receivable (net of allowance for uncollectibles)	90,020	106,741	(90,020)	106,741
Total assets	<u>5,684,902</u>	<u>995,982,039</u>	<u>(996,148,988)</u>	<u>5,517,953</u>
<b>Liabilities:</b>				
Payable to others	\$407,655	\$789,767	(\$407,655)	\$789,767
Due to other governmental units	5,277,247	995,192,272	(995,741,333)	4,728,186
Total liabilities	<u>5,684,902</u>	<u>995,982,039</u>	<u>(996,148,988)</u>	<u>5,517,953</u>
<b>Total Agency Funds:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$16,526,397	\$1,019,452,664	(\$1,025,420,737)	\$10,558,324
Accounts receivable (net of allowance for uncollectibles)	115,161	204,184	(179,413)	139,932
Due from other funds	101,411	0	(101,411)	0
Due from other governmental units	1,200	4,898	(1,200)	4,898
Total assets	<u>\$16,744,169</u>	<u>\$1,019,661,746</u>	<u>(\$1,025,702,761)</u>	<u>\$10,703,154</u>
<b>Liabilities:</b>				
Payable to others	\$633,691	\$13,091,248	(\$12,633,280)	\$1,091,659
Due to other governmental units	5,327,907	995,678,686	(996,230,828)	4,775,765
Other current liabilities	10,782,571	11,007,206	(16,954,047)	4,835,730
Total liabilities	<u>\$16,744,169</u>	<u>\$1,019,777,140</u>	<u>(\$1,025,818,155)</u>	<u>\$10,703,154</u>

**STATISTICAL SECTION**  
**(UNAUDITED)**

## STATISTICAL SECTION

This part of the Escambia County Government'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 government's overall financial health.

### Contents

**Financial Trends** – These schedules contain trend information to help the reader understand how the government's financial performance and well-being has changed over time.

**Revenue Capacity** – These schedules contain information to help the reader assess the County's most significant sources of revenue.

**Debt Capacity** – These schedules contain information to help the reader assess the affordability of the County's current level of debt and the County's ability to issue debt in the future.

**Demographics and Economic Information** – These schedules offer demographics and economic indicators to help the reader understand the environment within which the County's financial activities take place.

**Operating Information** – These schedules contain information regarding the number of employees, the operating indicators, and the capital assets used in the various functions and programs.

Schedule 1

**Escambia County, Florida**  
**Net Assets by Component,**  
**Last Nine Fiscal Years <sup>(1)</sup>**  
**(Amounts Expressed in Thousands)**

	Fiscal Year								
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Governmental activities									
Invested in capital assets, net of related debt	\$445,075	\$421,039	\$411,670	\$406,635	\$356,455	\$304,720	\$279,786	\$259,611	\$299,736
Restricted	5,393	9,422	766	747	7,090	97,646	39,815	33,980	25,112
Unrestricted	96,909	100,805	88,968	80,027	85,589	(2,879)	33,042	39,565	42,615
Total governmental activities net assets	<u>547,377</u>	<u>531,266</u>	<u>501,404</u>	<u>487,409</u>	<u>449,134</u>	<u>399,487</u>	<u>352,643</u>	<u>333,156</u>	<u>367,463</u>
Business-type activities									
Invested in capital assets, net of related debt	48,811	47,589	43,157	41,604	43,338	43,196	44,690	40,299	30,632
Restricted	0	0	0	0	0	0	0	0	269
Unrestricted	10,707	880	2,422	4,318	11,872	10,134	6,001	8,642	471
Total business-type activities net assets	<u>59,518</u>	<u>48,469</u>	<u>45,579</u>	<u>45,922</u>	<u>55,210</u>	<u>53,330</u>	<u>50,691</u>	<u>48,941</u>	<u>31,372</u>
Primary government									
Invested in capital assets, net of related debt	493,887	468,628	454,827	448,239	399,793	347,916	324,476	299,910	330,368
Restricted	5,393	9,422	766	747	7,090	97,646	39,815	33,980	25,381
Unrestricted	107,616	101,685	91,390	84,345	97,461	7,255	39,043	48,207	43,086
Total primary government net assets	<u>\$606,896</u>	<u>\$579,735</u>	<u>\$546,983</u>	<u>\$533,331</u>	<u>\$504,344</u>	<u>\$452,817</u>	<u>\$403,334</u>	<u>\$382,097</u>	<u>\$398,835</u>

<sup>(1)</sup> Only nine years are available due to initial GASB 34 implementation in fiscal year 2002.

**Escambia County, Florida**  
**Changes in Net Assets**  
**Last Nine Fiscal Years (1)**  
**(Amounts Expressed in Thousands)**

	Fiscal Year								
	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>Governmental activities:</b>									
<b>Function/Program Expenses</b>									
General government	\$58,525	\$68,563	\$74,196	\$21,405	\$12,561	\$30,260	\$18,991	\$27,824	\$31,366
Public Safety	120,345	118,799	126,128	142,624	145,533	319,042	129,148	105,845	92,079
Physical environment	4,418	4,348	7,351	13,576	4,159	2,307	1,081	1,609	1,610
Transportation	44,860	43,887	45,859	80,398	66,373	46,601	48,511	52,161	48,392
Economic environment	19,468	11,326	16,955	22,639	22,081	9,115	12,050	11,195	10,755
Human services	3,318	3,386	4,654	5,299	4,966	4,663	4,707	4,340	4,144
Culture and recreation	5,647	5,851	5,312	11,311	8,610	5,497	4,179	4,188	5,696
Court related	8,446	8,607	8,911	10,086	14,029	9,141	11,850	4,651	4,623
Interest on long term debt	5,397	6,471	5,909	7,245	8,066	7,850	7,517	8,584	5,316
Total governmental activities expenses	<u>270,424</u>	<u>271,238</u>	<u>295,275</u>	<u>314,583</u>	<u>286,378</u>	<u>434,476</u>	<u>238,034</u>	<u>220,397</u>	<u>203,981</u>
<b>Program Revenues</b>									
Charges for services									
General Government	25,084	26,578	24,133	25,538	26,501	28,197	25,157	27,193	13,331
Public Safety	17,469	14,589	16,180	17,023	18,207	17,179	16,465	11,834	11,052
Court Related	3,007	9,930	9,717	10,369	10,686	10,539	4,612	2,449	2,789
Other Activities	4,123	3,760	4,989	5,120	3,301	3,242	1,998	1,975	1,741
Operating grants and contributions	31,039	15,183	10,769	20,137	46,491	212,135	22,271	12,473	13,430
Capital grants and contributions	27,450	33,056	22,750	42,096	23,983	6,715	9,307	7,470	10,816
Total governmental activities program revenues	<u>108,172</u>	<u>103,096</u>	<u>88,538</u>	<u>120,283</u>	<u>129,169</u>	<u>278,007</u>	<u>79,810</u>	<u>63,394</u>	<u>53,159</u>
<b>Net (Expense)/Revenue</b>	(162,252)	(168,142)	(206,737)	(194,300)	(157,209)	(156,469)	(158,224)	(157,003)	(150,822)
<b>General Revenues and Other Changes in Net Assets</b>									
Taxes									
Property taxes	103,386	107,317	130,009	125,233	98,875	98,902	85,558	80,315	87,147
Gasoline taxes	13,388	13,441	13,750	14,631	13,837	14,327	13,510	12,913	13,159
Sales tax	49,382	49,756	54,403	57,121	60,802	60,769	49,975	48,306	46,514
Other taxes and payments in lieu of taxes	5,051	5,333	5,533	5,260	4,870	4,135	4,768	4,339	4,397
Intergovernmental	8,227	8,151	9,058	8,729	8,888	13,774	7,860	7,117	7,058
Interest Income	1,163	3,364	6,042	11,665	11,159	6,056	2,654	2,760	2,586
Rents and Royalties	0	0	0	0	0	0	426	417	370
Sale of assets	133	0	290	366	563	845	184	80	146
Miscellaneous	2,180	13,472	1,861	2,716	4,075	2,355	5,783	2,028	2,417
Capital contributions	0	0	0	0	3,875	2,366	5,683	2,010	0
Payment to SRIA of bonds issued	0	0	0	0	0	0	0	(32,000)	0
Transfers - internal activities	(8,044)	(2,830)	(214)	259	(88)	(216)	1,310	(5,589)	2,540
Total governmental activities	<u>174,866</u>	<u>198,004</u>	<u>220,732</u>	<u>225,980</u>	<u>206,856</u>	<u>203,313</u>	<u>177,711</u>	<u>122,696</u>	<u>166,334</u>
<b>Change in Net Assets</b>									
Total general revenues and other changes in net assets	<u>\$12,614</u>	<u>\$29,862</u>	<u>\$13,995</u>	<u>\$31,680</u>	<u>\$49,647</u>	<u>\$46,844</u>	<u>\$19,487</u>	<u>(\$34,307)</u>	<u>\$15,512</u>

(Continued)

(1) Only nine years are available due to initial GASB 34 implementation in fiscal year 2002.

Schedule 2 (Continued)

**Escambia County, Florida**  
**Changes in Net Assets**  
**Last Nine Fiscal Years (1)**  
**(Amounts Expressed in Thousands)**

	Fiscal Year								
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b>Business-type activities:</b>									
<b>Function/Program Expenses</b>									
Solid waste	\$11,822	\$7,861	\$10,330	\$9,164	\$8,336	\$13,932	\$8,411	\$6,703	\$5,378
Inspection fund	2,874	3,141	3,448	3,871	3,487	3,354	3,306	3,217	3,452
Emergency medical services	9,563	14,195	15,036	14,760	13,868	13,011	11,761	11,077	10,520
Civic center	6,509	5,523	6,197	6,415	5,876	5,713	5,245	5,046	4,663
Industrial park	N/A	N/A	N/A	N/A	545	609	781	508	484
Total business-type activities expenses	<u>30,769</u>	<u>30,720</u>	<u>35,011</u>	<u>34,210</u>	<u>32,112</u>	<u>36,619</u>	<u>29,504</u>	<u>26,551</u>	<u>24,497</u>
<b>Program Revenues</b>									
Charges for services									
Solid Waste	11,681	9,830	12,008	8,963	11,159	13,583	9,233	9,137	9,625
Inspection fund	1,829	1,997	2,542	3,507	4,479	7,216	3,829	2,689	2,551
Ambulance	13,924	14,074	13,828	13,395	12,268	12,393	11,691	10,830	10,304
Civic Center	3,974	3,473	3,629	4,307	3,846	4,146	3,385	3,008	2,834
Industrial Park	N/A	N/A	N/A	N/A	0	0	0	0	112
Operating grants and contributions	107	6	82	30	10	0	0	21	1
Capital grants and contributions	1,624	972	1,647	623	56	379	2,980	1,381	204
Total business-type activities program revenues	<u>33,138</u>	<u>30,352</u>	<u>33,736</u>	<u>30,825</u>	<u>31,818</u>	<u>37,717</u>	<u>31,118</u>	<u>27,066</u>	<u>25,631</u>
<b>Net (Expense)/Revenue</b>	<u>2,369</u>	<u>(368)</u>	<u>(1,275)</u>	<u>(3,385)</u>	<u>(294)</u>	<u>1,098</u>	<u>1,614</u>	<u>515</u>	<u>1,134</u>
<b>General Revenues and Other Changes in Net Assets</b>									
Interest Income	130	176	593	1,202	1,137	510	180	274	434
Sale of assets	90	198	58	(299)	12	247	151	98	252
Miscellaneous	416	55	68	48	207	105	158	61	95
Capital contributions	0	0	0	0	730	463	957	663	483
Landfill closure estimates	0	0	0	0	0	0	0	10,368	0
Transfers - internal activities	8,044	2,830	214	(259)	88	216	(1,310)	5,589	(2,541)
Total general revenues and other changes in net assets	<u>8,680</u>	<u>3,259</u>	<u>933</u>	<u>692</u>	<u>2,174</u>	<u>1,541</u>	<u>136</u>	<u>17,053</u>	<u>(1,277)</u>
<b>Total business-type activity change in net assets</b>	<u>11,049</u>	<u>2,891</u>	<u>(342)</u>	<u>(2,693)</u>	<u>1,880</u>	<u>2,639</u>	<u>1,750</u>	<u>17,568</u>	<u>(143)</u>
<b>Total primary government change in net assets</b>	<u>\$23,663</u>	<u>\$32,753</u>	<u>\$13,653</u>	<u>\$28,987</u>	<u>\$51,527</u>	<u>\$49,483</u>	<u>\$21,237</u>	<u>(\$16,739)</u>	<u>\$15,369</u>

<sup>(1)</sup> Only nine years are available due to initial GASB 34 implementation in fiscal year 2002.

Schedule 3

**Escambia County, Florida**  
**Fund Balances, Governmental Funds**  
**Last Nine Fiscal Years (1)**  
**(Amounts Expressed in Thousands)**  
**(Modified Accrual Basis of Accounting)**

	Fiscal Year								
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
General Fund									
Reserved	\$1,458	\$1,529	\$1,941	\$815	\$1,561	\$928	\$1,183	\$832	\$883
Unreserved	31,274	31,636	46,959	32,965	36,564	40,697	19,067	17,092	15,141
Total General Fund	<u>32,732</u>	<u>33,165</u>	<u>48,900</u>	<u>33,780</u>	<u>38,125</u>	<u>41,625</u>	<u>20,250</u>	<u>17,924</u>	<u>16,024</u>
All Other Governmental Funds									
Reserved	52,433	56,106	43,306	40,543	61,043	96,718	38,632	33,148	24,141
Unreserved, reported in:									
Special revenue funds	17,321	14,431	8,769	30,189	8,712	(8,173)	23,963	20,917	19,898
Debt service fund	0								
Capital projects funds	39,352	38,056	33,670	23,909	33,513	17,513	47,828	54,425	25,335
Total all other governmental funds	<u>109,106</u>	<u>108,593</u>	<u>85,745</u>	<u>94,641</u>	<u>103,268</u>	<u>106,058</u>	<u>110,423</u>	<u>108,490</u>	<u>69,374</u>
Total all governmental funds	<u>\$141,838</u>	<u>\$141,758</u>	<u>\$134,645</u>	<u>\$128,421</u>	<u>\$141,393</u>	<u>\$147,683</u>	<u>\$130,673</u>	<u>\$126,414</u>	<u>\$85,398</u>

<sup>(1)</sup> Only nine years are available due to initial GASB 34 implementation in fiscal year 2002.

