



Santa Rosa County Florida

COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR THE YEAR ENDED
SEPTEMBER 30, 2017

SANTA ROSA COUNTY, FLORIDA

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR THE YEAR ENDED
SEPTEMBER 30, 2017**

**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**

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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

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Milton, Florida 32570
P O BOX 472
Milton, Florida 32572
Telephone: (850) 983-1975
Fax: (850) 983-1986
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March 9, 2018

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, 2017.

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, 2017. 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 167,009. 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 13% growth in population over the past 8 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 which was implemented in the current year and the benefits of this tax are already showing promising progress.

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 15.5% 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 50% of total general fund revenues. This amount is favorable and would cover approximately 6 months' worth of expenditures and transfers out.

During the current year, the County purchased a 19 acre parcel of land. This will be the location of the future courthouse. The County is in the planning stages of designing and financing the construction of the courthouse.

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 33 miles of roads were paved or resurfaced. The Public Works Department also undertook numerous maintenance projects on drainage systems.

The Landfill department began development of a major 90 acre expansion of the Central Landfill.

Economic development aided in the recruitment of Pace CrossRoads, welcoming new stores: Dick's Sporting Goods, Ulta Beauty, and Michael's.

Defense Infrastructure Grant funds were expended to purchase additional land and easement rights to prevent encroachment around NAS Whiting Field and outlying fields.

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, 2016. 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 blue ink, reading "Donald C. Spencer". The signature is fluid and cursive, with a long horizontal stroke extending from the end of the name.

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, 2016

Christopher P. Morill

Executive Director/CEO

Santa Rosa County, Florida
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Fiscal Year Ended September 30, 2017

Board of County Commissioners

Rob Williamson
Chairman
Robert A. “Bob” Cole
Vice Chairman

W. D. ‘Don’ Salter
Lane Lynchard
Sam Parker

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

Tony Gomillion
County Administrator

Roy V. Andrews
County Attorney

Dan Schebler
Assistant County Administrator

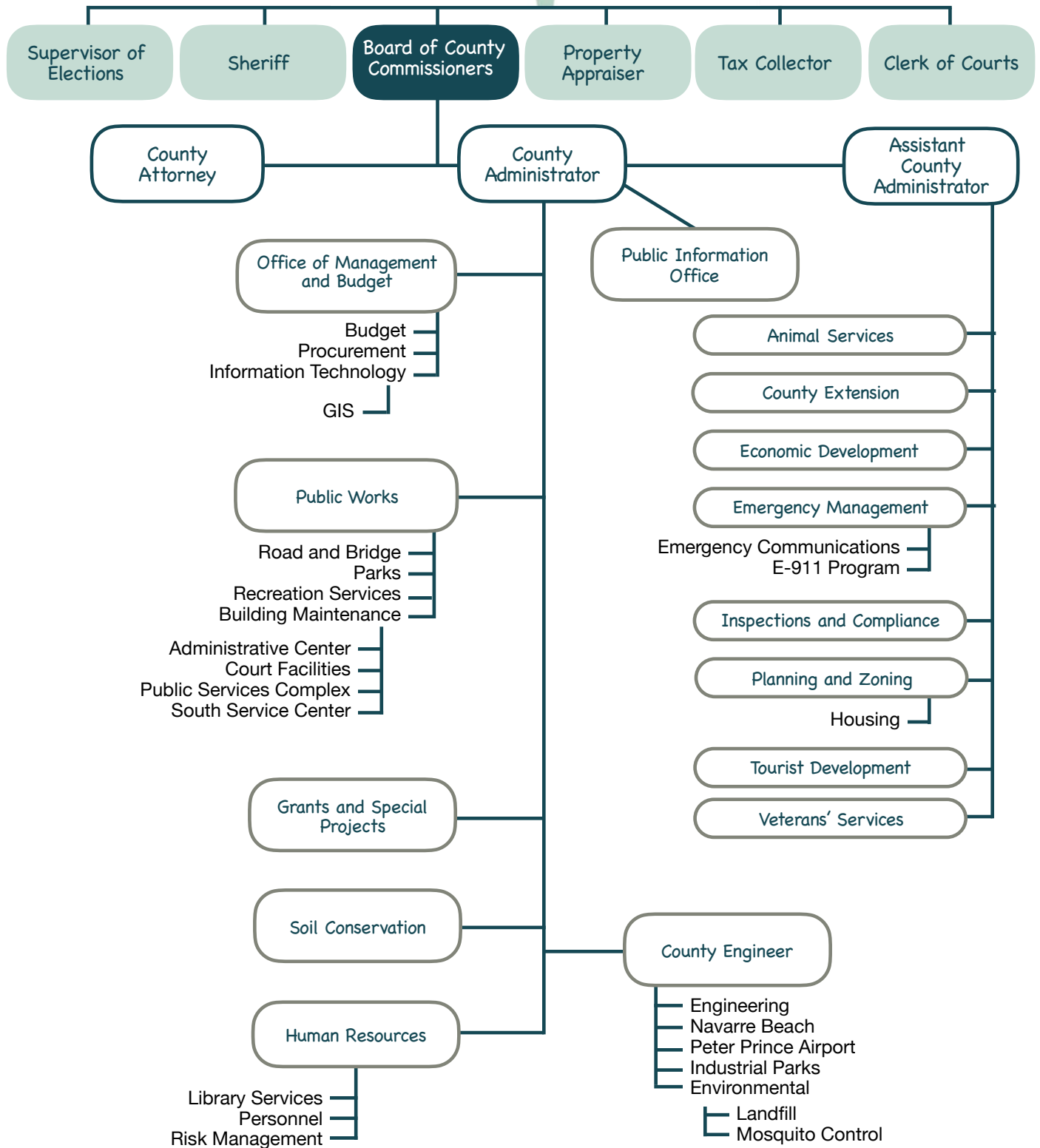
DeVann Cook
Director of Human Resources

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, 2017, 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, 2017, 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 and the road and bridge fund, the schedules of proportionate share of the net pension liability, the schedules of the County's contributions, the schedules of funding progress and employer contributions 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 9, 2018, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 9, 2018
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, 2017. 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 \$186,791,951 (*net position*). Of this amount, \$14,477,768 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's total net position increased by \$7,898,290; governmental activities increased by \$3,677,188 and business-type activities increased by \$4,221,102. The increase in total net position was primarily due to the revenues from the Local Option Sales Tax collections which were approved by the Citizens of Santa Rosa County in November 2016 and increased revenues in the Landfill fund generated by a rate increase that was implemented midway through the prior year and increased traffic.
- At the close of the current fiscal year, the County governmental funds reported combined fund balances of \$77,058,504, an increase of \$9,316,874 in comparison with the prior year. Approximately 43% of this amount (\$32,765,298) 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 \$58,191,114, or approximately 76% of total general fund expenditures.
- The County's total outstanding long-term notes decreased by \$1,906,768 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 26-28 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 the majority its governmental funds. Budgetary comparison schedules are provided as required supplementary information for the general fund as well as the road and bridge and local option sales tax special revenue funds.

The basic governmental fund financial statements can be found on pages 29-32 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, 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 33-35 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 36 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 37-73 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 74 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 84 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 \$186.8 million as of September 30, 2017.

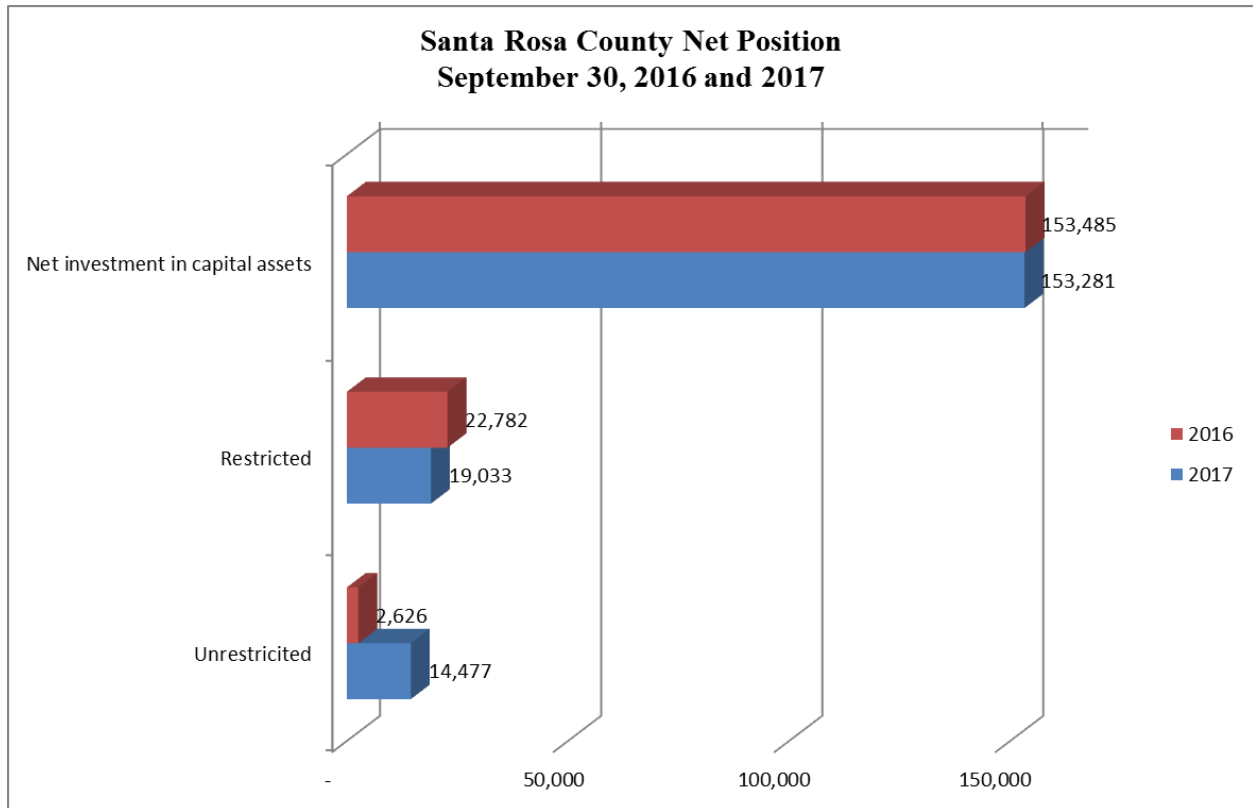
Santa Rosa County's Net Position

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 91,728	\$ 78,160	\$ 23,603	\$ 19,347	\$ 115,331	\$ 97,507
Capital assets	144,112	146,391	16,928	16,760	161,040	163,151
Total assets	235,840	224,551	40,531	36,107	276,371	260,658
Deferred outflows of resources	28,274	23,910	716	648	28,990	24,558
Long-term liabilities						
outstanding	90,891	82,779	13,750	14,060	104,641	96,839
Other liabilities	7,876	6,094	822	324	8,698	6,418
Total liabilities	98,767	88,873	14,572	14,384	113,339	103,257
Deferred inflow of resources	5,083	3,001	148	65	5,231	3,066
Net position						
Net investment in						
capital assets	138,455	139,306	14,826	14,179	153,281	153,485
Restricted	18,257	14,142	776	8,640	19,033	22,782
Unrestricted	3,552	3,139	10,925	(513)	14,477	2,626
Total net position	\$ 160,264	\$ 156,587	\$ 26,527	\$ 22,306	\$ 186,791	\$ 178,893

The largest portion of the County's net position (82%) 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 (10%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$14,477,768 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

At the end of the current fiscal year, the County is able to report positive balances in all reported categories of net position.



However, the County's overall net position increased \$7,898,290 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

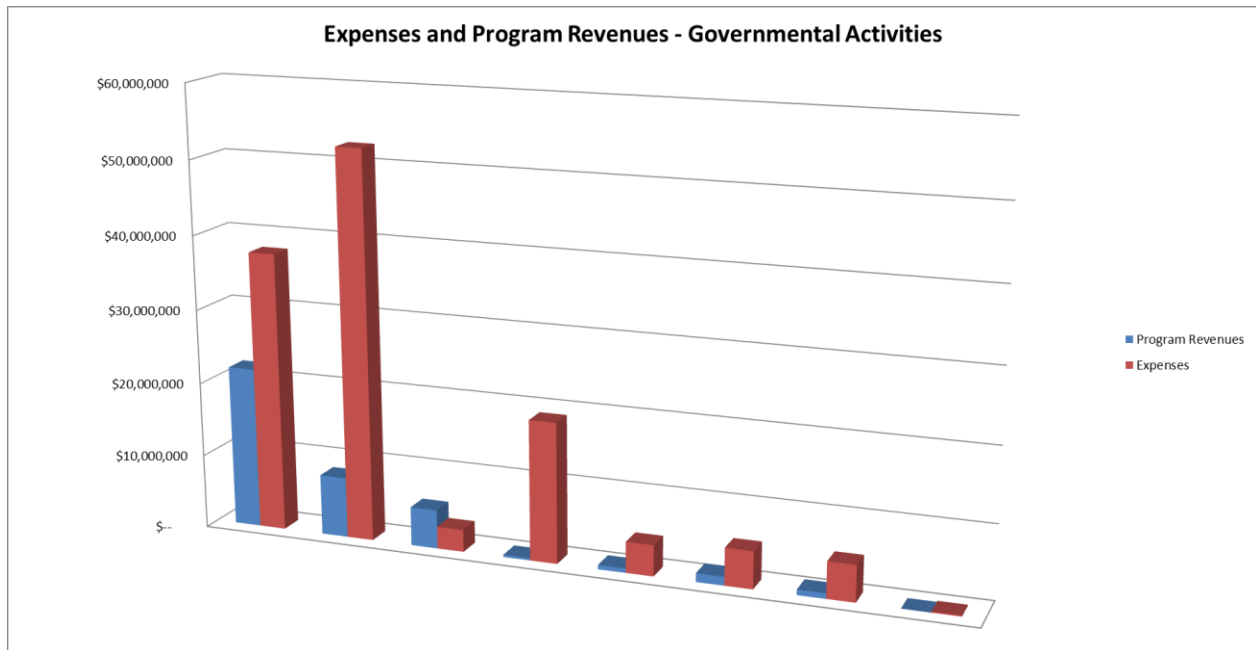
Governmental Activities

During the current fiscal year, net position for governmental activities increased \$3,677,188 from the prior fiscal year for an ending balance of \$160,264,715. This increase primarily relates to the Local Option Sales Tax Fund which was established in the current year after being approved by the citizens of Santa Rosa County in November 2016 which is also offset by a decrease in operating grant revenues as a result of the Navarre Beach berm restoration project which was completed in the previous year.

Santa Rosa County's Changes in Net Position

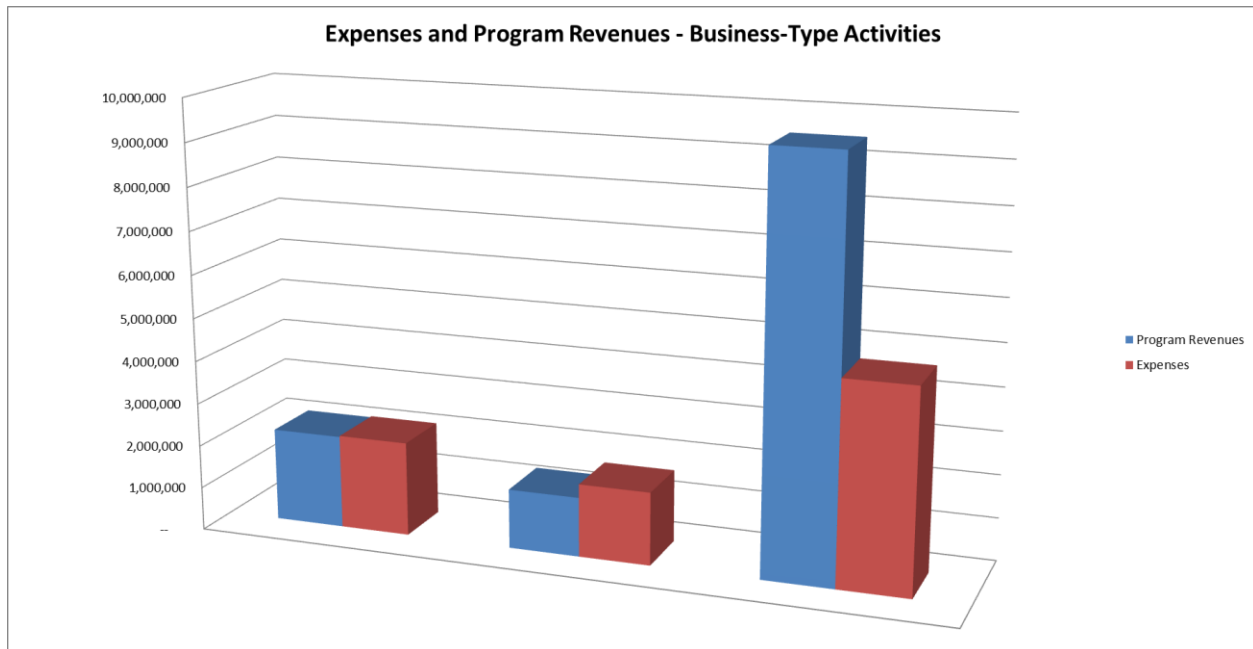
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues						
Charges for services	\$ 33,625	\$ 32,946	\$ 11,964	\$ 10,388	\$ 45,589	\$ 43,334
Operating grants & contributions	3,682	12,903	--	--	3,682	12,903
Capital grants & contributions	820	3,092	1,080	67	1,900	3,159
General revenues						
Property tax	49,696	49,251	--	--	49,696	49,251
Sales, use and fuel tax	15,431	9,220	--	--	15,431	9,220
Communications services	1,179	1,264	--	--	1,179	1,264
Grants and contributions	15,655	14,930	--	--	15,655	14,930
Investment earnings	539	310	140	92	679	402
Other	8,989	6,572	131	96	9,120	6,668
Total revenues	129,616	130,488	13,315	10,643	142,931	141,131
Expenses:						
General government	37,737	34,535	--	--	37,737	34,535
Public safety	52,450	47,580	--	--	52,450	47,580
Physical environment	2,998	16,540	--	--	2,998	16,540
Transportation	18,935	16,928	--	--	18,935	16,928
Economic environment	4,199	3,586	--	--	4,199	3,586
Human services	5,058	5,210	--	--	5,058	5,210
Culture and recreation	4,936	4,431	--	--	4,936	4,431
Interest on long term debt	142	851	--	--	142	851
Water and sewer	--	--	2,189	2,019	2,189	2,019
Airport	--	--	1,693	539	1,693	539
Landfill	--	--	4,696	4,073	4,696	4,073
Total expenses	126,455	129,661	8,578	6,631	135,033	136,292
Increase in net position before transfers	3,161	827	4,737	4,012	7,898	4,839
Transfers	516	--	(516)	--	--	--
Change in net position	3,677	827	4,221	4,012	7,898	4,839
Net position, beg. of year	156,587	155,760	22,306	18,294	178,893	174,054
Net position, end of year	<u>\$ 160,264</u>	<u>\$ 156,587</u>	<u>\$ 26,527</u>	<u>\$ 22,306</u>	<u>\$ 186,791</u>	<u>\$ 178,893</u>

The following graph displays the Governmental Activities current program revenues and expenses by function for fiscal year 2017.



