

**ERNIE LEE MAGAHA
ESCAMBIA COUNTY
CLERK and COMPTROLLER**

PRESENTS

**The Citizen's Report
For Fiscal Year 2010**

**A Summary Report of the
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Fiscal Year Ended September 30, 2010**



Independent Auditor's Report

- An unqualified or "clean" opinion was given on the basic financial statements of Escambia County. The auditor can state without reservation, that the financial statements are fairly presented in all material respects in conformity with generally accepted accounting principles
- No instances of material weaknesses or reportable conditions were noted in the system of internal control



Financial Highlights

- Total Net Assets increased \$12 million in governmental activities
- Total Net Assets increased \$11 million in business activities
- The General Fund has an unreserved fund balance of \$31 million
- Total bonded debt, leases and loans decreased \$13 million due to principal repayments made in FY 2010



Financial Highlights (continued)

- Increases in grant revenues include:
 - ✓ FEMA revenues of \$2.2 million
 - ✓ BP Grants for Tourism Promotion of \$2.7 million
 - ✓ FTA Grant for capital purchases of \$3.3 million
- Debt payable decreased by \$13 million mainly due to the \$9 million early payoff of the Capital Improvement Notes



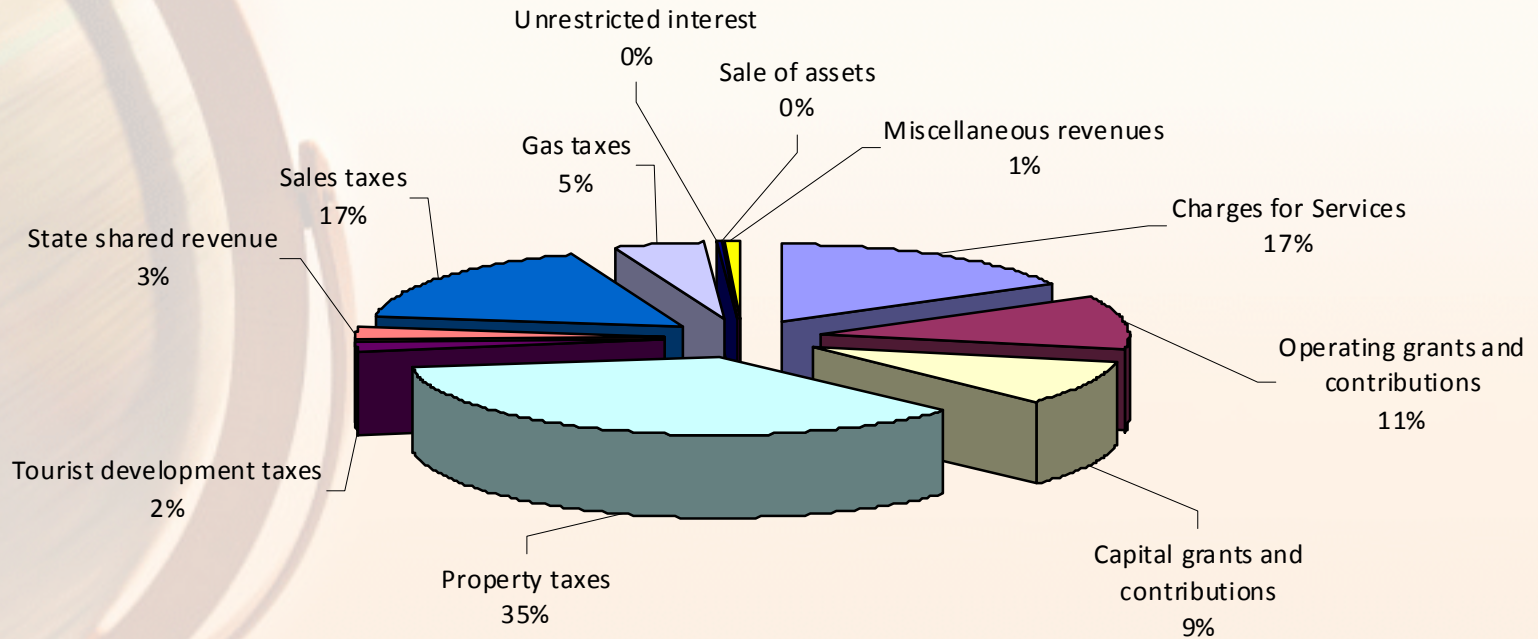
Financial Ratios and Stats

- Current Assets to Current Liabilities is 4.87 : 1
- Per capita cost for the general fund = \$527
- Approximately 13,000 vendor checks written annually, or more than \$150 million annually
- Debt Service to Total Expenditures is 6.8% compared to 4.54% last year. The increase is due to the early payoff of two outstanding loans