**Escambia County, Florida**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
(Amounts Expressed in Thousands)  
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
<b>Revenues</b>										
Taxes	\$152,344	\$158,587	\$195,218	\$192,518	\$163,772	\$162,935	\$141,195	\$134,093	\$127,896	\$121,057
Permits, fees and special assessments	26,289	25,174	12,039	12,714	12,860	12,778	12,160	8,796	8,514	8,223
Intergovernmental revenue	85,534	59,002	64,356	84,636	95,483	260,299	63,410	50,635	54,198	49,562
Charges for services	16,885	18,612	20,192	22,514	22,514	24,260	18,211	16,312	14,784	14,799
Fines and forfeits	990	3,757	4,381	4,294	5,086	967	2,105	2,497	2,119	2,294
Investment income	1,042	3,126	5,355	10,722	10,477	5,631	2,302	2,434	2,609	6,384
Miscellaneous	6,987	16,401	4,742	9,859	12,047	7,853	10,413	6,458	6,356	7,719
Total revenues	<u>290,071</u>	<u>284,659</u>	<u>306,283</u>	<u>337,257</u>	<u>322,239</u>	<u>474,723</u>	<u>249,796</u>	<u>221,225</u>	<u>216,476</u>	<u>210,038</u>
<b>Expenditures</b>										
General government	61,319	68,952	77,446	86,092	67,995	59,912	58,584	57,690	56,872	55,140
Public safety	108,184	113,003	125,171	113,799	132,467	307,440	102,624	86,097	80,333	74,149
Physical environment	5,490	4,831	8,228	12,637	4,030	2,276	1,010	1,490	1,509	1,000
Transportation	23,898	24,615	28,870	38,916	31,542	25,027	24,007	23,617	20,866	24,614
Economic environment	18,973	11,731	16,701	21,627	21,395	8,991	11,257	10,369	10,083	9,902
Human services	2,786	2,872	4,166	4,759	4,530	4,334	4,149	3,781	3,885	3,845
Culture and recreation	1,409	1,645	2,126	2,985	3,670	3,113	2,349	2,248	2,327	2,222
Capital outlay	46,438	37,920	26,807	53,786	47,387	28,907	31,642	56,311	24,525	39,618
Debt service										
Principal	13,052	6,168	4,866	14,718	18,815	13,529	10,655	10,609	10,896	6,372
Interest	5,397	6,471	5,909	7,361	8,195	7,943	7,539	9,499	5,434	6,344
Total expenditures	<u>286,946</u>	<u>278,208</u>	<u>300,290</u>	<u>356,680</u>	<u>340,026</u>	<u>461,472</u>	<u>253,816</u>	<u>261,711</u>	<u>216,730</u>	<u>223,206</u>
Excess of revenues over/(under) expenditures	<u>3,125</u>	<u>6,453</u>	<u>5,993</u>	<u>(19,423)</u>	<u>(17,787)</u>	<u>13,251</u>	<u>(4,020)</u>	<u>(40,486)</u>	<u>(254)</u>	<u>(13,168)</u>
<b>Other Financing Sources (Uses)</b>										
Capital lease(s) issued	0	0	0	0	0	0	2,956	6,082	0	0
Lease proceeds	0	0	0	0	0	0	0	0	475	0
Bonds issued	0	0	0	0	0	0	0	130,033	0	0
Notes issued	0	1,227	273	0	0	0	3,000	483	0	0
Proceeds from the sale of capital assets	0	0	0	0	0	0	0	4,351	0	0
Payments made to refund bonds	0	0	0	0	0	0	0	(53,857)	0	0
Clerk of the court trust fund revenue	(312)	(48)	0	(161)	(32)	0	313	0	0	0
Insurance reimbursements	308	2,312	171	7,778	11,617	3,975	0	0	0	0
Transfers in	35,798	40,548	35,065	40,141	43,882	53,782	32,448	76,448	27,853	22,863
Transfers out	(38,842)	(43,378)	(35,280)	(40,332)	(43,970)	(53,998)	(30,437)	(82,038)	(25,313)	(21,975)
	<u>(3,048)</u>	<u>661</u>	<u>229</u>	<u>7,426</u>	<u>11,497</u>	<u>3,759</u>	<u>8,280</u>	<u>81,502</u>	<u>3,015</u>	<u>888</u>
Net change in fund balances	<u>\$77</u>	<u>\$7,114</u>	<u>\$6,222</u>	<u>(\$11,997)</u>	<u>(\$6,290)</u>	<u>\$17,010</u>	<u>\$4,260</u>	<u>\$41,016</u>	<u>\$2,761</u>	<u>(\$12,280)</u>
Debt service as a percentage of noncapital expenditures	7.82%	5.46%	3.94%	7.29%	9.23%	5.15%	8.54%	10.22%	8.68%	7.19%

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 <sup>(1)</sup>				Total	Total Direct Tax Rate
	Residential Property	Commercial and Industrial Property	Other Property	Personal Property <sup>(2)</sup>		
2001	\$7,657,020	\$1,688,524	\$3,555,852	\$1,688,807	\$14,590,203	8.756
2002	7,994,343	1,725,608	3,711,333	1,760,295	15,191,579	8.756
2003	8,756,084	1,858,455	3,913,591	1,780,386	16,308,516	8.756
2004	9,983,120	2,109,671	4,848,999	1,851,575	18,793,365	8.756
2005	11,342,604	2,305,397	4,342,742	1,840,422	19,831,165	8.756
2006	15,773,311	3,100,649	5,285,216	1,954,418	26,113,594	8.756
2007	16,015,551	3,120,692	7,290,423	2,022,012	28,448,678	8.756
2008	15,609,510	3,225,724	8,245,195	2,293,353	29,373,782	8.017
2009	14,536,404	3,067,610	7,779,933	2,261,368	27,645,315	6.976
2010	13,603,083	2,940,761	7,831,577	1,770,837	26,146,258	6.976

**Source:** Escambia County Property Appraiser

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

<sup>(1)</sup> Taxable value of property subject to direct tax rate.

<sup>(2)</sup> Personal property includes 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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Escambia County - direct rate	6.9755	6.9755	8.017	8.756	8.756	8.756	8.756	8.756	8.756	8.756
Escambia County School Board	7.860	7.720	7.720	7.894	8.033	8.410	8.887	8.986	9.249	9.011
Escambia County Law Enforcement Service Taxing Unit	0.685	0.685	0.685	0.747	0.747	0.747	0.747	0.747	0.747	0.747
City of Pensacola	4.5395	4.5395	4.598	4.950	5.057	5.057	5.057	5.057	5.057	5.057
City of Pensacola Downtown Improvement Board	2.000	2.000	2.000	2.000	2.000	2.000	1.000	2.000	2.000	2.000
Northwest Florida Water Management	0.045	0.045	0.045	0.050	0.050	0.050	0.050	0.050	0.050	0.050
Town of Century	<u>0.823</u>	<u>0.817</u>	<u>0.781</u>	<u>0.764</u>	<u>0.861</u>	<u>0.828</u>	<u>0.981</u>	<u>0.998</u>	<u>1.031</u>	<u>1.086</u>
Total direct and overlapping rates	<u>22.928</u>	<u>22.782</u>	<u>23.846</u>	<u>25.161</u>	<u>25.504</u>	<u>25.848</u>	<u>25.478</u>	<u>26.594</u>	<u>26.89</u>	<u>26.707</u>

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

Schedule 7

**Escambia County, Florida**  
**Principal Property Tax Payers**  
**Current and Ten Years Ago**  
(Amounts Expressed in Thousands)

<u>Taxpayer</u>	<u>Fiscal Year 2010</u>			<u>Fiscal Year 2001</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	\$ 455,613	1	1.74%	\$ 358,353	1	2.46%
International Paper Corp*	374,457	2	1.43%	189,107	3	1.30%
Solutia, Inc. / Ascend Perf. Mat.	140,170	3	0.54%	190,043	2	1.30%
West Florida Regional Medical Center	91,542	4	0.35%	67,469	5	0.46%
BellSouth Telecommunication	71,747	5	0.27%	115,813	4	0.79%
Wal Mart Stores	64,397	6	0.25%			
CoxCom, Inc. (formerly Cox Cable)	50,584	7	0.19%	27,930	9	0.19%
Simon Debartolo Group	35,322	8	0.14%	28,635	8	0.20%
Pensacola POB / Baptist	66,231	9	0.25%			
ExxonMobil Chemical	40,191	10	0.15%			
Huntsman Specialty Chemical				29,318	6	0.20%
Armstrong World Industries				30,334	7	0.21%
AT&T				19,833	10	0.14%
<b>Total</b>	<u>\$ 1,390,254</u>		<u>5.32%</u>	<u>\$ 1,056,835</u>		<u>7.24%</u>
<b>Total Estimated Assessed Value Countywide</b>	<u>\$ 26,146,258</u>			<u>\$ 14,590,203</u>		

**Sources:**

Escambia County Tax Roll compiled by the Escambia County Property Appraiser

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

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

[www.escambiataxcollector.com](http://www.escambiataxcollector.com)

\*Formerly known as Champion International Corporation

Schedule 8

**Escambia County, Florida  
Property Tax Levies and Collections  
Last Ten Fiscal Years**

Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)	Adjustments	Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2001	74,441,707		74,441,707	70,920,865	95.27%	684,398	71,605,263	96.19%
2002	79,338,248		79,338,248	76,446,757	96.36%	0	76,446,757	96.36%
2003	82,944,351		82,944,351	79,837,671	96.25%	477,485	80,315,156	96.83%
2004	89,493,802		89,493,802	84,886,875	94.85%	671,247	85,558,122	95.60%
2005	101,175,289	5,273,641	106,448,930	97,192,731	96.06%	1,709,201	98,901,932	92.91%
2006	106,080,907		106,080,907	98,772,992	93.11%	101,782	98,874,774	93.21%
2007	137,425,098		137,425,098	124,999,953	90.96%	233,133	125,233,086	91.13%
2008	133,791,557		133,791,557	121,091,537	90.51%	1,035,168	122,126,705	91.28%
2009	111,259,343		111,259,343	105,074,368	94.44%	214,915	105,289,283	94.63%
2010	107,040,913		107,040,913	100,137,279	93.55%	3,248,703	103,385,982	96.59%

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

Schedule 9

**Escambia County, Florida**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities			Business Activities		Total Primary Government	% Personal Income <sup>(1)</sup>	Per Capita <sup>(1)</sup>
	Capital Leases	Bonds	Notes	Bonds	Notes			
2001	34,909	64,495,000	55,840,472	4,950,000	3,135,465	128,455,846	17.90%	432
2002	399,306	60,225,000	49,324,872	4,650,000	2,408,277	117,007,455	15.92%	393
2003	6,388,609	134,790,000	42,216,167	0	1,184,362	184,579,138	24.44%	620
2004	8,286,825	132,640,000	37,768,834	0	789,575	179,485,234	22.54%	606
2005	6,631,668	128,740,000	29,794,501	0	394,787	165,560,956	19.74%	560
2006	3,410,861	121,485,000	21,455,168	0	0	146,351,029	16.73%	495
2007	2,737,266	118,390,000	10,505,835	0	0	131,633,101	14.43%	445
2008	1,799,730	115,210,000	10,030,500	0	0	127,040,230	13.14%	429
2009	1,164,512	111,930,000	9,005,000	0	0	122,099,512	12.03%	412
2010	507,504	108,540,000	0	0	0	109,047,504	10.23%	368

<sup>(1)</sup> See the Demographic and Economic Statistics on Schedule 12 for personal income and population data.

**Escambia County, Florida  
Direct and Overlapping Governmental Activities Debt  
As of September 30, 2010**

**Computation of Direct and Overlapping Debt** <sup>(1)</sup>

<u>Governmental Unit</u>	<u>Bonded Debt Outstanding</u>	<u>Percentage Applicable to This Governmental Unit</u>
Direct:		
Escambia County	\$ 108,540,000	100.00%
Overlapping:		
Overlapping debt for governmental entities within Escambia County is not presented		

**Computation of Legal Debt Margin** <sup>(2)</sup>

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, 2010

<sup>(1)</sup> Source: Escambia County Government

<sup>(2)</sup> Source: Florida Statutes

Schedule 12

**Escambia County, Florida  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

Year	Population <sup>(1)</sup>	Per Capita Personal Income <sup>(1)</sup>	Personal Income ( <i>thousands of dollars</i> ) <sup>(2)</sup>	School Enrollment <sup>(3)</sup>	Unemployment Rate <sup>(4)</sup>	Median Age <sup>(5)</sup>
2001	297,224	24,140	717,498,736	43,508	3.8%	35.4
2002	297,539	24,702	734,980,838	43,319	3.8%	35.4
2003	297,596	25,376	755,179,610	42,944	4.0%	35.0
2004	295,939	26,913	796,460,631	43,142	3.5%	36.0
2005	295,624	28,371	838,714,850	43,083	3.6%	36.6
2006	295,682	29,578	874,568,220	42,668	3.3%	37.4
2007	295,740	30,837	911,973,438	42,025	3.9%	36.9
2008	295,998	32,658	966,670,268	41,068	6.1%	36.9
2009	296,238	34,274	1,015,326,121	40,325	9.8%	38.4
2010	296,100	36,004	1,066,078,440	40,049	11.0%	37.0

Sources:

<sup>(1)</sup> Bureau of Economic Analysis from 2000 through 2006.  
Estimated 2007 through 2010 based on historical growth.