Business-type Activities

For the County's business-type activities, the results for the current fiscal year were positive in that overall net position increased to reach an ending balance of \$26,527,236. The total increase in net position for business-type activities was \$4,221,102 or 18.9% from the prior fiscal year. The growth, in large part, is attributable to a rate increase enacted midway through the prior fiscal year in the solid waste disposal fund as well as increased usage of the landfill.

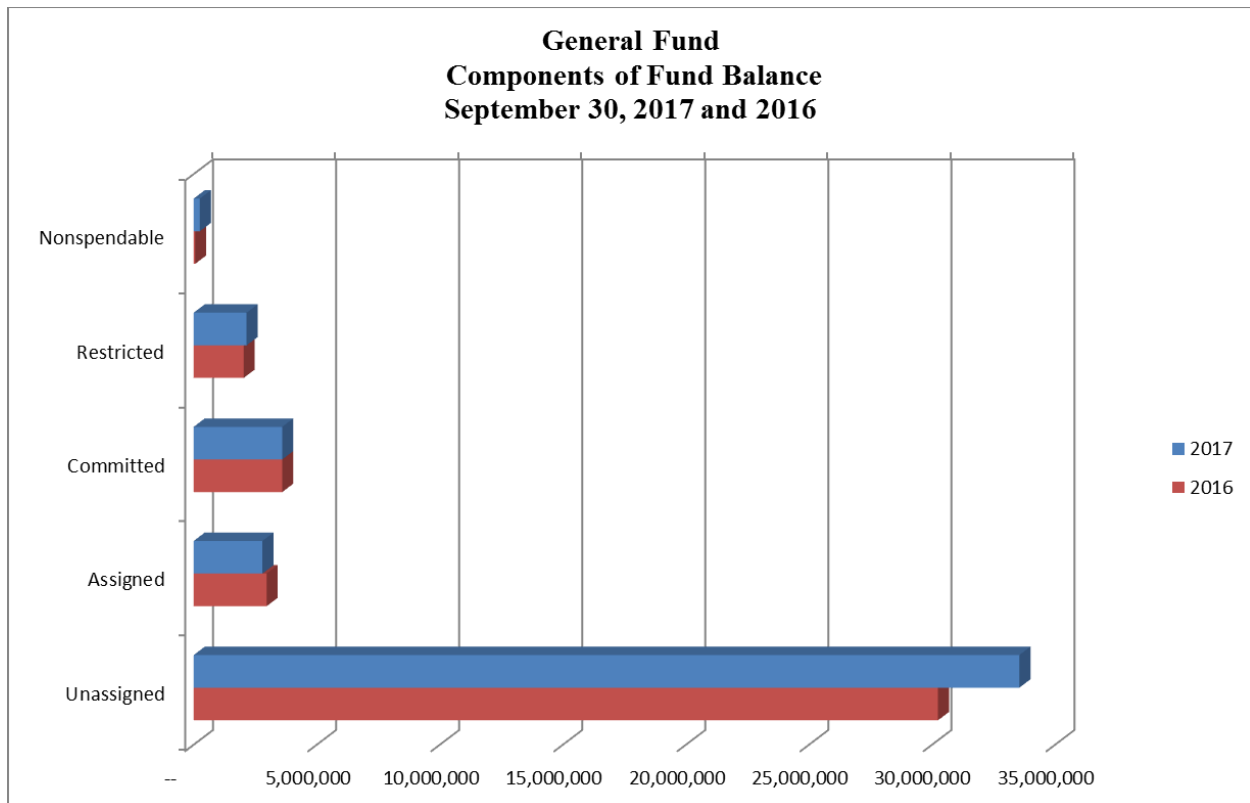


Financial Analysis of Governmental Funds

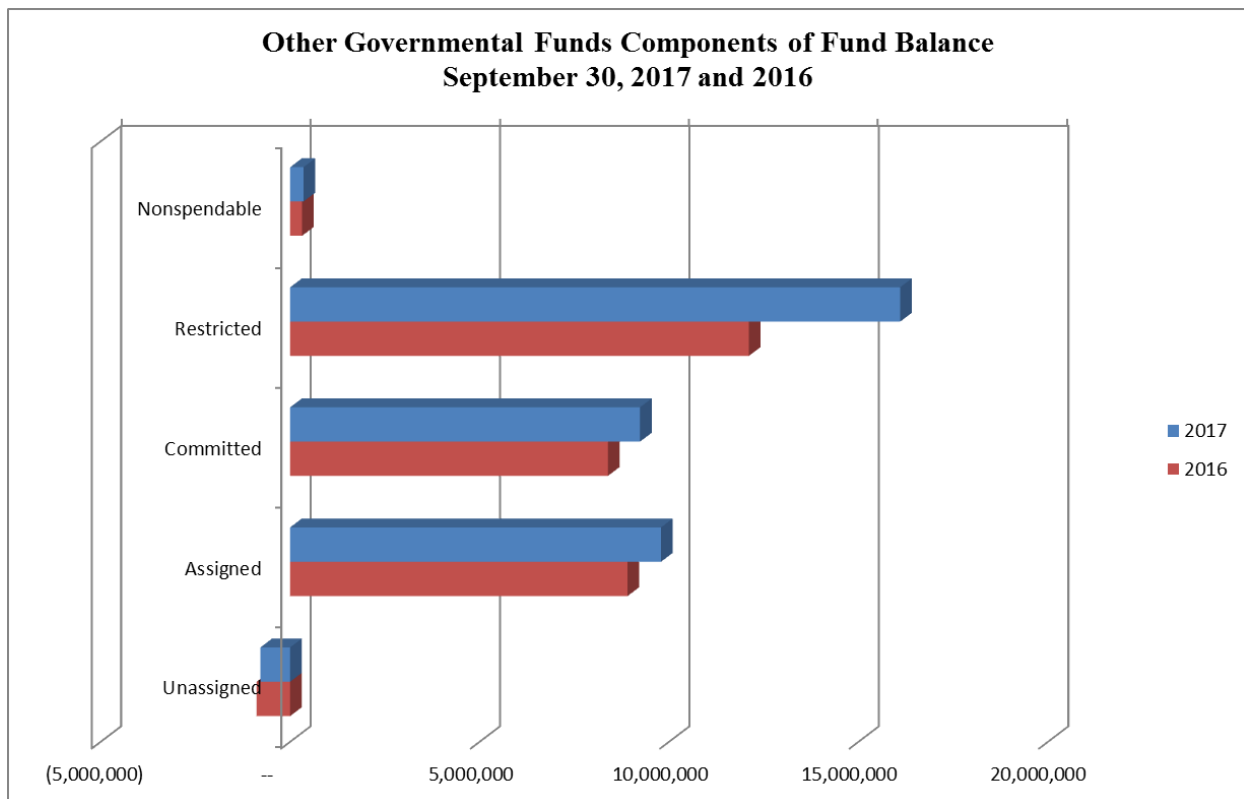
As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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 an external party, the County itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the County.

At September 30, 2017, the County's governmental funds reported combined fund balances of \$77,058,504, an increase of \$9,316,874 in comparison with the prior year. Approximately 43% of this amount (\$32,765,298 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 1) not in spendable form (\$610,354), 2) restricted for particular purposes (\$18,257,036), 3) committed for particular purposes (\$12,836,982), or 4) assigned for particular purposes (\$12,588,834).



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 \$33,552,433, while total fund balance increased to \$42,359,951. 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 43 % of total general fund expenditures, while total fund balance represents approximately 54% of that same amount.



The fund balance of the County's general fund increased by \$3,450,097 during the current fiscal year. As discussed earlier in connection with governmental activities, the increase was due to a reduction in general fund expenditures due to the establishment of the Local Option Sales Tax Fund for capital projects.

The road and bridge fund, a major fund, had a \$753,880 increase in fund balance during the current fiscal year which put the overall fund balance at \$9,346,271. The fund reports an assigned fund balance of \$8,677,611, and accounts for fuel and other taxes designated for road improvements. During the year, fund balance increased by \$753,880 primarily due to the implementation of an additional gas tax. Expenditures exceeded revenues by \$1,672,396 as expected which was covered by transfers from the Electricity Franchise Fund.

The local option sales tax fund, the remaining major governmental fund, was created during the fiscal year to account for the revenues and expenditures of the local option sales tax which was approved by the citizens of Santa Rosa County in 2016 to fund capital expenditures. The fund had an increase to fund balance which also resulted in the overall fund balance of \$4,058,948.

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 \$2,538,497 and for the Landfill fund was \$7,616,929. The total change in net position for both funds was \$(93,506) and \$4,639,932, respectively. The decrease for the Navarre Beach fund resulted from an several engineering and professional fees related to the wellhouse, lift station, and the regional reuse system. As discussed in the business –type

activities section, the increase in the Landfill fund is attributable to a rate increase enacted midway through the prior fiscal year in the solid waste disposal fund as well as increased usage of landfill.

General Fund Budgetary Highlights

Original budget compared to final budget. During the year, the General Fund's original expenditure budget was increased by \$3,449,736. 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 and transfers out for Local Agency Sidewalk Programs, debt service, and industrial park improvements.

Final budget compared to actual results. The General Fund under spent the final budget by \$6,190,144 or 7.3%. The primary reasons actual expenditures were less than the final budget was primarily for funds budgeted for a trunked emergency communications radio enhancement which weren't expended but were subsequently re-budgeted in the following year and for several Local Agency Program (LAP) projects for sidewalks that weren't completed and funds were also re-budgeted to the following year.

	Original Budget	Final Budget	Change in Budget	Actual	Actual Variance from Budget
General government	\$ 25,684,281	\$ 27,920,772	\$ 2,236,491	\$ 24,742,470	\$ (3,178,302)
Public safety	44,414,113	44,806,191	392,078	42,860,710	(1,945,481)
Physical environment	1,588,971	1,859,487	270,516	1,575,934	(283,553)
Transportation	1,019,340	1,019,340	--	949,029	(70,311)
Economic environment	690,576	825,576	135,000	620,988	(204,588)
Human services	5,036,644	5,062,898	26,254	4,881,955	(180,943)
Culture and recreation	3,198,667	3,588,064	389,397	3,261,098	(326,966)
	<u>\$ 81,632,592</u>	<u>\$ 85,082,328</u>	<u>\$ 3,449,736</u>	<u>\$ 78,892,184</u>	<u>\$ (6,190,144)</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, 2017, amounts to \$161,040,521 (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 decrease in capital assets for the current fiscal year was approximately 1.3%.

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

	Governmental Activities		Business-type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Land	\$ 19,819	\$ 19,802	\$ 1,191	\$ 1,191	\$ 21,010	\$ 20,993
Construction in progress	423	371	1,070	63	1,493	434
Buildings	16,612	19,444	1,791	1,919	18,403	21,363
Improvements other than buildings	88,516	87,554	11,807	12,545	100,323	100,099
Machinery, furniture and equip.	18,741	19,221	1,070	1,042	19,811	20,263
Totals	<u>\$ 144,111</u>	<u>\$ 146,392</u>	<u>\$ 16,929</u>	<u>\$ 16,760</u>	<u>\$ 161,040</u>	<u>\$ 163,152</u>

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

- Various projects related to streets, sidewalks and storm water drains at a cost of approximately \$6 million.
- New equipment for the Sheriff's office at a cost of \$1,536,798
- Total decrease in capital assets net of accumulated depreciation was primarily due to current year depreciation expense.

Additional information on the County's capital assets can be found in Note F on pages 52-53 of this report.

Long-term Debt. At the end of the current fiscal year, the County had total notes outstanding of \$7,759,347. Of this amount, \$6,680,064 is debt backed by various revenues of the County and \$1,079,284 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		Business-type		Totals	
	Activities		Activities			
	2017	2016	2017	2016	2017	2016
General obligation notes	\$ 3,837	\$ 4,564	\$ -	\$ -	\$ 3,837	\$ 4,564
Revenue notes	741	833	2,103	2,581	2,844	3,414
Special assessment notes	1,079	1,688	-	-	1,079	1,688
Totals	<u>\$ 5,657</u>	<u>\$ 7,085</u>	<u>\$ 2,103</u>	<u>\$ 2,581</u>	<u>\$ 7,760</u>	<u>\$ 9,666</u>

The County's total debt decreased by \$1,906,769, (20%) 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 53-58 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 2017-18 fiscal year budget.

- The taxable assessed property values increased 4.3%.
- Sales tax revenues are expected to generate approximately \$8 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, 2017

ASSETS	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 80,466,289	\$ 12,373,597	\$ 92,839,886
Investments	1,366,047	10,035,008	11,401,055
Receivables, net	9,285,819	1,183,930	10,469,749
Inventory	427,233	--	427,233
Prepaid expenses	183,121	10,850	193,971
Capital assets, net			
Nondepreciable	20,242,178	2,260,847	22,503,025
Depreciable	123,869,902	14,667,592	138,537,494
Total assets	<u>235,840,589</u>	<u>40,531,824</u>	<u>276,372,413</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows on pension	25,850,084	630,919	26,481,003
Deferred outflows on health insurance subsidy	<u>2,423,751</u>	<u>85,207</u>	<u>2,508,958</u>
Total deferred outflows of resources	<u>28,273,835</u>	<u>716,126</u>	<u>28,989,961</u>
LIABILITIES			
Accounts payable	4,823,209	689,083	5,512,292
Accrued wages payable	1,522,292	56,763	1,579,055
Interest payable	67,377	--	67,377
Due to other governments	933,079	1,730	934,809
Deposits	317,686	74,990	392,676
Unearned revenue	211,972	--	211,972
Noncurrent liabilities			
Due within one year	6,090,604	735,323	6,825,927
Due in more than one year	<u>84,800,572</u>	<u>13,014,279</u>	<u>97,814,851</u>
Total liabilities	<u>98,766,791</u>	<u>14,572,168</u>	<u>113,338,959</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows on pension	3,510,889	88,629	3,599,518
Deferred inflows on health insurance subsidy	<u>1,572,029</u>	<u>59,917</u>	<u>1,631,946</u>
Total deferred inflows of resources	<u>5,082,918</u>	<u>148,546</u>	<u>5,231,464</u>

Continued ...

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

Santa Rosa County, Florida

STATEMENT OF NET POSITION (Continued)

September 30, 2017

NET POSITION	Governmental Activities	Business-type Activities	Total
Net investment in capital assets	138,455,253	14,825,920	153,281,173
Restricted for:			
Landfill closure	--	775,974	775,974
Communications	1,403,428	--	1,403,428
Boating improvement	490,514	--	490,514
Domestic violence	178,902	--	178,902
Voter education	2,748	--	2,748
Pollworker recruitment	1,887	--	1,887
Federal elections	8,384	--	8,384
Partners for pets	68,479	--	68,479
Navarre Beach Bridge maintenance	313,705	--	313,705
Infrastructure development	5,438,384	--	5,438,384
Law Enforcement Trust Fund	101,466	--	101,466
Crime prevention	430,875	--	430,875
Mosquito control	41,294	--	41,294
Federal and state grants	1,588,741	--	1,588,741
Enhanced 911 system	750,985	--	750,985
Tourist development	2,602,497	--	2,602,497
State Housing Improvement Program	799,102	--	799,102
Flood Mitigation	1,044,519	--	1,044,519
Road and sewer construction	568,454	--	568,454
Canal maintenance	97,789	--	97,789
Street lighting	116,577	--	116,577
Beach restoration	18,374	--	18,374
State court operations	46,606	--	46,606
Court equipment and technology	671,740	--	671,740
Records modernization trust fund	559,971	--	559,971
Law enforcement training	55,200	--	55,200
Inmate welfare purchases	856,415	--	856,415
Unrestricted	3,552,426	10,925,342	14,477,768
Total net position	<u>\$ 160,264,715</u>	<u>\$ 26,527,236</u>	<u>\$ 186,791,951</u>

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

Santa Rosa County, Florida

STATEMENT OF ACTIVITIES

Year ended September 30, 2017

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	\$ 37,736,557	\$ 21,197,919	\$ 629,711	\$ --	\$ (15,908,927)		\$ (15,908,927)
Public safety	52,450,324	6,896,820	889,022	400,346	(44,264,136)		(44,264,136)
Physical environment	2,998,450	4,905,470	218,104	130,655	2,255,779		2,255,779
Transportation	18,934,986	89,554	219,977	--	(18,625,455)		(18,625,455)
Economic environment	4,199,034	--	317,895	288,577	(3,592,562)		(3,592,562)
Human services	5,057,580	40,752	1,147,684	--	(3,869,144)		(3,869,144)
Culture and recreation	4,936,499	494,202	259,768	--	(4,182,529)		(4,182,529)
Interest on long-term debt	142,439	--	--	--	(142,439)		(142,439)
Total governmental activities	126,455,869	33,624,717	3,682,161	819,578	(88,329,413)		(88,329,413)
Business-type activities:							
Navarre Beach water and sewer	2,189,343	2,163,525	--	--		\$ (25,818)	(25,818)
Peter Prince Airport	1,693,305	297,426	--	1,080,363		(315,516)	(315,516)
Landfill	4,696,122	9,503,609	--	--		4,807,487	4,807,487
Total business-type activities	8,578,770	11,964,560	--	1,080,363		4,466,153	4,466,153
Total	135,034,639	45,589,277	3,682,161	1,899,941	(88,329,413)	4,466,153	(83,863,260)
General revenues:							
Taxes							
Property taxes					49,696,435	--	49,696,435
Sales, use and fuel taxes					15,431,701	--	15,431,701
Communication services taxes					1,179,568	--	1,179,568
Grants and contributions not restricted to specific programs					15,654,670	--	15,654,670
Unrestricted investment earnings					539,578	139,703	679,281
Miscellaneous					8,988,712	61,301	9,050,013
Gain on sale of assets					--	69,882	69,882
Transfers					515,937	(515,937)	--
Total general revenues and transfers					92,006,601	(245,051)	91,761,550
Change in net position					3,677,188	4,221,102	7,898,290
Net position - beginning					156,587,527	22,306,134	178,893,661
Net position - ending					\$ 160,264,715	\$ 26,527,236	\$ 186,791,951

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

Santa Rosa County, Florida

**BALANCE SHEET
GOVERNMENTAL FUNDS**

September 30, 2017

ASSETS	General	Road and Bridge	Local Option Sales Tax	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 40,260,419	\$ 8,140,589	\$ 3,522,367	\$ 21,646,518	\$ 73,569,893
Investments	721,972	--	--	--	721,972
Receivables, net of uncollectibles					
Accounts	119,296	26,787	--	682,433	828,516
Leases - current	273,188	--	--	--	273,188
Notes	436,375	--	--	--	436,375
Due from other governments	4,245,408	1,263,171	548,711	1,630,426	7,687,716
Due from other funds	630,308	--	--	36,047	666,355
Inventory	72,278	354,955	--	--	427,233
Prepaid expenditures	183,121	--	--	--	183,121
Total assets	<u>\$ 46,942,365</u>	<u>\$ 9,785,502</u>	<u>\$ 4,071,078</u>	<u>\$ 23,995,424</u>	<u>\$ 84,794,369</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,938,332	\$ 307,248	\$ 12,130	\$ 1,395,476	\$ 3,653,186
Accrued wages payable	1,272,519	131,983	--	112,710	1,517,212
Deposits	317,686	--	--	--	317,686
Unearned revenue	143,409	--	--	68,563	211,972
Due to other funds	724	--	--	665,631	666,355
Due to other governments	473,369	--	--	459,710	933,079
Total liabilities	<u>4,146,039</u>	<u>439,231</u>	<u>12,130</u>	<u>2,702,090</u>	<u>7,299,490</u>
Deferred inflows of resources:					
Deferred inflows of resources related to note receivable	<u>436,375</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>436,375</u>
Combined liabilities and deferred inflows of resources	4,582,414	439,231	12,130	2,702,090	7,735,865
Fund balances:					
Nonspendable	255,399	354,955	--	--	610,354
Restricted	2,154,342	313,705	4,058,948	11,730,041	18,257,036
Committed	3,600,551	--	--	9,236,431	12,836,982
Assigned	2,797,226	8,677,611	--	1,113,997	12,588,834
Unassigned	<u>33,552,433</u>	<u>--</u>	<u>--</u>	<u>(787,135)</u>	<u>32,765,298</u>
Total fund balances	<u>42,359,951</u>	<u>9,346,271</u>	<u>4,058,948</u>	<u>21,293,334</u>	<u>77,058,504</u>
Total liabilities and fund balances	<u>\$ 46,942,365</u>	<u>\$ 9,785,502</u>	<u>\$ 4,071,078</u>	<u>\$ 23,995,424</u>	<u>\$ 84,794,369</u>

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

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

September 30, 2017

Total Governmental Funds Balances	\$ 77,058,504
--	---------------

*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	144,112,080	
Less: Internal Service Fund capital assets	(2,230)	144,109,850

Long-term receivables are not available to pay for current period expenditures and, therefore, are deferred on the modified accrual basis in governmental funds.	436,375
--	---------

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	25,850,084	
Less: Internal Service Fund Deferred outflows on pensions	(63,061)	
Deferred outflows on health insurance subsidy	2,423,751	
Less: Internal Service Fund Deferred outflows on health insurance subsidy	(9,431)	28,201,343

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	(90,891,176)	
Add: interest payable due to interest accruals	(67,377)	
Less: Internal Service Fund insurance claims payable	3,929,978	
Less: Internal Service Fund compensated absences	9,027	
Less: Internal Service Fund other postemployment benefits liability	31,796	
Less: Internal Service Fund net pension liability	138,790	
Less: Internal Service Fund net health insurance subsidy liability	67,746	(86,781,216)

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	(3,510,889)	
Less: Internal Service Fund deferred inflows on pensions	16,375	
Deferred inflows on health insurance subsidy	(1,572,029)	
Less: Internal Service Fund deferred inflows on health insurance subsidy	5,599	(5,060,944)

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.