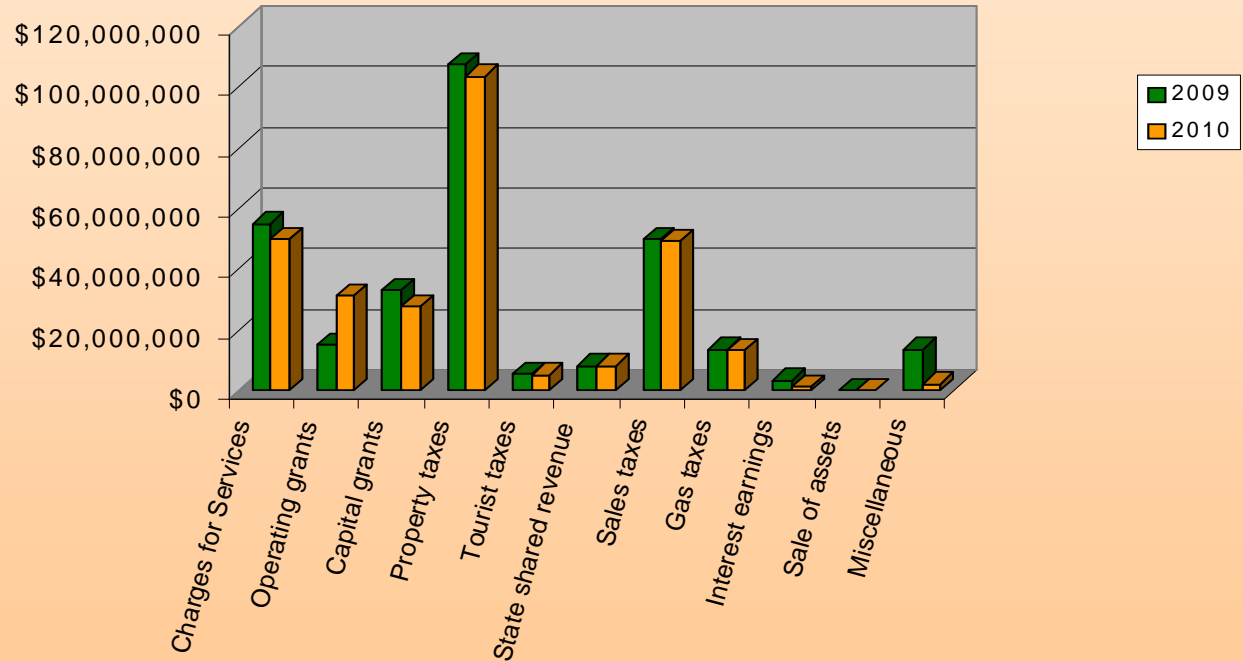


Revenues by Source

Governmental Activities - Revenue by Source For the Fiscal Year 2010



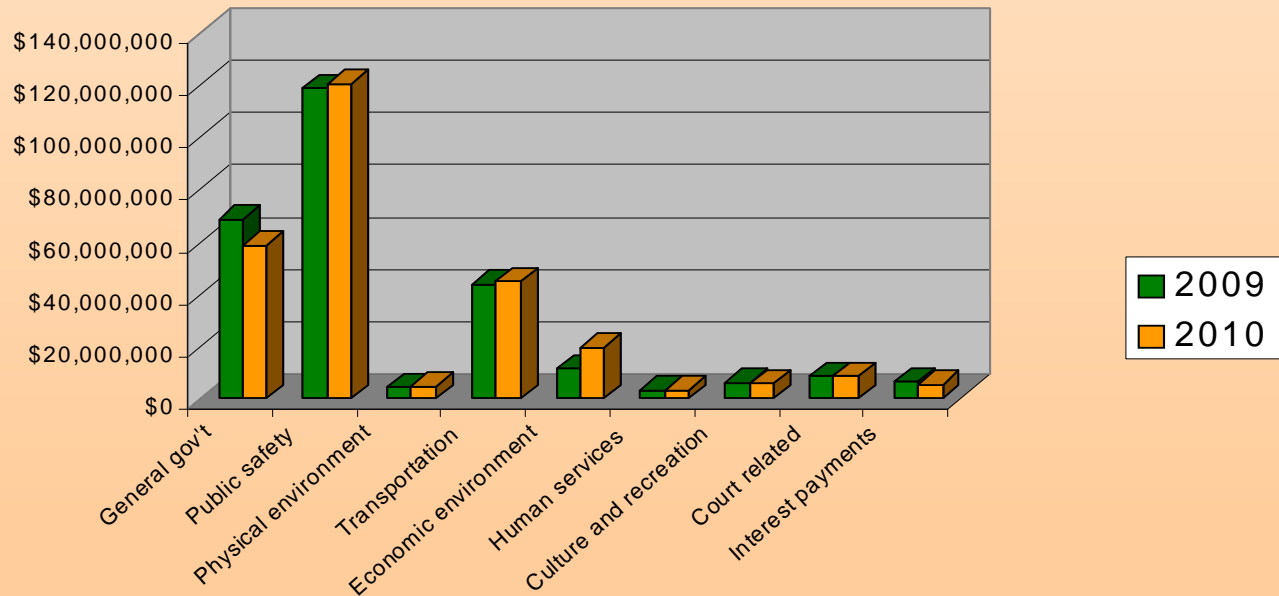
Governmental Activities Revenue Two-Year Comparison



- Overall, revenue decreased \$12.8 million or 4.23%
- An increase was noted in Operating grants of \$15.8 million
- Most notable in the comparison are decreases in:
 - Charges for services of about \$5 million
 - Capital Grants of about \$5.6 million
 - Property Taxes of about \$3.9 million



Cost of Governmental Activities Two-Year Comparison



- Overall, governmental activities decreased a modest \$814,591 or .3%
- Most noteworthy in the comparison is a decrease of about \$10 million in general governmental functions, with modest increases or decreases in the other categories



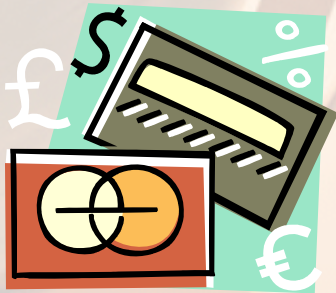
Major Fund Activity Summary

- Major Funds include:
 - General Fund
 - Disaster Recovery Fund
 - Community Redevelopment Agency (CRA) Fund
 - Transportation Fund
 - Local Option Sales Tax (LOST) Fund

