The Citizen's Report For Fiscal Year 2011

Your County Finances

Presented by:

ERNIE LEE MAGAHA
ESCAMBIA COUNTY
CLERK and COMPTROLLER

A Summary Report of the
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Fiscal Year Ended September 30, 2011

Prepared by the Clerk and Comptroller's Finance Department
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Administrator for Financial Services

Your County Finances

- This presentation serves as a tool to help you understand how public funds are managed and spent.
- Most of the information in this report is derived from the county's Comprehensive Annual Financial Report (CAFR).
- A copy of the CAFR is available at http://www.escambiaclerk.com/clerk/coc_cafr.aspx

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

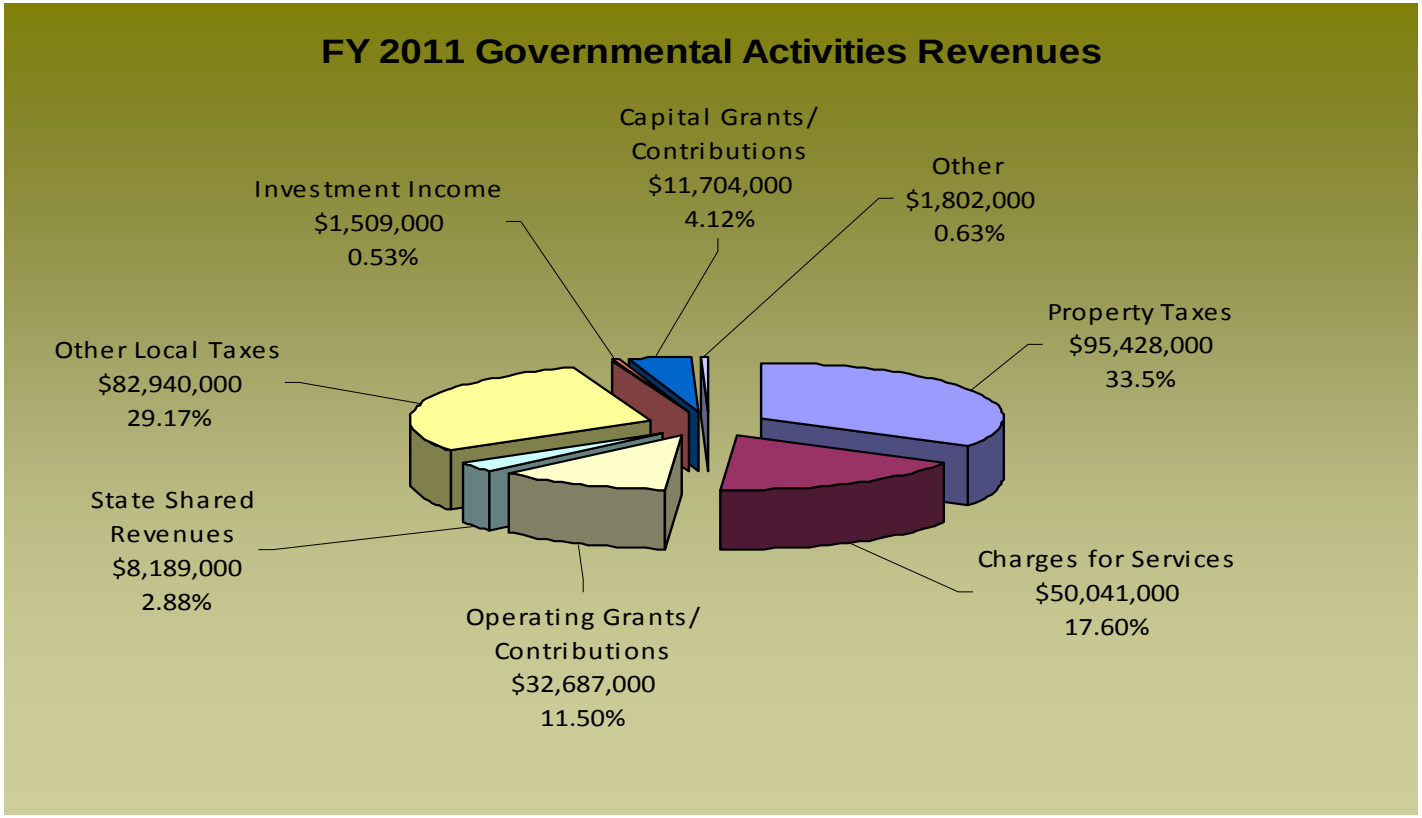
- Total Net Assets increased $6.7 million in governmental activities.
- Total Net Assets increased $12.6 million in business activities.
- The General Fund has an unassigned fund balance of $27.9 million, which is well within the fund balance policy of 17% of expenditures.
- Total bonded debt, leases and loans decreased $3.9 million due to principal repayments made in FY 2011, bringing total outstanding debt to $105 million.

Financial Highlights (continued)

- Decreases in grant revenues include:
  - ✓ FEMA revenues decreased by $2 million
  - ✓ Federal Stimulus revenue decreased $12.9 million
  - ✓ FTA Grant for capital purchases of $3.3 million

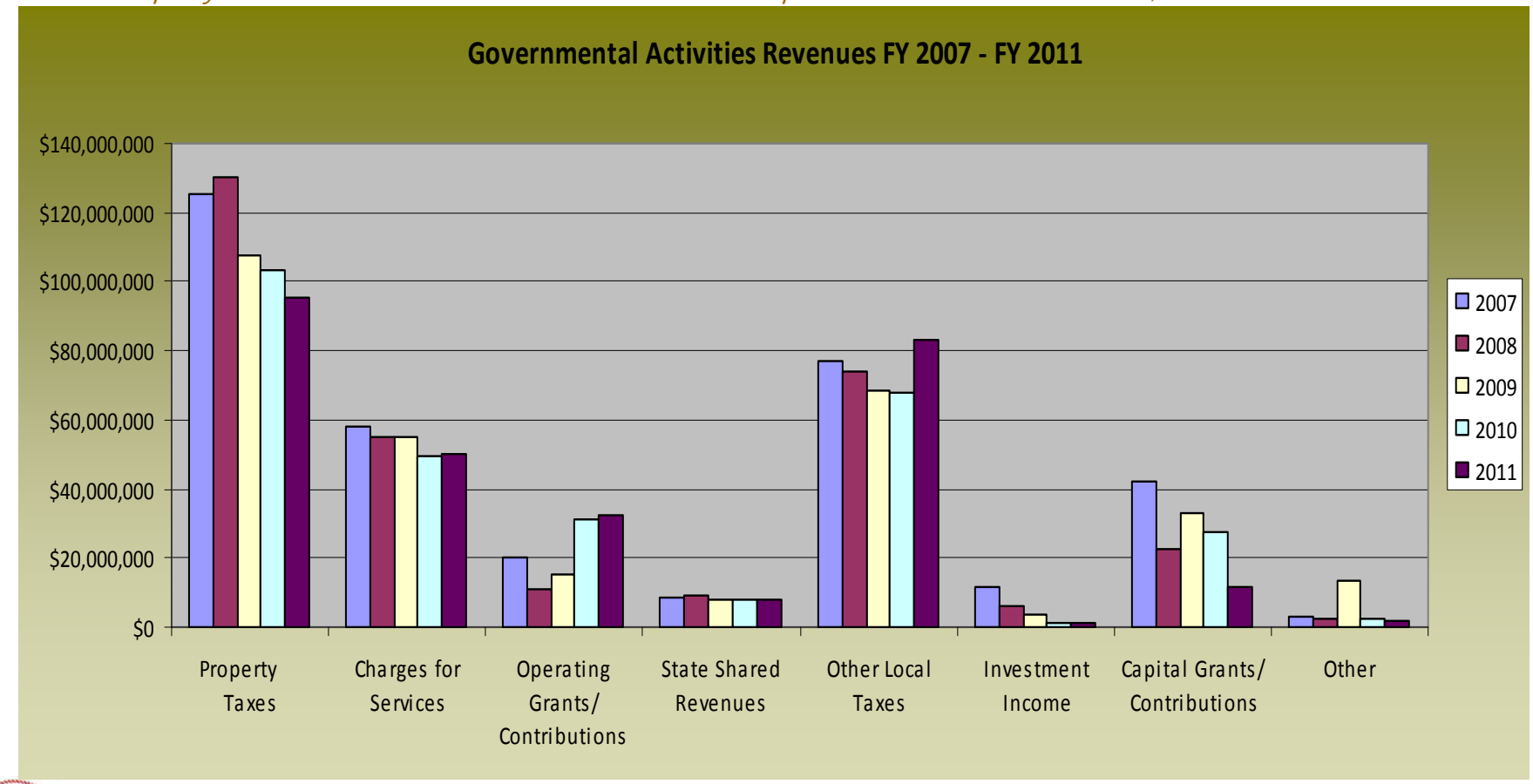
Governmental Activities Revenue

- Funding sources for County government and the services provided are varied. The chief source of revenue is derived from property taxes. Current year property taxes declined 8.3%, reflecting a continued depressed housing market and reductions in property value assessments.