2,300,803

Net Position of Governmental Activities	\$ 160,264,715
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The accompanying notes are an integral part of these financial statements.

Santa Rosa County, Florida

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

Year ended September 30, 2017

	General	Road and Bridge	Local Option Sales Tax	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 51,424,086	\$ 7,659,166	\$ 5,030,555	\$ 2,193,897	\$ 66,307,704
Permits, fees and special assessments	3,026,800	--	--	11,158,489	14,185,289
Intergovernmental	13,106,603	3,879,061	--	3,464,851	20,450,515
Charges for services	9,594,444	116,062	--	5,203,210	14,913,716
Fines and forfeits	365,881	--	--	1,079,017	1,444,898
Miscellaneous	1,824,254	514,954	99	1,140,276	3,479,583
Total revenues	<u>79,342,068</u>	<u>12,169,243</u>	<u>5,030,654</u>	<u>24,239,740</u>	<u>120,781,705</u>
Expenditures					
Current					
General government	24,742,470	--	--	5,426,311	30,168,781
Public safety	42,860,710	--	194,540	5,903,222	48,958,472
Physical environment	1,575,934	359,870	--	899,393	2,835,197
Transportation	949,029	13,481,769	519,975	972,488	15,923,261
Economic environment	620,988	--	--	3,582,542	4,203,530
Human services	4,881,955	--	--	164,811	5,046,766
Culture and recreation	3,261,098	--	--	46,458	3,307,556
Capital outlay	--	--	--	1,770	1,770
Debt service	--	--	--	1,584,785	1,584,785
Total expenditures	<u>78,892,184</u>	<u>13,841,639</u>	<u>714,515</u>	<u>18,581,780</u>	<u>112,030,118</u>
Excess (deficiency) of revenues over expenditures	449,884	(1,672,396)	4,316,139	5,657,960	8,751,587
Other financing sources (uses)					
Transfers in	4,928,390	2,721,313	--	4,588,172	12,237,875
Transfers out	(1,938,453)	(334,111)	(257,191)	(9,192,183)	(11,721,938)
Total other financing sources (uses)	<u>2,989,937</u>	<u>2,387,202</u>	<u>(257,191)</u>	<u>(4,604,011)</u>	<u>515,937</u>
Net change in fund balances	3,439,821	714,806	4,058,948	1,053,949	9,267,524
Fund balances, beginning of year	38,909,854	8,592,391	--	20,239,385	67,741,630
Change in reserve for inventory	<u>10,276</u>	<u>39,074</u>	<u>--</u>	<u>--</u>	<u>49,350</u>
Fund balances, end of year	<u>\$ 42,359,951</u>	<u>\$ 9,346,271</u>	<u>\$ 4,058,948</u>	<u>\$ 21,293,334</u>	<u>\$ 77,058,504</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, 2017

Net Change in Fund Balances - Total Governmental Funds	\$	9,267,524
--	----	-----------

*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		9,653,399
Current period depreciation		(11,767,041)
Current period loss on disposal of capital assets, net of proceeds		(164,306)

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		582,579
----------------------------	--	---------

Repayment of debt principal is an expenditure in the governmental funds, but
the repayment reduces long-term liabilities in the statement of net assets.
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		(586,006)
Current period note payments		819,777
Current period special assessment note payments		608,771
Current period change in pension liability		(7,872,013)
Current period change in health insurance subsidy		1,182,297
Current period increase in other post employment benefits liability		(321,807)
Current period change in deferred outflow of resources on pensions		4,669,375
Current period change in deferred inflow of resources on pensions		(853,551)
Current period change in deferred outflow of resources on health insurance subsidy		(311,850)
Current period change in deferred inflow of resources on health insurance subsidy		(1,220,953)

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

(58,357)

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		49,350
---------------------------------	--	--------

Change in Net Position of Governmental Activities	\$	<u>3,677,188</u>
---	----	------------------

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

Santa Rosa County, Florida

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

September 30, 2017

	Business-type Activities				Governmental
	Major Funds				Activities
	Navarre		Peter	Total	Internal
ASSETS	Beach	Landfill	Prince	Enterprise	Service
			Field	Funds	Fund
Current assets:					
Cash and cash equivalents	\$ 2,819,175	\$ 8,774,543	\$ 779,879	\$ 12,373,597	\$ 6,896,396
Investments	--	--	--	--	644,075
Accounts receivable	185,444	978,086	20,400	1,183,930	31,618
Due from other governments	--	--	--	--	28,406
Prepaid expenses	--	10,850	--	10,850	--
Total current assets	3,004,619	9,763,479	800,279	13,568,377	7,600,495
Noncurrent assets					
Restricted investments	--	10,035,008	--	10,035,008	--
Capital assets, net of accumulated depreciation	4,960,938	7,819,071	4,148,430	16,928,439	2,230
Total noncurrent assets	4,960,938	17,854,079	4,148,430	26,963,447	2,230
Total assets	7,965,557	27,617,558	4,948,709	40,531,824	7,602,725
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflow on pension	134,003	486,659	10,257	630,919	63,061
Deferred outflow on health insurance subsidy	19,448	64,386	1,373	85,207	9,431
Total deferred outflows of resources	153,451	551,045	11,630	716,126	72,492
LIABILITIES					
Current liabilities					
Accounts payable	66,904	617,497	4,682	689,083	1,170,023
Current portion of claims payable	--	--	--	--	657,856
Accrued wages payable	10,504	45,450	809	56,763	5,080
Due to other governments	--	--	1,730	1,730	--
Compensated absences - current portion	26,355	195,000	--	221,355	9,027
Note payable - current	496,485	--	--	496,485	--
Deposits	8,400	65,540	1,050	74,990	--
Current portion of landfill closure costs	--	17,483	--	17,483	--
Total current liabilities	608,648	940,970	8,271	1,557,889	1,841,986
Noncurrent liabilities					
Long term portion of compensated absences	--	116,529	--	116,529	--
Long term portion of claims payable	--	--	--	--	3,272,122
Long term portion of landfill closure costs	--	9,241,551	--	9,241,551	--
Note payable - noncurrent	1,606,035	--	--	1,606,035	--
Net pension liability	282,172	973,929	20,644	1,276,745	138,790
Net health insurance subsidy liability	125,177	374,669	8,084	507,930	67,746
OPEB liability	63,846	199,012	2,631	265,489	31,796
Total noncurrent liabilities	2,077,230	10,905,690	31,359	13,014,279	3,510,454
Total liabilities	2,685,878	11,846,660	39,630	14,572,168	5,352,440
DEFERRED INFLOWS OF RESOURCES					
Deferred inflow on pension	24,625	62,625	1,379	88,629	16,375
Deferred inflow on health insurance subsidy	11,590	47,343	984	59,917	5,599
Total deferred inflows of resources	36,215	109,968	2,363	148,546	21,974
NET POSITION					
Net investment in capital assets	2,858,418	7,819,072	4,148,430	14,825,920	2,230
Restricted for landfill closure	--	775,974	--	775,974	--
Unrestricted	2,538,497	7,616,929	769,916	10,925,342	2,298,573
Total net position	\$ 5,396,915	\$ 16,211,975	\$ 4,918,346	\$ 26,527,236	\$ 2,300,803

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, 2017

	Business-type Activities				Governmental
	Major Funds			Total	Activities
	Navarre		Peter	Enterprise	Internal
	Beach	Landfill	Prince	Funds	Service
			Field		Fund
Operating revenues					
Permits, fees and special assessments	\$ --	\$ 109,800	\$ --	\$ 109,800	\$ --
Charges for services	2,163,525	9,393,809	297,426	11,854,760	1,273,492
Insurance proceeds	--	--	--	--	2,652,988
Miscellaneous	9,678	51,136	487	61,301	87
Total operating revenues	2,173,203	9,554,745	297,913	12,025,861	3,926,567
Operating expenses					
Personal services	469,165	2,082,956	39,250	2,591,371	222,907
Contract services	721,832	710,169	42,762	1,474,763	209,349
Supplies	126,585	64,034	1,100	191,719	16,640
Repairs and maintenance	186,344	500,719	1,267,804	1,954,867	797
Utilities	82,577	68,909	21,861	173,347	--
Depreciation	553,540	559,144	318,955	1,431,639	1,408
Amortization	--	--	--	--	--
Travel and per diem	315	4,035	--	4,350	107
Insurance	16,100	57,500	--	73,600	975,171
Communications	11,716	28,256	184	40,156	226
Advertising	--	188	--	188	--
Fuel and oil	14,360	205,243	--	219,603	--
Rentals	--	317,980	--	317,980	--
Landfill closure and maintenance	--	31,160	--	31,160	--
Claims and changes in estimates	--	--	--	--	2,582,403
Miscellaneous	5,265	5,829	1,389	12,483	12,799
Total operating expenses	2,187,799	4,636,122	1,693,305	8,517,226	4,021,807
Operating income (loss)	(14,596)	4,918,623	(1,395,392)	3,508,635	(95,240)
Non-operating revenues (expenses)					
Investment income	21,283	116,677	1,743	139,703	36,883
Interest expense	(1,544)	--	--	(1,544)	--
Sale of recycled materials	--	69,482	--	69,482	--
Gain (loss) on disposal of assets	400	--	--	400	--
Aid to private organizations	--	(60,000)	--	(60,000)	--
Total non-operating revenues (expenses)	20,139	126,159	1,743	148,041	36,883
Income (loss) before contributions and transfers	5,543	5,044,782	(1,393,649)	3,656,676	(58,357)
Transfers in	--	12,000	--	12,000	--
Transfers out	(99,049)	(416,850)	(12,038)	(527,937)	--
Capital contribution	--	--	1,080,363	1,080,363	--
Change in net position	(93,506)	4,639,932	(325,324)	4,221,102	(58,357)
Net position, beginning of year	5,490,421	11,572,043	5,243,670	22,306,134	2,359,160
Net position, end of year	<u>\$ 5,396,915</u>	<u>\$ 16,211,975</u>	<u>\$ 4,918,346</u>	<u>\$ 26,527,236</u>	<u>\$ 2,300,803</u>

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, 2017

	Business-type Activities				Governmental
	Major Funds			Enterprise	Activities
	Navarre Beach	Landfill	Peter Prince Field	Funds	Internal Service Fund
Cash flows from operating activities					
Cash received from customers	\$ 2,164,091	\$ 9,569,143	\$ 355,059	\$ 12,088,293	\$ 87
Cash paid to suppliers	(1,191,927)	(812,729)	(1,339,499)	(3,344,155)	(132,143)
Cash paid to employees	(465,865)	(2,059,651)	(39,229)	(2,564,745)	(219,314)
Cash received from interfund services provided	--	--	--	--	3,924,682
Cash paid for internal services provided	--	--	--	--	(653,453)
Net cash provided (used) by operating activities	506,299	6,696,763	(1,023,669)	6,179,393	2,919,859
Cash flows from noncapital financing activities					
Transfers in	--	12,000	--	12,000	--
Transfers out	(99,049)	(416,850)	(12,038)	(527,937)	--
Sale of recycled materials	--	69,482	--	69,482	--
Aid to private organizations	--	(60,000)	--	(60,000)	--
Net cash provided (used) by noncapital financing activities	(99,049)	(395,368)	(12,038)	(506,455)	--
Cash flows from capital and related financing activities					
Capital contribution	--	--	1,080,363	1,080,363	--
Purchases of capital assets	(293,021)	(995,199)	(311,668)	(1,599,888)	--
Principal paid on capital debt	(478,221)	--	--	(478,221)	--
Interest paid on capital debt	(1,544)	--	--	(1,544)	--
Net cash provided (used) by capital and related financing activities	(772,786)	(995,199)	768,695	(999,290)	--
Cash flows from investing activities					
Interest and dividends	21,283	116,677	1,743	139,703	36,883
Net sale (purchase) of investments	--	(1,395,409)	--	(1,395,409)	(5,057)
Net cash provided (used) by investing activities	21,283	(1,278,732)	1,743	(1,255,706)	31,826
Net increase (decrease) in cash and cash equivalents	(344,253)	4,027,464	(265,269)	3,417,942	2,951,685
Cash and cash equivalents at beginning of year	3,163,428	4,747,079	1,045,148	8,955,655	3,944,711
Cash and cash equivalents at end of year	<u>\$ 2,819,175</u>	<u>\$ 8,774,543</u>	<u>\$ 779,879</u>	<u>\$ 12,373,597</u>	<u>\$ 6,896,396</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities					
Operating income (loss)	\$ (14,596)	\$ 4,918,623	\$ (1,395,392)	\$ 3,508,635	\$ (95,240)
Adjustments to reconcile operating income to net cash provided (used) by operating activities					
Depreciation expense	553,540	559,144	318,955	1,431,639	1,408
Landfill closure costs	--	31,160	--	31,160	--
Gain (loss) on disposal of capital assets	400	--	--	400	--
Changes in assets and liabilities:					
Accounts receivable	(9,112)	14,398	(11,902)	(6,616)	(1,798)
Due from other governments	--	--	69,048	69,048	(10,291)
Due from other funds	--	505,000	--	505,000	--
Prepaid expenses	--	(10,850)	--	(10,850)	--
Accounts payable	(49,556)	547,675	(6,590)	491,529	1,081,841
Contracts payable	--	--	--	--	--
Accrued compensation	275	1,805	21	2,101	54
Compensated absences	3,025	21,500	--	24,525	3,539
Due to other governments	--	--	282	282	--
OPEB liability	1,927	8,154	169	10,250	944
Claims payable	--	--	--	--	1,928,950
Deposits	(2,300)	6,704	(200)	4,204	--
Net pension liability	29,495	124,782	2,583	156,860	14,440
Net health insurance subsidy	(10,278)	(43,479)	(900)	(54,657)	(5,031)
Deferred outflows of resources	(12,222)	(54,278)	(1,118)	(67,618)	(6,644)
Deferred inflows of resources	15,701	66,425	1,375	83,501	7,687
Net cash provided (used) by operating activities	<u>\$ 506,299</u>	<u>\$ 6,696,763</u>	<u>\$ (1,023,669)</u>	<u>\$ 6,179,393</u>	<u>\$ 2,919,859</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, 2017

	Agency Funds
ASSETS	
Cash and cash equivalents	\$ 5,163,408
Accounts receivable	155,939
Due from other governments	11,890
Total assets	<u>\$ 5,331,237</u>
LIABILITIES	
Accounts payable	\$ 56,917
Deposits	2,661,072
Due to other governments	2,588,261
Miscellaneous	24,987
Total liabilities	<u>\$ 5,331,237</u>

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

SANTA ROSA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017
GUIDE TO NOTES

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Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

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, 2017

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, 2017

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 \$19,033,010 of restricted net position, of which \$6,621,762 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, 2017

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, 2017

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.
- Peter Prince Fund – Accounts for the operations of the Peter Prince Airport.

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 assets of others for which the County acts as an agent. The County has thirteen agency fiduciary funds:

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

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE A - SUMMARY OF ACCOUNTING POLICIES - Continued

- 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
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

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

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, 2017

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, 2017

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, 2017 and expected to be collected during the period November 2017 through March 2018 are as follows:

General Fund	\$ 53,673,272
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These taxes, although measurable, are not recognized as revenue at September 30, 2017, 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, 2017

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, 2017

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, 2017, the bank held deposits of \$100,405,375 (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 typically invests in instruments with maturities of less than 5 years, are exempt from this limitation.