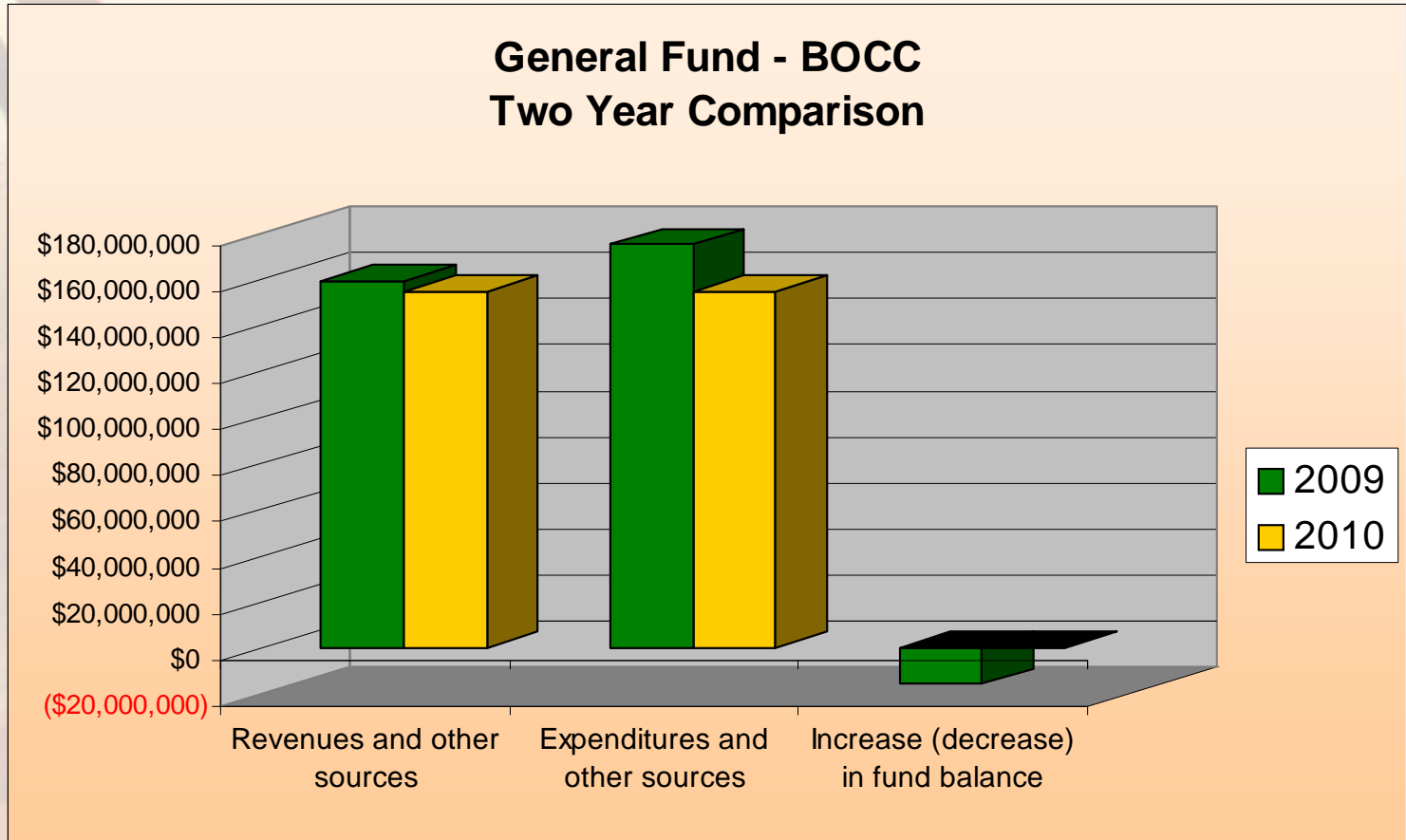


General Fund

- Ad Valorem taxes decreased \$3.9 million or 3.6% and accounts for 67% of the General Fund revenue
- Total Expenditures decreased 7.58%
- Current year revenue did not cover current year expenditures resulting in a deficit of \$432,961, which was covered by the use of existing Fund Balance
- Transfers to Elected Officials decreased 5.18%
- There are 9.3 months worth of operating expenditures in the General Fund's unreserved Fund Balance



General Fund Summary Comparison



General Fund – BOCC

Revenues

	2009	2010	Difference	% change
Taxes	\$ 112,968,836	\$ 107,235,651	\$ (5,733,185)	-5.08%
Permits & Fees	13,125,173	13,561,635	436,462	3.33%
Intergovernmental	25,092,789	25,192,184	99,395	0.40%
Charges for services	2,091,133	2,176,725	85,592	4.09%
Fines & Forfeitures	49,002	23,365	(25,637)	-52.32%
Investment income	528,020	303,045	(224,975)	-42.61%
Miscellaneous	2,363,774	1,816,139	(547,635)	-23.17%
Insurance Reimb	73,394	59,110	(14,284)	-19.46%
Transfers In	3,690,537	4,777,094	1,086,557	29.44%
	<u>\$ 159,982,658</u>	<u>\$ 155,144,948</u>	<u>\$ (4,837,710)</u>	-3.02%

Expenditures

	2009	2010	Difference	% Change
General	\$ 37,982,166	\$ 32,134,680	\$ (5,847,486)	-18.20%
Public Safety	4,761,006	3,747,756	(1,013,250)	-27.04%
Physical environ	953,833	937,093	(16,740)	-1.79%
Human services	2,400,822	2,296,983	(103,839)	-4.52%
Culture/Rec	1,623,890	1,366,350	(257,540)	-18.85%
Transfers Out	127,995,630	115,095,047	(12,900,583)	-11.21%
	<u>\$ 175,717,347</u>	<u>\$ 155,577,909</u>	<u>\$ (20,139,438)</u>	-12.94%