[www.bea.gov](http://www.bea.gov)

<sup>(2)</sup> Personal income is a calculated amount based on population and per capita personal income.

<sup>(3)</sup> Escambia County School District - School Board Budget Department

[www.escambia.k12.fl.us](http://www.escambia.k12.fl.us)

<sup>(4)</sup> Florida Agency for Workforce Innovation - Labor Market Statistics Center

[www.labormarketinfo.com](http://www.labormarketinfo.com)

<sup>(5)</sup> University of West Florida HAAS Center

[www.haas.uwf.edu](http://www.haas.uwf.edu)

## Schedule 13

**Escambia County, Florida**  
**Principal Employers**  
**Current and Ten Years Ago**

<b>Employer</b>	2010 <sup>(1)</sup>			2001 <sup>(2)</sup>		
	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
Local government	15,790	1	7.18%	16,164	1	8.90%
Federal government	7,403	2	3.37%	7,632	2	4.20%
State of Florida	5,970	3	2.71%	5,810	3	3.20%
Sacred Heart Health System	5,000	4	2.27%	3,500	5	1.93%
Baptist Health Care	3,163	5	1.44%	5,000	4	2.75%
Lakeview Center	2,000	6	0.91%			
Gulf Power Company	1,400	7	0.64%	1,400	8	0.77%
Ascend Performance Materials*	1,400	8	0.64%	1,500	7	0.83%
West Florida Hospital	1,300	9	0.59%	1,200	10	0.66%
University of West Florida	1,231	10	0.56%	1,600	6	0.88%
Navy Federal Credit Union	1,200	11	0.55%			
Pensacola Christian College	1,000	12	0.45%			
West Corporation	800	13	0.36%	730	14	0.40%
Pensacola Junior College	709	14	0.32%	748	13	
Cox Communications Gulf Coast	645	15	0.29%			
Medical Center Clinic	627	16	0.29%	875	12	0.48%
Santa Rosa Medical Center, Inc.	530	17	0.24%	350	23	0.19%
ECUA	518	18	0.24%	507	15	0.28%
Wayne Dalton Corporation	500	19	0.23%	375	21	0.21%
International Paper**	500	20	0.23%	1,100	11	0.61%
CHCS Services	450	21	0.20%			
Pensacola News Journal	450	22	0.20%	400	19	0.22%
SMG Food Services	387	23	0.18%	473	17	0.26%
Armstrong World Industries	300	24	0.14%	400	19	0.22%
DANA Coupled Products	250	25	0.11%			
General Electric	250	26	0.11%	1,250	9	0.69%
Cavalier Telephone	200	27	0.09%			
First Data Corporation				1,100	12	0.61%
Bell South				375	20	0.21%
Fluor Global Services***				320	24	0.18%
Network Telephone				500	16	0.28%
Washington Mutual Finance				400	18	0.22%
MediaCom				350	22	0.19%
TRX, Incorporated				304	25	0.17%
<b>Total employment within Pensacola MSA</b>	<b>192,322</b>			<b>181,568</b>		

**Sources:**<sup>(1)</sup> Pensacola Bay Area Chamber of Commerce[www.pensacolachamber.com](http://www.pensacolachamber.com)<sup>(2)</sup> Escambia County Comprehensive Annual Fiscal Report for the fiscal year ending 2001

\*Formerly known as Solutia, Inc.

\*\*Formerly known as Champion International Corporation

\*\*\*Formerly known as Fluor-Daniel Construction

Schedule 14

**Escambia County, Florida**  
**Full-time Equivalent County Government Employees by Function**  
**Last Ten Fiscal Years**

<u>Function/Program</u>	<u>Full-time Equivalent Employees as of September 30</u>									
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
General government	433	407	454	604	571	551	530	540	539	538
Public Safety	1,501 *	1,422 *	1,428	1,489	1,464	1,430	1,422	1,403	1,484	1,395
Physical environment	105	87	76	86	72	71	74	71	76	73
Transportation	199	198	232	239	225	217	218	216	221	299
Economic environment	0 #	5	5	4	5	5	4	3	2	0
Human services	26	34	42	55	60	62	63	56	57	59
Culture and recreation	26	21	29	37	28	28	24	25	26	23
Court related	133	141	175	77	75	71	72	65	64	64
<b>Total</b>	<b>2,423</b>	<b>2,315</b>	<b>2,441</b>	<b>2,591</b>	<b>2,500</b>	<b>2,435</b>	<b>2,407</b>	<b>2,379</b>	<b>2,469</b>	<b>2,451</b>

Source: Escambia County Government

\* Includes the Health Services function assumed by the Sheriff on August 1, 2009 and 20 grant-funded Deputy Sheriff positions

# In Fiscal Year 2010 Cost Center #380201 was moved to General Government

**Escambia County, Florida**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

Function/Program	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>General Government</b>										
County residents per employee (number) *		128	121	114	118	121	123	124	120	121
<b>Public Safety</b>										
Total fire responses	15,493	13,602	13,061	15,000	16,505	15,842	16,025	15,672	15,530	14,890
Total permits issued	15,330	15,222	19,258	28,007	35,079	55,954	30,119	28,551	26,576	25,887
Total inspections performed	25,581	38,612	48,318	69,414	83,903	77,571	61,535	57,674	45,759	49,856
Code Enforcement complaints	7,418	5,659	9,483	11,825	9,087	10,489	6,339	6,904	7,890	1,655
Emergency calls (ambulance)	35,557	33,836	33,440	33,557	31,444	32,344	29,303	27,534	26,397	25,022
Non-emergency calls (ambulance)	1,068	3,144	5,760	6,916	6,726	6,746	7,386	6,921	6,789	5,992
Total ambulance transports	36,625	34,030	30,782	31,530	29,361	29,949	29,721	28,453	27,798	25,547
911 Calls - City	52,780	51,104	93,019	8,111	6,852	7,152	7,262	6,161	5,934	4,868
Arrests - City	3,375	3,852	3,958	4,059	3,950	4,092	3,557	3,493	3,643	3,755
Traffic Violations - City	5,786	8,458	9,890	10,617	11,036	11,752	14,173	12,533	13,176	14,980
911 Calls - County	45,710	76,257	****71,175	70,814	**N/A	71,726	***15,921	31,900	32,705	30,505
Arrests - County	18,776	18,847	14,295	14,957	15,630	15,849	15,060	14,536	13,631	13,617
Traffic Violations - County	11,201	8,711	5,193	7,021	7,568	7,394	9,183	9,951	10,979	10,030
<b>Physical environment</b>										
Solid waste managed at Perdido Landfill (tons)	284,689	294,785	400,329	334,874	359,491	466,840	293,575	302,453	314,271	277,509
Waste disposed of in the Class I Landfill (tons)	257,192	259,807	360,086	293,794	316,436	438,774	258,079	265,040	274,327	224,896
Tons of yard trash recycled	17,628	26,834	30,804	31,851	34,790	25,031	31,516	33,921	37,108	31,455
Tons of various recycled materials	24,343	34,669	58,601	66,056	61,628	48,135	54,473	55,476	55,422	50,606
Hazardous material disposed of (tons)	35	45	26	15	N/A	N/A	N/A	N/A	N/A	N/A
<b>Transportation</b>										
Passenger trips - Fixed route services	1,164,519	1,054,638	1,017,408	1,046,453	1,182,089	1,215,957	1,596,038	1,627,028	1,621,218	1,502,136
Passenger trips - Paratransit/Demand services	46,383	49,591	51,475	58,002	57,354	56,797	59,047	58,943	53,614	51,585
Bob Sikes toll receipts	\$2,902,503	\$2,962,819	\$2,845,803	\$3,124,881	\$3,840,358	\$1,915,646	\$3,225,958	\$3,202,117	\$3,095,332	\$2,682,838
<b>Culture and recreation</b>										
Civic Center operating revenues	\$4,016,368	\$3,479,910	\$3,632,266	\$4,314,095	\$3,971,999	\$4,168,563	\$3,389,852	\$3,020,343	\$2,888,827	\$2,948,412
Parks & Recreation park uses	85	119	94	63	25	45	23	N/A	N/A	N/A
Equestrian Center events	35	40	46	47	45	31	41	41	28	N/A
Lake Stone rentals	688	856	708	972	734	705	626	881	566	402
Naval Air Museum visitors	726,688	755,860	685,628	700,000	500,000	500,000	950,000	950,000	950,000	950,000
Students enrolled - University of West Florida	11,184	11,000	10,380	9,905	9,655	9,611	9,508	9,265	9,136	8,517
Students enrolled - Pensacola Junior College	9,276	20,944	20,593	26,508	26,783	26,611	29,605	28,775	28,836	29,189

N/A: Information not available

Sources: Individual county departments, Pensacola Police Department, University of West Florida, Pensacola Junior College, and the Pensacola Naval Air Museum

\* County residents per employee is derived from total county population on Schedule 12 and total county government employees on Schedule 14.

\*\* Malfunction - lost archived data before reports were compiled for the 2006

\*\*\* 3rd &amp; 4th qtrs missing data 2004

\*\*\*\*This is estimate because 911 Call Counter has been problematic. Average daily calls over the past two years is 195 calls per day.

**Escambia County, Florida**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**

Function/Program	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>General government</b>										
Facilities										
Number	216	218	207	204	218	215	208	184	177	181
Square footage	2,294,305	2,295,847	2,818,147	2,337,104	2,208,439	2,139,374	2,009,462	1,836,815	1,817,101	1,964,114
<b>Public Safety</b>										
Road Prison capacity	250	260	260	262	262	200	200	160	160	160
Work Release facility capacity	280	280	280	290	290	290	120	120	100	65
Fire Stations	21	22	21	22	22	22	21	21	21	21
Rescue Vehicles (Fire Trucks, etc)	81	80	80	70	71	69	68	66	52	52
Ambulances	31	30	30	27	23	25	26	24	30	26
Mass Transit Bus/Trolley	43	40	51	49	43	37	37	37	39	40
Sheriffs vehicles	333	298	339	600	N/A	N/A	N/A	N/A	N/A	N/A
Sheriff substations	6	6	5	8	N/A	N/A	N/A	N/A	N/A	N/A
<b>Physical environment</b>										
Landfills in operation (accepting waste)	2	2	2	2	2	2	2	2	2	2
Beaches (miles)										
Pensacola <sup>(1) *</sup>	13	13	13	8	8	8	8	8	8	8
Perdido Key <sup>(2) *</sup>	17	17	17	8	8	8	8	8	8	8
<b>Transportation</b>										
Centerline miles of county roads										
Paved mileage	1,456.02	1,454.73	1,454.70	1,446.13	1,417.96	1,402.25	1,386.05	1,714.68	1,691.79	1,670.00
Unpaved mileage	93.49	93.71	94.69	98.49	104.81	111.93	119.88	148.23	164.41	178.60
Traffic signals	310	301	293	259	165	N/A	N/A	N/A	N/A	N/A
Bridges	126	140	161	161	161	161	159	159	159	159
<b>Culture and recreation</b>										
Athletic Parks	15	15	15	15	15	15	14	13	13	13
Campgrounds	2	2	2	2	2	2	2	2	2	1
Community Centers	15	15	15	15	14	14	14	13	13	13
Equestrian Center	1	1	1	1	1	1	1	1	2	1
Neighborhood Parks	82	80	80	79	77	73	71	69	69	66
Undeveloped Parks	11	2	12	12	13	13	12	12	12	12
Beach Access/Boat Ramps	20	20	20	20	20	18	17	15	15	15
Libraries (locations)	6	5	6	5	N/A	N/A	N/A	N/A	N/A	N/A

N/A: Information not available

Sources: Individual County departments

<sup>(1)</sup> Source: Santa Rosa Island Authority and Community & Environment Bureau

<sup>(2)</sup> 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.

## **CONTINUING DISCLOSURE SECTION**

**(UNAUDITED)**

The continuing disclosure section includes information on each outstanding bond, other county debt and refunded bonds.