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE B - CASH AND INVESTMENTS - Continued

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 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, 2017 the Investment Trust managed \$1.033 billion and had a price per share of \$24.75. 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 AAA-rated by Standard and Poor's 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, 2017

	<u>Carrying Amount</u>
Investments:	
FLGIT Investment Trust Fund	\$ 11,401,055
Total Investments	<u>11,401,055</u>
Cash:	
Cash in Bank	42,608,384
Day to Day Trust	50,228,577
Petty Cash	2,925
Total Cash	<u>92,839,886</u>
Total Cash and Investments	<u><u>\$ 104,240,941</u></u>

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

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 investments by category and by fund are as follows:

	Landfill Fund
Landfill escrow	<u>\$ 10,035,008</u>

NOTE C – DUE FROM OTHER GOVERNMENTAL UNITS

At September 30, 2017, amounts due from other governmental units were as follows:

	General Fund	Road and Bridge Fund	Local Option Sales Tax Fund	Nonmajor Governmental Funds	Self Insurance Fund	Total
Federal Government - Grants	\$ 2,019,072	\$ --	\$ --	\$ 207,725	\$ --	\$ 2,226,797
State of Florida - Grants	218,845	263,195	--	1,204,043	--	1,686,083
State of Florida - Taxes	1,105,724	999,976	548,711	170,558	--	2,824,969
Local taxes	901,767	--	--	48,100	--	949,867
Other	--	--	--	--	28,406	28,406
	<u>\$ 4,245,408</u>	<u>\$ 1,263,171</u>	<u>\$ 548,711</u>	<u>\$ 1,630,426</u>	<u>\$ 28,406</u>	<u>\$ 7,716,122</u>

NOTE D – INTERFUND TRANSACTIONS

Interfund transactions for the year ended September 30, 2017 were as follows:

	Interfund Receivable	Interfund Payable	Interfund Transfers in	Interfund Transfers out
General fund	\$ 630,308	\$ 724	\$ 4,928,390	\$ 1,938,453
Road & Bridge fund	--	--	2,721,313	334,111
Local Option Sales Tax fund	--	--	--	257,191
Nonmajor Governmental funds	36,047	665,631	4,588,172	9,192,183
Navarre Beach fund	--	--	--	99,049
Landfill fund	--	--	12,000	416,850
Peter Prince Field fund	--	--	--	12,038
Total	<u>\$ 666,355</u>	<u>\$ 666,355</u>	<u>\$ 12,249,875</u>	<u>\$ 12,249,875</u>

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

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	\$ 119,296	\$ 273,188	\$ 436,375	\$ 4,245,408	\$ 5,074,267
Road & Bridge	26,787	--	--	1,263,171	1,289,958
Local Option Sales Tax	--	--	--	548,711	548,711
NonMajor Govt.	682,433	--	--	1,630,426	2,312,859
Self Insurance	31,618	--	--	28,406	60,024
Subtotal	860,134	273,188	436,375	7,716,122	9,285,819
<u>Business-Type</u>					
Navarre Beach	185,444	--	--	--	185,444
Landfill	978,086	--	--	--	978,086
Peter Prince	20,400	--	--	--	20,400
Subtotal	1,183,930	--	--	--	1,183,930
Total	<u>\$ 2,044,064</u>	<u>\$ 273,188</u>	<u>\$ 436,375</u>	<u>\$ 7,716,122</u>	<u>\$10,469,749</u>

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE F – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2017 was as follows (in thousands):

Governmental activities	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated:				
Land	\$ 19,801	\$ 398	\$ 380	\$ 19,819
Construction in progress	371	53	--	424
Total capital assets not being depreciated	20,172	451	380	20,243
Other capital assets:				
Buildings	64,968	--	--	64,968
Improvements other than buildings	145,884	5,347	--	151,231
Machinery and equipment	53,127	4,301	1,064	56,364
Total capital assets being depreciated	263,979	9,648	1,064	272,563
Less accumulated depreciation for:				
Buildings	45,525	2,831	--	48,356
Improvements other than buildings	58,329	4,386	--	62,715
Machinery and equipment	33,906	4,617	900	37,623
Total accumulated depreciation	137,760	11,834	900	148,694
Total capital assets being depreciated, net	126,219	(2,186)	164	123,869
Governmental activities capital assets, net	<u>\$ 146,391</u>	<u>\$ (1,735)</u>	<u>\$ 544</u>	<u>\$ 144,112</u>
Business like activities	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated:				
Land	\$ 1,191	\$ --	\$ --	\$ 1,191
Construction in progress	63	1,007	--	1,070
Total capital assets not being depreciated	1,254	1,007	--	2,261
Other capital assets:				
Buildings	3,909	--	--	3,909
Improvements other than buildings	29,860	312	--	30,172
Furniture and fixtures	3,725	281	15	3,991
Total capital assets being depreciated	37,494	593	15	38,072
Less accumulated depreciation for:				
Buildings	1,990	128	--	2,118
Improvements other than buildings	17,314	1,051	--	18,365
Furniture and fixtures	2,684	252	15	2,921
Total accumulated depreciation	21,988	1,431	15	23,404
Total capital assets being depreciated, net	15,506	(838)	--	14,668
Business like activities capital assets, net	<u>\$ 16,760</u>	<u>\$ 169</u>	<u>\$ --</u>	<u>\$ 16,929</u>

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE F – CAPITAL ASSETS - Continued

Depreciation expense was charged to functions as follows:

Governmental activities:

General government	\$ 2,596,190
Public safety	3,201,757
Physical environment	131,153
Transportation	3,794,404
Economic environment	87,233
Human services	147,873
Culture and recreation	<u>1,809,839</u>
Total governmental activities depreciation expense	<u><u>\$ 11,768,449</u></u>

Business-type activities:

Navarre Beach	\$ 553,539
Landfill	559,144
Peter Prince Field	<u>318,955</u>
Total business-type activities depreciation expense	<u><u>\$ 1,431,638</u></u>

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.

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE G- LONG-TERM DEBT - Continued

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

	Balance October 1, 2016	Additions	Deductions	Balance September 30, 2017	Amount Due within One Year
Governmental activities:					
Compensated absences	\$ 7,731,949	\$ 4,979,274	\$ 4,389,729	\$ 8,321,494	\$ 4,109,027
Claims payable	2,001,028	3,418,235	1,489,285	3,929,978	657,856
General obligation notes	4,564,520	--	727,486	3,837,034	740,479
Revenue notes	832,800	--	92,291	740,509	95,804
Special assessment notes	1,688,055	--	608,771	1,079,284	487,438
OPEB liability	7,402,897	1,041,913	719,161	7,725,649	--
Net pension liability*	44,292,866	7,886,453	--	52,179,319	--
Net health insurance subsidy*	14,265,238	--	1,187,329	13,077,909	--
	<u>\$ 82,779,353</u>	<u>\$ 17,325,875</u>	<u>\$ 9,214,052</u>	<u>\$ 90,891,176</u>	<u>\$ 6,090,604</u>
Business-type activities:					
Compensated absences	\$ 313,359	\$ 222,259	\$ 197,734	\$ 337,884	\$ 221,355
Landfill closure costs	9,227,874	31,160	--	9,259,034	17,483
Notes payable	2,580,741	--	478,220	2,102,521	496,485
OPEB liability	255,239	33,088	22,839	265,488	--
Net pension liability*	1,119,885	156,859	--	1,276,744	--
Net health insurance subsidy*	562,586	--	54,656	507,930	--
	<u>\$ 14,059,684</u>	<u>\$ 443,366</u>	<u>\$ 753,449</u>	<u>\$ 13,749,601</u>	<u>\$ 735,323</u>

*presented net increases (decreases)

2. Descriptions of Notes

Notes payable at September 30, 2017 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.

3,837,034

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE G - LONG-TERM DEBT - Continued

General government – Revenue notes payable

\$999,380 Third Cent Tourist Development Tax Refunding Revenue Note, Series 2011, payable to bank to refinance the \$1,200,000 Third Cent Tourist Development Tax Refunding Revenue Note, Series 2007 payable for the construction of a tourist information center in Navarre. The note is due in 60 quarterly payments of \$12,445 to \$21,708, plus interest at 3.79%, with final payment due in 2026 secured by Third Cent tourist development tax revenues. \$ 650,180

\$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. 90,329

General government – Special Assessment notes payable

\$324,500 special assessment note payable to bank for the construction of infrastructure improvements for Central Parkway MSBU. The note is due in 36 quarterly payments of \$7,112 to \$11,146 plus interest at 5.14% with final payment due in 2017. Annual assessments will be made against property owners sufficient to retire the maturing principal and interest. 11,861

\$1,872,038 special assessment note payable to bank to refinance the \$1,582,132 and \$770,000 special assessment notes payable for the acquisition and installation of fire control equipment in the Santa Rosa County Fire Protection MSBU. The note is due in 32 quarterly payments of \$53,061 to \$64,128 plus interest at 2.44% with final payment due in 2018. Annual assessments will be made against property owners sufficient to retire the maturing principal and interest. 316,986

\$500,000 special assessment note payable to bank for the construction of certain infrastructure improvements in the Bernath Place MSBU. The note is due in 36 quarterly payments of \$11,686 to \$16,363 plus interest at 3.98% with final payment due in 2018. Annual assessments will be made against property owners sufficient to retire the maturing principal and interest. 64,696

\$600,000 special assessment note payable to bank for the construction of certain infrastructure improvements in the Santa Rosa Shores MSBU. The note is due in 40 quarterly payments of \$12,432 to \$17,890 payments plus interest at 3.75% with final payment due in 2019. Annual assessments will be made against property owners sufficient to retire the maturing principal and interest. 122,291

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE G - LONG-TERM DEBT - Continued

\$412,000 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 28 quarterly payments of \$13,565 to \$15,891 plus interest at 2.34% with final payment due in 2017. Annual assessments will be made against property owners sufficient to retire the maturing principal and interest. 15,891

\$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. 425,101

\$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. 122,458

Total general government notes payable \$5,656,827

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 0.0%, adjusted every 3 years, secured by non-ad valorem revenues. 2,102,521

Total proprietary fund type note payable \$ 2,102,521

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

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, 2017. 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, 2017.

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						
Central Parkway II (Plus) Road Paving MSBU Revenue Note, Series 2008	Special assessments	\$ 50,081	\$ 11,861	111%	\$ 45,304	2017
Bernath Place MSBU Revenue Note, Series 2009	Special assessments	81,921	66,312	123%	66,413	2018
Fire Protection MSBU Revenue Note, Series 2010-A	Special assessments	63,994	15,984	100%	63,994	2017
Fire Protection MSBU Revenue Note, Series 2010-B	Special assessments	58,898	484,192	100%	58,898	2025
Fire Protection MSBU Revenue Note, Series 2010-C	Special assessments	258,441	322,810	100%	258,442	2018
Santa Rosa Shores Canal Maintenance MSBU Refunding Revenue Note, Series 2009	Special assessments	85,803	128,200	119%	72,229	2019
Skiwatch Estates Canal Maintenance Dredging MSBU Revenue Note, Series 2011	Special assessments	See below	129,631	0%	30,501	2021
Notes Payable						
Third Cent Tourist Development Tax Revenue Note, Series 2007	3rd Cent Tourist Development Tax	548,674	766,984	624%	87,985	2026
Bagdad Heritage Trail Project Capital Improvement Revenue Note, Series 2010	North SRC Tourist Development Tax	297,681	95,874	849%	35,050	2020
Total Notes - Governmental Activities		<u>\$ 1,445,493</u>	<u>\$ 2,021,848</u>		<u>\$ 718,816</u>	

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

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	\$ 538,943	\$ 2,267,108	112%	\$ 479,764	2021
Total Revenue Notes - Business-type Activities		\$ 538,943	\$ 2,267,108		\$ 479,764	

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, 2017 are as follows:

Governmental activities:

Year ended September 30,	Principal	Interest	Total
2018	1,323,626	122,648	1,446,274
2019	1,046,743	94,020	1,140,763
2020	938,908	72,371	1,011,279
2021	932,672	53,197	985,869
2022	928,712	34,272	962,984
2022-2026	486,166	33,713	519,879
	<u>\$ 5,656,827</u>	<u>\$ 410,221</u>	<u>\$ 6,067,048</u>

Business-type activities:

Year ended September 30,	Principal	Interest	Total
2018	496,485	70,847	567,332
2019	515,447	51,637	567,084
2020	535,020	31,464	566,484
2021	555,569	10,639	566,208
	<u>\$ 2,102,521</u>	<u>\$ 164,587</u>	<u>\$ 2,267,108</u>

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

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, 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, 2017 are as follows:

	<u>Date Issued</u>	<u>Final Maturity</u>	<u>Amount Issued</u>	<u>Outstanding 9/30/2017</u>
Baptist Hospital, 2003	8/21/2003	10/1/2021	\$ 57,905,000	\$ 57,905,000
Total			<u>\$ 57,905,000</u>	<u>\$ 57,905,000</u>

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 \$9.3 million reported as landfill closure and postclosure care liability (current and noncurrent) at September 30, 2017, 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	90%
Central Class III Landfill (New)	28%
Central Class III Landfill (Old)	Closed 10/98

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

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 \$6.8 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 2017. The estimated remaining lives of the Central Class I and Class III landfills are 2 and 7 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, 2017, the County held investments of \$10,035,008 to cover the escrow requirement of \$10,035,008. These 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 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, 2017

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 2017, the County contributed an average of 7.62% of each qualified regular employee's gross salary, 41.76% percent of the elected officials' salary, 22.75% of each special risk employee's salary, and 13.06% 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 \$576,762, \$529,112, and \$501,568 for the years ended September 30, 2017, 2016 and 2015,

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

respectively. Contributions to the Pension plan totaled \$5,204,750, \$4,913,402, and \$4,641,074 for the years ended September 30, 2017, 2016 and 2015, 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.

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

At September 30, 2017, the County reported a liability of \$53,456,063 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, 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 2016-17 fiscal year contributions relative to the 2016-17 fiscal year contributions of all participating members. At September 30, 2017, the County's proportion was 0.18%, which was an increase of 0.48% from its proportion measured as of June 30, 2016.

For the fiscal year ended September 30, 2017, the County recognized pension expense of \$8,895,953 related to the Plan. In addition, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,905,979	\$ 296,119
Change of assumptions	17,965,009	--
Net difference between projected and actual earnings on pension plan investments	--	1,324,774
Changes in proportion and differences between County contributions and proportionate share of contributions	2,329,972	1,978,625
County contributions subsequent to the measurement date	1,280,043	--
Total	<u>\$ 26,481,003</u>	<u>\$ 3,599,518</u>

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE K – PENSION AND HEALTH INSURANCE SUBSIDY – Continued

The deferred outflows of resources related to pensions, totaling \$1,280,043, 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, 2018. 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,	Amount
2018	\$ 2,766,191
2019	7,364,757
2020	5,331,219
2021	1,188,468
2022	3,608,349
Thereafter	1,342,456
	<u>\$ 21,601,440</u>

Actuarial Assumptions - The total pension liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary increases	3.25%, average, including inflation
Investment rate of return	7.10%, 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, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2008 – June 30, 2013.

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, 2017

NOTE K – PENSION AND HEALTH INSURANCE SUBSIDY – Continued

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1%	3.0%	3.0%	1.8%
Fixed income	18%	4.5%	4.4%	4.2%
Global equity	53%	7.8%	6.6%	17.0%
Real estate (property)	10%	6.6%	5.9%	12.8%
Private equity	6%	11.5%	7.8%	30.0%
Strategic investments	12%	6.1%	5.6%	9.7%
Total	100%			
Assumed inflation - mean			2.6%	1.9%

* As outlined in the Plan's investment policy

Discount Rate – The discount rate used to measure the total pension liability was 7.1%. The 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.

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 of 7.10%, 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 (6.10%) or 1-percentage point higher (8.10%) than the current rate:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
County's proportionate share of the net pension liability	\$ 96,752,238	\$ 53,456,063	\$ 17,510,311

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE K – PENSION AND HEALTH INSURANCE SUBSIDY – Continued

2. 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, 2017, 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, 2017, 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 \$672,437 for the fiscal year ended September 30, 2017.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2017, the County reported a net pension liability of \$13,585,839 for its proportionate share of the HIS Plan's net pension liability. The current portion of the net pension liability is the County's proportionate share of benefit payments expected to be paid within one year, net of the County's proportionate share of the pension plan's fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1. The County's proportionate share of the net pension liability was based on the County's 2016-17 fiscal year contributions relative to the total 2016-17 fiscal year contributions of all participating members. At September 30, 2017, the County's proportion was 0.13%, which was a decrease of 0.13% from its proportion measured as of June 30, 2016.

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE K – PENSION AND HEALTH INSURANCE SUBSIDY – Continued

For the fiscal year ended September 30, 2017, the County recognized pension expense of \$1,039,547 related to the HIS Plan. In addition, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ --	\$ 28,287
Change of assumptions	1,909,702	1,174,781
Net difference between projected and actual earnings on HIS pension plan investments	7,535	--
Changes in proportion and differences between County contributions and proportionate share of contributions	414,742	428,878
County contributions subsequent to the measurement date	176,979	--
Total	<u>\$ 2,508,958</u>	<u>\$ 1,631,946</u>

The deferred outflows of resources related to pensions, totaling \$176,979, resulting from County contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2018. 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,	Amount
2018	\$ 228,824
2019	227,398
2020	226,714
2021	173,513
2022	34,670
Thereafter	(191,087)
	<u>\$ 700,032</u>

Actuarial Assumptions - The total pension liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary increases	3.25%, average, including inflation
Investment rate of return	3.58%, net of pension plan investment expense, including inflation

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

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE K – PENSION AND HEALTH INSURANCE SUBSIDY – Continued

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2008 – June 30, 2013.

Discount Rate – The discount rate used to measure the total pension liability was 3.58%. 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 of 3.58%, 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 (2.58%) or 1-percentage point higher (4.58%) than the current rate:

	1% Decrease	Current	1% Increase
	(2.58%)	(3.58%)	(4.58%)
County's proportionate share of the net HIS pension liability	\$ 15,503,238	\$ 13,585,836	\$ 11,988,746

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 on the following page.

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE L – FUND BALANCES – Continued

Fund balances	Major Funds				Total
	General Fund	Road and Bridge Fund	LOST Fund	Other Funds	
Nonspendable					
Inventory	\$ 72,278	\$ 354,955	\$ --	\$ --	\$ 427,233
Prepays	183,121	--	--	--	\$ 183,121
Restricted for:					
Communications	1,403,428	--	--	--	1,403,428
Boating improvement	490,514	--	--	--	490,514
Domestic violence	178,902	--	--	--	178,902
Voter education	2,748	--	--	--	2,748
Pollworker recruitment	1,887	--	--	--	1,887
Federal elections	8,384	--	--	--	8,384
Partners for pets	68,479	--	--	--	68,479
Navarre Beach Bridge maintenance	--	313,705	--	--	313,705
Infrastructure development	--	--	4,058,948	1,379,436	5,438,384
Law Enforcement Trust Fund	--	--	--	101,466	101,466
Crime prevention	--	--	--	430,875	430,875
Mosquito control	--	--	--	41,294	41,294
Federal and state grants	--	--	--	1,588,741	1,588,741
Enhanced 911 system	--	--	--	750,985	750,985
Tourist development	--	--	--	2,602,497	2,602,497
State Housing Improvement Program	--	--	--	799,102	799,102
Flood mitigation	--	--	--	1,044,519	1,044,519
Road and sewer construction	--	--	--	568,454	568,454
Canal maintenance	--	--	--	97,789	97,789
Street lighting	--	--	--	116,577	116,577
Beach Restoration	--	--	--	18,374	18,374
State court operations	--	--	--	46,606	46,606
Court equipment and technology	--	--	--	671,740	671,740
Records modernization trust fund	--	--	--	559,971	559,971
Law enforcement training	--	--	--	55,200	55,200
Inmate welfare purchases	--	--	--	856,415	856,415
Committed to:					
Animal service education	48,884	--	--	--	48,884
Court innovations	--	--	--	347,891	347,891
Transportation, recreation and economic development	--	--	--	3,631,390	3,631,390
Gas and oil preservation	3,551,667	--	--	-	3,551,667
Capital construction projects	--	--	--	5,257,150	5,257,150
Assigned to:					
Road and bridge construction and maintenance	--	8,677,611	--	--	8,677,611
Debt service	--	--	--	70,563	70,563
Berm restoration	2,153,914	--	--	--	2,153,914
Law library	--	--	--	26,952	26,952
Court operations	--	--	--	1,016,482	1,016,482
Gas and oil preservation	249,529	--	--	--	249,529
Navarre Beach Leaseholders	178,783	--	--	--	178,783
Navarre Beach Community Center	215,000	--	--	--	215,000
Unassigned	33,552,433	--	--	(787,135)	32,765,298
	<u>\$ 42,359,951</u>	<u>\$ 9,346,271</u>	<u>\$ 4,058,948</u>	<u>\$ 21,293,334</u>	<u>\$ 77,058,504</u>

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

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 \$3,929,978 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 \$350,228 at September 30, 2017.

