

Santa Rosa County Florida



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



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Sarah Whitfield, Public Information Office

SANTA ROSA COUNTY, FLORIDA

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

**Donald C. Spencer
Clerk of the Circuit Court, County Court and Comptroller**

**Prepared By:
Clerk of the Circuit Court, County Court and Comptroller
Finance Department**

**Robert J. Miller
Assistant Finance Director**

Santa Rosa County, Florida
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Santa Rosa County Clerk of the Circuit Court and Comptroller
Santa Rosa County Property Appraiser
Santa Rosa County Sheriff
Santa Rosa County Supervisor of Elections
Santa Rosa County Tax Collector



INTRODUCTORY SECTION



DONALD C. SPENCER
CLERK OF THE CIRCUIT COURT & COMPTROLLER
SANTA ROSA COUNTY, FLORIDA

Clerk of the County Court & Comptroller
Recorder of Deeds
Clerk and Accountant of the Board of County Commissioners
Custodian of County Funds
County Auditor

6495 Caroline Street
Milton, Florida 32570
P O BOX 472
Milton, Florida 32572
Telephone: (850) 983-1975
Fax: (850) 983-1986
www.santarosaclerk.com

March 12, 2020

To the Honorable Board of County Commissioners and the Citizens of Santa Rosa County:

State law requires that every general purpose local government publish, within forty-five days after the completion of the audit report but no later than nine months after the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended September 30, 2019.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Warren Averett, LLC, Certified Public Accountants, have issued an unmodified ("clean") opinion on Santa Rosa County's financial statements for the year ended September 30, 2019. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

Santa Rosa County, established in 1842 by an act of the Florida Legislature, is located on the Northwest Florida Gulf Coast. The County currently occupies 1,012 square miles and serves an estimated population of 178,928. Santa Rosa County is empowered to levy a property tax on both real and personal property located within its boundaries.

Santa Rosa County is a Non-Charter County established under the Constitution and the Laws of the State of Florida. Santa Rosa County includes the Board of County Commissioners, the Clerk of the Courts, the Property Appraiser, the Sheriff, the Supervisor of Elections and the Tax Collector.

The Board of County Commissioners serves as the legislative and policy setting body of Santa Rosa County as established under Section 125 of the Florida Statutes. As such, the Board enacts all legislation and authorizes programs and expenditures within the County. The Board appoints a professionally trained County Administrator who is responsible for policy and budget development and implementation.

The Board is comprised of five members elected countywide. Each member must reside within the particular district for which seat he/she seeks election. Each year the Board organizes itself selecting a Chair and Vice-Chair from among its members to preside at Commission meetings.

The Clerk of Circuit Court performs a wide range of record keeping, information management and financial management in the judicial system and county government.

The Property Appraiser is primarily responsible for identifying, locating and valuing all property within the county for ad valorem tax purposes. He is also responsible for administering exemptions, mapping all parcels and classifying agricultural lands.

The Sheriff provides for the public safety of the citizens of Santa Rosa County through the enforcement of state criminal laws and county ordinances. Preventing and reducing crime and violence through departmental and community based programs.

The Supervisor of Elections administers the election of the elected officials within the county. She maintains the voter registration list, establishes polling places, and educates voters.

The Tax Collector collects and distributes taxes established by city, county, state and other local governments.

Santa Rosa County provides a full range of services including police and fire protection; the construction and maintenance of streets and other infrastructure; water and sewer service on Navarre Beach; solid waste disposal and recycling; the Peter Prince Airport; Industrial Park facilities and recreational and cultural activities.

Local Economy

Santa Rosa County has long been considered a “bedroom community” of the larger Pensacola metropolitan statistical area. Knowing that residential growth does not sustain a healthy tax base, the County has aggressively been promoting the area as a good place to bring new and expanding businesses. The County has an Industrial Park to provide attractive inducements to businesses willing to invest capital and hire employees at above average wages. A second industrial park, Whiting Aviation Park, near Whiting Field provides access to a 6,000 foot runway.

Santa Rosa County has experienced an estimated 18% growth in population over the past 9 years and the prospect for further growth is very good. The infrastructure to support that growth lags behind. To reduce that lag in infrastructure growth, the citizens of the County passed a local option sales tax in 2016. The County has repaved numerous roads and upgraded drainage systems throughout the County.

Tourism, a significant industry for the County, has surged over the last couple of years. Tourism had suffered considerable damage from the destruction caused by hurricanes and the BP Oil Spill. The leisure and hospitality industry accounts for approximately 15.9% of the County’s workforce.

Long-Term Financial Planning and Relevant Financial Policies

Unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) in the general fund at year end was 48% of total general fund revenues. This amount is favorable and would cover approximately 6 months' worth of expenditures and transfers out.

Major Initiatives

For the year, staff, following specific directives from the Board of County Commissioners and the County Administrator, was involved in a variety of projects throughout the year. These projects reflect the County's commitment to ensuring that its citizens are able to live and work in a desirable environment.

In the current year, approximately 52 miles of roads were paved or resurfaced and performed numerous maintenance on drainage systems.

Economic development secured \$8 million in funding from Triumph Gulf Coast, Inc. for Project Runner which will add 400 jobs above the county average wage and facilitated expansion plans for Project Lionheart which will add 90 high wage jobs.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Santa Rosa County, Florida for its comprehensive annual financial report for the fiscal year ended September 30, 2018. In order to be awarded a Certificate of Achievement, a government 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 that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

A comprehensive annual financial report of this nature could not have been prepared on a timely basis without the dedicated efforts of the Finance Department who worked many hours on this project. I would like to thank them for their invaluable assistance in the preparation of this report.

I would also like to thank the Board of County Commissioners and their staff, and the other Constitutional Officers for their personal interest and dedicated support in planning and conducting the financial operations of the County in a responsible and progressive manner.

A handwritten signature in dark ink, appearing to read "Donald C. Spencer". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Donald C. Spencer
Clerk of the Courts and Comptroller



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Santa Rosa County
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

Christopher P. Morill

Executive Director/CEO

Santa Rosa County, Florida
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Fiscal Year Ended September 30, 2019

Board of County Commissioners

Sam Parker
Chairman
W.D. “Don” Salter
Vice Chairman

Robert A. “Bob” Cole
Dave Piech
Lane Lynchard

Elected Constitutional Officers

Donald C. Spencer
Clerk of the Courts and Comptroller

Gregory S. Brown
Property Appraiser

Tappie Villane
Supervisor of Elections

Bob Johnson
Sheriff

Stan Colie Nichols
Tax Collector

County Management

Dan Schebler
County Administrator

Roy V. Andrews
County Attorney

Mark Murray
Assistant County Administrator

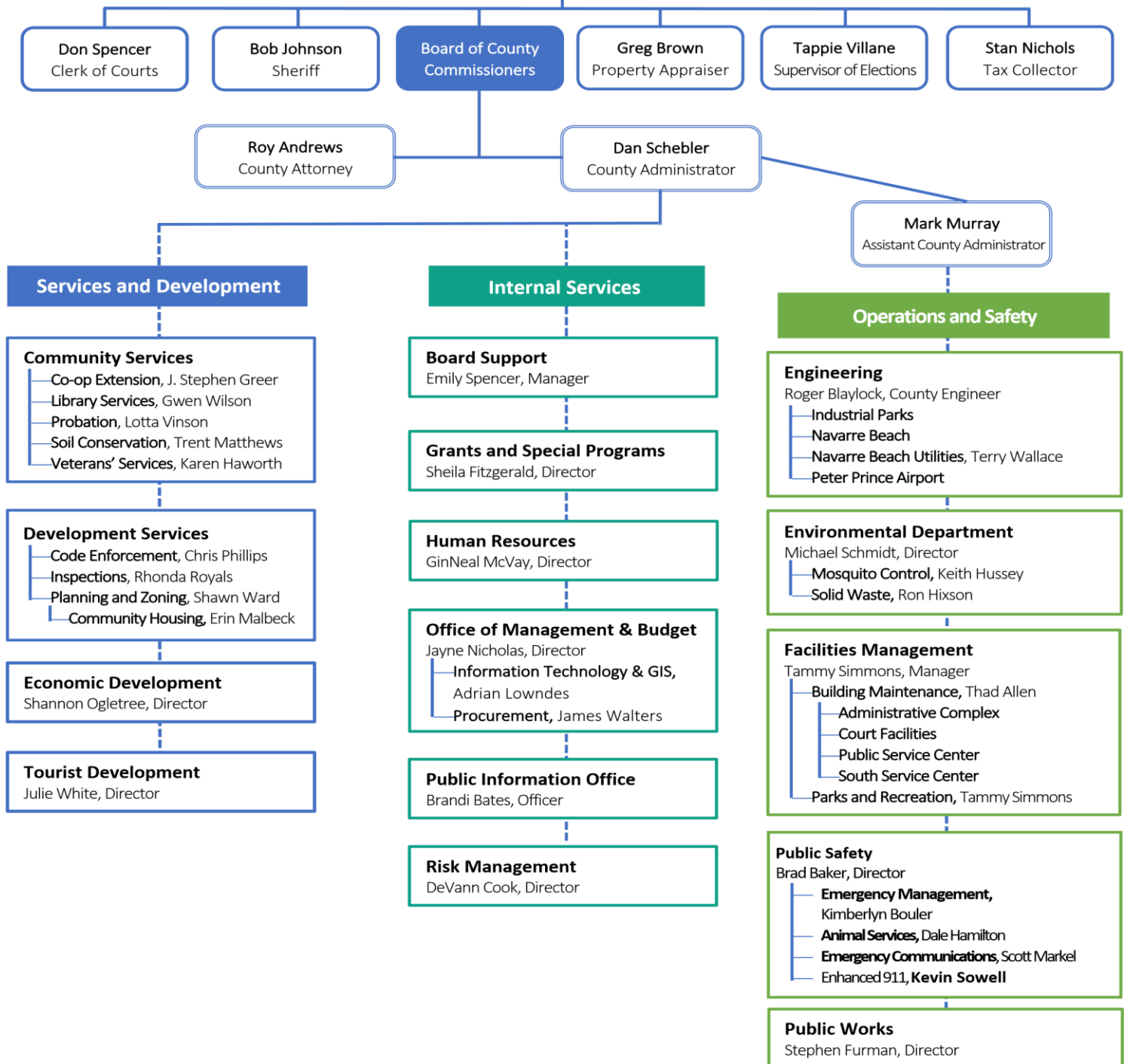
GinNeal McVay
Director of Human Resources

Jayne Bell
Office of Management and Budget

Stephen Furman
Director of Public Works

Roger Blaylock
County Engineer

Organizational Chart





FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

The Honorable Board of County Commissioners
Santa Rosa County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Santa Rosa County, Florida, (the "County") as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of September 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules for the general fund, road and bridge fund, and the local option sales tax fund, the schedules of proportionate share of the net pension liability, the schedules of the County's contributions, the schedules of changes in total liability and related ratios for other post-employment benefits, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining individual fund statements and budgetary comparison schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining individual fund statements and budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining individual fund statements and budgetary comparison schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2020 tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Warren Averett, LLC

March 20, 2020
Pensacola, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Santa Rosa County (County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-4 of this report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$201,955,112 (*net position*). Of this amount, (\$1,819,338) represents unrestricted net position, which may normally be used to meet the government's ongoing obligations to citizens and creditors. In the current year, unrestricted fund balance became negative due to the changes in pension liability in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68 as discussed in Note K.
- The County's total net position increased by \$9,659,141; governmental activities increased by \$3,670,266 and business-type activities decreased by \$5,988,875. The increase in total net position was primarily due to increases in revenues from the Local Option Sales Tax and not expending funds which were budgeted by year end and increased property tax revenues due to increased property values in the governmental activities and in business-type activities, the increase primarily related to an increase in landfill revenues due to increased rates without a large adjustment to landfill closure and maintenance.
- At the close of the current fiscal year, the County governmental funds reported combined fund balances of \$79,616,113, a decrease of \$2,405,697 in comparison with the prior year. Approximately 43% of this amount (\$34,076,699) is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the governmental funds were \$61,202,213, or approximately 77% of total general fund expenditures.
- The County's total outstanding long-term notes decreased by \$1,340,527 during the current fiscal year due to normal debt service principal reductions.

OVERVIEW OF THE FINANCIAL STATEMENTS

The County's basic financial statements consist of three components; 1) *Government-wide financial statements*, 2) *Fund financial statements*, and 3) *Notes to the financial statements*. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide financial statements

The *Government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all of the County's assets, liabilities and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for

some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public safety, physical environment, transportation, economic environment, human services, and culture and recreation. The business-type activities of the County include a water/sewer service, solid waste disposal, and hangar rentals.

The government-wide financial statements can be found on pages 23-25 of this report.

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. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains fifteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, road and bridge fund, and the local option sales tax fund, which are considered to be major funds. Data from the other twelve governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The County adopts annual appropriated budgets for its governmental funds. Budgetary comparison schedules are provided as required supplementary information for the general fund and road and bridge fund.

The basic governmental fund financial statements can be found on pages 26-29 of this report.

Proprietary Funds

The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its water/sewer service, solid waste disposal, inspections, and hangar rentals. Internal services funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for the management of its retained risks and for its fleet of vehicles. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water/sewer services, solid waste disposal, and hangar rentals, of which the water/sewer services and solid waste disposal are considered to be major funds of the County. The internal service fund is presented in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 30-32 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The County maintains an Agency fund which reports resources held by the County in a custodial capacity for individuals, private organizations and other governments.

The fiduciary fund financial statements can be found on pages 33 of this report.

Notes to the financial statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 35-68 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the County's progress in funding its obligation to provide pension and OPEB benefits to its employees. Required supplementary information can be found starting on page 70 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found starting on page 82 of this report.

Government-Wide Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities plus deferred inflows by \$201.9 million as of September 30, 2019.

Santa Rosa County's Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2018	2018
Current and other assets	\$ 97,848	\$ 97,828	\$ 27,371	\$ 26,575	\$ 125,219	\$ 124,403
Capital assets	165,022	148,839	26,283	19,257	191,305	168,096
Total assets	262,870	246,667	53,654	45,832	316,524	292,499
Deferred outflows of resources	28,652	27,385	1,172	1,248	29,824	28,633
Long-term liabilities						
outstanding	101,064	88,827	23,045	21,737	124,109	110,564
Other liabilities	10,959	8,792	1,995	1,530	12,954	10,322
Total liabilities	112,023	97,619	25,040	23,267	137,063	120,886
Deferred inflow of resources	6,954	7,558	376	391	7,330	7,949
Net position						
Net investment in						
capital assets	160,555	143,546	25,192	17,650	185,747	161,196
Restricted	18,027	16,814	-	522	18,027	17,336
Unrestricted	(6,037)	8,514	4,218	5,250	(1,819)	13,764
Total net position	<u>\$ 172,545</u>	<u>\$ 168,874</u>	<u>\$ 29,410</u>	<u>\$ 23,422</u>	<u>\$ 201,955</u>	<u>\$ 192,296</u>

The largest portion of the County's net position (92%) reflects its investment in capital assets (e.g., land, buildings, equipment, improvements, construction in progress and infrastructure), less any related outstanding debt that was used to acquire those assets. The County uses these capital assets to provide a variety of services to its citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

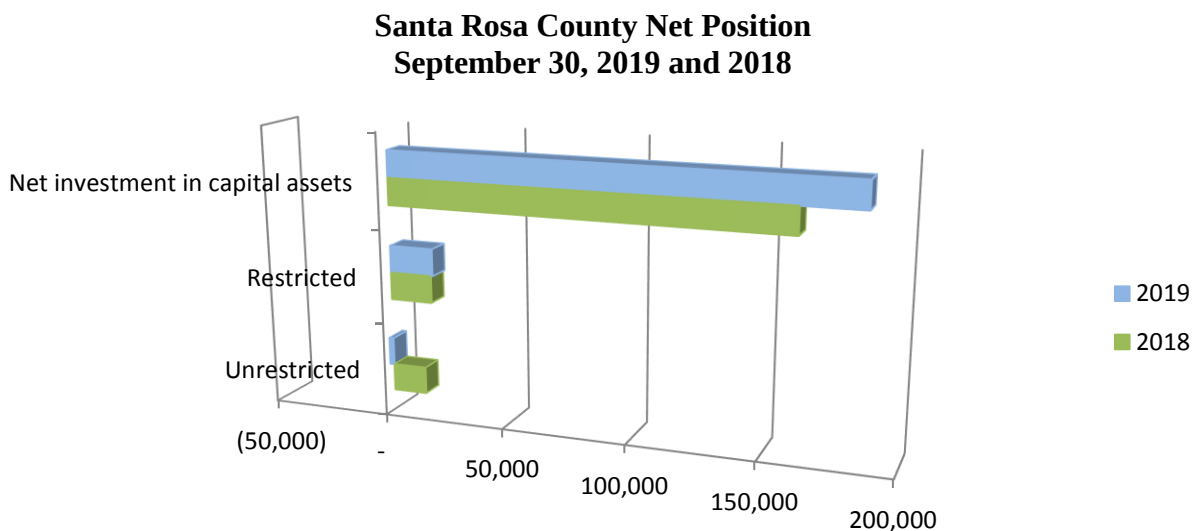
An additional portion of the County's net position (9%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of (\$1,819,343) is unrestricted and may normally be used to meet the government's ongoing obligations to its citizens and creditors. The County's unrestricted net position became negative in the current year due to the nonsensical GASB Statement No. 68 adjustment in

the amount of \$10,926,954 which requires the County to record an estimated liability and expense for potential future pension costs. The estimated liability and expense are based on the following assumptions:

- when an employee will retire;
- when an employee will die;
- future pay increases for employees;
- what inflation will be in the future;
- what investment returns will be going forward;
- the best rate to discount those estimated future payments.

See page 62 of this report which shows significant variations in the liability due to the discount rate assumptions.

At the end of the current fiscal year, the County is able to report positive balances in all reported categories of net position except governmental activities unrestricted net position due to GASB 68.



However, the County's overall net position increased \$9,659,145 from operations. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

Governmental Activities

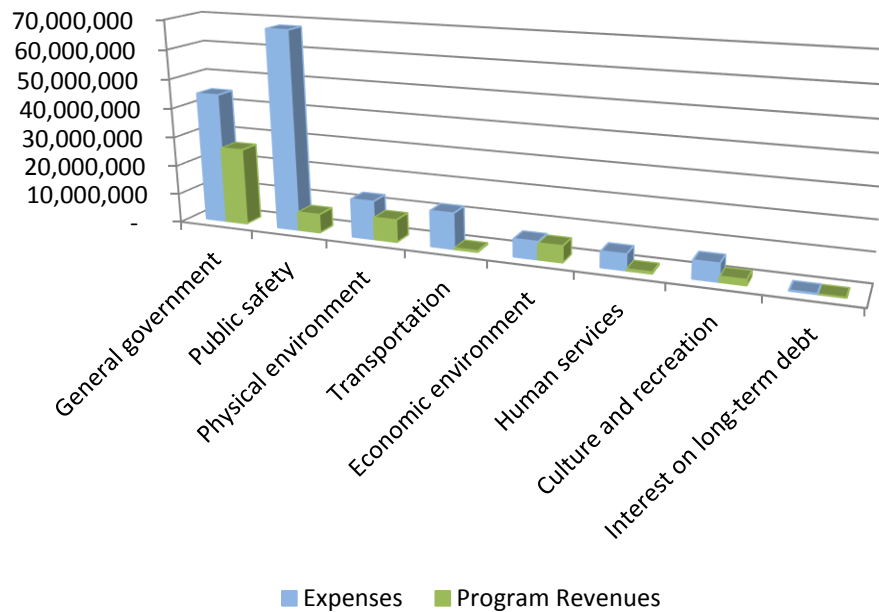
During the current fiscal year, net position for governmental activities increased \$3,670,270 from the prior fiscal year leaving an ending net position of \$172,544,559. This increase primarily relates to the Local Option Sales Tax Fund which had an increase in revenues and didn't expend all the funds which were budgeted for by year end. This was due to the timing of the projects, some of which included the Pea Ridge connector and Spencerfield traffic relief. An increase in property tax revenue as a result of increased property values also contributed to the increase in governmental activities. Expenditure increases related primarily to GASB Statement No. 68 as discussed above, an increase in Sheriff office expenditures for additional staffing and road and stormwater projects.

Santa Rosa County's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2018	2018
Revenues:						
Program revenues						
Charges for services	\$ 33,851	\$ 30,424	\$ 17,334	\$ 15,019	\$ 51,185	\$ 45,443
Operating grants & contributions	8,214	5,829	--	--	8,214	5,829
Capital grants & contributions	6,127	4,137	329	34	6,456	4,171
General revenues						
Property tax	56,285	51,841	--	--	56,285	51,841
Sales, use and fuel tax	23,346	19,561	--	--	23,346	19,561
Communications services	1,136	1,247	--	--	1,136	1,247
Grants and contributions	17,227	15,716	--	--	17,227	15,716
Investment earnings	1,761	1,236	709	244	2,470	1,480
Other	10,112	2,498	(25)	104	10,087	2,602
Total revenues	158,059	132,489	18,347	15,401	176,406	147,890
Expenses:						
General government	44,504	37,135	--	--	44,504	37,135
Public safety	67,942	53,973	--	--	67,942	53,973
Physical environment	13,076	5,973	--	--	13,076	5,973
Transportation	12,130	14,757	--	--	12,130	14,757
Economic environment	5,923	4,720	--	--	5,923	4,720
Human services	5,269	4,758	--	--	5,269	4,758
Culture and recreation	5,884	4,945	--	--	5,884	4,945
Interest on long term debt	104	146	--	--	104	146
Water and sewer	--	--	2,467	2,263	2,467	2,263
Inspections	--	--	2,048	2,070	2,048	2,070
Airport	--	--	575	551	575	551
Landfill	--	--	6,825	11,584	6,825	11,584
Total expenses	154,832	126,407	11,915	16,468	166,747	142,875
Increase in net position before transfers	3,227	6,082	6,432	(1,067)	9,659	5,015
Transfers	444	2,063	(444)	(2,063)	--	--
Change in net position	3,671	8,145	5,988	(3,130)	9,659	5,015
Net position, beg. of year	168,874	160,265	23,422	26,527	192,296	186,792
Change in accounting principle	-	464	-	25	-	489
Net position, beg. of year (restated)	168,874	160,729	23,422	26,552	192,296	187,281
Net position, end of year	<u>\$ 172,545</u>	<u>\$ 168,874</u>	<u>\$ 29,410</u>	<u>\$ 23,422</u>	<u>\$ 201,955</u>	<u>\$ 192,296</u>

The following graph displays the Governmental Activities current program revenues and expenditures by function for fiscal year 2019.

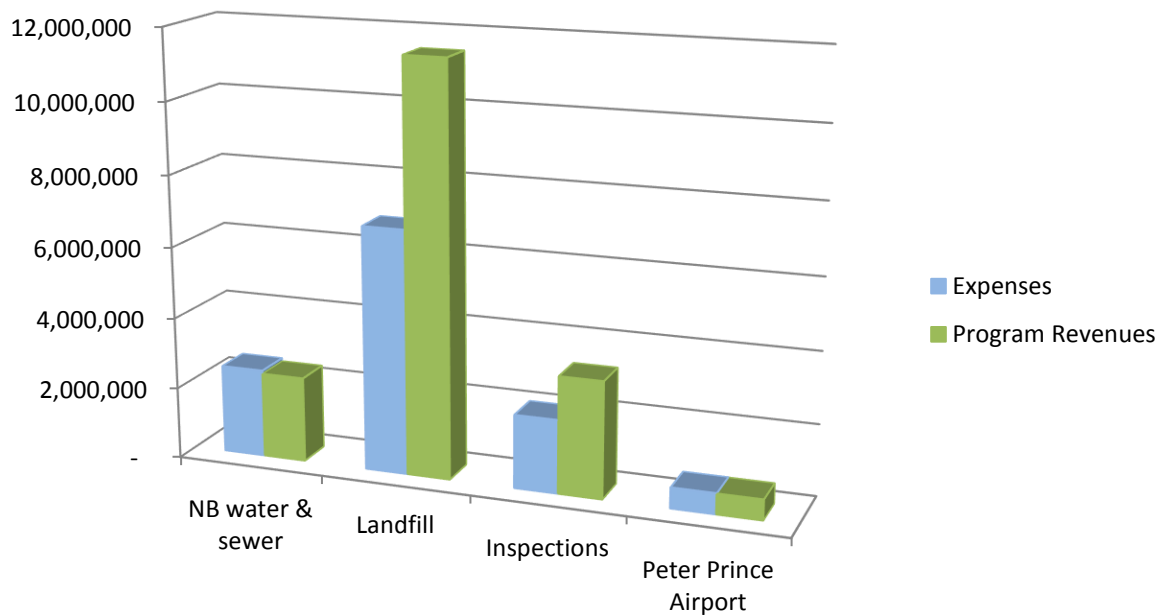
Expenses and Program Revenues - Governmental Activities



Business-type Activities

During the current fiscal year, net position for business-type activities increased \$5,988,875 from the prior fiscal year leaving an ending net position was \$29,410,553. The increase is attributable to increased landfill revenues due to increased rates without a large adjustment in the landfill closure and maintenance liability as was the case last year.

Expenses and Program Revenues - Business-Type Activities



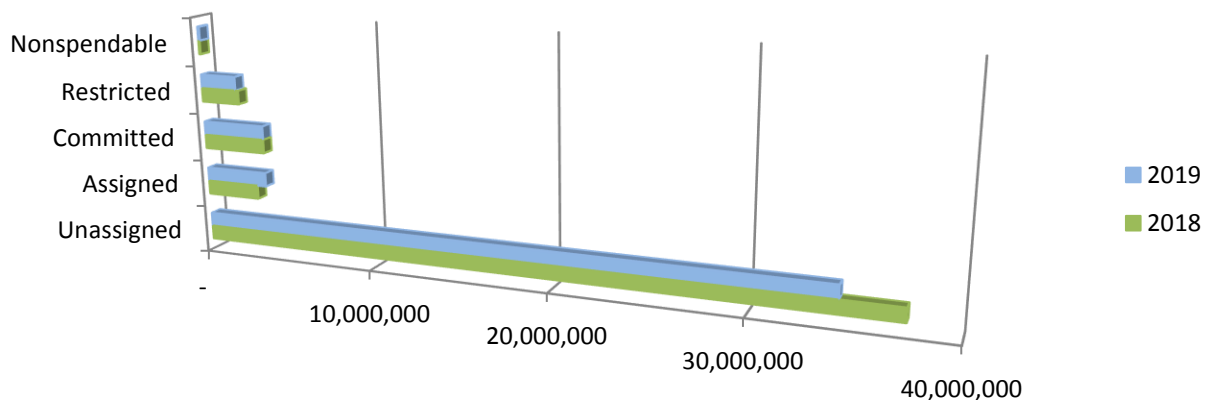
Financial Analysis of Governmental Funds

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

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either external party, the County itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the County.

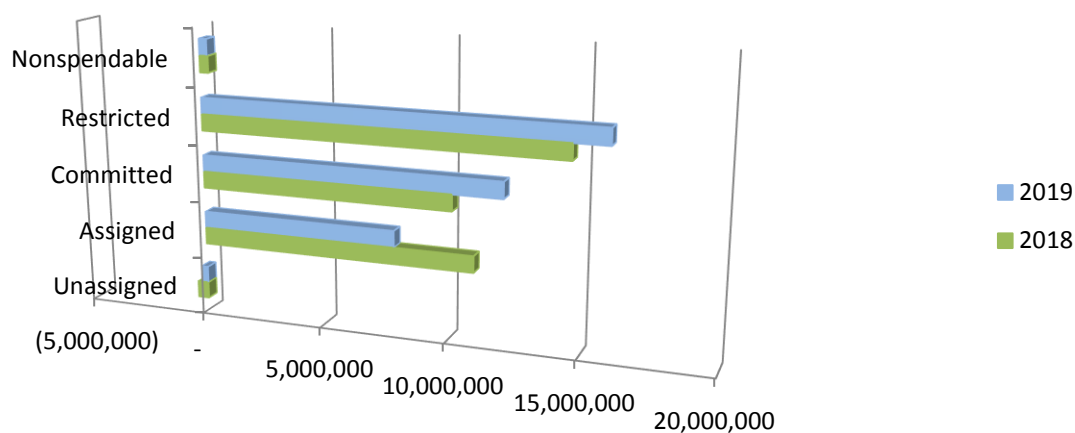
At September 30, 2019, the County's governmental funds reported combined fund balances of \$79,616,113, a decrease of \$2,405,697 in comparison with the prior year. Approximately 43% of this amount (\$34,076,699) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either nonspendable, restricted, committed, or assigned to indicate that is is 1) not in spendable form (\$387,233), 2) restricted for particular purposes (\$18,026,667), 3) committed for particular purposes (\$15,683,795), or 4) assigned for particular purposes (\$11,441,719).

**General Fund
Components of Fund Balance
September 30, 2019 and 2018**



The General fund is the primary operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$34,347,223, while total fund balance decreased to \$43,706,774. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 38 % of total general fund expenditures, while total fund balance represents approximately 49% of that same amount.

Other Governmental Funds Components of Fund Balance September 30, 2019 and 2018



The fund balance of the County's general fund decreased by \$2,736,912 during the current fiscal year. This decrease primarily relates to GASB 68 adjustments and increased Sheriff office expenditures for additional staffing.

The road and bridge fund, a major fund, had a \$3,100,106 decrease in fund balance during the current fiscal year which put the overall fund balance at \$7,558,013. The fund reports an assigned fund balance of \$6,926,907, and accounts for fuel and other taxes designated for road improvements. During the year, fund balance decreased primarily due to increased expenditures for road and stormwater projects.

The local option sales tax fund, the remaining major governmental fund, had a \$915,299 increase in fund balance during the current fiscal year which put the overall fund balance at \$3,901,785. The primary reason for the increase in the fund was an increase in revenue from the prior year and not expending funds which were budgeted by year end. This was due to the timing of the projects some of which included the Pea Ridge connector and Spencerfield traffic relief

Financial Analysis of Proprietary Funds

The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Navarre Beach fund at the end of the year was \$1,802,615 and for the Landfill fund was \$1,280,380. The total change in net position for both funds was \$(119,672) and \$4,650,989, respectively. The decrease for the Navarre Beach fund resulted primarily because of increased operating costs without an offsetting adjustment to water/sewer rates. As discussed in the business –type activities section, the increase in the landfill fund is attributable to increased revenues due to increased rates without a large adjustment in the landfill closure and maintenance liability as was the case last year.

General Fund Budgetary Highlights

Original budget compared to final budget. During the year, the General Fund's original expenditure budget was increased by \$11,453,602. There was also a need to make amendments to reallocate appropriations among departments when it became clearer which departments would actually be charged for certain expenditures.

The largest amendments from the original budget related to general government for jail upgrades, physical environment for Navarre Beach Pier Restrooms, and transfers out for new hangars and the new judicial facility.

Final budget compared to actual results. The General Fund under spent the final budget by \$9,153,403 or 8.6%. The primary reasons actual expenditures were less than the final budget was primarily for funds budgeted for building maintenance improvements to the jail, Navarre Beach pier repairs, and Navarre Beach renourishment activities which weren't expended in the current year that were budgeted for.

Santa Rosa County's General Fund Budget to Actual

	Original Budget	Final Budget	Change in Budget	Actual	Actual Variance from Budget
General government	\$ 30,115,891	\$ 31,539,997	\$ 1,424,106	\$ 25,900,425	\$ (5,639,572)
Public safety	49,565,123	50,138,170	573,047	49,656,706	(481,464)
Physical environmen	2,218,798	3,968,335	1,749,537	1,852,001	(2,116,334)
Transportation	1,154,903	1,163,403	8,500	1,116,745	(46,658)
Economic environme	875,101	1,509,472	634,371	1,369,762	(139,710)
Human services	5,151,790	5,265,290	113,500	5,111,341	(153,949)
Culture and recreatio	4,311,296	4,787,514	476,218	4,211,798	(575,716)
Transfers out	1,277,434	7,751,757	6,474,323	7,751,757	--
	<u>\$ 94,670,336</u>	<u>\$ 106,123,938</u>	<u>\$ 11,453,602</u>	<u>\$ 96,970,535</u>	<u>\$ (9,153,403)</u>

Capital Assets and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business-type activities as of September 30, 2019, amounts to \$191,305,411 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery, equipment, vehicles, park facilities, roads, highways, and the water treatment facility. The total increase in capital assets for the current fiscal year was approximately 13.8%.

Capital Assets at Year-end (Net of Depreciation, in Thousands)

	Governmental Activities		Business-type Activities		Totals	
	2018	2018	2018	2018	2019	2018
Land	\$ 23,059	\$ 21,393	\$ 1,306	\$ 1,306	\$ 24,365	\$ 22,699
Construction in progress	17,664	4,563	11,816	2,730	29,480	7,293
Buildings	11,960	14,412	1,535	1,663	13,495	16,075
Improvements other than building	87,929	86,986	10,471	12,454	98,400	99,440
Machinery, furniture and equip.	24,410	21,486	1,156	1,107	25,566	22,593
Totals	<u>\$ 165,022</u>	<u>\$ 148,840</u>	<u>\$ 26,284</u>	<u>\$ 19,260</u>	<u>\$ 191,306</u>	<u>\$ 168,100</u>

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

- Cell expansion at the landfill at a cost of \$7,361,753
- Donation of infrastructure from developers in the amount of \$7,271,102
- New equipment for the Sheriff's office at a cost of \$4,580,466.

- Settler's Colony drainage project at a cost \$3,251,954
- Venetian Way Coronado drainage project at a cost of \$2,029,552
- Costs associated with the new judicial facility totaled \$1,335,234 in the current year.

Additional information on the County's capital assets can be found in Note F on pages 48-49 of this report.

Long-term Debt. At the end of the current fiscal year, the County had total notes outstanding of \$5,557,629. Of this amount, \$3,457,511 is debt backed by various revenues of the County and \$2,100,118 is special assessment debt for which the County is liable in the event of default by the property owners subject to the assessment.

**Outstanding Debt at Year-end
(in Thousands)**

	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Revenue bonds	\$ 2,343	\$ 3,097	\$ -	\$ -	\$ 2,343	\$ 3,097
Notes payable	24	58	1,091	1,606	1,115	1,664
Special assessment notes	2,100	2,137	-	-	2,100	2,137
Totals	<u>\$ 4,467</u>	<u>\$ 5,292</u>	<u>\$ 1,091</u>	<u>\$ 1,606</u>	<u>\$ 5,558</u>	<u>\$ 6,898</u>

The County's total debt decreased by \$1,340,527, (19%) during the current fiscal year. The reason for the decrease was due to normal debt service principal reductions.

Additional information on the County's long-term debt can be found in Note G on pages 50-54 of this report.

Economic Factors and Next Year's Budgets and Rates

The following economic factors currently affect the County and were considered in developing the 2019-20 fiscal year budget.

- The taxable assessed property values increased 8.5%.
- Sales tax revenues are expected to generate approximately \$9 million.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 6495 Caroline Street, Suite B, Milton, FL 32570.

BASIC FINANCIAL STATEMENTS

Santa Rosa County, Florida

STATEMENT OF NET POSITION

September 30, 2019

ASSETS	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 80,901,800	\$ 15,600,374	\$ 96,502,174
Investments	1,833,691	10,508,753	12,342,444
Receivables, net	14,725,390	1,261,896	15,987,286
Inventory	387,233	--	387,233
Capital assets, net			
Nondepreciable	40,722,228	13,121,490	53,843,718
Depreciable	124,300,139	13,161,554	137,461,693
Total assets	262,870,481	53,654,067	316,524,548
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows on pension	25,415,812	985,298	26,401,110
Deferred outflows on health insurance subsidy	3,235,997	187,084	3,423,081
Total deferred outflows of resources	28,651,809	1,172,382	29,824,191
LIABILITIES			
Accounts payable	7,406,468	1,527,389	8,933,857
Contracts payable	409,650	--	409,650
Accrued wages payable	2,044,944	138,003	2,182,947
Interest payable	45,142	--	45,142
Due to other governments	513,636	53,874	567,510
Deposits	257,720	275,678	533,398
Unearned revenue	281,366	--	281,366
Noncurrent liabilities			
Due within one year	5,709,416	853,780	6,563,196
Due in more than one year	95,354,707	22,191,625	117,546,332
Total liabilities	112,023,049	25,040,349	137,063,398
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows on pension	4,329,835	204,772	4,534,607
Deferred inflows on health insurance subsidy	1,468,754	99,976	1,568,730
Deferred inflows on OPEB	1,156,093	70,799	1,226,892
Total deferred inflows of resources	6,954,682	375,547	7,330,229

Continued ...

Santa Rosa County, Florida

STATEMENT OF NET POSITION (Continued)

September 30, 2019

NET POSITION	Governmental Activities	Business-type Activities	Total
Net investment in capital assets	160,555,326	25,192,457	185,747,783
Restricted for:			
Communications	934,539	--	934,539
Drivers education	265,471	--	265,471
Boating improvement	663,314	--	663,314
Domestic violence	209,227	--	209,227
Pollworker recruitment	1,887	--	1,887
Federal elections	5,114	--	5,114
Voter education	1,369	--	1,369
Navarre Beach Bridge maintenance	326,802	--	326,802
Infrastructure development	5,046,672	--	5,046,672
Law Enforcement Trust Fund	80,443	--	80,443
Crime prevention	436,607	--	436,607
Mosquito control	57,249	--	57,249
Federal and state grants	3,057,264	--	3,057,264
Enhanced 911 system	500,540	--	500,540
Tourist development	1,716,969	--	1,716,969
State Housing Improvement Program	385,786	--	385,786
Flood Mitigation	383,722	--	383,722
Fire prevention and control	566,940	--	566,940
Road and sewer construction	883,229	--	883,229
Canal maintance	116,964	--	116,964
Street lighting	101,213	--	101,213
Beach restoration	18,596	--	18,596
Court equipment and technology	769,680	--	769,680
Records modernization trust fund	654,708	--	654,708
Law enforcement training	83,448	--	83,448
Inmate welfare purchases	758,914	--	758,914
Unrestricted	(6,037,434)	4,218,096	(1,819,338)
Total net position	<u>\$ 172,544,559</u>	<u>\$ 29,410,553</u>	<u>\$ 201,955,112</u>

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

Santa Rosa County, Florida

STATEMENT OF ACTIVITIES

Year ended September 30, 2019

Functions/Programs:	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for	Operating	Capital	Governmental	Business-	Total
		Services	Grants and	Grants and	Activities	type	
			Contributions	Contributions		Activities	
Governmental activities:							
General government	\$ 44,503,615	\$ 21,834,143	\$ 4,259,930	\$ 75,000	\$ (18,334,542)		\$ (18,334,542)
Public safety	67,942,445	5,112,437	759,867	453,358	(61,616,783)		(61,616,783)
Physical environment	13,076,259	6,253,640	877,925	458,560	(5,486,134)		(5,486,134)
Transportation	12,129,579	61,917	231,627	7,383,946	(4,452,089)		(4,452,089)
Economic environment	5,923,430	--	446,840	5,027,658	(448,932)		(448,932)
Human services	5,268,916	40,422	425,133	--	(4,803,361)		(4,803,361)
Culture and recreation	5,884,463	548,804	1,212,869	--	(4,122,790)		(4,122,790)
Interest on long-term debt	104,063	--	--	--	(104,063)		(104,063)
Total governmental activities	154,832,770	33,851,363	8,214,191	13,398,522	(99,368,694)		(99,368,694)
Business-type activities:							
Navarre Beach water and sewer	2,466,621	2,377,243	--	--		\$ (89,378)	(89,378)
Inspections	2,048,065	3,252,216	--	--		1,204,151	1,204,151
Peter Prince Airport	575,137	305,168	--	262,564		(7,405)	(7,405)
Landfill	6,825,399	11,399,817	--	67,088		4,641,506	4,641,506
Total business-type activities	11,915,222	17,334,444	--	329,652		5,748,874	5,748,874
Total	166,747,992	51,185,807	8,214,191	13,728,174	(99,368,694)	5,748,874	(93,619,820)
General revenues:							
Taxes							
Property taxes					56,284,626	--	56,284,626
Sales, use and fuel taxes					23,346,073	--	23,346,073
Communication services taxes					1,135,739	--	1,135,739
Grants and contributions not restricted to specific programs					17,227,434	--	17,227,434
Unrestricted investment earnings					1,760,570	708,723	2,469,293
Miscellaneous					2,840,406	30,111	2,870,517
Gain on sale of assets					--	(54,717)	(54,717)
Transfers					444,116	(444,116)	--
Total general revenues and transfers					103,038,964	240,001	103,278,965
Change in net position					3,670,270	5,988,875	9,659,145
Net position - beginning					168,874,289	23,421,678	192,295,967
Net position - ending					<u>\$ 172,544,559</u>	<u>\$ 29,410,553</u>	<u>\$ 201,955,112</u>

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

Santa Rosa County, Florida

**BALANCE SHEET
GOVERNMENTAL FUNDS**

September 30, 2019

ASSETS	General	Road and Bridge	Local Option Sales Tax	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 42,089,424	\$ 3,246,747	\$ 3,493,343	\$ 23,922,232	\$ 72,751,746
Investments	1,159,384	--	--	--	1,159,384
Receivables, net of uncollectibles					
Accounts	129,915	946	--	707,230	838,091
Leases - current	287,064	--	--	--	287,064
Due from other governments	3,358,668	5,353,740	619,418	3,609,061	12,940,887
Due from other funds	1,383,849	--	--	133,450	1,517,299
Inventory	82,929	304,304	--	--	387,233
Total assets	<u>\$ 48,491,233</u>	<u>\$ 8,905,737</u>	<u>\$ 4,112,761</u>	<u>\$ 28,371,973</u>	<u>\$ 89,881,704</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 2,638,382	\$ 752,689	\$ 210,976	\$ 1,645,800	\$ 5,247,847
Accrued wages payable	1,630,792	185,385	--	221,896	2,038,073
Deposits	257,720	--	--	--	257,720
Unearned revenue	134,461	--	--	146,905	281,366
Due to other funds	14,937	--	--	1,502,362	1,517,299
Due to other governments	108,167	--	--	405,469	513,636
Total liabilities	4,784,459	1,347,724	210,976	3,922,432	10,265,591
Fund balances:					
Nonspendable	82,929	304,304	--	--	387,233
Restricted	2,080,921	326,802	3,901,785	11,717,159	18,026,667
Committed	3,601,898	--	--	12,081,897	15,683,795
Assigned	3,593,803	6,926,907	--	921,009	11,441,719
Unassigned	34,347,223	--	--	(270,524)	34,076,699
Total fund balances	<u>43,706,774</u>	<u>7,558,013</u>	<u>3,901,785</u>	<u>24,449,541</u>	<u>79,616,113</u>
Total liabilities and fund balances	<u>\$ 48,491,233</u>	<u>\$ 8,905,737</u>	<u>\$ 4,112,761</u>	<u>\$ 28,371,973</u>	<u>\$ 89,881,704</u>

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

Santa Rosa County, Florida

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

September 30, 2019

Total Governmental Funds Balances	\$	79,616,113
--	----	------------

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:

Total capital assets, net, see Note F		165,022,367
---------------------------------------	--	-------------

Deferred outflows of resources are presented in governmental activities on the Statement of Net Position, but are not reported in the governmental funds:

Deferred outflows on pension	25,415,812	
Less: Internal Service Fund Deferred outflows on pensions	(59,167)	
Deferred outflows on health insurance subsidy	3,235,997	
Less: Internal Service Fund Deferred outflows on health insurance subsidy	<u>(11,456)</u>	28,581,186

Long term liabilities are not due and payable in the current period and therefore are not reported in the funds:

Total long-term liabilities, see Note G	(15,574,268)	
Net pension liability, see Note K	(82,838,438)	
Net OPEB liability, see Note N	(6,712,021)	
Add: interest payable due to interest accruals	(45,142)	
Less: Enterprise Funds net pension liability	3,677,653	
Less: Enterprise Funds net OPEB liability	382,951	
Less: Internal Service Fund insurance claims payable	3,328,736	
Less: Internal Service Fund compensated absences	14,236	
Less: Internal Service Fund other postemployment benefits liability	27,939	
Less: Internal Service Fund net pension liability	164,790	
Less: Internal Service Fund net health insurance subsidy liability	<u>72,649</u>	(97,500,915)

Deferred inflows of resources are presented in governmental activities on the Statement of Net Position, but are not reported in the governmental funds:

Deferred inflows on pension	(4,329,835)	
Less: Internal Service Fund deferred inflows on pensions	18,688	
Deferred inflows on health insurance subsidy	(1,468,754)	
Less: Internal Service Fund deferred inflows on health insurance subsidy	5,232	
Deferred inflows on OPEB	(1,156,093)	
Less: Internal Service Fund deferred inflows on OPEB	<u>3,805</u>	(6,926,957)

Internal service funds are used by management to charge the costs of providing insurance coverage to individual funds and therefore, the assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position.