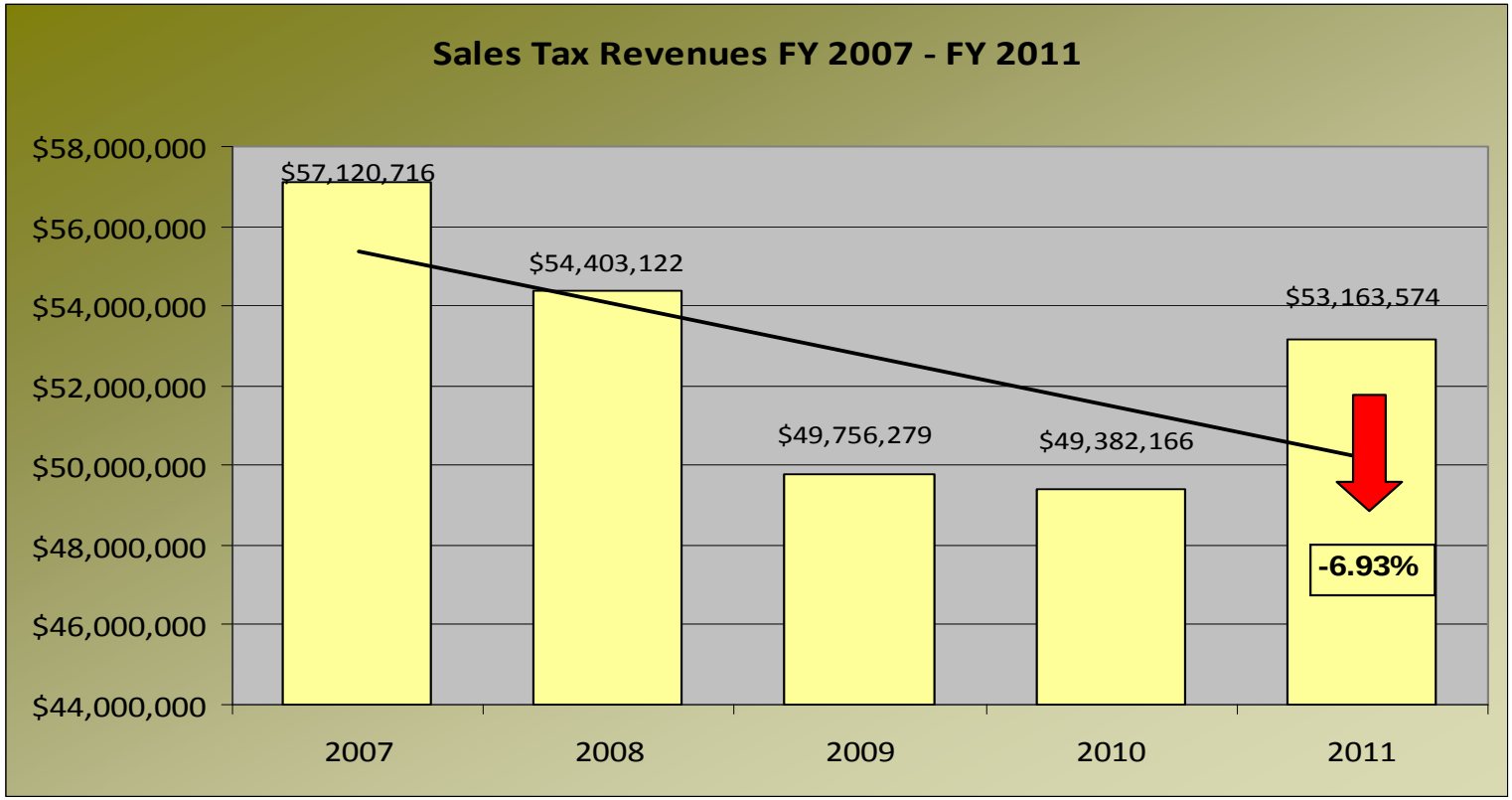


Governmental Activities Revenues Trend Comparison

- *Governmental activities represent those that are supported primarily by taxes and intergovernmental revenues.*
- *They exclude the business-type activities such as the Solid Waste Department, Building Inspections, Ambulance and Civic Center.*
- *Property taxes do not include Beach Taxes of which portions have been collected, but escrowed.*