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE M - RISK MANAGEMENT - Continued

Changes in the Fund's claims liability amount in fiscal years 2016 and 2017 were as follows:

	Beginning-of- Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2015 - 2016	\$ 2,271,588	\$ 1,668,046	\$ 1,938,606	\$ 2,001,028
2016 - 2017	\$ 2,001,028	\$ 3,418,235	\$ 1,489,285	\$ 3,929,978

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

Current claims payable	\$ 617,100
Current claims-structured settlements	40,756
Total claims payable, current	<u>657,856</u>
Long-term claims payable	2,962,650
Long-term claims-structured settlements	309,472
Total claims payable, long-term	<u>3,272,122</u>
Total claims payable	<u><u>\$ 3,929,978</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.

Change in estimate - In order to more accurately estimate the liability for insurance claims payable, the County has decided to have an annual audit of its workers' compensation reserve amounts. In doing so, a reliable estimate has been generated for incurred but not reported claims, which has not been provided in the past. Accordingly, this incurred but not reported claims amount has been included in the estimated claims liability. The effect of this change was an increase in the liability and in current year claims expense of approximately \$1,100,000.

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE N – POST EMPLOYMENT HEALTH CARE BENEFITS

The County implemented, in 2009, GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, for certain postemployment health care benefits provided by the County.

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 obligation. For the 2017 fiscal year, 264 retirees and eligible dependents received postemployment health care benefits. The County provided required contributions of \$237,000 toward the annual OPEB cost, comprised of benefit payments made on behalf of retirees insurance net of retiree contributions totaling \$546,492. Required contributions are based on projected pay-as-you-go financing which differ from the Annual Required Contribution.

Annual OPEB Cost and Net OPEB Obligation – The following table shows the County’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County’s net OPEB obligation:

Description	Health Insurance
Normal Cost (Service cost for one year)	\$ 328,000
Amortization of Unfunded Actuarial Accrued Liability	479,000
Annual Required Contribution	807,000
Amortization of Net OPEB Obligation	(505,000)
Interest on Net OPEB Obligation	268,000
Annual OPEB Cost (expense)	570,000
Contribution Towards the OPEB Cost	(237,000)
Increase in Net OPEB Obligation	333,000
Net OPEB Obligation, Beginning of Year	7,658,137
Net OPEB Obligation, End of Year	\$ 7,991,137

Santa Rosa County, Florida
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

NOTE N – POST EMPLOYMENT HEALTH CARE BENEFITS - Continued

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of September 30, 2017, was as follows:

Fiscal Year	Annual OPEB Cost	Percentage Of Annual OPEB Cost Contributed	Net OPEB Obligation
2014-2015	\$ 781,000	35%	\$ 7,137,138
2015-2016	\$ 817,000	36%	\$ 7,658,137
2016-2017	\$ 570,000	42%	\$ 7,991,137

Funded Status and Funding Progress – As of September 30, 2017, the actuarial accrued liability was \$7,264,000 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of \$7,264,000. Amortization of the accrued liability for the year ended September 30, 2017 was \$479,000. The annual covered payroll (annual payroll of active participating employees) was \$51,194,936 for the 2016-2017 fiscal year. The ratio of the unfunded actuarial liability to annual covered payroll is 14%.

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, 2016, used the projected unit credit actuarial cost method to estimate both the unfunded actuarial liability as of September 30, 2017 and to estimate the County's 2016-2017 fiscal year annual required contribution. This method was selected because it produced the best estimate of the OPEB liability and annual cost. Because the OPEB liability is currently unfunded, the actuarial assumptions include a 3.5% rate of return on invested assets assuming the benefits will continue to be funded on a pay-as-you-go basis and that the County's investments will earn 3.5% over the long term. The inflation rate assumption is 2.4%. The unfunded actuarial accrued liability is being amortized using the level dollar method. The remaining, closed, amortization period at September 30, 2017 is 22 years.

The required schedule of funding progress, 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 actuarial accrued liability for benefits.

REQUIRED SUPPLEMENTAL INFORMATION

See accompanying notes to required supplementary information.

Santa Rosa County, Florida

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

Year ended September 30, 2017

	Original Budget	Final Budget	Actual
Revenues			
Taxes	\$ 50,281,780	\$ 50,281,780	\$ 51,424,086
Permits, fees and special assessments	2,482,590	2,482,590	3,026,800
Intergovernmental	12,019,420	12,236,881	13,106,603
Charges for services	8,302,315	8,427,315	9,594,444
Fines and forfeits	263,960	316,989	365,881
Miscellaneous	1,106,530	1,106,530	1,824,254
Total revenues	<u>74,456,595</u>	<u>74,852,085</u>	<u>79,342,068</u>
Expenditures			
Current			
General government	25,684,281	27,920,772	24,742,470
Public safety	44,414,113	44,806,191	42,860,710
Physical environment	1,588,971	1,859,487	1,575,934
Transportation	1,019,340	1,019,340	949,029
Economic environment	690,576	825,576	620,988
Human services	5,036,644	5,062,898	4,881,955
Culture and recreation	3,198,667	3,588,064	3,261,098
Total expenditures	<u>81,632,592</u>	<u>85,082,328</u>	<u>78,892,184</u>
Excess (deficiency) of revenues over expenditures	(7,175,997)	(10,230,243)	449,884
Other financing sources (uses)			
Transfers in	4,102,495	4,928,390	4,928,390
Transfers out	(122,181)	(1,919,568)	(1,938,453)
Proceeds from capital lease	--	--	--
Total other financing sources (uses)	<u>3,980,314</u>	<u>3,008,822</u>	<u>2,989,937</u>
Net change in fund balances	(3,195,683)	(7,221,421)	3,439,821
Fund balance, beginning of year	3,195,683	7,221,421	38,909,854
Change in reserve for inventory	<u>--</u>	<u>--</u>	<u>10,276</u>
Fund balance, end of year	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>	<u><u>\$ 42,359,951</u></u>

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, 2017

	Original Budget	Final Budget	Actual
Revenues			
Taxes	\$ 7,757,311	\$ 7,757,311	\$ 7,659,166
Permits, fees and special assessments	--	--	--
Intergovernmental	3,256,270	4,773,395	3,879,061
Charges for services	--	--	116,062
Miscellaneous	273,890	306,275	514,954
Total revenues	<u>11,287,471</u>	<u>12,836,981</u>	<u>12,169,243</u>
Expenditures			
Current			
Physical environment	--	1,192,907	359,870
Transportation	14,103,564	16,658,787	13,481,769
Total expenditures	<u>14,103,564</u>	<u>17,851,694</u>	<u>13,841,639</u>
Excess (deficiency) of revenues over expenditures	(2,816,093)	(5,014,713)	(1,672,396)
Other financing sources (uses)			
Transfers in	2,321,630	2,721,313	2,721,313
Transfers out	(264,865)	(334,111)	(334,111)
Total other financing sources (uses)	<u>2,056,765</u>	<u>2,387,202</u>	<u>2,387,202</u>
Net change in fund balances	(759,328)	(2,627,511)	714,806
Fund balance, beginning of year	759,328	2,627,511	8,592,391
Change in reserve for inventory	<u>--</u>	<u>--</u>	<u>39,074</u>
Fund balance, end of year	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>	<u><u>\$ 9,346,271</u></u>

See accompanying notes to required supplementary information.

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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues			
Taxes	\$ --	\$ 5,064,563	\$ 5,030,555
Miscellaneous	--	--	99
Total revenues	<u>--</u>	<u>5,064,563</u>	<u>5,030,654</u>
Expenditures			
Current			
Public safety	--	765,393	194,540
Transportation	--	4,041,979	519,975
Total expenditures	<u>--</u>	<u>4,807,372</u>	<u>714,515</u>
Excess (deficiency) of revenues over expenditures	--	257,191	4,316,139
Other financing sources (uses)			
Transfers out	--	(257,191)	(257,191)
Total other financing sources (uses)	<u>--</u>	<u>(257,191)</u>	<u>(257,191)</u>
Net change in fund balances	--	--	4,058,948
Fund balance, beginning of year	<u>--</u>	<u>--</u>	<u>--</u>
Fund balance, end of year	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>	<u><u>\$ 4,058,948</u></u>

See accompanying notes to required supplementary information.

Santa Rosa County, Florida

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

	2017	2016	2015	2014
Santa Rosa County's proportion of the net pension liability (asset)	0.180720999%	0.179851920%	0.177003043%	0.170070967%
Santa Rosa County's proportionate share of the net pension liability (asset)	\$ 53,456,059	\$ 45,412,751	\$ 22,862,317	\$ 10,376,830
Santa Rosa County's covered-employee payroll	\$ 51,194,936	\$ 49,795,322	\$ 49,817,504	\$ 46,775,917
Santa Rosa County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	104.42%	91.20%	45.89%	22.18%
Plan fiduciary net position as a percentage of the total pension liability	83.89%	84.88%	92.00%	96.09%

*Data was unavailable prior to 2014

See accompanying notes to required supplementary information.

Santa Rosa County, Florida

**SCHEDULE OF CONTRIBUTIONS
Florida Retirement System
Last 10 Fiscal Years***

	2017	2016	2015	2014
Contractually required contribution	\$ 4,704,612	\$ 4,385,976	\$ 4,315,479	\$ 3,725,277
Contributions in relation to the contractually required contribution	\$ (4,704,612)	\$ (4,385,976)	\$ (4,315,479)	\$ (3,725,277)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Santa Rosa County's covered-employee payroll	\$ 51,194,936	\$ 49,795,322	\$ 49,817,504	\$ 46,775,917
Contributions as a percentage of covered-employee payroll	9.19%	8.81%	8.66%	7.96%

*Data was unavailable prior to 2014

See accompanying notes to required supplementary information.

Santa Rosa County, Florida

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

	2017	2016	2015	2014
Santa Rosa County's proportion of the net pension liability (asset)	0.127059949%	0.127227379%	0.130144159%	0.126228802%
Santa Rosa County's proportionate share of the net pension liability (asset)	\$ 13,585,836	\$ 14,827,824	\$ 13,272,657	\$ 11,802,701
Santa Rosa County's covered-employee payroll	\$ 51,194,936	\$ 49,795,322	\$ 49,817,504	\$ 46,775,917
Santa Rosa County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	26.54%	29.78%	26.64%	25.23%
Plan fiduciary net position as a percentage of the total pension liability	1.64%	0.97%	0.50%	0.99%

*Data was unavailable prior to 2014

See accompanying notes to required supplementary information.

Santa Rosa County, Florida

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

	2017	2016	2015	2014
Contractually required contribution	\$ 672,437	\$ 652,122	\$ 497,492	\$ 432,418
Contributions in relation to the contractually required contribution	\$ (672,437)	\$ (652,122)	\$ (497,492)	\$ (432,418)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Santa Rosa County's covered-employee payroll	\$ 51,194,936	\$ 49,795,322	\$ 49,817,504	\$ 46,775,917
Contributions as a percentage of covered-employee payroll	1.31%	1.31%	1.00%	0.92%

*Data was unavailable prior to 2014

See accompanying notes to required supplementary information.

**Board of County Commissioners
Santa Rosa County, Florida**

**SCHEDULES OF FUNDING PROGRESS
AND EMPLOYER CONTRIBUTIONS FOR
OTHER POST EMPLOYMENT BENEFITS**

Year ended September 30, 2017

<u>Schedule of Funding Progress</u>	<u>Actuarial Valuation Date</u>		
	<u>10/1/15</u>	<u>10/1/16</u>	<u>10/1/17</u>
1. Current retirees liability	\$ 2,445,000	\$ 2,581,000	\$ 2,844,000
2. Active employees	5,831,000	6,156,000	4,420,000
3. Actuarial Accrued Liability	8,276,000	8,737,000	7,264,000
4. Actuarial Value of Assets	--	--	--
5. Unfunded Actuarial Accrued Liability	8,276,000	8,737,000	7,264,000
6. Funded Ratio (4. divided by 3.)	0%	0%	0%
7. Annual Covered Payroll	<u>\$ 49,439,596</u>	<u>\$ 49,795,321</u>	<u>\$ 51,194,936</u>
8. Ratio of Unfunded Actuarial Accrued Liability to Covered Payroll	17%	18%	14%
<u>Schedule of Employer Contributions</u>	<u>Fiscal Year Ended</u>		
	<u>9/30/15</u>	<u>9/30/16</u>	<u>9/30/17</u>
Annual Required Contribution	\$ 962,000	\$ 1,024,000	\$ 807,000
Actual Contribution	<u>270,670</u>	<u>296,001</u>	<u>237,000</u>
Percentage Contributed	28%	29%	29%
Net OPEB Obligation	<u>\$ 7,137,137</u>	<u>\$ 7,658,137</u>	<u>\$ 7,991,137</u>

See accompanying notes to required supplementary information.

Santa Rosa County, Florida
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
September 30, 2017

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.

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 10% Fines Fund – accounts for the funding received through specific fines to be used to modernize the court system.

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.

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, 2017

ASSETS	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Cash and cash equivalents	\$ 16,534,243	\$ 70,563	\$ 5,041,712	\$ 21,646,518
Receivables, net of uncollectibles				
Accounts	682,433	--	--	682,433
Due from other governments	1,414,988	--	215,438	1,630,426
Due from other funds	36,047	--	--	36,047
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 18,667,711</u>	<u>\$ 70,563</u>	<u>\$ 5,257,150</u>	<u>\$ 23,995,424</u>
LIABILITIES				
Accounts payable	\$ 1,395,476	\$ --	\$ --	\$ 1,395,476
Accrued wages payable	112,710	--	--	112,710
Unearned revenue	68,563	--	--	68,563
Due to other funds	665,631	--	--	665,631
Due to other governments	459,710	--	--	459,710
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	2,702,090	--	--	2,702,090
FUND BALANCES				
Fund balances				
Restricted	11,730,041	--	--	11,730,041
Committed	3,979,281	--	5,257,150	9,236,431
Assigned	1,043,434	70,563	--	1,113,997
Unassigned	(787,135)	--	--	(787,135)
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances	15,965,621	70,563	5,257,150	21,293,334
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	<u>\$ 18,667,711</u>	<u>\$ 70,563</u>	<u>\$ 5,257,150</u>	<u>\$ 23,995,424</u>

Santa Rosa County, Florida

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

Year ended September 30, 2017

	Special Revenue	Debt Service	Capital Project	Total Nonmajor Governmental Funds
Revenues				
Taxes	\$ 2,193,897	\$ --	\$ --	\$ 2,193,897
Licenses and permits	11,158,489	--	--	11,158,489
Intergovernmental	3,449,393	--	15,458	3,464,851
Charges for services	5,203,210	--	--	5,203,210
Fines and forfeits	1,079,017	--	--	1,079,017
Miscellaneous	1,112,730	71	27,475	1,140,276
Total revenues	24,196,736	71	42,933	24,239,740
Expenditures				
Current				
General government	5,426,311	--	--	5,426,311
Public safety	5,903,222	--	--	5,903,222
Physical environment	899,393	--	--	899,393
Transportation	972,488	--	--	972,488
Economic environment	3,582,542	--	--	3,582,542
Human services	164,811	--	--	164,811
Culture and recreation	--	--	46,458	46,458
Capital outlay	--	--	1,770	1,770
Debt service	--	1,584,785	--	1,584,785
Total expenditures	16,948,767	1,584,785	48,228	18,581,780
Excess (deficiency) of revenues over expenditures	7,247,969	(1,584,714)	(5,295)	5,657,960
Other financing sources (uses)				
Transfers in	1,113,185	1,858,310	1,616,677	4,588,172
Transfers out	(8,424,094)	(195,318)	(572,771)	(9,192,183)
Total other financing sources (uses)	(7,310,909)	1,662,992	1,043,906	(4,604,011)
Excess (deficiency) of revenues and other sources over expenditures and other uses	(62,940)	78,278	1,038,611	1,053,949
Fund balances, beginning of year	16,028,561	(7,715)	4,218,539	20,239,385
Fund balances, end of year	\$ 15,965,621	\$ 70,563	\$ 5,257,150	\$ 21,293,334

Santa Rosa County, Florida

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS**

September 30, 2017

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	\$ 1,917,157	\$ 73,762	\$ 1,082,272	\$ 641,243	\$ 3,017,226	\$ 2,857,807	\$ 1,379,436	\$ 799,102	\$ 1,044,519	\$ 899,576
Receivables, net of uncollectibles										
Accounts	--	--	35,815	--	614,164	--	--	--	--	10,194
Due from other governments	76,124	--	979,581	168,340	--	--	--	--	--	57,122
Due from other funds	--	--	--	--	--	--	--	--	--	--
Total assets	<u>\$ 1,993,281</u>	<u>\$ 73,762</u>	<u>\$ 2,097,668</u>	<u>\$ 809,583</u>	<u>\$ 3,631,390</u>	<u>\$ 2,857,807</u>	<u>\$ 1,379,436</u>	<u>\$ 799,102</u>	<u>\$ 1,044,519</u>	<u>\$ 966,892</u>
LIABILITIES										
Accounts payable	\$ 63,682	\$ 32,468	\$ 508,927	\$ 49,341	\$ --	\$ 250,770	\$ --	\$ --	\$ --	\$ 443,669
Accrued wages payable	5,933	--	--	9,257	--	4,540	--	--	--	--
Unearned revenue	--	--	--	--	--	--	--	--	--	--
Due to other funds	--	--	--	--	--	--	--	--	--	509,164
Due to other governments	--	--	--	--	--	--	--	--	--	--
Total liabilities	<u>69,615</u>	<u>32,468</u>	<u>508,927</u>	<u>58,598</u>	<u>--</u>	<u>255,310</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>952,833</u>
FUND BALANCES										
Fund balances										
Restricted	532,341	41,294	1,588,741	750,985	--	2,602,497	1,379,436	799,102	1,044,519	801,194
Committed	347,891	--	--	--	3,631,390	--	--	--	--	--
Assigned	1,043,434	--	--	--	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--	--	--	--	(787,135)
Total fund balances	<u>1,923,666</u>	<u>41,294</u>	<u>1,588,741</u>	<u>750,985</u>	<u>3,631,390</u>	<u>2,602,497</u>	<u>1,379,436</u>	<u>799,102</u>	<u>1,044,519</u>	<u>14,059</u>
Total liabilities and fund balances	<u>\$ 1,993,281</u>	<u>\$ 73,762</u>	<u>\$ 2,097,668</u>	<u>\$ 809,583</u>	<u>\$ 3,631,390</u>	<u>\$ 2,857,807</u>	<u>\$ 1,379,436</u>	<u>\$ 799,102</u>	<u>\$ 1,044,519</u>	<u>\$ 966,892</u>

Continued...