		<u>3,752,765</u>
--	--	------------------

Net Position of Governmental Activities	\$	<u>172,544,559</u>
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Santa Rosa County, Florida

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

Year ended September 30, 2019

	General	Road and Bridge	Local Option Sales Tax	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 58,186,896	\$ 8,103,442	\$ 8,871,282	\$ 5,604,818	\$ 80,766,438
Permits, fees and special assessments	265,623	--	--	13,194,994	13,460,617
Intergovernmental	14,764,841	8,702,507	--	7,209,503	30,676,851
Charges for services	9,927,636	163,820	--	5,286,841	15,378,297
Fines and forfeits	356,178	--	--	1,088,377	1,444,555
Miscellaneous	3,292,754	807,185	21,426	2,142,109	6,263,474
Total revenues	<u>86,793,928</u>	<u>17,776,954</u>	<u>8,892,708</u>	<u>34,526,642</u>	<u>147,990,232</u>
Expenditures					
Current					
General government	25,900,425	--	6,662,053	6,639,871	39,202,349
Public safety	49,656,706	--	--	11,867,238	61,523,944
Physical environment	1,852,001	7,691,241	--	3,290,348	12,833,590
Transportation	1,116,745	15,408,699	--	664,742	17,190,186
Economic environment	1,369,762	--	--	4,387,928	5,757,690
Human services	5,111,341	--	--	147,343	5,258,684
Culture and recreation	4,211,798	--	--	257,871	4,469,669
Capital outlay	--	--	--	2,665,420	2,665,420
Debt service	--	--	--	1,217,367	1,217,367
Total expenditures	<u>89,218,778</u>	<u>23,099,940</u>	<u>6,662,053</u>	<u>31,138,128</u>	<u>150,118,899</u>
Excess (deficiency) of revenues over expenditures	(2,424,850)	(5,322,986)	2,230,655	3,388,514	(2,128,667)
Other financing sources (uses)					
Transfers in	7,439,211	2,671,614	22,244	10,643,769	20,776,838
Transfers out	(7,751,757)	(407,813)	(1,337,600)	(11,791,262)	(21,288,432)
Issuance of debt	--	--	--	275,000	275,000
Total other financing sources (uses)	<u>(312,546)</u>	<u>2,263,801</u>	<u>(1,315,356)</u>	<u>(872,493)</u>	<u>(236,594)</u>
Net change in fund balances	(2,737,396)	(3,059,185)	915,299	2,516,021	(2,365,261)
Fund balances, beginning of year	46,443,686	10,658,118	2,986,486	21,933,520	82,021,810
Change in reserve for inventory	<u>484</u>	<u>(40,920)</u>	<u>--</u>	<u>--</u>	<u>(40,436)</u>
Fund balances, end of year	<u>\$ 43,706,774</u>	<u>\$ 7,558,013</u>	<u>\$ 3,901,785</u>	<u>\$ 24,449,541</u>	<u>\$ 79,616,113</u>

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

Santa Rosa County, Florida

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

For the year ended September 30, 2019

Net Change in Fund Balances - Total Governmental Funds \$ (2,365,261)

***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 allocated over their estimated useful lives as depreciation expense. In the current period these amounts are:

Current period investment in capital assets	29,168,866
Current period depreciation	(12,626,561)
Current period loss on disposal of capital assets, net of proceeds	(357,723)

In the statement of activities, interest is accrued on outstanding loans, whereas in governmental funds, an interest expenditure is reported when due.

Change in interest payable	13,225
----------------------------	--------

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also debt proceeds are an other financing source in the governmental funds, but the issuance increases long-term liabilities in the statement of net position.

Current period change in compensated absences	(212,344)
Current period note payments	787,980
Current period special assessment note payments	312,099
Current period debt proceeds	(275,000)
Current period change in pension liability	(11,843,582)
Current period change in health insurance subsidy	(1,651,655)
Current period increase in other post employment benefits liability	695,175
Current period change in deferred outflow of resources on pensions	417,452
Current period change in deferred inflow of resources on pensions	1,195,605
Current period change in deferred outflow of resources on health insurance subsidy	853,241
Current period change in deferred inflow of resources on health insurance subsidy	259,250
Current period change in deferred inflow of resources on OPEB	(852,436)

Revenue from sale of property related to long-term receivable recognized in current year in the governmental fund, whereas on the accrual basis, revenue was recognized at the time of sale.	(436,375)
--	-----------

Internal service funds are used by management to charge the costs of providing insurance coverage and therefore, the change in net position of the internal service fund is included in governmental activities in the Statement of Activities.

628,750

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 the funds

Change in reserve for inventory	(40,436)
---------------------------------	----------

Change in Net Position of Governmental Activities	\$ 3,670,270
--	---------------------

Santa Rosa County, Florida

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

September 30, 2019

	Business-type Activities				Governmental Activities
	Major Funds		Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Fund
ASSETS	Navarre Beach	Landfill			
Current assets:					
Cash and cash equivalents	\$ 2,154,140	\$ 3,570,217	\$ 3,340,578	\$ 9,064,935	\$ 8,150,054
Investments	--	--	--	--	674,307
Accounts receivable	185,625	1,062,040	8,231	1,255,896	36,794
Due from other governments	--	6,000	--	6,000	622,554
Total current assets	2,339,765	4,638,257	3,348,809	10,326,831	9,483,709
Noncurrent assets					
Restricted cash and cash equivalents	--	6,535,439	--	6,535,439	--
Restricted investments	--	10,508,753	--	10,508,753	--
Capital assets, net of accumulated depreciation	4,487,683	17,395,606	4,399,755	26,283,044	--
Total noncurrent assets	4,487,683	34,439,798	4,399,755	43,327,236	--
Total assets	6,827,448	39,078,055	7,748,564	53,654,067	9,483,709
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflow on pension	115,330	428,135	441,833	985,298	59,167
Deferred outflow on health insurance subsidy	24,001	82,918	80,165	187,084	11,456
Total deferred outflows of resources	139,331	511,053	521,998	1,172,382	70,623
LIABILITIES					
Current liabilities					
Accounts payable	65,762	1,238,242	223,385	1,527,389	2,158,621
Current portion of claims payable	--	--	--	--	576,304
Accrued wages payable	15,245	67,151	55,607	138,003	6,871
Due to other governments	--	--	53,874	53,874	--
Compensated absences - current portion	21,505	195,000	84,065	300,570	14,236
Note payable - current	535,020	--	--	535,020	--
Deposits	6,500	90,200	178,978	275,678	--
Current portion of landfill closure costs	--	18,190	--	18,190	--
Total current liabilities	644,032	1,608,783	595,909	2,848,724	2,756,032
Noncurrent liabilities					
Long term portion of compensated absences	--	173,084	195,000	368,084	--
Long term portion of claims payable	--	--	--	--	2,752,432
Long term portion of landfill closure costs	--	17,207,369	--	17,207,369	--
Note payable - noncurrent	555,568	--	--	555,568	--
Net pension liability	327,828	1,180,826	1,178,472	2,687,126	164,790
Net health insurance subsidy liability	135,886	418,681	435,960	990,527	72,649
OPEB liability	55,560	164,885	162,506	382,951	27,939
Total noncurrent liabilities	1,074,842	19,144,845	1,971,938	22,191,625	3,017,810
Total liabilities	1,718,874	20,753,628	2,567,847	25,040,349	5,773,842
DEFERRED INFLOWS OF RESOURCES					
Deferred inflow on pension	29,230	81,771	93,771	204,772	18,688
Deferred inflow on health insurance subsidy	10,740	43,876	45,360	99,976	5,232
Deferred inflow on OPEB	8,225	33,847	28,727	70,799	3,805
Total deferred inflows of resources	48,195	159,494	167,858	375,547	27,725
NET POSITION					
Net investment in capital assets	3,397,095	17,395,606	4,399,756	25,192,457	--
Unrestricted	1,802,615	1,280,380	1,135,101	4,218,096	3,752,765
Total net position	\$ 5,199,710	\$ 18,675,986	\$ 5,534,857	\$ 29,410,553	\$ 3,752,765

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

Santa Rosa County, Florida
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION - PROPRIETARY FUNDS

Year ended September 30, 2019

	Business-type Activities				Governmental
	Major Funds		Nonmajor	Total	Activities
	Navarre	Landfill	Enterprise	Enterprise	Internal
	Beach		Funds	Funds	Service
					Fund
Operating revenues					
Permits, fees and special assessments	\$ --	\$ 76,350	\$ 3,242,887	\$ 3,319,237	\$ --
Charges for services	2,377,243	11,323,467	314,497	14,015,207	1,445,966
Insurance proceeds	--	--	--	--	1,590,460
Miscellaneous	15,277	14,684	150	30,111	2,474
Total operating revenues	2,392,520	11,414,501	3,557,534	17,364,555	3,038,900
Operating expenses					
Personal services	557,112	2,423,761	1,914,635	4,895,508	253,883
Contract services	745,087	818,037	168,081	1,731,205	354,569
Supplies	144,850	65,324	23,251	233,425	17,628
Repairs and maintenance	247,876	533,890	45,826	827,592	723
Utilities	85,399	83,513	18,506	187,418	--
Depreciation	597,295	444,705	335,684	1,377,684	821
Travel and per diem	--	700	4,930	5,630	2,806
Insurance	16,100	75,000	57,900	149,000	1,578,154
Communications	12,521	52,572	20,027	85,120	622
Advertising	1,111	1,451	--	2,562	--
Fuel and oil	17,888	247,011	29,892	294,791	--
Rentals	4,020	558,698	--	562,718	--
Landfill closure and maintenance	--	1,446,432	--	1,446,432	--
Claims and changes in estimates	--	--	--	--	1,342,844
Miscellaneous	5,528	14,305	4,470	24,303	8,875
Total operating expenses	2,434,787	6,765,399	2,623,202	11,823,388	3,560,925
Operating income (loss)	(42,267)	4,649,102	934,332	5,541,167	(522,025)
Non-operating revenues (expenses)					
Investment income	53,514	637,660	17,549	708,723	195,065
Interest expense	(31,834)	--	--	(31,834)	--
Sale of recycled materials	--	70,168	--	70,168	--
Gain (loss) on disposal of assets	1,865	(113,029)	(13,721)	(124,885)	--
Aid to private organizations	--	(60,000)	--	(60,000)	--
Total non-operating revenues (expenses)	23,545	534,799	3,828	562,172	195,065
Income (loss) before contributions and transfers	(18,722)	5,183,901	938,160	6,103,339	(326,960)
Transfers in	--	--	689,700	689,700	955,710
Transfers out	(100,950)	(600,000)	(432,866)	(1,133,816)	--
Capital contribution	--	67,088	262,564	329,652	--
Change in net position	(119,672)	4,650,989	1,457,558	5,988,875	628,750
Net position, beginning of year	5,319,382	14,024,997	4,077,299	23,421,678	3,124,015
Net position, end of year	\$ 5,199,710	\$ 18,675,986	\$ 5,534,857	\$ 29,410,553	\$ 3,752,765

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

Santa Rosa County, Florida
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year ended September 30, 2019

	Business-type Activities				Governmental Activities
	Major Funds		Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Fund
	Navarre Beach	Landfill			
Cash flows from operating activities					
Cash received from customers	\$ 2,407,702	\$ 11,662,614	\$ 3,591,443	\$ 17,661,759	\$ 2,474
Cash paid to suppliers	(1,285,356)	(2,025,897)	27,063	(3,284,190)	(1,891,816)
Cash paid to employees	(550,955)	(2,381,726)	(1,940,546)	(4,873,227)	(249,479)
Cash received from interfund services provided	--	--	--	--	3,037,551
Cash paid for internal services provided	--	--	--	--	(1,317,109)
Net cash provided (used) by operating activities	571,391	7,254,991	1,677,960	9,504,342	(418,379)
Cash flows from noncapital financing activities					
Transfers in	--	--	689,700	689,700	955,710
Transfers out	(100,950)	(600,000)	(432,866)	(1,133,816)	--
Aid to private organizations	--	(60,000)	--	(60,000)	--
Net cash provided (used) by noncapital financing activities	(100,950)	(660,000)	256,834	(504,116)	955,710
Cash flows from capital and related financing activities					
Proceeds from sale of assets	3,850	163,102	40,207	207,159	--
Capital contribution	--	66,475	239,678	306,153	--
Purchases of capital assets	(50,377)	(7,761,363)	(776,140)	(8,587,880)	--
Principal paid on capital debt	(515,447)	--	--	(515,447)	--
Interest paid on capital debt	(31,834)	--	--	(31,834)	--
Net cash provided (used) by capital and related financing activities	(593,808)	(7,531,786)	(496,255)	(8,621,849)	--
Cash flows from investing activities					
Interest and dividends	53,514	637,660	17,549	708,723	195,065
Net sale (purchase) of investments	--	(425,866)	--	(425,866)	(27,326)
Net cash provided (used) by investing activities	53,514	211,794	17,549	282,857	167,739
Net increase (decrease) in cash and cash equivalents	(69,853)	(725,001)	1,456,088	661,234	705,070
Cash and cash equivalents at beginning of year	2,223,993	10,830,657	1,884,490	14,939,140	7,444,984
Cash and cash equivalents at end of year	<u>\$ 2,154,140</u>	<u>\$ 10,105,656</u>	<u>\$ 3,340,578</u>	<u>\$ 15,600,374</u>	<u>\$ 8,150,054</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities					
Operating income (loss)	\$ (42,267)	\$ 4,649,102	\$ 934,332	\$ 5,541,167	\$ (522,025)
Adjustments to reconcile operating income to net cash provided (used) by operating activities					
Depreciation expense	597,294	444,705	335,684	1,377,683	822
Landfill closure costs	--	1,446,432	--	1,446,432	--
Gain (loss) on disposal of capital assets	1,865	(113,029)	(13,721)	(124,885)	--
Sale of recycled materials	--	70,168	--	70,168	--
Changes in assets and liabilities:					
Accounts receivable	15,182	248,113	8,117	271,412	1,125
Due from other governments	--	(6,000)	25,792	19,792	(546,671)
Accounts payable	(58,300)	246,219	198,196	386,115	594,070
Accrued compensation	3,831	21,367	7,536	32,734	1,470
Compensated absences	2,326	20,668	(33,447)	(10,453)	2,934
Due to other governments	--	--	13,069	13,069	--
OPEB liability	(5,240)	(21,544)	(17,475)	(44,259)	(2,403)
Claims payable	--	--	--	--	25,735
Deposits	(900)	11,845	21,864	32,809	--
Net pension liability	40,157	165,075	133,904	339,136	18,411
Net health insurance subsidy	11,057	45,451	36,869	93,377	5,069
Deferred outflows of resources	8,188	33,830	33,253	75,271	3,909
Deferred inflows of resources	(1,802)	(7,411)	(6,013)	(15,226)	(825)
Net cash provided (used) by operating activities	<u>\$ 571,391</u>	<u>\$ 7,254,991</u>	<u>\$ 1,677,960</u>	<u>\$ 9,504,342</u>	<u>\$ (418,379)</u>

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

Santa Rosa County, Florida

**STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS**

September 30, 2019

	Agency Funds
ASSETS	
Cash and cash equivalents	\$ 6,829,838
Accounts receivable	173,169
Total assets	<u>\$ 7,003,007</u>
LIABILITIES	
Accounts payable	\$ 16,460
Deposits	2,892,695
Due to other governments	4,032,446
Miscellaneous	61,406
Total liabilities	<u>\$ 7,003,007</u>

SANTA ROSA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019
GUIDE TO NOTES

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Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE A - SUMMARY OF ACCOUNTING POLICIES

A summary of the significant accounting policies applied consistently in the preparation of the financial statements follows:

1. Reporting Entity

The Governmental Accounting Standards Board (GASB) has established standards for defining the financial reporting entity. In developing these standards, the GASB assumed that all governmental organizations are responsible to elected officials at the federal, state, or local level. Financial reporting by a state or local government should report the elected officials' accountability for those organizations. As concluded by the GASB, the financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Santa Rosa County, Florida (the County) is a political subdivision of the State of Florida created pursuant to Article 8, Section 1(e), of the Constitution of the State of Florida and Chapter 7 of the Florida Statutes. It 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 the Florida Statutes and its 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 Courts, Sheriff, Tax Collector, Property Appraiser and Supervisor of Elections.

These financial statements include the operating activities of the Board, Clerk of Courts, Sheriff, Tax Collector, Property Appraiser and Supervisor of Elections.

Dependent Special Districts

Blackwater Soil & Water Conservation District - The Blackwater Soil & Water Conservation District (Blackwater) was created by the Florida Legislature in 1942 pursuant to Florida Statute Section 582. Santa Rosa County was established as the local governing authority and is Blackwater's only source of funding. Blackwater does not meet the criteria as a legally separate entity in that it cannot buy, sell, own, lease and mortgage property in its own name. The activities of Blackwater are included in these financial statements as a department of the County within the General Fund.

Pace Property Finance Authority - The Pace Property Finance Authority (Authority) was created in 1990 by County Resolution No. 90-12 pursuant to Chapter 617 of the Florida Statutes. In accordance with Florida Statutes Section 189.403, the Authority qualifies as a dependent special district. Additionally, the Authority is a component unit of the County. However, the Authority meets the criteria for inclusion in more than one reporting entity - Pace Water System as well as the County. In these cases, judgment must be exercised by management of the reporting entities as to which reporting entity the organization should be included. The Authority has the same elected governing body as the Pace Water System. Additionally,

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE A - SUMMARY OF ACCOUNTING POLICIES – Continued

both the Authority and Pace Water System own portions of a single water/sewer system; thus, their capital assets are part of an interconnected system. Finally, the Authority's debt was issued solely to finance the Pace water/sewer system improvements. Based on these facts, management has decided to include the Authority in the combined financial statements of Pace Water System rather than as a component unit of the County.

Santa Rosa County Health Facilities Authority - The Santa Rosa County Health Facilities Authority (Authority) was created in 1982 by County Ordinance No. 82-02 pursuant to Section 154, Florida Statutes. In accordance with Florida Statutes Section 189.403, the Authority qualifies as a dependent special district. Additionally, the Authority is a component unit of the County. The County appoints the five (5) members of the Authority. Additionally, the County may abolish the Authority at any time by ordinance or resolution as long as all bonded indebtedness incurred by the Authority has been paid. The Authority exists solely to assist health facilities within the County with the acquisition, construction, financing, and refinancing of projects through issuance of conduit debt. All bonds issued by the Authority were subsequently defeased through issuance of new debt culminating with the issuance of \$58 million in new bonds in 2003. The debt outstanding is a limited obligation of the Authority and not a general obligation of the Authority or the County. The Authority is not obligated to pay the principal and interest on the bonds except from the revenues of the Authority pursuant to its loan agreement with Gulf Breeze Hospital. The Authority has no financial activity and the bonds issued under the Authority's name are recorded in the books of the hospital.

Santa Rosa County Housing Finance Authority - The Santa Rosa County Housing Finance Authority (Authority) was created in 1984 by County Resolution No. 84-18 pursuant to Chapter 78-89, Laws of Florida codified as Chapter 159, Part IV, Section 159.601 through 159.623. In accordance with Florida Statutes Section 189.403, the Authority qualifies as a dependent special district. Additionally, based on the criteria outlined above, the Authority is a component unit of Santa Rosa County. The Santa Rosa County Board of County Commissioners, through various resolutions and interlocal agreements with the Escambia County Housing Finance Authority (ECHFA), has authorized ECHFA to allow qualified residents of Santa Rosa County to apply for and obtain preferential mortgages from proceeds generated by bonds issued by ECHFA. Accordingly, there is no financial activity related to the Santa Rosa County Housing Finance Authority to be reflected in these financial statements.

2. Basis of Presentation - Fund Accounting

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The County groups its funds into two broad fund categories as either governmental or proprietary in nature. Governmental funds include the general, special revenue, debt service and capital project funds. Proprietary funds include enterprise funds and an internal service fund.

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE A - SUMMARY OF ACCOUNTING POLICIES - Continued

3. Basis of Accounting

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which primarily rely on fees and charges for support. Fiduciary funds are excluded from the government-wide financial statements.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, the governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund financial statements.

The government-wide Statement of Activities presents a comparison between expenses and program revenues for each segment of the business-type activities of the County and for each governmental program. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the County.

Net position should be reported as restricted when constraints placed on net position use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other purposes result from special revenue funds and the restrictions on their use. In a fund with both restricted and unrestricted positions, qualified expenses are considered to be paid first from restricted net position then from unrestricted net position. The government-wide statement of net position reports \$18,026,667 of restricted net position, of which \$6,493,476 is restricted by enabling legislation.

FUND FINANCIAL STATEMENTS

The Fund financial statements, as presented herein, focus primarily on the major funds of the governmental and proprietary categories. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements.

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE A - SUMMARY OF ACCOUNTING POLICIES - Continued

GOVERNMENTAL FUNDS

All governmental funds are accounted for using the modified accrual basis of accounting and the current financial resources measurement focus. Under this basis revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

The major governmental funds are:

- General Fund – This is the County’s primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.
- Road and Bridge Fund – Accounts for that portion of state fuel taxes and fees designated for road improvement projects.
- Local Option Sales Tax Fund – Accounts for ½-cent local option sales surtax designated for capital improvement projects.

Revenue Recognition

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available (i.e., collectible within the current year or within one month of year-end and available to pay obligations of the current period – except for certain grant revenues which are recognized as revenues in the same period the grant expenditures occurred). This includes investment earnings, property taxes, special assessments, and fines and forfeitures. Certain state-levied locally shared taxes including motor vehicle license tax and fuel taxes are considered derived non-exchange transactions. These types of transactions are subject to income recognition when the underlying transaction occurs. Reimbursements due for federally funded projects are accrued as revenue at the time the expenditures are made, or when received in advance, deferred until expenditures are made.

Other revenues, including licenses and permits, certain charges for services and miscellaneous revenues, are recorded as revenue when received in cash because they are generally not measurable until actually received.

Expenditure Recognition

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, principal and interest on governmental long-term debt, which has not matured, are recognized when paid. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE A - SUMMARY OF ACCOUNTING POLICIES - Continued

PROPRIETARY FUNDS

All proprietary funds use the accrual basis of accounting and the economic resources measurement focus. These funds account for operations that are primarily financed by user charges. Revenues are recognized when earned and expenses are recognized when incurred. Allocations of costs, such as depreciation, are recorded in proprietary funds. Unbilled utility service receivables are recorded at each year-end.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of all the County's enterprise funds and internal service fund are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds 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.

The major proprietary funds are:

- Navarre Beach Fund – Accounts for the operation and maintenance of the water and sewer system of Navarre Beach.
- Landfill Fund – Accounts for the operation of the solid waste disposal facilities of the County.

The County's only internal service fund is the Self Insurance Fund. This fund accounts for the risk management activities of the Board and the other elected officials. Costs are billed to the departments and other elected officials at the actual and estimated costs of providing insurance coverage. At year-end, uncovered costs are billed to the departments, if necessary. Billings in excess of costs are credited to the departments. The policy of the County is not to eliminate interfund activity, i.e. the estimated insurance costs billed to the departments, in the government-wide statement of activities, so as to better reflect the true operating costs of those departments.

FIDUCIARY FUNDS

Agency funds are used to account for monies held on behalf of individuals and companies that use the County as a depository as well as for property taxes, fines, court costs, licenses and fees collected on behalf of other governments. The County has thirteen agency fiduciary funds.

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE A - SUMMARY OF ACCOUNTING POLICIES - Continued

4. Budgets and Budgetary Accounting

Florida Statutes Chapters 129 and 200 govern the preparation, adoption, and administration of the County's annual budget. The budget must be balanced, i.e., the estimated revenues plus beginning fund balance brought forward must equal appropriations and be prepared on a basis consistent with generally accepted accounting principles (GAAP) as applicable to governmental units. The Board may, at any time within a fiscal year, amend a budget for that year as follows:

Appropriations for expenditures in any fund may be decreased and other appropriations in the same fund correspondingly increased by motion recorded in the minutes. The budget officer may authorize certain inter-departmental and intra-departmental budget amendments, provided that the total appropriation of the fund is not changed. All annual appropriations lapse at fiscal year end.

Budgets are required for all governmental funds except:

Special Revenue Funds:

- Sheriff's Grants
- Sheriff's Second Dollar
- Sheriff's Prisoner Recreation
- Sheriff's Federal Seizure
- Sheriff's Local Option Sales Tax

Budgets are not initially authorized but subsequently amended for the following funds:

Special Revenue Funds:

- Disaster
- Grants

5. Cash and Cash Equivalents

For purposes of the statements of cash flows, all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased are considered to be cash equivalents.

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE A - SUMMARY OF ACCOUNTING POLICIES - Continued

6. Investments

Investments in U.S. Treasury bills, government backed securities and the Florida Local Government Investment Trust Fund are recorded at fair value. As permitted by GASB Statement No. 72, bank certificates of deposit and short term money market investments are reported at amortized cost rather than fair value.

7. Inventory

Inventory consists of gas, oil, automotive parts, road signs, culverts, and various other items used by the road department and insecticides used by mosquito control operations. Inventory is valued at cost (first in, first out). The cost is recorded as an expenditure at the time the inventory is purchased.

In the fund level statements, reported inventories are equally offset by a nonspendable fund balance since such amounts will not convert to cash even though they are a component of net current assets.

8. Accounting for Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the acquisition date.

The cost of normal maintenance and repairs that does not add to the value of an asset or materially extends an asset's life is not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The County does not capitalize interest expense on borrowings used to finance construction of capital assets, as the capitalizable interest, after netting of interest earnings, is normally insignificant.

Property, plant and equipment of the County is depreciated using the straight-line method over the following estimated useful lives:

Buildings	20 - 50 years
Water Distribution System	20 years
Improvements	10 - 20 years
Equipment	3 - 10 years
Infrastructure	40 years

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE A - SUMMARY OF ACCOUNTING POLICIES - Continued

9. Compensated Absences

It is the policy of the County to permit employees to accumulate a limited amount of earned but unused leave benefits which will be paid to employees upon separation from service. Unpaid compensated absences are recorded as a liability when the benefits are earned in the government-wide and proprietary fund financial statements. The valuation of accrued leave benefits is calculated in accordance with GASB Statement No. 16. For the governmental activities, compensated absences are generally liquidated by the General (75%) and the Road and Bridge (25%) funds.

10. Property Taxes

Real and personal property valuations are determined each year as of January 1 by the Property Appraiser's office. Florida Statutes require that all property be assessed at 100 percent of just value.

All property taxes become due and payable on November 1, and are delinquent on April 1 of the following year. Discounts of 4, 3, 2 and 1 percent are allowed for early payment in November through February, respectively. The Tax Collector advertises as required by statute and sells tax certificates for unpaid taxes on real property. Certificates not sold are considered "County Held Certificates." Persons owning land upon which a tax certificate has been sold may redeem the land by paying the face amount of the tax certificate, plus interest and other costs.

Property taxes levied on property valuations as of January 1, 2019 and expected to be collected during the period November 2019 through March 2020 are as follows:

General Fund	\$ 63,136,945
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These taxes, although measurable, are not recognized as revenue at September 30, 2019, since they are not considered to be collectible within the current period or soon enough thereafter to be used to pay current period liabilities.

11. Landfill Closure Costs

Under the terms of current state and federal regulations, the County is required to place a final cover on closed landfill areas, and to perform certain monitoring and maintenance functions for a period of up to thirty years after closure. The County recognizes these costs of closure and post-closure maintenance over the active life of each landfill area, based on landfill capacity used during the period.

12. Allowance for Uncollectible Amounts

Accounts receivable for the County are reported net of allowance for doubtful accounts. The allowance for doubtful accounts represents those accounts which are deemed uncollectible based upon past collection history.

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE A - SUMMARY OF ACCOUNTING POLICIES - Continued

13. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

Restricted - Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the County to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the County can be compelled by an external party-such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance) of the County. Those committed amounts cannot be used for any other purpose unless the County removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the Board, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balances represent the intended use established by the Board for the remaining amounts that are not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Board.

Unassigned - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE A - SUMMARY OF ACCOUNTING POLICIES - Continued

The County applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

NOTE B - CASH AND INVESTMENTS

At September 30, 2019, the bank held deposits of \$105,779,823 (before outstanding checks and deposits in transit) consisting of amounts held in checking, savings, money market or time deposit accounts. All deposits with financial institutions were 100% insured by federal depository insurance or by collateral pursuant to the Public Depository Security Act of the State of Florida.

The County's cash and cash equivalents consist of cash and short-term investments with original maturities of three months or less from the date of acquisition.

Pursuant to Florida Statutes Section 218.415, the County adopted an investment policy which outlines the County's investment responsibilities, objectives, and policies. The County's investment policy authorizes the County to invest in the following:

- a. The Local Government Surplus Funds Trust Fund (SBA) (Maximum of 75%)*;
- b. Florida Local Government Investment Trust (FLGIT) (State Investment Trust) (100% allowed)*;
- c. Qualified money market mutual funds (Maximum of 50%)*;
- d. U.S. Treasury bills, notes and bonds (100% allowed);
- e. Obligations guaranteed by the U.S. Government as to principal and interest such as obligations of the Government National Mortgage Association (GNMA) (Maximum of 5%)*;
- f. Non-callable Government Agency securities (Maximum of 25%)*:
 - (i) Federal Farm Credit Bank (FFCB),
 - (ii) Federal Home Loan Mortgage Corporation (FHLMC),
 - (iii) Federal Home Loan Bank (FHLB),
 - (iv) Federal National Mortgage Association (FNMA).This classification of government agency securities does not include any mortgage debt of any government agency;
- g. Time deposits and savings accounts in banks or savings and loan associations doing business in Florida (Maximum of 50%)*;
- h. Repurchase agreements for investments authorized in categories d, e, or f above. (Maximum of 40%)*

*To limit the County's concentration of credit risk these are the maximum percentages of the County's total portfolio that can be in each type of investment.

Interest rate risk is limited by no security having a maturity exceeding 2 years. The weighted average to maturity for the portfolio shall be less than 365 days or 1 year. Investments placed with the FLGIT, which

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE B - CASH AND INVESTMENTS - Continued

typically invests in instruments with maturities of less than 5 years, are exempt from this limitation. The average maturity of investments held in the FLGIT as of September 30, 2019 is 2.00 years.

The FLGIT, also known as Florida Trust, is a local government investment pool created by the Florida Association of Court Clerks and Comptroller, and the Florida Association of Counties for the purpose of providing public entities with an investment program by providing investment vehicles for funds that can be invested in short- to intermediate-term securities and have returns generally greater than the national average for money market instruments. The fair values of the County's positions in the pool are the same as the value of the pool shares. The Florida Trust offers two separately rated, open-ended, professionally managed funds available only to public entities in Florida.

The Investment Trust:

A short-term bond fund with an investment portfolio structured to maintain safety of principal and maximize available yield through a balance of quality and diversification. As of September 30, 2019, the Investment Trust managed \$827 million and had a price per share of \$25.91 and a Fitch rating of AA+Af. This short-term bond fund invests in U.S. Treasuries and Agency Securities, Mortgages, Commercial Paper, Asset-Backed Securities, and "A" rated Corporate Securities.

The Day to Day Fund:

The Florida Trust Day to Day Fund is a money market product created in response to demand to provide a fiscally conservative diversification option for Florida local governments. Fund features include same day transactions and online account management. The fund is AA+Am-rated by Fitch and is governed by the same board and advisory committee that oversees the Investment Trust.

The County's investments as defined by GASB Statement No. 72 "Fair Value Measurement and Application" are reported at fair value based on level 1 inputs for quoted prices for identical investments in active markets.

Schedule of Cash and Investments at September 30, 2019

	<u>Carrying Amount</u>
Investments:	
FLGIT Investment Trust Fund	\$ 12,342,444
Total Investments	<u>12,342,444</u>
Cash:	
Cash in Bank	39,454,490
Day to Day Trust	57,044,109
Petty Cash	3,575
Total Cash	<u>96,502,174</u>
Total Cash and Investments	<u><u>\$ 108,844,618</u></u>

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE B - CASH AND INVESTMENTS - Continued

Restricted cash and investments typically consist of funds set aside for the payment of debt and funds set aside to ensure assets producing the pledged revenues are repaired and replaced as needed. These assets are restricted since their use is limited by the applicable bond indentures. Other restricted assets consist of funds restricted to the payment of future landfill closure costs.

Restricted cash and investments by category and by fund are as follow

	Landfill Fund
Landfill escrow	<u>\$ 17,044,192</u>

NOTE C – DUE FROM OTHER GOVERNMENTAL UNITS

At September 30, 2019, amounts due from other governmental units were as follows:

	General Fund	Road and Bridge Fund	Local Option Sales Tax Fund	Nonmajor Governmental Funds	Nonmajor Enterprise Funds	Self Insurance Fund
Federal Government - Grants	\$ 1,949,229	\$ --	\$ --	\$ 273,091	\$ --	\$ --
State of Florida - Grants	200,462	4,300,783	--	2,605,724	--	--
State of Florida - Taxes	430,475	1,052,957	619,418	193,216	--	--
Local taxes	778,502	--	--	43,141	--	--
Other	--	--	--	493,889	6,000	622,554
	<u>\$ 3,358,668</u>	<u>\$ 5,353,740</u>	<u>\$ 619,418</u>	<u>\$ 3,609,061</u>	<u>\$ 6,000</u>	<u>\$ 622,554</u>

NOTE D – INTERFUND TRANSACTIONS

Interfund transactions for the year ended September 30, 2019 were as follows:

	Interfund Receivable	Interfund Payable	Interfund Transfers in	Interfund Transfers out
General fund	\$ 1,383,849	\$ 14,937	\$ 7,439,211	\$ 7,751,757
Road & Bridge fund	--	--	2,671,614	407,813
Local Option Sales Tax fund	--	--	22,244	1,337,600
Nonmajor Governmental funds	133,450	1,502,362	10,643,769	11,791,262
Navarre Beach fund	--	--	--	100,950
Landfill fund	--	--	--	600,000
Nonmajor Enterprise funds	--	--	689,700	432,866
Self Insurance fund	--	--	955,710	-
Total	<u>\$ 1,517,299</u>	<u>\$ 1,517,299</u>	<u>\$ 22,422,248</u>	<u>\$ 22,422,248</u>

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE D – INTERFUND TRANSACTIONS - Continued

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) move unrestricted revenues collected in the general fund to finance various programs in accordance with budgetary authorizations.

Interfund balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

NOTE E – RECEIVABLES

<u>Governmental</u>	<u>Accounts</u>	<u>Leases</u>	<u>Notes</u>	<u>Intergov- ernmental</u>	<u>Total</u>
General	\$ 129,915	\$ 287,064	\$ -	\$ 3,358,668	\$ 3,775,647
Road & Bridge	946	--	--	5,353,740	5,354,686
Local Option Sales Tax	--	--	--	619,418	619,418
NonMajor Govt.	707,230	--	--	3,609,061	4,316,291
Self Insurance	36,794	--	--	622,554	659,348
Subtotal	874,885	287,064	-	13,563,441	14,725,390
<u>Business-Type</u>					
Navarre Beach	185,625	--	--	--	185,625
Landfill	1,062,040	--	--	6,000	1,068,040
Peter Prince	8,231	--	--	--	8,231
Subtotal	1,255,896	--	--	6,000	1,261,896
Total	<u>\$ 2,130,781</u>	<u>\$ 287,064</u>	<u>\$ -</u>	<u>\$ 13,569,441</u>	<u>\$ 15,987,286</u>

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE F – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2019 was as follows (in thousands):

Governmental activities	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
Capital assets not being depreciated:					
Land	\$ 21,393	\$ 1,749	\$ -	\$ 83	\$ 23,059
Construction in progress	4,562	13,102	--	--	17,664
Total capital assets not being depreciated	25,955	14,851	-	83	40,723
Other capital assets:					
Buildings	65,017	110	--	50	65,077
Improvements other than buildings	154,163	6,844	--	1,555	159,452
Machinery and equipment	62,122	8,621	54	4,126	66,671
Total capital assets being depreciated	281,302	15,575	54	5,731	291,200
Less accumulated depreciation for:					
Buildings	50,606	2,556	--	45	53,117
Improvements other than buildings	67,178	4,607	--	262	71,523
Machinery and equipment	40,635	5,473	37	3,884	42,261
Total accumulated depreciation	158,419	12,636	37	4,191	166,901
Total capital assets being depreciated, net	122,883	2,939	17	1,540	124,299
Governmental activities capital assets, net	<u>\$ 148,838</u>	<u>\$ 17,790</u>	<u>\$ 17</u>	<u>\$ 1,623</u>	<u>\$ 165,022</u>
Business like activities	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
Capital assets not being depreciated:					
Land	\$ 1,306	\$ --	\$ --	\$ --	\$ 1,306
Construction in progress	2,729	9,087	--	--	11,816
Total capital assets not being depreciated	4,035	9,087	--	--	13,122
Other capital assets:					
Buildings	3,909	--	--	--	3,909
Improvements other than buildings	31,872	--	--	927	30,945
Furniture and fixtures	3,907	429	(54)	937	3,345
Total capital assets being depreciated	39,688	429	(54)	1,864	38,199
Less accumulated depreciation for:					
Buildings	2,246	128	--	--	2,374
Improvements other than buildings	19,418	1,056	--	--	20,474
Furniture and fixtures	2,802	194	(37)	770	2,189
Total accumulated depreciation	24,466	1,378	(37)	770	25,037
Total capital assets being depreciated, net	15,222	(949)	(17)	1,094	13,162
Business like activities capital assets, net	<u>\$ 19,257</u>	<u>\$ 8,138</u>	<u>\$ (17)</u>	<u>\$ 1,094</u>	<u>\$ 26,284</u>

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE F – CAPITAL ASSETS - Continued

Depreciation expense was charged to functions as follows:

Governmental activities:

General government	\$ 2,340,973
Public safety	3,981,796
Physical environment	123,900
Transportation	4,152,131
Economic environment	92,534
Human services	159,326
Culture and recreation	1,776,724
Total governmental activities depreciation expense	<u>\$ 12,627,384</u>

Business-type activities:

Navarre Beach	\$ 597,295
Landfill	444,705
Inspections	19,142
Peter Prince Field	316,542
Total business-type activities depreciation expense	<u>\$ 1,377,684</u>

Construction and Other Contractual Commitments

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

<u>Projects</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Governmental Activities:		
Courthouse Construction	\$ 1,335,234	\$ 3,423,546
Drainage Projects	11,682,900	6,161,240
Total	<u>\$ 13,018,134</u>	<u>\$ 9,584,786</u>
Business-type Activities		
Landfill Expansion	\$ 11,122,147	\$ 2,012,406
Total	<u>\$ 11,122,147</u>	<u>\$ 2,012,406</u>

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE G- LONG-TERM DEBT

1. Changes in Long-Term Debt

Special assessment notes are fully secured by annual assessments made against property owners of the specific area that benefited from the proceeds of the notes. The County has no legal obligation to levy ad valorem taxes or cover the notes in case of default by the property owners. The County does, however, maintain a moral commitment to cover the debt payments until such time as the property owners can make the payments.