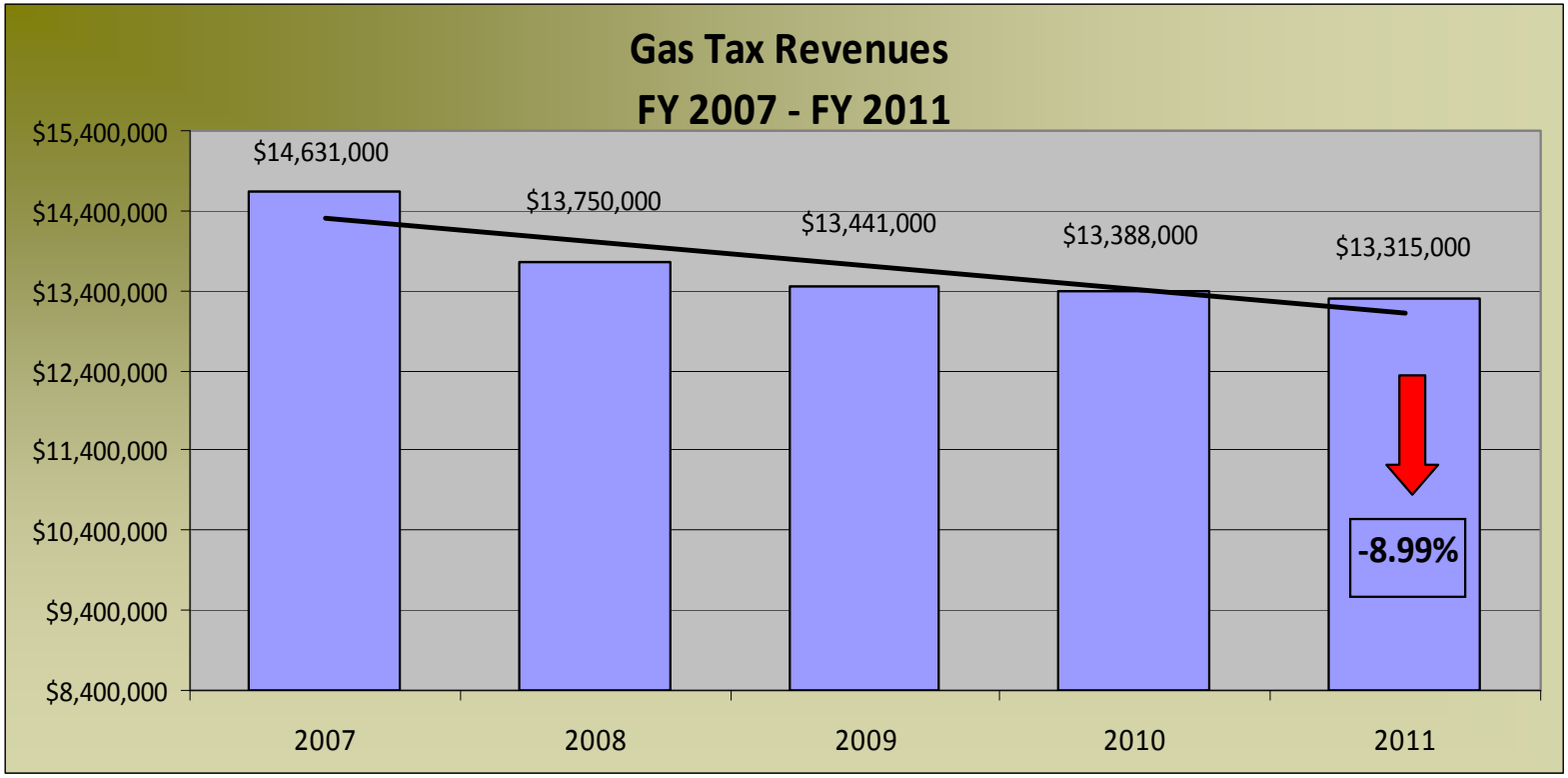


Major Revenues – Sales Tax Revenues



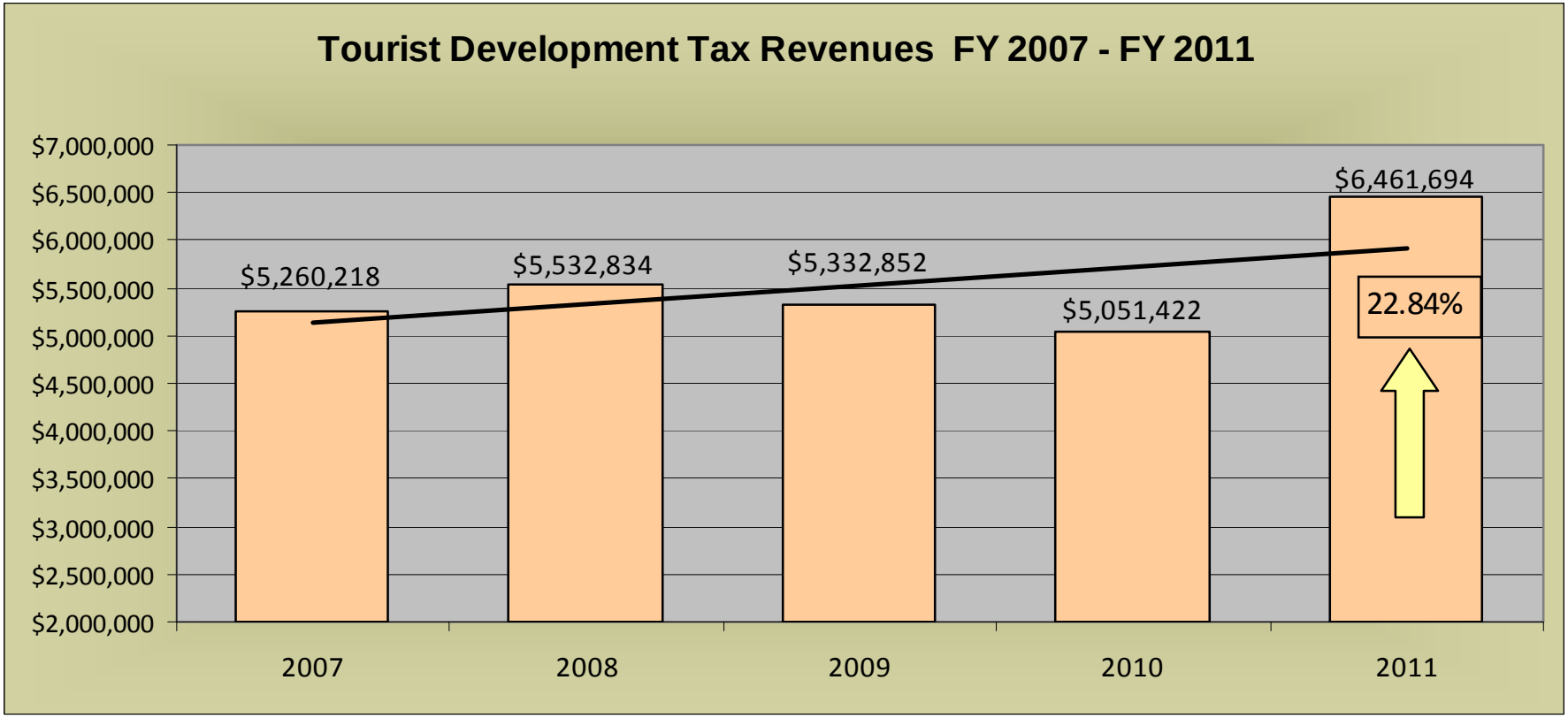
- The 1% local option sales tax imposed by Escambia County is used to acquire and construct capital projects within the County. Even though sales tax revenues increased 7.5% over last year, sales tax revenue has decreased overall by 6.93%. This means there are less funds for the County to use for infrastructure and roads.

Major Revenues – Local Option Gas Tax Revenues



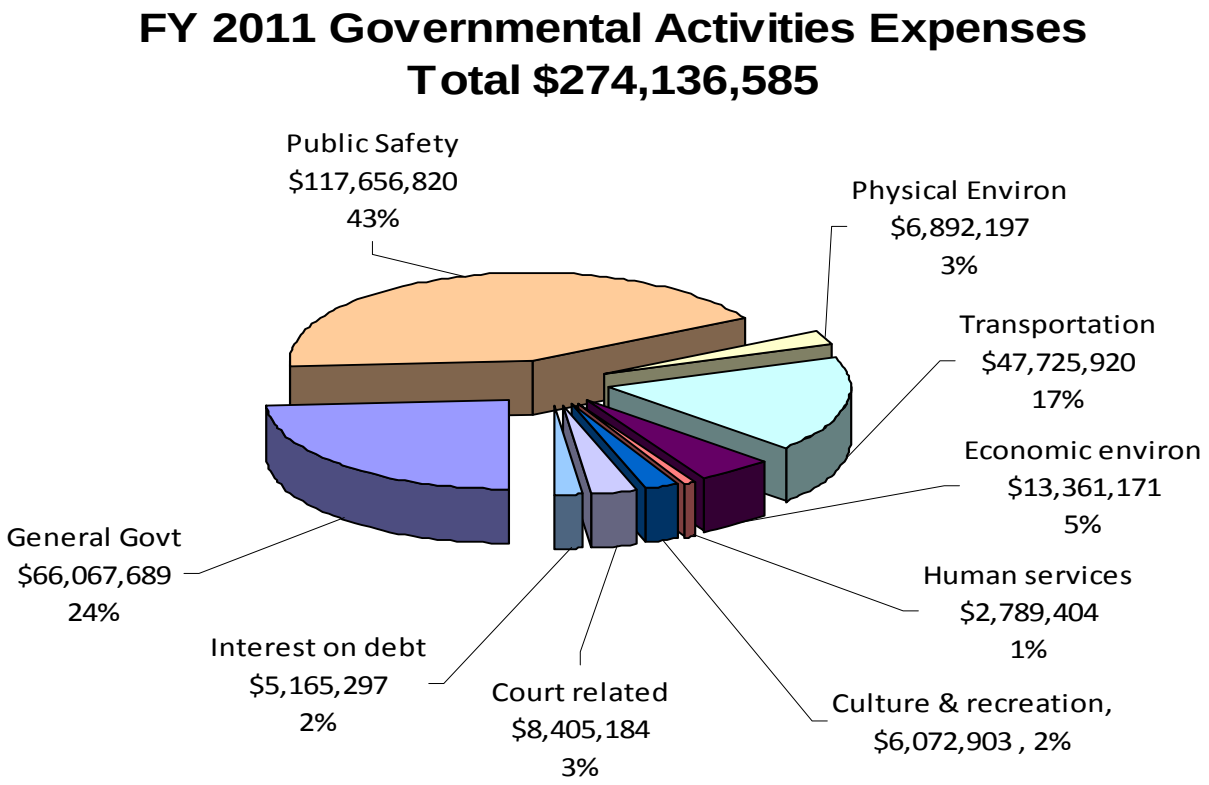
- The economic downturn has also slowed the Local Option Gas Tax funding source. Since 2007, there has been a slow and steady decline in gas tax revenue. The overall decline since 2007 has been 8.99%.