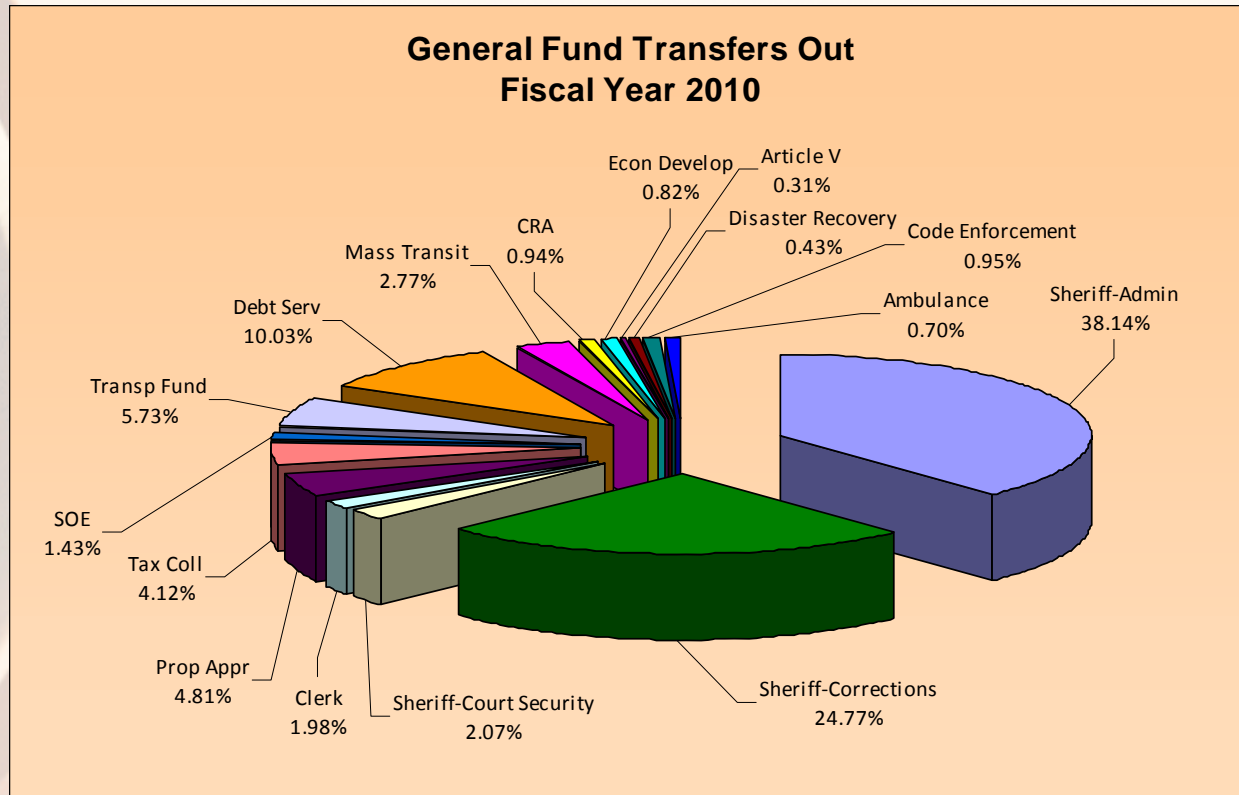
General Fund Transfer Out Activity

- Transfers to Elected Officials equal 57% of the total General Fund Budget

	2009	2010	Difference	% change
Sheriff - Admin	\$ 46,353,657	\$ 43,902,714	\$ (2,450,943)	-5.29%
Sheriff - Corrections	30,404,625	28,510,411	(1,894,214)	-6.23%
Sheriff - Court Security	1,838,598	2,388,330	549,732	29.90%
Clerk	2,327,290	2,275,331	(51,959)	-2.23%
Prop Appr	6,205,138	5,542,134	(663,004)	-10.68%
Tax Coll	4,847,338	4,739,378	(107,960)	-2.23%
SOE	1,759,732	1,643,719	(116,013)	-6.59%
	<u>\$ 93,736,378</u>	<u>\$ 89,002,017</u>	<u>\$ (4,734,361)</u>	



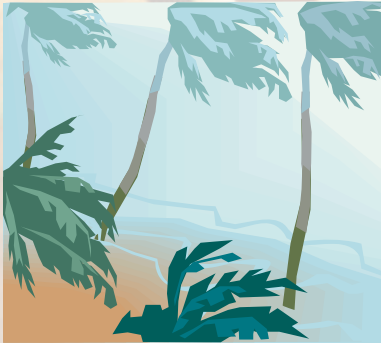
General Fund Transfers - Total



The chart above illustrates how the total transfers of \$115 million from the General Fund were allocated for FY 2010.