The following is a summary of changes in long-term debt for the year.

	Balance October 1, 2018	Additions	Deductions	Balance September 30, 2019	Amount Due within One Year
Governmental activities:					
Compensated absences	\$ 7,563,213	\$ 4,598,962	\$ 4,383,684	\$ 7,778,491	\$ 4,114,236
Claims payable	3,303,001	1,678,647	1,652,912	3,328,736	576,304
General obligation notes	3,096,555	--	753,706	2,342,849	767,166
Revenue notes	58,348	--	34,274	24,074	24,074
Special assessment notes	2,137,217	275,000	312,099	2,100,118	227,636
	<u>\$ 16,158,334</u>	<u>\$ 6,552,609</u>	<u>\$ 7,136,675</u>	<u>\$ 15,574,268</u>	<u>\$ 5,709,416</u>
Business-type activities:					
Compensated absences	\$ 679,106	\$ 413,765	\$ 424,217	\$ 668,654	\$ 300,570
Landfill closure costs	15,779,127	1,446,432	--	17,225,559	18,190
Notes payable	1,606,036	--	515,448	1,090,588	535,020
	<u>\$ 18,064,269</u>	<u>\$ 1,860,197</u>	<u>\$ 939,665</u>	<u>\$ 18,984,801</u>	<u>\$ 853,780</u>

Compensated absences are liquidated by the general and other governmental funds incurring the expenditure. Claims liabilities are liquidated in the internal service fund.

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE G - LONG-TERM DEBT - Continued

2. Descriptions of Notes

The County has general obligation notes, revenue notes and special assessment notes payable outstanding at year end. There are no lines of credit issued for the County. The notes payable for the 911 system and the Bernath Place MSBU have clauses making outstanding amounts payable immediately upon default. Otherwise, there are no significant termination events with finance-related consequences or subjective acceleration clauses contained in the County debt issues. All of the County notes payable have been issued as direct borrowings or direct placements.

Notes payable at September 30, 2019 are comprised of the following:

General government – General Obligation notes payable

\$5,279,240 note payable to bank for the purchase and installation of equipment for a new 911 system. The note is due in 7 annual payments of \$809,011 including interest at 1.786% with final payment due in 2021. 2,342,849

General government – Revenue notes payable

\$287,870 note payable to bank for the acquisition and construction of improvements for the Bagdad Heritage Trail Project. The note is due in 40 quarterly payments of \$5,888 to 9,370 plus interest at 3.98% with final payment due in 2020, secured by North Santa Rosa tourist development tax revenues. 24,074

General government – Special Assessment notes payable

\$700,000 special assessment note payable to bank for the acquisition and installation fire control equipment in the Santa Rosa County Fire Protection MSBU. The note is due in 60 quarterly payments of \$9,134 to \$14,526 plus interest at 3.14% with final payment due in 2025. Annual assessments will be made against property owners sufficient to retire the maturing principal and interest. 331,879

\$275,000 special assessment note payable to bank for the construction of certain infrastructure improvements in the Bernath Place MSBU. The note is due in 10 annual payments of \$27,500 plus interest paid semiannually at 3.95% with final payment due in 2029. Annual assessments will be made against property owners sufficient to retire the maturing principal and interest. 275,000

\$268,350 special assessment note payable to bank for the construction of certain infrastructure improvements in the Skiwatch Estates MSBU. The note is due in 40 quarterly payments of \$7,625 including interest at 2.56% with final payment due in 2021. Annual assessments will be made against property owners sufficient to retire the maturing principal and interest. 66,121

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE G - LONG-TERM DEBT - Continued

\$383,000 special assessment note payable to bank for the construction of certain infrastructure improvements in the Little Duck Circle MSBU. The note is due in 32 quarterly payments of \$13,060 including interest at 2.15% with final payment due in 2026. Annual assessments will be made against property owners sufficient to retire the maturing principal and interest. 316,476

\$1,221,000 special assessment note payable to bank for the construction of certain infrastructure improvements in the Ponderosa Drive MSBU. The note is due in 56 quarterly payments of \$25,961 including interest at 2.494% with final payment due in 2032. Annual assessments will be made against property owners sufficient to retire the maturing principal and interest. 1,110,642

Total general government notes payable \$4,467,041

Proprietary fund type - note payable

Navarre Beach

\$6,500,000 Utility System Revenue Note, Series 2006 payable to bank for the construction of certain improvements and additions to the Navarre Beach Utility System. The note is due in 15 annual payments of \$335,333 to \$555,568 plus interest at 1.955%, adjusted every 3 years, secured by non-ad valorem revenues. 1,090,588

Total proprietary fund type note payable \$ 1,090,588

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE G - LONG-TERM DEBT - Continued

3. Pledged Revenues

Santa Rosa County has pledged certain revenues to repay certain bonds and notes outstanding at September 30, 2019. The following table reports the revenues, sometimes net of related operating expenses, pledged for each debt issue, the amount of such revenues received in the current year, the current year principal and interest paid on the debt, the approximate percentage of each revenue which is pledged to meet the debt obligation, the date through which the revenue is pledged under the debt agreement, and the total pledged future revenues for each debt, which is the amount of the remaining principal and interest on the bonds and notes at September 30, 2019.

Governmental Activities	Revenue Pledged	Current Year Total Revenue	Pledged Outstanding Principal & Interest	Estimated Revenue Percentage Pledged	Principal & Interest Paid	Maturity Calendar Year
Special Assessment Notes						
Fire Protection MSBU Revenue Note, Series 2010-B	Special assessments	61,339	366,804	100%	61,339	2025
Bernath Place MSBU Revenue Note, Series 2019	Special assessments	25,955	330,079	467%	5,552	2029
Skiwatch Estates Canal Maintenance Dredging MSBU Revenue Note, Series 2011	Special assessments	See below	68,629	0%	30,502	2021
Little Duck Circle MSBU Revenue Note, Series 2018	Special assessments	59,738	339,567	114%	52,241	2026
Ponderosa Drive MSBU Revenue Note, Series 2018	Special assessments	102,577	1,298,046	99%	103,844	2032
Notes Payable						
Bagdad Heritage Trail Project Capital Improvement Revenue Note, Series 2010	North SRC Tourist Development Tax	337,068	26,409	936%	36,021	2020
Total Notes - Governmental Activities		<u>\$ 586,677</u>	<u>\$ 2,429,534</u>		<u>\$ 289,499</u>	

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE G- LONG-TERM DEBT - Continued

Business-type Activities	Revenue Pledged	Current Year Total Revenue	Pledged Outstanding Principal & Interest	Estimated Revenue Percentage Pledged	Principal & Interest Paid	Maturity Calendar Year
Revenue Bonds						
Utility Service Revenue Note, Series 2007	Navarre Beach operations	\$ 555,028	\$ 1,123,277	101%	\$ 547,281	2021
Total Revenue Notes - Business-type Activities		\$ 555,028	\$ 1,123,277		\$ 547,281	

Note on Skiwatch Estates Canal Maintenance Dredging - Sufficient funds have already been assessed and collected to cover debt service.

4. Debt Service Requirements

The annual requirements to amortize all notes outstanding at September 30, 2019 are as follows:

Governmental activities:

Year ended September 30,	Principal	Interest	Total
2020	1,018,876	97,991	1,116,867
2021	1,013,856	77,299	1,091,155
2022	1,009,801	57,008	1,066,809
2023	212,513	36,920	249,433
2024	217,323	31,025	248,348
2025-2029	742,993	79,562	822,555
2030-2032	251,679	8,811	260,490
	<u>\$ 4,467,041</u>	<u>\$ 388,616</u>	<u>\$ 4,855,657</u>

Business-type activities:

Year ended September 30,	Principal	Interest	Total
2020	535,020	21,676	556,696
2021	555,568	11,012	566,580
	<u>\$ 1,090,588</u>	<u>\$ 32,688</u>	<u>\$ 1,123,276</u>

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE H - CONDUIT DEBT OBLIGATIONS

The County has issued certain limited-obligation debt instruments, including: 1) industrial development revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest; and 2) municipal service benefit unit revenue notes to finance the acquisition, construction, reconstruction and equipping of capital improvements within the municipal service benefit unit. The debt instruments are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Neither the County nor the State, nor any political subdivision thereof, is obligated in any manner for repayment of the debt instruments. Accordingly, the debt instruments are not reported as liabilities in the accompanying financial statements.

Debt issues related to conduit financings outstanding at September 30, 2019 are as follows:

	<u>Date Issued</u>	<u>Final Maturity</u>	<u>Amount Issued</u>	<u>Outstanding 9/30/2019</u>
Baptist Hospital, 2003	8/21/2003	10/1/2021	\$ 57,905,000	\$ 57,905,000

NOTE I - LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

State and federal laws and regulations require the County to place a final cover on its landfill sites when the landfill stops accepting waste and to perform certain maintenance and monitoring functions at sites for thirty years after closure. Although closure and postclosure care costs are paid only near or after the date that a landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$17.2 million reported as landfill closure and postclosure care liability (current and noncurrent) at September 30, 2019, represents the cumulative amount reported to date based on the following percentage usage of the estimated capacity of each of the County's landfills:

Central Class I Landfill	58%
Central Class III Landfill (New)	35%
Central Class III Landfill (Old)	Closed 10/98

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE I - LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS - Continued

The estimated cost of postclosure care for the Central Class III (Old) landfill has been recognized in prior years with any changes in estimates being recorded in the current year. The County will recognize the remaining estimated cost of closure and postclosure care for the Central Class I and Class III (New) landfills in the amount of \$17.4 million as their remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2019. The estimated remaining lives of the Central Class I and Class III landfills are 10 and 16 years, respectively. Cost of closure and life estimates are based on the areas currently in use, and not on potential areas of expansion. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The County is required by state and federal laws and regulations to make annual contributions to a trust to finance closure and postclosure care. At September 30, 2019, the County held cash and investments of \$17,044,192 to cover the escrow requirement of \$17,044,192. These cash and investments are reported as restricted assets in these financial statements. The County expects that future inflation costs will be paid from interest earnings on these restricted cash and investments and from charges to future landfill users or future tax revenue.

NOTE J - COMMITMENTS AND CONTINGENCIES

1. Litigation

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

2. Federal and State Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by grantors cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE K – PENSION AND HEALTH INSURANCE SUBSIDY

1. Retirement Plan

Participation - Employees of the County participate in the Florida Retirement System, a cost-sharing multiple-employer retirement system, established by Chapter 121, Florida Statutes. Participation is compulsory for full-time and part-time employees working in regularly established positions. Elected officials may elect not to participate in the system. Eligible employees may elect to participate in the Deferred Retirement Option Program (DROP), deferring receipt of retirement benefits while continuing employment with a Florida Retirement System employer.

Benefit Provisions – The Florida retirement system offers two retirement plans – the FRS Pension Plan and the FRS Investment Plan. An employee may participate in only one of the plans. Both plans, effective July 1, 2011, are funded monthly by a combination of employer and employee contributions.

The FRS Pension Plan is a 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 or 65 (depending on hire date) with 6 or 8 (depending on hire date) or more years of service, or to those employees who have at least 30 or 33 (depending on hire date) years of creditable service, regardless of age. Retirement age and years of service requirements may 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 (if enrolled prior to July 1, 2011) or eight (if enrolled on or after July 1, 2011) 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).

For DROP participants, the deferred monthly benefit plus interest compounded monthly, accrues for the specified period of the DROP participation. Upon retirement, the participant receives the total accumulated DROP benefits and begins to receive current benefits at the previously determined rate.

Contributions - Chapter 121 requires the employer to pay contributions based upon state-wide rates established by the State of Florida. Employees contribute 3% of their salary. During 2019, the County contributed an average of 8.31% of each qualified regular employee's gross salary, 42.78% percent of the elected officials' salary, 24.75% of each special risk employee's salary, and 14.17% for each DROP participant. The County's contributions to the Pension Plan, funded on a pay-as-you-go basis, were equal to the actuarially determined contribution requirements for the year. The County's contributions to the Investment Plan were equal to the legislatively mandated contribution rates, which are equal to a percentage of the members' gross monthly salary based on membership class. Contributions to the Investment plan totaled \$899,405, \$721,606, and \$576,762 for the years ended September 30, 2019, 2018 and 2017,

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE K – PENSION AND HEALTH INSURANCE SUBSIDY – Continued

respectively. Contributions to the Pension plan totaled \$6,561,808, \$5,639,544, and \$5,204,750 for the years ended September 30, 2019, 2018 and 2017, respectively.

Financial Report of the Plan - The Florida Retirement System issues a stand-alone financial report. A copy can be obtained by contacting the State of Florida, Division of Retirement, Tallahassee, Florida.

Health Insurance Subsidy Pension Plan

Plan Description. The Health Insurance Subsidy Plan (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Division of Retirement within the Florida Department of Management Services.

Benefits Provided. For the fiscal year ended September 30, 2019, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2019, the contribution rate was 1.66% of payroll pursuant to section 112.363, Florida Statutes. The County contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The County's contributions to the HIS Plan totaled \$769,092 for the fiscal year ended September 30, 2019.

2. Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At September 30, 2019, the County reported a liability of \$82,838,438 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined from an actuarial valuation as of July 1. The County's proportion of the net pension liability was based on the County's 2018-19 fiscal year contributions relative to the 2018-19 fiscal year contributions of all participating members. At June 30, 2019, the County's change in proportion was an increase from its proportion measured as of June 30, 2018. The following table presents the information on the County's proportionate share of the FRS and HIS:

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE K – PENSION AND HEALTH INSURANCE SUBSIDY – Continued

	FRS	HIS	Total
Proportionate share of Net Pension Liability at September 30, 2019	\$ 67,341,361	\$ 15,497,077	\$ 82,838,438
County's proportion at June 30, 2019	0.1955403117%	0.1385027973%	
County's proportion at June 30, 2018	0.1830653387%	0.1298831274%	
Change in proportion during current year	0.0124749730%	0.0086196699%	

For the fiscal year ended September 30, 2019, the County recognized pension expense of \$11,231,592. In addition, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS		County Total
Description	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows	Deferred Outflow (Deferred Inflow)
Differences between expected and actual experience	\$ 3,994,209	\$ 41,791	\$ 188,229	\$ 18,976	\$ 4,121,671
Change of assumptions	17,296,156	--	1,794,416	1,266,605	17,823,967
Net difference between projected and actual earnings on pension plan investments	--	3,725,676	10,001	--	(3,715,675)
Changes in proportion and differences between County contributions and proportionate share of contributions	3,541,446	767,140	1,233,317	283,149	3,724,474
County contributions subsequent to the measurement date	1,569,299	--	197,118	--	1,766,417
Total	<u>\$26,401,110</u>	<u>\$4,534,607</u>	<u>\$3,423,081</u>	<u>\$1,568,730</u>	<u>\$ 23,720,854</u>

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE K – PENSION AND HEALTH INSURANCE SUBSIDY – Continued

The deferred outflows of resources related to pensions, totaling \$1,766,417, resulting from County contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	FRS	HIS	County Total Deferred Outflow (Deferred Inflow)
2020	\$ 6,989,400	\$ 471,449	\$ 7,460,849
2021	2,510,324	413,276	2,923,600
2022	5,135,945	265,416	5,401,361
2023	3,960,496	58,178	4,018,674
2024	1,319,932	180,890	1,500,822
Thereafter	381,110	268,023	649,133
	<u>\$ 20,297,207</u>	<u>\$ 1,657,232</u>	<u>\$ 21,954,439</u>

Actuarial Assumptions - The total pension liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

FRS

Inflation	2.60%
Salary increases	3.25%, average, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation

HIS

Inflation	2.60%
Salary increases	3.25%, average, including inflation
Investment rate of return	3.50%, net of pension plan investment expense, including inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE K – PENSION AND HEALTH INSURANCE SUBSIDY – Continued

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1%	3.3%	3.3%	1.2%
Fixed income	18%	4.1%	4.1%	3.5%
Global equity	54%	8.0%	6.8%	16.5%
Real estate (property)	10%	6.7%	6.1%	11.7%
Private equity	11%	11.2%	8.4%	25.8%
Strategic investments	6%	5.9%	5.7%	6.7%
Total	<u>100%</u>			
Assumed inflation - mean			2.6%	1.7%

* As outlined in the Plan's investment policy

Discount Rate – The discount rate used to measure the total FRS pension liability was 6.90%. The FRS Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. For the HIS plan, the discount rate used to measure the total pension liability was 3.50%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the County's proportionate share of the net pension liability calculated using the discount rate for the respective plans, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

FRS Net Pension Liability			HIS Net Pension Liability		
	Current			Current	
1% Decrease	Discount Rate	1% Increase	1% Decrease	Discount Rate	1% Increase
(5.90%)	(6.90%)	(7.90%)	(2.50%)	(3.50%)	(4.50%)
\$ 116,410,788	\$ 67,341,361	\$ 26,360,089	\$ 17,690,708	\$ 15,497,077	\$ 12,961,515

Detailed information about the pension plan's fiduciary net position is available in the separately issued FRS financial report.

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE L - FUND BALANCES

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below.

Fund balances	Major Funds				Total
	General Fund	Road and Bridge Fund	LOST Fund	Other Funds	
Nonspendable					
Inventory	\$ 82,929	\$ 304,304	\$ --	\$ --	\$ 387,233
Restricted for:					
Communications	934,539	--	--	--	934,539
Drivers education	265,471	--	--	--	265,471
Boating improvement	663,314	--	--	--	663,314
Domestic violence	209,227	--	--	--	209,227
Pollworker recruitment	1,887	--	--	--	1,887
Federal elections	5,114	--	--	--	5,114
Voter education	1,369	--	--	--	1,369
Navarre Beach Bridge maintenance	--	326,802	--	--	326,802
Infrastructure development	--	--	3,901,785	1,144,887	5,046,672
Law Enforcement Trust Fund	--	--	--	80,443	80,443
Crime prevention	--	--	--	436,607	436,607
Mosquito control	--	--	--	57,249	57,249
Federal and state grants	--	--	--	3,057,264	3,057,264
Enhanced 911 system	--	--	--	500,540	500,540
Tourist development	--	--	--	1,716,969	1,716,969
State Housing Improvement Program	--	--	--	385,786	385,786
Flood mitigation	--	--	--	383,722	383,722
Fire prevention and control	--	--	--	566,940	566,940
Road and sewer construction	--	--	--	883,229	883,229
Canal maintenance	--	--	--	116,964	116,964
Street lighting	--	--	--	101,213	101,213
Beach Restoration	--	--	--	18,596	18,596
Court equipment and technology	--	--	--	769,680	769,680
Records modernization trust fund	--	--	--	654,708	654,708
Law enforcement training	--	--	--	83,448	83,448
Inmate welfare purchases	--	--	--	758,914	758,914
Committed to:					
Animal service education	50,231	--	--	--	50,231
Court innovations	--	--	--	412,602	412,602
Transportation, recreation and economic development	--	--	--	2,643,879	2,643,879
Gas and oil preservation	3,551,667	--	--	-	3,551,667
Capital construction projects	--	--	--	9,025,416	9,025,416
Assigned to:					
Road and bridge construction and maintenance	--	6,926,907	--	--	6,926,907
Debt service	--	--	--	70,713	70,713
Berm restoration	3,187,198	--	--	--	3,187,198
Law library	--	--	--	27,409	27,409
Court operations	--	--	--	822,887	822,887
Gas and oil preservation	191,605	--	--	--	191,605
Navarre Beach Community Center	215,000	--	--	--	215,000
Unassigned	34,347,223	--	--	(270,524)	34,076,699
	<u>\$ 43,706,774</u>	<u>\$ 7,558,013</u>	<u>\$ 3,901,785</u>	<u>\$ 24,449,541</u>	<u>\$ 79,616,113</u>

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE M - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In 1986 the County established a Self-Insurance Fund (an internal service fund) to account for and finance its uninsured risks of loss. Under this program the County is self-insured with respect to the following exposures:

- Workers Compensation
- Auto Physical Damage
- Auto Liability
- Construction and Road Equipment
- Portable Communication Equipment

The County is covered by outside insurance for the following exposures:

- Boats
- Employee Fidelity
- Buildings and Contents, \$5,000 deductible
- General Liability, \$25,000 deductible
- Public Officials' Liability, \$25,000 deductible

Conventional insurance remains in effect for buildings, contents and Sheriff's general, automobile and professional liability. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The Board of County Commissioners and other County elected officials participate in the program and make payments to the Self Insurance Fund based on historical estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses. The claims liability of \$3,328,736 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Liabilities for incurred losses to be settled by fixed or reasonably determined payments over a long period of time are reported at their present value using an expected future investment yield assumption of 3.9 - 7 percent. These liabilities are reported at their present value of \$275,079 at September 30, 2019.

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE M - RISK MANAGEMENT - Continued

Changes in the Fund's claims liability amount in fiscal years 2018 and 2019 were as follows:

	Beginning-of- Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2017 - 2018	\$ 3,929,978	\$ 980,464	\$ 1,607,441	\$ 3,303,001
2018 - 2019	\$ 3,303,001	\$ 1,678,647	\$ 1,652,912	\$ 3,328,736

The following table presents a summary of the claims payable liability at year end:

Current claims payable	\$ 559,573
Current claims-structured settlements	16,731
Total claims payable, current	<u>576,304</u>
Long-term claims payable	2,494,084
Long-term claims-structured settlements	258,348
Total claims payable, long-term	<u>2,752,432</u>
Total claims payable	<u><u>\$ 3,328,736</u></u>

The County is a member of the Florida Association of Counties Trust, a pooled liability program providing general liability coverage and public officials' liability coverage, excluding the Sheriff. The County pays an annual premium as a participant of the pooled liability program. During 1994, the first year of participation, the County paid an extraordinary loss fund payment of \$249,886. The liability coverage is not designed to be assessable; however, should the pool fail to meet its obligations, the County may be required to contribute additional funds or cover its own obligations. No accrual for future assessments has been recorded in the financial statements as such assessments do not appear probable based on past experience of the pool, and experience of the pool subsequent to the County's fiscal year end through the date of these financial statements. In the event the County elected to terminate its participation in the pool, the extraordinary loss fund payment would be refunded to the County, given adequate funding of the pool.

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE N – POST EMPLOYMENT HEALTH CARE BENEFITS

Plan Description – Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees who retire from the County and eligible dependents, may continue to participate in the County’s purchased health and hospitalization insurance coverage (the Plan) at the same group rate as for active employees and participating retirees are required to reimburse the County 100% of the health insurance premium a month in advance. The Plan is a single-employer plan. The County subsidizes the premium rates paid by the retirees by allowing them to participate in the plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. The County also provides an insurance subsidy for employees with at least 10 years (8 years elected) creditable service. The subsidy pays \$3 per year of service limited to the individual’s premium payment up to a maximum of \$90 per month. No stand-alone financial report is issued.

Funding Policy – The County has not advance-funded or established a funding methodology for the annual Other Postemployment Benefit (OPEB) costs or the net OPEB liability. For the 2019 fiscal year, 290 retirees and eligible dependents received postemployment health care benefits. The County provided required contributions of \$273,218 toward the annual OPEB cost, comprised of benefit payments made on behalf of retirees insurance net of retiree contributions totaling \$591,943. Required contributions are based on projected pay-as-you-go financing.

Net OPEB Liability – The following table shows the changes in the County’s net OPEB liability:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net Opeb Liability (a) - (b)
Balance as of September 30, 2017 for FYE 2018	\$ 7,453,859	\$ -	\$ 7,453,859
Service Cost	330,066	-	330,066
Interest	256,104	-	256,104
Experience Losses/(Gains)	(722,727)	-	(722,727)
Contributions	-	273,218	(273,218)
Benefit Payments	(273,218)	(273,218)	-
Changes in Assumptions	(332,063)	-	(332,063)
Net Changes in OPEB Liability	(741,838)	-	(741,838)
Balance as of September 30, 2018 for FYE 2019	<u>\$ 6,712,021</u>	<u>\$ -</u>	<u>\$ 6,712,021</u>
Funded status		0.00%	

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE N – POST EMPLOYMENT HEALTH CARE BENEFITS - Continued

OPEB Expense – The following table shows the components of the County’s OPEB expense:

Service Cost	\$330,066
Interest	256,104
Differences Between Expected and Actual Experience	
In Current Fiscal Year Recognized in Current Year	(72,273)
From Past Years Recognized in Current Year	<u>0</u>
Total	<u>(72,273)</u>
Changes in Assumptions	
In Current Fiscal Year Recognized in Current Year	(33,206)
From Past Years Recognized in Current Year	<u>(39,654)</u>
Total	<u>(72,860)</u>
Total OPEB Expense	<u><u>\$441,037</u></u>

Sensitivity of Total OPEB Liability

The following table presents the County’s Total OPEB liability, as well as what the County’s Total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	Current	1% Increase
Discount Rate	<u>(2.83%)</u>	<u>Discount Rate</u>	<u>(4.83%)</u>
		<u>(3.83%)</u>	
Total OPEB Liability	\$ 7,573,237	\$ 6,712,021	\$ 5,976,342

The following table presents the County’s Total OPEB liability, as well as what the County’s Total OPEB liability would be if it were calculated using a health care cost trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	Current	1% Increase
Ultimate Trend	<u>(3.00%)</u>	<u>Medical Trend</u>	<u>(5.00%)</u>
		<u>(4.00%)</u>	
Total OPEB Liability	\$ 6,547,817	\$ 6,712,021	\$ 6,911,224

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE N – POST EMPLOYMENT HEALTH CARE BENEFITS - Continued

Deferred Inflows/Outflows of Resources related to OPEB – For the fiscal year ended September 30, 2019, the County recognized an OPEB expense of \$441,037. In addition, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ --	\$ 650,454
Change of assumptions	--	576,438
Net difference between projected and actual earnings on OPEB plan investments	--	--
County contributions subsequent to the measurement date	--	--
Total	<u>\$ --</u>	<u>\$ 1,226,892</u>

The deferred outflows of resources related to OPEB, totaling \$0, resulting from County contributions to the OPEB Plan subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the fiscal year ended September 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in expense as follows:

Fiscal Year Ending September 30,	Amount
2020	\$ (145,133)
2021	(145,133)
2022	(145,133)
2023	(145,133)
2024	(145,133)
Thereafter	(501,227)
	<u>\$ (1,226,892)</u>

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2019

NOTE N – POST EMPLOYMENT HEALTH CARE BENEFITS - Continued

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 and termination, mortality, and the healthcare cost trends. 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. Projections of benefits for financial reporting purposes are based on the substantive plan provisions, as understood by the employer and participating members, and include the type of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and participating members. 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 County's OPEB actuarial valuation as of October 1, 2018, used the entry age normal actuarial cost method to estimate the net OPEB liability as of September 30, 2019 as required by GASB Statement 75. The discount rate used to determine the liability under GASB 75 is based on an index rate for 20-year tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. This rate was 3.83% as of September 30, 2018. The inflation rate assumption is 2.4%. The salary scale assumption used was the Florida Retirement System salary scale assumption of 3.25%.

The required schedules of changes in net OPEB liability and plan fiduciary net position, immediately following the notes, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the net OPEB liability.

NOTE O – SUBSEQUENT EVENT

On March 11, 2020, the World Health Organization declared the novel strain of the coronavirus ("COVID-19") a pandemic. The COVID-19 outbreak is disrupting supply chains and affecting production and services across a range of industries, including but not limited to tourism and travel. The extent of the impact of COVID-19 on the County's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on our citizens, employees, vendors and economical mitigation measures to be taken by federal and state government, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the County's financial condition or results of operations is uncertain and cannot be estimated.

REQUIRED SUPPLEMENTAL INFORMATION

Santa Rosa County, Florida

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

Year ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Taxes	\$ 57,013,570	\$ 57,013,570	\$ 58,186,896	\$ 1,173,326
Permits, fees and special assessments	219,091	219,091	265,623	46,532
Intergovernmental	13,135,460	13,888,506	14,764,841	876,335
Charges for services	10,236,614	10,236,614	9,927,636	(308,978)
Fines and forfeits	352,565	352,565	356,178	3,613
Miscellaneous	1,623,057	2,118,342	3,292,754	1,174,412
Total revenues	82,580,357	83,828,688	86,793,928	2,965,240
Expenditures				
Current				
General government	30,115,891	31,539,997	25,900,425	5,639,572
Public safety	49,565,123	50,138,170	49,656,706	481,464
Physical environment	2,218,798	3,968,335	1,852,001	2,116,334
Transportation	1,154,903	1,163,403	1,116,745	46,658
Economic environment	875,101	1,509,472	1,369,762	139,710
Human services	5,151,790	5,265,290	5,111,341	153,949
Culture and recreation	4,311,296	4,787,514	4,211,798	575,716
Total expenditures	93,392,902	98,372,181	89,218,778	9,153,403
Excess (deficiency) of revenues over expenditures	(10,812,545)	(14,543,493)	(2,424,850)	12,118,643
Other financing sources (uses)				
Transfers in	6,397,915	7,439,211	7,439,211	--
Transfers out	(1,277,434)	(7,751,757)	(7,751,757)	--
Total other financing sources (uses)	5,120,481	(312,546)	(312,546)	--
Net change in fund balances	(5,692,064)	(14,856,039)	(2,737,396)	12,118,643
Fund balance, beginning of year	11,471,309	15,572,526	46,443,686	30,871,160
Change in reserve for inventory	--	--	484	484
Fund balance, end of year	\$ 5,779,245	\$ 716,487	\$ 43,706,774	\$ 42,990,287

See accompanying notes to required supplementary information.

Santa Rosa County, Florida

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE FUND**

Year ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Taxes	\$ 7,569,282	\$ 7,569,282	\$ 8,103,442	\$ 534,160
Intergovernmental	3,368,180	11,137,967	8,702,507	(2,435,460)
Charges for services	--	--	163,820	163,820
Miscellaneous	323,000	323,000	807,185	484,185
Total revenues	11,260,462	19,030,249	17,776,954	(1,253,295)
Expenditures				
Current				
Physical environment	--	11,074,395	7,691,241	3,383,154
Transportation	17,246,481	18,823,598	15,408,699	3,414,899
Total expenditures	17,246,481	29,897,993	23,099,940	6,798,053
Excess (deficiency) of revenues over expenditures	(5,986,019)	(10,867,744)	(5,322,986)	5,544,758
Other financing sources (uses)				
Transfers in	2,206,000	2,671,614	2,671,614	--
Transfers out	(200,000)	(407,813)	(407,813)	--
Total other financing sources (uses)	2,006,000	2,263,801	2,263,801	--
Net change in fund balances	(3,980,019)	(8,603,943)	(3,059,185)	5,544,758
Fund balance, beginning of year	3,980,019	8,603,943	10,658,118	2,054,175
Change in reserve for inventory	--	--	(40,920)	(40,920)
Fund balance, end of year	\$ --	\$ --	\$ 7,558,013	\$ 7,558,013

Santa Rosa County, Florida

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

Year ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Taxes	\$ 8,381,136	\$ 8,381,136	\$ 8,871,282	\$ 490,146
Miscellaneous	6,650	6,650	21,426	14,776
Total revenues	8,387,786	8,387,786	8,892,708	504,922
Expenditures				
Current				
General government	4,389,975	9,394,878	6,662,053	2,732,825
Total expenditures	7,578,775	9,394,878	6,662,053	2,732,825
Excess (deficiency) of revenues over expenditures	809,011	(1,007,092)	2,230,655	\$ 3,237,747
Other financing sources (uses)				
Transfers in	--	22,244	22,244	--
Transfers out	(809,011)	(1,337,600)	(1,337,600)	--
Total other financing sources (uses)	(809,011)	(1,315,356)	(1,315,356)	--
Net change in fund balances	--	(2,322,448)	915,299	3,237,747
Fund balance, beginning of year	--	2,322,448	2,986,486	664,038
Fund balance, end of year	\$ --	\$ --	\$ 3,901,785	\$ 3,901,785

Santa Rosa County, Florida

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
Florida Retirement System
Last 10 Fiscal Years***

	2019	2018	2017	2016	2015	2014
Santa Rosa County's proportion of the net pension liability (asset)	0.195540312%	0.183065349%	0.180721013%	0.179851920%	0.177003059%	0.170070869%
Santa Rosa County's proportionate share of the net pension liability (asset)	\$ 67,341,361	\$ 55,140,232	\$ 53,456,063	\$ 45,412,751	\$ 22,862,319	\$ 10,376,824
Santa Rosa County's covered payroll	\$ 47,286,528	\$ 42,962,825	\$ 41,063,802	\$ 39,821,770	\$ 40,091,164	\$ 37,602,391
Santa Rosa County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	142.41%	128.34%	130.18%	114.04%	57.03%	27.60%
Plan fiduciary net position as a percentage of the total pension liability	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

*Data was unavailable prior to 2014

Santa Rosa County, Florida

SCHEDULE OF CONTRIBUTIONS
Florida Retirement System
Last 10 Fiscal Years*

	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 6,063,160	\$ 5,217,215	\$ 4,704,612	\$ 4,385,976	\$ 4,315,479	\$ 3,725,277
Contributions in relation to the contractually required contribution	\$ (6,063,160)	\$ (5,217,215)	\$ (4,704,612)	\$ (4,385,976)	\$ (4,315,479)	\$ (3,725,277)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Santa Rosa County's covered payroll	\$ 48,472,434	\$ 43,196,946	\$ 41,328,034	\$ 39,966,760	\$ 40,683,002	\$ 38,301,106
Contributions as a percentage of covered payroll	12.51%	12.08%	11.38%	10.97%	10.61%	9.73%

*Data was unavailable prior to 2014

Santa Rosa County, Florida

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
Health Insurance Subsidy Program
Last 10 Fiscal Years***

	2019	2018	2017	2016	2015	2014
Santa Rosa County's proportion of the net pension liability (asset)	0.138502797%	0.129883127%	0.127059949%	0.127227379%	0.130144159%	0.126228802%
Santa Rosa County's proportionate share of the net pension liability (asset)	\$ 15,497,077	\$ 13,746,976	\$ 13,585,836	\$ 14,827,824	\$ 13,272,657	\$ 11,802,701
Santa Rosa County's covered payroll	\$ 47,286,528	\$ 42,962,825	\$ 41,063,802	\$ 39,821,770	\$ 40,091,164	\$ 37,602,391
Santa Rosa County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	32.77%	32.00%	33.08%	37.24%	33.11%	31.39%
Plan fiduciary net position as a percentage of the total pension liability	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

*Data was unavailable prior to 2014

Santa Rosa County, Florida

**SCHEDULE OF CONTRIBUTIONS
Health Insurance Subsidy Program
Last 10 Fiscal Years***

	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 769,092	\$ 704,358	\$ 672,437	\$ 652,122	\$ 497,492	\$ 432,418
Contributions in relation to the contractually required contribution	\$ (769,092)	\$ (704,358)	\$ (672,437)	\$ (652,122)	\$ (497,492)	\$ (432,418)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Santa Rosa County's covered payroll	\$ 48,472,434	\$ 43,196,946	\$ 41,328,034	\$ 39,966,760	\$ 40,683,002	\$ 38,301,106
Contributions as a percentage of covered payroll	1.59%	1.63%	1.63%	1.63%	1.22%	1.13%

*Data was unavailable prior to 2014

Santa Rosa County, Florida

SCHEDULE OF CHANGES IN TOTAL LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years*

	2019	2018
Total OPEB liability		
Service Cost	\$ 330,066	\$ 344,631
Interest Cost	256,104	228,459
Differences Between Expected and Actual Experience	(722,727)	--
Changes of Assumptions	(332,063)	(356,889)
Benefit Payments	(273,218)	(264,000)
Net Change in Total OPEB Liability	(741,838)	(47,799)
Total OPEB Liability - Beginning of Year	7,453,859	7,501,658
Total OPEB Liability - End of Year	\$ 6,712,021	\$ 7,453,859
Contributions - Employer	\$ 273,218	\$ 264,000
Benefit Payments	(273,218)	(264,000)
Net Change in Fiduciary Net Position	-	-
Fiduciary Net Position - Beginning of Year	-	-
Fiduciary Net Position - End of Year	-	-
Net OPEB Liability	6,712,021	7,453,859
Fiduciary Net Position as a % of Total OPEB Liability	0.00%	0.00%
Covered Payroll	\$ 43,196,946	\$ 41,328,034
Net OPEB Liability as a % of Covered Payroll	15.54%	18.04%
Expected Average Remaining Service Years of All Participants	10	9

*Data was unavailable prior to 2018

Santa Rosa County, Florida
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
September 30, 2019

BUDGETARY INFORMATION

Florida Statutes Chapters 129 and 200 govern the preparation, adoption, and administration of the County's annual budget. The budget must be balanced, i.e., the estimated revenues plus beginning fund balance brought forward must equal appropriations and be prepared on a basis consistent with generally accepted accounting principles (GAAP) as applicable to governmental units. The County may, at any time within a fiscal year, amend a budget for that year as follows:

Appropriations for expenditures in any fund may be decreased and other appropriations in the same fund correspondingly increased by motion recorded in the minutes. The budget officer may authorize certain inter-departmental and intra-departmental budget amendments, provided that the total appropriation of the fund is not changed. All annual appropriations lapse at fiscal year-end.

OTHER POST-EMPLOYMENT BENEFITS

Benefit changes: None

Changes of assumptions: The discount rate was changed as follows:

Discount Rate	
9/30/2018	3.50%
9/30/2019	3.83%

COMBINING INDIVIDUAL FUND STATEMENTS AND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Fine and Forfeiture Fund - accounts for fines, forfeitures and various other assessments used for law enforcement purposes.

State Matching Program Fund - accounts for state and local funding used for mosquito and other arthropod control.

Grants Fund - accounts for state and federal funding not associated with any other fund.

Enhanced 911 Telephone System Fund - accounts for funds used to maintain the 911 telephone system.

Electric Franchise Fee Fund – accounts for funds from the Electric Franchise fee.

Local Option Tourist Tax Fund - accounts for tax revenues to be used for tourist development activities.

Impact Fees Fund – accounts for impact fees collected to provide for new infrastructure.

SHIP (State Housing Initiative Partnership) Fund - accounts for state funds received to provide housing assistance to low and middle income families.

Disaster Fund – accounts for federal, state and local funding relating to recovery from natural disasters.

MSBU (Municipal Service Benefit Unit) Fund – accounts for special assessments levied against property owners for capital improvements or services rendered for benefit of the affected areas.

Clerk's Courts Fund – accounts for the court related activities of the Clerk of the Court.

Clerk's Courts Technology Fund – accounts for the court technology related activities of the Clerk of the Court.

Clerk's RMTF (Records Modernization Trust Fund) – accounts for fees received that are legally restricted for the modernization of the public records maintained by the Clerk's office.

Clerk's Child Support Title IV-D – accounts for activities related to Title IV-D child support cases. The funding provides assistance to the plaintiff and enforcement of collections through the Office of Child Support Enforcement.

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS - Continued

Sheriff's Grants Fund – accounts for federal and state grants received by the Sheriff's department for specific programs. Not budgeted.

Sheriff's Second Dollar Fund – accounts for shared fine revenues which are legally restricted for law enforcement training purposes. Not budgeted.

Sheriff's Prisoner Recreation Fund – accounts for jail commissary and vending machine revenues that are restricted to providing recreational facilities and equipment for prisoners. Not budgeted.