Major Revenues – Tourist Development Tax Revenues



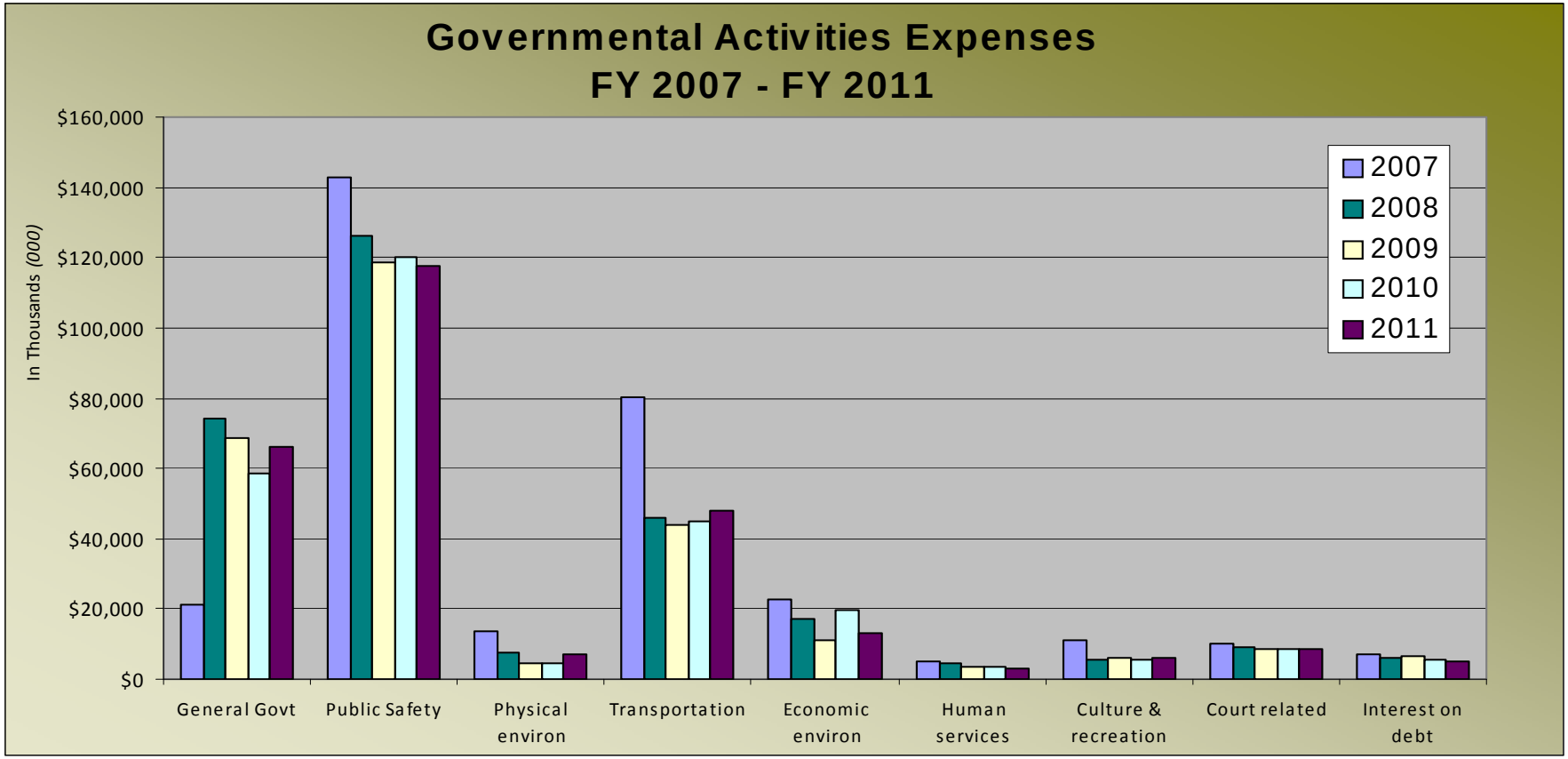
- FY 2010 experienced a major decline in TDT revenue due to the Deepwater Horizon oil spill. However, the area has been recovering nicely. Overall since 2007, the County has experienced a 22.84% increase in TDT revenues.

County Governmental Activities Expenditures



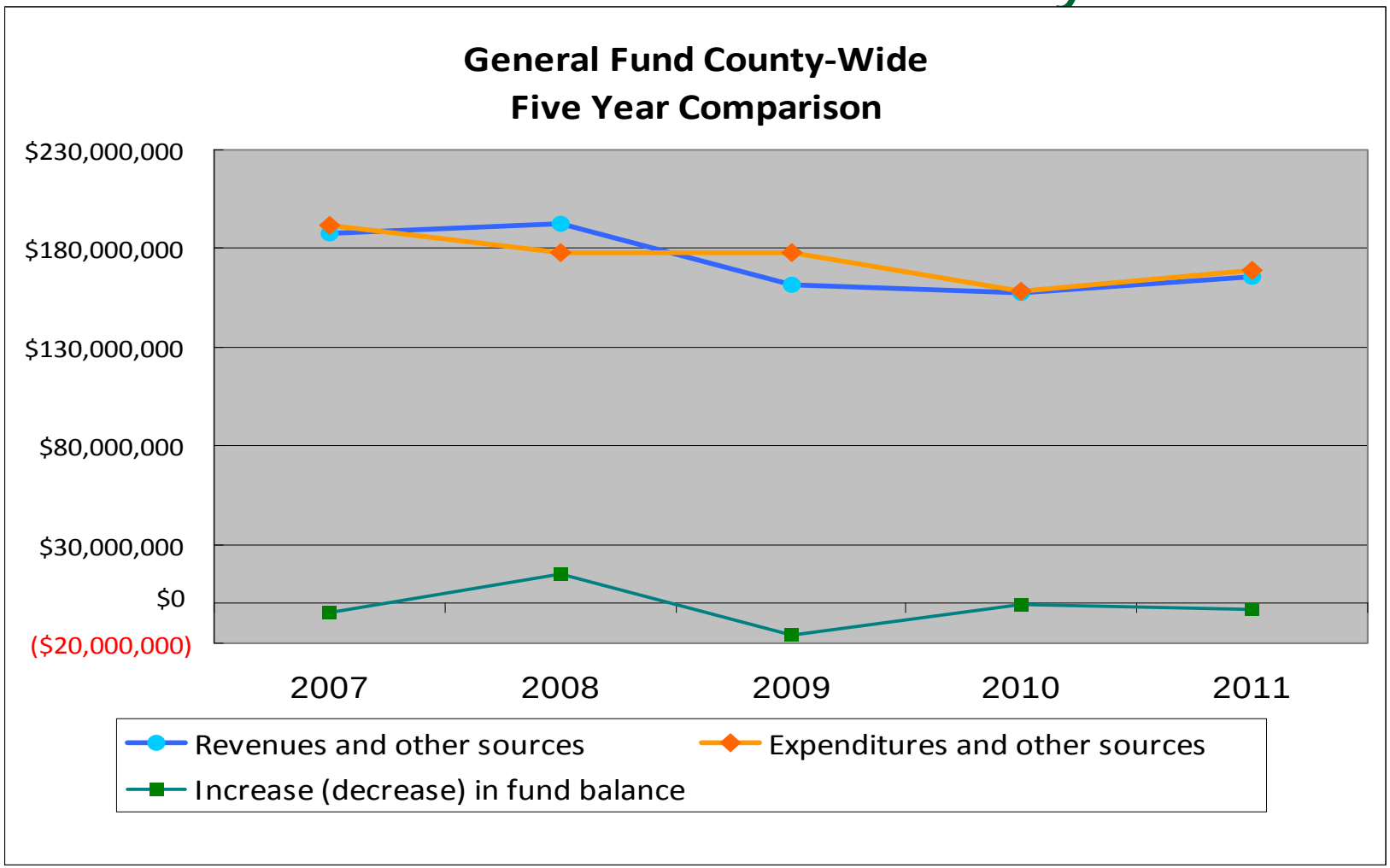
- General government, public safety, and transportation costs account for 84% of the total expenditures. Expenditures increased this fiscal year a nominal 1.35% over last year, mainly in the areas of general government and physical environment.

Governmental Activities Expenditures



- As shown in the table above, costs have been holding steady for the last few years, with nominal increases or decreases in each category over time.

The General Fund – County-Wide



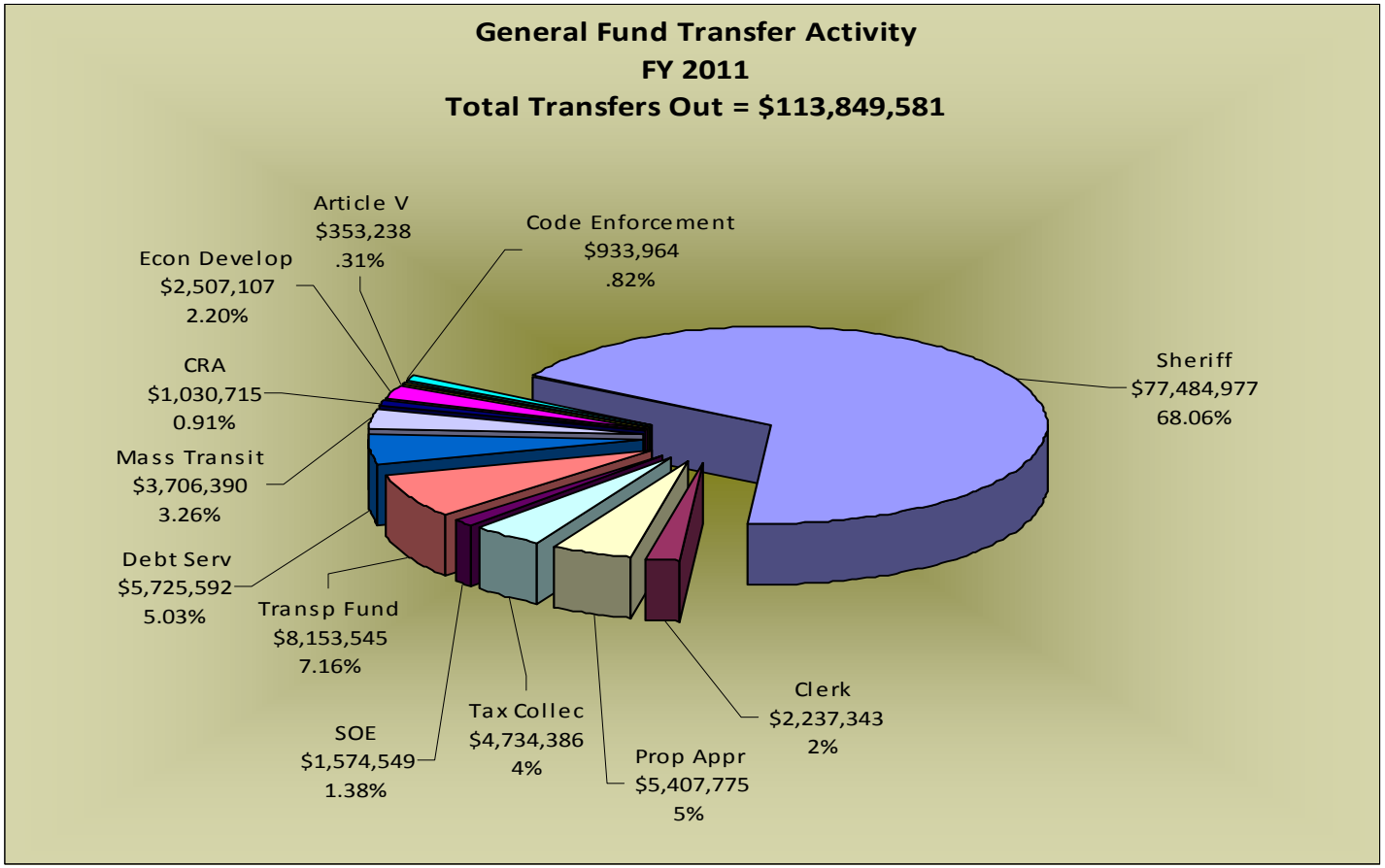
Amounts that fall below the $0 demarcation indicates that expenditures were more than revenues and therefore, fund balance was used to make up the revenue shortfall.