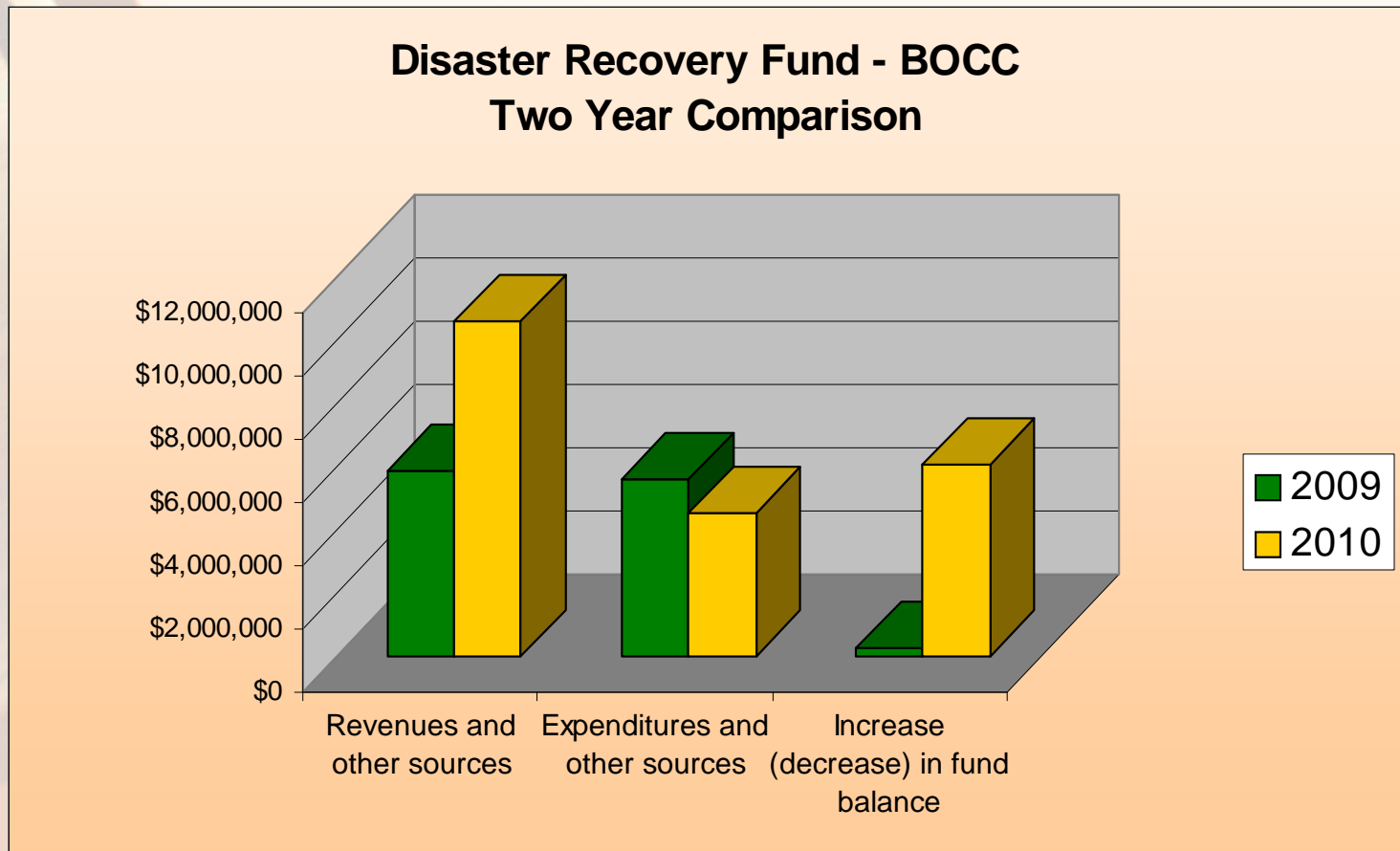
Disaster Recovery Fund



- FEMA recoveries totaled \$2.2 million
- As FEMA continues to audit project costs related to IVAN, Dennis and Katrina, it has been determined that the County owes FEMA \$2 million for unallowable costs related to Katrina and it will be recouped by FEMA. We continue to monitor the status of the close-out/audit process
- The BP Oil Spill resulted in expenditures of approximately \$2.9 million, which has been recovered from BP almost in its entirety



Disaster Recovery Fund (continued)



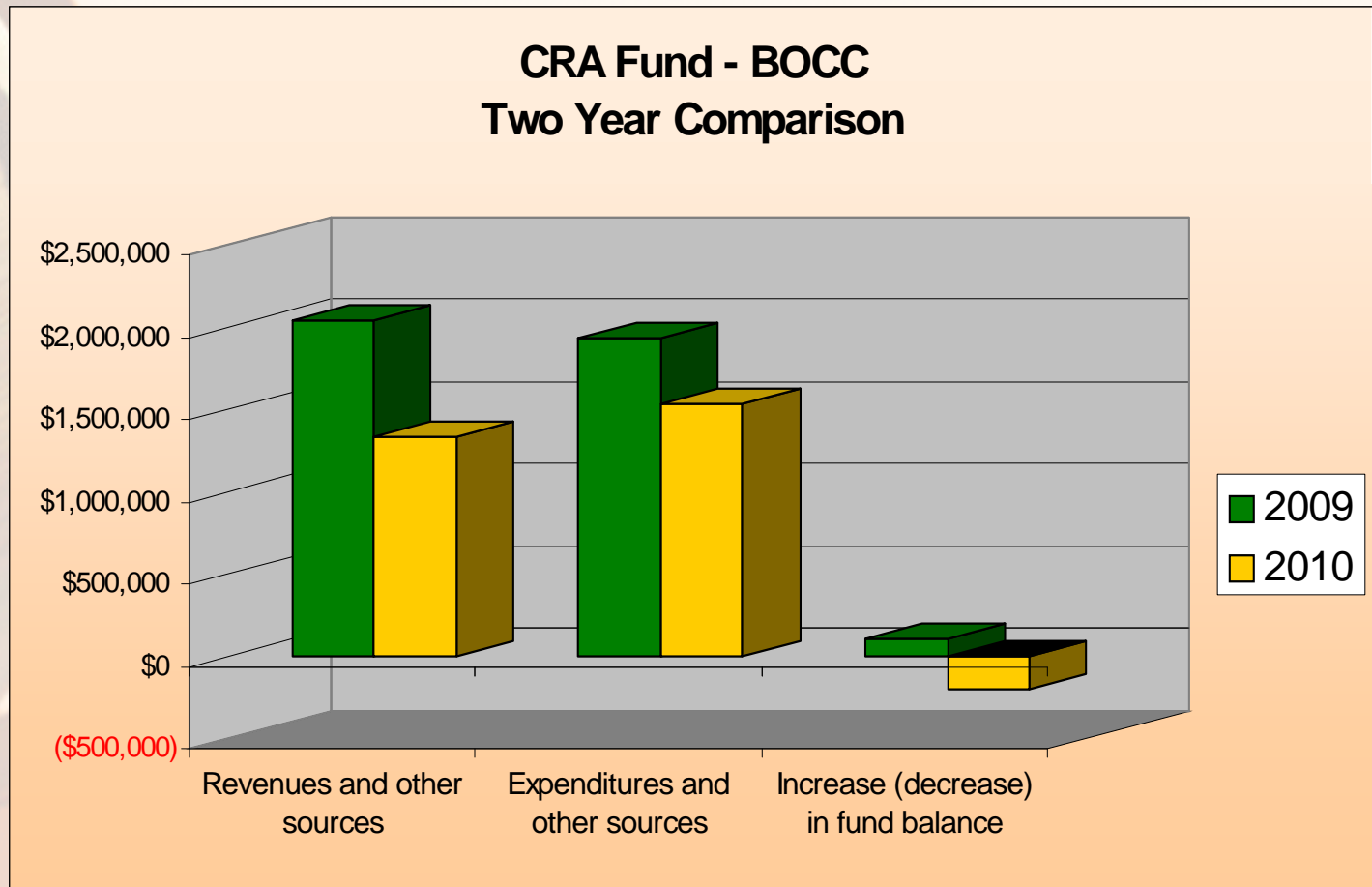
Community Redevelopment Agency Fund (CRA)

- Funded through transfers from the General Fund of tax increment (TIF) portions of property taxes for each respective district
- Current transfer set by resolution is 50% of the TIF
- TIF decreased by 34.64% due to the overall decrease in assessed property values
- CRA Fund has a healthy fund balance of \$5,788,376 allocated as shown

Warrington CRA	\$2,229,048
Brownsville CRA	1,090,982
Engelwood CRA	416,286
Palafox CRA	1,138,166
Barrancas CRA	620,957
Administration	<u>292,936</u>
Total	<u><u>\$5,788,375</u></u>



CRA Fund (continued)