Sheriff's Federal Seizure Fund – accounts for shared seizure revenues from the United States Department of Justice which are to be used for law enforcement purposes. Not budgeted.

Sheriff's Local Option Sales Tax Fund – accounts for appropriations from the half-cent local option sales tax revenues which are restricted for capital-related purchases and construction projects.

DEBT SERVICE FUND

Debt Service Fund - accounts for the funds used to pay down debt related to governmental funds.

CAPITAL PROJECTS FUNDS

District One Capital Projects Fund - accounts for the construction of sports and recreation facilities in District One.

District Two Capital Projects Fund - accounts for the construction of sports and recreation facilities in District Two.

District Three Capital Projects Fund - accounts for the construction of sports and recreation facilities in District Three.

District Four Capital Projects Fund - accounts for the construction of sports and recreation facilities in District Four.

District Five Capital Projects Fund - accounts for the construction of sports and recreation facilities in District Five.

Other Capital Projects Fund - accounts for the purchase or construction of other capital facilities which are not financed by proprietary funds or trust funds.

Santa Rosa County, Florida
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

September 30, 2019

ASSETS	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Cash and cash equivalents	\$ 14,513,128	\$ 45,713	\$ 9,363,391	\$ 23,922,232
Receivables, net of uncollectibles				
Accounts	707,230	--	--	707,230
Due from other governments	3,572,436	--	36,625	3,609,061
Due from other funds	28,450	105,000	--	133,450
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 18,821,244</u>	<u>\$ 150,713</u>	<u>\$ 9,400,016</u>	<u>\$ 28,371,973</u>
LIABILITIES				
Accounts payable	\$ 1,271,200	\$ --	\$ 374,600	\$ 1,645,800
Accrued wages payable	221,896	--	--	221,896
Unearned revenue	146,905	--	--	146,905
Due to other funds	1,422,362	80,000	--	1,502,362
Due to other governments	405,469	--	--	405,469
Total liabilities	<u>3,467,832</u>	<u>80,000</u>	<u>374,600</u>	<u>3,922,432</u>
FUND BALANCES				
Fund balances				
Restricted	11,717,159	--	--	11,717,159
Committed	3,056,481	--	9,025,416	12,081,897
Assigned	850,296	70,713	--	921,009
Unassigned	(270,524)	--	--	(270,524)
Total fund balances	<u>15,353,412</u>	<u>70,713</u>	<u>9,025,416</u>	<u>24,449,541</u>
Total liabilities and fund balances	<u>\$ 18,821,244</u>	<u>\$ 150,713</u>	<u>\$ 9,400,016</u>	<u>\$ 28,371,973</u>

Santa Rosa County, Florida

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS**

Year ended September 30, 2019

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Revenues				
Taxes	\$ 5,604,818	\$ --	\$ --	\$ 5,604,818
Licenses and permits	13,194,994	--	--	13,194,994
Intergovernmental	7,022,878	--	186,625	7,209,503
Charges for services	5,286,841	--	--	5,286,841
Fines and forfeits	1,088,377	--	--	1,088,377
Miscellaneous	2,001,170	887	140,052	2,142,109
Total revenues	34,199,078	887	326,677	34,526,642
Expenditures				
Current				
General government	6,639,871	--	--	6,639,871
Public safety	11,867,238	--	--	11,867,238
Physical environment	3,290,348	--	--	3,290,348
Transportation	664,742	--	--	664,742
Economic environment	4,387,928	--	--	4,387,928
Human services	147,343	--	--	147,343
Culture and recreation	--	--	257,871	257,871
Capital outlay	--	--	2,665,420	2,665,420
Debt service	--	1,217,367	--	1,217,367
Total expenditures	26,997,470	1,217,367	2,923,291	31,138,128
Excess (deficiency) of revenues over expenditures	7,201,608	(1,216,480)	(2,596,614)	3,388,514
Other financing sources (uses)				
Transfers in	2,156,369	1,235,335	7,252,065	10,643,769
Transfers out	(10,345,763)	(19,662)	(1,425,837)	(11,791,262)
New debt issuance	275,000	--	--	275,000
Total other financing sources (uses)	(7,914,394)	1,215,673	5,826,228	(872,493)
Excess (deficiency) of revenues and other sources over expenditures and other uses	(712,786)	(807)	3,229,614	2,516,021
Fund balances, beginning of year	16,066,198	71,520	5,795,802	21,933,520
Fund balances, end of year	\$ 15,353,412	\$ 70,713	\$ 9,025,416	\$ 24,449,541

Santa Rosa County, Florida

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS**

September 30, 2019

ASSETS	Fine and Forfeiture	State Match	Grants	Enhanced 911	Electric Franchise Fee	Local Option Tourist Tax	Impact Fees	SHIP Program	Disaster	MSBU
Cash and cash equivalents	\$ 1,764,454	\$ 57,249	\$ 1,663,311	\$ 344,255	\$ 1,961,081	\$ 1,534,466	\$ 1,144,357	\$ 406,471	\$ 383,722	\$ 1,639,219
Receivables, net of uncollectibles										
Accounts	--	--	--	--	682,798	--	--	--	--	6,557
Due from other governments	74,340	--	2,187,285	193,216	--	497,319	530	--	--	43,141
Due from other funds	--	--	--	--	--	--	--	--	--	--
Total assets	<u>\$ 1,838,794</u>	<u>\$ 57,249</u>	<u>\$ 3,850,596</u>	<u>\$ 537,471</u>	<u>\$ 2,643,879</u>	<u>\$ 2,031,785</u>	<u>\$ 1,144,887</u>	<u>\$ 406,471</u>	<u>\$ 383,722</u>	<u>\$ 1,688,917</u>
LIABILITIES										
Accounts payable	\$ 51,625	\$ --	\$ 793,332	\$ 23,921	\$ --	\$ 305,414	\$ --	\$ 20,685	\$ --	\$ 1,899
Accrued wages payable	7,221	--	--	13,010	--	9,402	--	--	--	--
Unearned revenue	--	--	--	--	--	--	--	--	--	--
Due to other funds	--	--	--	--	--	--	--	--	--	270,600
Due to other governments	--	--	--	--	--	--	--	--	--	--
Total liabilities	<u>58,846</u>	<u>--</u>	<u>793,332</u>	<u>36,931</u>	<u>--</u>	<u>314,816</u>	<u>--</u>	<u>20,685</u>	<u>--</u>	<u>272,499</u>
FUND BALANCES										
Fund balances										
Restricted	517,050	57,249	3,057,264	500,540	--	1,716,969	1,144,887	385,786	383,722	1,686,942
Committed	412,602	--	--	--	2,643,879	--	--	--	--	--
Assigned	850,296	--	--	--	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--	--	--	--	(270,524)
Total fund balances	<u>1,779,948</u>	<u>57,249</u>	<u>3,057,264</u>	<u>500,540</u>	<u>2,643,879</u>	<u>1,716,969</u>	<u>1,144,887</u>	<u>385,786</u>	<u>383,722</u>	<u>1,416,418</u>
Total liabilities and fund balances	<u>\$ 1,838,794</u>	<u>\$ 57,249</u>	<u>\$ 3,850,596</u>	<u>\$ 537,471</u>	<u>\$ 2,643,879</u>	<u>\$ 2,031,785</u>	<u>\$ 1,144,887</u>	<u>\$ 406,471</u>	<u>\$ 383,722</u>	<u>\$ 1,688,917</u>

Continued...

Santa Rosa County, Florida

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS - Continued**

September 30, 2019

ASSETS	Clerk's Courts Fund	Clerk's Court Tech	Clerk's RMTF	Clerk's Title IV-D	Sheriff's Grants	Sheriff's Second Dollar	Sheriff's Prisoner Rec	Sheriff's Fed Seizure	Sheriff's LOST	Total Nonmajor Special Revenue Funds
Cash and cash equivalents	\$ 423,960	\$ 814,763	\$ 654,708	\$ --	\$ 584,083	\$ 84,762	\$ 784,484	\$ 104,535	\$ 163,248	\$ 14,513,128
Receivables, net of uncollectibles										
Accounts	--	--	--	--	--	--	17,875	--	--	707,230
Due from other governments	23,774	--	--	13,431	488,416	--	--	--	50,984	3,572,436
Due from other funds	13,513	--	--	--	14,937	--	--	--	--	28,450
Total assets	<u>\$ 461,247</u>	<u>\$ 814,763</u>	<u>\$ 654,708</u>	<u>\$ 13,431</u>	<u>\$ 1,087,436</u>	<u>\$ 84,762</u>	<u>\$ 802,359</u>	<u>\$ 104,535</u>	<u>\$ 214,232</u>	<u>\$ 18,821,244</u>
LIABILITIES										
Accounts payable	\$ 5,546	\$ 2,265	\$ --	\$ --	\$ 29,006	\$ --	\$ 8,646	\$ --	\$ 28,861	\$ 1,271,200
Accrued wages payable	105,820	4,585	--	--	78,402	--	3,456	--	--	221,896
Unearned revenue	--	--	--	--	42,370	--	--	104,535	--	146,905
Due to other funds	6,082	--	--	13,431	914,221	1,314	31,343	--	185,371	1,422,362
Due to other governments	343,799	38,233	--	--	23,437	--	--	--	--	405,469
Total liabilities	<u>461,247</u>	<u>45,083</u>	<u>--</u>	<u>13,431</u>	<u>1,087,436</u>	<u>1,314</u>	<u>43,445</u>	<u>104,535</u>	<u>214,232</u>	<u>3,467,832</u>
FUND BALANCES										
Fund balances										
Restricted	--	769,680	654,708	--	--	83,448	758,914	--	--	11,717,159
Committed	--	--	--	--	--	--	--	--	--	3,056,481
Assigned	--	--	--	--	--	--	--	--	--	850,296
Unassigned	--	--	--	--	--	--	--	--	--	(270,524)
Total fund balances	<u>--</u>	<u>769,680</u>	<u>654,708</u>	<u>--</u>	<u>--</u>	<u>83,448</u>	<u>758,914</u>	<u>--</u>	<u>--</u>	<u>15,353,412</u>
Total liabilities and fund balances	<u>\$ 461,247</u>	<u>\$ 814,763</u>	<u>\$ 654,708</u>	<u>\$ 13,431</u>	<u>\$ 1,087,436</u>	<u>\$ 84,762</u>	<u>\$ 802,359</u>	<u>\$ 104,535</u>	<u>\$ 214,232</u>	<u>\$ 18,821,244</u>

Santa Rosa County, Florida

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS**

Year ended September 30, 2019

	Fine and Forfeiture	State Match	Grants	Enhanced 911	Electric Franchise Fee	Local Option Tourist Tax	Impact Fees	SHIP Program	Disaster	MSBU
Revenues										
Taxes	\$ 55	\$ --	\$ --	\$ --	\$ --	\$ 3,156,582	\$ --	\$ --	\$ --	\$ --
Licenses and permits	--	--	--	--	6,984,779	--	--	--	--	6,210,215
Intergovernmental	--	34,481	3,398,814	--	--	200,496	109,628	354,701	--	--
Charges for services	1,180,265	--	31,185	771,246	--	--	--	--	--	--
Fines and forfeits	10,915	--	--	--	--	--	--	--	--	--
Miscellaneous	38,464	270	1,082,475	10,380	6,072	29,686	26,597	274,098	3,457	17,576
Total revenues	1,229,699	34,751	4,512,474	781,626	6,990,851	3,386,764	136,225	628,799	3,457	6,227,791
Expenditures										
Current										
General government	1,158,416	--	794,807	--	--	--	--	--	--	--
Public safety	110,307	--	96,080	1,026,015	--	--	--	--	--	4,928,173
Physical environment	--	--	2,894,027	--	--	--	--	--	--	396,321
Transportation	--	--	140,469	--	--	--	347,863	--	--	176,410
Economic environment	--	--	596,258	--	--	2,887,082	--	904,588	--	--
Human services	--	24,919	122,424	--	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--	--	--	--	--
Total expenditures	1,268,723	24,919	4,644,065	1,026,015	--	2,887,082	347,863	904,588	--	5,500,904
Excess (deficiency) of revenues over expenditures	(39,024)	9,832	(131,591)	(244,389)	6,990,851	499,682	(211,638)	(275,789)	3,457	726,887
Other financing sources (uses)										
Transfers in	--	--	1,693,040	--	--	--	--	--	--	463,329
Transfers out	--	--	(106,516)	--	(8,307,911)	(1,091,253)	--	(171,357)	--	(668,726)
New debt issuance	--	--	--	--	--	--	--	--	--	275,000
Total other financing sources (uses)	--	--	1,586,524	--	(8,307,911)	(1,091,253)	--	(171,357)	--	69,603
Net change in fund balances	(39,024)	9,832	1,454,933	(244,389)	(1,317,060)	(591,571)	(211,638)	(447,146)	3,457	796,490
Fund balances, beginning of year	1,818,972	47,417	1,602,331	744,929	3,960,939	2,308,540	1,356,525	832,932	380,265	619,928
Fund balances, end of year	\$ 1,779,948	\$ 57,249	\$ 3,057,264	\$ 500,540	\$ 2,643,879	\$ 1,716,969	\$ 1,144,887	\$ 385,786	\$ 383,722	\$ 1,416,418

Continued...

Santa Rosa County, Florida

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - Continued**

Year ended September 30, 2019

	Clerk's Courts Fund	Clerk's Courts Tech	Clerk's RMTF	Clerk's Title IV-D	Sheriff's Grants	Sheriff's Second Dollar	Sheriff's Prisoner Rec	Sheriff's Federal Seizure	Sheriff's LOST	Total Nonmajor Special Revenue Funds
Revenues										
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 2,448,181	\$ 5,604,818
Licenses and permits	--	--	--	--	--	--	--	--	--	13,194,994
Intergovernmental	146,439	--	--	152,161	2,599,077	27,081	--	--	--	7,022,878
Charges for services	2,832,022	356,045	116,078	--	--	--	--	--	--	5,286,841
Fines and forfeits	1,074,713	--	--	2,749	--	--	--	--	--	1,088,377
Miscellaneous	42,185	--	--	--	--	294	469,599	17	--	2,001,170
Total revenues	4,095,359	356,045	116,078	154,910	2,599,077	27,375	469,599	17	2,448,181	34,199,078
Expenditures										
Current										
General government	4,111,573	402,806	17,359	154,910	--	--	--	--	--	6,639,871
Public safety	--	--	--	--	2,599,077	13,770	645,618	17	2,448,181	11,867,238
Physical environment	--	--	--	--	--	--	--	--	--	3,290,348
Transportation	--	--	--	--	--	--	--	--	--	664,742
Economic environment	--	--	--	--	--	--	--	--	--	4,387,928
Human services	--	--	--	--	--	--	--	--	--	147,343
Capital outlay	--	--	--	--	--	--	--	--	--	--
Total expenditures	4,111,573	402,806	17,359	154,910	2,599,077	13,770	645,618	17	2,448,181	26,997,470
Excess (deficiency) of revenues over expenditures	(16,214)	(46,761)	98,719	--	--	13,605	(176,019)	--	--	7,201,608
Other financing sources (uses)										
Transfers in	--	--	--	--	--	--	--	--	--	2,156,369
Transfers out	--	--	--	--	--	--	--	--	--	(10,345,763)
New debt issuance	--	--	--	--	--	--	--	--	--	275,000
Total other financing sources (uses)	--	--	--	--	--	--	--	--	--	(7,914,394)
Net change in fund balances	(16,214)	(46,761)	98,719	--	--	13,605	(176,019)	--	--	(712,786)
Fund balances, beginning of year	16,214	816,441	555,989	--	--	69,843	934,933	--	--	16,066,198
Fund balances, end of year	\$ --	\$ 769,680	\$ 654,708	\$ --	\$ --	\$ 83,448	\$ 758,914	\$ --	\$ --	\$ 15,353,412

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
FINE AND FORFEITURE FUND**

Year ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Taxes	\$ --	\$ --	\$ 55	\$ 55
Intergovernmental	--	--	--	--
Charges for services	1,116,500	1,116,500	1,180,265	63,765
Fines and forfeits	--	--	10,915	10,915
Miscellaneous	5,701	5,701	38,464	32,763
Total revenues	1,122,201	1,122,201	1,229,699	107,498
Expenditures				
Current				
General government	972,464	1,047,884	1,158,416	(110,532)
Public safety	83,900	114,159	110,307	3,852
Total expenditures	1,056,364	1,162,043	1,268,723	(106,680)
Excess (deficiency) of revenues over expenditures	65,837	(39,842)	(39,024)	818
Other financing sources (uses)				
Transfers in	--	--	--	--
Transfers out	--	--	--	--
Total other financing sources (uses)	--	--	--	--
Net change in fund balances	65,837	(39,842)	(39,024)	818
Fund balance, beginning of year	--	75,420	1,818,972	1,743,552
Fund balance, end of year	\$ 65,837	\$ 35,578	\$ 1,779,948	\$ 1,744,370

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
STATE MATCH FUND**

Year ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 33,200	\$ 33,200	\$ 34,481	\$ 1,281
Miscellaneous	--	--	270	270
Total revenues	33,200	33,200	34,751	1,551
Expenditures				
Current				
Human services	33,200	34,481	24,919	9,562
Total expenditures	33,200	34,481	24,919	9,562
Net change in fund balances	--	(1,281)	9,832	11,113
Fund balance, beginning of year	--	1,281	47,417	46,136
Fund balance, end of year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 57,249</u>	<u>\$ 57,249</u>

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
GRANTS FUND**

Year ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ --	\$ 13,019,614	\$ 3,398,814	\$ (9,620,800)
Charges for services	--	37,181	31,185	(5,996)
Miscellaneous	--	1,044,456	1,082,475	38,019
Total revenues	--	14,101,251	4,512,474	(9,588,777)
Expenditures				
Current				
General government	10,000	10,893,375	794,807	10,098,568
Public safety	--	107,035	96,080	10,955
Physical environment	--	2,949,283	2,894,027	55,256
Transportation	--	326,714	140,469	186,245
Economic environment	--	1,619,638	596,258	1,023,380
Human services	--	157,527	122,424	35,103
Total expenditures	10,000	16,053,572	4,644,065	11,409,507
Excess (deficiency) of revenues over expenditures	(10,000)	(1,952,321)	(131,591)	1,820,730
Other financing sources (uses)				
Transfers in	--	1,693,040	1,693,040	--
Transfers out	--	(106,516)	(106,516)	--
Total other financing sources (uses)	--	1,586,524	1,586,524	--
Net change in fund balances	(10,000)	(365,797)	1,454,933	1,820,730
Fund balance, beginning of year	10,000	365,797	1,602,331	1,236,534
Fund balance, end of year	\$ --	\$ --	\$ 3,057,264	\$ 3,057,264

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
ENHANCED 911 PROGRAM FUND**

Year ended September 30, 2019

	Original Budget	Final Budget	Actual	
Revenues				
Intergovernmental	\$ --	\$ --	\$ --	\$ --
Charges for services	676,910	676,910	771,246	94,336
Miscellaneous	3,445	3,445	10,380	6,935
Total revenues	680,355	680,355	781,626	101,271
Expenditures				
Current				
Public safety	1,076,209	1,076,209	1,026,015	50,194
Total expenditures	1,076,209	1,076,209	1,026,015	50,194
Net change in fund balances	(395,854)	(395,854)	(244,389)	151,465
Fund balance, beginning of year	395,854	395,854	744,929	\$ 349,075
Fund balance, end of year	\$ --	\$ --	\$ 500,540	\$ 500,540

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
ELECTRIC FRANCHISE FEE FUND**

Year ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Permits, fees and special assessments	\$ 6,650,000	\$ 6,650,000	\$ 6,984,779	\$ 334,779
Miscellaneous	360	360	6,072	5,712
Total revenues	<u>6,650,360</u>	<u>6,650,360</u>	<u>6,990,851</u>	<u>340,491</u>
Expenditures				
Current				
General government	<u>665,000</u>	<u>1,326,894</u>	<u>--</u>	<u>1,326,894</u>
Total expenditures	<u>665,000</u>	<u>1,326,894</u>	<u>--</u>	<u>1,326,894</u>
Excess (deficiency) of revenues over expenditures	<u>5,985,360</u>	<u>5,323,466</u>	<u>6,990,851</u>	<u>1,667,385</u>
Other financing sources (uses)				
Transfer in	--	--	--	--
Transfers out	<u>(6,065,360)</u>	<u>(8,307,911)</u>	<u>(8,307,911)</u>	<u>--</u>
Total other financing sources (uses)	<u>(6,065,360)</u>	<u>(8,307,911)</u>	<u>(8,307,911)</u>	<u>--</u>
Net change in fund balances	(80,000)	(2,984,445)	(1,317,060)	1,667,385
Fund balance, beginning of year	<u>80,000</u>	<u>2,984,445</u>	<u>3,960,939</u>	<u>976,494</u>
Fund balance, end of year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 2,643,879</u>	<u>\$ 2,643,879</u>

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
LOCAL OPTION TOURIST TAX FUND**

Year ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Taxes	\$ 2,764,896	\$ 2,764,896	\$ 3,156,582	\$ 391,686
Intergovernmental	--	288,177	200,496	(87,681)
Miscellaneous	9,500	9,500	29,686	20,186
Total revenues	2,774,396	3,062,573	3,386,764	324,191
Expenditures				
Current				
Economic environment	3,395,552	3,865,439	2,887,082	978,357
Total expenditures	3,395,552	3,865,439	2,887,082	978,357
Excess (deficiency) of revenues over expenditures	(621,156)	(802,866)	499,682	1,302,548
Other financing sources (uses)				
Transfers out	(627,669)	(1,091,253)	(1,091,253)	--
Total other financing sources (uses)	(627,669)	(1,091,253)	(1,091,253)	--
Net change in fund balances	(1,248,825)	(1,894,119)	(591,571)	1,302,548
Fund balance, beginning of year	1,248,825	1,894,119	2,308,540	414,421
Fund balance, end of year	\$ --	\$ --	\$ 1,716,969	\$ 1,716,969

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
IMPACT FEES**

Year ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Permits, fees and special assessments	\$ --	\$ --	\$ --	\$ --
Intergovernmental	--	--	109,628	109,628
Miscellaneous	--	--	26,597	26,597
Total revenues	--	--	136,225	136,225
Expenditures				
Current				
Transportation	--	378,606	347,863	30,743
Total expenditures	--	378,606	347,863	30,743
Excess (deficiency) of revenues and other sources over expenditures	--	(378,606)	(211,638)	166,968
Other financing sources (uses)				
Transfers out	--	--	--	--
Total other financing sources (uses)	--	--	--	--
Net change in fund balances	--	(378,606)	(211,638)	166,968
Fund balance, beginning of year	--	378,606	1,356,525	977,919
Fund balance, end of year	\$ --	\$ --	\$ 1,144,887	\$ 1,144,887

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
SHIP PROGRAM FUND**

Year ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ --	\$ 570,895	\$ 354,701	\$ (216,194)
Miscellaneous	--	--	274,098	274,098
Total revenues	--	570,895	628,799	57,904
Expenditures				
Current				
Economic environment	--	1,462,200	904,588	557,612
Total expenditures	--	1,462,200	904,588	557,612
Excess (deficiency) of revenues over expenditures	--	(891,305)	(275,789)	615,516
Other financing sources (uses)				
Transfers in	--	--	--	--
Transfers out	(114,268)	(171,357)	(171,357)	--
Total other financing sources (uses)	(114,268)	(171,357)	(171,357)	--
Net change in fund balances	(114,268)	(1,062,662)	(447,146)	615,516
Fund balance, beginning of year	114,268	1,062,662	832,932	(229,730)
Fund balance, end of year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 385,786</u>	<u>\$ 385,786</u>

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
DISASTER FUND**

Year ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ --	\$ --	\$ --	\$ --
Miscellaneous	--	--	3,457	3,457
Total revenues	--	--	3,457	3,457
Expenditures				
Current				
Public safety	--	--	--	--
Total expenditures	--	--	--	--
Excess (deficiency) of revenues over expenditures	--	--	3,457	3,457
Other financing sources (uses)				
Transfers out	--	--	--	--
Total other financing sources (uses)	--	--	--	--
Net change in fund balances	--	--	3,457	3,457
Fund balance, beginning of year	--	--	380,265	380,265
Fund balance, end of year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 383,722</u>	<u>\$ 383,722</u>

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
MSBU (MUNICIPAL SERVICE BENEFIT UNIT) FUND**

Year ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Permits, fees and special assessments	\$ 5,627,548	\$ 5,627,548	\$ 6,210,215	\$ 582,667
Miscellaneous	--	--	17,576	17,576
Total revenues	5,627,548	5,627,548	6,227,791	600,243
Expenditures				
Current				
Public safety	4,525,683	5,271,115	4,928,173	342,942
Physical environment	448,101	454,073	396,321	57,752
Transportation	559,067	502,118	176,410	325,708
Total expenditures	5,532,851	6,227,306	5,500,904	726,402
Excess (deficiency) of revenues over expenditures	94,697	(599,758)	726,887	1,326,645
Other financing sources (uses)				
Transfers in	191,352	463,329	463,329	--
Transfers out	(660,456)	(668,726)	(668,726)	--
New debt issuance	--	--	275,000	275,000
Total other financing sources (uses)	(469,104)	(205,397)	69,603	275,000
Net change in fund balances	(374,407)	(805,155)	796,490	1,601,645
Fund balance, beginning of year	374,407	805,155	619,928	(185,227)
Fund balance, end of year	\$ --	\$ --	\$ 1,416,418	\$ 1,416,418

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
CLERK'S COURTS FUND**

Year ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ --	\$ --	\$ 146,439	\$ 146,439
Charges for services	4,095,359	4,095,359	2,832,022	(1,263,337)
Fines and forfeits	947,425	947,425	1,074,713	127,288
Miscellaneous	204,553	204,553	42,185	(162,368)
Total revenues	5,247,337	5,247,337	4,095,359	(1,151,978)
Expenditures				
Current				
General government	5,247,337	4,180,554	4,111,573	68,981
Total expenditures	5,247,337	4,180,554	4,111,573	68,981
Net change in fund balances	--	1,066,783	(16,214)	(1,082,997)
Fund balance, beginning of year	--	--	16,214	16,214
Fund balance, end of year	<u>\$ --</u>	<u>\$ 1,066,783</u>	<u>\$ --</u>	<u>\$ (1,066,783)</u>

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
CLERK'S COURTS TECHNOLOGY FUND**

Year ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Charges for services	\$ 335,000	\$ 335,000	\$ 356,045	\$ 21,045
Total revenues	335,000	335,000	356,045	21,045
Expenditures				
Current				
General government	287,517	447,516	402,806	44,710
Capital outlay	--	--	--	--
Total expenditures	287,517	447,516	402,806	44,710
Net change in fund balances	47,483	(112,516)	(46,761)	65,755
Fund balance, beginning of year	--	112,516	816,441	703,925
Fund balance, end of year	\$ 47,483	\$ --	\$ 769,680	\$ 769,680

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
CLERK'S RMTF (RECORD MODERNIZATION TRUST FUND)**

Year ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Charges for services	\$ 110,000	\$ 110,000	\$ 116,078	\$ 6,078
Total revenues	110,000	110,000	116,078	6,078
Expenditures				
Current				
General government	150,000	180,000	17,359	162,641
Total expenditures	150,000	180,000	17,359	162,641
Net change in fund balances	(40,000)	(70,000)	98,719	168,719
Fund balance, beginning of year	40,000	70,000	555,989	485,989
Fund balance, end of year	\$ --	\$ --	\$ 654,708	\$ 654,708

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
CLERK'S CHILD SUPPORT TITLE IV-D FUND**

Year ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ --	\$ 140,000	\$ 152,161	\$ 12,161
Fines and forfeits	--	--	2,749	\$ 2,749
Total revenues	--	140,000	154,910	14,910
Expenditures				
Current				
General government	--	--	154,910	(154,910)
Total expenditures	--	--	154,910	(154,910)
Excess (deficiency) of revenues over expenditures	--	140,000	--	(140,000)
Other financing sources (uses)				
Operating transfers out	(160,000)	(160,000)	--	160,000
Total other financing sources (uses)	(160,000)	(160,000)	--	160,000
Net change in fund balances	(160,000)	(20,000)	--	20,000
Fund balance, beginning of year	160,000	20,000	--	(20,000)
Fund balance, end of year	\$ --	\$ --	\$ --	\$ --

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
DEBT SERVICE FUND**

Year ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Miscellaneous	\$ --	\$ --	\$ 887	\$ 887
Total revenues	--	--	887	887
Expenditures				
Debt service	1,191,042	1,237,032	1,217,367	19,665
Total expenditures	1,191,042	1,237,032	1,217,367	19,665
Excess (deficiency) of revenues over expenditures	(1,191,042)	(1,237,032)	(1,216,480)	20,552
Other financing sources (uses)				
Transfers in	1,191,042	1,235,334	1,235,335	1
Transfers out	--	--	(19,662)	(19,662)
Total other financing sources (uses)	1,191,042	1,235,334	1,215,673	(19,661)
Net change in fund balances	--	(1,698)	(807)	891
Fund balance, beginning of year	--	1,698	71,520	69,822
Fund balance, end of year	\$ --	\$ --	\$ 70,713	\$ 70,713

Santa Rosa County, Florida
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS

September 30, 2019

	District One	District Two	District Three	District Four	District Five	Other Capital Projects	Total Nonmajor Capital Project Funds
ASSETS							
Cash and cash equivalents	\$ 890,077	\$ 1,452,275	\$ 621,814	\$ 870,292	\$ 968,169	\$ 4,560,764	\$ 9,363,391
Due from other governments	--	--	--	--	--	36,625	36,625
Total assets	<u>\$ 890,077</u>	<u>\$ 1,452,275</u>	<u>\$ 621,814</u>	<u>\$ 870,292</u>	<u>\$ 968,169</u>	<u>\$ 4,597,389</u>	<u>\$ 9,400,016</u>
LIABILITIES							
Accounts payable	\$ --	\$ 7,246	\$ 53,006	\$ 7,246	\$ --	\$ 307,102	\$ 374,600
Total liabilities	<u>--</u>	<u>7,246</u>	<u>53,006</u>	<u>7,246</u>	<u>--</u>	<u>307,102</u>	<u>374,600</u>
FUND BALANCES							
Fund balances							
Committed	<u>890,077</u>	<u>1,445,029</u>	<u>568,808</u>	<u>863,046</u>	<u>968,169</u>	<u>4,290,287</u>	<u>9,025,416</u>
Total fund balances	<u>890,077</u>	<u>1,445,029</u>	<u>568,808</u>	<u>863,046</u>	<u>968,169</u>	<u>4,290,287</u>	<u>9,025,416</u>
Total liabilities and fund balances	<u>\$ 890,077</u>	<u>\$ 1,452,275</u>	<u>\$ 621,814</u>	<u>\$ 870,292</u>	<u>\$ 968,169</u>	<u>\$ 4,597,389</u>	<u>\$ 9,400,016</u>

Santa Rosa County, Florida

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS**

Year ended September 30, 2019

	District One	District Two	District Three	District Four	District Five	Other Capital Projects	Total Nonmajor Capital Project Funds
Revenues							
Intergovernmental	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 186,625	\$ 186,625
Miscellaneous	12,421	20,580	9,619	13,734	15,874	67,824	140,052
Total revenues	12,421	20,580	9,619	13,734	15,874	254,449	326,677
Expenditures							
Current							
Culture and recreation	15,000	10,953	135,376	96,542	--	--	257,871
Capital outlay	--	--	115,267	--	--	2,550,153	2,665,420
Total expenditures	15,000	10,953	250,643	96,542	--	2,550,153	2,923,291
Excess (deficiency) of revenues over expenditures	(2,579)	9,627	(241,024)	(82,808)	15,874	(2,295,704)	(2,596,614)
Other financing sources (uses)							
Transfers in	226,984	222,735	226,984	222,734	232,969	6,119,659	7,252,065
Transfers out	(66,900)	(10,450)	(27,950)	(86,098)	(166,476)	(1,067,963)	(1,425,837)
Total other financing sources (uses)	160,084	212,285	199,034	136,636	66,493	5,051,696	5,826,228
Net change in fund balances	157,505	221,912	(41,990)	53,828	82,367	2,755,992	3,229,614
Fund balances, beginning of year	732,572	1,223,117	610,798	809,218	885,802	1,534,295	5,795,802
Fund balances, end of year	<u>\$ 890,077</u>	<u>\$ 1,445,029</u>	<u>\$ 568,808</u>	<u>\$ 863,046</u>	<u>\$ 968,169</u>	<u>\$ 4,290,287</u>	<u>\$ 9,025,416</u>

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
DISTRICT ONE CAPITAL PROJECT FUND**

Year ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Miscellaneous	\$ --	\$ --	\$ 12,421	\$ 12,421
Total revenues	--	--	12,421	12,421
Expenditures				
Current				
Culture and recreation	73,200	892,655	15,000	877,655
Total expenditures	73,200	892,655	15,000	877,655
Excess (deficiency) of revenues over expenditures	(73,200)	(892,655)	(2,579)	890,076
Other financing sources (uses)				
Transfers in	125,000	226,984	226,984	--
Transfers out	(51,800)	(66,900)	(66,900)	--
Total other financing sources (uses)	73,200	160,084	160,084	--
Net change in fund balances	--	(732,571)	157,505	890,076
Fund balance, beginning of year	--	732,571	732,572	1
Fund balance, end of year	\$ --	\$ --	\$ 890,077	\$ 890,077

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
DISTRICT TWO CAPITAL PROJECT FUND**

Year ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ --	\$ --	\$ --	\$ --
Miscellaneous	--	--	20,580	20,580
Total revenues	--	--	20,580	20,580
Expenditures				
Current				
Culture and recreation	124,550	682,399	10,953	671,446
Capital outlay	--	--	--	--
Total expenditures	124,550	682,399	10,953	671,446
Excess (deficiency) of revenues over expenditures	(124,550)	(682,399)	9,627	692,026
Other financing sources (uses)				
Transfers in	125,000	222,735	222,735	--
Transfers out	(450)	(10,450)	(10,450)	--
Total other financing sources (uses)	124,550	212,285	212,285	--
Net change in fund balances	--	(470,114)	221,912	692,026
Fund balance, beginning of year	--	470,114	1,223,117	753,003
Fund balance, end of year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,445,029</u>	<u>\$ 1,445,029</u>

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
DISTRICT THREE CAPITAL PROJECT FUND**

Year ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Miscellaneous	\$ --	\$ --	\$ 9,619	\$ 9,619
Total revenues	--	--	9,619	9,619
Expenditures				
Current				
Culture and recreation	117,150	809,832	135,376	674,456
Capital outlay	--	--	115,267	(115,267)
Total expenditures	117,150	809,832	250,643	559,189
Excess (deficiency) of revenues over expenditures	(117,150)	(809,832)	(241,024)	568,808
Other financing sources (uses)				
Transfers in	125,000	226,984	226,984	--
Transfers out	(7,850)	(27,950)	(27,950)	--
Total other financing sources (uses)	117,150	199,034	199,034	--
Net change in fund balances	--	(610,798)	(41,990)	568,808
Fund balance, beginning of year	--	1,151,370	610,798	(540,572)
Fund balance, end of year	\$ --	\$ 540,572	\$ 568,808	\$ 28,236

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
DISTRICT FOUR CAPITAL PROJECT FUND**

Year ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Miscellaneous	\$ --	\$ --	\$ 13,734	\$ 13,734
Total revenues	--	--	13,734	13,734
Expenditures				
Current				
Culture and recreation	125,000	1,027,148	96,542	930,606
Total expenditures	125,000	1,027,148	96,542	930,606
Excess (deficiency) of revenues over expenditures	(125,000)	(1,027,148)	(82,808)	944,340
Other financing sources (uses)				
Transfers in	125,000	222,734	222,734	--
Transfers out	--	(86,098)	(86,098)	--
Total other financing sources (uses)	125,000	136,636	136,636	--
Net change in fund balances	--	(890,512)	53,828	944,340
Fund balance, beginning of year	--	890,512	809,218	(81,294)
Fund balance, end of year	<u> \$ --</u>	<u> \$ --</u>	<u> \$ 863,046</u>	<u> \$ 863,046</u>

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
DISTRICT FIVE CAPITAL PROJECT FUND**

Year ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Miscellaneous	\$ --	\$ --	\$ 15,874	\$ 15,874
Total revenues	--	--	15,874	15,874
Expenditures				
Current				
Culture and recreation	125,000	952,346	\$ --	\$ 952,346
Total expenditures	125,000	952,346	--	952,346
Excess (deficiency) of revenues over expenditures	(125,000)	(952,346)	15,874	968,220
Other financing sources (uses)				
Transfers in	125,000	232,969	232,969	--
Transfers out	--	(166,476)	(166,476)	--
Total other financing sources (uses)	125,000	66,493	66,493	--
Net change in fund balances	--	(885,853)	82,367	968,220
Fund balance, beginning of year	--	885,853	885,802	(51)
Fund balance, end of year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 968,169</u>	<u>\$ 968,169</u>

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
OTHER CAPITAL PROJECTS FUND**

Year ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ --	\$ 224,319	\$ 186,625	\$ (37,694)
Miscellaneous	--	--	67,824	67,824
Total revenues	--	224,319	254,449	30,130
Expenditures				
Current				
Culture and recreation	--	347,273	--	347,273
Capital outlay	493,935	6,181,673	2,550,153	3,631,520
Total expenditures	493,935	6,528,946	2,550,153	3,978,793
Excess (deficiency) of revenues over expenditures	(493,935)	(6,304,627)	(2,295,704)	4,008,923
Other financing sources (uses)				
Transfers in	493,935	6,119,659	6,119,659	--
Transfers out	(1,043,212)	(1,067,963)	(1,067,963)	--
Total other financing sources (uses)	(549,277)	5,051,696	5,051,696	--
Net change in fund balances	(1,043,212)	(1,252,931)	2,755,992	4,008,923
Fund balance, beginning of year	1,043,212	1,252,931	1,534,295	281,364
Fund balance, end of year	\$ --	\$ --	\$ 4,290,287	\$ 4,290,287

NONMAJOR ENTERPRISE FUNDS

Inspections Fund - accounts for the license, permit and inspection fees and related expenses for the provision of inspection services to residents of the unincorporated areas of Santa Rosa County.

Peter Prince Fund - accounts for the operations of the Peter Prince Airport.