**PLEDGED REVENUES**

**(UNAUDITED)**

**REVENUES PLEDGED TO BONDS**

<u>YEAR</u>	<u>BOB SIKES BRIDGE</u>	<u>HALF-CENT SALES TAX</u>	<u>TOURIST DEVELOPMENT TAX</u>	<u>LEASE REVENUES</u>
1986		\$7,194,143	\$702,296	
1987		7,606,855	886,713	
1988		8,994,282	1,102,545	
1989		9,226,659	1,624,092	
1990		9,878,328	1,538,823	
1991		9,684,913	1,620,017	
1992		10,362,850	1,720,792	
1993		11,394,208	1,827,822	
1994	\$1,345,920	11,932,144	1,909,283	
1995	1,172,523	13,294,438	2,109,896	
1996	1,295,335	14,555,787	2,446,325	
1997	1,714,785	14,795,651	3,252,203	
1998	1,472,784	15,472,523	3,292,209	
1999	849,649	16,357,673	3,236,485	
2000	1,312,361	17,009,339	2,774,474	
2001	1,977,972	16,695,742	3,784,756	
2002	1,988,431	18,174,275	3,980,893	
2003	1,307,046	10,543,353	2,118,435	\$593,333
2004	1,854,835	19,478,506	3,575,792	600,000
2005	1,681,022	22,097,935	3,101,646	600,000
2006	1,860,780	22,889,330	3,652,354	600,000
2007	2,337,732	21,143,626	3,945,163	600,000
2008	2,091,663	20,076,803	4,149,626	600,000
2009	1,952,547	18,213,848	3,999,639	600,000
2010	2,136,856	18,089,862	3,788,567	600,000

**REVENUES PLEDGED TO BONDS  
BOB SIKES TOLL BRIDGE REVENUES**

**OVERVIEW**

The Bob Sikes Bridge connects Gulf Breeze, Florida, located in Santa Rosa County, to Pensacola Beach which is Escambia County. The bridge was operated and owned by the State of Florida, Department of Transportation prior to the County acquiring the bridge. Funding to purchase the bridge from the State was obtained from the issuance of the Road Improvement Revenue Bonds, Series 1993A (Refunded by Capital Improvement Revenue Bonds Series 2002) and 1993B. This bridge was opened in 1972 and is a two-mile long four-lane facility. Users of the bridge must pay tolls of:

Cash Tolls – One way onto Santa Rosa Island

Passenger Cars and Trucks	\$1.00
Commercial Trucks/Buses/ 3-or-more axles	\$1.00
Trailers	\$1.00

Annual Permits – Good for unlimited trips

Passenger Cars and Trucks	\$50.00
Commercial Trucks/Buses/ 3-or-more axles	\$70.00

(1993A Revenue Bonds were Redeemed by the Capital Improvement Bonds Series 2002.)

**PLEDGE:**

The net revenues generated from the Bob Sikes tolls, other incomes and the Constitutional Gas Tax revenues are pledged to payment of principal and interest of the Road Improvement Revenue Bonds, Series 1993B. The required debt coverage test for Additional Parity Bonds equals 1.75 times the Maximum Bond Service Requirement for all debt. The toll bridge revenue, along with the Santa Rosa Island Authority lease fees are pledged to the payment of the Capital Improvement Revenue Bonds Series 2002.

The 1993B Series was paid off in March 2006.

**TAX INFORMATION:**

Tax Rate – Tolls/ Permits  
Year Began – 1972

**REVENUES PLEDGED TO BONDS  
LOCAL GOVERNMENT HALF-CENT SALES TAX**

**OVERVIEW:**

Pursuant to Chapter 212.20(6) and 218.60-67, Florida Statutes, the State of Florida is authorized to levy and collect a sales tax on, among other things, the sales price of each item or article of tangible personal property sold at retail in the State of Florida, subject to certain exceptions and dealer allowances. Chapter 212 was amended in 1982 to increase the sales tax from 4% to 5% and was further amended in 1988 to increase the sales tax from 5% to 6%. One-half of the fifth cents was devoted to the Program, thus giving rise to the name "Half-Cent Sales Tax." Currently, the ordinary distribution to eligible County and Municipal Governments is possible due to the transfer of 8.814% of the net sales tax proceeds to the Local Government Half-Cent Sales Tax Trust Fund. The funds are earmarked for distribution to the governing body of such county and of each participating municipality within that county pursuant to the following distribution formula:

$$\begin{array}{rcl} \text{unincorporated area} & & 2/3 \text{ incorporated} \\ \text{population} & + & \text{area population} \\ \hline \text{total county} & & 2/3 \text{ incorporated} \\ \text{population} & + & \text{area population} \end{array}$$

Section 218.64, Florida Statutes, permits local governments to pledge their share of the proceeds for the payment of the principal and interest on bonds issued for the financing of any capital project.

**PLEDGE:**

The revenues generated from this tax are pledged to the payment of principal and interest on the Sales Tax Refunding Revenue Bonds, Series 2002 issued by the County. Required debt coverage for Additional Parity Bonds equals 1.35 times the Maximum Bond Service Requirement for all debt.

**TAX INFORMATION:**

Tax Rate – 8.814% of Adjusted Sales Tax Collections.

Year Began – 1982

**REVENUES PLEDGED TO BONDS  
TOURIST DEVELOPMENT TAX**

**OVERVIEW:**

Florida Statute 125.0104 provides for the imposition of the Tourist Development Tax. Three taxes are levied by the County: *Original 2% Tax*, *Additional 1% Tax* and the *Professional Sports Franchise Facility Tax*. Transient rental transactions and the sale of food and beverages consumed on hotel or motel premises located in specified charter counties are subject to the tax. The revenues generated from the tax may be used for certain types of capital construction, tourist promotion, and beach and shoreline maintenance.

The utilization of the funds collected from the Tourist Development Tax is governed by County Ordinance 2003-11. Revenues are allocated and applied only in order of priority as follows: 1) The operation, maintenance, improvement, etc. of civic arenas (sports, cultural, convention complexes) within the boundaries of Escambia County, including any payments required for debt service on obligations incurred for such purposes. 2) The financing of beach improvement, maintenance, erosion control, etc. of tourist facilities at Pensacola Beach and Perdido Key. 3) A minimum of 30% of the Tourist Tax collected (remaining after payment of 1 and 2) for the promotion, development and advertisement of Escambia County tourism. 4) Allocate a minimum of \$200,000 annually (remaining after payment of 1, 2, and 3) to the renewal and replacement fund for the Pensacola Civic Center financed from the Tourist Development Tax Revenues. 5) Any unspent and unencumbered Tourist Development Tax revenues will be used for any lawful purpose for Tourist Development.

**PLEDGE:**

The revenues generated from this tax are pledged to the payment of principal and interest on the Tourist Development Refunding Revenue Bonds, Series 2002 issued by the County. The debt coverage test for Additional Parity Bonds equals 1.5 times the Maximum Bond Service Requirement for all debt.

**TAX INFORMATION:**

Tax Rate – 3%

Year Began – 1977

Additional Tax Rate – 1%

Dates Effective:

May 1, 1996 – April 30, 1999

August 1, 2000 – The 1% tax shall automatically expire upon the retirement of all debt financing.

**REVENUES PLEDGED TO BONDS  
SANTA ROSA ISLAND AUTHORITY LEASE FEES**

**OVERVIEW:**

The Santa Rosa Island Authority was created in 1947 as the governing body for Pensacola Beach. Because of a deed restriction placed on the transfer of title from the US Department of Interior to Escambia County, the fee estate to all property on Pensacola Beach is owned by Escambia County. The Authority has leased such property to private individuals and corporations pursuant to leases that generally are for a term of ninety-nine (99) years. Leaseholders pay annual lease fees as follows:

Commercial – minimum fee ranging from \$100 to \$50,000 depending on type of lease or percentage of leaseholder’s gross income (1% - 5% depending on type of lease); whichever is greater.

Residential - \$100 - \$3,000 per year.

**PLEDGE:**

Santa Rosa Island Authority has pledged a guaranteed \$560,000 of lease fees annually toward the payment of principal and interest of the Capital Improvement Revenue Bonds Series 2002. Additionally, the Santa Rosa Island Authority has pledged a guaranteed \$40,000 of lease fees annually toward the payment of principal and interest of the Tourist Development Refunding Revenue Bonds, Series 2002. Both bonds have a required debt coverage test for Additional Parity Bonds equals 1.50 times the maximum Bond Service Requirement for all bonds then outstanding.

**TAX INFORMATION:**

Tax Rate – Lease Fees.  
Year Began – 2003

**OUTSTANDING BONDS**

**(UNAUDITED)**

**\$89,730,000**  
**ESCAMBIA COUNTY, FLORIDA**  
**SALES TAX REVENUE REFUNDING BONDS, SERIES 2002**

Dated: September 1, 2002  
(Unaudited)

**PURPOSE:**

The Sales Tax Refunding Revenue Bonds, Series 2002 were issued to finance the costs of refunding all of the Sales Tax Revenue Refunding Bonds, Series 1993; to finance the cost of certain capital improvement projects; and to pay a portion of the costs of issuance of the 2002 Bonds.

**SECURITY:**

The Bonds are secured by a pledge of, among other things, the proceeds of the Local Government Half-Cent Sales Tax, as defined and described in, and distributed to the County under, Part VI of Chapter 218, Florida Statutes, as amended, and by amounts held in certain funds and accounts held pursuant to the Bond Resolution on a parity with the Sales Tax Revenue Bonds, Series 1993.

**AGENTS:**

**Registrar** – SunTrust Bank, Trust and Investment Services Group, PO Box 3631, Orlando, FL 32802-3631

**Paying Agent** – US Bank, Attn: Brian Justice, EX-FL-UORT, 225 E. Robinson St., Ste. 250, Orlando, FL 32801, (407) 835-3813

**Bond Counsel** – Miller, Canfield, Paddock and Stone, PLC, 25 West Garden Street, Suite 500, Pensacola, FL 32502-5984

**RATINGS:**

Moody's – A2  
Standard & Poor's – A+  
Insurer – Ambac Assurance

**FORM:**

The 2002 Bonds are issued in fully registered form, in denominations of \$5,000 or any integral multiple thereof. Interest on the 2002 Bonds began payment on October 1, 2003, and semiannual thereafter on April 1 and October 1 of each year.

**ISSUED AS:**

\$41,355,000 Serial Bonds  
\$48,375,000 Term Bonds due 10/01/2033

**REDEMPTION PROVISIONS:**

2002 Bonds maturing prior to October 1, 2013, are not subject to redemption prior to their respective stated dates of maturity.

***Optional Redemption***

2002 Bonds maturing on October 1, 2013, and thereafter are subject to redemption in whole or in part on any interest payment date thereafter.

Redemption Period (dates inclusive)	Redemption	Price
10/01/2012 through 09/30/2013		101%
10/01/2013 and thereafter		100%

***Sinking Fund Redemption***

The 2002 Bonds due October 1, 2033 are subject to mandatory redemption in part prior to maturity by lot through Amortization Installments by operation of the Bond Amortization Account, at redemption prices equal to 100% of the principal amount thereof plus interest accrued to the redemption date.

**SALES TAX REVENUE REFUNDING BONDS, SERIES 2002**

(Continued)

**DEBT SERVICE SCHEDULE:**

(As of 09/30/2010)

(Unaudited)

Bond Year Ending Sept 30	%	Principal	Interest	Total Debt Service
	Interest Rate			
<u>Serial Bonds:</u>				
2011	3.25	\$1,985,000	\$3,761,815	\$5,746,815
2012	3.40	2,050,000	3,695,318	5,745,318
2013	3.65	2,120,000	3,625,618	5,745,618
2014	5.25	2,200,000	3,548,238	5,748,238
2015	5.25	2,315,000	3,432,738	5,747,738
2016	5.25	2,435,000	3,311,200	5,746,200
2017	5.25	2,565,000	3,183,363	5,748,363
2018	5.25	2,700,000	3,048,700	5,748,700
2019	5.00	2,840,000	2,906,950	5,746,950
2020	5.00	2,985,000	2,764,950	5,749,950
2021	5.00	3,130,000	2,615,700	5,745,700
2022	4.81	<u>3,290,000</u>	<u>2,459,200</u>	<u>5,749,200</u>
SUBTOTAL		<u>\$30,615,000</u>	<u>\$38,353,790</u>	<u>\$68,968,790</u>
2023	4.75	\$3,450,000	\$2,297,813	\$5,747,813
2024	4.75	3,615,000	2,133,937	5,748,937
2025	4.75	3,785,000	1,962,224	5,747,224
2026	4.75	3,965,000	1,782,437	5,747,437
2027	4.75	4,155,000	1,594,100	5,749,100
2028	4.75	4,350,000	1,396,738	5,746,738
2029	4.75	4,555,000	1,190,113	5,745,113
2030	4.75	4,775,000	973,750	5,748,750
2031	4.75	5,000,000	746,938	5,746,938
2032	4.75	5,240,000	509,438	5,749,438
2033	4.75	<u>5,485,000</u>	<u>260,538</u>	<u>5,745,538</u>
SUBTOTAL		<u>48,375,000</u>	<u>14,848,026</u>	<u>63,223,026</u>
TOTAL		<u><u>\$78,990,000</u></u>	<u><u>\$53,201,816</u></u>	<u><u>\$132,191,816</u></u>

**\$16,885,000**  
**ESCAMBIA COUNTY, FLORIDA**  
**TOURIST DEVELOPMENT REVENUE REFUNDING BONDS, SERIES 2002**  
Dated: October 1, 2002  
(Unaudited)

**PURPOSE:**

The 2002 Bonds were issued to:

1. Refund all of the County's Tourist Development Revenue Bonds, Series 1992.
2. Refund the County's outstanding promissory note payable to the Florida Local Government Finance Commission.
3. To finance the costs of acquiring, constructing and equipping certain capital improvement projects.
4. Pay the costs of issuance of the 2002 Bonds.

**SECURITY:**

The Bonds are payable solely from the Tourist Development Tax levied and collected by the County, and the income and earnings from investments in any fund or account created and held under the resolution.

**AGENTS:**

**Registrar** – The Bank of New York Mellon Corporation, Corporate Trust Department, 10161 Centurion Parkway, Jacksonville, FL or The Bank of New York Mellon Corporation, Church Street Station, PO Box 11214, New York, NY 10286-1214

**Paying Agent** – The Bank of New York Mellon Corporation, Corporate Trust Department, 10161 Centurion Parkway, Jacksonville, FL or The Bank of New York, Trust Company of Florida, NA, Church Street Station, PO Box 11214, New York, NY 10286-1214

**Bond Counsel** – Miller, Canfield, Paddock and Stone, PLC, 25 West Cedar Street, Suite 500, Pensacola, FL 32502-5984

**RATINGS:**

Moody's – A2  
Standard & Poor's – A  
Insurer – MBIA

**FORM:**

The Bonds are issued in fully registered form, in denominations of \$5,000 or any integral multiple thereof. Interest on the 2002 Bonds became payable October 1, 2003 and semiannually thereafter on April 1 and October 1.