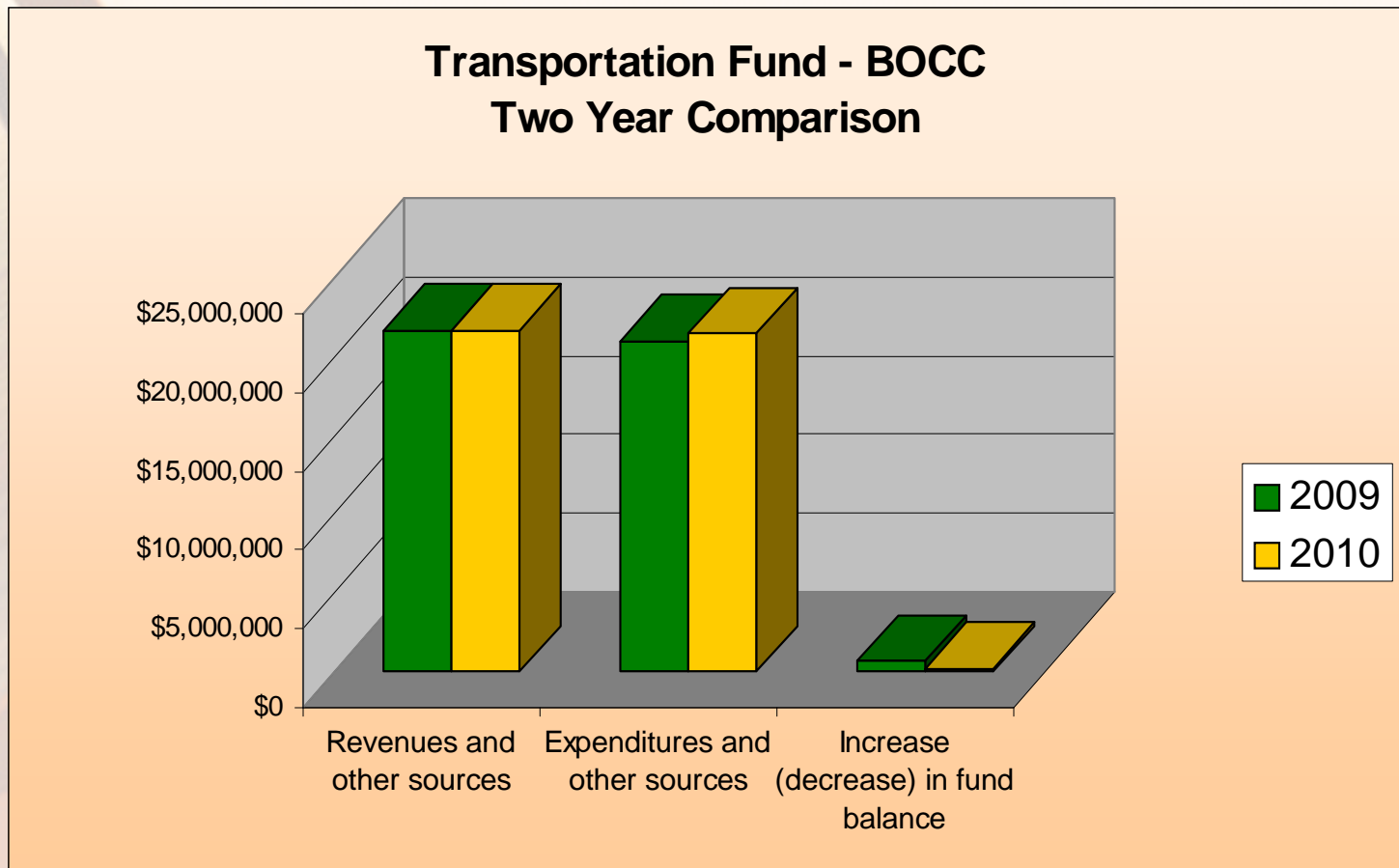
Transportation Trust Fund

This Fund is used to record the costs of the Road Department, Public Works, and the County Road Prison

- Gas taxes and transfers from the General Fund are the main sources of revenue for this fund
- Gas taxes decreased .4% in 2010 and are directly correlated with the price of gas at the pump
- Gas Taxes are used for the construction and maintenance of roads
- General Fund subsidy to the Transportation Fund was \$6.6 million
- Grant revenue was approximately \$4.5 million



Transportation Trust Fund (continued)



Local Option Sales Tax Fund (LOST)

- Sales Tax revenue only decreased .75% compared to last year
- LOST transferred \$5.9 million to the Solid Waste Fund for the purchase of the Saufley CD&D pit
- Several major road projects were completed in conjunction with the City and ECUA

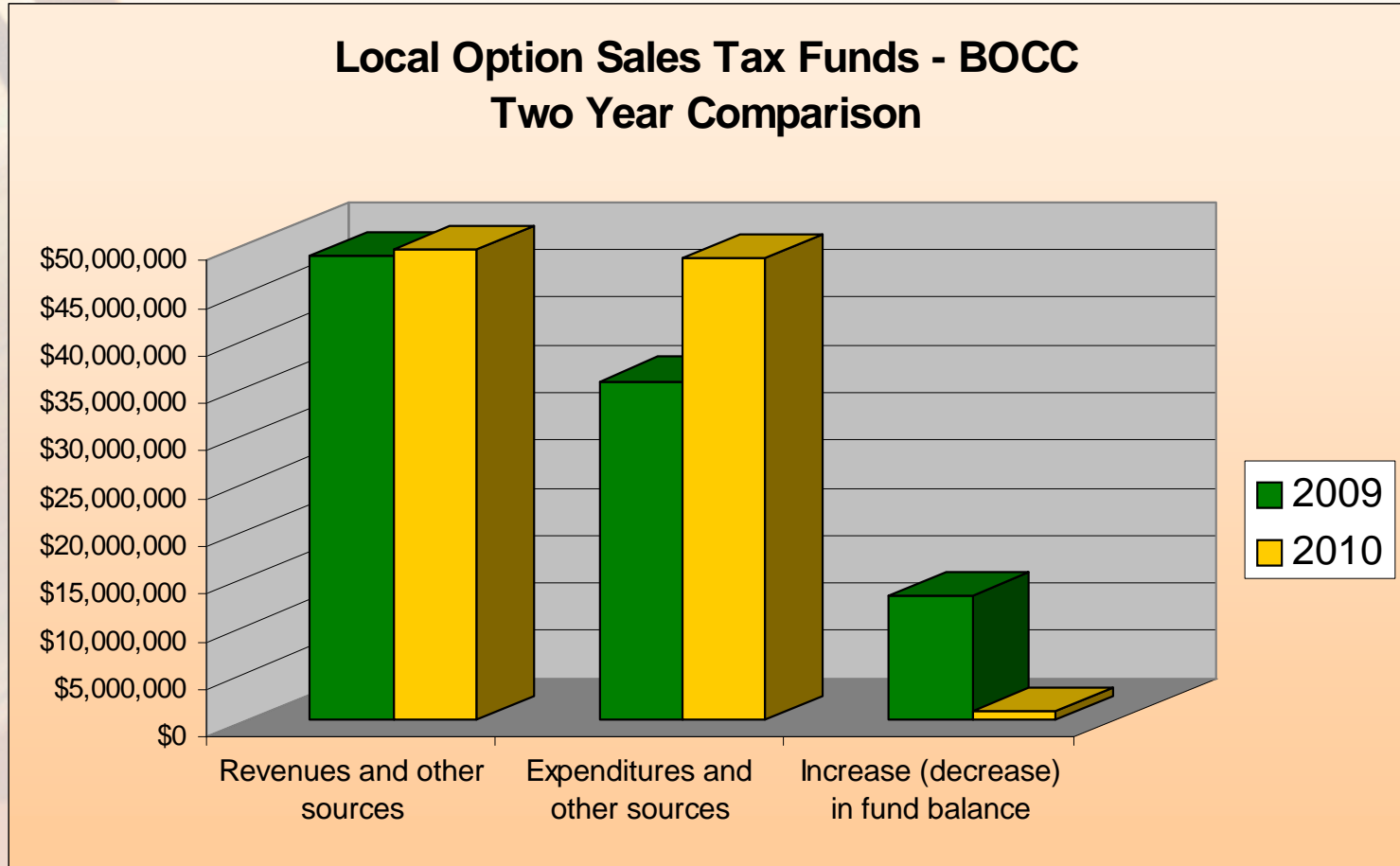
Other projects include:

- Renovations at the Old County Courthouse \$213,000
- Renovations at the Equestrian Center \$479,000
- Purchase of nine Fire Trucks \$4.6 million
- Purchase of three ambulances \$596,000

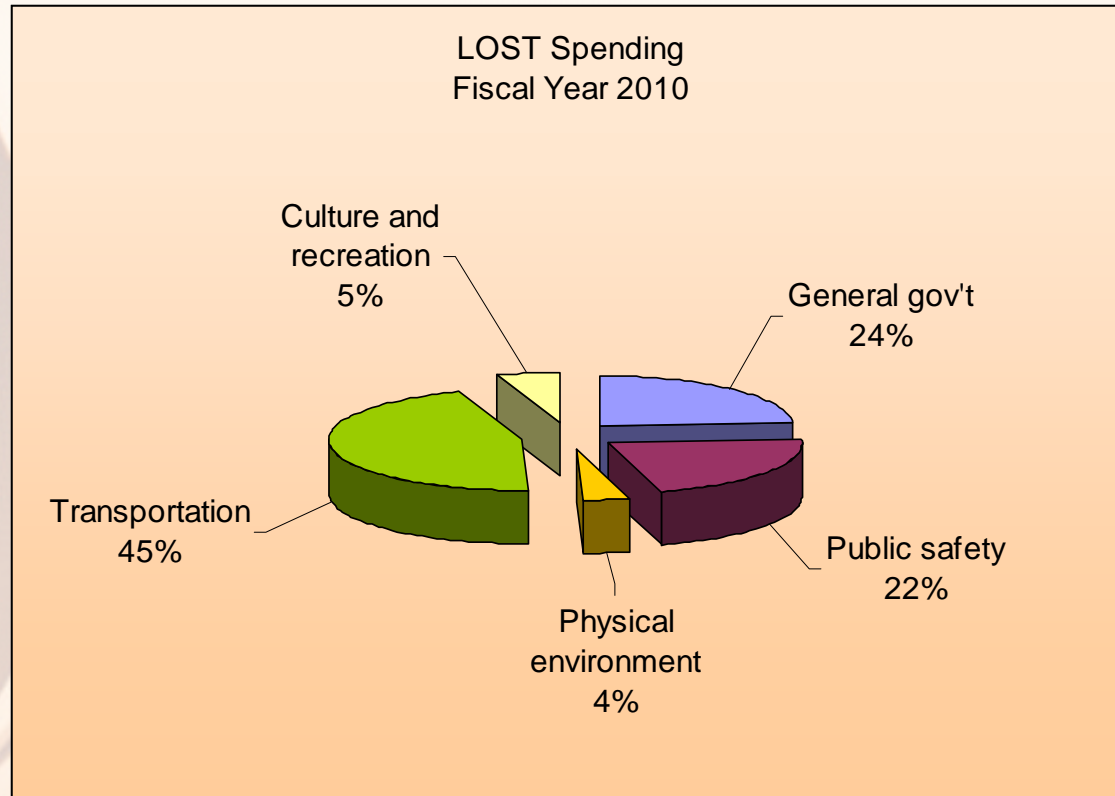


LOST (continued)

Local Option Sales Tax Funds - BOCC Two Year Comparison



LOST (continued)