Santa Rosa County, Florida

**COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS**

September 30, 2019

ASSETS	Inspections	Peter Prince Field	Total Nonmajor Enterprise Funds
Current assets:			
Cash and cash equivalents	\$ 1,982,476	\$ 1,358,102	\$ 3,340,578
Accounts receivable	--	8,231	8,231
Total current assets	1,982,476	1,366,333	3,348,809
Noncurrent assets			
Capital assets, net of accumulated depreciation	196,333	4,203,422	4,399,755
Total noncurrent assets	196,333	4,203,422	4,399,755
Total assets	2,178,809	5,569,755	7,748,564
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow on pension	432,873	8,960	441,833
Deferred outflow on health insurance subsidy	78,408	1,757	80,165
Total deferred outflows of resources	511,281	10,717	521,998
LIABILITIES			
Current liabilities			
Accounts payable	17,914	205,471	223,385
Accrued wages payable	54,629	978	55,607
Due to other governments	52,160	1,714	53,874
Compensated absences - current portion	84,065	--	84,065
Deposits	177,728	1,250	178,978
Total current liabilities	386,496	209,413	595,909
Noncurrent liabilities			
Long term portion of compensated absences	195,000	--	195,000
Net pension liability	1,153,370	25,102	1,178,472
Net health insurance subsidy liability	426,944	9,016	435,960
OPEB liability	160,636	1,870	162,506
Total noncurrent liabilities	1,935,950	35,988	1,971,938
Total liabilities	2,322,446	245,401	2,567,847
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow on pension	91,862	1,909	93,771
Deferred inflow on health insurance subsidy	44,436	924	45,360
Deferred inflow on OPEB	27,986	741	28,727
Total deferred inflows of resources	164,284	3,574	167,858
NET POSITION			
Net investment in capital assets	196,333	4,203,423	4,399,756
Unrestricted	7,027	1,128,074	1,135,101
Total net position	\$ 203,360	\$ 5,331,497	\$ 5,534,857

Santa Rosa County, Florida

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS**

Year ended September 30, 2019

	Inspections	Peter Prince Field	Total Nonmajor Enterprise Funds
Operating revenues			
Permits, fees and special assessments	\$ 3,242,887	\$ --	\$ 3,242,887
Charges for services	9,329	305,168	314,497
Miscellaneous	--	150	150
Total operating revenues	3,252,216	305,318	3,557,534
Operating expenses			
Personal services	1,870,474	44,161	1,914,635
Contract services	11,271	156,810	168,081
Supplies	23,251	--	23,251
Repairs and maintenance	8,675	37,151	45,826
Utilities	--	18,506	18,506
Depreciation	19,142	316,542	335,684
Travel and per diem	4,930	--	4,930
Insurance	57,900	--	57,900
Communications	18,799	1,228	20,027
Fuel and oil	29,892	--	29,892
Miscellaneous	3,731	739	4,470
Total operating expenses	2,048,065	575,137	2,623,202
Operating income (loss)	1,204,151	(269,819)	934,332
Non-operating revenues (expenses)			
Investment income	9,500	8,049	17,549
Gain (loss) on disposal of assets	(13,721)	--	(13,721)
Total non-operating revenues (expenses)	(4,221)	8,049	3,828
Income (loss) before contributions and transfers	1,199,930	(261,770)	938,160
Transfers in	--	689,700	689,700
Transfers out	(386,129)	(46,737)	(432,866)
Capital contribution	--	262,564	262,564
Change in net position	813,801	643,757	1,457,558
Net position, beginning of year	(610,441)	4,687,740	4,077,299
Net position, end of year	\$ 203,360	\$ 5,331,497	\$ 5,534,857

Santa Rosa County, Florida

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS**

Year ended September 30, 2019

	<u>Inspections</u>	<u>Peter Prince Field</u>	<u>Total Nonmajor Enterprise Funds</u>
Cash flows from operating activities			
Cash received from customers	\$ 3,252,216	\$ 339,227	\$ 3,591,443
Cash paid to suppliers	35,769	(8,706)	27,063
Cash paid to employees	<u>(1,896,574)</u>	<u>(43,972)</u>	<u>(1,940,546)</u>
Net cash provided (used) by operating activities	1,391,411	286,549	1,677,960
Cash flows from noncapital financing activities			
Transfers in	--	689,700	689,700
Transfers out	<u>(386,129)</u>	<u>(46,737)</u>	<u>(432,866)</u>
Net cash provided (used) by noncapital financing activities	(386,129)	642,963	256,834
Cash flows from capital and related financing activities			
Proceeds from sale of assets	40,207	--	40,207
Capital contribution	(22,886)	262,564	239,678
Purchases of capital assets	<u>(83,054)</u>	<u>(693,086)</u>	<u>(776,140)</u>
Net cash provided (used) by capital and related financing activities	(65,733)	(430,522)	(496,255)
Cash flows from investing activities			
Interest and dividends	<u>9,500</u>	<u>8,049</u>	<u>17,549</u>
Net cash provided (used) by investing activities	9,500	8,049	17,549
Net increase (decrease) in cash and cash equivalents	<u>949,049</u>	<u>507,039</u>	<u>1,456,088</u>
Cash and cash equivalents at beginning of year	<u>1,033,427</u>	<u>851,063</u>	<u>1,884,490</u>
Cash and cash equivalents at end of year	<u><u>\$ 1,982,476</u></u>	<u><u>\$ 1,358,102</u></u>	<u><u>\$ 3,340,578</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	\$ 1,204,151	\$ (269,819)	\$ 934,332
Adjustments to reconcile operating income to net cash provided (used) by operating activities			
Depreciation expense	19,142	316,542	335,684
Gain (loss) on disposal of capital assets	(13,721)	--	(13,721)
Changes in assets and liabilities:			
Accounts receivable	--	8,117	8,117
Due from other governments	--	25,792	25,792
Accounts payable	(2,986)	201,182	198,196
Accrued compensation	7,347	189	7,536
Compensated absences	(33,447)	--	(33,447)
Due to other governments	13,199	(130)	13,069
OPEB liability	(17,017)	(458)	(17,475)
Deposits	21,864	--	21,864
Net pension liability	130,392	3,512	133,904
Net health insurance subsidy	35,902	967	36,869
Deferred outflows of resources	32,440	813	33,253
Deferred inflows of resources	<u>(5,855)</u>	<u>(158)</u>	<u>(6,013)</u>
Net cash provided (used) by operating activities	<u><u>\$ 1,391,411</u></u>	<u><u>\$ 286,549</u></u>	<u><u>\$ 1,677,960</u></u>

FIDUCIARY FUNDS

AGENCY FUNDS

Clerk's Fine and Cost Fund – Traffic and other fines are collected by the Clerk and remitted to the various governmental agencies.

Clerk's Intangible Tax Fund – The Clerk collects intangible tax and remits to the Department of Revenue.

Clerk's Court Registry Fund - accounts for funds deposited pursuant to court order pending the outcome of legal action and are distributed by order of the court.

Clerk's State Documentary Stamp Fund – The Clerk collects documentary stamps tax as an agent for the State of Florida and remits the revenue, less commission, to the Department of Revenue.

Clerk's Suspense Fund – The Clerk collects fees for marriage licenses, spousal abuse and restitution. Also the Clerk Collects money for the State co-educational trust fund and attorney's fees. Distributions on payments and remittances are made as appropriate to the various agencies or individuals.

Clerk's Tax Redemption Fund - accounts for tax deed application fees and tax deed bids and makes distributions on payments as appropriate.

Clerk's Ordinary Witness Fund – accounts for the funds collected and paid to witnesses.

Clerk's Bail Bond Fund - accounts for the collection and disbursement of bond monies posted by individuals upon arrest. These monies are held by the Clerk until final disposition instructions are received from the court.

Clerk's Flower Trust Fund - accounts for the collection and disbursement of funds donated by employees to purchase flowers for certain occasions.

Tax Collector's Tax Fund - accounts for receipts of various types of taxes, licenses, and fees collected on behalf of state, county, and municipal governmental agencies.

Sheriff's Suspense Fund - accounts for the collection of monies obtained from the Sheriff's sale of abandoned and confiscated property, various court levies, writs of execution, and miscellaneous receipts and the subsequent disbursements to individuals, state agencies, and the Board of County Commissioners.

Sheriff's Seizure Fund - accounts for cash confiscated by the Sheriff's department which is held pending disposition.

Sheriff's Flower Fund – accounts for the collection and disbursement of funds donated by employees to purchase flowers for certain occasions.

Santa Rosa County, Florida
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
Year ended September 30, 2019

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Clerk's Fine and Cost Fund				
Assets				
Cash	\$ 221,472	\$ 3,192,366	\$ 3,131,383	\$ 282,455
Total assets	<u>\$ 221,472</u>	<u>\$ 3,192,366</u>	<u>\$ 3,131,383</u>	<u>\$ 282,455</u>
Liabilities				
Accounts payable	\$ --	\$ 1,389,279	\$ 1,389,279	\$ --
Due to other governments	221,472	3,194,584	3,133,601	\$ 282,455
Total liabilities	<u>\$ 221,472</u>	<u>\$ 4,583,863</u>	<u>\$ 4,522,880</u>	<u>\$ 282,455</u>
Clerk's Intangible Tax Fund				
Assets				
Cash	\$ 127,080	\$ 3,339,189	\$ 3,113,028	\$ 353,241
Total assets	<u>\$ 127,080</u>	<u>\$ 3,339,189</u>	<u>\$ 3,113,028</u>	<u>\$ 353,241</u>
Liabilities				
Due to other governments	\$ 127,080	\$ 3,340,277	\$ 3,114,116	\$ 353,241
Total liabilities	<u>\$ 127,080</u>	<u>\$ 3,340,277</u>	<u>\$ 3,114,116</u>	<u>\$ 353,241</u>
Clerk's Court Registry Fund				
Assets				
Cash	\$ 1,345,442	\$ 18,816,827	\$ 18,515,893	\$ 1,646,376
Total assets	<u>\$ 1,345,442</u>	<u>\$ 18,816,827</u>	<u>\$ 18,515,893</u>	<u>\$ 1,646,376</u>
Liabilities				
Accounts payable	\$ --	\$ 15,955,117	\$ 15,955,117	\$ --
Deposits	1,345,442	18,816,827	18,515,893	1,646,376
Total liabilities	<u>\$ 1,345,442</u>	<u>\$ 34,771,944</u>	<u>\$ 34,471,010</u>	<u>\$ 1,646,376</u>
Clerk's State Documentary Stamp Fund				
Assets				
Cash	\$ 742,556	\$ 19,010,717	\$ 17,912,369	\$ 1,840,904
Total assets	<u>\$ 742,556</u>	<u>\$ 19,010,717</u>	<u>\$ 17,912,369</u>	<u>\$ 1,840,904</u>
Liabilities				
Due to other governments	\$ 742,556	\$ 19,010,717	\$ 17,912,369	\$ 1,840,904
Total liabilities	<u>\$ 742,556</u>	<u>\$ 19,010,717</u>	<u>\$ 17,912,369</u>	<u>\$ 1,840,904</u>
				Continued

Santa Rosa County, Florida
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
Year ended September 30, 2019

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Clerk's Suspense Fund				
Assets				
Cash	\$ 61,141	\$ 1,191,391	\$ 1,184,709	\$ 67,823
Total assets	<u>\$ 61,141</u>	<u>\$ 1,191,391</u>	<u>\$ 1,184,709</u>	<u>\$ 67,823</u>
Liabilities				
Accounts payable	\$ 638	\$ 447,863	\$ 446,781	\$ 1,720
Due to other governments	<u>60,503</u>	<u>1,051,012</u>	<u>1,045,412</u>	<u>66,103</u>
Total liabilities	<u>\$ 61,141</u>	<u>\$ 1,498,875</u>	<u>\$ 1,492,193</u>	<u>\$ 67,823</u>
Clerk's Tax Redemption Fund				
Assets				
Cash	\$ 721,232	\$ 577,422	\$ 289,203	\$ 1,009,451
Total assets	<u>\$ 721,232</u>	<u>\$ 577,422</u>	<u>\$ 289,203</u>	<u>\$ 1,009,451</u>
Liabilities				
Deposits	\$ 721,232	\$ 817,522	\$ 529,303	\$ 1,009,451
Total liabilities	<u>\$ 721,232</u>	<u>\$ 817,522</u>	<u>\$ 529,303</u>	<u>\$ 1,009,451</u>
Clerk's Ordinary Witness Fund				
Assets				
Cash	\$ 9,096	\$ 11,104	\$ 9,000	\$ 11,200
Total assets	<u>\$ 9,096</u>	<u>\$ 11,104</u>	<u>\$ 9,000</u>	<u>\$ 11,200</u>
Liabilities				
Accounts payable	\$ --	\$ 8,875	\$ 8,875	\$ --
Due to other governments	<u>9,096</u>	<u>10,958</u>	<u>8,854</u>	<u>11,200</u>
Total liabilities	<u>\$ 9,096</u>	<u>\$ 19,833</u>	<u>\$ 17,729</u>	<u>\$ 11,200</u>
Clerk's Bail Bond Fund				
Assets				
Cash	\$ 226,690	\$ 582,456	\$ 606,490	\$ 202,656
Total assets	<u>\$ 226,690</u>	<u>\$ 582,456</u>	<u>\$ 606,490</u>	<u>\$ 202,656</u>
Liabilities				
Accounts payable	\$ --	\$ 605,245	\$ 605,245	\$ --
Deposits	<u>226,690</u>	<u>582,453</u>	<u>606,487</u>	<u>202,656</u>
Total liabilities	<u>\$ 226,690</u>	<u>\$ 1,187,698</u>	<u>\$ 1,211,732</u>	<u>\$ 202,656</u>

Continued

Santa Rosa County, Florida
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
Year ended September 30, 2019

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Clerk's Flower Trust Fund				
Assets				
Cash	\$ 1,558	\$ 886	\$ 918	\$ 1,526
Total assets	<u>\$ 1,558</u>	<u>\$ 886</u>	<u>\$ 918</u>	<u>\$ 1,526</u>
Liabilities				
Deposits	\$ 1,558	\$ 817	\$ 849	\$ 1,526
Total liabilities	<u>\$ 1,558</u>	<u>\$ 817</u>	<u>\$ 849</u>	<u>\$ 1,526</u>
Tax Collector's Tax Fund				
Assets				
Cash	\$ 1,259,923	\$ 186,254,596	\$ 186,149,136	\$ 1,365,383
Accounts receivable	156,844	81,825,827	81,809,502	173,169
Due from other governments	17,939	--	17,939	--
Total assets	<u>\$ 1,434,706</u>	<u>\$ 268,080,423</u>	<u>\$ 267,976,577</u>	<u>\$ 1,538,552</u>
Liabilities				
Due to other governments	1,403,833	33,501,565	33,428,252	1,477,146
Miscellaneous	30,873	916,374	885,841	61,406
Total liabilities	<u>\$ 1,434,706</u>	<u>\$ 34,417,939</u>	<u>\$ 34,314,093</u>	<u>\$ 1,538,552</u>
Sheriff's Suspense Fund				
Assets				
Cash	\$ 8,221	\$ 288,214	\$ 281,695	\$ 14,740
Total assets	<u>\$ 8,221</u>	<u>\$ 288,214</u>	<u>\$ 281,695</u>	<u>\$ 14,740</u>
Liabilities				
Accounts payable	\$ 8,221	\$ 195,368	\$ 188,849	\$ 14,740
Total liabilities	<u>\$ 8,221</u>	<u>\$ 195,368</u>	<u>\$ 188,849</u>	<u>\$ 14,740</u>
Sheriff's Seizure Fund				
Assets				
Cash	\$ 4,529	\$ 41,099	\$ 30,372	\$ 15,256
Total assets	<u>\$ 4,529</u>	<u>\$ 41,099</u>	<u>\$ 30,372</u>	<u>\$ 15,256</u>
Liabilities				
Deposits	\$ 4,529	\$ 15,922	\$ 6,592	\$ 13,859
Due to other governments	--	7,989	6,592	1,397
Total liabilities	<u>\$ 4,529</u>	<u>\$ 23,911</u>	<u>\$ 13,184</u>	<u>\$ 15,256</u>

Continued

Santa Rosa County, Florida
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
Year ended September 30, 2019

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Sheriff's Flower Fund				
Assets				
Cash	\$ 17,432	\$ 3,381	\$ 1,986	\$ 18,827
Total assets	<u>\$ 17,432</u>	<u>\$ 3,381</u>	<u>\$ 1,986</u>	<u>\$ 18,827</u>
Liabilities				
Deposits	\$ 17,432	\$ 3,089	\$ 1,694	\$ 18,827
Total liabilities	<u>\$ 17,432</u>	<u>\$ 3,089</u>	<u>\$ 1,694</u>	<u>\$ 18,827</u>
TOTAL AGENCY FUNDS				
Assets				
Cash	\$ 4,746,372	\$ 233,309,648	\$ 231,226,182	\$ 6,829,838
Accounts receivable	156,844	81,825,827	81,809,502	173,169
Due from other governments	17,939	--	17,939	--
Total assets	<u>\$ 4,921,155</u>	<u>\$ 315,135,475</u>	<u>\$ 313,053,623</u>	<u>\$ 7,003,007</u>
Liabilities				
Accounts payable	\$ 8,859	\$ 18,601,747	\$ 18,594,146	\$ 16,460
Deposits	2,316,883	20,236,630	19,660,818	2,892,695
Due to other governments	2,564,540	60,117,102	58,649,196	4,032,446
Miscellaneous	30,873	916,374	885,841	61,406
Total liabilities	<u>\$ 4,921,155</u>	<u>\$ 99,871,853</u>	<u>\$ 97,790,001</u>	<u>\$ 7,003,007</u>



STATISTICAL SECTION

Statistical Section

This part of Santa Rosa County'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	Page
Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	121
Revenue Capacity These schedules contain information to help the reader assess the governments most significant local revenue source, the property tax.	127
Debt Capacity These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	131
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment which the government's financial activities take place.	134
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	137

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

SANTA ROSA COUNTY, FLORIDA
NET POSITION BY CATEGORY
LAST TEN FISCAL YEARS
(UNAUDITED)
(accrual basis of accounting)

	Fiscal Year				
	2010	2011	2012	2013	2014
Governmental activities					
Net investment in capital assets	\$ 132,776,964	\$ 129,188,217	\$ 131,087,734	\$ 133,506,512	\$ 130,795,701
Restricted	12,873,156	33,879,516	32,382,803	22,387,475	23,548,402
Unrestricted	41,592,657	22,477,043	24,272,173	27,789,157	29,782,242
Governmental activities net position	187,242,777	185,544,776	187,742,710	183,683,144	184,126,345
Business-type activities					
Net investment in capital assets	11,026,751	10,349,909	10,411,539	11,055,493	11,967,295
Restricted	3,806,625	3,928,968	4,061,168	4,752,608	4,966,334
Unrestricted	(2,870,535)	(2,070,174)	510,657	138,096	(163,114)
Business-type activities net position	11,962,841	12,208,703	14,983,364	15,946,197	16,770,515
Primary Government					
Net investment in capital assets	143,803,715	139,538,126	141,499,273	144,562,005	142,762,996
Restricted	16,679,781	37,808,484	36,443,971	27,140,083	28,514,736
Unrestricted	38,722,122	20,406,869	24,782,830	27,927,253	29,619,128
Primary government net position	<u>\$ 199,205,618</u>	<u>\$ 197,753,479</u>	<u>\$ 202,726,074</u>	<u>\$ 199,629,341</u>	<u>\$ 200,896,860</u>
	Fiscal Year				
	2015	2016	2017	2018	2019
Governmental activities					
Net investment in capital assets	\$ 135,370,552	\$ 139,306,062	\$ 138,455,254	\$ 143,546,487	\$ 160,555,326
Restricted	25,790,229	14,142,440	18,257,036	16,813,623	18,026,667
Unrestricted	(5,401,187)	3,139,025	3,552,425	8,509,671	(6,037,434)
Governmental activities net position	155,759,594	156,587,527	160,264,715	168,869,781	172,544,559
Business-type activities					
Net investment in capital assets	12,195,766	14,179,449	14,826,919	17,650,472	25,192,457
Restricted	5,226,306	8,639,599	10,035,008	521,014	-
Unrestricted	872,240	(512,914)	1,665,310	5,250,192	4,218,096
Business-type activities net position	18,294,312	22,306,134	26,527,237	23,421,678	29,410,553
Primary Government					
Net investment in capital assets	147,566,318	153,485,511	153,282,173	161,196,959	185,747,783
Restricted	31,016,535	22,782,039	28,292,044	17,334,637	18,026,667
Unrestricted	(4,528,947)	2,626,111	5,217,735	13,759,863	(1,819,338)
Primary government net position	<u>\$ 174,053,906</u>	<u>\$ 178,893,661</u>	<u>\$ 186,791,952</u>	<u>\$ 192,291,459</u>	<u>\$ 201,955,112</u>

SANTA ROSA COUNTY, FLORIDA
CHANGES IN NET POSITION - EXPENSES
LAST TEN FISCAL YEARS
(UNAUDITED)
(accrual basis of accounting)

Expenses	Fiscal Year				
	2010	2011	2012	2013	2014
Governmental activities:					
General government	\$ 30,657,305	\$ 30,666,338	\$ 32,570,186	\$ 35,322,678	\$ 32,077,210
Public safety	40,266,771	41,858,922	38,621,376	39,189,911	43,539,307
Physical environment	2,556,442	4,523,435	4,858,171	3,697,513	2,670,154
Transportation	17,889,846	17,598,242	17,262,229	15,368,137	18,931,798
Economic environment	4,496,371	3,671,637	2,512,105	2,842,783	3,677,666
Human services	3,554,907	4,395,636	5,355,802	5,297,919	5,557,949
Culture and recreation	3,149,230	4,233,967	2,837,640	1,220,483	4,053,156
Interest on long-term debt	586,781	452,183	310,886	248,439	189,570
Total governmental activities	103,157,653	107,400,360	104,328,395	103,187,863	110,696,810
Business-type activities:					
Navarre Beach water and sewer	2,019,732	2,374,547	1,790,622	1,774,576	1,959,739
Peter Prince Airport	437,612	377,015	531,658	505,658	448,747
Landfill	3,853,990	4,199,966	2,621,080	3,700,852	4,241,176
Total business-type activities	6,311,334	6,951,528	4,943,360	5,981,086	6,649,662
Total government expenses	<u>\$ 109,468,987</u>	<u>\$ 114,351,888</u>	<u>\$ 109,271,755</u>	<u>\$ 109,168,949</u>	<u>\$ 117,346,472</u>

Expenses	Fiscal Year				
	2015	2016	2017	2018	2019
Governmental activities:					
General government	\$ 33,323,950	\$ 34,534,581	\$ 37,755,441	\$ 34,666,832	\$ 44,503,615
Public safety	43,855,080	47,580,239	53,019,105	56,939,023	67,942,445
Physical environment	3,232,111	16,540,405	2,998,450	5,972,999	13,076,259
Transportation	6,301,085	12,053,535	18,934,987	16,294,559	12,129,579
Economic environment	4,138,167	3,585,571	4,199,033	4,719,843	5,923,430
Human services	5,632,639	5,209,959	5,057,580	4,757,808	5,268,916
Culture and recreation	4,458,293	4,430,637	4,936,498	5,603,068	5,884,463
Interest on long-term debt	151,820	851,086	(426,343)	145,914	104,063
Total governmental activities	101,093,145	124,786,013	126,474,751	129,100,046	154,832,770
Business-type activities:					
Navarre Beach water and sewer	1,840,277	2,019,652	2,189,343	2,263,432	2,466,621
Inspections	-	-	-	2,069,711	2,048,065
Peter Prince Airport	434,803	439,498	1,693,306	550,774	575,137
Landfill	4,661,715	4,072,679	4,696,121	11,583,634	6,825,399
Total business-type activities	6,936,795	6,531,829	8,578,770	16,467,551	11,915,222
Total government expenses	<u>\$ 108,029,940</u>	<u>\$ 131,317,842</u>	<u>\$ 135,053,521</u>	<u>\$ 145,567,597</u>	<u>\$ 166,747,992</u>

* Inspections was implemented as a separate business-type activity starting FY 2018

SANTA ROSA COUNTY, FLORIDA
CHANGES IN NET POSITION - PROGRAM REVENUES
LAST TEN FISCAL YEARS
(UNAUDITED)
(accrual basis of accounting)

	Fiscal Year				
	2010	2011	2012	2013	2014
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 17,839,533	\$ 16,787,093	\$ 18,081,960	\$ 18,032,139	\$ 19,838,193
Public safety	8,842,111	7,872,698	4,370,643	3,577,641	4,699,449
Physical environment	434,242	885,379	5,782,002	5,165,440	5,707,544
Transportation	38,956	2,395,630	261,684	246,785	191,636
Human services	40,706	37,986	36,603	32,892	37,188
Culture and recreation	204,803	365,280	380,985	336,709	403,688
Operating grants and contributions	20,024,216	8,472,055	8,833,949	5,819,975	3,881,017
Capital grants and contributions	15,251	1,776,494	5,162,953	2,018,166	3,884,357
Total governmental activities program revenue:	47,439,818	38,592,615	42,910,779	35,229,747	38,643,072
Business-type activities:					
Charges for services:					
Navarre Beach water and sewer	1,740,672	1,726,313	1,690,378	1,880,831	1,904,215
Inspections					-
Peter Prince Airport	227,890	240,224	231,914	250,643	253,484
Landfill	4,064,536	4,048,903	4,057,528	4,290,879	4,808,104
Capital grants and contributions	134,404	424,359	680,971	347,459	329,224
Total business-type activities	6,167,502	6,439,799	6,660,791	6,769,812	7,295,027
Total government program revenues	\$ 53,607,320	\$ 45,032,414	\$ 49,571,570	\$ 41,999,559	\$ 45,938,099
Net (Expense)/Revenue					
Governmental activities	\$ (55,717,835)	\$ (68,807,745)	\$ (61,417,616)	\$ (67,958,116)	\$ (72,053,738)
Business-type activities	(143,832)	(511,729)	1,717,431	788,726	645,365
Total government net expense	\$ (55,861,667)	\$ (69,319,474)	\$ (59,700,185)	\$ (67,169,390)	\$ (71,408,373)

	Fiscal Year				
	2015	2016	2017	2018	2019
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 20,486,568	\$ 20,165,926	\$ 21,197,918	\$ 21,841,976	\$ 21,834,143
Public safety	7,228,652	7,526,515	6,896,820	3,244,589	5,112,437
Physical environment	5,431,080	4,680,733	4,905,470	4,795,879	6,253,640
Transportation	146,383	47,551	89,554	1,930	61,917
Human services	33,079	37,259	40,752	41,886	40,422
Culture and recreation	391,097	488,274	494,203	497,209	548,804
Operating grants and contributions	2,760,609	12,902,748	3,682,161	5,828,954	8,214,191
Capital grants and contributions	2,879,592	3,091,704	819,579	4,137,239	13,398,522
Total governmental activities program revenue:	39,357,060	48,940,710	38,126,457	40,389,662	55,464,076
Business-type activities:					
Charges for services:					
Navarre Beach water and sewer	2,091,096	2,124,356	2,163,525	2,242,090	2,377,243
Inspections	-	-	-	2,799,768	3,252,216
Peter Prince Airport	269,440	297,943	297,426	299,295	305,168
Landfill	5,886,791	7,965,978	9,503,609	9,677,360	11,399,817
Capital grants and contributions	815,405	67,154	1,080,363	33,819	329,652
Total business-type activities	9,062,732	10,455,431	13,044,923	15,052,332	17,664,096
Total government program revenues	\$ 48,419,792	\$ 59,396,141	\$ 51,171,380	\$ 55,441,994	\$ 73,128,172
Net (Expense)/Revenue					
Governmental activities	\$ (61,736,085)	\$ (75,845,303)	\$ (88,348,294)	\$ (88,710,384)	\$ (99,368,694)
Business-type activities	2,125,937	3,923,602	4,466,153	(1,415,219)	5,748,874
Total government net expense	\$ (59,610,148)	\$ (71,921,701)	\$ (83,882,141)	\$ (90,125,603)	\$ (93,619,820)

* Inspections was implemented as a separate business-type activity starting FY 2018

SANTA ROSA COUNTY, FLORIDA
CHANGES IN NET POSITION - GENERAL REVENUES AND OTHER CHANGES
LAST TEN FISCAL YEARS
(UNAUDITED)
(accrual basis of accounting)

	Fiscal Year				
	2010	2011	2012	2013	2014
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 47,020,365	\$ 44,677,921	\$ 44,209,879	\$ 42,806,636	\$ 48,305,322
Sales, use and fuel taxes	4,525,645	4,688,107	4,965,861	5,106,283	5,521,730
Franchise fees	-	-	-	-	-
Communication services taxes	1,597,163	1,484,790	1,461,621	1,474,562	1,415,391
Unrestricted grants and contributions	11,519,481	15,243,479	12,523,404	13,029,453	13,791,230
Unrestricted investment earnings	397,078	292,746	431,939	137,829	87,033
Miscellaneous	516,773	663,315	595,156	1,344,805	1,675,778
Gain on sale of assets	200,781	119,561	65,596	24,041	1,700,455
Transfers	-	-	(637,906)	(25,060)	-
Total governmental activities	65,777,286	67,169,919	63,615,550	63,898,549	72,496,939
Business-type activities:					
Unrestricted investment earnings	116,436	50,544	112,147	30,161	36,488
Miscellaneous	9,270	332,436	341	2,660	21,402
Gain on sale of assets	206,982	374,611	306,836	116,226	110,452
Transfers	-	-	637,906	25,060	-
Total business-type activities	332,688	757,591	1,057,230	174,107	178,953
Total government	<u>\$ 66,109,974</u>	<u>\$ 67,927,510</u>	<u>\$ 64,672,780</u>	<u>\$ 64,072,656</u>	<u>\$ 72,675,892</u>

Change in Net Position

Governmental activities	\$ 10,059,451	\$ (1,637,826)	\$ 2,197,934	\$ (4,059,567)	\$ 443,201
Business-type activities	188,856	245,862	2,774,661	962,833	824,318
Total government	<u>\$ 10,248,307</u>	<u>\$ (1,391,964)</u>	<u>\$ 4,972,595</u>	<u>\$ (3,096,734)</u>	<u>\$ 1,267,519</u>

	Fiscal Year				
	2015	2016	2017	2018	2019
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 46,335,319	\$ 49,251,991	\$ 49,696,434	\$ 51,841,396	\$ 56,284,626
Sales, use and fuel taxes	6,182,387	9,220,510	15,431,701	22,250,020	23,346,073
Communication services taxes	1,363,480	1,264,504	1,179,568	1,246,878	1,135,739
Unrestricted grants and contributions	14,226,746	14,929,576	15,654,668	15,716,188	17,227,434
Unrestricted investment earnings	163,795	309,686	539,578	1,235,761	1,760,570
Miscellaneous	2,322,467	1,696,967	8,988,712	2,497,875	2,840,406
Gain on sale of assets	-	-	-	-	-
Transfers	(142,066)	-	534,822	2,063,351	444,116
Total governmental activities	70,452,128	76,673,234	92,025,483	96,851,469	103,038,964
Business-type activities:					
Unrestricted grants and contributions	57,894	-	-	-	-
Unrestricted investment earnings	6,660	91,861	139,703	243,890	708,723
Miscellaneous	235,101	11,044	61,301	35,852	30,111
Gain on sale of assets	-	85,312	69,882	67,771	(54,717)
Transfers	142,066	-	(515,937)	(2,063,351)	(444,116)
Total business-type activities	441,721	188,217	(245,051)	(1,715,838)	240,001
Total government	<u>\$ 70,893,849</u>	<u>\$ 76,861,451</u>	<u>\$ 91,780,432</u>	<u>\$ 95,135,631</u>	<u>\$ 103,278,965</u>

Change in Net Position

Governmental activities	\$ 8,716,043	\$ 827,931	\$ 3,677,189	\$ 8,141,085	\$ 3,670,270
Business-type activities	2,567,658	4,111,819	4,221,102	(3,131,057)	5,988,875
Total government	<u>\$ 11,283,701</u>	<u>\$ 4,939,750</u>	<u>\$ 7,898,291</u>	<u>\$ 5,010,028</u>	<u>\$ 9,659,145</u>

SANTA ROSA COUNTY, FLORIDA
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(UNAUDITED)
(modified accrual basis of accounting)

PRE-GASB 54	Fiscal Year
	2010
General Fund	
Reserved	\$ 2,108,206
Unreserved	17,823,783
Total general fund	<u>\$ 19,931,989</u>

All Other Governmental Funds	
Reserved	\$ 11,238,664
Unreserved, reported in:	
Special revenue funds	26,447,747
Capital project funds	227,762
Debt service funds	5,839,991
Permanent fund*	171,900
Total all other governmental funds	<u>\$ 43,926,064</u>

POST-GASB 54	Fiscal Year								
	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund									
Nonspendable									
Nonspendable	\$ 162,936	\$ 135,386	\$ 82,751	\$ 107,193	\$ 90,672	\$ 62,459	\$ 72,278	\$ 69,487	\$ 82,929
Spendable									
Restricted	1,527,274	1,407,140	1,456,353	1,733,869	1,901,139	2,033,211	2,154,342	2,241,173	2,080,921
Committed	3,596,262	3,596,898	3,597,664	3,598,490	3,599,211	3,599,876	3,600,551	3,601,260	3,601,898
Assigned	178,708	190,222	195,317	8,586,073	8,805,007	2,967,560	2,797,226	3,068,669	3,593,803
Unassigned	22,512,271	22,187,824	25,370,006	23,606,591	24,700,673	31,055,759	33,735,553	37,463,097	34,347,223
Total general fund	<u>\$ 27,977,451</u>	<u>\$ 27,517,470</u>	<u>\$ 30,702,091</u>	<u>\$ 37,632,216</u>	<u>\$ 39,096,702</u>	<u>\$ 39,718,865</u>	<u>\$ 42,359,950</u>	<u>\$ 46,443,686</u>	<u>\$ 43,706,774</u>
All Other Governmental Funds									
Nonspendable									
Nonspendable	\$ 351,155	\$ 425,346	\$ 519,971	\$ 304,885	\$ 318,926	\$ 315,881	\$ 354,955	\$ 345,224	\$ 304,304
Spendable									
Restricted	22,107,029	15,894,090	10,872,229	12,011,918	11,021,558	12,109,229	16,102,694	14,572,450	15,945,746
Committed	6,364,033	11,188,029	9,486,005	9,462,579	9,008,363	8,385,969	9,236,431	10,125,637	12,081,897
Assigned	11,313,604	11,992,066	9,669,577	6,676,129	7,258,486	8,907,488	9,791,607	10,973,321	7,847,916
Unassigned	-	(173,433)	(226,872)	(1,135,383)	(208,078)	(1,695,801)	(787,135)	(438,508)	(270,524)
Total all other governmental funds	<u>\$ 40,135,821</u>	<u>\$ 39,326,098</u>	<u>\$ 30,320,910</u>	<u>\$ 27,320,128</u>	<u>\$ 27,399,255</u>	<u>\$ 28,022,766</u>	<u>\$ 34,698,552</u>	<u>\$ 35,578,124</u>	<u>\$ 35,909,339</u>

Note: One years data available for GASB 34 compliance.
Nine years data available for GASB 54 compliance which was adopted in 2011.

**SANTA ROSA COUNTY, FLORIDA
CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
LAST TEN FISCAL YEARS
(UNAUDITED)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Taxes	\$ 53,143,173	\$ 50,850,818	\$ 50,637,361	\$ 49,387,481	\$ 55,242,443	\$ 53,881,186	\$ 59,737,006	\$ 66,307,703	\$ 75,338,294	\$ 80,766,438
Licenses and permits	-	-	-	-	-	-	-	-	-	-
Permits, fees and special assessments (1)	13,138,557	13,012,151	12,574,192	12,310,017	13,251,694	13,213,555	13,747,389	14,185,289	11,769,439	13,460,617
Intergovernmental	31,806,237	26,153,628	24,970,033	21,050,905	21,745,969	20,163,571	31,201,335	20,450,515	25,909,785	30,676,851
Charges for services	9,350,556	10,583,584	10,487,027	10,559,196	12,285,986	15,335,216	14,661,408	14,913,717	13,851,454	15,378,297
Fines and forfeitures	469,775	554,746	482,381	600,577	1,270,224	1,463,623	1,412,344	1,444,898	1,347,679	1,444,555
Miscellaneous	2,494,784	2,735,551	4,060,676	3,586,195	5,652,134	3,376,219	3,166,862	3,479,581	4,184,541	6,263,474
Total revenues	110,403,082	103,890,478	103,211,670	97,494,371	109,448,450	107,433,370	123,926,344	120,781,703	132,401,192	147,990,232
Expenditures										
General government	25,671,723	23,179,032	27,362,444	25,555,181	27,665,859	28,832,963	28,320,515	30,187,666	29,643,720	39,202,349
Public safety	38,266,843	41,980,720	37,917,752	39,773,530	43,474,891	45,351,135	43,704,141	48,958,472	55,091,743	61,523,944
Physical environment	2,513,191	4,464,070	4,822,389	3,578,143	2,547,824	3,257,125	16,356,077	2,835,197	6,303,950	12,833,590
Transportation	16,513,066	16,633,682	15,690,345	19,317,046	17,551,654	12,885,058	13,640,571	15,923,262	19,313,501	17,190,186
Economic environment	4,432,576	3,676,051	2,516,642	2,752,647	3,607,947	4,068,837	3,427,798	4,203,529	4,581,029	5,757,690
Human services	3,517,648	4,457,683	5,468,780	5,215,463	5,449,681	5,944,871	5,003,386	5,046,765	4,746,285	5,258,684
Culture and recreation	2,816,448	3,149,088	2,695,246	2,875,555	2,867,276	3,235,694	2,916,554	3,307,556	4,480,244	4,469,669
Capital outlay	7,543,886	215,166	1,048,244	2,191,074	488,191	349,049	12,644,982	1,770	2,417,398	2,665,420
Debt service										
Principal	2,740,258	5,606,394	5,618,597	1,430,597	1,259,276	1,193,194	1,773,560	1,428,549	1,968,707	1,100,079
Interest	636,800	585,792	310,886	213,123	172,712	134,732	196,066	156,236	154,384	117,288
Total expenditures	104,652,439	103,947,678	103,451,325	102,902,359	105,085,311	105,252,658	127,983,650	112,049,002	128,700,961	150,118,899
Excess of revenues over (under) expenditures	5,750,643	(57,200)	(239,655)	(5,407,988)	4,363,139	2,180,712	(4,057,306)	8,732,701	3,700,231	(2,128,667)
Other financing sources (uses)										
Transfers in	12,372,912	12,300,499	19,908,478	8,953,304	10,209,704	12,423,537	13,448,087	12,237,875	20,409,367	20,776,838
Transfers out	(12,372,912)	(12,300,499)	(21,046,384)	(9,429,123)	(10,705,368)	(13,065,603)	(13,398,087)	(11,703,053)	(20,744,047)	(21,288,432)
New debt issue	1,287,870	1,507,000	-	-	-	-	5,279,240	-	1,604,000	275,000
Refunding debt	-	4,400,208	268,350	-	-	-	-	-	-	-
Payments to escrow agent	-	(1,528,789)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	1,287,870	4,378,419	(869,556)	(475,819)	(495,664)	(642,066)	5,329,240	534,822	1,269,320	(236,594)
Net change in fund balances	<u>\$ 7,038,513</u>	<u>\$ 4,321,219</u>	<u>\$ (1,109,211)</u>	<u>\$ (5,883,807)</u>	<u>\$ 3,867,475</u>	<u>\$ 1,538,646</u>	<u>\$ 1,271,934</u>	<u>\$ 9,267,523</u>	<u>\$ 4,969,551</u>	<u>\$ (2,365,261)</u>
Debt service as a percentage of noncapital expenditures	3%	6%	6%	2%	1%	1%	2%	1%	2%	1%

(1) The state mandated chart of accounts was modified to move special assessments from Miscellaneous to a newly named category Permits, Fees and Special Assessments.
Franchise fees were reclassified from Taxes to Permits and Fees

SANTA ROSA COUNTY, FLORIDA
JUST AND TAXABLE VALUE OF REAL AND PERSONAL PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)

FISCAL YEAR	Real Property	Personal Property	REAL PROPERTY EXEMPTIONS	PERSONAL PROPERTY EXEMPTIONS	Less: Tax Exempt Property	REAL PROPERTY TAXABLE VALUE	PERSONAL PROPERTY TAXABLE VALUE	TOTAL JUST VALUE	Total Taxable Assessed Value	Total Direct Tax Rate
2010	\$ 11,586,091,871	\$ 617,342,498	\$ 4,584,028,162	\$ 52,183,196	\$ 4,636,211,358	\$ 7,002,063,709	\$ 565,159,302	\$ 12,203,434,369	\$ 7,567,223,011	6.0953
2011	\$ 11,267,512,706	\$ 594,370,347	\$ 4,441,618,585	\$ 51,297,345	\$ 4,492,915,930	\$ 6,825,894,121	\$ 543,073,002	\$ 11,861,883,053	\$ 7,368,967,123	6.0953
2012	\$ 10,757,912,195	\$ 629,709,562	\$ 4,112,453,855	\$ 51,555,173	\$ 4,164,009,028	\$ 6,645,458,340	\$ 578,154,389	\$ 11,387,621,757	\$ 7,223,612,729	6.0953
2013	\$ 10,868,923,522	\$ 624,513,661	\$ 4,126,017,929	\$ 50,179,329	\$ 4,176,197,258	\$ 6,742,905,593	\$ 574,334,332	\$ 11,493,437,183	\$ 7,317,239,925	6.0953
2014	\$ 11,632,334,984	\$ 605,255,817	\$ 4,497,322,031	\$ 50,842,317	\$ 4,548,164,348	\$ 7,135,012,953	\$ 554,413,500	\$ 12,237,590,801	\$ 7,689,426,453	6.0953
2015	\$ 11,995,646,721	\$ 627,728,822	\$ 4,514,497,235	\$ 349,017,918	\$ 4,863,515,153	\$ 7,481,149,486	\$ 278,710,904	\$ 12,623,375,543	\$ 7,759,860,390	6.0953
2016	\$ 12,499,933,594	\$ 661,823,887	\$ 4,740,517,328	\$ 51,988,439	\$ 4,792,505,767	\$ 7,759,416,266	\$ 609,835,448	\$ 13,161,757,481	\$ 8,369,251,714	6.0953
2017	\$ 13,127,940,336	\$ 680,101,947	\$ 4,967,098,700	\$ 48,847,262	\$ 5,015,945,962	\$ 8,160,841,636	\$ 631,254,685	\$ 13,808,042,283	\$ 8,792,096,321	6.0953
2018	\$ 14,345,023,878	\$ 747,289,282	\$ 4,746,010,616	\$ 75,186,719	\$ 4,821,197,335	\$ 9,599,013,262	\$ 672,102,563	\$ 15,092,313,160	\$10,271,115,825	6.0953
2019	\$ 15,536,241,039	\$ 780,898,125	\$ 5,898,391,227	\$ 91,223,721	\$ 5,989,614,948	\$ 9,637,849,812	\$ 689,674,404	\$ 16,317,139,164	\$10,327,524,216	6.0953