**ISSUED AS:**

\$16,885,000 Serial Bonds, due 10/01/2019

**REDEMPTION PROVISIONS:**

The 2002 Bonds maturing October 1, 2013 and thereafter are subject to redemption prior to their stated dates of maturity at the option of the County, in whole, on any date, or in part, in such order of maturity as the County may elect on or after October 1, 2012 at the redemption price plus accrued interest to the redemption date.

Redemption Period (dates inclusive)	Redemption Price
Oct. 1, 2012 and thereafter	100%

**TOURIST DEVELOPMENT REVENUE BONDS, SERIES 2002**  
(Continued)

**DEBT SERVICE SCHEDULE:**  
(As of 09/30/2010)  
(Unaudited)

Bond Year Ending Sept 30	% Interest Rate	Principal	Interest	Total Debt Service
<u>Serial Bonds:</u>				
2011	3.20	\$995,000	\$430,190	\$1,425,190
2012	3.30	1,025,000	398,350	1,423,350
2013	3.50	1,065,000	364,525	1,429,525
2014	3.65	1,100,000	327,250	1,427,250
2015	5.00	1,145,000	287,100	1,432,100
2016	4.00	1,195,000	229,850	1,424,850
2017	4.00	1,245,000	182,050	1,427,050
2018	5.00	1,290,000	132,250	1,422,250
2019	5.00	1,355,000	67,750	1,422,750
TOTAL		<u>\$10,415,000</u>	<u>\$2,419,315</u>	<u>\$12,834,315</u>

**\$22,305,000**  
**ESCAMBIA COUNTY, FLORIDA**  
**CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2002**

Dated: November 15, 2002  
(Unaudited)

**PURPOSE:**

The bonds are being issued to finance the costs of acquiring, constructing and equipping certain capital improvements on Santa Rosa Island and to pay a portion of the costs of issuance of the 2002 bonds.

**SECURITY:**

The Bonds are payable solely from and secured by a lien upon and pledge of the Lease Revenues and the Net Toll Revenues.

**AGENTS:**

**Registrar** – The Bank of New York Mellon Corporation, Corporate Trust Department, 10161 Centurion Parkway, Jacksonville, FL or The Bank of New York Mellon Corporation, Church Street Station, PO Box 11214, New York, NY 10286-1214

**Paying Agent** – The Bank of New York Mellon Corporation, Bond Relations, Corporate Trust Operations, Fiscal Agencies Department, 101 Berkeley Street, 7-E, New York, NY 10286, (800) 254-2826

**Bond Counsel** – Miller, Canfield, Paddock and Stone, PLC, 25 West Garden Street, Suite 500, Pensacola, FL 32502-5984

**RATINGS:**

Moody's – A2  
Standard & Poor's – A  
Insurer – MBIA

**FORM:**

The 2002 Bonds are issued as fully registered bonds, without coupons, in denominations of \$5,000 or any integral multiple thereof. Interest on the 2002 Bonds began payment on October 1, 2003, and semiannual thereafter on April 1 and October 1 of each year.

**ISSUED AS:**

\$4,885,000 Serial Bonds  
\$17,420,000 Term Bonds due 10/01/2032

**REDEMPTION PROVISIONS:**

2002 Bonds maturing prior to October 1, 2013, are not subject to redemption prior to their respective stated dates of maturity.

***Optional Redemption***

2002 Bonds maturing on October 1, 2013, and thereafter are subject to redemption in whole or in part on any interest payment date thereafter.

Redemption Period (dates inclusive)	Redemption	Price
10/01/2012 through 09/30/2013		101%
10/01/2013 and thereafter		100%

***Sinking Fund Redemption***

The 2002 Bonds due October 1, 2032 are subject to mandatory redemption in part prior to maturity by lot through Amortization Installments by operation of the Bond Amortization Account, at redemption prices equal to 100% of the principal amount thereof plus interest accrued to the redemption date.

**CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2002**

(Continued)

**DEBT SERVICE SCHEDULE:**

(As of 09/30/2010)

(Unaudited)

<u>Serial Bonds:</u>				
2011	3.60	\$510,000	\$936,108	\$1,446,108
2012	3.85	530,000	917,748	1,447,748
2013		0	0	0
2014		0	0	0
2015		0	0	0
2016		0	0	0
2017	4.43	675,000	772,137	1,447,137
SUBTOTAL		<u>\$1,715,000</u>	<u>\$2,625,993</u>	<u>\$4,340,993</u>
<u>Term Bonds:</u>				
2014	5.25	\$1,130,000	\$1,765,300	\$2,895,300
2016	5.25	1,250,000	1,643,500	2,893,500
2022	4.75	3,870,000	3,361,313	7,231,313
2027	5.00	4,910,000	2,325,500	7,235,500
2032	5.00	6,260,000	969,000	7,229,000
SUBTOTAL		<u>17,420,000</u>	<u>10,064,613</u>	<u>27,484,613</u>
TOTAL		<u><u>\$19,135,000</u></u>	<u><u>\$12,690,606</u></u>	<u><u>\$31,825,606</u></u>

**OTHER COUNTY DEBT**

**(UNAUDITED)**

**OTHER COUNTY DEBT**  
(Unaudited)

Through issuance of its Capital Improvement Revenue Bond, Series 1997, the County was entitled to borrow up to \$10,000,000 from the Gulf Breeze, Florida Capital Funding Program to fund the acquisition and construction of certain capital improvement projects. Pledged revenues toward payment of the loan are electric franchise fees. Draws under the loan require monthly interest payments at variable rates equal to the PSA Municipal Market, plus a maximum 34 basis points. Annual principal payments began in October 2001. The loan was paid off in May 2010, therefore, as of September 30, 2010, the note balance was \$0.

On November 13, 2003, Escambia County issued Capital Improvement Revenue Bond, Series 2003 with the City of Gulf Breeze, Florida Capital Funding Revenue Bonds, Series 1997A Muni Exempt CPI Bonds. The Board intends to annually budget and appropriate revenues generated from the County's Work Release Program. Annual principal payments began October 1, 2004. The loan was paid off in May 2010, therefore, as of September 30, 2010, the note balance was \$0.

**LONG-TERM NOTE  
CITY OF GULF BREEZE  
CAPITAL IMPROVEMENT BOND, SERIES 1997  
(LOAN #1)  
(Unaudited)**

**Line of Credit:** \$10,000,000

**Term:** Annual principal payments to begin  
October 1, 2001

**Dated:** May 20, 1997

**Interest Rate:** PSA Municipal Market Rate (Limit  
34 Basis Points)

**Purpose:** Fund acquisition and construction of  
capital improvement projects.

**Assumed Rate:** .74%

**Collateral:** Escambia County Electric Franchise  
Fees

**Maturity Date:** October 1, 2017

**SCHEDULE OF PAYMENTS  
(As of 09/30/2010)**

Loan was paid off in its entirety during fiscal 2010.

**LONG-TERM NOTE  
CITY OF GULF BREEZE  
CAPITAL IMPROVEMENT BOND, SERIES 2003  
(LOAN #4)  
(Unaudited)**

**Loan Amount:** \$3,000,000

**Collateral:** Unsecured

**Dated:** November 13, 2003

**Interest Rate:** .74%

**Purpose:** Construction of the Work Release  
Residential Project

**Maturity Date:** October 1, 2017

**SCHEDULE OF PAYMENTS  
(As of 09/30/2010)**

Loan was paid off in its entirety during fiscal 2010

**REFUNDED BONDS**

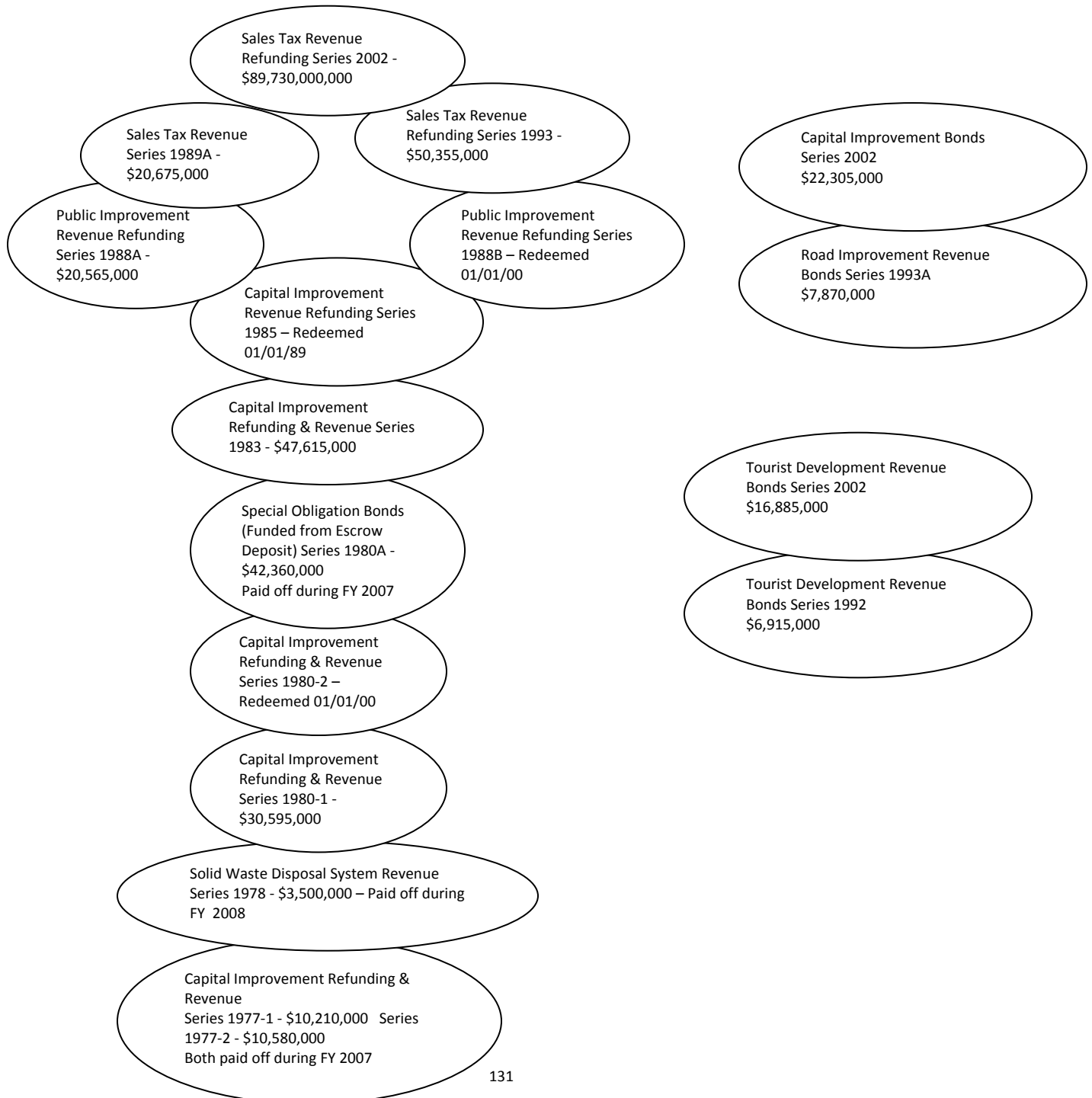
**(UNAUDITED)**

**ESCAMBIA COUNTY  
OUTSTANDING REFUNDED DEBT**

As of September 30, 2010

(Unaudited)

Some bond issues have been refunded by other bond issues. This schedule traces each bond issue from its origination to the bond issue currently outstanding. Details of each outstanding refunded bond issue are provided in this section.



**\$30,595,000**  
**ESCAMBIA COUNTY, FLORIDA**  
**CAPITAL IMPROVEMENT REFUNDING AND REVENUE BONDS**  
**SERIES 1980-1**

Dated: December 1, 1980  
(Unaudited)

**FORM:**

The Series 1980-1 Bonds were issued as coupon bonds, registered as to principal only, in the denomination of \$5,000.

**REFUNDED BY:**

Escambia County, Florida, Capital Improvement Refunding Revenue Bonds, Series 1983.

**AGENTS:**

**Registrar** – AmSouth Bank, Birmingham, AL

**Paying Agent** – The Bank of New York Mellon Corporation, Bond Relations, Corporate Trust Operations, Fiscal Agencies Department, 101 Barkley Street, 7-E, New York, NY 10286, (800) 254-2826

**Escrow Agent** – The Bank of New York Mellon Corporation, Corporate Trust Department, 10161 Centurion Parkway, Jacksonville, FL or The Bank of New York Mellon Corporation, Church Street Station, PO Box 11214, New York, NY 10286-1214

**Bond Counsel** – Freeman, Richardson, Watson, Kelly & Livermore, PA, Jacksonville, FL

**Transfer Agent** – Bank of New York Mellon Corporation, 101 Barclay Street, Lobby Level, Corporate Trust Service Window, New York, NY 10286, Attention: Fiscal Agency Department

**INITIAL RATINGS:**

Standard & Poor's – AAA  
Insurer – MBIA

**CALL PROVISIONS:**

Escrowed to maturity.

**SUMMARY OF REMAINING DEBT SERVICE**

(As of 09/30/2010)

Paid off January 1, 2010

**\$47,615,000**  
**ESCAMBIA COUNTY, FLORIDA**  
**CAPITAL IMPROVEMENT REFUNDING REVENUE BONDS**  
**SERIES 1983**

Dated: September 22, 1983  
(Unaudited)

**FORM:**

The Series 1983 Bonds were issued as fully registered bonds, in the denomination of \$5,000 or integral multiples thereof.