NONMAJOR SPECIAL REVENUE FUNDS - Continued

September 30, 2017

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	Total Nonmajor Special Revenue Funds
Cash and cash equivalents	\$ 538,559	\$ 709,088	\$ 559,971	\$ --	\$ 33,586	\$ 55,539	\$ 878,430	\$ 46,970	\$ 16,534,243
Receivables, net of uncollectibles									
Accounts	--	--	--	--	--	--	22,260	--	682,433
Due from other governments	--	--	--	35,323	98,498	--	--	--	1,414,988
Due from other funds	35,323	--	--	--	724	--	--	--	36,047
Total assets	<u>\$ 573,882</u>	<u>\$ 709,088</u>	<u>\$ 559,971</u>	<u>\$ 35,323</u>	<u>\$ 132,808</u>	<u>\$ 55,539</u>	<u>\$ 900,690</u>	<u>\$ 46,970</u>	<u>\$ 18,667,711</u>
LIABILITIES									
Accounts payable	\$ 4,543	\$ 30,740	\$ --	\$ --	\$ 3,575	\$ --	\$ 7,761	\$ --	\$ 1,395,476
Accrued wages payable	74,157	5,140	--	--	10,943	--	2,740	--	112,710
Unearned revenue	--	--	--	--	21,593	--	--	46,970	68,563
Due to other funds	60	--	--	35,323	86,971	339	33,774	--	665,631
Due to other governments	448,516	1,468	--	--	9,726	--	--	--	459,710
Total liabilities	<u>527,276</u>	<u>37,348</u>	<u>--</u>	<u>35,323</u>	<u>132,808</u>	<u>339</u>	<u>44,275</u>	<u>46,970</u>	<u>2,702,090</u>
FUND BALANCES									
Fund balances									
Restricted	46,606	671,740	559,971	--	--	55,200	856,415	--	11,730,041
Committed	--	--	--	--	--	--	--	--	3,979,281
Assigned	--	--	--	--	--	--	--	--	1,043,434
Unassigned	--	--	--	--	--	--	--	--	(787,135)
Total fund balances	<u>46,606</u>	<u>671,740</u>	<u>559,971</u>	<u>--</u>	<u>--</u>	<u>55,200</u>	<u>856,415</u>	<u>--</u>	<u>15,965,621</u>
Total liabilities and fund balances	<u>\$ 573,882</u>	<u>\$ 709,088</u>	<u>\$ 559,971</u>	<u>\$ 35,323</u>	<u>\$ 132,808</u>	<u>\$ 55,539</u>	<u>\$ 900,690</u>	<u>\$ 46,970</u>	<u>\$ 18,667,711</u>

Santa Rosa County, Florida

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

Year ended September 30, 2017

	Fine and Forfeiture	State Match	Grants	Enhanced 911	Electric Franchise Fee	Local Option Tourist Tax	Impact Fees	SHIP Program	Disaster	MSBU
Revenues										
Taxes	\$ 73	\$ --	\$ --	\$ --	\$ --	\$ 2,193,824	\$ --	\$ --	\$ --	\$ --
Licenses and permits	--	--	--	--	6,514,054	--	37,315	--	--	4,607,120
Intergovernmental	39,503	36,540	1,262,523	--	--	--	--	1,049,287	--	--
Charges for services	1,289,691	--	20,070	723,508	--	235,000	--	--	--	--
Fines and forfeits	6,056	--	--	--	--	--	--	--	--	--
Miscellaneous	13,075	5	136	5,976	101	58,437	376,198	206,061	105	119
Total revenues	1,348,398	36,545	1,282,729	729,484	6,514,155	2,487,261	413,513	1,255,348	105	4,607,239
Expenditures										
Current										
General government	1,154,835	--	--	--	--	--	--	--	--	--
Public safety	81,457	--	84,937	1,071,122	--	--	--	--	--	3,500,162
Physical environment	--	--	526,959	--	--	--	--	--	--	372,434
Transportation	--	--	17,633	--	--	--	149,794	--	--	805,061
Economic environment	--	--	540,940	--	--	2,050,073	--	991,529	--	--
Human services	--	32,468	132,343	--	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--	--	--	--	--
Total expenditures	1,236,292	32,468	1,302,812	1,071,122	--	2,050,073	149,794	991,529	--	4,677,657
Excess (deficiency) of revenues over expenditures	112,106	4,077	(20,083)	(341,638)	6,514,155	437,188	263,719	263,819	105	(70,418)
Other financing sources (uses)										
Transfers in	54,885	--	74,750	--	26,640	53,895	--	2,634	--	900,381
Transfers out	(11,000)	--	(9,985)	--	(6,749,723)	(251,859)	(450,000)	(232,438)	--	(719,089)
Total other financing sources (uses)	43,885	--	64,765	--	(6,723,083)	(197,964)	(450,000)	(229,804)	--	181,292
Net change in fund balances	155,991	4,077	44,682	(341,638)	(208,928)	239,224	(186,281)	34,015	105	110,874
Fund balances, beginning of year	1,767,675	37,217	1,544,059	1,092,623	3,840,318	2,363,273	1,565,717	765,087	1,044,414	(96,815)
Fund balances, end of year	\$ 1,923,666	\$ 41,294	\$ 1,588,741	\$ 750,985	\$ 3,631,390	\$ 2,602,497	\$ 1,379,436	\$ 799,102	\$ 1,044,519	\$ 14,059

Continued...

Santa Rosa County, Florida

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

Year ended September 30, 2017

	Clerk's Courts Fund	Clerk's Courts Tech	Clerk's RMTF	Clerk's 10% Fines	Clerk's Title IV-D	Sheriff's Grants	Sheriff's Second Dollar	Sheriff's Prisoner Rec	Sheriff's Federal Seizure	Total Nonmajor Special Revenue Funds
Revenues										
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 2,193,897
Licenses and permits	--	--	--	--	--	--	--	--	--	11,158,489
Intergovernmental	184,502	--	--	--	244,010	603,631	29,397	--	--	3,449,393
Charges for services	2,467,164	353,474	114,303	--	--	--	--	--	--	5,203,210
Fines and forfeits	945,487	--	--	127,474	--	--	--	--	--	1,079,017
Miscellaneous	52,258	--	--	--	--	--	--	400,259	--	1,112,730
Total revenues	3,649,411	353,474	114,303	127,474	244,010	603,631	29,397	400,259	--	24,196,736
Expenditures										
Current										
General government	3,637,073	239,153	--	151,240	244,010	--	--	--	--	5,426,311
Public safety	--	--	--	--	--	603,631	7,929	553,984	--	5,903,222
Physical environment	--	--	--	--	--	--	--	--	--	899,393
Transportation	--	--	--	--	--	--	--	--	--	972,488
Economic environment	--	--	--	--	--	--	--	--	--	3,582,542
Human services	--	--	--	--	--	--	--	--	--	164,811
Capital outlay	--	--	--	--	--	--	--	--	--	--
Total expenditures	3,637,073	239,153	--	151,240	244,010	603,631	7,929	553,984	--	16,948,767
Excess (deficiency) of revenues over expenditures	12,338	114,321	114,303	(23,766)	--	--	21,468	(153,725)	--	7,247,969
Other financing sources (uses)										
Transfers in	--	--	--	--	--	--	--	--	--	1,113,185
Transfers out	--	--	--	--	--	--	--	--	--	(8,424,094)
Total other financing sources (uses)	--	--	--	--	--	--	--	--	--	(7,310,909)
Net change in fund balances	12,338	114,321	114,303	(23,766)	--	--	21,468	(153,725)	--	(62,940)
Fund balances, beginning of year	34,268	557,419	445,668	23,766	--	--	33,732	1,010,140	--	16,028,561
Fund balances, end of year	\$ 46,606	\$ 671,740	\$ 559,971	\$ --	\$ --	\$ --	\$ 55,200	\$ 856,415	\$ --	\$ 15,965,621

Santa Rosa County, Florida

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

Year ended September 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues			
Taxes	\$ --	\$ --	\$ 73
Intergovernmental	28,025	28,025	39,503
Charges for services	788,230	788,230	1,289,691
Fines and forfeits	--	--	6,056
Miscellaneous	<u>1,900</u>	<u>1,900</u>	<u>13,075</u>
Total revenues	818,155	818,155	1,348,398
Expenditures			
Current			
General government	844,338	980,688	1,154,835
Public safety	<u>87,400</u>	<u>97,900</u>	<u>81,457</u>
Total expenditures	<u>931,738</u>	<u>1,078,588</u>	<u>1,236,292</u>
Excess (deficiency) of revenues over expenditures	(113,583)	(260,433)	112,106
Other financing sources (uses)			
Transfers in	--	54,885	54,885
Transfers out	<u>--</u>	<u>(11,000)</u>	<u>(11,000)</u>
Total other financing sources (uses)	<u>--</u>	<u>43,885</u>	<u>43,885</u>
Net change in fund balances	(113,583)	(216,548)	155,991
Fund balance, beginning of year	<u>113,583</u>	<u>216,548</u>	<u>1,767,675</u>
Fund balance, end of year	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>	<u><u>\$ 1,923,666</u></u>

Santa Rosa County, Florida

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

Year ended September 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues			
Intergovernmental	\$ 32,468	\$ 32,468	\$ 36,540
Miscellaneous	<u>--</u>	<u>--</u>	<u>5</u>
Total revenues	32,468	32,468	36,545
Expenditures			
Current			
Human services	<u>32,468</u>	<u>32,468</u>	<u>32,468</u>
Total expenditures	<u>32,468</u>	<u>32,468</u>	<u>32,468</u>
Net change in fund balances	--	--	4,077
Fund balance, beginning of year	<u>--</u>	<u>--</u>	<u>37,217</u>
Fund balance, end of year	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>	<u><u>\$ 41,294</u></u>

Santa Rosa County, Florida

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

Year ended September 30, 2017

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental	\$ --	\$ 5,310,488	\$ 1,262,523
Charges for services	--	--	20,070
Miscellaneous	--	--	136
Total revenues	--	5,310,488	1,282,729
Expenditures			
Current			
Public safety	--	146,549	84,937
Physical environment	--	3,300,039	526,959
Transportation	--	220,900	17,633
Economic environment	--	1,703,615	540,940
Human services	--	188,010	132,343
Total expenditures	--	5,559,113	1,302,812
Excess (deficiency) of revenues over expenditures	--	(248,625)	(20,083)
Other financing sources (uses)			
Transfers in	--	74,750	74,750
Transfers out	--	(9,985)	(9,985)
Total other financing sources (uses)	--	64,765	64,765
Net change in fund balances	--	(183,860)	44,682
Fund balance, beginning of year	--	183,860	1,544,059
Fund balance, end of year	\$ --	\$ --	\$ 1,588,741

Santa Rosa County, Florida

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

Year ended September 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues			
Charges for services	\$ 603,059	\$ 603,059	\$ 723,508
Miscellaneous	<u>1,425</u>	<u>1,425</u>	<u>5,976</u>
Total revenues	604,484	604,484	729,484
Expenditures			
Current			
Public safety	<u>1,097,925</u>	<u>1,135,586</u>	<u>1,071,122</u>
Total expenditures	<u>1,097,925</u>	<u>1,135,586</u>	<u>1,071,122</u>
Net change in fund balances	<u>(493,441)</u>	<u>(531,102)</u>	<u>(341,638)</u>
Net change in fund balances	(493,441)	(531,102)	(341,638)
Fund balance, beginning of year	<u>493,441</u>	<u>531,102</u>	<u>1,092,623</u>
Fund balance, end of year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 750,985</u>

Santa Rosa County, Florida

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

Year ended September 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues			
Permits, fees and special assessments	\$ 6,175,000	\$ 6,175,000	\$ 6,514,054
Miscellaneous	<u>570</u>	<u>570</u>	<u>101</u>
Total revenues	<u>6,175,570</u>	<u>6,175,570</u>	<u>6,514,155</u>
Expenditures			
Current			
General government	<u>617,500</u>	<u>2,071,311</u>	<u>--</u>
Total expenditures	<u>617,500</u>	<u>2,071,311</u>	<u>--</u>
Excess (deficiency) of revenues over expenditures	<u>5,558,070</u>	<u>4,104,259</u>	<u>6,514,155</u>
Other financing sources (uses)			
Transfer in	--	26,640	26,640
Transfers out	<u>(5,558,070)</u>	<u>(6,749,723)</u>	<u>(6,749,723)</u>
Total other financing sources (uses)	<u>(5,558,070)</u>	<u>(6,723,083)</u>	<u>(6,723,083)</u>
Net change in fund balances	--	(2,618,824)	(208,928)
Fund balance, beginning of year	<u>--</u>	<u>2,618,824</u>	<u>3,840,318</u>
Fund balance, end of year	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>	<u><u>\$ 3,631,390</u></u>

Santa Rosa County, Florida

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

Year ended September 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues			
Taxes	\$ 1,956,530	\$ 1,956,530	\$ 2,193,824
Intergovernmental	--	525,000	--
Charges for services	--	198,200	235,000
Miscellaneous	<u>1,900</u>	<u>1,900</u>	<u>58,437</u>
Total revenues	1,958,430	2,681,630	2,487,261
Expenditures			
Current			
Economic environment	<u>2,179,395</u>	<u>3,244,937</u>	<u>2,050,073</u>
Total expenditures	<u>2,179,395</u>	<u>3,244,937</u>	<u>2,050,073</u>
Excess (deficiency) of revenues over expenditures	(220,965)	(563,307)	437,188
Other financing sources (uses)			
Transfers in	--	53,895	53,895
Transfers out	<u>(216,009)</u>	<u>(251,859)</u>	<u>(251,859)</u>
Total other financing sources (uses)	<u>(216,009)</u>	<u>(197,964)</u>	<u>(197,964)</u>
Net change in fund balances	(436,974)	(761,271)	239,224
Fund balance, beginning of year	<u>436,974</u>	<u>761,271</u>	<u>2,363,273</u>
Fund balance, end of year	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>	<u><u>\$ 2,602,497</u></u>

Santa Rosa County, Florida

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

Year ended September 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues			
Permits, fees and special assessments	\$ --	\$ --	\$ 37,315
Miscellaneous	<u>--</u>	<u>--</u>	<u>376,198</u>
Total revenues	--	--	413,513
Expenditures			
Current			
Transportation	<u>--</u>	<u>1,115,717</u>	<u>149,794</u>
Total expenditures	<u>--</u>	<u>1,115,717</u>	<u>149,794</u>
Excess (deficiency) of revenues and other sources over expenditures	--	(1,115,717)	263,719
Other financing sources (uses)			
Transfers out	<u>(450,000)</u>	<u>(450,000)</u>	<u>(450,000)</u>
Total other financing sources (uses)	<u>(450,000)</u>	<u>(450,000)</u>	<u>(450,000)</u>
Net change in fund balances	(450,000)	(1,565,717)	(186,281)
Fund balance, beginning of year	<u>450,000</u>	<u>1,565,717</u>	<u>1,565,717</u>
Fund balance, end of year	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>	<u><u>\$ 1,379,436</u></u>

Santa Rosa County, Florida

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

Year ended September 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues			
Intergovernmental	\$ 114,268	\$ 1,115,971	\$ 1,049,287
Miscellaneous	<u>--</u>	<u>360,036</u>	<u>206,061</u>
Total revenues	114,268	1,476,007	1,255,348
Expenditures			
Current			
Economic environment	<u>--</u>	<u>1,844,986</u>	<u>991,529</u>
Total expenditures	<u>--</u>	<u>1,844,986</u>	<u>991,529</u>
Excess (deficiency) of revenues over expenditures	114,268	(368,979)	263,819
Other financing sources (uses)			
Transfers in	--	2,634	2,634
Transfers out	<u>(114,268)</u>	<u>(232,438)</u>	<u>(232,438)</u>
Total other financing sources (uses)	<u>(114,268)</u>	<u>(229,804)</u>	<u>(229,804)</u>
Net change in fund balances	--	(598,783)	34,015
Fund balance, beginning of year	<u>--</u>	<u>598,783</u>	<u>765,087</u>
Fund balance, end of year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 799,102</u>

Santa Rosa County, Florida

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

Year ended September 30, 2017

	Original Budget	Final Budget	Actual
Revenues			
Miscellaneous	--	--	105
Total revenues	--	--	105
Expenditures			
Current			
Public safety	--	--	--
Total expenditures	--	--	--
Excess (deficiency) of revenues over expenditures	--	--	105
Net change in fund balances	--	--	105
Fund balance, beginning of year	--	--	1,044,414
Fund balance, end of year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,044,519</u>

Santa Rosa County, Florida

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

Year ended September 30, 2017

	Original Budget	Final Budget	Actual
Revenues			
Permits, fees and special assessments	\$ 4,214,318	\$ 4,215,783	\$ 4,607,120
Miscellaneous	--	--	119
Total revenues	4,214,318	4,215,783	4,607,239
Expenditures			
Current			
Public safety	3,341,568	3,501,977	3,500,162
Physical environment	416,251	613,716	372,434
Transportation	384,739	834,065	805,061
Total expenditures	4,142,558	4,949,758	4,677,657
Excess (deficiency) of revenues over expenditures	71,760	(733,975)	(70,418)
Other financing sources (uses)			
Transfers in	122,181	900,381	900,381
Transfers out	(675,355)	(719,089)	(719,089)
Total other financing sources (uses)	(553,174)	181,292	181,292
Net change in fund balances	(481,414)	(552,683)	110,874
Fund balance, beginning of year	481,414	552,683	(96,815)
Fund balance, end of year	\$ --	\$ --	\$ 14,059

Santa Rosa County, Florida

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

Year ended September 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues			
Intergovernmental	\$ --	\$ --	\$ 184,502
Charges for services	2,190,910	2,190,910	2,467,164
Fines and forfeits	799,812	799,812	945,487
Miscellaneous	<u>--</u>	<u>--</u>	<u>52,258</u>
Total revenues	2,990,722	2,990,722	3,649,411
Expenditures			
Current			
General government	<u>2,990,722</u>	<u>2,990,722</u>	<u>3,637,073</u>
Total expenditures	<u>2,990,722</u>	<u>2,990,722</u>	<u>3,637,073</u>
Net change in fund balances	--	--	12,338
Fund balance, beginning of year	<u>--</u>	<u>--</u>	<u>34,268</u>
Fund balance, end of year	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>	<u><u>\$ 46,606</u></u>

Santa Rosa County, Florida

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

Year ended September 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues			
Charges for services	<u>\$ 280,000</u>	<u>\$ 280,000</u>	<u>\$ 353,474</u>
Total revenues	280,000	280,000	353,474
Expenditures			
Current			
General government	280,000	280,000	239,153
Capital outlay	<u>--</u>	<u>--</u>	<u>--</u>
Total expenditures	<u>280,000</u>	<u>280,000</u>	<u>239,153</u>
Net change in fund balances	--	--	114,321
Fund balance, beginning of year	<u>200,000</u>	<u>200,000</u>	<u>557,419</u>
Fund balance, end of year	<u><u>\$ 200,000</u></u>	<u><u>\$ 200,000</u></u>	<u><u>\$ 671,740</u></u>

Santa Rosa County, Florida

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

Year ended September 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues			
Charges for services	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 114,303</u>
Total revenues	100,000	100,000	114,303
Expenditures			
Current			
General government	<u>100,000</u>	<u>100,000</u>	<u>--</u>
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>--</u>
Net change in fund balances	--	--	114,303
Fund balance, beginning of year	<u>--</u>	<u>--</u>	<u>445,668</u>
Fund balance, end of year	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>	<u><u>\$ 559,971</u></u>

Santa Rosa County, Florida

**BUDGETARY COMPARISON SCHEDULE (GAAP Basis)
CLERK'S 10% FINES FUND**

Year ended September 30, 2017

	Original Budget	Final Budget	Actual
Revenues			
Fines and forfeits	\$ 170,000	\$ 170,000	\$ 127,474
Total revenues	170,000	170,000	127,474
Expenditures			
Current			
General government	170,000	170,000	151,240
Total expenditures	170,000	170,000	151,240
Net change in fund balances	--	--	(23,766)
Fund balance, beginning of year	--	--	23,766
Fund balance, end of year	\$ --	\$ --	\$ --