Source: Property Appraiser, Santa Rosa County

**SANTA ROSA COUNTY, FLORIDA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(UNAUDITED)**

YEAR	SANTA ROSA COUNTY OPERATING MILLAGE				OVERLAPPING RATES							TOTAL MILLAGE
	GENERAL FUND	ROAD & BRIDGE FUND	FINE & FORFEITURE FUND	TOTAL COUNTY	SCHOOL BOARD OPERATING MILLAGE	CITY OF GULF BREEZE OPERATING MILLAGE	CITY OF MILTON OPERATING MILLAGE	CITY OF JAY OPERATING MILLAGE	AVALON- MULAT FIRE DISTRICT MILLAGE	MIDWAY FIRE DISTRICT MILLAGE	NW FLORIDA WATER MANAGEMENT MILLAGE	
2010	5.8215	0.2417	0.0321	6.0953	7.5750	1.9000	3.2373	2.0000	1.0000	1.4000	0.0450	23.2526
2011	5.9793	0.1040	0.0120	6.0953	7.7260	1.9000	3.2373	2.0000	1.0000	1.4000	0.0450	23.4036
2012	5.9793	0.1040	0.0120	6.0953	7.9160	1.9000	3.2373	2.0000	1.0000	1.4000	0.0400	23.5886
2013	5.9793	0.1040	0.0120	6.0953	7.6680	1.9000	3.2730	2.0000	1.0000	1.6000	0.0400	23.5763
2014	6.0856	-	0.0097	6.0953	7.4430	1.9723	3.2373	2.0000	2.0000	1.7500	0.0390	24.5369
2015	6.0953	-	-	6.0953	7.2020	1.9723	3.2373	2.0000	2.0000	1.7500	0.0378	24.2947
2016	6.0953	-	-	6.0953	6.8400	1.9723	3.2373	2.0000	2.0000	1.8500	0.0366	24.0315
2017	6.0953	-	-	6.0953	6.8400	1.9723	3.2373	2.0000	2.0000	1.8500	0.0353	24.0302
2018	6.0953	-	-	6.0953	6.2990	1.9723	3.2373	2.5000	2.0000	2.2000	0.0338	24.3377
2019	6.0953	-	-	6.0953	6.0910	1.9723	3.2373	2.5000	2.0000	2.2000	0.0327	24.1286

Source: Tax Collector, Santa Rosa County

SANTA ROSA COUNTY, FLORIDA
PRINCIPAL TAXPAYERS
Current Year and Nine Years Ago
(UNAUDITED)

TAXPAYER	2019			2010		
	ASSESSED VALUATION	Rank	PERCENTAGE OF TOTAL ASSESSED VALUATION	ASSESSED VALUATION	Rank	PERCENTAGE OF TOTAL ASSESSED VALUATION
Gulf Power	\$ 137,065,813	1	1.33%	\$ 86,180,721	1	1.08%
Breitbart Operating	\$ 108,320,691	2	1.05%			
Florida Gas Transmission	\$ 77,652,400	3	0.75%	\$ 55,304,481	3	0.69%
BellSouth Telecomm	\$ 52,527,376	4	0.51%	\$ 46,662,073	5	0.58%
Taminco Us	\$ 44,870,076	5	0.43%	\$ 18,121,558	8	0.23%
WalMart Stores East	\$ 33,815,297	6	0.33%	\$ 32,488,915	6	0.41%
PHVIF II Navarre Beach LLC	\$ 27,435,040	7	0.27%			
Escambia River Electric Coop	\$ 21,723,384	8	0.21%			
Andrews Institute Medical Park	\$ 18,100,612	9	0.18%	\$ 15,872,461	9	0.20%
FWD I LLC	\$ 17,832,687	10	0.17%			
Quantum Resources				\$ 76,795,787	2	0.96%
Santa Rosa Energy				\$ 53,265,868	4	0.67%
Santa Rosa II LLC				\$ 26,825,542	7	0.34%
Sea Shell Collections				\$ 13,982,825	10	0.18%
Total assessed	\$ 10,335,758,503			\$ 7,979,696,388		

Source: Property Appraiser, Santa Rosa County

SANTA ROSA COUNTY, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
ALL GOVERNMENTAL FUND TYPES
LAST TEN FISCAL YEARS
(UNAUDITED)

YEAR	TOTAL TAX LEVY	CURRENT AND PRIOR YEARS ADJUSTMENTS	OUTSTANDING DELINQUENT TAXES	DISCOUNTS ALLOWED	CURRENT TAX COLLECTIONS	PERCENT OF CURRENT TAX COLLECTIONS TO TOTAL LEVY	TOTAL TAX COLLECTION	PERCENT OF TOTAL TAX COLLECTION TO TOTAL LEVY	PERCENT OF DELINQUENT TAXES TO TAX LEVY
2010	\$ 48,654,632	\$ 46,386	\$ 1,414,445	\$ 1,384,986	\$ 45,808,545	94.15%	\$ 47,193,531	97.00%	2.91%
2011	\$ 46,151,773	\$ (5,338)	\$ 859,288	\$ 1,364,326	\$ 43,933,827	95.19%	\$ 45,298,153	98.15%	1.86%
2012	\$ 44,944,141	\$ (12,852)	\$ 416,988	\$ 1,379,496	\$ 42,951,863	95.57%	\$ 44,331,359	98.64%	0.93%
2013	\$ 44,054,676	\$ 8,243	\$ 328,356	\$ 1,375,961	\$ 42,284,295	95.98%	\$ 43,660,256	99.10%	0.75%
2014	\$ 44,620,332	\$ 8,315	\$ 266,157	\$ 1,433,608	\$ 42,836,934	96.00%	\$ 44,270,542	99.22%	0.60%
2015	\$ 46,948,088	\$ 10,720	\$ 47,384	\$ 1,588,836	\$ 45,266,448	96.42%	\$ 46,855,284	99.80%	0.10%
2016	\$ 49,217,480	\$ 23,618	\$ 43,820	\$ 1,687,131	\$ 47,091,704	95.68%	\$ 48,778,836	99.11%	0.09%
2017	\$ 51,164,884	\$ 2,450	\$ 27,116	\$ 1,768,619	\$ 49,122,581	96.01%	\$ 50,891,200	99.47%	0.05%
2018	\$ 53,680,748	\$ 1,473	\$ 28,909	\$ 1,880,853	\$ 51,692,210	96.30%	\$ 53,573,063	99.80%	0.05%
2019	\$ 58,620,914	\$ 1,413	\$ 412,688	\$ 2,026,716	\$ 56,030,367	95.58%	\$ 58,057,083	99.04%	0.70%

Source: Tax Collector, Santa Rosa County

SANTA ROSA COUNTY, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)

YEAR	General Obligation Debt	Governmental Activities			Business-Type Activities		Percentage of Personal Income	Per Capita
		Revenue- Backed Debt	Special Assessment Debt	Capital Leases	Revenue Debt	Total		
2010	\$ 4,571,570	\$ 1,297,671	\$ 6,553,751	\$ -	\$ 6,731,737	\$ 19,154,729	0.367%	\$ 126.54
2011	\$ 3,629,311	\$ 2,642,478	\$ 6,553,226	\$ -	\$ 6,117,601	\$ 18,942,616	0.340%	\$ 122.29
2012	\$ -	\$ 2,296,306	\$ 5,166,457	\$ -	\$ 5,451,581	\$ 12,914,344	0.219%	\$ 83.11
2013	\$ -	\$ 1,942,442	\$ 4,089,724	\$ -	\$ 4,765,239	\$ 10,797,405	0.178%	\$ 68.63
2014	\$ -	\$ 1,580,707	\$ 3,192,683	\$ -	\$ 4,058,392	\$ 8,831,782	0.144%	\$ 54.04
2015	\$ -	\$ 1,210,908	\$ 2,368,788	\$ -	\$ 3,330,357	\$ 6,910,053	0.103%	\$ 41.51
2016	\$ 4,562,520	\$ 832,800	\$ 1,688,055	\$ -	\$ 2,580,741	\$ 9,664,116	0.139%	\$ 57.87
2017	\$ 3,837,034	\$ 740,509	\$ 1,079,284	\$ -	\$ 2,102,521	\$ 7,759,348	0.104%	\$ 45.42
2018	\$ 3,096,555	\$ 58,348	\$ 2,137,217	\$ -	\$ 1,606,036	\$ 6,898,156	0.086%	\$ 39.44
2019	\$ 2,342,849	\$ 24,074	\$ 2,100,118	\$ -	\$ 1,090,588	\$ 5,557,629	0.071%	\$ 31.06

SANTA ROSA COUNTY, FLORIDA
RATIOS OF GENERAL OBLIGATION DEBT
LAST TEN FISCAL YEARS
(UNAUDITED)

	Governmental Activities	Percentage of Actual Taxable Value of Property (2)	Per Capita (1)
YEAR	General Obligation Debt		
2010	\$ 4,571,570	0.060%	\$ 30.20
2011	\$ 3,629,311	0.049%	\$ 23.43
2012	\$ -	0.000%	\$ -
2013	\$ -	0.000%	\$ -
2014	\$ -	0.000%	\$ -
2015	\$ -	0.000%	\$ -
2016	\$ 4,564,520	0.055%	\$ 27.33
2017	\$ 3,837,034	0.044%	\$ 22.46
2018	\$ 3,096,555	0.030%	\$ 17.71
2019	\$ 2,342,849	0.023%	\$ 13.09

(1) US Bureau of Economic and Business Research

(2) Property Appraiser, Santa Rosa County

**SANTA ROSA COUNTY, FLORIDA
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS
(UNAUDITED)**

REVENUE BONDS

YEAR	Gross Revenues (1)	Less: Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2010	\$ 4,285,885	\$ 3,653,270	\$ 632,615	\$ 465,000	\$ 163,355	101%
2011	\$ 5,642,439	\$ -	\$ 5,642,439	\$ 261,981	\$ 30,876	1927%
2012	\$ 5,735,395	\$ -	\$ 5,735,395	\$ 539,984	\$ 45,628	979%
2013	\$ 6,019,063	\$ -	\$ 6,019,063	\$ 549,387	\$ 35,973	1028%
2014	\$ 6,401,628	\$ -	\$ 6,401,628	\$ 558,953	\$ 26,274	1094%
2015	\$ 6,780,568	\$ -	\$ 6,780,568	\$ 568,686	\$ 13,636	1164%
2016	\$ 7,276,083	\$ -	\$ 7,276,083	\$ 578,589	\$ 6,381	1244%
2017	\$ 7,714,651	\$ -	\$ 7,714,651	\$ -	\$ -	0%
2018	\$ 7,484,101	\$ -	\$ 7,484,101	\$ -	\$ -	0%
2019	\$ 8,585,746	\$ -	\$ 8,585,746	\$ -	\$ -	0%

NOTES PAYABLE

YEAR	Gross Revenues (2)	Less: Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2010	\$ 2,710,489	\$ 1,260,766	\$ 1,449,723	\$ 394,631	\$ 274,344	217%
2011	\$ 2,512,990	\$ 1,248,551	\$ 1,264,439	\$ 418,618	\$ 221,906	197%
2012	\$ 2,170,996	\$ 1,242,849	\$ 928,147	\$ 472,209	\$ 235,191	131%
2013	\$ 2,416,466	\$ 1,251,933	\$ 1,164,533	\$ 490,818	\$ 216,716	165%
2014	\$ 2,525,419	\$ 1,431,119	\$ 1,094,300	\$ 509,629	\$ 198,179	155%
2015	\$ 2,771,930	\$ 1,305,460	\$ 1,466,470	\$ 529,150	\$ 178,960	207%
2016	\$ 2,884,659	\$ 1,472,189	\$ 1,412,470	\$ 549,133	\$ 159,339	199%
2017	\$ 3,041,022	\$ 1,634,259	\$ 1,406,763	\$ 570,512	\$ 138,171	199%
2018	\$ 3,223,716	\$ 1,802,065	\$ 1,421,651	\$ 592,381	\$ 116,619	201%
2019	\$ 3,511,284	\$ 1,938,442	\$ 1,572,842	\$ 615,092	\$ 94,236	222%

SPECIAL ASSESSMENT NOTES

YEAR	Gross Revenues (3)	Less: Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2010	\$ 6,201,501	\$ -	\$ 6,201,501	\$ 2,003,843	\$ 393,964	259%
2011	\$ 3,079,904	\$ -	\$ 3,079,904	\$ 1,790,959	\$ 294,681	148%
2012	\$ 1,872,823	\$ -	\$ 1,872,823	\$ 1,509,919	\$ 254,225	106%
2013	\$ 921,029	\$ -	\$ 921,029	\$ 870,216	\$ 204,483	86%
2014	\$ 1,155,998	\$ -	\$ 1,155,998	\$ 897,493	\$ 174,533	108%
2015	\$ 991,352	\$ -	\$ 991,352	\$ 823,894	\$ 88,461	109%
2016	\$ 772,276	\$ -	\$ 772,276	\$ 680,682	\$ 78,340	102%
2017	\$ 727,529	\$ -	\$ 727,529	\$ 592,839	\$ 44,387	114%
2018	\$ 641,896	\$ -	\$ 641,896	\$ 470,195	\$ 27,468	129%
2019	\$ 789,091	\$ -	\$ 789,091	\$ 210,380	\$ 21,284	341%

(1) Racetrack and Landfill revenues until 2010. Sales tax revenues from 2011

(2) Electric Franchise Fees

(3) Special Assessments

**SANTA ROSA COUNTY, FLORIDA
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)**

FISCAL YEAR	POPULATION (1)	PERSONAL INCOME (2) (Thousands)	PER CAPITA PERSONAL INCOME (2)	UNEMPLOYMENT RATE (3)
2010	151,372	\$ 5,222,879	\$ 34,357	9.8%
2011	154,901	\$ 5,569,461	\$ 36,141	9.0%
2012	155,390	\$ 5,906,842	\$ 37,264	7.5%
2013	157,317	\$ 6,079,598	\$ 37,739	6.6%
2014	163,422	\$ 6,146,309	\$ 37,610	5.4%
2015	166,486	\$ 6,721,674	\$ 40,506	4.3%
2016	167,009	\$ 6,943,907	\$ 41,869	4.6%
2017	170,835	\$ 7,477,766	\$ 42,909	3.2%
2018	174,887	\$ 7,985,954	\$ 44,527	2.9%
2019	178,928	\$ 7,841,227 *	\$ 44,615 *	2.7%

* Projected

(1) Florida Legislature, Office of Economic and Demographic Research

(2) US Bureau of Economic Analysis

(3) US Bureau of Labor Statistics

**SANTA ROSA COUNTY, FLORIDA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

EMPLOYER	2019			2010		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT
Santa Rosa County School District	2,980	1	3.79%	2,600	1	3.99%
Federal Military	1,350	2	1.72%			
Wal-Mart Stores	1,311	3	1.67%	1,225	4	1.88%
State Government	1,290	4	1.64%	1,481	3	2.27%
Santa Rosa County Government	944	5	1.20%	950	5	1.46%
Federal Government	758	6	0.96%	2,078 *	2	3.19%
Navy Federal	700	7	0.89%			
Baptist Healthcare Systems	581	8	0.74%	634	6	0.97%
Santa Rosa Medical Center	487	9	0.62%	498	8	0.76%
Mediacom	375	10	0.48%	300	9	0.46%
Clearwire, LLC				540	7	0.83%
Lowe's				270	10	0.41%
Total	10,776		14%	10,576		16%
Total employment			78,564			65,215

*Federal Government employee total in 2010 included Federal Military

Source: Santa Rosa County Economic Development Office

SANTA ROSA COUNTY, FLORIDA
COUNTY EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS
(UNAUDITED)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General government	265	283	265	273	269	269	261	268	280	290
Public safety	451	450	452	451	451	445	451	450	444	486
Physical environment	56	52	52	46	64	65	60	58	63	64
Transportation	118	109	103	105	111	110	108	107	105	105
Economic environment	2	2	2	2	10	11	7	12	9	9
Human services	24	23	22	23	25	25	25	24	22	21
Culture and recreation	34	35	33	32	35	38	37	37	41	39
Total	<u>950</u>	<u>954</u>	<u>929</u>	<u>932</u>	<u>965</u>	<u>963</u>	<u>949</u>	<u>956</u>	<u>964</u>	<u>1,014</u>

Source: Departmental reports.

SANTA ROSA COUNTY, FLORIDA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS
(UNAUDITED)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Public safety										
Law Enforcement										
Service calls	138,576	122,807	122,336	118,150	119,731	126,423	144,727	149,702	139,233	142,655
DUI arrests	248	272	175	148	236	215	273	352	331	269
Jail inmates	7,268	7,301	6,618	6,315	6,577	7,249	7,746	7,807	7,383	7,431
Physical environment										
Transportation										
Economic environment										
Human services										
Animal Services										
Service calls	7,689	7,270	8,100	6,995	7,201	7,162	6,520	6,970	6,572	5,206
Adoptions	664	529	517	511	571	616	570	583	511	926
Animal visits to shelter	8,405	7,857	7,875	7,538	6,592	6,631	6,137	6,038	5,990	4,050
Culture and recreation										
Libraries										
Items circulated	469,749	466,608	434,571	425,484	434,571	420,730	405,000	398,597	401,333	411,656
Registered borrowers	47,349	39,422	46,111	51,581	46,111	49,771	52,343	57,568	63,238	69,206

Indicators are not available for the general government function.

Source: Departmental reports

SANTA ROSA COUNTY, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS
(UNAUDITED)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public safety										
Sheriff's Officers Vehicles	260	241	308	282	285	285	275	293	296	281
Fire Districts	15	15	15	15	15	15	15	15	15	15
Physical environment										
Landfills	2	2	2	2	2	2	2	2	2	2
Transfer stations	1	1	1	1	1	1	1	1	1	1
Water taps	2,190	1,876	1,904	1,904	1,955	2,137	2,152	2,171	2,190	2,220
Sewer taps	2,178	1,864	1,893	1,893	1,942	2,124	2,139	2,158	2,177	2,207
Transportation										
Airports	1	1	1	1	1	1	1	1	1	1
Airport hangers	15	16	16	16	16	16	16	16	16	16
Economic environment										
Industrial Parks	2	2	2	2	2	2	2	2	2	2
Human services										
Animal Services Vehicles	10	10	13	10	11	11	11	11	10	11
Culture and recreation										
Libraries	5	5	5	5	5	5	5	6	6	6
Items in library collection	149,338	132,626	138,565	149,133	138,565	156,786	148,288	155,149	156,773	156,152
Parks	56	56	56	56	56	56	56	56	56	56

Indicators are not available for the general government function.

Source: Departmental reports

COMPLIANCE SECTION

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

The Honorable Board of County Commissioners
Santa Rosa County, Florida

We have examined Santa Rosa County, Florida's, (hereinafter referred to as the "the County") compliance with the following requirements for the year ended September 30, 2019:

- (1) Florida Statute 218.415 in regards to investments.
- (2) Florida Statute 288.8018 in regards to the Deepwater Horizon Oil Spill receipts and expenditures.
- (3) Florida Statutes 365.172 and 365.173 in regards to use of E-911 revenues and expenditures.

Management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the County's compliance with specified requirements.

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

Warren Averett, LLC

Pensacola, Florida
March 20, 2020

**INDEPENDENT AUDITORS' REPORT ON THE SCHEDULE OF RECEIPTS AND
EXPENDITURES OF FUNDS RELATED TO THE DEEPWATER HORIZON OIL SPILL**

The Honorable Board of County Commissioners
Santa Rosa County, Florida

We have audited the financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of Santa County, Florida as of and for the year ended September 30, 2019, and have issued our report thereon dated March 20, 2020 which contained an unmodified opinion on those financial statements.

The Schedule of Receipts and Expenditures of Funds related to the Deepwater Horizon Oil Spill on page 141 is presented for the purpose of additional analysis as required by Florida Statute 288.8018 and the Rules of the Auditor General Chapter 10.557(3)(f), and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Warren Averett, LLC

Pensacola, Florida
March 20, 2020

**SANTA ROSA COUNTY, FLORIDA
SCHEDULE OF RECEIPTS AND EXPENDITURES OF
FUNDS RELATED TO THE DEEPWATER HORIZON OIL SPILL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

Source	Amount Received in the 2018-19 Fiscal Year	Amount Expended in the 2018-19 Fiscal Year
Triumph Gulf Coast, Inc.		
Agreement No. Whiting Field MRO/Project #72	\$ -	\$ 520,458
Office of Gulf Coast Restoration:		
Gulf Coast Discover Center, Phase I 1 RDCGR210037-01-00	-	99,081
Oyster Habitat Restoration Project 1 RDCGR210076-01-00	-	4,185
	-	103,266
TOTAL:	\$ -	623,724

Note: The Office of Gulf Coast Restoration funds relate to the Deepwater Horizon Oil Spill and are considered Federal awards which are reported on the Schedule of Expenditures of Federal Awards and State Financial Assistance under CFDA #21.015.

This schedule is prepared on the cash basis of accounting.

MANAGEMENT LETTER

The Honorable Board of County Commissioners
Santa Rosa County, Florida

Report on the Financial Statements

We have audited the financial statements Santa Rosa County, Florida (hereinafter referred to as the "County"), as of and for the year ended September 30, 2019, and have issued our report thereon dated March 20, 2020.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance); and Chapter 10.550 *Rules of the Florida Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Report on Examination of Compliance Requirements in Accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedules, which are dated March 20, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require that we apply appropriate procedures and report the results of our determination as to whether or not the County has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the County did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures. It is management's responsibility to monitor the County's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

Special District Component Units

Section 10.554(1)(i)5.d, *Rules of the Auditor General*, requires that we determine whether or not a special district that is a component unit of the County provided the financial information necessary for proper reporting of the component unit, within the audited financial statements of the County in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that all special district component units provided the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Additional Matters

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

Purpose of this Letter

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

Warren Averett, LLC

Pensacola, Florida
March 20, 2020

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

The Honorable Board of County Commissioners
Santa Rosa County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of Santa Rosa County, Florida, (hereinafter referred to as "County"), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 20, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.

Compliance and Other Matters – Continued

However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Pensacola, Florida
March 20, 2020

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550,
RULES OF THE AUDITOR GENERAL**

Board of County Commissioners
Santa Rosa County, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited the compliance of Santa Rosa County, Florida (hereinafter referred to as "County"), with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Compliance Supplement*, and the requirements described in the State of Florida Department of Financial Services' *State Projects Compliance Supplement*, that could have a direct and material effect on each of the County's major federal programs and state projects for the year ended September 30, 2019. The County's major federal program and state projects are identified in the summary of auditor results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal programs and state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Auditor General*. Those standards, the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state project. However, our audit does not provide a legal determination of the County's compliance with those requirements.

Opinion on Each Major Federal Program and State Project

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2019.

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with requirements that could have a direct and material effect on each major federal program or state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and the Florida Department of Financial Services *State Projects Compliance Supplement*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Santa Rosa County, Florida, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 20, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance is presented for the purposes of additional analysis as required by the Uniform Guidance, and Chapter 10.550, *Rules of the Auditor General*, and is not a required part of the financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

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

Purpose of this Report

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

Warren Averett, LLC

Pensacola, Florida
March 20, 2020

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

Federal Grantor/Pass-through Grantor/Program Title	CFDA Number	Contract / Grant Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Commerce National Oceanic and Atmospheric Administration				
Passed Through Florida Department of Environmental Protection: Coastal Zone Management Program	11.419	CM917	\$ 5,378	\$ -
U.S. Department of Energy				
Passed Through Florida Department of Agriculture and Consumer Services State Energy Program Efficient Lighting Program	81.041	025432	87,577	-
U.S. Department of Health and Human Services				
Passed Through Florida Department of Revenue: Child Support Enforcement Program	93.563	COC57	152,161	-
Child Support Enforcement Program	93.563	CST57	14,461	-
			166,622	-
U.S. Department of Homeland Security				
Passed Through Florida Division of Emergency Management: Hazard Mitigation Grant	97.039	16HM-6B-01-67-01-196	2,294,819	-
Hazard Mitigation Grant	97.039	18HM-H4-01-67-01-029	37,511	-
Hazard Mitigation Grant	97.039	18HM-H4-01-67-01-323	737,509	-
Hazard Mitigation Grant	97.039	18HM-H4-01-67-01-367	1,372,602	-
			4,442,441	-
Passed Through Florida Division of Emergency Management: Flood Mitigation Assistance Grant Program	97.029	17FM-S3-01-67-01-353	64,175	-
Flood Mitigation Assistance Grant Program	97.029	17FM-S7-01-67-01-354	76,785	-
Flood Mitigation Assistance Grant Program	97.029	18FM-X8-01-67-01-262	135,116	-
			276,076	-
Passed Through Florida Division of Emergency Management: Disaster Grants - Public Assistance	97.036	Z0283	10,225	-
Passed Through Florida Division of Emergency Management: Homeland Security Grant Program	97.067	18-DS-X1-01-67-01-332	3,103	-
Homeland Security Grant Program	97.067	19-DS-01-01-67-01-310	62,275	-
			65,378	-
Passed Through Florida Division of Emergency Management: Emergency Management Performance Grant	97.042	19-FG-AF-01-67-01-085	56,086	-
Emergency Management Performance Grant	97.042	G0033	19,547	-
Passed Through Volunteer Florida: Emergency Management Performance Grant	97.042	CERT 2018-2019	4,984	-
			80,617	-
U.S. Department of Housing and Urban Development				
Passed Through Escambia County Consortium: Home Investment Partnerships Program	14.239	M-14DC-12-0225	123,954	-
Passed Through Department of Economic Opportunity: Community Development Block Grant	14.228	17DB-OL-01-67-01-N30	677,565	-
U.S. Department of Justice				
Passed Through Florida Coalition Against Domestic Violence: Violence Against Women Formula Grants	16.588	19-8027-SAO	36,853	-
Violence Against Women Formula Grants	16.588	20-8027-SAO	7,084	-
			43,937	-
Passed Through Florida Office of the Attorney General: Crime Victim Assistance	16.575	VOCA-2018-SRCSO-0092	107,088	-
Direct Program: Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-DJ-BX-0159	16,153	-
Passed Through Florida Department of Law Enforcement: Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-JAGC-SANT-1-Y5-007	58,647	-
			74,800	-
Equitable Sharing Program	16.922		16,807	-
U.S. Department of Transportation				
Passed Through Florida Dept. of Transportation: Formula Grants for Rural Areas	20.509	G0P17	14,527	14,527
Formula Grants for Rural Areas	20.509	G0Z61	89,897	89,897
			104,424	104,424
Passed Through Florida Dept. of Transportation: Highway Planning and Construction	20.205	G0K37	17,575	-
Passed Through Florida Dept. of Transportation: State and Community Highway Safety	20.600	SC-19-13-21/G1128	36,146	-
Passed Through Florida Dept. of Transportation: National Priority Safety Program	20.616	M5HVE-19-06-14/G1161	43,480	-
Total Highway Safety Cluster			79,626	-
U.S. Department of the Treasury				
Direct Program RESTORE Act	21.015	1 RDCGR210037-01-00	99,081	-
RESTORE Act	21.015	1 RDCGR210076-01-00	11,577	11,577
			110,658	11,577
Equitable Sharing	21.016		1,020	-
Executive Office of the President				
Passed Through Office of National Drug Policy: High Intensity Drug Trafficking Areas Program	95.001	17GC0007A, G18GC0007A, G19GC000	89,377	69,511
U.S. Election Assistance Commission				
Passed Through Florida Division of Elections: Help America Vote Act Requirement Payments	90.401	N/A	198,953	-
Total Federal Awards			\$ 6,780,098	\$ 185,512

(Continued)

SANTA ROSA COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE – (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2019

State Grantor/Pass-through Grantor/Program Title	CSFA Number	Contract / Grant Number	Expenditures	Passed Through to Subrecipients
Florida Department of Agriculture and Consumer Services				
Mosquito Control	42.003	025515	\$ 34,481	\$ -
Agriculture Nonpoint Source Best Management Practices Implementation	42.017	024312	47,564	-
Agriculture Nonpoint Source Best Management Practices Implementation	42.017	026219	19,806	-
			67,370	-
Agriculture Education and Promotion Facility Program	42.047	025293	36,625	-
Florida Department of Economic Opportunity				
Division of Community Development	40.038	HL105	150,000	-
Local Economic Development Initiatives - Defense Infrastructure	40.012	S0035	129,158	-
Local Economic Development Initiatives - Defense Infrastructure	40.012	S0062	300,000	-
Local Economic Development Initiatives - Defense Infrastructure	40.012	S0088	24,200	-
			453,358	-
Military Base Protection	40.014	DRG S0107	23,637	-
Military Base Protection	40.014	DRG S0132	5,450	-
			29,087	-
Florida Department of Health				
County Grant Awards	64.005	C7055	21,490	-
Enterprise Florida, Inc.				
Team Florida Cooperative Marketing & Communication Program	40.003	N/A	12,500	-
Florida Department of State				
State Aid to Libraries	45.030	19-ST-74	45,251	-
Florida Department of Transportation				
Aviation Grant Programs	55.004	ARS45 (42563329401)	129,000	-
Aviation Grant Programs	55.004	G0386 (42229429401)	133,564	-
			262,564	-
Small County Outreach Program	55.009	G0T93 (440643-1-54-01)	105,642	-
Transportation Regional Incentive Program	55.026	G0J38 (436902-12801)	109,628	-
Florida Division of Emergency Management				
Emergency Management Programs	31.063	19-BG-21-01-67-01-045	90,455	-
Emergency Management Programs	31.063	A0024	24,989	-
			115,444	-
Emergency Management Projects - Hazards Analysis	31.067	19-CP-11-01-67-01-228	9,295	-
Florida Fish and Wildlife Conservation Commission				
Bear Resistant Equipment	77.034	N/A	55,089	-
Derelict Vessel Removal	77.005	17359	5,925	-
Derelict Vessel Removal	77.005	18264	12,600	-
Derelict Vessel Removal	77.005	18204	6,713	-
			25,238	-
Artificial Reef Grants Program	77.007	15154	859,804	-
Florida Department of Environmental Protection				
Beach Management Funding Assistance Program	37.003	18SR1	42,514	-
Statewide Surface Water Restoration and Wastewater Projects	37.039	LP57111	458,560	-
Florida Recreation Development Assistance Program	37.017	A7023	45,000	-
Florida Coastal Resilient Program	37.098	R1902	12,454	-
Florida Housing Finance Corporation				
State Housing Initiative Partnership Program	40.901	N/A	904,587	-
TOTAL STATE AWARDS			\$ 3,855,981	\$ -
TOTAL FEDERAL AND STATE AWARDS			\$ 10,636,079	\$ 185,512

The accompanying notes are an integral part of this schedule.

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

1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) includes the federal and state grant activity of Santa Rosa County, Florida under programs of the federal and state government for the year ended September 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), Chapter 69I-5, State Financial Assistance, Rules of the Department of Financial Services, and Chapter 10.550, *Rules of the Auditor General*. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and Chapter 69I-5, State Financial Assistance, Rules of the Department of Financial Services, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Santa Rosa County, Florida elected to utilize the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**SANTA ROSA COUNTY, FLORIDA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

A. SUMMARY OF AUDITOR RESULTS

FINANCIAL STATEMENTS

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

FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

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

IDENTIFICATION OF MAJOR PROGRAM

Federal Program

CFDA No. 97.039 Hazard Mitigation Grant

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

**SANTA ROSA COUNTY, FLORIDA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

A. SUMMARY OF AUDITOR RESULTS (CONTINUED)

State Projects

CSFA No. 40.901 State Housing Initiative Program

CSFA No. 55.004 Aviation Grant Programs

CSFA No. 77.007 Artificial Reef Grants Program

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

B. FINANCIAL STATEMENT FINDING

There were no findings which were required to be reported in accordance with government auditing standards generally accepted in the United States of America.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL PROGRAM

There were no findings which were required to be reported in accordance with the Uniform Guidance.

D. FINDINGS AND QUESTIONED COSTS - MAJOR STATE FINANCIAL ASSISTANCE

There were no findings which were required to be reported in accordance with Chapter 10.550, *Rules of the Auditor General*.

**SANTA ROSA COUNTY, FLORIDA
CLERK OF COURT AND COMPTROLLER**

FINANCIAL STATEMENTS

SEPTEMBER 30, 2019



**SANTA ROSA COUNTY, FLORIDA CLERK OF COURT AND COMPTROLLER
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INDEPENDENT AUDITORS' REPORT

Honorable Donald Spencer – Clerk of Court and Comptroller
Santa Rosa County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Office of Clerk of Court and Comptroller of Santa Rosa County, Florida (hereinafter referred to as “Clerk”) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Clerk’s financial statements, as listed in the table of contents.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors’ Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Clerk’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Clerk’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of each major fund and the aggregate remaining fund information of the Clerk, as of September 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above have been prepared for the purpose of complying with the Rules of the Auditor General, State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, and aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Santa Rosa County, Florida that are attributable to the Clerk. They do not purport to, and do not present fairly the financial position of Santa Rosa County, Florida, as of September 30, 2019, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules and notes on pages 14-16 be presented to supplement the basic financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements. The accompanying supplementary information, the combining fund financial statement on page 17, is presented for purposes of additional analysis and is not a required part of these financial statements. These statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2020, on our consideration of the Clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts and grant agreements and other matters included under the heading "*Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards.*" The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Warren Averett, LLC

Pensacola, Florida
January 15, 2020

SANTA ROSA COUNTY, FLORIDA CLERK OF COURT AND COMPTROLLER
BALANCE SHEET – ALL GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

	Major Funds				Non-Major	
			Courts	Records	Child Support	
	General	Courts	Technology	Modernization	Title	Total
				Trust	IV-D	
ASSETS						
Cash and cash equivalents	\$ 1,044,010	\$ 423,960	\$ 814,763	\$ 654,708	\$ -	\$ 2,937,441
Accounts receivable, net	12,431	-	-	-	-	12,431
Due from other funds	6,000	13,513	-	-	-	19,513
Due from other governmental units	2,637	23,774	-	-	13,431	39,842
TOTAL ASSETS	\$ 1,065,078	\$ 461,247	\$ 814,763	\$ 654,708	\$ 13,431	\$ 3,009,227
LIABILITIES						
Accounts payable	\$ 11,439	\$ 5,546	\$ 2,265	\$ -	\$ -	\$ 19,250
Accrued wages and salaries	57,458	105,820	4,585	-	-	167,863
Due to BOCC	875,693	-	-	-	-	875,693
Due to other funds	-	6,082	-	-	13,431	19,513
Due to other governmental units	73,290	343,799	38,233	-	-	455,322
Deposits	47,198	-	-	-	-	47,198
TOTAL LIABILITIES	1,065,078	461,247	45,083	-	13,431	1,584,839
FUND BALANCES						
Restricted for state court operations	-	-	-	-	-	-
Restricted for records modernization	-	-	-	654,708	-	654,708
Restricted for court equipment and technology	-	-	769,680	-	-	769,680
TOTAL FUND BALANCES	-	-	769,680	654,708	-	1,424,388
TOTAL LIABILITIES & FUND BALANCES	\$ 1,065,078	\$ 461,247	\$ 814,763	\$ 654,708	\$ 13,431	\$ 3,009,227

See notes to the financial statements.

SANTA ROSA COUNTY, FLORIDA CLERK OF COURT AND COMPTROLLER
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – ALL GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Major Funds				Non-Major Child Support Title IV-D	Total
	General	Courts	Courts Technology	Records Modernization Trust		
REVENUES						
Intergovernmental	\$ -	\$ 146,439	\$ -	\$ -	\$ 152,161	\$ 298,600
Charges for services	1,180,462	2,832,022	356,045	116,078	-	4,484,607
Fines and forfeitures	-	1,074,713	-	-	2,749	1,077,462
Miscellaneous	79,149	42,185	-	-	-	121,334
Total revenues	1,259,611	4,095,359	356,045	116,078	154,910	5,982,003
EXPENDITURES						
Current:						
General government:						
Financial and administrative:						
Personal services	2,383,473	-	-	-	-	2,383,473
Operating	421,329	-	-	-	-	421,329
Capital outlay	80,901	-	-	-	-	80,901
Judicial:						
Personal services	-	2,768,514	166,696	17,359	154,910	3,107,479
Operating	199	224,271	224,139	-	-	448,609
Capital outlay	-	-	11,971	-	-	11,971
Total expenditures	2,885,902	2,992,785	402,806	17,359	154,910	6,453,762
Excess (deficiency) of revenue over expenditures	(1,626,291)	1,102,574	(46,761)	98,719	-	(471,759)
OTHER FINANCING SOURCES (USES)						
BOCC appropriation	2,493,560	-	-	-	-	2,493,560
BOCC unspent revenues	(867,269)	-	-	-	-	(867,269)
Payments to Clerks of the Court Trust Fund	-	(1,118,788)	-	-	-	(1,118,788)
Total other financing sources (uses)	1,626,291	(1,118,788)	-	-	-	507,503
NET CHANGE IN FUND BALANCES	-	(16,214)	(46,761)	98,719	-	35,744
FUND BALANCES, BEGINNING	-	16,214	816,441	555,989	-	1,388,644
FUND BALANCES, ENDING	\$ -	\$ -	\$ 769,680	\$ 654,708	\$ -	\$ 1,424,388

See notes to the financial statements.

SANTA ROSA COUNTY, FLORIDA CLERK OF COURT AND COMPTROLLER
STATEMENT OF ASSETS AND LIABILITIES – AGENCY FUNDS
SEPTEMBER 30, 2019

ASSETS

Cash and cash equivalents	\$ 5,415,632
TOTAL ASSETS	\$ 5,415,632

LIABILITIES

Accounts payable	\$ 1,720
Due to other governmental units	2,553,903
Deposits	2,860,009
TOTAL LIABILITIES	\$ 5,415,632

See notes to the financial statements.

SANTA ROSA COUNTY, FLORIDA CLERK OF COURT AND COMPTROLLER
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the financial statements follows:

Reporting Entity

The Office of the Clerk of Court and Comptroller of Santa Rosa County, Florida (the "Clerk") was established as a constitutional office of Santa Rosa County, Florida (the "County") by Article VIII, Section 1 (d) of the Constitution of the State of Florida. The Clerk is an elected official of the County and serves as Clerk of the Circuit Court (duties described in Chapter 28, Florida Statutes), Clerk of the County Court (duties described in Chapter 34, Florida Statutes) and Clerk and Accountant to the Santa Rosa County Board of County Commissioners (the "BOCC") (in this capacity the Clerk is required to keep the minutes of the county commission, keep the accounts of the County, invest county funds and perform such other duties as provided by law). The Clerk's office is funded by appropriations from the BOCC and by fees charged for providing court-related services. Although the Clerk is operationally autonomous from the BOCC, it does not hold sufficient corporate powers to be considered a legally separate entity for financial reporting purposes. Therefore, the Clerk is considered part of the County's primary government.

These financial statements of the Clerk are not intended to be a complete presentation of the financial position and results of operations of the County, taken as a whole. As permitted by Chapter 10.556(4), Rules of the Auditor General State of Florida, the financial statements consist of only the *fund level* financial statements, as defined in GASB Statement No. 34, and do not include presentations of *government-wide* financial statements of the Clerk.

Fund Accounting

The accounting system of the Clerk's office is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and financial resources, together with all related liabilities and residual equities or balances and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The funds utilized by the Clerk are as follows:

Governmental Funds

These funds utilize a modified accrual basis of accounting. The measurement focus is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources rather than upon net income determination).

SANTA ROSA COUNTY, FLORIDA CLERK OF COURT AND COMPTROLLER
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

1. SUMMARY OF ACCOUNTING POLICIES – CONTINUED

Governmental Funds – Continued

The Clerk reports the following major governmental funds:

General Fund is used to account for all financial resources that are generated from operations of the office, appropriations from the BOCC and any other resources not required to be accounted for in another fund.

Courts Fund is a special revenue fund used to account for all court-related activities and court-related financial resources of the Clerk.

Courts Technology Fund is a special revenue fund used to account for the court-related technology needs of the Clerk.

Records Modernization Trust Fund is a special revenue fund used 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.

Non-major governmental fund of the Clerk is as follows:

Title IV-D Fund is a special revenue fund used to account for activities related to Title IV-D child support cases. The funding provides assistance to the plaintiff and enforcement of collections through the Office of Child Support Enforcement.

Fiduciary Funds

The Clerk uses agency funds to account for assets being held in a custodial capacity for individuals, private organizations and/or other governments. Assets equal liabilities in agency funds.

Basis of Accounting

Basis of accounting refers to *when* revenues and expenditures are recognized in the accounts and reported in the financial statements. The basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied. All governmental funds are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available as net current assets. The Clerk considers receivables collected within 60 days after year-end to be available and recognizes them as revenues of the current year. Expenditures are recognized when the related fund liability is incurred. Agency funds use the accrual basis of accounting.

Cash and Cash Equivalents

The Clerk's cash and cash equivalents consists of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition

**SANTA ROSA COUNTY, FLORIDA CLERK OF COURT AND COMPTROLLER
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

1. SUMMARY OF ACCOUNTING POLICIES – CONTINUED

Accounting for Capital Assets

Capital assets (vehicles, equipment and other tangible property and certain intangible property costing at least \$1,000, with a useful life of more than one year) are recorded as expenditures at the time of purchase. These assets are capitalized at cost and are accounted for in the County's government-wide financial statements.

Compensated Absences

Employees accumulate a limited amount of earned, but unused annual, sick and compensatory leave, which will be paid upon separation from service. Unpaid, compensated absences are recorded as a liability, when the benefits are earned in the County's government-wide financial statements. For the governmental fund statements, expenditures are recognized when payments are made to employees.