General Fund Transfer Out Activity

Transfers to Elected Officials represent 54% of the total General Fund Expenditures

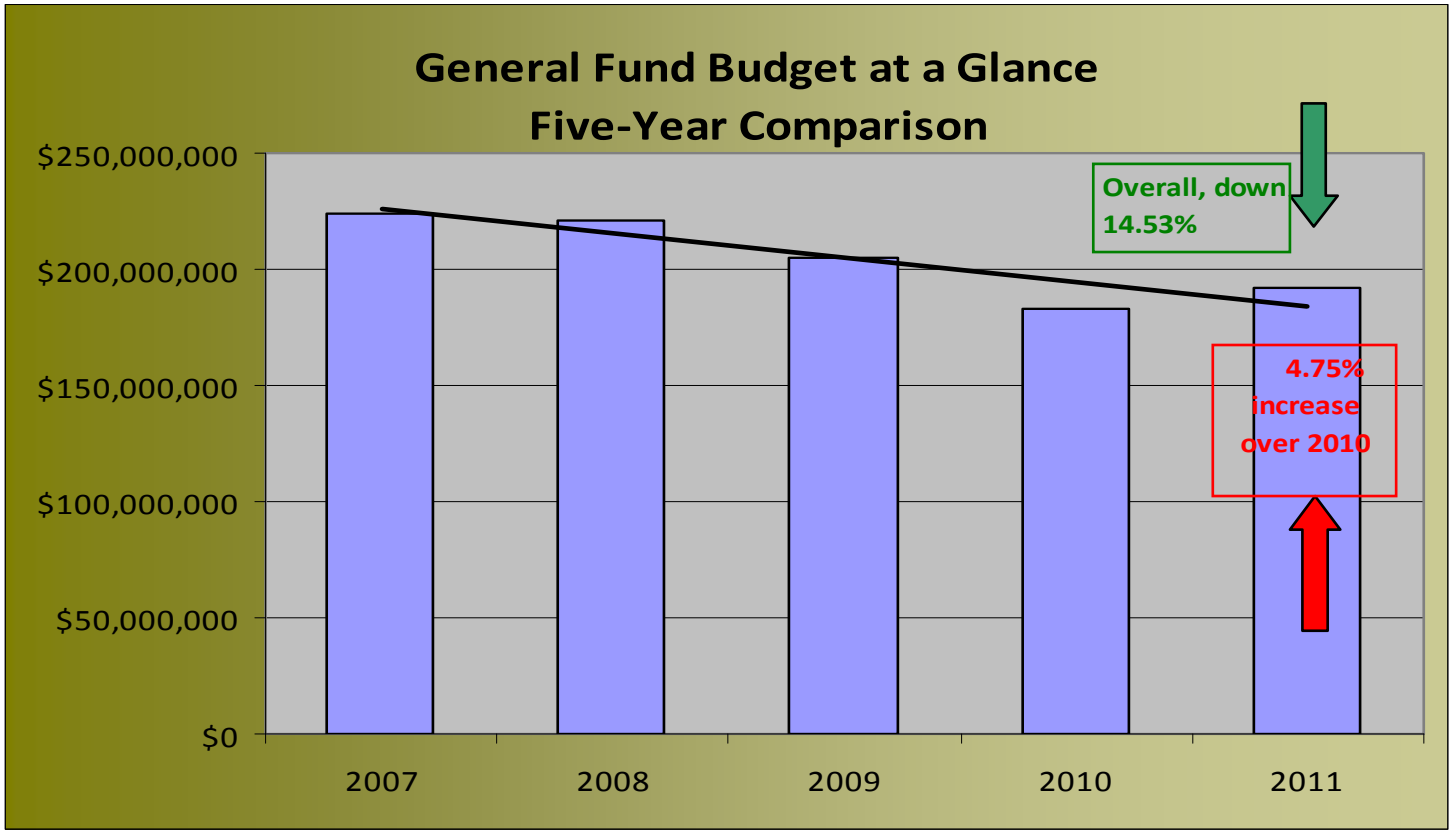
	2010	2011	% change
Sheriff - Admin	$ 43,902,714	$ 45,070,453	2.66%
Sheriff - Corrections	28,510,411	29,938,354	5.01%
Sheriff - Court Security	2,388,330	2,476,170	3.68%
Clerk	2,275,331	2,237,343	-1.67%
Prop Appr	5,542,134	5,407,775	-2.42%
Tax Coll	4,739,378	4,734,386	-0.11%
SOE	1,643,719	1,574,549	-4.21%
	$ 89,002,017	$ 91,439,030	2.74%

General Fund Transfer Out Activity (continued)



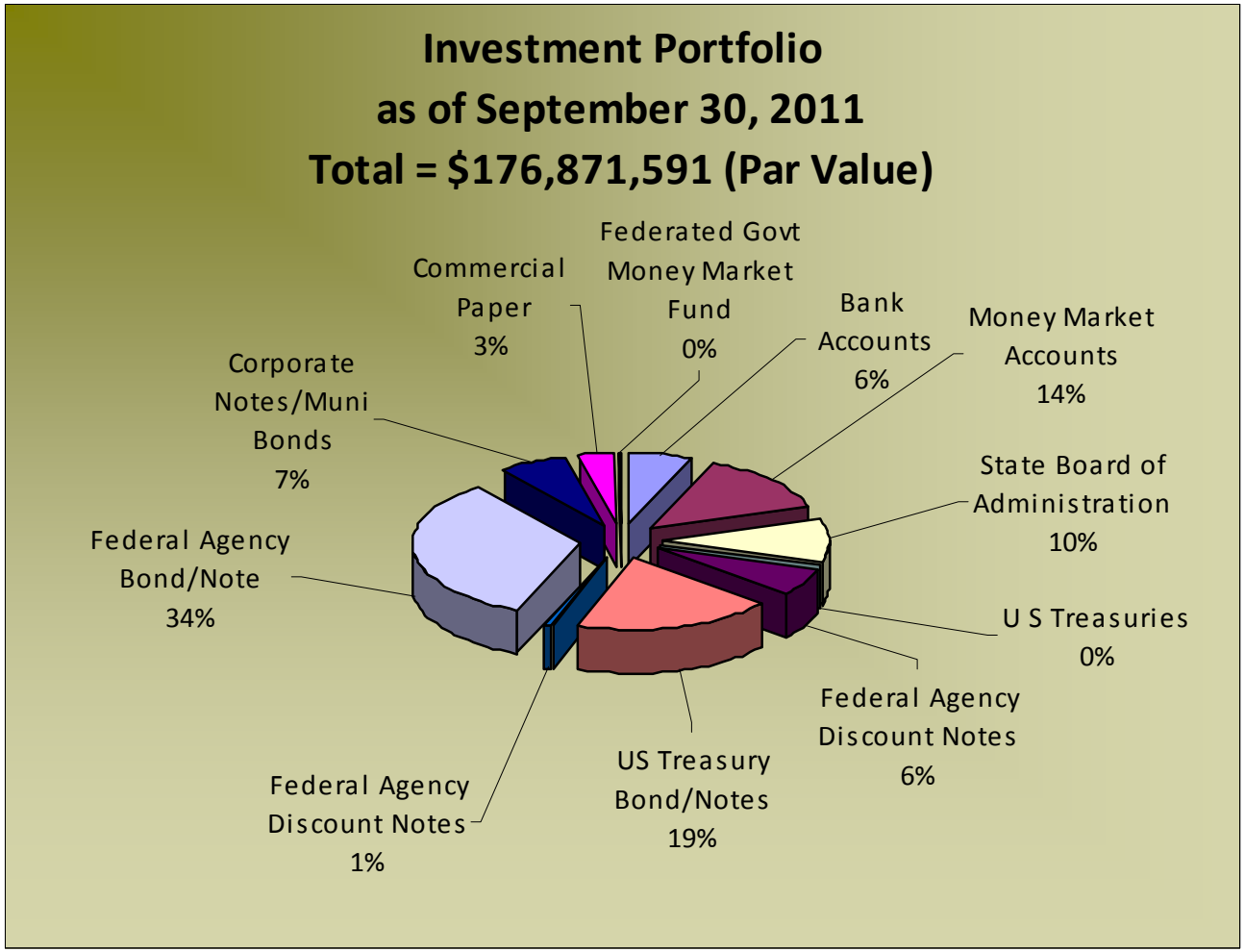
The chart above illustrates how the total transfers of $114 million from the General Fund were allocated for FY 2011.