Santa Rosa County, Florida

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

Year ended September 30, 2017

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental	\$ 200,000	\$ 250,000	\$ 244,010
Total revenues	200,000	250,000	244,010
Expenditures			
Current			
General government	200,000	250,000	244,010
Total expenditures	200,000	250,000	244,010
Net change in fund balances	--	--	--
Fund balance, beginning of year	--	--	--
Fund balance, end of year	\$ --	\$ --	\$ --

Santa Rosa County, Florida

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

Year ended September 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues			
Miscellaneous	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 71</u>
Total revenues	--	--	71
Expenditures			
Debt service	<u> 757,379</u>	<u> 1,858,310</u>	<u> 1,584,785</u>
Total expenditures	<u> 757,379</u>	<u> 1,858,310</u>	<u> 1,584,785</u>
Excess (deficiency) of revenues over expenditures	(757,379)	(1,858,310)	(1,584,714)
Other financing sources (uses)			
Transfers in	757,379	1,858,310	1,858,310
Transfers out	<u> --</u>	<u> (195,318)</u>	<u> (195,318)</u>
Total other financing sources (uses)	<u> 757,379</u>	<u> 1,662,992</u>	<u> 1,662,992</u>
Net change in fund balances	--	(195,318)	78,278
Fund balance, beginning of year	<u> --</u>	<u> 195,318</u>	<u> (7,715)</u>
Fund balance, end of year	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>	<u><u>\$ 70,563</u></u>

Santa Rosa County, Florida

**COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS**

September 30, 2017

	District One	District Two	District Three	District Four	District Five	Other Capital Projects	Total Nonmajor Capital Project Funds
ASSETS							
Cash and cash equivalents	\$ 621,577	\$ 997,526	\$ 592,889	\$ 645,534	\$ 835,819	\$ 1,348,367	\$ 5,041,712
Due from other governments	--	215,438	--	--	--	--	215,438
Total assets	<u>\$ 621,577</u>	<u>\$ 1,212,964</u>	<u>\$ 592,889</u>	<u>\$ 645,534</u>	<u>\$ 835,819</u>	<u>\$ 1,348,367</u>	<u>\$ 5,257,150</u>
LIABILITIES							
Accounts payable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Total liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
FUND BALANCES							
Fund balances							
Committed	<u>621,577</u>	<u>1,212,964</u>	<u>592,889</u>	<u>645,534</u>	<u>835,819</u>	<u>1,348,367</u>	<u>5,257,150</u>
Total fund balances	<u>621,577</u>	<u>1,212,964</u>	<u>592,889</u>	<u>645,534</u>	<u>835,819</u>	<u>1,348,367</u>	<u>5,257,150</u>
Total liabilities and fund balances	<u>\$ 621,577</u>	<u>\$ 1,212,964</u>	<u>\$ 592,889</u>	<u>\$ 645,534</u>	<u>\$ 835,819</u>	<u>\$ 1,348,367</u>	<u>\$ 5,257,150</u>

Santa Rosa County, Florida

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

Year ended September 30, 2017

	District One	District Two	District Three	District Four	District Five	Other Capital Projects	Total Nonmajor Capital Project Funds
Revenues							
Intergovernmental	\$ --	\$ 15,458	\$ --	\$ --	\$ --	\$ --	\$ 15,458
Miscellaneous	2,546	6,597	2,550	3,241	4,162	8,379	27,475
Total revenues	2,546	22,055	2,550	3,241	4,162	8,379	42,933
Expenditures							
Current							
Culture and recreation	--	21,458	25,000	--	--	--	46,458
Capital outlay	--	--	--	--	--	1,770	1,770
Total expenditures	--	21,458	25,000	--	--	1,770	48,228
Excess (deficiency) of revenues over expenditures	2,546	597	(22,450)	3,241	4,162	6,609	(5,295)
Other financing sources (uses)							
Transfers in	235,023	241,023	247,675	235,023	235,023	422,910	1,616,677
Transfers out	(50,332)	(4,000)	(56,233)	(68,242)	(176,781)	(217,183)	(572,771)
Total other financing sources (uses)	184,691	237,023	191,442	166,781	58,242	205,727	1,043,906
Net change in fund balances	187,237	237,620	168,992	170,022	62,404	212,336	1,038,611
Fund balances, beginning of year	434,340	975,344	423,897	475,512	773,415	1,136,031	4,218,539
Fund balances, end of year	<u>\$ 621,577</u>	<u>\$ 1,212,964</u>	<u>\$ 592,889</u>	<u>\$ 645,534</u>	<u>\$ 835,819</u>	<u>\$ 1,348,367</u>	<u>\$ 5,257,150</u>

Santa Rosa County, Florida

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

Year ended September 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues			
Miscellaneous	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 2,546</u>
Total revenues	<u> --</u>	<u> --</u>	<u> 2,546</u>
Expenditures			
Current			
Culture and recreation	<u> 125,000</u>	<u> 619,031</u>	<u> --</u>
Total expenditures	<u> 125,000</u>	<u> 619,031</u>	<u> --</u>
Excess (deficiency) of revenues over expenditures	<u> (125,000)</u>	<u> (619,031)</u>	<u> 2,546</u>
Other financing sources (uses)			
Transfers in	<u> 125,000</u>	<u> 235,023</u>	<u> 235,023</u>
Transfers out	<u> --</u>	<u> (50,332)</u>	<u> (50,332)</u>
Total other financing sources (uses)	<u> 125,000</u>	<u> 184,691</u>	<u> 184,691</u>
Net change in fund balances	<u> --</u>	<u> (434,340)</u>	<u> 187,237</u>
Fund balance, beginning of year	<u> --</u>	<u> 434,340</u>	<u> 434,340</u>
Fund balance, end of year	<u><u> \$ --</u></u>	<u><u> \$ --</u></u>	<u><u> \$ 621,577</u></u>

Santa Rosa County, Florida

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

Year ended September 30, 2017

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental	\$ --	\$ 46,500	\$ 15,458
Miscellaneous	--	--	6,597
	<hr/>	<hr/>	<hr/>
Total revenues	--	46,500	22,055
Expenditures			
Current			
Culture and recreation	125,000	491,321	21,458
Capital outlay	--	60,000	--
	<hr/>	<hr/>	<hr/>
Total expenditures	125,000	551,321	21,458
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over expenditures	(125,000)	(504,821)	597
Other financing sources (uses)			
Transfers in	125,000	241,023	241,023
Transfers out	--	(4,000)	(4,000)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	125,000	237,023	237,023
	<hr/>	<hr/>	<hr/>
Net change in fund balances	--	(267,798)	237,620
	<hr/>	<hr/>	<hr/>
Fund balance, beginning of year	--	267,798	975,344
	<hr/>	<hr/>	<hr/>
Fund balance, end of year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,212,964</u>

Santa Rosa County, Florida

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

Year ended September 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues			
Miscellaneous	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 2,550</u>
Total revenues	<u> --</u>	<u> --</u>	<u> 2,550</u>
Expenditures			
Current			
Culture and recreation	<u> 125,000</u>	<u> 615,340</u>	<u> 25,000</u>
Total expenditures	<u> 125,000</u>	<u> 615,340</u>	<u> 25,000</u>
Excess (deficiency) of revenues over expenditures	<u> (125,000)</u>	<u> (615,340)</u>	<u> (22,450)</u>
Other financing sources (uses)			
Transfers in	<u> 125,000</u>	<u> 247,675</u>	<u> 247,675</u>
Transfers out	<u> --</u>	<u> (56,233)</u>	<u> (56,233)</u>
Total other financing sources (uses)	<u> 125,000</u>	<u> 191,442</u>	<u> 191,442</u>
Net change in fund balances	<u> --</u>	<u> (423,898)</u>	<u> 168,992</u>
Fund balance, beginning of year	<u> --</u>	<u> 423,898</u>	<u> 423,897</u>
Fund balance, end of year	<u><u> \$ --</u></u>	<u><u> \$ --</u></u>	<u><u> \$ 592,889</u></u>

Santa Rosa County, Florida

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

Year ended September 30, 2017

	Original Budget	Final Budget	Actual
Revenues			
Miscellaneous	\$ --	\$ --	\$ 3,241
Total revenues	--	--	3,241
Expenditures			
Current			
Culture and recreation	125,000	642,291	--
Total expenditures	125,000	642,291	--
Excess (deficiency) of revenues over expenditures	(125,000)	(642,291)	3,241
Other financing sources (uses)			
Transfers in	125,000	235,023	235,023
Transfers out	--	(68,242)	(68,242)
Total other financing sources (uses)	125,000	166,781	166,781
Net change in fund balances	--	(475,510)	170,022
Fund balance, beginning of year	--	475,510	475,512
Fund balance, end of year	\$ --	\$ --	\$ 645,534

Santa Rosa County, Florida

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

Year ended September 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues			
Miscellaneous	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 4,162</u>
Total revenues	--	--	4,162
Expenditures			
Current			
Culture and recreation	<u>125,000</u>	<u>831,658</u>	<u>\$ --</u>
Total expenditures	<u>125,000</u>	<u>831,658</u>	<u> --</u>
Excess (deficiency) of revenues over expenditures	(125,000)	(831,658)	4,162
Other financing sources (uses)			
Transfers in	125,000	235,023	235,023
Transfers out	<u> --</u>	<u>(176,781)</u>	<u>(176,781)</u>
Total other financing sources (uses)	<u>125,000</u>	<u> 58,242</u>	<u> 58,242</u>
Net change in fund balances	--	(773,416)	62,404
Fund balance, beginning of year	<u> --</u>	<u> 773,416</u>	<u> 773,415</u>
Fund balance, end of year	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>	<u><u>\$ 835,819</u></u>

Santa Rosa County, Florida

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

Year ended September 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues			
Taxes	\$ 5,064,563	\$ --	\$ --
Intergovernmental	--	1,000,000	--
Miscellaneous	--	--	8,379
	<u>5,064,563</u>	<u>1,000,000</u>	<u>8,379</u>
Total revenues	5,064,563	1,000,000	8,379
Expenditures			
Current			
Culture and recreation	5,064,563	928,833	--
Capital outlay	--	1,412,925	1,770
	<u>5,064,563</u>	<u>2,341,758</u>	<u>1,770</u>
Total expenditures	5,064,563	2,341,758	1,770
Excess (deficiency) of revenues over expenditures	--	(1,341,758)	6,609
Other financing sources (uses)			
Transfers in	--	422,910	422,910
Transfers out	--	(217,183)	(217,183)
	<u>--</u>	<u>205,727</u>	<u>205,727</u>
Total other financing sources (uses)	--	205,727	205,727
Net change in fund balances	--	(1,136,031)	212,336
Fund balance, beginning of year	<u>--</u>	<u>1,136,031</u>	<u>1,136,031</u>
Fund balance, end of year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,348,367</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, 2017

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Clerk's Fine and Cost Fund				
Assets				
Cash	\$ 266,026	\$ 3,562,309	\$ 3,535,940	\$ 292,395
Total assets	<u>\$ 266,026</u>	<u>\$ 3,562,309</u>	<u>\$ 3,535,940</u>	<u>\$ 292,395</u>
Liabilities				
Accounts payable	\$ --	\$ 1,486,761	\$ 1,486,761	\$ --
Due to other governments	<u>266,026</u>	<u>3,564,223</u>	<u>3,537,854</u>	<u>292,395</u>
Total liabilities	<u>\$ 266,026</u>	<u>\$ 5,050,984</u>	<u>\$ 5,024,615</u>	<u>\$ 292,395</u>
Clerk's Intangible Tax Fund				
Assets				
Cash	\$ 134,019	\$ 2,673,280	\$ 2,700,627	\$ 106,672
Total assets	<u>\$ 134,019</u>	<u>\$ 2,673,280</u>	<u>\$ 2,700,627</u>	<u>\$ 106,672</u>
Liabilities				
Due to other governments	<u>\$ 134,019</u>	<u>\$ 2,673,290</u>	<u>\$ 2,700,637</u>	<u>\$ 106,672</u>
Total liabilities	<u>\$ 134,019</u>	<u>\$ 2,673,290</u>	<u>\$ 2,700,637</u>	<u>\$ 106,672</u>
Clerk's Court Registry Fund				
Assets				
Cash	\$ 2,046,510	\$ 19,638,530	\$ 20,046,907	\$ 1,638,133
Total assets	<u>\$ 2,046,510</u>	<u>\$ 19,638,530</u>	<u>\$ 20,046,907</u>	<u>\$ 1,638,133</u>
Liabilities				
Accounts payable	\$ --	\$ 17,716,130	\$ 17,716,130	\$ --
Deposits	<u>2,046,510</u>	<u>19,645,084</u>	<u>20,053,461</u>	<u>1,638,133</u>
Total liabilities	<u>\$ 2,046,510</u>	<u>\$ 37,361,214</u>	<u>\$ 37,769,591</u>	<u>\$ 1,638,133</u>
Clerk's State Documentary Stamp Fund				
Assets				
Cash	\$ 584,364	\$ 15,070,521	\$ 15,050,769	\$ 604,116
Total assets	<u>\$ 584,364</u>	<u>\$ 15,070,521</u>	<u>\$ 15,050,769</u>	<u>\$ 604,116</u>
Liabilities				
Due to other governments	<u>584,364</u>	<u>15,070,521</u>	<u>15,050,769</u>	<u>604,116</u>
Total liabilities	<u>\$ 584,364</u>	<u>\$ 15,070,521</u>	<u>\$ 15,050,769</u>	<u>\$ 604,116</u>

Continued

Santa Rosa County, Florida
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
Year ended September 30, 2017

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Clerk's Suspense Fund				
Assets				
Cash	\$ 80,749	\$ 1,084,485	\$ 1,103,323	\$ 61,911
Total assets	<u>\$ 80,749</u>	<u>\$ 1,084,485</u>	<u>\$ 1,103,323</u>	<u>\$ 61,911</u>
Liabilities				
Accounts payable	\$ 755	\$ 137,148	\$ 135,101	\$ 2,802
Due to other governments	\$ 79,994	\$ 1,086,390	\$ 1,107,275	\$ 59,109
Total liabilities	<u>\$ 80,749</u>	<u>\$ 1,223,538</u>	<u>\$ 1,242,376</u>	<u>\$ 61,911</u>
Clerk's Tax Redemption Fund				
Assets				
Cash	\$ 595,673	\$ 516,409	\$ 370,622	\$ 741,460
Total assets	<u>\$ 595,673</u>	<u>\$ 516,409</u>	<u>\$ 370,622</u>	<u>\$ 741,460</u>
Liabilities				
Deposits	\$ 595,673	\$ 797,656	\$ 651,869	\$ 741,460
Total liabilities	<u>\$ 595,673</u>	<u>\$ 797,656</u>	<u>\$ 651,869</u>	<u>\$ 741,460</u>
Clerk's Ordinary Witness Fund				
Assets				
Cash	\$ 27,990	\$ 11,277	\$ 12,336	\$ 26,931
Due from other governments	10,884	118,276	117,277	11,883
Total assets	<u>\$ 38,874</u>	<u>\$ 129,553</u>	<u>\$ 129,613</u>	<u>\$ 38,814</u>
Liabilities				
Accounts payable	\$ 38,874	\$ 12,274	\$ 12,334	\$ 38,814
Total liabilities	<u>\$ 38,874</u>	<u>\$ 12,274</u>	<u>\$ 12,334</u>	<u>\$ 38,814</u>
Clerk's Bail Bond Fund				
Assets				
Cash	\$ 461,326	\$ 664,801	\$ 877,475	\$ 248,652
Total assets	<u>\$ 461,326</u>	<u>\$ 664,801</u>	<u>\$ 877,475</u>	<u>\$ 248,652</u>
Liabilities				
Accounts payable	\$ --	\$ 876,990	\$ 876,990	\$ --
Deposits	\$ 461,326	\$ 664,988	\$ 877,662	\$ 248,652
Total liabilities	<u>\$ 461,326</u>	<u>\$ 1,541,978</u>	<u>\$ 1,754,652</u>	<u>\$ 248,652</u>
				Continued

Santa Rosa County, Florida
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
Year ended September 30, 2017

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Clerk's Flower Trust Fund				
Assets				
Cash	\$ 1,323	\$ 867	\$ 596	\$ 1,594
Total assets	<u>\$ 1,323</u>	<u>\$ 867</u>	<u>\$ 596</u>	<u>\$ 1,594</u>
Liabilities				
Deposits	\$ 1,323	\$ 867	\$ 596	\$ 1,594
Total liabilities	<u>\$ 1,323</u>	<u>\$ 867</u>	<u>\$ 596</u>	<u>\$ 1,594</u>
Tax Collector's Tax Fund				
Assets				
Cash	\$ 1,404,481	\$ 155,127,057	\$ 155,136,521	\$ 1,395,017
Accounts receivable	153,269	67,855,601	67,852,931	155,939
Total assets	<u>\$ 1,557,750</u>	<u>\$ 222,982,658</u>	<u>\$ 222,989,452</u>	<u>\$ 1,550,956</u>
Liabilities				
Due to other governments	1,534,679	33,385,635	33,394,345	1,525,969
Miscellaneous	23,071	3,933,730	3,931,814	24,987
Total liabilities	<u>\$ 1,557,750</u>	<u>\$ 37,319,365</u>	<u>\$ 37,326,159</u>	<u>\$ 1,550,956</u>
Sheriff's Suspense Fund				
Assets				
Cash	\$ 19,974	\$ 584,843	\$ 589,516	\$ 15,301
Total assets	<u>\$ 19,974</u>	<u>\$ 584,843</u>	<u>\$ 589,516</u>	<u>\$ 15,301</u>
Liabilities				
Accounts payable	\$ 19,974	\$ 593,526	\$ 598,199	\$ 15,301
Total liabilities	<u>\$ 19,974</u>	<u>\$ 593,526</u>	<u>\$ 598,199</u>	<u>\$ 15,301</u>
Sheriff's Seizure Fund				
Assets				
Cash	\$ 16,881	\$ 12,906	\$ 15,619	\$ 14,168
Due from other governments	18	--	11	7
Total assets	<u>\$ 16,899</u>	<u>\$ 12,906</u>	<u>\$ 15,630</u>	<u>\$ 14,175</u>
Liabilities				
Deposits	\$ 16,899	\$ 20,313	\$ 23,037	\$ 14,175
Total liabilities	<u>\$ 16,899</u>	<u>\$ 20,313</u>	<u>\$ 23,037</u>	<u>\$ 14,175</u>
				Continued

Santa Rosa County, Florida
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
Year ended September 30, 2017