Unspent Revenue

Annually, the Clerk must remit to the Board any unspent revenues attributable to non-court-related functions. Additionally, the Clerk must calculate and remit to the Department of Revenue Clerks of Courts Trust Fund the unspent revenues attributable to state-funded, court-related functions. These amounts are reported as due to other governmental units at year-end.

Fund Balances

Fund balances are classified either as non-spendable or as restricted, committed, assigned and unassigned based on the extent to which there are external and internal constraints on the spending of these fund balances.

2. CASH

At September 30, 2019, the banks reported deposits before outstanding checks of approximately \$8.4 million, all of which were held by a financial institution designated as a qualified public depository by the State Treasurer. All deposits were fully-insured through a combination of federal depository insurance and participation of the financial institution in the multiple financial institution collateral pool as specified in Chapter 280, Florida Statutes. Accordingly, risk of loss due to bank failure is not significant.

3. PENSION AND RETIREMENT PLAN

Substantially, all full-time employees of the Clerk 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 financial report that includes financial statements and required supplementary information. The report may be obtained at www.myfrs.com or by writing to FRS, 2639-C North Monroe Street, Tallahassee, Florida 32399.

SANTA ROSA COUNTY, FLORIDA CLERK OF COURT AND COMPTROLLER
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

3. PENSION AND RETIREMENT PLAN – CONTINUED

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. Both plans, effective July 1, 2011, are funded monthly by a combination of employer and employee contributions.

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. For employees who were enrolled in the plan prior to July 1, 2011, normal retirement benefits are available at age 62 with six or more years of service, or to those employees who have at least 30 years of creditable service, regardless of age. Early retirement is available after six years of service with a 5% reduction of benefits for each year prior to the normal retirement age.

For employees enrolling in the plan for the first time on or after July 1, 2011, normal retirement benefits are available at age 65 with eight or more years of service, or to those employees who have at least 33 years of creditable service, regardless of age. Early retirement is available after eight years of service with a 5% reduction of benefits for each year prior to the normal retirement age.

Retirement age and years of service requirements also vary depending on membership class. Retirement benefits are based upon age, average compensation and years-of-service credit where average compensation is computed as the average of the members highest five (if enrolled prior to July 1, 2011) or eight (if enrolled on or after July 1, 2011) fiscal years of earnings.

The FRS Investment Plan is a defined contribution plan funded monthly by employer and employee contributions based on salary and membership class. Employer contributions vest after one year of service, whereas employee contributions vest immediately. Members in the Investment Plan decide how their funds are allocated between various investment accounts, and the vested funds are portable upon termination.

The final retirement benefit is equal to the vested contributions plus investment earnings less expenses and losses allocated to the member's account. Members in the Investment Plan are not eligible for participation in the Deferred Retirement Option Program (DROP).

DROP is available for members of the FRS Pension Plan, who are vested and elect to participate in DROP within one year after reaching normal retirement age. Under this program, a member effectively retires while continuing to be employed for up to five 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 their 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.

Prior to July 2011, the plans were noncontributory for employees with all contributions being the participating FRS employer's responsibility. Effective July 1, 2011, participating employees contribute 3% of their gross salaries each pay period to the plan. Participating employer contributions are based upon rates established by the State of Florida.

**SANTA ROSA COUNTY, FLORIDA CLERK OF COURT AND COMPTROLLER
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

3. PENSION AND RETIREMENT PLAN – CONTINUED

Blended contribution rates for the fiscal year ended September 30, 2019, were as follows: regular employees – 8.31%, special risk employees – 24.75%, elected officials – 48.73%, senior management employees – 24.40% and DROP participants – 14.17%. The Clerk's contributions to the Pension Plan, funded on a pay-as-you-go basis, were equal to the actuarially determined contributions for each year. Contributions to the Investment Plan were equal to the legislatively-mandated contribution rates. Contributions to both plans totaled \$387,572, \$355,131 and \$351,182 for the years ended September 30, 2019, 2018 and 2017, respectively.

Net Pension Liability – Proportionate Share

The Clerk has a net FRS pension liability determined in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. This long-term liability is only reported in the county-wide financial statements and is not a current liability of the governmental funds. All required disclosures and schedules may be found in the County's Comprehensive Annual Financial Report of Santa Rosa County, Florida.

4. OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN

The Board offers post-employment health care benefits (OPEB) to all retired employees of the Clerk's Office and their dependents. Participating retirees are required to reimburse the Board for 100% of the premium cost, which is netted against the premium payment, so that no net expense is initially recorded in the Board's financial statements. However, these retirees are receiving an "implicit subsidy" because the premium is a group rate, which includes active, lower cost employees. This implicit subsidy has a cost; however, this annual cost and the total OPEB liability are measured as the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service. The total OPEB liability and other required disclosures have been calculated for the County as a whole, and not separately for the Clerk's Office. Accordingly, these calculations and disclosures can be found in the County's Comprehensive Annual Financial Report.

5. FUND BALANCES

Fund balances consist of the following:

Non-spendable fund balances include amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. The Clerk does not have any non-spendable fund balances.

SANTA ROSA COUNTY, FLORIDA CLERK OF COURT AND COMPTROLLER
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

5. FUND BALANCES – CONTINUED

The remaining fund balances are classified as follows depending on the Clerk's ability to control their spending:

Restricted fund balances can only be used for specific purposes, which are externally imposed by creditors, grantors, contributors or laws or regulations or are imposed by law through constitutional provisions or enabling legislation. As of September 30, 2019, the Clerk had restricted fund balances for state court operations of \$654,708 and for records modernization and court equipment and technology of \$769,680.

Committed fund balances can only be used for specific purposes imposed internally by the Clerk's formal action of highest level of decision-making authority. At year end, the Clerk had no committed fund balances.

Assigned fund balances are fund balances intended to be used for specific purposes, but which do not meet the more formal criterion to be considered either restricted or committed. At year end, the Clerk had no assigned fund balances.

Unassigned fund balances represent the residual positive fund balance within the General Fund, which has not been assigned to other funds and has not been restricted, committed or assigned. In funds other than the General Fund, unassigned fund balances are limited to negative residual balances. At year end, the Clerk had no unassigned fund balances because all unspent revenues of the General Fund are required to be returned to the BOCC, and there were no negative residual balances in the special revenue funds.

6. CLAIMS AND CONTINGENCIES

The Clerk is involved from time to time in routine civil litigation incidental to the ordinary course of operations. In the opinion of management and legal counsel, there are no lawsuits or claims outstanding, which might materially affect the financial position of the Clerk's Office.

7. RISK MANAGEMENT

The Clerk is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board maintains a Self-Insurance Fund (an internal service fund) to account for and finance its uninsured risks of loss.

Under this program the County is self-insured with respect to the following exposures:

- Workers Compensation
- Auto Physical Damage
- Auto Liability
- Construction and Road Equipment
- Portable Communication Equipment

**SANTA ROSA COUNTY, FLORIDA CLERK OF COURT AND COMPTROLLER
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

7. RISK MANAGEMENT – CONTINUED

The County is covered by outside insurance for the following exposures:

- Building and contents, \$5,000 deductible
- Employee Fidelity
- General Liability, \$25,000 deductible
- Public Officials' Liability, \$25,000 deductible

Conventional insurance remains in effect for buildings and contents. There also were no significant reductions in insurance coverage from the prior year and settled claims resulting from conventional insurance risks have not exceeded coverage in any of the past three fiscal years. The County is a member of the Florida Association of Counties Trust, a pooled liability program providing general liability coverage and public official's liability coverage. The Clerk participates in the program and makes payments to the Self-Insurance Fund based on historical estimates of amounts needed to pay prior and current year claims and to establish a reserve for catastrophe losses.

REQUIRED SUPPLEMENTARY INFORMATION

**SANTA ROSA COUNTY, FLORIDA CLERK OF COURT AND COMPTROLLER
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	General Fund				Special Revenue Fund Courts Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 146,439	\$ 146,439
Charges for services	1,130,065	1,130,065	1,180,462	50,397	4,095,359	4,095,359	2,832,022	(1,263,337)
Fines & forfeitures	-	-	-	-	947,425	947,425	1,074,713	127,288
Miscellaneous	57,300	57,300	79,149	21,849	204,553	204,553	42,185	(162,368)
Total revenues	1,187,365	1,187,365	1,259,611	72,246	5,247,337	5,247,337	4,095,359	(1,151,978)
EXPENDITURES								
Current:								
General government:								
Financial and administrative:								
Personal services	2,786,384	2,786,384	2,383,473	402,911	-	-	-	-
Operating	529,229	529,229	421,329	107,900	-	-	-	-
Capital outlay	102,193	120,993	80,901	40,092	-	-	-	-
Judicial:								
Personal services	-	-	-	-	2,992,785	2,992,785	2,768,514	224,271
Operating	-	-	199	(199)	187,769	187,769	224,271	(36,502)
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	3,417,806	3,436,606	2,885,902	550,704	3,180,554	3,180,554	2,992,785	187,769
Excess (deficiency) of revenues over expenditures	(2,230,441)	(2,249,241)	(1,626,291)	622,950	2,066,783	2,066,783	1,102,574	(964,209)
OTHER FINANCING SOURCES (USES)								
BOCC appropriation	2,493,560	2,493,560	2,493,560	-	-	-	-	-
BOCC unspent revenues	-	-	(867,269)	(867,269)	-	-	-	-
Payments to Clerks of the Court Trust Fund	-	-	-	-	-	(1,000,000)	(1,118,788)	(118,788)
Total other financing sources (uses)	2,493,560	2,493,560	1,626,291	(867,269)	-	(1,000,000)	(1,118,788)	(118,788)
NET CHANGE IN FUND BALANCES	263,119	244,319	-	(244,319)	2,066,783	1,066,783	(16,214)	(1,082,997)
FUND BALANCES, BEGINNING	-	-	-	-	-	-	16,214	16,214
FUND BALANCES, ENDING	\$ 263,119	\$ 244,319	\$ -	\$ (244,319)	\$ 2,066,783	\$ 1,066,783	\$ -	\$ (1,066,783)

See notes to required supplementary information.

**SANTA ROSA COUNTY, FLORIDA CLERK OF COURT AND COMPTROLLER
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS – CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Special Revenue Fund Courts Technology Fund				Special Revenue Fund Records Modernization Trust Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES								
Charges for services	\$ 335,000	\$ 335,000	\$ 356,045	\$ 21,045	\$ 110,000	\$ 110,000	\$ 116,078	\$ 6,078
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	335,000	335,000	356,045	21,045	110,000	110,000	116,078	6,078
EXPENDITURES								
Current:								
General government:								
Financial and administrative:								
Operating	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Judicial:								
Personal services	114,870	194,869	166,696	28,173	-	-	17,359	(17,359)
Operating	172,647	252,647	224,139	28,508	35,200	65,200	-	65,200
Capital outlay	-	-	11,971	(11,971)	114,800	114,800	-	114,800
Total expenditures	287,517	447,516	402,806	44,710	150,000	180,000	17,359	162,641
Excess (deficiency) of revenues over expenditures	47,483	(112,516)	(46,761)	65,755	(40,000)	(70,000)	98,719	168,719
FUND BALANCES, BEGINNING	-	112,516	816,441	703,925	40,000	70,000	555,989	485,989
FUND BALANCES, ENDING	<u>\$ 47,483</u>	<u>\$ -</u>	<u>\$ 769,680</u>	<u>\$ 769,680</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 654,708</u>	<u>\$ 654,708</u>

See notes to required supplementary information.

**SANTA ROSA COUNTY, FLORIDA CLERK OF COURT AND COMPTROLLER
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2019**

BUDGET AND BUDGETARY ACCOUNTING

The Clerk establishes annual budgets for its general fund and special revenue funds pursuant to Section 218.35, Florida Statutes. The Clerk's budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is the fund level.

SUPPLEMENTARY INFORMATION

**COMBINING FUND
FINANCIAL STATEMENT**

SANTA ROSA COUNTY, FLORIDA CLERK OF COURT AND COMPTROLLER
COMBINING STATEMENT OF ASSETS AND LIABILITIES –
ALL AGENCY FUNDS
SEPTEMBER 30, 2019

	<u>Court Registry</u>	<u>Fine and Cost</u>	<u>Intangible Tax</u>	<u>State Documentary Stamp</u>	<u>Suspense</u>	<u>Tax Redemption</u>	<u>Ordinary Witness</u>	<u>Bail Bonds</u>	<u>Flower Trust Fund</u>	<u>Totals</u>
ASSETS										
Cash and cash equivalents	\$ 1,646,376	\$ 282,455	\$ 353,241	\$ 1,840,904	\$ 67,823	\$ 1,009,451	\$ 11,200	\$ 202,656	\$ 1,526	\$ 5,415,632
TOTAL ASSETS	<u>\$ 1,646,376</u>	<u>\$ 282,455</u>	<u>\$ 353,241</u>	<u>\$ 1,840,904</u>	<u>\$ 67,823</u>	<u>\$ 1,009,451</u>	<u>\$ 11,200</u>	<u>\$ 202,656</u>	<u>\$ 1,526</u>	<u>\$ 5,415,632</u>
LIABILITIES										
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 1,720	\$ -	\$ -	\$ -	\$ -	\$ 1,720
Due to other governmental units	-	282,455	353,241	1,840,904	66,103	-	11,200	-	-	2,553,903
Deposits	1,646,376	-	-	-	-	1,009,451	-	202,656	1,526	2,860,009
TOTAL LIABILITIES	<u>\$ 1,646,376</u>	<u>\$ 282,455</u>	<u>\$ 353,241</u>	<u>\$ 1,840,904</u>	<u>\$ 67,823</u>	<u>\$ 1,009,451</u>	<u>\$ 11,200</u>	<u>\$ 202,656</u>	<u>\$ 1,526</u>	<u>\$ 5,415,632</u>

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

Honorable Donald Spencer – Clerk of Court and Comptroller
Santa Rosa County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the Office of Clerk of Court and Comptroller of Santa Rosa County, Florida (hereinafter referred to as "Clerk"), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Clerk's financial statements and have issued our report thereon dated January 15, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Clerk's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Clerk's internal control. Accordingly, we do not express an opinion on the effectiveness of the Clerk's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Clerk's financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

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

Pensacola, Florida
January 15, 2020

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

Honorable Donald Spencer – Clerk of Court and Comptroller
Santa Rosa County, Florida

We have examined the Office of Clerk of Court and Comptroller of Santa Rosa County, Florida's (hereinafter referred to as the "Clerk") compliance with Florida Statute 218.415 in regards to investments, Florida Statutes 28.35 and 28.36 in regard to certain court-related functions and Florida Statute 61.181 in regard to operation of a depository for alimony and child support for the year ended September 30, 2019. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Clerk complied, in all material respects, with the specified requirements. An examination involves performing procedures to obtain evidence about whether the Clerk complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

Warren Averett, LLC

Pensacola, Florida
January 15, 2020

MANAGEMENT LETTER

Honorable Donald Spencer – Clerk of Court and Comptroller
Santa Rosa County, Florida

Report on the Financial Statements

We have audited the financial statements (“financial statements”) of each major fund and the aggregate remaining fund information of the Office of Clerk of Court and Comptroller of Santa Rosa County, Florida (hereinafter referred to as “Clerk”), as of and for the year ended September 30, 2019, and have issued our report thereon dated January 15, 2020.

Auditors’ Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant’s Report on Examination of Compliance Requirements in Accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated January 15, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no recommendations made in the preceding audit report.

Financial Management

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

Additional Matters

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

Purpose of this Letter

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

Warren Averett, LLC

Pensacola, Florida

January 15, 2020

**SANTA ROSA COUNTY, FLORIDA CLERK OF COURT AND COMPTROLLER
MANAGEMENT'S RESPONSE TO MANAGEMENT LETTER
SEPTEMBER 30, 2019**

There are no findings, which require a response from management.

**SANTA ROSA COUNTY, FLORIDA
PROPERTY APPRAISER**

FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

**SANTA ROSA COUNTY, FLORIDA
PROPERTY APPRAISER
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INDEPENDENT AUDITORS' REPORT

Honorable Gregory S. Brown
Santa Rosa County Property Appraiser

Report on the Financial Statements

We have audited the accompanying financial statements of the general fund of the Santa Rosa County Florida Property Appraiser (the Property Appraiser), as of and for the fiscal year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Property Appraiser's financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to an express opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the general fund of the Property Appraiser as of September 30, 2019, and the changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the general fund of the Property Appraiser. They do not purport to, and do not, present fairly the financial position of Santa Rosa County, Florida as of September 30, 2019, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Matters**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule, as listed in the table of contents, be presented to supplement the financial statements. Such information, although not a required part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report on our consideration of the Property Appraiser's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts and grant agreements and other matters included under the heading "Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*". The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Property Appraiser's internal control over financial reporting and compliance.



Pensacola, Florida
December 27, 2019

**SANTA ROSA COUNTY, FLORIDA PROPERTY APPRAISER
BALANCE SHEET – GENERAL FUND
SEPTEMBER 30, 2019**

ASSETS

Cash	\$ 345,865
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LIABILITIES

Accounts payable	\$ 15,373
Due to Board of County Commissioners	278,397
Accrued payroll and benefits	<u>52,095</u>
Total liabilities	345,865

FUND BALANCE

Fund balance - unassigned	<u>-</u>
Total liabilities and fund balance	<u>\$ 345,865</u>

See notes to the financial statements.

**SANTA ROSA COUNTY, FLORIDA PROPERTY APPRAISER
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

REVENUES

Charges for services	\$ 32,001
Miscellaneous	1,446
	<u> </u>
Total revenues	33,447

EXPENDITURES

Current:

General government:

Personal services	2,693,135
Operating expenditures	490,222
Capital outlay	124,499
	<u> </u>

Total expenditures	<u>3,307,856</u>
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Deficiency of revenues over expenditures	(3,274,409)
--	-------------

OTHER FINANCING SOURCES (USES)

Board of County Commissioners appropriation	3,552,806
Board of County Commissioners unspent revenue	(278,397)
	<u> </u>
Total other financing sources	<u>3,274,409</u>

NET CHANGE IN FUND BALANCE

-

FUND BALANCE, BEGINNING OF YEAR

-

FUND BALANCE, END OF YEAR

<u><u>\$ -</u></u>

See notes to the financial statements.

**SANTA ROSA COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

1. SUMMARY OF ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the financial statements follows.

Reporting Entity

The Santa Rosa County, Florida Property Appraiser (the "Property Appraiser"), as established by Article VIII of the Constitution of the State of Florida, is an elected official of Santa Rosa County, Florida (the "County"). Although the Property Appraiser is operationally autonomous from the Santa Rosa County Board of County Commissioners (the "Board"), it does not hold sufficient corporate powers to be considered a legally separate entity for financial reporting purposes. Therefore, the Property Appraiser is considered part of the County's primary government.

The financial statements of the Property Appraiser are not intended to be a complete presentation of the financial position and results of operations of the County taken as a whole. As permitted by Chapter 10.556(4), Rules of the Auditor General State of Florida, the financial statements consist of only the fund level financial statements as defined in GASB Statement No. 34, and do not include presentations of government-wide financial statements of the Property Appraiser.

Fund Accounting

The accounting system of the Property Appraiser is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The general fund of the Property Appraiser is used to account for all financial resources, which are generated from operations of the office, appropriations from the Board or any other resources not required to be accounted for in another fund. The measurement focus is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources rather than upon net income determination).

Basis of Accounting

Basis of accounting refers to *when* revenues and expenditures are recognized in the accounts and reported in the financial statements. The basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The general fund uses the modified accrual basis of accounting. Its revenues are recognized when they become both measurable and available as net current assets. The Property Appraiser considers receivables collected within 60 days after year-end to be available and recognizes them as revenues of the current year. Expenditures are recognized when the related fund liability is incurred, except for compensated absences.

Accounting for Capital Assets

Capital assets (vehicles, equipment and other tangible and certain intangible property costing at least \$1,000 with a useful life of more than one year) are recorded as expenditures at the time of purchase. These assets are capitalized at cost and accounted for in the County's government-wide financial statements.

**SANTA ROSA COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

1. SUMMARY OF ACCOUNTING POLICIES – CONTINUED

Compensated Absences

Employees accumulate a limited amount of earned, but unused annual and sick leave, which will be paid upon separation from service. Unpaid compensated absences are recorded as a liability when the benefits are earned in the County's government-wide financial statements. For the general fund, compensated absence expenditures are recognized when payments are made to employees.

Unspent Revenue and Fund Balance

In accordance with Section 218.36(2), Florida Statutes, unspent revenue is remitted to the Board at fiscal year-end. This unspent revenue is reported as "Due to Board of County Commissioners." Therefore, fund balance is zero.

Subsequent Events

The Property Appraiser has evaluated events and transactions that occurred between September 30, 2019 and December 27, 2019, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

2. CASH

At September 30, 2019, the bank reported deposits before outstanding checks of \$398,440, all of which were held by a financial institution designated as "a qualified public depository" by the State Treasurer. All deposits were fully insured through a combination of Federal depository insurance and participation of the financial institution in the multiple financial institution collateral pool as specified in Chapter 280, Florida Statutes. Accordingly, risk of loss due to bank failure is not significant.

3. PENSION AND RETIREMENT PLAN

Substantially all full-time employees of the Property Appraiser 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 financial report that includes financial statements and required supplementary information. The report may be obtained at www.myfrs.com or by writing to FRS, 2639-C North Monroe Street, Tallahassee, Florida 32399.

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. Both plans, effective July 1, 2011, are funded monthly by a combination of employer and employee contributions.

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. For employees who were enrolled in the plan prior to July 1, 2011, normal retirement benefits are available at age 62 with six or more years of service, or to those employees who have at least 30 years of creditable service, regardless of age.

**SANTA ROSA COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

3. PENSION AND RETIREMENT PLAN – CONTINUED

Early retirement is available after six years of service with a 5% reduction of benefits for each year prior to the normal retirement age. For employees enrolling in the plan for the first time on or after July 1, 2011, normal retirement benefits are available at age 65 with eight or more years of service, or to those employees who have at least 33 years of creditable service, regardless of age.

Early retirement is available after eight years of service with a 5% reduction of benefits for each year prior to the normal retirement age. Retirement age and years of service requirements also vary depending on membership class.

Retirement benefits are based upon age, average compensation and years-of-service credit where average compensation is computed as the average of the members highest five (if enrolled prior to July 1, 2011) or eight (if enrolled on or after July 1, 2011) fiscal years of earnings.

The FRS Investment Plan is a defined contribution plan funded monthly by employer and employee contributions based on salary and membership class. Employer contributions vest after one year of service, whereas employee contributions vest immediately. Members in the Investment Plan decide how their funds are allocated between various investment accounts, and the vested funds are portable upon termination. The final retirement benefit is equal to the vested contributions plus investment earnings, less expenses and losses allocated to the member's account. Members in the Investment Plan are not eligible for participation in the Deferred Retirement Option Program (DROP).

The Deferred Retirement Option Program (DROP) is available for members of the FRS Pension Plan, who are vested and elect to participate in DROP within one year after reaching normal retirement age. Under this program, a member effectively retires while continuing to be employed for up to five 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 their 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.

Prior to July 2011, the plans were noncontributory for employees with all contributions being the participating FRS employer's responsibility. Effective July 1, 2011, participating employees contribute 3% of their gross salaries each pay period to the plan. Participating employer contributions are based upon statewide rates established by the State of Florida. Average contribution rates for the fiscal year ended September 30, 2019, were as follows: regular employees-8.31%, special risk employees-24.75%, elected officials-48.73%, senior management employees-24.40%, and DROP participants-14.17%.

The Property Appraiser's contributions to the Pension Plan, funded on a pay-as-you-go basis, were equal to the actuarially determined contributions for each year. Contributions to the Investment Plan were equal to the legislatively-mandated contribution rates.

**SANTA ROSA COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

3. PENSION AND RETIREMENT PLAN – CONTINUED

Contributions to both plans totaled \$193,353, \$190,046 and \$170,753 for the years ended September 30, 2019, 2018, and 2017, respectively.

Net Pension Liability - Proportionate Share

The Property Appraiser has a net FRS pension liability determined in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. This long-term liability is only reported in the countywide financial statements and is not a current liability of the general fund. All required disclosures and schedules may be found in the countywide financial statements of Santa Rosa County, Florida.

4. OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN

The Board offers post-employment health care benefits (OPEB) to all retired employees of the Property Appraiser's Office and their dependents. Participating retirees are required to reimburse the Board for 100% of the premium cost, which is netted against the premium payment, so that no net expense is initially recorded in the Board's financial statements. However, these retirees are receiving an "implicit subsidy" because the premium is a group rate, which includes active, lower cost employees. This implicit subsidy has a cost; however, this annual cost and the total OPEB liability is measured as the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service. The total OPEB liability and other required disclosures have been calculated for the County as a whole and not separately for the Property Appraiser's Office. Accordingly, these calculations and disclosures can be found in the County's Comprehensive Annual Financial Report.

5. RISK MANAGEMENT

The Property Appraiser is exposed to various risks of loss related to torts: theft and damage of assets, errors and omissions, injuries to employees and natural disasters. The Board has a Self-Insurance Fund (an internal service fund) to account for and finance its uninsured risks of loss.

The County is self-insured with respect to the following exposures:

- Workers Compensation
- Auto Physical Damage
- Auto Liability
- Construction and Road Equipment
- Portable Communication Equipment

**SANTA ROSA COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

5. RISK MANAGEMENT – CONTINUED

The County is covered by outside insurance for the following exposures:

- Buildings and contents – \$5,000 deductible
- Boats
- Employee Fidelity
- General Liability – \$25,000 deductible
- Public Officials' Liability – \$25,000 deductible

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The County is a member of the Florida Association of Counties Trust, a pooled liability program providing general liability coverage and public official's liability coverage.

The Property Appraiser participates in the County's self-insurance program and makes payments to the Self-Insurance Fund based on historical estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophe losses.

6. LITIGATION

The Property Appraiser is contingently liable with respect to lawsuits and other claims, which might be filed incidental to the ordinary course of operations. In the opinion of management, based on the advice of legal counsel, there are no lawsuits or claims outstanding, which will have a material adverse effect on the financial position of the Property Appraiser's Office.

REQUIRED SUPPLEMENTARY INFORMATION

**SANTA ROSA COUNTY, FLORIDA PROPERTY APPRAISER
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Charges for services	\$ -	\$ -	\$ 32,001	\$ 32,001
Miscellaneous	-	-	1,446	1,446
Total revenues	-	-	33,447	33,447
EXPENDITURES				
Current:				
General government:				
Personal services	2,880,868	2,952,573	2,693,135	259,438
Operating expenditures	517,880	517,880	490,222	27,658
Capital outlay	25,000	87,711	124,499	(36,788)
Special contingency	64,659	100	-	100
Total expenditures	3,488,407	3,558,264	3,307,856	250,408
Excess (deficiency) of revenues over expenditures	(3,488,407)	(3,558,264)	(3,274,409)	283,855
OTHER FINANCING SOURCES (USES)				
BOCC appropriation	3,488,407	3,558,264	3,552,806	(5,458)
BOCC unspent revenue	-	-	(278,397)	(278,397)
Total other financing sources (uses)	3,488,407	3,558,264	3,274,409	(283,855)
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to the required supplementary information.

**SANTA ROSA COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Budget and Budgetary Accounting

The Property Appraiser operates under budget procedures pursuant to Section 195.087, Florida Statutes. The Property Appraiser's budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is at the fund level.

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

Honorable Gregory S. Brown
Santa Rosa County Property Appraiser

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Santa Rosa County, Florida Property Appraiser (the Property Appraiser) as of and for the year ended September 30, 2019, and the related notes to the financial statements, and have issued our report thereon dated December 27, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Property Appraiser's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Property Appraiser's internal control. Accordingly, we do not express an opinion on the effectiveness of the Property Appraiser's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Property Appraiser's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Property Appraiser's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Property Appraiser's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

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

Pensacola, Florida
December 27, 2019

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

Honorable Gregory S. Brown
Santa Rosa County Property Appraiser

We have examined the Office of the Property Appraiser of Santa Rosa County, Florida's (hereinafter referred to as "Property Appraiser") compliance with Florida Statute 218.415 in regards to investments for the year ended September 30, 2019.

Management is responsible for the Property Appraiser's compliance with those requirements. Our responsibility is to express an opinion on the Property Appraiser's compliance based on our examination.

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

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

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



Pensacola, Florida
December 27, 2019

MANAGEMENT LETTER

Honorable Gregory S. Brown
Santa Rosa County Property Appraiser

Report on the Financial Statements

We have audited the financial statements of the general fund of the Office of the Property Appraiser of Santa Rosa County, Florida, as of and for the fiscal year ended September 30, 2019, and the related notes to the financial statements, and have issued our report thereon dated December 27, 2019.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on Examination of Compliance Requirements in Accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated December 27, 2019 should be considered in conjunction with this management letter.

Prior Audit Findings

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

Financial Management

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

Additional Matters

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

Purpose of this Letter

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

Warren Averett, LLC

Pensacola, Florida
December 27, 2019

**SANTA ROSA COUNTY, FLORIDA
PROPERTY APPRAISER
MANAGEMENT'S RESPONSE TO MANAGEMENT LETTER
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

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

SANTA ROSA COUNTY, FLORIDA SHERIFF

FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

**SANTA ROSA COUNTY, FLORIDA SHERIFF
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INDEPENDENT AUDITORS' REPORT

Honorable Robert Johnson, Sheriff
Santa Rosa County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Office of the Sheriff of Santa Rosa County, Florida ("Sheriff") as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Sheriff's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sheriff's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of each major fund and the aggregate remaining fund information of the Sheriff as of September 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above have been prepared for the purpose of complying with the Rules of the Auditor General, State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, and aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Santa Rosa County, Florida that are attributable to the Sheriff. They do not purport to, and do not, present fairly the financial position of Santa Rosa County, Florida as of September 30, 2019, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements. The accompanying combining fund financial statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of these financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters.

Other Reporting Required by *Government Auditing Standards* – Continued

The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.

Warren Averett, LLC

Pensacola, Florida
January 30, 2020

**SANTA ROSA COUNTY, FLORIDA SHERIFF
BALANCE SHEET – GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019**

	Major Funds			Non-Major	
	General	Jail Commissary	Grants	Other Governmental Funds	Total
ASSETS					
Cash	\$ 1,636,038	\$ 784,484	\$ 584,083	\$ 352,545	\$ 3,357,150
Due from other funds	1,132,249	-	14,937	-	1,147,186
Due from other governmental units	338,389	-	488,416	50,984	877,789
Accounts receivable	1,373	17,875	-	-	19,248
Inventory	33,355	-	-	-	33,355
TOTAL ASSETS	\$ 3,141,404	\$ 802,359	\$ 1,087,436	\$ 403,529	\$ 5,434,728
LIABILITIES					
Accounts payable and accrued payroll	\$ 2,218,370	\$ 12,102	\$ 107,408	28,861	\$ 2,366,741
Due to other funds	14,937	31,343	914,221	186,685	1,147,186
Due to other governmental units	874,742	-	23,437	-	898,179
Unearned revenue	-	-	42,370	104,535	146,905
Total liabilities	3,108,049	43,445	1,087,436	320,081	4,559,011
FUND BALANCES					
Restricted for inmate welfare and recreation	-	758,914	-	-	758,914
Restricted for law enforcement training	-	-	-	83,448	83,448
Nonspendable - inventory	33,355	-	-	-	33,355
Total fund balances	33,355	758,914	-	83,448	875,717
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,141,404	\$ 802,359	\$ 1,087,436	\$ 403,529	\$ 5,434,728

See notes to the financial statements.

**SANTA ROSA COUNTY, FLORIDA SHERIFF
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Major Funds			Non-Major	
	General	Jail Commissary	Grants	Other Governmental Funds	Total
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ 2,448,181	\$ 2,448,181
Intergovernmental	-	-	2,599,077	27,081	2,626,158
Commissions	-	469,599	-	-	469,599
Miscellaneous	11,750	-	-	311	12,061
Total revenues	11,750	469,599	2,599,077	2,475,573	5,555,999
EXPENDITURES					
Current					
General government:					
Judicial:					
Personal services	1,235,504	-	-	-	1,235,504
Operating	27,007	-	-	-	27,007
Public safety:					
Law enforcement:					
Personal services	21,567,044	-	2,537,005	-	24,104,049
Operating	5,175,997	-	52,774	13,787	5,242,558
Capital outlay	1,765,247	-	9,298	2,448,181	4,222,726
Correction and detention:					
Personal services	10,009,219	105,751	-	-	10,114,970
Operating	5,855,258	464,457	-	-	6,319,715
Capital outlay	-	75,410	-	-	75,410
Total expenditures	45,635,276	645,618	2,599,077	2,461,968	51,341,939
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(45,623,526)	(176,019)	-	13,605	(45,785,940)
OTHER FINANCING SOURCES (USES)					
BOCC appropriation	45,899,887	-	-	-	45,899,887
BOCC unspent funds	(263,403)	-	-	-	(263,403)
Total other financing sources (uses)	45,636,484	-	-	-	45,636,484
NET CHANGES IN FUND BALANCES	12,958	(176,019)	-	13,605	(149,456)
FUND BALANCES, BEGINNING OF YEAR	20,397	934,933	-	69,843	1,025,173
FUND BALANCES, END OF YEAR	\$ 33,355	\$ 758,914	\$ -	\$ 83,448	\$ 875,717

See notes to the financial statements.

**SANTA ROSA COUNTY, FLORIDA SHERIFF
STATEMENT OF ASSETS AND LIABILITIES – AGENCY FUNDS
SEPTEMBER 30, 2019**

ASSETS

Cash	\$ 48,823
TOTAL ASSETS	\$ 48,823

LIABILITIES

Accounts payable	\$ 14,740
Deposits	32,686
Due to other governmental units	1,397
TOTAL LIABILITIES	\$ 48,823

See notes to the financial statements.

**SANTA ROSA COUNTY, FLORIDA SHERIFF
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the financial statements is as follows:

Reporting Entity

The Office of the Sheriff of Santa Rosa County, Florida (the "Sheriff"), as established by Article VIII of the Constitution of the State of Florida, is an elected official of Santa Rosa County, Florida (the "County"). Although the Sheriff is operationally autonomous from the Santa Rosa County Board of County Commissioners (the "Board"), the Sheriff does not hold sufficient corporate powers to be considered a legally separate entity for financial reporting purposes. Therefore, the Sheriff is considered part of the County's primary government.

These financial statements are not intended to be a complete presentation of the financial position and results of operations of the County taken as a whole. As permitted by Chapter 10.556(4), Rules of the Auditor General State of Florida, the financial statements consist of only the *fund level* financial statements as defined in Governmental Accounting Standards Board ("GASB") Statement No. 34, and do not include presentations of *government-wide* financial statements of the Sheriff.

Fund Accounting

The accounting system of the Sheriff is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The funds utilized by the Sheriff's office are as follows:

Governmental Funds

These funds utilize a modified accrual basis of accounting. The measurement focus is based upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources rather than upon net income determination). The Sheriff reports the following major governmental funds:

General Fund is used to account for all financial resources which are generated from operations of the office, appropriations from the Board or any other resources not required to be accounted for in another fund.

Jail Commissary Fund accounts for jail commissary and vending machine revenues that are used to provide recreational facilities and equipment for inmates.

Grants Fund accounts for grant revenues and expenditures according to the terms of each grant.

**SANTA ROSA COUNTY, FLORIDA SHERIFF
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Governmental Funds – Continued

Non-major governmental funds of the Sheriff are as follows:

Second Dollar accounts for shared fine revenues from the Board, which are used for law enforcement training purposes.

Federal Seizure accounts for shared seizure revenues from the United States Department of Justice, which are used for law enforcement purposes.

LOST accounts for the half-penny local options sales tax (LOST) made effective January 1, 2018, which is used towards capital projects.

Fiduciary Funds

The Sheriff uses agency funds to account for assets held in a custodial capacity for others.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements and relates to the timing of the measurements made, regardless of the measurement focus applied. All governmental funds are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available as net current assets. The Sheriff considers receivables collected within 60 days after year-end to be available and recognizes them as revenues of the current year. Expenditures are recognized when the related fund liability is incurred. Agency funds use the accrual basis of accounting.

Cash and Cash Equivalents

For financial statement reporting, all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents.

Inventory

Inventory, which consists of expendable supplies held for consumption, is stated at cost using the average cost method. Inventory is recorded when consumed rather than when purchased.

Accounting for Capital Assets

Capital assets (vehicles, equipment, and other tangible and certain intangible property costing at least \$1,000 with a useful life of more than one year) are recorded as expenditures by the acquiring fund at the time of purchase. The Sheriff does not engage in the acquisition of public domain (infrastructure) assets.

All capital assets are valued at historical cost, or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at estimated acquisition value on the date donated.

**SANTA ROSA COUNTY, FLORIDA SHERIFF
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Accounting for Capital Assets – Continued

Depreciation of vehicles and equipment is calculated using the straight-line method over the estimated useful lives of the assets of 3 to 10 years.

Capital assets and related depreciation expense are reported as a component of the County's comprehensive annual financial report and are not reflected in the Sheriff's governmental fund financial statements. Buildings and improvements are owned by the Board of County Commissioners.

Compensated Absences

Employees accumulate a limited amount of earned but unused sick leave, annual leave, and compensatory time, which will be paid upon separation from service. Unpaid compensated absences are recorded as a liability when the benefits are earned in the County's comprehensive annual financial report. For the governmental fund financial statements, expenditures are not recognized until payments are made to employees.

Unspent Appropriations from the Board

In accordance with Section 30.50 (6), Florida Statutes, excess appropriations are returned to the Board at fiscal year-end and are reported in the "due to other governmental units" liability account. Charges for services, interest income, and other miscellaneous revenues collected by the Sheriff are considered to be "agency" transactions not available for expenditure by the Sheriff, and are remitted to the Board on a monthly basis.

Fund Balances

Fund balances are classified as either non-spendable or as restricted, committed, assigned, and unassigned, based on the extent to which there are external and internal constraints on the spending thereof.

2. CASH

The Sheriff's deposits at year-end were held by a financial institution designated as a "qualified public depository" by the State Treasurer. All deposits were fully insured through a combination of Federal depository insurance and participation of the financial institution in the multiple financial institution collateral pool as specified in Chapter 280, Florida Statutes. At September 30, 2019, the reported amount of the Sheriff's deposits was \$3,405,631 and the bank balance was \$4,188,092, consisting entirely of deposits in checking accounts with a financial institution.

**SANTA ROSA COUNTY, FLORIDA SHERIFF
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

3. INTERFUND BALANCES

Interfund balances at September 30, 2019 consisted of the following:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 1,132,249	\$ 14,937
Jail Commissary Fund	-	31,343
Grants	14,937	914,221
Non-major governmental funds	-	186,685
	<u>\$ 1,147,186</u>	<u>\$ 1,147,186</u>

Amounts due to the General Fund from grants and non-major governmental funds are related to advances which will be paid back to the General Fund after taxes are collected and reimbursement is received from grantors, respectively. Amounts due to the General Fund from the Jail Commissary Fund are for various expenditures paid by the General Fund on behalf of the Jail Commissary Fund.

4. PENSION AND RETIREMENT PLAN

Substantially all full-time employees of the Sheriff 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 financial report that includes financial statements and required supplementary information. The report may be obtained at www.myfrs.com or by writing to FRS, 2639-C North Monroe Street, Tallahassee, Florida 32399.

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. Both plans, effective July 1, 2011, are funded monthly by a combination of employer and employee contributions.

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. For employees who were enrolled in the plan prior to July 1, 2011, normal retirement benefits are available at age 62 with 6 or more years of service, or to those employees who have at least 30 years of creditable service, regardless of age. Early retirement is available after 6 years of service with a 5% reduction of benefits for each year prior to the normal retirement age.

For employees enrolling in the plan for the first time on or after July 1, 2011, normal retirement benefits are available at age 65 with 8 or more years of service, or to those employees who have at least 33 years of creditable service, regardless of age.

**SANTA ROSA COUNTY, FLORIDA SHERIFF
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

4. PENSION AND RETIREMENT PLAN – CONTINUED

Early retirement is available after 8 years of service, with a 5% reduction of benefits for each year prior to the normal retirement age. Retirement age and years of service requirements also vary depending on membership class. Retirement benefits are based upon age, average compensation, and years-of-service credit where average compensation is computed as the average of the members highest 5 (if enrolled prior to July 1, 2011) or 8 (if enrolled on or after July 1, 2011) fiscal years of earnings.

The FRS Investment Plan is a defined contribution plan funded monthly by employer and employee contributions based on salary and membership class. Employer contributions vest after 1 year of service whereas employee contributions vest immediately. Members in the Investment Plan decide how their funds are allocated between various investment accounts and the vested funds are portable upon termination. The final retirement benefit is equal to the vested contributions plus investment earnings less expenses and losses allocated to the member's account. Members in the Investment Plan are not eligible for participation in the Deferred Retirement Option Program (DROP).