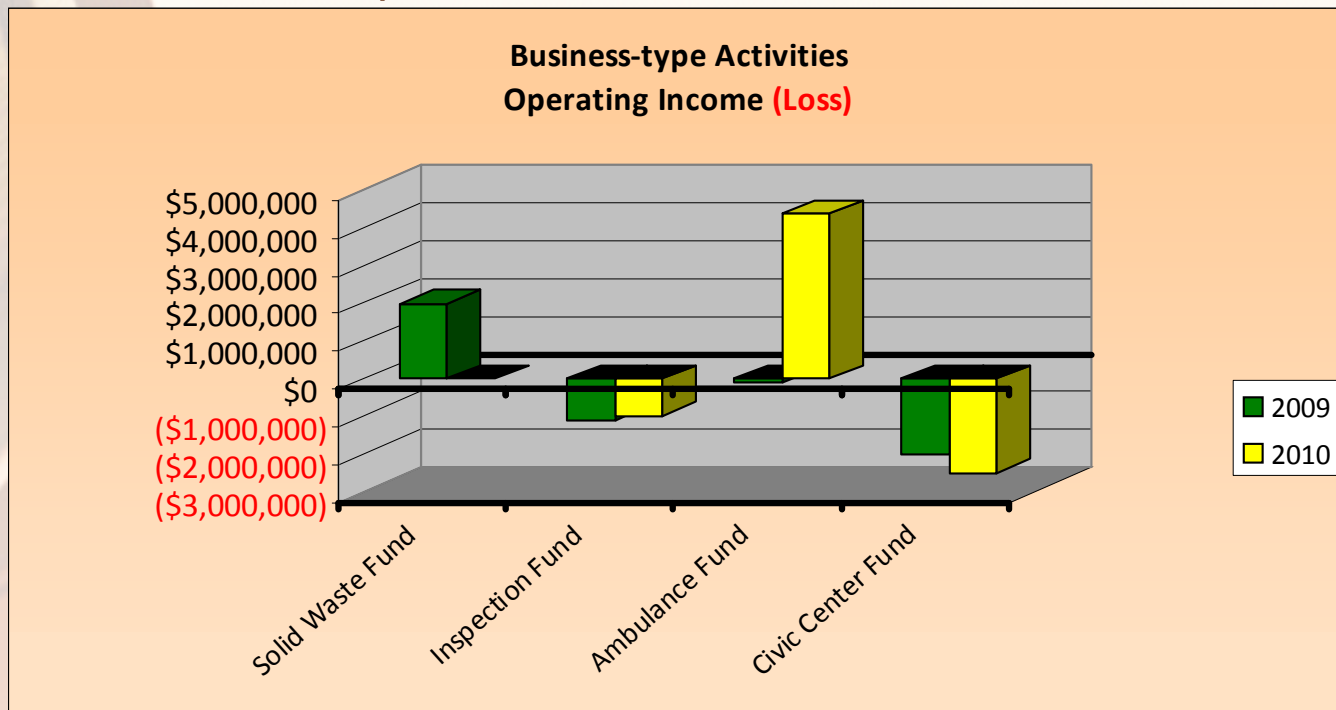


Of the \$42 million of LOST spent in fiscal 2010, the chart above represents the percentage spent by each function.



Business Type Activities

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



Solid Waste Fund Highlights

- Revenues increased 19.42%
- Operating expenses increased 50% mainly due to a change in the engineering estimates for closure costs
- There was a modest decrease in salary expenses, as well as several other areas



Inspections Fund Highlights

Building Inspections Fund:

- Experienced a 14% decrease in permits and fees revenue
- Salary expenses decreased 7.8%
- Even with slight decreases in all other expense categories, the revenues generated were not sufficient to cover the costs, resulting in a loss of almost \$1 million



Ambulance Fund Highlights

- Charges for services revenue decreased only 1.45%
- Operating expenses held at fairly constant level from last year
- General Fund subsidy was reduced this year by 47%
- Greatest impact to the operating income this year was the \$3.8 million received from Eagle-SWS for Stand-By services rendered as part of the BP clean-up

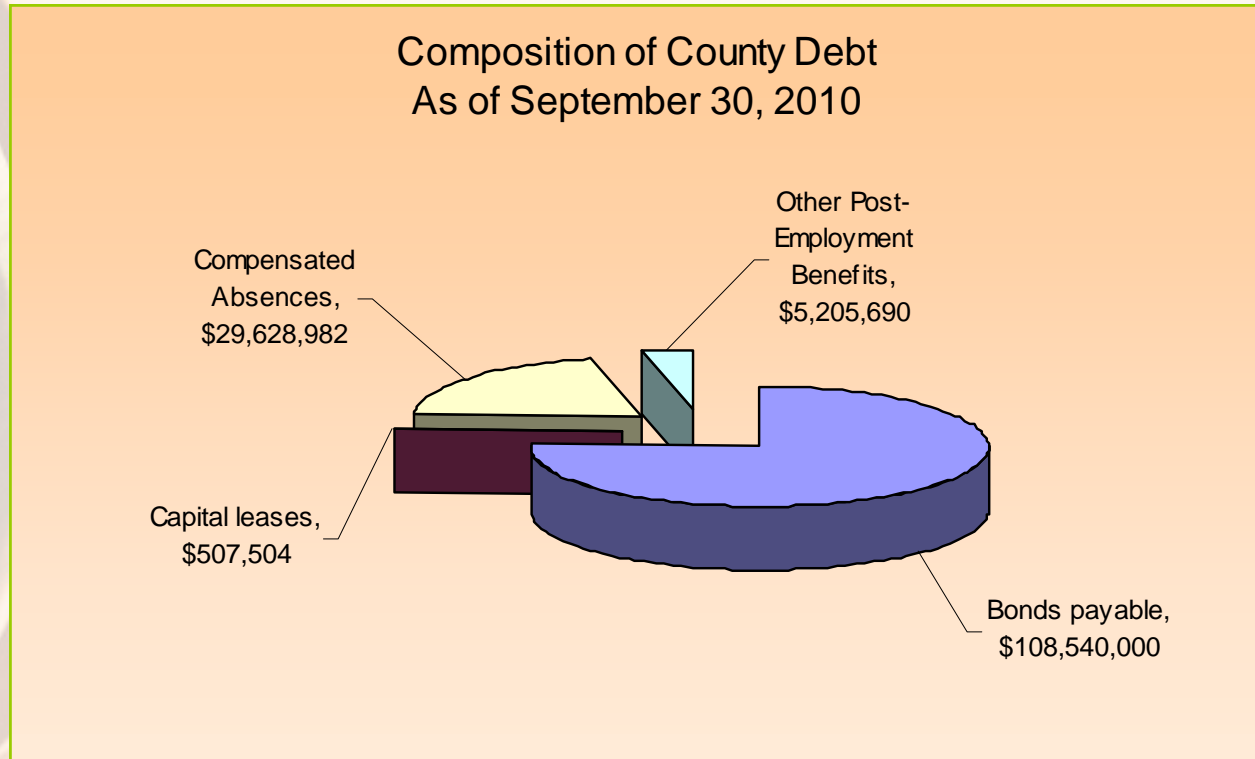


Civic Center Fund Highlights

- Operating revenues increased 14.57%, however operating expenses increased 17.86% giving rise to a net operating loss of \$2.5 million
- A direct cash subsidy of almost \$900,000 was given to the Civic Center (up from last year by almost 50%)



County Debt as of September 30, 2010



- The County paid off two outstanding capital improvement notes in 2010, thereby decreasing outstanding debt by \$9 million
- By paying off the debt, the County is able to use those general fund dollars for other operating costs



Closing

- CAFR is available on the Clerk's website @ www.escambiaclerk.com
- Any questions – call me
- Thank you