Budget at a Glance- General Fund



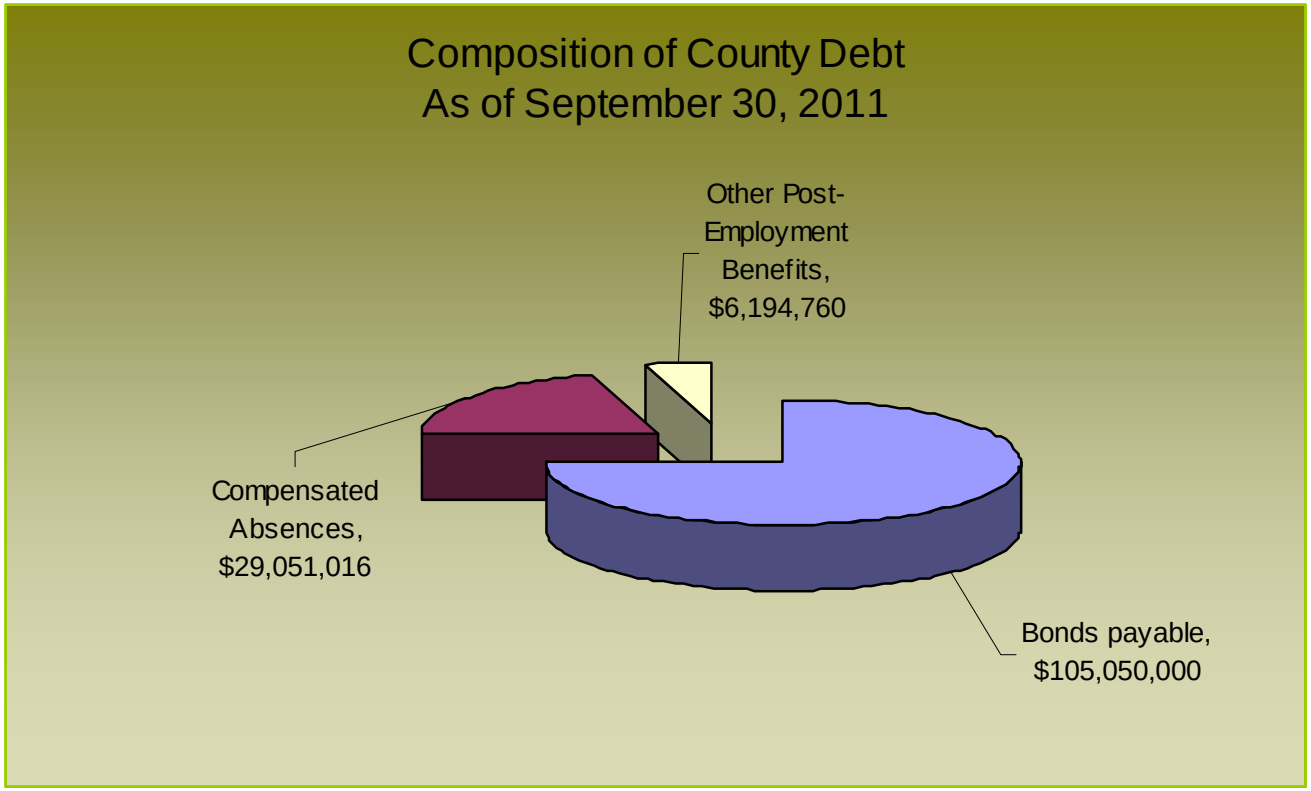
Although there was a 4.75% increase in the General Fund budget over last year, the overall 5-year trend has shown a 14.53% decrease.

County Investment Portfolio



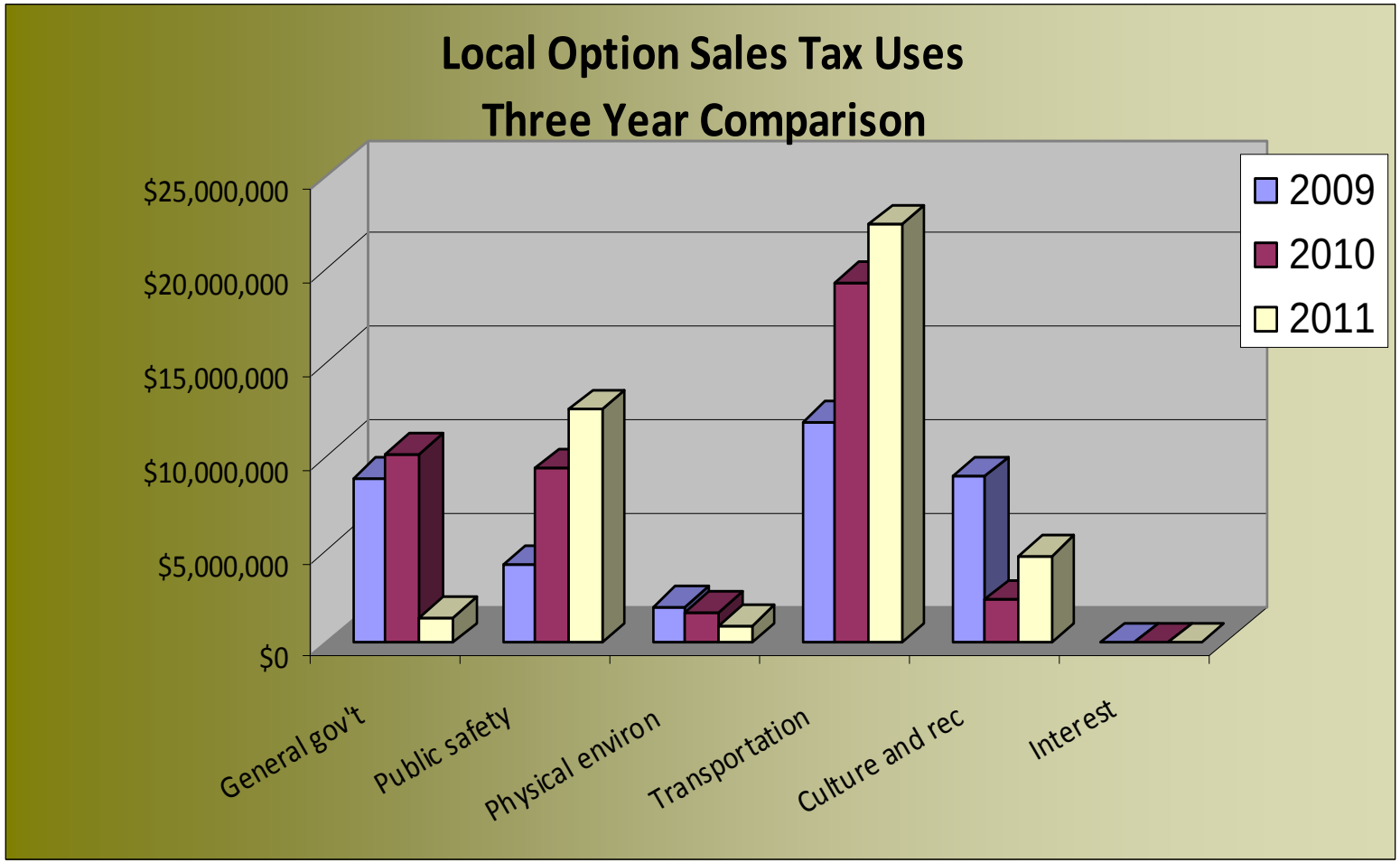
- ✓ $1.6 million of interest earned in FY 2011.
- ✓ Average return on the portfolio was 1.51% in FY 11, in an environment of declining interest rates.