**Escrow Agent** – The Bank of New York Mellon Corporation, Corporate Trust Department, 10161 Centurion Parkway, Jacksonville, FL or The Bank of New York Mellon Corporation, Church Street Station, PO Box 11214, New York, NY 10286-1214

**REFUNDED BY:**

Escambia County, Florida, Capital Improvement Revenue and Refunding Bonds, Series 1985.

**Bond Counsel** – Livermore, Klein & Lott, PA, Jacksonville, FL

**AGENTS:**

**Registrar** – SunTrust Bank, Trust and Investment Services Group, PO Box 3631, Orlando, FL 32802-3631

**INITIAL RATINGS:**

Standard & Poor’s – AAA  
Insurer – MBIA

**Paying Agent** – US Bank, Attn: Brian Justice, EX-FL-UORT, 225 E. Robinson St., Ste. 250, Orlando, FL 32801, (407) 835-3813

**CALL PROVISIONS:**

Paid from Escrow Account at the following schedule:

1993 – 2009 called January 1, 1993  
2010 – 2011 paid as scheduled

**SUMMARY OF REMAINING DEBT SERVICE**  
(As of 09/30/2010)

Bond Year Ending January 1	% Interest Rate	Principal	Interest	Total Debt Service
2011	7.500	<u>\$1,565,000</u>	<u>\$117,376</u>	<u>\$1,682,376</u>

**\$6,915,000**  
**ESCAMBIA COUNTY, FLORIDA**  
**TOURIST DEVELOPMENT REVENUE BONDS**  
**SERIES 1992**

Dated: September 1, 1992  
(Unaudited)

**FORM:**

The Series 1992 Bonds were issued as fully registered bonds, in the denomination of \$5,000 or integral multiples thereof.

Operations, Fiscal Agencies Department, 101 Barkley Street, 7-E, New York, NY 10286, (800) 254-2826.

**Bond Counsel** – Miller, Canfield, Paddock and Stone, PLC, 25 West Cedar Street, Suite 500, Pensacola, FL 32502-5984

**REFUNDED BY:**

Escambia County, Florida, Tourist Development Revenue Refunding Bonds, Series 2002.

**INITIAL RATINGS:**

Moody's – Aaa  
Standard & Poor's – AAA  
Insurer – FGIC

**AGENTS:**

**Registrar** – The Bank of New York Mellon Corporation, Corporate Trust Department, 10161 Centurion Parkway, Jacksonville, FL or The Bank of New York Mellon Corporation, Church Street Station, PO Box 11214, New York, NY 10286-1214

**Paying Agent** – The Bank of New York Mellon Corporation, Bond Relations, Corporate Trust

**CALL PROVISIONS:**

Paid from Escrow Account at the following schedule:

2004 – 2012 as scheduled

**SUMMARY OF REMAINING DEBT SERVICE**  
(As of 09/30/2010)

Bond Year Ending December	% Interest Rate	Principal	Interest	Total Debt Service
2011	6.000	\$525,000	\$64,800	\$589,800
2012	6.000	555,000	33,300	588,300
TOTALS		<u>\$1,080,000</u>	<u>\$98,100</u>	<u>\$1,178,100</u>

**\$50,355,000**  
**ESCAMBIIA COUNTY, FLORIDA**  
**SALES TAX REVENUE REFUNDING BONDS**  
**SERIES 1993**

Dated: April 1, 1993  
(Unaudited)

**FORM:**

The Series 1989A Bonds were issued as fully registered bonds, in the denomination of \$5,000 or integral multiples thereof.

Ste. 250, Orlando, FL 32801, (407) 835-3813  
**Bond Counsel** – Miller, Canfield, Paddock and Stone, PA, 25 West Cedar Street, Suite 500, Pensacola, FL 32502-5984

**REFUNDED BY:**

Escambia County, Florida, Sales Tax Revenue Refunding Bonds, Series 2002.

**INITIAL RATINGS:**

Moody's – Aaa  
Standard & Poor's and Fitch's – AAA  
Insurer – FGIC

**AGENTS:**

**Registrar** – SunTrust Bank, Trust and Investment Services Group, PO Box 3631, Orlando, FL 32802-3631

**Paying Agent** – US Bank, Attn: Brian Justice, EX-FL-UORT, 225 E. Robinson St.,

**CALL PROVISIONS:**

Paid from Escrow Account at the following schedule:

2004 – 2015 as scheduled

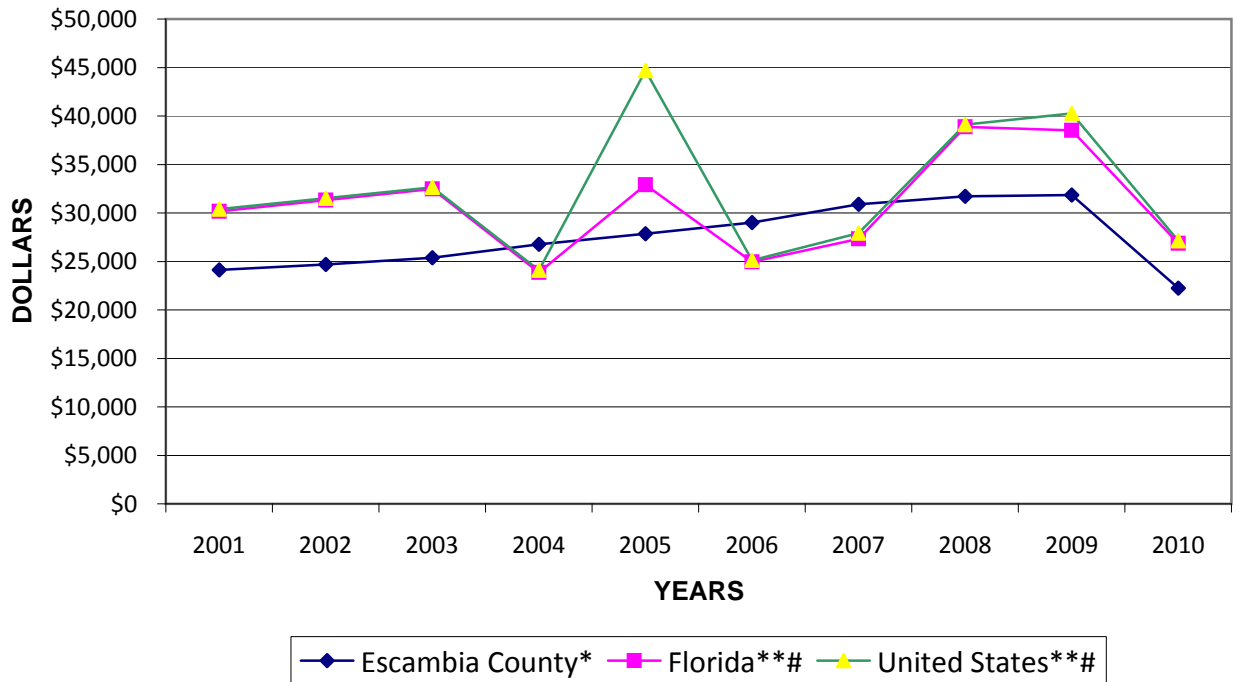
**SUMMARY OF REMAINING DEBT SERVICE**  
(As of 09/30/2010)

Bond Year Ending January 1	% Interest Rate	Principal	Interest	Total Debt Service
2011	5.8000	\$4,325,000	\$1,407,950	\$5,732,950
2012	5.8000	4,570,000	1,157,100	5,727,100
2013	5.8000	4,835,000	892,040	5,727,040
2014	5.8000	5,120,000	611,610	5,731,610
2015	5.8000	5,425,000	314,650	5,739,650
TOTALS		\$24,275,000	\$4,383,350	\$28,658,350

# **ECONOMIC INDICATORS**

**(UNAUDITED)**

## PER CAPITA INCOME - COMPARISON

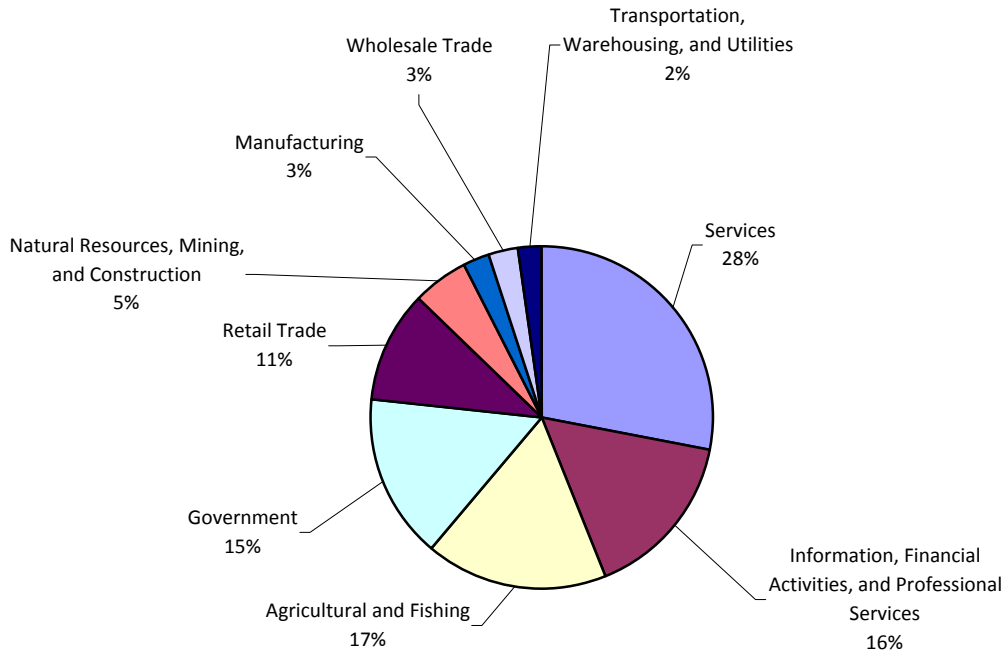


(Unaudited)

Year	Escambia County*	Florida**	United States**
2001	\$24,140	\$30,164	\$30,404
2002	\$24,702	\$31,322	\$31,529
2003	\$25,376	\$32,479	\$32,653
2004	\$26,758	\$23,862	\$24,092
2005	\$27,858	\$32,914	\$44,684
2006	\$29,003	\$24,945	\$25,129
2007	\$30,893	\$27,311	\$27,916
2008	\$31,707	\$38,891	\$39,097
2009	\$31,856	\$38,527	\$40,255
2010	\$22,231	\$26,876	\$27,138

Sources: \*Bureau of Economic Analysis from 2000 through 2004. [www.bebr.ufl.edu](http://www.bebr.ufl.edu)  
 Estimated 2005 through 2010 based on historical growth.  
 \*\*Pensacola Area Chamber of Commerce 2000 - 2008. [www.pensacolachamber.com](http://www.pensacolachamber.com)  
 \*\*#University of West Florida Haas Center for Business Research and Econ. Dev. 2009 - 2010.  
[www.haasinfo@uwf.edu](mailto:www.haasinfo@uwf.edu)

**EMPLOYMENT BY INDUSTRY IN  
LOCAL AREA BY METROPOLITAN STATISTICAL AREA (MSA)  
SEPTEMBER 2010**

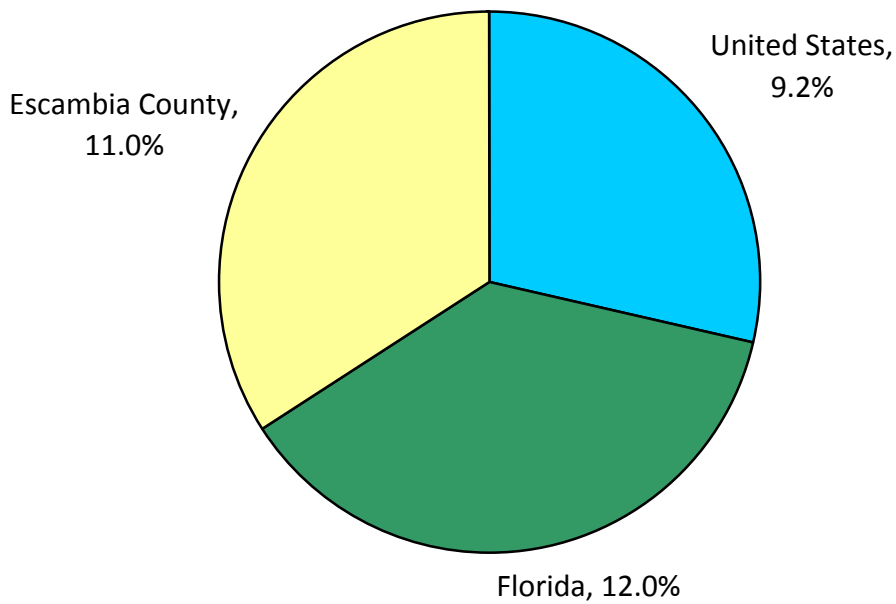


(Unaudited)

<u>Industry</u>	<u>Employees</u>	<u>% of Total</u>
Services	53,800	27.97%
Information, Financial Activities, and Professional Services	30,800	16.01%
Agricultural and Fishing	33,122	17.22%
Government	29,700	15.44%
Retail Trade	20,200	10.50%
Natural Resources, Mining, and Construction	10,100	5.25%
Manufacturing	5,000	2.60%
Wholesale Trade	5,200	2.70%
Transportation, Warehousing, and Utilities	4,400	2.29%