DROP is available for members of the FRS Pension Plan who are vested and elect to participate in DROP within 1 year after reaching normal retirement age. Under this program, a member effectively retires while continuing to be employed 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 their 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.

Prior to July 2011, the plans were noncontributory for employees with all contributions being the participating FRS employer's responsibility. Effective July 1, 2011, participating employees contribute 3% of their gross salaries each pay period to the plan. 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, 2019 were as follows: regular employees – 8.31%, special risk employees – 24.75%, elected officials – 48.73%, senior management employees – 24.40%, and DROP participants – 14.17%. The Sheriff's contributions to the Pension Plan, funded on a pay-as-you-go basis, were equal to the actuarially determined contributions for each year. Contributions to the Investment Plan were equal to the legislatively-mandated contribution rates. Contributions to both plans totaled \$4,770,306, \$3,890,234, and \$3,487,545 for the years ended September 30, 2019, 2018, and 2017, respectively.

Net Pension Liability – Proportionate Share

The Sheriff has a net FRS pension liability determined in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. This long-term liability is only reported in the County's comprehensive annual financial report and is not a current liability of the governmental funds. All required disclosures and schedules may be found in the comprehensive annual financial report of Santa Rosa County, Florida.

**SANTA ROSA COUNTY, FLORIDA SHERIFF
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

5. OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN

The Sheriff offers post-employment health care benefits (OPEB) to all retired employees and their dependents. Participating retirees are required to reimburse the Sheriff for 100% of the premium cost, which is netted against the premium payment, so that no net expenditure is initially recorded in the financial statements. However, these retirees are receiving an "implicit subsidy" because the premium is a group rate, which includes active lower cost employees. This implicit subsidy has a cost; however, the annual cost and the total OPEB liability is measured as the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service. The total OPEB liability and other required disclosures have been calculated for the County as a whole and not separately for the Sheriff. Accordingly, these calculations and disclosures can be found in the County's comprehensive annual financial report.

6. GRANT ASSISTANCE

The Sheriff serves as implementing agency for various grants, which are reported in the Single Audit Report prepared by the Board.

7. RISK MANAGEMENT

The Sheriff is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board of County Commissioners has established a Self-Insurance Fund (an internal service fund) to account for and finance its uninsured risks of loss. Under this program, the County is self-insured with respect to the following exposures:

- Auto Physical Damage
- Auto Liability
- Construction and Road Equipment
- Portable Communication Equipment
- Workers' Compensation

The County is covered by outside insurance for the following exposures:

- Employee Fidelity
- General Liability, \$25,000 deductible
- Public Officials' Liability, \$25,000 deductible
- Building Contents, \$5,000 deductible

Conventional insurance provided by the Florida Sheriff's Risk Management Fund remains in effect for the Sheriff's general and professional liability, the Sheriff's automobiles, and the Sheriff's medical catastrophic insurance for treatment of prisoners. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**SANTA ROSA COUNTY, FLORIDA SHERIFF
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

7. RISK MANAGEMENT – CONTINUED

Workers' compensation coverage is provided by the Florida Sheriff's Workers' Compensation Self Insurance Fund. Annual premium costs under this coverage were \$804,271 and \$677,038 for the years ended September 30, 2019 and 2018, respectively. Coverage limits under the policy include \$1,000,000 bodily injury for each accident and \$1,000,000 bodily injury by disease for each employee with a \$1,000,000 limit.

8. FUND BALANCES

Fund balances are classified as follows:

Non-spendable fund balances include amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact.

Other fund balance amounts are classified depending on the Sheriff's ability to control the spending of the fund balances as follows:

Restricted fund balances can only be used for specific purposes which are externally imposed by creditors, grantors, contributors, and other governments (via laws and regulations), or are imposed by law through constitutional provisions or enabling legislation.

Committed fund balances can only be used for specific purposes imposed internally by the Sheriff's formal action of highest level of decision-making authority. At year-end, the Sheriff had no committed fund balances.

Assigned fund balances are fund balances intended to be used for specific purposes, but which do not meet the more formal criterion to be considered either restricted or committed. At year-end, the Sheriff had no assigned fund balances.

Unassigned fund balances represent the residual positive fund balance within the General Fund, which has not been assigned to other funds and has not been restricted, committed, or assigned. In funds other than the General Fund, unassigned fund balances are limited to negative residual balances. At year-end, the Sheriff had no unassigned fund balances because all unspent Board appropriations of the General Fund are required to be remitted to the Board and there were no negative residual balances in the special revenue funds.

9. CLAIMS AND CONTINGENCIES

The Sheriff is involved from time to time in routine civil litigation incidental to the ordinary course of operations. In the opinion of management and legal counsel, there are no lawsuits or claims outstanding which might materially affect the financial position of the Sheriff's Office.

REQUIRED SUPPLEMENTARY INFORMATION

**SANTA ROSA COUNTY, FLORIDA SHERIFF
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 11,750	\$ 11,750
Total revenues	-	-	11,750	11,750
EXPENDITURES				
Current:				
General government:				
Judicial:				
Personal services	1,235,509	1,235,509	1,235,504	5
Operating	34,549	34,549	27,007	7,542
Public safety:				
Law enforcement:				
Personal services	21,574,474	21,574,474	21,567,044	7,430
Operating	5,203,781	5,203,781	5,175,997	27,784
Capital outlay	1,753,594	1,753,594	1,765,247	(11,653)
Correction and detention:				
Personal services	10,167,669	10,167,669	10,009,219	158,450
Operating	5,930,404	5,930,404	5,855,258	75,146
Total expenditures	45,899,980	45,899,980	45,635,276	264,704
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(45,899,980)	(45,899,980)	(45,623,526)	276,454
OTHER FINANCING SOURCES (USES)				
BOCC appropriation	45,899,980	45,899,980	45,899,887	(93)
BOCC unspent funds	-	-	(263,403)	(263,403)
Total other financing sources (uses)	45,899,980	45,899,980	45,636,484	(263,496)
NET CHANGES IN FUND BALANCE	-	-	12,958	12,958
FUND BALANCE, BEGINNING OF YEAR	-	-	20,397	20,397
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ 33,355	\$ 33,355

See notes to the required supplementary information.

**SANTA ROSA COUNTY, FLORIDA SHERIFF
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2019**

BUDGETS AND BUDGETARY ACCOUNTING

The Sheriff operates under budget procedures pursuant to Chapters 30 and 129, Florida Statutes. The General Fund's budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America. The Sheriff is not legally required to prepare a budget for the other governmental funds; therefore, comparative budget and actual results are not presented for these funds. The legal level of budgetary control is the fund level.

**SUPPLEMENTARY INFORMATION – COMBINING FUND
FINANCIAL STATEMENTS**

**SANTA ROSA COUNTY, FLORIDA SHERIFF
COMBINING BALANCE SHEET – ALL NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019**

	LOST Fund	Second Dollar Fund	Federal Seizure Fund	Totals
ASSETS				
Cash	\$ 163,248	\$ 84,762	\$ 104,535	\$ 352,545
Due from other governmental units	50,984	-	-	50,984
TOTAL ASSETS	\$ 214,232	\$ 84,762	\$ 104,535	\$ 403,529
LIABILITIES				
Accounts payable and accrued expenses	\$ 28,861	\$ -	\$ -	\$ 28,861
Due to other funds	185,371	1,314	-	186,685
Unearned revenue	-	-	104,535	104,535
Total liabilities	214,232	1,314	104,535	320,081
FUND BALANCES				
Restricted for law enforcement training	-	83,448	-	83,448
TOTAL LIABILITIES AND FUND BALANCES	\$ 214,232	\$ 84,762	\$ 104,535	\$ 403,529

See independent auditors' report.

**SANTA ROSA COUNTY, FLORIDA SHERIFF
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – ALL NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	LOST Fund	Second Dollar Fund	Federal Seizure Fund	Totals
REVENUES				
Taxes	\$ 2,448,181	\$ -	\$ -	\$ 2,448,181
Intergovernmental	-	27,081	-	27,081
Miscellaneous	-	294	17	311
Total revenues	<u>2,448,181</u>	<u>27,375</u>	<u>17</u>	<u>2,475,573</u>
EXPENDITURES				
Current:				
Public safety:				
Law enforcement:				
Operating	-	13,770	17	13,787
Capital outlay	<u>2,448,181</u>	<u>-</u>	<u>-</u>	<u>2,448,181</u>
Total expenditures	<u>2,448,181</u>	<u>13,770</u>	<u>17</u>	<u>2,461,968</u>
NET CHANGES IN FUND BALANCES	-	13,605	-	13,605
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>69,843</u>	<u>-</u>	<u>69,843</u>
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ 83,448</u>	<u>\$ -</u>	<u>\$ 83,448</u>

See independent auditors' report.

**SANTA ROSA COUNTY, FLORIDA SHERIFF
COMBINING STATEMENT OF ASSETS AND LIABILITIES – ALL AGENCY FUNDS
SEPTEMBER 30, 2019**

	<u>Suspense Fund</u>	<u>Seizure Fund</u>	<u>Flower Fund</u>	<u>Totals</u>
ASSETS				
Cash	\$ 14,740	\$ 15,256	\$ 18,827	\$ 48,823
TOTAL ASSETS	<u>\$ 14,740</u>	<u>\$ 15,256</u>	<u>\$ 18,827</u>	<u>\$ 48,823</u>
LIABILITIES				
Accounts payable	\$ 14,740	\$ -	\$ -	\$ 14,740
Deposits	-	13,859	18,827	32,686
Due to other governmental units	-	1,397	-	1,397
TOTAL LIABILITIES	<u>\$ 14,740</u>	<u>\$ 15,256</u>	<u>\$ 18,827</u>	<u>\$ 48,823</u>

See independent auditors' report.

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

Honorable Robert Johnson, Sheriff
Santa Rosa County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the Office of the Sheriff of Santa Rosa County, Florida (hereinafter referred to as the "Sheriff"), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Sheriff's financial statements, and have issued our report thereon dated January 30, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Sheriff's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Sheriff's internal control. Accordingly, we do not express an opinion on the effectiveness of the Sheriff's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sheriff's financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Sheriff's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

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

Pensacola, Florida
January 30, 2020

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

Honorable Robert Johnson, Sheriff
Santa Rosa County, Florida

We have examined the Office of the Sheriff of Santa Rosa County, Florida's (hereinafter referred to as the "Sheriff") compliance with Florida Statute 218.415 in regards to investments for the year ended September 30, 2019. Management is responsible for the Sheriff's compliance with those requirements. Our responsibility is to express an opinion on the Sheriff's compliance based on our examination.

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

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

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

Warren Averett, LLC

Pensacola, Florida
January 30, 2020

MANAGEMENT LETTER

Honorable Robert Johnson, Sheriff
Santa Rosa County, Florida

Report on the Financial Statements

We have audited the financial statements of each major fund and the aggregate remaining fund information of the Office of the Sheriff of Santa Rosa County, Florida (hereinafter referred to as the "Sheriff") as of and for the year ended September 30, 2019, and the related notes to the financial statements, and have issued our report thereon dated January 30, 2020.

Auditors' Responsibility

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

Other Report Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on Examination of Compliance Requirements in Accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated January 30, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Financial Management

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

Additional Matters

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

Purpose of this Letter

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

Warren Averett, LLC

Pensacola, Florida
January 30, 2020

**SANTA ROSA COUNTY, FLORIDA SHERIFF
MANAGEMENT'S RESPONSE TO MANAGEMENT LETTER
SEPTEMBER 30, 2019**

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

**SANTA ROSA COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

**SANTA ROSA COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
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INDEPENDENT AUDITORS' REPORT

Honorable Tappie Villane
Supervisor of Elections of Santa Rosa County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the general fund of the Santa Rosa County, Florida Supervisor of Elections, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Supervisor of Elections' internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the general fund of the Supervisor of Elections, as of September 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to previously were prepared solely for the purpose of complying with the *Rules of the Auditor General of the State of Florida* (the "Rules"). In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of that portion of the general fund attributable solely to the operations of the Supervisor of Elections. They do not purport to and do not present fairly the financial position of Santa Rosa County, Florida, as of September 30, 2019, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report on our consideration of the Supervisor of Elections' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters included under the heading "*Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.*" The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Supervisor of Elections' internal control over financial reporting and compliance.

Warren Averett, LLC

Pensacola, Florida
January 14, 2020

**SANTA ROSA COUNTY, FLORIDA SUPERVISOR OF ELECTIONS
BALANCE SHEET – GENERAL FUND
SEPTEMBER 30, 2019**

ASSETS

Due from Board of County Commissioners	\$ 127,612
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LIABILITIES

Accounts payable	\$ 54,888
Accrued expenses	38,824
Advances on grants	<u>33,900</u>
Total liabilities	127,612

FUND BALANCE

Fund balance	<u>-</u>
Total liabilities and fund balance	<u>\$ 127,612</u>

See notes to the financial statements.

**SANTA ROSA COUNTY, FLORIDA SUPERVISOR OF ELECTIONS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

REVENUES

Grant revenue	\$ 198,952
Miscellaneous revenue	<u>4,624</u>
Total revenues	203,576

EXPENDITURES

Current:	
General government:	
Personal services	667,810
Operating	871,187
Capital outlay	<u>25,192</u>
Total expenditures	<u>1,564,189</u>
Excess (deficiency) of revenues over expenditures	(1,360,613)

OTHER FINANCING SOURCES

Board of County Commissioners appropriation	<u>1,360,613</u>
---	------------------

NET CHANGE IN FUND BALANCE

FUND BALANCE, BEGINNING OF YEAR

FUND BALANCE, END OF YEAR

-
-
\$ -

See notes to the financial statements.

SANTA ROSA COUNTY, FLORIDA SUPERVISOR OF ELECTIONS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

1. SUMMARY OF ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the financial statements follows.

Reporting Entity

The Santa Rosa County, Florida Supervisor of Elections (the "Supervisor of Elections"), as established by Article VIII of the Constitution of the State of Florida, is an elected official of Santa Rosa County, Florida (the "County"). Although the Supervisor of Elections is operationally autonomous from the Santa Rosa County Board of County Commissioners (the "Board"), it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, the Supervisor of Elections is reported as a part of the primary government of the County.

These financial statements are not intended to be a complete presentation of the financial position and results of operations of the County, taken as a whole. As permitted by Chapter 10.556(4), *Rules of the Auditor General State of Florida*, the financial statements consists of only the *fund level* financial statements, as defined in Government Accounting Standards Board (GASB) Statement No. 34, and do not include presentations of *government-wide* financial statements of the Supervisor of Elections.

Pursuant to the provisions of 129.202, Florida Statutes, the Supervisor of Elections has elected to have the Office of the Clerk of Court and Comptroller of Santa Rosa County maintain the books and records pertaining to the operations of the Supervisor of Elections. Therefore, the Supervisor of Elections does not maintain a separate cash account, and all cash activity for the Supervisor of Elections is recorded in the common cash account of the Board. The "Due from Board of County Commissioners" account on the balance sheet represents the amount of cash held on behalf of the Supervisor of Elections.

Fund Accounting

The accounting system of the Supervisor of Elections is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, recording cash and financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The general fund of the Supervisor of Elections is used to account for all financial resources, which are generated from operations of the office, appropriations from the Board or any other resources not required to be accounted for in another fund.

This fund utilizes a modified accrual basis of accounting. The measurement focus is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources rather than upon net income determination).

SANTA ROSA COUNTY, FLORIDA SUPERVISOR OF ELECTIONS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

1. SUMMARY OF ACCOUNTING POLICIES – CONTINUED

Basis of Accounting

Basis of accounting refers to *when* revenues and expenditures are recognized in the accounts and reported in the financial statement. The basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become both measurable and available as net current assets. The Supervisor of Elections considers receivables collected within sixty days after year-end to be available and recognizes them as revenues of the current year. Expenditures are recognized when the related fund liability is incurred.

Accounting for Capital Assets

Capital assets (vehicles, equipment and other tangible and certain intangible property costing at least \$1,000 with a useful life of more than one year) are recorded as expenditures in the fund level financial statements at the time of purchase. These assets are also capitalized at cost and accounted for in the County's comprehensive annual financial report.

Compensated Absences

Employees accumulate a limited amount of earned, but unused sick and annual leave, which will be paid upon separation from service. Unpaid compensated absences are recorded as a liability when the benefits are earned in the County's comprehensive annual financial report. For the governmental fund statements, expenditures are recognized when payments are made to employees.

2. PENSION AND RETIREMENT PLAN

Substantially, all full-time employees of the Supervisor of Elections 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 financial report that includes financial statements and required supplementary information. The report may be obtained at www.myfrs.com or by writing to FRS, 2639-C North Monroe Street, Tallahassee, Florida 32399.

SANTA ROSA COUNTY, FLORIDA SUPERVISOR OF ELECTIONS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

2. PENSION AND RETIREMENT PLAN – CONTINUED

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. Both plans, effective July 1, 2011, are funded monthly by a combination of employer and employee contributions.

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. For employees who were enrolled in the plan prior to July 1, 2011, normal retirement benefits are available at age 62 with six or more years of service or to those employees who have at least 30 years of creditable service, regardless of age. Early retirement is available after six years of service with a 5% reduction of benefits for each year prior to the normal retirement age.

For employees enrolling in the plan for the first time on or after July 1, 2011, normal retirement benefits are available at age 65 with eight or more years of service or to those employees who have at least 33 years of creditable service, regardless of age. Early retirement is available after eight years of service with a 5% reduction of benefits for each year prior to the normal retirement age.

Retirement age and years of service requirements also vary depending on membership class. Retirement benefits are based upon age, average compensation, and years-of-service credit, where average compensation is computed as the average of the members highest five (if enrolled prior to July 1, 2011) or eight (if enrolled on or after July 1, 2011) fiscal years of earnings.

The FRS Investment Plan is a defined contribution plan funded monthly by employer and employee contributions based on salary and membership class. Employer contributions vest after one year of service whereas employee contributions vest immediately. Members in the Investment Plan decide how their funds are allocated between various investment accounts, and the vested funds are portable upon termination. The final retirement benefit is equal to the vested contributions plus investment earnings less expenses and losses allocated to the member's account. Members in the Investment Plan are not eligible for participation in the Deferred Retirement Option Program (DROP).

DROP is available for members of the FRS Pension Plan who are vested and elect to participate in DROP within one year after reaching normal retirement age. Under this program, a member effectively retires while continuing to be employed for up to five 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 their 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.

SANTA ROSA COUNTY, FLORIDA SUPERVISOR OF ELECTIONS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

2. PENSION AND RETIREMENT PLAN – CONTINUED

Prior to July 2011, the plans were noncontributory for employees with all contributions being the participating FRS employer's responsibility. Effective July 1, 2011, participating employees contribute 3% of their gross salaries each pay period to the plan. 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, 2019, were as follows: regular employees, 8.31%; special risk employees, 24.75%; elected officials, 48.73%; senior management employees, 24.40%; and DROP participants, 14.17%.

The Supervisor of Elections contributions to the Pension Plan, funded on a pay-as-you-go basis, were equal to the actuarially determined contributions for each year. Contributions to the Investment Plan were equal to the legislatively-mandated contribution rates. Contributions to both plans totaled \$88,831, \$80,715 and \$73,239 for the years ended September 30, 2019, 2018 and 2017, respectively.

Net Pension Liability - Proportionate Share

The Supervisor of Elections has a net FRS pension liability determined in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. This long-term liability is only reported in the county-wide financial statements and is not a current liability of the General Fund. All required disclosures and schedules may be found in the county's comprehensive annual financial report of Santa Rosa County, Florida.

3. OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN

The Board offers post-employment health care benefits (OPEB) to all retired employees of the Supervisor of Election's Office and their dependents. Participating retirees are required to reimburse the Board for 100% of the premium cost, which is netted against the premium payment, so that no net expense is initially recorded in the Board's financial statements. However, these retirees are receiving an "implicit subsidy" because the premium is a group rate, which includes active, lower-cost employees. This implicit subsidy has a cost; however, this annual cost and the total OPEB liability is measured as the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service. The total OPEB liability and other required disclosures have been calculated for the County, as a whole, and not separately for the Supervisor of Election's Office. Accordingly, these calculations and disclosures can be found in the County's comprehensive annual financial report.

SANTA ROSA COUNTY, FLORIDA SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

4. RISK MANAGEMENT

The Supervisor of Elections is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board uses a Self-Insurance Fund (an internal service fund) to account for and finance its uninsured risks of loss. Under this program, the County is self-insured with respect to the following exposures:

- Workers Compensation
- Auto Physical Damage
- Auto Liability
- Construction and Road Equipment
- Portable Communication Equipment

The County is covered by outside insurance for the following exposures:

- Buildings and contents – \$5,000 deductible
- Boats
- Employee Fidelity
- General Liability – \$25,000 deductible
- Public Officials' Liability – \$25,000 deductible

Conventional insurance remains in effect for buildings and their contents. There also were no significant reductions in insurance coverage from the prior year, and settled claims resulting from conventional insurance risks have not exceeded coverage in any of the past three fiscal years. The County is a member of the Florida Association of Counties Trust, a pooled liability program providing general liability coverage and public officials' liability coverage. The Supervisor of Elections participates in the program and makes payments to the Self-Insurance Fund based on historical estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses.

REQUIRED SUPPLEMENTARY INFORMATION

**SANTA ROSA COUNTY, FLORIDA SUPERVISOR OF ELECTIONS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL –
GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Grant revenues	\$ 31,026	\$ 70,445	\$ 198,952	\$ 128,507
Miscellaneous revenues	-	-	4,624	4,624
Total revenues	31,026	70,445	203,576	133,131
EXPENDITURES				
Current				
General government				
Personal services	651,745	651,745	667,810	(16,065)
Operating	577,750	1,054,128	871,187	182,941
Capital outlay	15,000	46,762	25,192	21,570
Total expenditures	1,244,495	1,752,635	1,564,189	188,446
Excess (deficiency) of revenues over expenditures	(1,213,469)	(1,682,190)	(1,360,613)	321,577
OTHER FINANCING SOURCES				
Board of County Commissioners appropriation	1,213,469	1,682,190	1,360,613	(321,577)
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to the required supplementary information.

**SANTA ROSA COUNTY, FLORIDA SUPERVISOR OF ELECTIONS
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Budgets and Budgetary Accounting

The Supervisor of Elections operates under budget procedures pursuant to Florida Statutes. The Supervisor of Elections' budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. Budget appropriations lapse at the end of the year and are not carried over to the following year. The legal level of budgetary control is at the fund level.

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

Honorable Tappie Villane
Supervisor of Elections of Santa Rosa County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the general fund of the Office of the Supervisor of Elections of Santa Rosa County, Florida (hereinafter referred to as "Supervisor of Elections"), as of and for the year ended September 30, 2019, and the related notes to the financial statements, and have issued our report thereon dated January 14, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Supervisor of Elections' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Supervisor of Elections' internal control. Accordingly, we do not express an opinion on the effectiveness of the Supervisor of Elections' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was, for the limited purpose, described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Supervisor of Elections' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Pensacola, Florida
January 14, 2020

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

Honorable Tappie Villane
Supervisor of Elections of Santa Rosa County, Florida

We have examined the Office of the Supervisor of Elections of Santa Rosa County, Florida's (hereinafter referred to as the "Supervisor of Elections") compliance with Florida Statute 218.415 in regards to investments for the year ended September 30, 2019.

Management is responsible for the Supervisor of Elections' compliance with those requirements. Our responsibility is to express an opinion on the Supervisor of Elections' compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Supervisor of Elections' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Supervisor of Elections' compliance with specified requirements.

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

Warren Averett, LLC

Pensacola, Florida
January 14, 2020

MANAGEMENT LETTER

Honorable Tappie Villane
Supervisor of Elections of Santa Rosa County, Florida

Report on the Financial Statements

We have audited the financial statements of the general fund of the Office of the Supervisor of Elections of Santa Rosa County, Florida (hereinafter referred to as the "Supervisor of Elections"), as of and for the year ended September 30, 2019, and the related notes to the financial statements, and have issued our report thereon dated January 14, 2020.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on Examination of Compliance Requirements in Accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated January 14, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Financial Management

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

Additional Matters

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

Purpose of this Letter

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

Warren Averett, LLC

Pensacola, Florida
January 14, 2020

**SANTA ROSA COUNTY, FLORIDA SUPERVISOR OF ELECTIONS
MANAGEMENT'S RESPONSE TO MANAGEMENT LETTER
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

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

**SANTA ROSA COUNTY, FLORIDA
TAX COLLECTOR**

FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

**SANTA ROSA COUNTY, FLORIDA
TAX COLLECTOR
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INDEPENDENT AUDITORS' REPORT

Honorable Stan Colie Nichols
Tax Collector of Santa Rosa County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements (hereinafter referred to as "financial statements") of the general fund and the tax fund of the Office of the Tax Collector of Santa Rosa County, Florida (hereinafter referred to as "Tax Collector"), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Tax Collector's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Tax Collector's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Tax Collector's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund and tax fund of the Tax Collector, as of September 30, 2019, and the respective changes in financial position, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General of the State of Florida* (the "Rules"). In conformity with the Rules, the accompanying financial statements are intended to present the financial position of the general fund and tax fund and changes in financial position of the general fund of Santa Rosa County that are attributable to the Tax Collector. They do not purport to and do not present fairly the financial position of Santa Rosa County as of September 30, 2019, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, as listed in the table of contents, be presented to supplement the financial statements. Such information, although not a required part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report on our consideration of the Tax Collector's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts and grant agreements and other matters included under the heading "*Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.*" The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tax Collector's internal control over financial reporting and compliance.

Warren Averett, LLC

January 14, 2020
Pensacola, Florida

**SANTA ROSA COUNTY, FLORIDA TAX COLLECTOR
BALANCE SHEET – GENERAL FUND
SEPTEMBER 30, 2019**

ASSETS

Cash	\$ 234,905
Investments	406,237
Total assets	<u>\$ 641,142</u>

LIABILITIES

Accounts payable	\$ 1,186
Accrued payroll, taxes and benefits	118,606
Unearned revenues	97,753
Due to other governmental units	<u>423,597</u>
Total liabilities	641,142

FUND BALANCE

Fund balance	<u>-</u>
Total liabilities and fund balance	<u>\$ 641,142</u>

See notes to the financial statements.

**SANTA ROSA COUNTY, FLORIDA TAX COLLECTOR
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

REVENUES

Charges for services	\$ 4,458,762
Miscellaneous	<u>13,672</u>
Total revenues	4,472,434

EXPENDITURES

Current:	
General government:	
Personal services	3,269,113
Operating	755,793
Capital outlay	<u>37,131</u>
Total expenditures	<u>4,062,037</u>
Excess of revenues over expenditures	410,397

OTHER FINANCING SOURCES (USES)

Unspent revenues	<u>(410,397)</u>
Total other financing sources (uses)	<u>(410,397)</u>

Net change in fund balance	-
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FUND BALANCE, BEGINNING OF YEAR	<u>-</u>
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FUND BALANCE, END OF YEAR	<u><u>\$ -</u></u>
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See notes to the financial statements.

SANTA ROSA COUNTY, FLORIDA TAX COLLECTOR
STATEMENT OF FIDUCIARY NET POSITION –
AGENCY FUND – TAX FUND
SEPTEMBER 30, 2019

ASSETS

Cash	\$ 1,365,383
Miscellaneous receivables	<u>173,169</u>
Total assets	1,538,552

LIABILITIES

Accounts payable	8,500
Due to other governmental units	1,468,646
Miscellaneous liabilities	<u>61,406</u>
Total liabilities	<u>1,538,552</u>

NET POSITION

Net position	<u><u>\$ -</u></u>
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See notes to the financial statements.

**SANTA ROSA COUNTY, FLORIDA TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

1. SUMMARY OF ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the financial statements follows.

Reporting Entity

The Office of the Tax Collector of Santa Rosa County, Florida (the "Tax Collector"), as established by Article VIII, Section 1(d), of the Constitution of the State of Florida, is an elected official of Santa Rosa County, Florida (the "County"). Although the Tax Collector is operationally autonomous from the Santa Rosa County Board of County Commissioners (the "Board"), it does not hold sufficient corporate powers to be considered a legally separate entity for financial reporting purposes. Therefore, the Tax Collector is considered part of County's primary government for external financial reporting purposes.

These financial statements of the Tax Collector are not intended to be a complete presentation of the financial position and results of operations of the County taken as a whole. As permitted by Chapter 10.556(4), *Rules of the Auditor General State of Florida*, the financial statements consist of only the fund level financial statements, as defined in Governmental Accounting Standards Board ("GASB") Statement No. 34, and do not include presentations of government-wide financial statements of the Tax Collector.

Fund Accounting

The accounting system of the Tax Collector is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The funds utilized by the Tax Collector are as follows:

Governmental Funds

These funds utilize a modified accrual basis of accounting. The measurement focus is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources rather than upon net income determination).

General Fund – The general fund of the Tax Collector is used to account for all financial resources which are generated from operations of the office and any other resources not required to be accounted for in another fund.

Fiduciary Funds

The Tax Collector's sole fiduciary fund is an agency fund (the "Tax Fund"). Agency funds are used to account for assets held in a custodial capacity for others. Assets equal liabilities in agency funds and results of operations are not measured. The Tax Fund is used primarily to account for receipts of various types of taxes, licenses and fees collected on behalf of state, county and municipal governmental agencies.

SANTA ROSA COUNTY, FLORIDA TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

1. SUMMARY OF ACCOUNTING POLICIES – CONTINUED

Basis of Accounting

Basis of accounting refers to *when* revenues and expenditures are recognized in the accounts and reported in the financial statements. The basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All governmental funds are accounted for using the modified accrual basis of accounting. The revenues are recognized when they become both measurable and available as net current assets. The Tax Collector considers receivables collected within 60 days after year-end to be available and recognizes them as revenues of the current year. Expenditures are recognized when the related fund liability is incurred. Agency funds use the accrual basis of accounting.

Cash and Cash Equivalents

Cash equivalents are highly-liquid investments with maturities of three months or less when purchased.

Accounting for Capital Assets

Capital assets are recorded as expenditures at the time of purchase by the Tax Collector. These assets (vehicles, equipment and other tangible property and certain intangible property costing at least \$1,000 with a useful life of more than one year) are capitalized at cost and accounted for in the County's government-wide financial statements.

Compensated Absences

Employees accumulate a limited amount of earned, but unused annual and sick leave, which will be paid upon separation from service. Compensated absence expenditures are not recognized in the General Fund until payments are made to employees. However, these unpaid compensated absences are recorded as a liability when the benefits are earned in the County's government-wide financial statements.

Unspent Revenue and Fund Balance

In accordance with Section 218.36, Florida Statutes, unspent revenue is remitted proportionately to the various taxing districts at fiscal year-end. As a result, no fund balance exists at year end in the General Fund.

2. CASH

At September 30, 2019, the bank reported deposits before outstanding checks and deposits of \$1,606,048; all of which was held by a financial institution designated as a "qualified public depository" by the State Treasurer.

All deposits were fully insured through a combination of Federal depository insurance and participation of the financial institution in the multiple financial institution collateral pool as specified in Chapter 280, Florida Statutes. Accordingly, the Tax Collector does not believe it is exposed to any significant credit risk on its cash balances.

**SANTA ROSA COUNTY, FLORIDA TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

3. INVESTMENTS

Florida Statutes authorize the Tax Collector to invest in obligations of the U.S. Treasury and interest-bearing time deposits or savings accounts in banks participating in the multiple financial institution collateral pool.

During the year, the Tax Collector invested surplus funds in the Florida Fixed Income Trust ("FL-FIT") Cash Pool, an external investment pool. The investment in the pool is measured and reported at fair market value using the guidelines established by Generally Accepted Accounting Principles ("GAAP"). FL-FIT follows Financial Accounting Standards Board ("FASB") Accounting Standards Topic ASC 820 *Fair Value Measurement and Disclosure* for financial reporting purposes. ASC 820 defines fair value, establishes a single framework for measuring fair value, and requires disclosures about fair value measurement. FL-FIT does not meet all of the specific criteria outlined in GASB 79 paragraph 4, therefore the Tax Collector measures this investment in the FL-FIT pool at fair value in accordance with paragraph 11 of GASB Statement 31.

The FL-FIT Cash Pool is rated by S&P Global. The current rating is AA+/S1+. The dollar weighted average days to maturity to final ("WAM") of FL-FIT Cash Pool at September 30, 2019, is 135 days.

The Trust is not required to register (and has not registered) with the SEC; however, the fund is an external investment pool that has historically adopted operating procedures consistent with those required by Florida Statutes. At September 30, 2019, the Tax Collector had \$406,237 invested in the FL-FIT Cash Pool.

4. PENSION AND RETIREMENT PLAN

Substantially all full-time employees of the Tax Collector 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 financial report that includes financial statements and required supplementary information. The report may be obtained at www.myfrs.com or by writing to FRS, 2639-C North Monroe Street, Tallahassee, Florida 32399.

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. Both plans, effective July 1, 2011, are funded monthly by a combination of employer and employee contributions.

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. For employees who were enrolled in the plan prior to July 1, 2011, normal retirement benefits are available at age 62 with six or more years of service or to those employees who have at least 30 years of creditable service, regardless of age.

SANTA ROSA COUNTY, FLORIDA TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

4. PENSION AND RETIREMENT PLAN – CONTINUED

Early retirement is available after six years of service with a 5% reduction of benefits for each year prior to the normal retirement age. For employees enrolling in the plan for the first time on or after July 1, 2011, normal retirement benefits are available at age 65 with eight or more years of service or to those employees who have at least 33 years of creditable service, regardless of age. Early retirement is available after eight years of service with a 5% reduction of benefits for each year prior to the normal retirement age. Retirement age and years of service requirements also vary depending on membership class. Retirement benefits are based upon age, average compensation and years-of-service credit, where average compensation is computed as the average of the member's highest five (if enrolled prior to July 1, 2011) or eight (if enrolled on or after July 1, 2011) fiscal years of earnings.

The FRS Investment Plan is a defined contribution plan funded monthly by employer and employee contributions based on salary and membership class. Employer contributions vest after one year of service whereas employee contributions vest immediately. Members in the Investment Plan decide how their funds are allocated between various investment accounts, and the vested funds are portable upon termination. The final retirement benefit is equal to the vested contributions plus investment earnings less expenses and losses allocated to the member's account. Members in the Investment Plan are not eligible for participation in the Deferred Retirement Option Program (DROP).

DROP is available for members of the FRS Pension Plan, who are vested and elect to participate in DROP within one year after reaching normal retirement age. Under this program, a member effectively retires while continuing to be employed for up to five 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 their 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.

Prior to July 2011, the plans were noncontributory for employees with all contributions being the participating FRS employer's responsibility. Effective July 1, 2011, participating employees contribute 3% of their gross salaries each pay period to the plan. 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, 2019, were as follows: regular employees – 8.31%, special risk employees – 24.75%, elected officials – 48.73%, senior management employees – 24.40%, and DROP participants – 14.17%. The Tax Collector's contributions to the Pension Plan, funded on a pay-as-you-go basis, were equal to the actuarially determined contributions for each year. Contributions to the Investment Plan were equal to the legislatively-mandated contribution rates. Contributions to both plans totaled \$237,683, \$215,015 and \$196,231 for the years ended September 30, 2019, 2018 and 2017, respectively.

SANTA ROSA COUNTY, FLORIDA TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

4. PENSION AND RETIREMENT PLAN – CONTINUED

Net Pension Liability-Proportionate Share

The Tax Collector has a net FRS pension liability determined in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. This long-term liability is only reported in the county-wide financial statements and is not a current liability of the General Fund. All required disclosures and schedules may be found in the comprehensive annual financial report of Santa Rosa County, Florida

5. OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN

The Board offers post-employment health care benefits (OPEB) to all retired employees of the Tax Collector's Office and their dependents. Participating retirees are required to reimburse the Board for 100% of the premium cost, which is netted against the premium payment, so that no net expense is initially recorded in the Board's financial statements. However, these retirees are receiving an "implicit subsidy" because the premium is a group rate, which includes active, lower cost employees. This implicit subsidy has a cost; however, this annual cost and the total OPEB liability is measured as the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service. The total OPEB liability and other required disclosures have been calculated for the County as a whole, and not separately for the Tax Collector's Office. Accordingly, these calculations and disclosures can be found in the County's comprehensive annual financial report.

6. LEASES

The Tax Collector leases certain office space and equipment under operating lease agreements with expiration dates through February 2021. Future minimum rental commitments under these leases are as follows:

Fiscal year end September 30:

2020	\$ 28,800
2021	<u>12,000</u>
Total minimum future rental payments	<u><u>\$ 40,800</u></u>

Total lease payments for the year ended September 30, 2019 were \$28,800.

7. RISK MANAGEMENT

The Tax Collector is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board has established a Self-Insurance Fund (an internal service fund) to account for and finance its uninsured risks of loss.

SANTA ROSA COUNTY, FLORIDA TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

7. RISK MANAGEMENT – CONTINUED

Under this program the County is self-insured with respect to the following exposures:

- Workers Compensation
- Auto Physical Damage
- Auto Liability
- Construction and Road Equipment
- Portable Communication Equipment

The County is covered by outside insurance for the following exposures:

- Buildings and Contents, \$5,000 deductible
- Boats
- Employee Fidelity
- General Liability, \$25,000 deductible
- Public Officials' Liability, \$25,000 deductible

Conventional insurance remains in effect for buildings and their contents. There also were no significant reductions in insurance coverage from the prior year and settled claims resulting from conventional insurance risks have not exceeded coverage in any of the past three fiscal years. The County is a member of the Florida Association of Counties Trust, a pooled liability program providing general liability coverage and public officials' liability coverage. The Tax Collector participates in the program and makes payments to the Self-Insurance Fund based on historical estimates of amounts needed to pay prior and current year claims and to establish a reserve for catastrophe losses.

8. LITIGATION

The Tax Collector is contingently liable with respect to lawsuits and other claims, which might be filed incidental to the ordinary course of operations. In the opinion of management, based on the advice of legal counsel, there are no lawsuits or claims outstanding, which will have a material adverse effect on the financial position of the Tax Collector's Office.

**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

SANTA ROSA COUNTY, FLORIDA TAX COLLECTOR
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL –
GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Charges for services	\$ 4,526,771	\$ 4,526,771	\$ 4,458,762	\$ (68,009)
Miscellaneous	51,898	51,898	13,672	(38,226)
Total revenues	4,578,669	4,578,669	4,472,434	(106,235)
EXPENDITURES				
Current:				
General government:				
Personal services	3,308,205	3,308,205	3,269,113	39,092
Operating	750,025	757,435	755,793	1,642
Capital outlay	44,544	37,134	37,131	3
Total expenditures	4,102,774	4,102,774	4,062,037	40,737
Excess of revenues over expenditures	475,895	475,895	410,397	(65,498)
OTHER FINANCING SOURCES (USES)				
Unspent revenues	(475,895)	(475,895)	(410,397)	65,498
Total other financing sources (uses)	(475,895)	(475,895)	(410,397)	65,498
Net change in fund balance	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ -	\$ -

See notes to the required supplementary information.

**SANTA ROSA COUNTY, FLORIDA TAX COLLECTOR
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2019**

Budgets and Budgetary Accounting

The Tax Collector establishes an annual budget pursuant to Section 195.087, Florida Statutes. The budget is submitted to the Florida Department of Revenue for approval. A copy is provided to the Board and is incorporated into the overall county budget. The Tax Collector's budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is the fund level.

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

Honorable Stan Colie Nichols
Tax Collector of Santa Rosa County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the general fund and the tax fund of the Tax Collector of Santa Rosa County, Florida (hereinafter referred to as "Tax Collector"), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Tax Collector's financial statements, and have issued our report thereon dated January 14, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Tax Collector's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Tax Collector's internal control. Accordingly, we do not express an opinion on the effectiveness of the Tax Collector's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Tax Collector's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

January 14, 2020
Pensacola, Florida

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

Honorable Stan Colie Nichols
Tax Collector of Santa Rosa County, Florida

We have examined the Office of the Tax Collector of Santa Rosa County, Florida's (hereinafter referred to as "Tax Collector") compliance with Florida Statute 218.415, in regard to investments for the year ended September 30, 2019. Management is responsible for the Tax Collector's compliance with those requirements. Our responsibility is to express an opinion on the Tax Collector's compliance based on our examination.

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

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

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

Warren Averett, LLC

January 14, 2020
Pensacola, Florida

MANAGEMENT LETTER

Honorable Stan Colie Nichols
Tax Collector of Santa Rosa County, Florida

Report on the Financial Statements

We have audited the financial statements of the general fund and the tax fund of the Office of the Tax Collector of Santa Rosa County, Florida (hereinafter referred to as "Tax Collector"), as of and for the fiscal year ended September 30, 2019, and the related notes to the financial statements, and have issued our report thereon dated January 14, 2020.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on Examination of Compliance Requirements in Accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated January 14, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no recommendations made in the preceding audit report.

Financial Management

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

Additional Matters

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

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Tax Collector and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Warren Averett, LLC

January 14, 2020

**SANTA ROSA COUNTY, FLORIDA TAX COLLECTOR
MANAGEMENT'S RESPONSE TO MANAGEMENT LETTER
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

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