County Debt as of September 30, 2011



- The County paid off the capital equipment leases of $507,504 during fiscal 2011. By paying off the debt, the County is able to use the revenues previously pledged on these leases for other operating costs.
- Total bonded debt is approximately $350 per capita, which is secured solely by toll bridge revenues, tourist development taxes, and half-cent sales taxes. There is no ad valorem pledged to debt.

Local Option Sales Tax

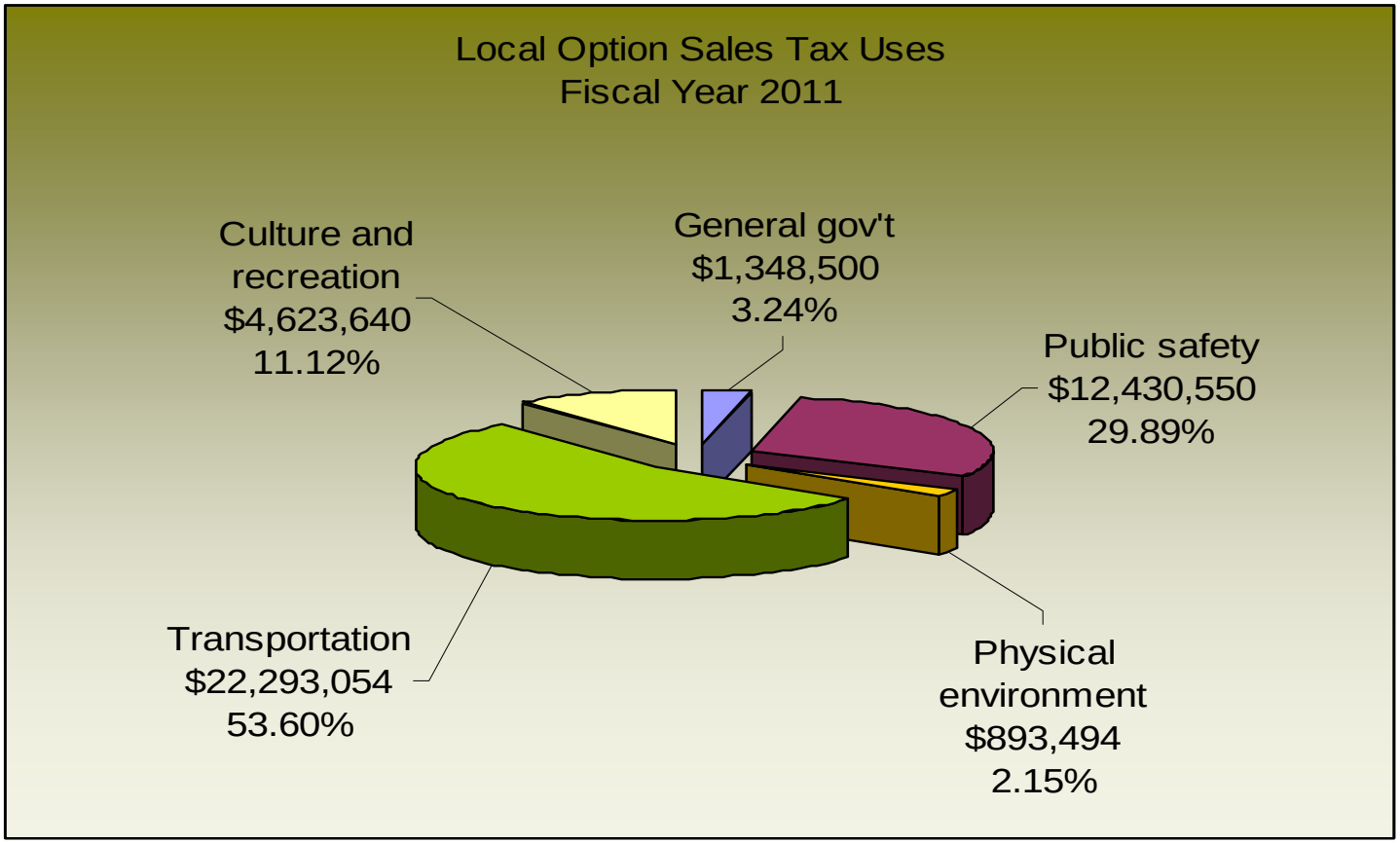


See the next page for discussion

Local Option Sales Tax (continued)

- Decreases in the general government category are due to the completion in September 2010 of the Central Office Complex.
- Increases is the public safety category reflect the commencement of a $12.5 million project to upgrade the aging E-911 communication system.
- Decreases in the Physical environment category are due to the substantial completion in FY 2010 of the Maplewoods Drainage Project.
- Increases in the transportation category are indicative of the County's commitment to improving the roadways, drainage and other infrastructure within the County.
- Increases in the Culture & Rec category reflect the commencement of work on the Southwest Sports Complex. Costs to date in FY 2011 were $2,738,201.

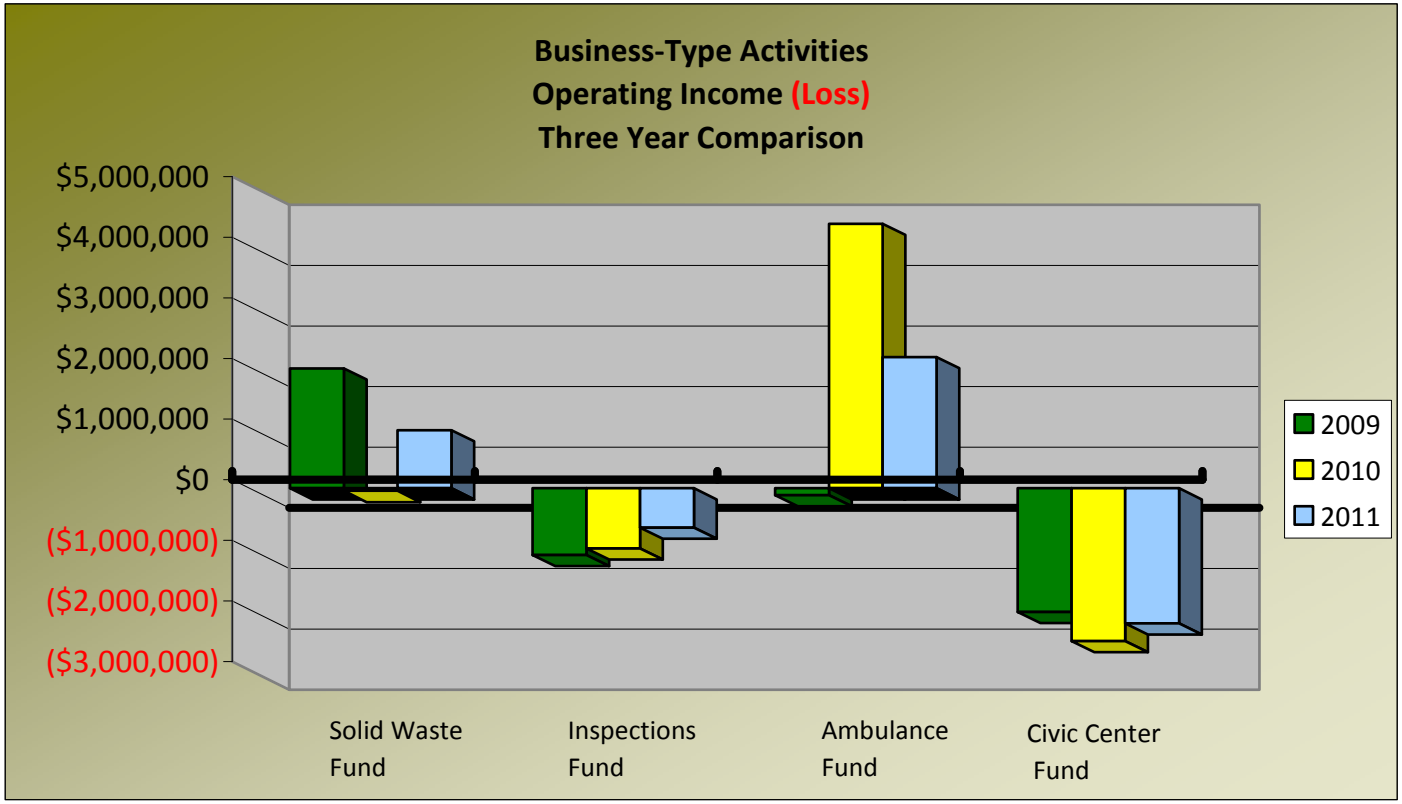
Local Option Sales Tax



- The graph above portrays the allocation of LOST dollars during FY 2011.