Source: Labor Market Statistics (Florida Agency for Workforce Innovation)  
[www.labormarketinfo.com](http://www.labormarketinfo.com)

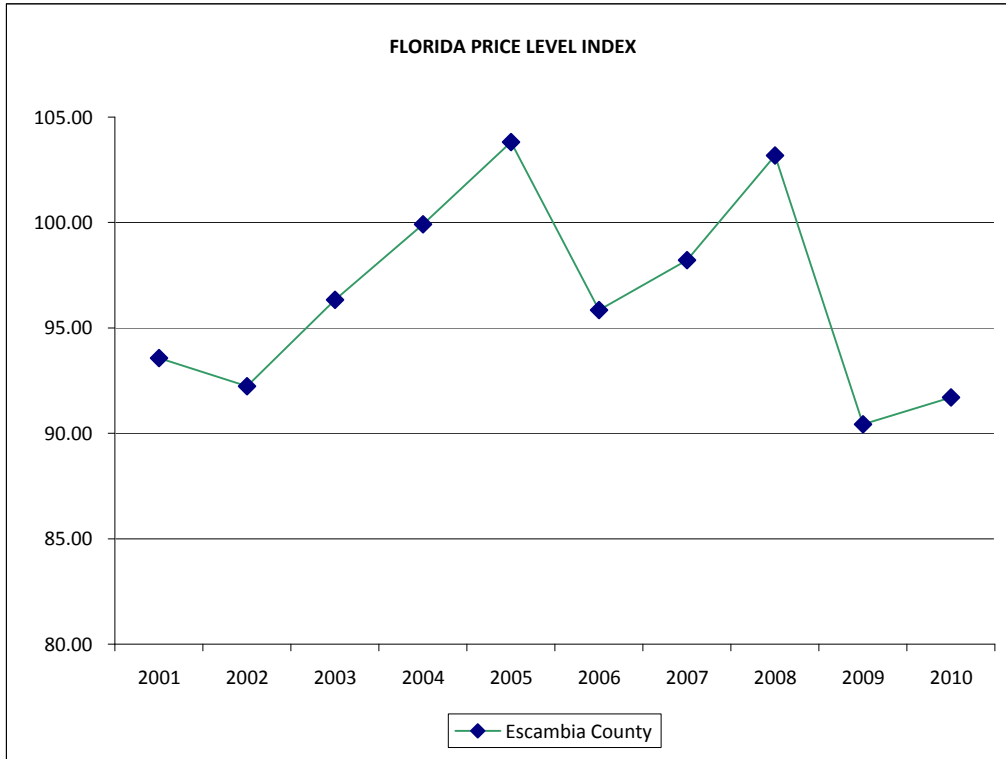
**UNEMPLOYMENT RATE  
SEPTEMBER 2010**



(Unaudited)

<u>Location</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Unemployment Rate</u>
United States	139,715,000	14,140,000	9.2%
Florida	8,167,000	1,118,000	12.0%
Escambia County	127,204	15,696	11.0%

Source: Labor Market Statistics (Florida Agency for Workforce Innovation) (Sept., 2010)  
[www.labormarketinfo.com/laus](http://www.labormarketinfo.com/laus)



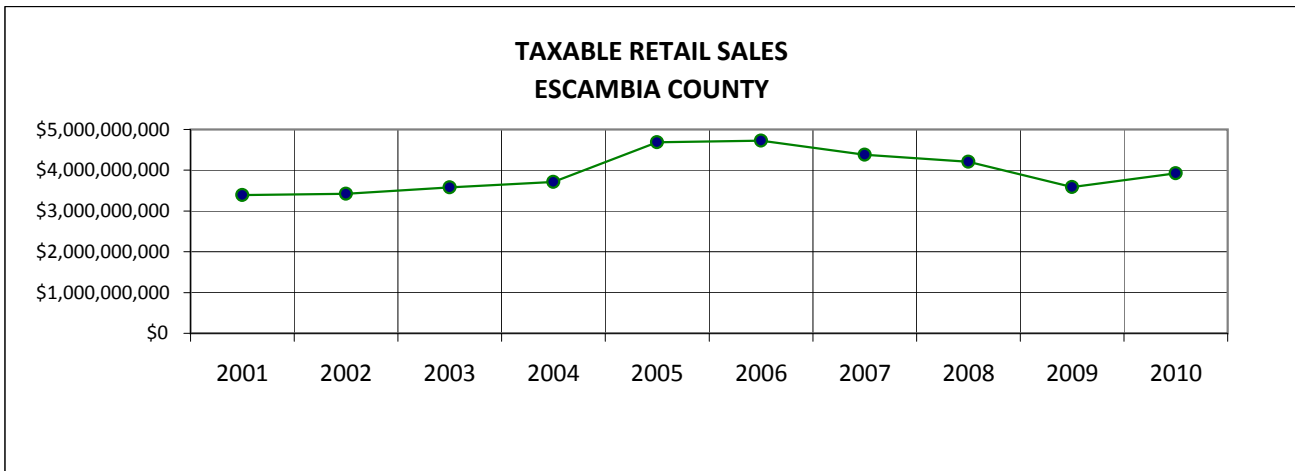
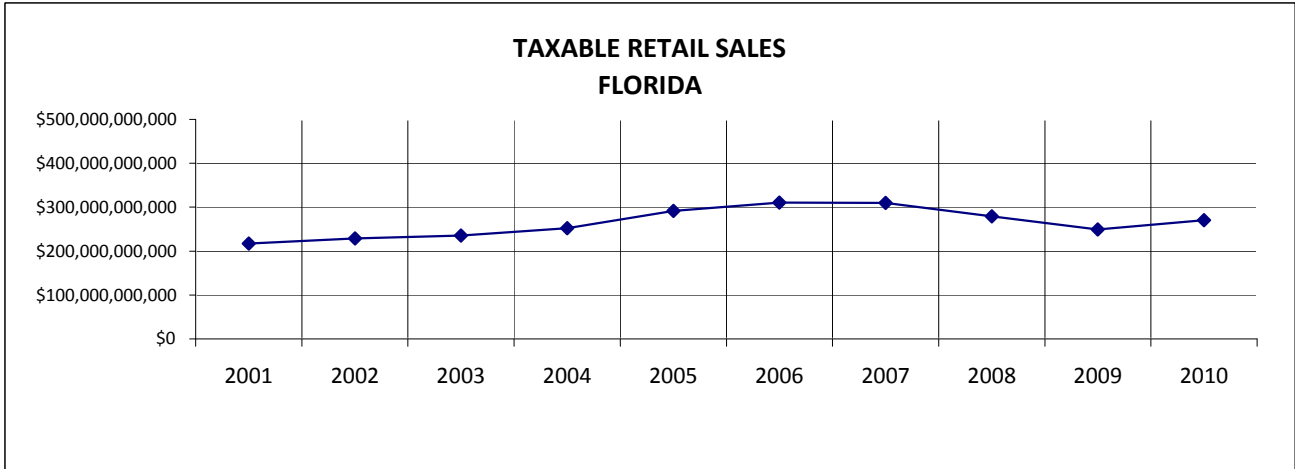
(Population Weighted Average = 100.00)

(Unaudited)

<u>Year</u>	<u>Index Level</u>	<u>Escambia County Rank (out of 67)</u>
2001	93.57	48
2002	92.24	42
2003	96.34	38
2004	99.92	49
2005	103.81	49
2006	95.85	55
2007	98.22	50
2008	103.17	50
2009	90.43	42
2010	91.70	41

The Florida Price Level Index measures the difference from county to county in the cost of purchasing a specific market basket of goods and services at a particular point in time.

Source: Bureau of Labor Statistics--Consumer Price Index for South Urban area  
[www.bls.gov](http://www.bls.gov)  
 The 2009 Florida Price Level Index, Bureau of Economic and Business Research  
[www.bebr.ufl.edu](http://www.bebr.ufl.edu)

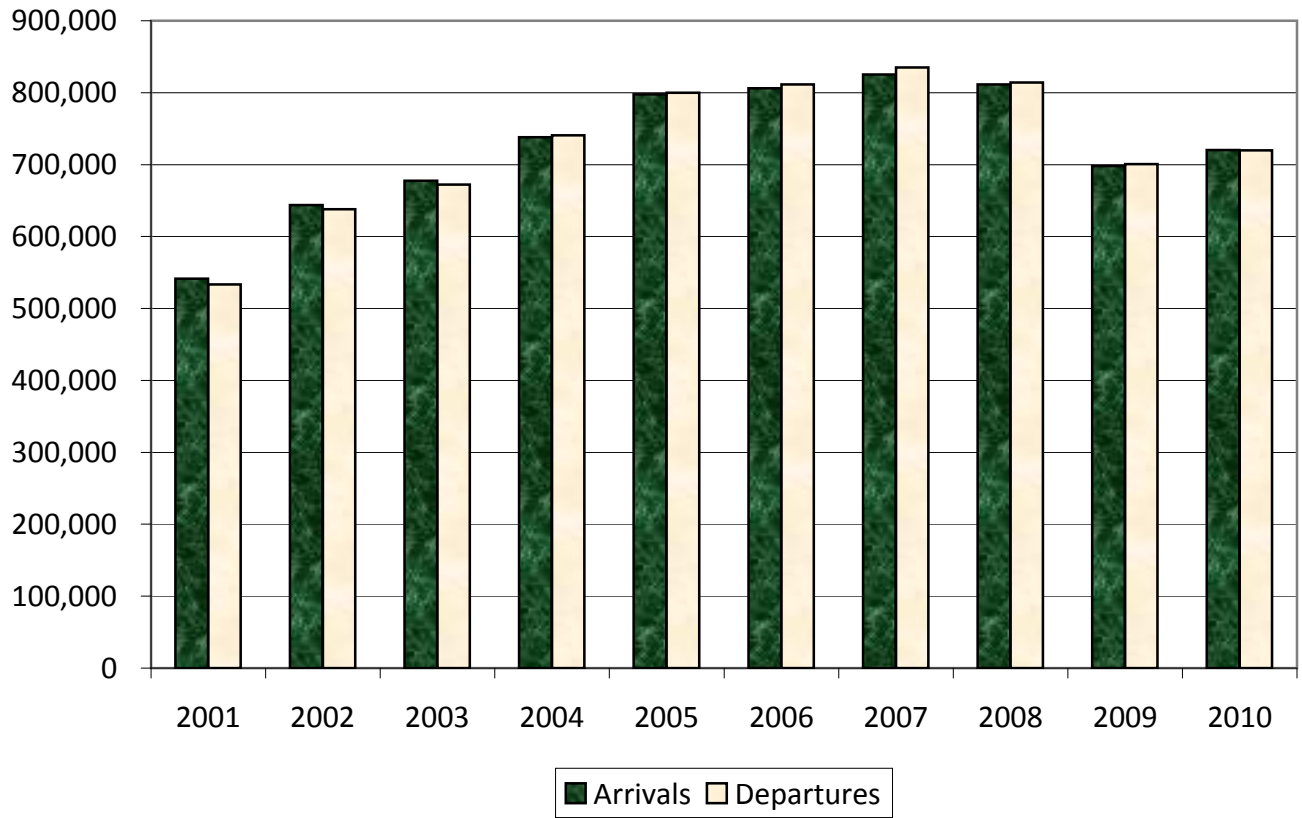


(Unaudited)

<u>Year</u>	<u>Florida</u>	<u>Escambia County</u>	<u>Escambia / Florida</u>
2001	\$217,304,369,500	\$3,389,946,900	1.56%
2002	\$228,751,266,400	\$3,421,082,300	1.50%
2003	\$235,060,576,500	\$3,582,899,500	1.52%
2004	\$251,897,883,800	\$3,714,745,800	1.47%
2005	\$291,285,863,200	\$4,683,988,200	1.61%
2006	\$310,598,817,000	\$4,728,073,100	1.52%
2007	\$309,632,694,400	\$4,379,095,000	1.41%
2008	\$279,196,000,300	\$4,206,176,800	1.51%
2009	\$249,172,039,300	\$3,586,177,300	1.44%
2010	\$270,262,221,400	\$3,923,675,600	1.45%

Source: 2010 Local Government Financial Information Handbook  
 Office of Economic and Demographic Research (EDR)  
[www.edr.state.fl.us/Content](http://www.edr.state.fl.us/Content)

## VISITORS BY AIR

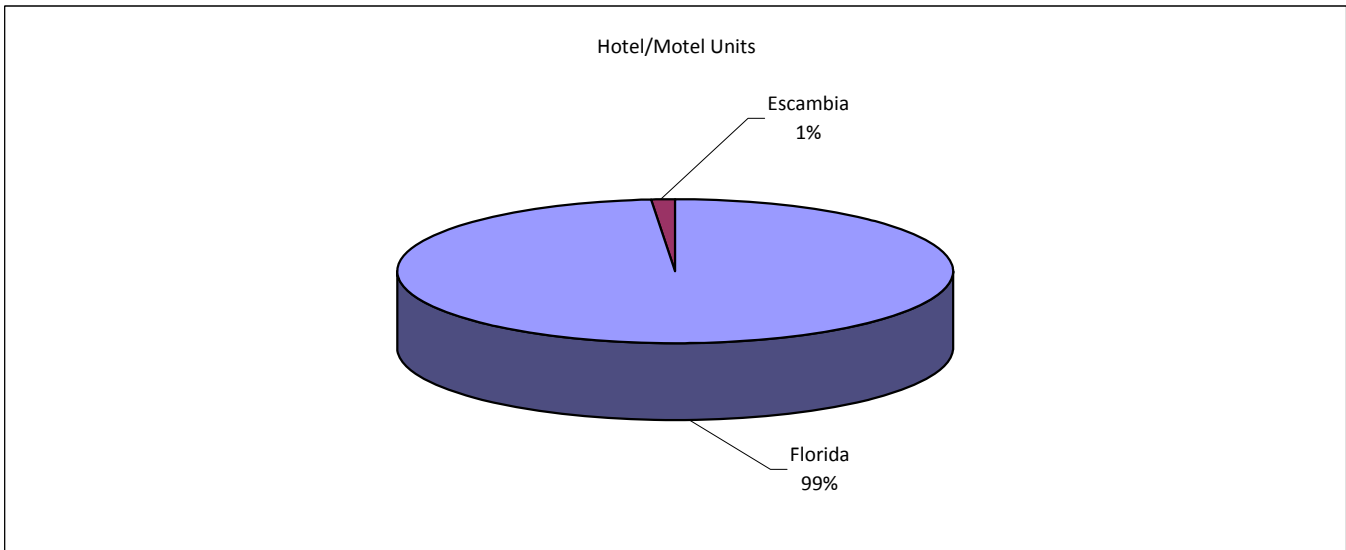
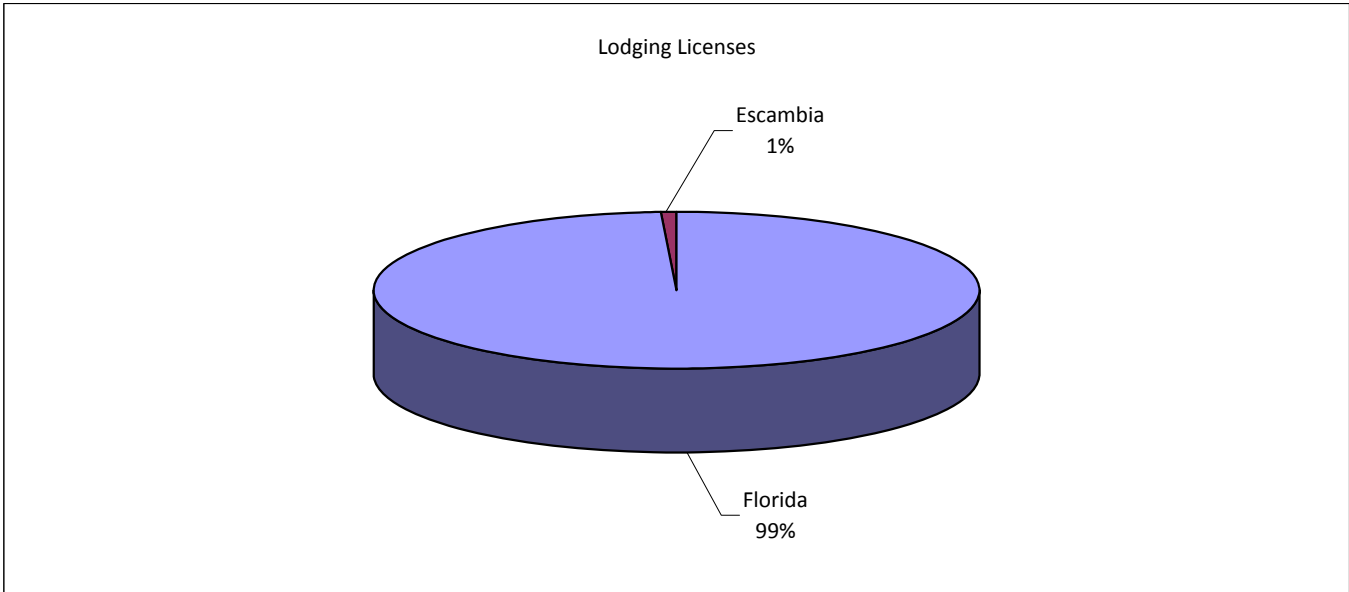


(Unaudited)

<u>Year</u>	<u>Arrivals</u>	<u>Departures</u>
2001	541,263	533,513
2002	643,730	637,885
2003	677,554	672,397
2004	737,998	740,608
2005	797,545	799,907
2006	805,953	811,291
2007	825,424	835,121
2008	811,324	814,279
2009	697,840	700,662
2010	720,092	719,648

Source: Pensacola Gulf Coast Regional Airport  
<http://www.flypensacola.com/about/air-service-development/?page=15789>  
 Enplanement (board aircraft-departures) and Deplanement (disembark aircraft-arrivals) Statistics

**Comparison of Lodging**

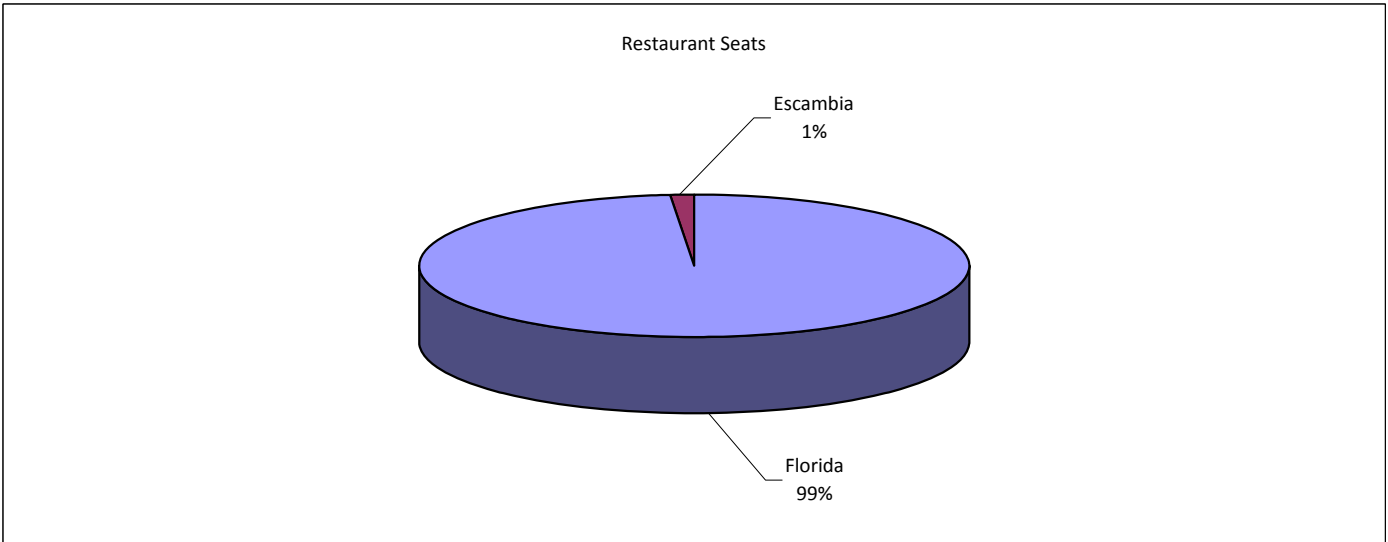
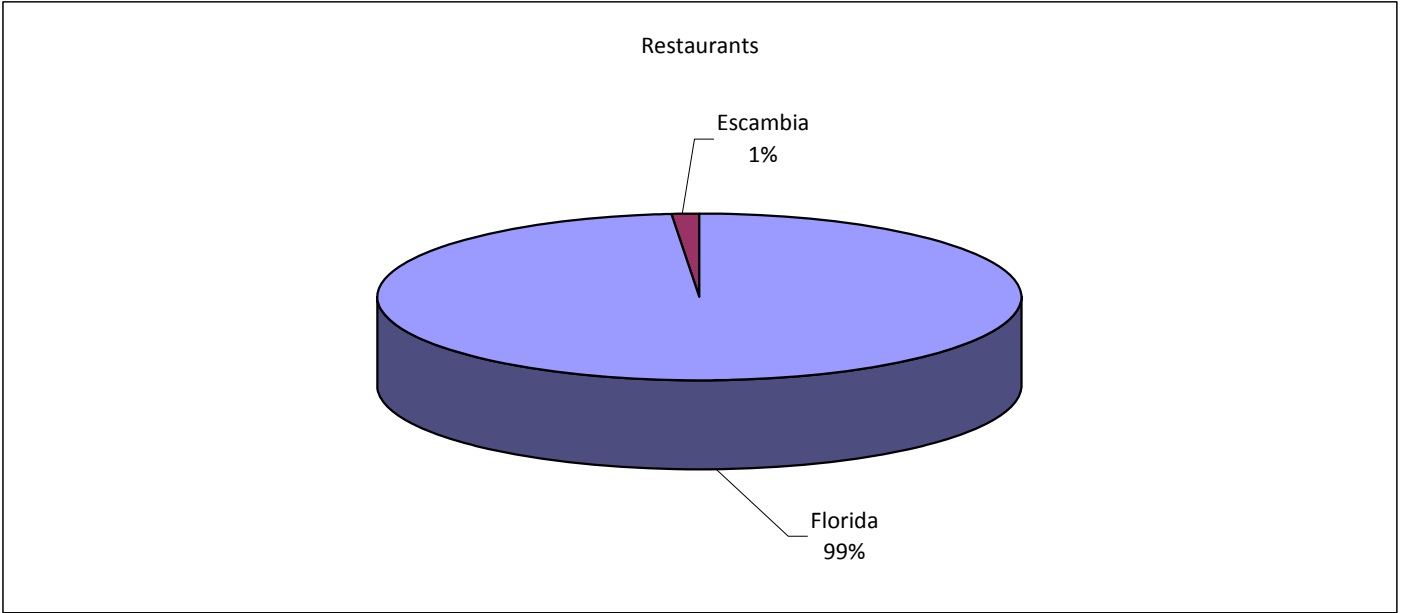


(Unaudited)

<u>Items</u>	<u>Florida</u>	<u>Escambia</u>	<u>Escambia/Florida</u>
Lodging Licenses	36,583	321	0.88%
Hotel/Motel Units	1,523,290	22,639	1.49%

Source: Department of Business and Professional Regulation  
 Division of Hotels and Restaurants - Bureau of Licensure  
<http://www.myfloridalicense.com/dbpr/hr/reports/statistics/hr-statistics.html>

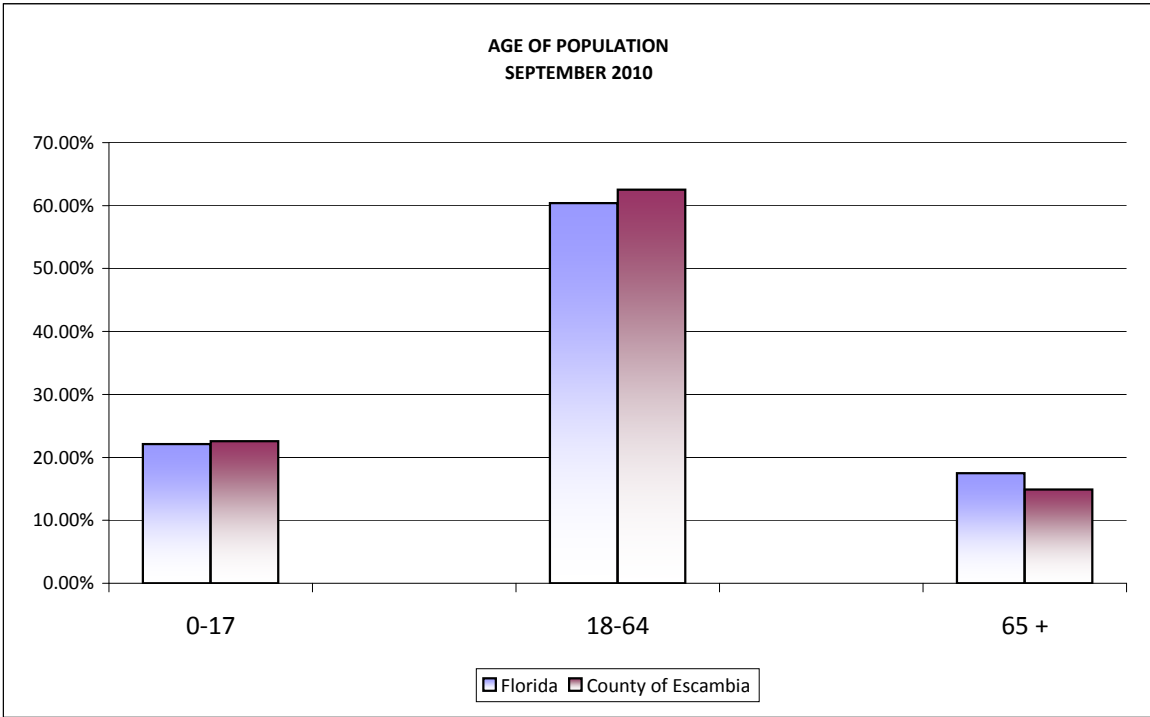
**Comparison of Restaurants**



(Unaudited)

<u>Items</u>	<u>Florida</u>	<u>Escambia</u>	<u>Escambia/ Florida</u>
Restaurants	45,952	640	1.39%
Restaurant Seats	3,636,782	54,596	1.50%

Source: Department of Business and Professional Regulation  
 Division of Hotels and Restaurants - Bureau of Licensure  
<http://www.myfloridalicense.com/dbpr/hr/reports/statistics/hr-statistics.html>



(Unaudited)

Age		Florida		Age		County of Escambia	
0-17	4,142,059	% of Population	22.09%	0-17	70,601	% of Population	22.56%
18-64	11,325,034	% of Population	60.40%	18-64	195,702	% of Population	62.53%
65 +	3,283,390	% of Population	17.51%	65 +	46,677	% of Population	14.91%

Source: Office of Economic & Demographic Research - The Florida Legislature (August 2010)  
[www.edr.state.fl.us](http://www.edr.state.fl.us)