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

- Revenue increased approximately 4% in the Solid Waste Fund due to the expanded service available at the new Transfer Station.
- The other largest source of revenue was $663,000 generated by the sale of gas discharge to Gulf Power Company.
- Operating expenses decreased a modest $103,743 mainly due to decreased utility and maintenance costs.

Inspections Fund Highlights

- Permits and fees revenue increased this year by 4.47%, which was directly attributable to the increase experienced in the number of permits issued during FY 2011.
- Operating costs decreased in several areas including salaries, communications and rents.
- Despite an increase in permits issued, operating revenues were still short of covering operating costs by $649,203.

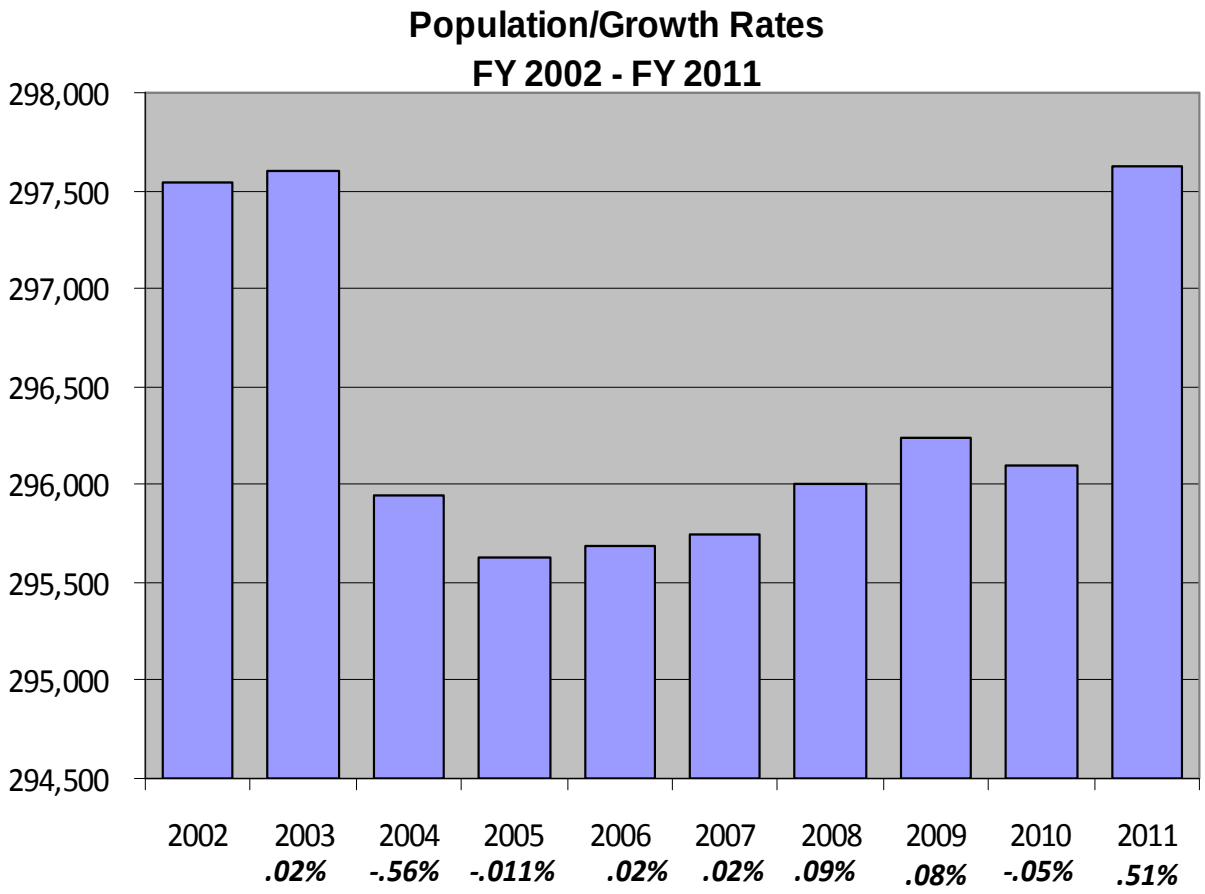
Ambulance Fund Highlights

- Revenue decreased mainly due to the winding down of the BP Oil Spill Clean-up project. Services rendered to BP were substantially less in FY 2011.
- Operating costs were held to a fairly constant level from last year.
- Most notably, there was not a need for a General Fund subsidy in FY 2011.

Civic Center Fund Highlights

- Operating revenues decreased 11.84% in FY 2011.
- Operating expenses decreased proportionally.
- The $1,974,810 subsidy from the Tourist Development Tax Fund was a 16% increase over the subsidy in FY 2010.

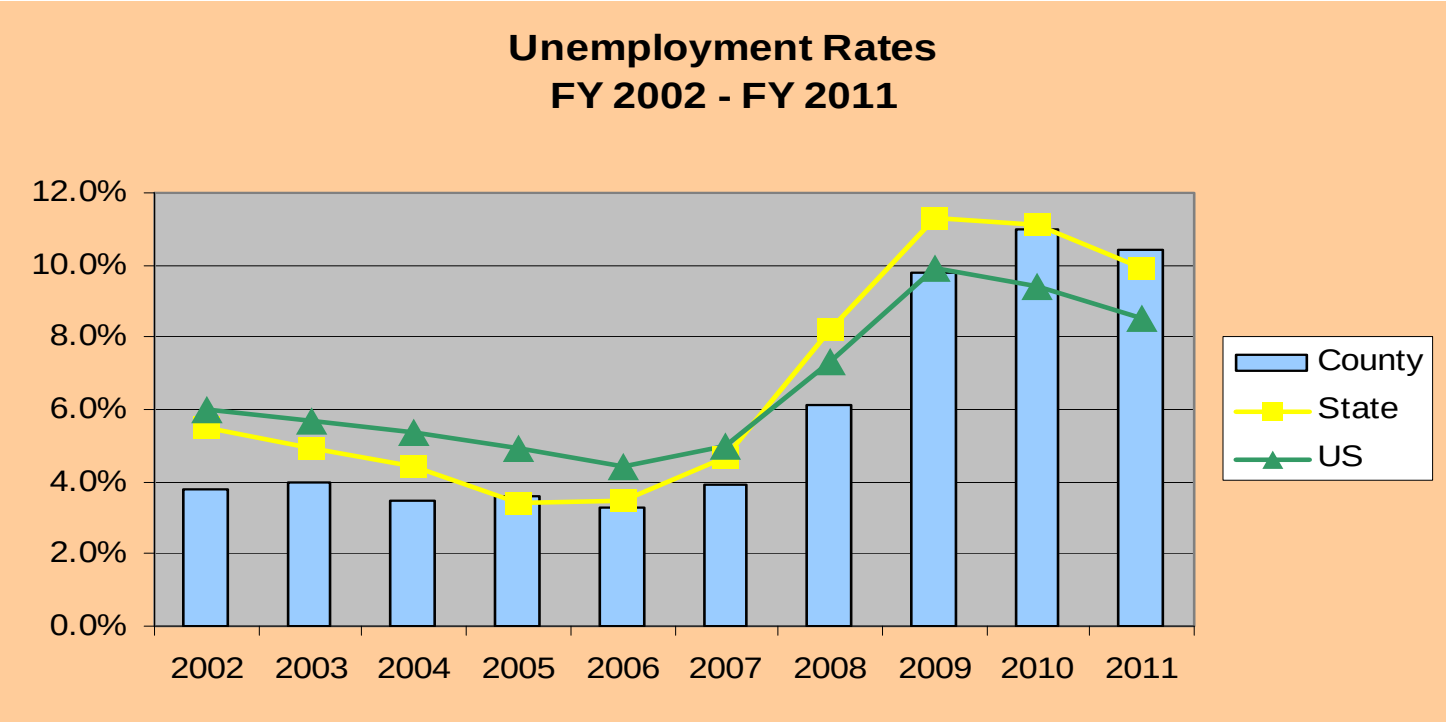
Demographic Statistics for Escambia County



While it has taken several years, it appears the population has returned to levels experienced pre-Hurricane IVAN.

[Source: Bureau of Economic Analysis]

Unemployment Statistics



- ✓ At the end of Fiscal 2011, the unemployment rate in Escambia County was 10.4% as compared to the State of Florida's rate of 10.06% and the US rate of 8.8%.
- ✓ Escambia County ranks 36 out of 67 counties in Florida for high unemployment rates.

Closing

- The CAFR is available on the Clerk's website @ www.escambiaclerk.com
- Any questions – please call me @ 595-4825
- Thank you