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Sheriff's Flower Fund				
Assets				
Cash	\$ 16,819	\$ 7,708	\$ 7,469	\$ 17,058
Total assets	<u>\$ 16,819</u>	<u>\$ 7,708</u>	<u>\$ 7,469</u>	<u>\$ 17,058</u>
Liabilities				
Accounts payable	\$ 306	\$ 4,908	\$ 5,214	\$ --
Deposits	\$ 16,513	\$ 545	\$ --	\$ 17,058
Total liabilities	<u>\$ 16,819</u>	<u>\$ 5,453</u>	<u>\$ 5,214</u>	<u>\$ 17,058</u>
TOTAL AGENCY FUNDS				
Assets				
Cash	\$ 5,656,135	\$ 198,954,993	\$ 199,447,720	\$ 5,163,408
Accounts receivable	153,269	67,855,601	67,852,931	155,939
Due from other governments	<u>10,902</u>	<u>118,276</u>	<u>117,288</u>	<u>11,890</u>
Total assets	<u>\$ 5,820,306</u>	<u>\$ 266,928,870</u>	<u>\$ 267,417,939</u>	<u>\$ 5,331,237</u>
Liabilities				
Accounts payable	\$ 59,909	\$ 20,827,737	\$ 20,830,729	\$ 56,917
Deposits	\$ 3,138,244	\$ 21,129,453	\$ 21,606,625	\$ 2,661,072
Due to other governments	2,599,082	55,780,059	55,790,880	2,588,261
Miscellaneous	<u>23,071</u>	<u>3,933,730</u>	<u>3,931,814</u>	<u>24,987</u>
Total liabilities	<u>\$ 5,820,306</u>	<u>\$ 101,670,979</u>	<u>\$ 102,160,048</u>	<u>\$ 5,331,237</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.	122
Revenue Capacity These schedules contain information to help the reader assess the governments most significant local revenue source, the property tax.	128
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.	132
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.	135
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.	138

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				
	2008	2009	2010	2011	2012
Governmental activities					
Net investment in capital assets	\$ 133,388,166	\$ 143,184,358	\$ 132,776,964	\$ 129,188,217	\$ 131,087,734
Restricted	12,598,760	12,357,781	12,873,156	33,879,516	32,382,803
Unrestricted	22,597,572	21,641,186	41,592,657	22,477,043	24,272,173
Governmental activities net position	168,584,498	177,183,325	187,242,777	185,544,776	187,742,710
Business-type activities					
Net investment in capital assets	11,705,307	11,436,237	11,026,751	10,349,909	10,411,539
Restricted	3,355,280	3,617,674	3,806,625	3,928,968	4,061,168
Unrestricted	(3,249,271)	(3,279,926)	(2,870,535)	(2,070,174)	510,657
Business-type activities net position	11,811,316	11,773,985	11,962,841	12,208,703	14,983,364
Primary Government					
Net investment in capital assets	145,093,473	154,620,595	143,803,715	139,538,126	141,499,273
Restricted	15,954,040	15,975,455	16,679,781	37,808,484	36,443,971
Unrestricted	19,348,301	18,361,260	38,722,122	20,406,869	24,782,830
Primary government net position	\$ 180,395,814	\$ 188,957,310	\$ 199,205,618	\$ 197,753,479	\$ 202,726,074
	Fiscal Year				
	2013	2014	2015	2016	2017
Governmental activities					
Net investment in capital assets	\$ 133,506,512	\$ 130,795,701	\$ 135,370,552	\$ 139,306,062	\$ 138,455,254
Restricted	22,387,475	23,548,402	25,790,229	14,142,440	18,257,036
Unrestricted	27,789,157	29,782,242	(5,401,187)	3,139,025	3,552,425
Governmental activities net position	183,683,144	184,126,345	155,759,594	156,587,527	160,264,715
Business-type activities					
Net investment in capital assets	11,055,493	11,967,295	12,195,766	14,179,449	14,826,919
Restricted	4,752,608	4,966,334	5,226,306	8,639,599	10,035,008
Unrestricted	138,096	(163,114)	872,240	(512,914)	1,665,310
Business-type activities net position	15,946,197	16,770,515	18,294,312	22,306,134	26,527,237
Primary Government					
Net investment in capital assets	144,562,005	142,762,996	147,566,318	153,485,511	153,282,173
Restricted	27,140,083	28,514,736	31,016,535	22,782,039	28,292,044
Unrestricted	27,927,253	29,619,128	(4,528,947)	2,626,111	5,217,735
Primary government net position	\$ 199,629,341	\$ 200,896,860	\$ 174,053,906	\$ 178,893,661	\$ 186,791,952

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

Expenses	Fiscal Year				
	2008	2009	2010	2011	2012
Governmental activities:					
General government	\$ 33,627,656	\$ 34,372,227	\$ 30,657,305	\$ 30,666,338	\$ 32,570,186
Public safety	46,286,380	41,251,412	40,266,771	41,858,922	38,621,376
Physical environment	2,963,362	2,598,684	2,556,442	4,523,435	4,858,171
Transportation	19,775,619	17,308,186	17,889,846	17,598,242	17,262,229
Economic environment	5,018,423	2,880,164	4,496,371	3,671,637	2,512,105
Human services	4,209,362	4,193,707	3,554,907	4,395,636	5,355,802
Culture and recreation	2,281,334	3,508,321	3,149,230	4,233,967	2,837,640
Interest on long-term debt	516,752	603,733	586,781	452,183	310,886
Total governmental activities	114,678,888	106,716,434	103,157,653	107,400,360	104,328,395
Business-type activities:					
Navarre Beach water and sewer	2,731,219	2,080,665	2,019,732	2,374,547	1,790,622
Peter Prince Airport	339,894	417,409	437,612	377,015	531,658
Industrial park*	-	-	-	-	-
Landfill	4,046,622	4,172,685	3,853,990	4,199,966	2,621,080
Total business-type activities	7,117,735	6,670,759	6,311,334	6,951,528	4,943,360
Total government expenses	<u>\$ 121,796,623</u>	<u>\$ 113,387,193</u>	<u>\$ 109,468,987</u>	<u>\$ 114,351,888</u>	<u>\$ 109,271,755</u>

Expenses	Fiscal Year				
	2013	2014	2015	2016	2017
Governmental activities:					
General government	\$ 35,322,678	\$ 32,077,210	\$ 33,323,950	\$ 34,534,581	\$ 37,736,556
Public safety	39,189,911	43,539,307	43,855,080	47,580,239	52,450,324
Physical environment	3,697,513	2,670,154	3,232,111	16,540,405	2,998,450
Transportation	15,368,137	18,931,798	6,301,085	12,053,535	18,934,986
Economic environment	2,842,783	3,677,666	4,138,167	3,585,571	4,199,034
Human services	5,297,919	5,557,949	5,632,639	5,209,959	5,057,580
Culture and recreation	1,220,483	4,053,156	4,458,293	4,430,637	4,936,499
Interest on long-term debt	248,439	189,570	151,820	851,086	142,439
Total governmental activities	103,187,863	110,696,810	101,093,145	124,786,013	126,455,868
Business-type activities:					
Navarre Beach water and sewer	1,774,576	1,959,739	1,840,277	2,019,652	2,189,343
Peter Prince Airport	505,658	448,747	434,803	439,498	1,693,306
Landfill	3,700,852	4,241,176	4,661,715	4,072,679	4,696,122
Total business-type activities	5,981,086	6,649,662	6,936,795	6,531,829	8,578,771
Total government expenses	<u>\$ 109,168,949</u>	<u>\$ 117,346,472</u>	<u>\$ 108,029,940</u>	<u>\$ 131,317,842</u>	<u>\$ 135,034,639</u>

* The Industrial Park fund was reclassified as a special revenue fund (a governmental activity) in 2007

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

	Fiscal Year				
Program Revenues	2008	2009	2010	2011	2012
Governmental activities:					
Charges for services:					
General government	\$ 15,416,507	\$ 20,792,814	\$ 17,839,533	\$ 16,787,093	\$ 18,081,960
Public safety	6,471,548	6,143,837	8,842,111	7,872,698	4,370,643
Physical environment	1,037,211	1,065,075	434,242	885,379	5,782,002
Transportation	730,496	3,179,299	38,956	2,395,630	261,684
Human services	42,266	48,816	40,706	37,986	36,603
Culture and recreation	37,548	49,957	204,803	365,280	380,985
Operating grants and contributions	15,697,588	9,930,694	20,024,216	8,472,055	8,833,949
Capital grants and contributions	3,858,157	7,797,224	15,251	1,776,494	5,162,953
Total governmental activities program revenue:	43,291,321	49,007,716	47,439,818	38,592,615	42,910,779
Business-type activities:					
Charges for services:					
Navarre Beach water and sewer	1,846,469	1,892,873	1,740,672	1,726,313	1,690,378
Peter Prince Airport	134,995	204,100	227,890	240,224	231,914
Landfill	4,048,874	4,316,713	4,064,536	4,048,903	4,057,528
Capital grants and contributions	965,150	3,472	134,404	424,359	680,971
Total business-type activities	6,995,488	6,417,158	6,167,502	6,439,799	6,660,791
Total government program revenues	<u>\$ 50,286,809</u>	<u>\$ 55,424,874</u>	<u>\$ 53,607,320</u>	<u>\$ 45,032,414</u>	<u>\$ 49,571,570</u>
Net (Expense)/Revenue					
Governmental activities	\$ (71,387,567)	\$ (57,708,718)	\$ (55,717,835)	\$ (68,807,745)	\$ (61,417,616)
Business-type activities	(121,247)	(253,601)	(143,832)	(511,729)	1,717,431
Total government net expense	<u>\$ (71,508,814)</u>	<u>\$ (57,962,319)</u>	<u>\$ (55,861,667)</u>	<u>\$ (69,319,474)</u>	<u>\$ (59,700,185)</u>

	Fiscal Year				
Program Revenues	2013	2014	2015	2016	2017
Governmental activities:					
Charges for services:					
General government	\$ 18,032,139	\$ 19,838,193	\$ 20,486,568	\$ 20,165,926	\$ 21,197,919
Public safety	3,577,641	4,699,449	7,228,652	7,526,515	6,896,820
Physical environment	5,165,440	5,707,544	5,431,080	4,680,733	4,905,470
Transportation	246,785	191,636	146,383	47,551	89,554
Human services	32,892	37,188	33,079	37,259	40,752
Culture and recreation	336,709	403,688	391,097	488,274	494,202
Operating grants and contributions	5,819,975	3,881,017	2,760,609	12,902,748	3,682,161
Capital grants and contributions	2,018,166	3,884,357	2,879,592	3,091,704	819,578
Total governmental activities program revenue:	35,229,747	38,643,072	39,357,060	48,940,710	38,126,456
Business-type activities:					
Charges for services:					
Navarre Beach water and sewer	1,880,831	1,904,215	2,091,096	2,124,356	2,163,525
Peter Prince Airport	250,643	253,484	269,440	297,943	297,426
Landfill	4,290,879	4,808,104	5,886,791	7,965,978	9,503,609
Capital grants and contributions	347,459	329,224	815,405	67,154	1,080,363
Total business-type activities	6,769,812	7,295,027	9,062,732	10,455,431	13,044,923
Total government program revenues	<u>\$ 41,999,559</u>	<u>\$ 45,938,099</u>	<u>\$ 48,419,792</u>	<u>\$ 59,396,141</u>	<u>\$ 51,171,379</u>
Net (Expense)/Revenue					
Governmental activities	\$ (67,958,116)	\$ (72,053,738)	\$ (61,736,085)	\$ (75,845,303)	\$ (88,329,412)
Business-type activities	788,726	645,365	2,125,937	3,923,602	4,466,152
Total government net expense	<u>\$ (67,169,390)</u>	<u>\$ (71,408,373)</u>	<u>\$ (59,610,148)</u>	<u>\$ (71,921,701)</u>	<u>\$ (83,863,260)</u>

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

	Fiscal Year				
	2008	2009	2010	2011	2012
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 54,443,406	\$ 50,146,574	\$ 47,020,365	\$ 44,677,921	\$ 44,209,879
Sales, use and fuel taxes	4,720,820	4,622,118	4,525,645	4,688,107	4,965,861
Franchise fees	5,224,408	-	-	-	-
Communication services taxes	1,418,106	1,742,117	1,597,163	1,484,790	1,461,621
Unrestricted grants and contributions	12,562,005	8,513,389	11,519,481	15,243,479	12,523,404
Unrestricted investment earnings	2,028,081	600,437	397,078	292,746	431,939
Miscellaneous	747,062	629,985	516,773	663,315	595,156
Gain on sale of assets	240,354	52,925	200,781	119,561	65,596
Transfers	-	-	-	-	(637,906)
Total governmental activities	81,384,242	66,307,545	65,777,286	67,169,919	63,615,550
Business-type activities:					
Unrestricted investment earnings	276,965	162,599	116,436	50,544	112,147
Miscellaneous	22,409	658	9,270	332,436	341
Gain on sale of assets	287,053	53,013	206,982	374,611	306,836
Transfers	(157,714)	-	-	-	637,906
Total business-type activities	428,713	216,270	332,688	757,591	1,057,230
Total government	<u>\$ 81,812,955</u>	<u>\$ 66,523,815</u>	<u>\$ 66,109,974</u>	<u>\$ 67,927,510</u>	<u>\$ 64,672,780</u>
Change in Net Position					
Governmental activities	\$ 9,996,675	\$ 8,598,827	\$ 10,059,451	\$ (1,637,826)	\$ 2,197,934
Business-type activities	307,466	(37,331)	188,856	245,862	2,774,661
Total government	<u>\$ 10,304,141</u>	<u>\$ 8,561,496</u>	<u>\$ 10,248,307</u>	<u>\$ (1,391,964)</u>	<u>\$ 4,972,595</u>
	Fiscal Year				
	2013	2014	2015	2016	2017
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 42,806,636	\$ 48,305,322	\$ 46,335,319	\$ 49,251,991	\$ 49,696,435
Sales, use and fuel taxes	5,106,283	5,521,730	6,182,387	9,220,510	15,431,701
Communication services taxes	1,474,562	1,415,391	1,363,480	1,264,504	1,179,568
Unrestricted grants and contributions	13,029,453	13,791,230	14,226,746	14,929,576	15,654,670
Unrestricted investment earnings	137,829	87,033	163,795	309,686	539,578
Miscellaneous	1,344,805	1,675,778	2,322,467	1,696,967	8,988,712
Gain on sale of assets	24,041	1,700,455	-	-	-
Transfers	(25,060)	-	(142,066)	-	515,937
Total governmental activities	63,898,549	72,496,939	70,452,128	76,673,234	92,006,601
Business-type activities:					
Unrestricted grants and contributions	-	10,611	57,894	-	-
Unrestricted investment earnings	30,161	36,488	6,660	91,861	139,703
Miscellaneous	2,660	21,402	235,101	11,044	61,301
Gain on sale of assets	116,226	110,452	-	85,312	69,882
Transfers	25,060	-	142,066	-	(515,937)
Total business-type activities	174,107	178,953	441,721	188,217	(245,051)
Total government	<u>\$ 64,072,656</u>	<u>\$ 72,675,892</u>	<u>\$ 70,893,849</u>	<u>\$ 76,861,451</u>	<u>\$ 91,761,550</u>
Change in Net Position					
Governmental activities	\$ (4,059,567)	\$ 443,201	\$ 8,716,043	\$ 827,931	\$ 3,677,189
Business-type activities	962,833	824,318	2,567,658	4,111,819	4,221,101
Total government	<u>\$ (3,096,734)</u>	<u>\$ 1,267,519</u>	<u>\$ 11,283,701</u>	<u>\$ 4,939,750</u>	<u>\$ 7,898,290</u>

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

PRE-GASB 54

	Fiscal Year		
	2008	2009	2010
General Fund			
Reserved	\$ 1,588,445	\$ 1,787,743	\$ 2,108,206
Unreserved	12,063,602	13,401,079	17,823,783
Total general fund	<u>\$ 13,652,047</u>	<u>\$ 15,188,822</u>	<u>\$ 19,931,989</u>
All Other Governmental Funds			
Reserved	\$ 12,210,513	\$ 11,116,988	\$ 11,238,664
Unreserved, reported in:			
Special revenue funds	22,998,107	23,889,590	26,447,747
Capital project funds	93,726	156,178	227,762
Debt service funds	4,137,869	6,326,484	5,839,991
Permanent fund*	131,438	158,539	171,900
Total all other governmental funds	<u>\$ 39,571,653</u>	<u>\$ 41,647,779</u>	<u>\$ 43,926,064</u>

POST-GASB 54

	Fiscal Year						
	2011	2012	2013	2014	2015	2016	2017
General Fund							
Nonspendable							
Nonspendable	\$ 162,936	\$ 135,386	\$ 82,751	\$ 107,193	\$ 90,672	\$ 62,459	\$ 255,399
Spendable							
Restricted	1,527,274	1,407,140	1,456,353	1,733,869	1,901,139	2,033,211	2,154,342
Committed	3,596,262	3,596,898	3,597,664	3,598,490	3,599,211	3,599,876	3,600,551
Assigned	178,708	190,222	195,317	8,586,073	8,805,007	2,967,560	2,797,226
Unassigned	22,512,271	22,187,824	25,370,006	23,606,591	24,700,673	31,055,759	33,552,433
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>\$ 42,359,951</u>
All Other Governmental Funds							
Nonspendable							
Nonspendable	\$ 351,155	\$ 425,346	\$ 519,971	\$ 304,885	\$ 318,926	\$ 315,881	\$ 354,955
Spendable							
Restricted	22,107,029	15,894,090	10,872,229	12,011,918	11,021,558	12,109,229	16,102,694
Committed	6,364,033	11,188,029	9,486,005	9,462,579	9,008,363	8,385,969	9,236,431
Assigned	11,313,604	11,992,066	9,669,577	6,676,129	7,258,486	8,907,488	9,791,607
Unassigned	-	(173,433)	(226,872)	(1,135,383)	(208,078)	(1,695,801)	(787,135)
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>

* The Gas and Oil Preservation fund was reclassified from a special revenue fund to a permanent fund in 2007.

Note: Three years data available for GASB 34 compliance.
Seven 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)**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Taxes	\$ 65,806,740	\$ 56,510,809	\$ 53,143,173	\$ 50,850,818	\$ 50,637,361	\$ 49,387,481	\$ 55,242,443	\$ 53,881,186	\$ 59,737,006	\$ 66,307,704
Licenses and permits	1,630,515	-	-	-	-	-	-	-	-	-
Permits, fees and special assessments (1)	-	12,961,936	13,138,557	13,012,151	12,574,192	12,310,017	13,251,694	13,213,555	13,747,389	14,185,289
Intergovernmental	29,874,539	26,583,572	31,806,237	26,153,628	24,970,033	21,050,905	21,745,969	20,163,571	31,201,335	20,450,515
Charges for services	11,514,082	12,609,170	9,350,556	10,583,584	10,487,027	10,559,196	12,285,986	15,335,216	14,661,408	14,913,716
Fines and forfeitures	1,240,444	1,107,522	469,775	554,746	482,381	600,577	1,270,224	1,463,623	1,412,344	1,444,898
Miscellaneous	11,482,484	2,622,015	2,494,784	2,735,551	4,060,676	3,586,195	5,652,134	3,376,219	3,166,862	3,479,583
Total revenues	121,548,804	112,395,024	110,403,082	103,890,478	103,211,670	97,494,371	109,448,450	107,433,370	123,926,344	120,781,705
Expenditures										
General government	27,810,341	28,098,472	25,671,723	23,179,032	27,362,444	25,555,181	27,665,859	28,832,963	28,320,515	30,168,781
Public safety	45,966,642	41,475,089	38,266,843	41,980,720	37,917,752	39,773,530	43,474,891	45,351,135	43,704,141	48,958,472
Physical environment	2,376,837	2,484,976	2,513,191	4,464,070	4,822,389	3,578,143	2,547,824	3,257,125	16,356,077	2,835,197
Transportation	20,240,520	17,096,856	16,513,066	16,633,682	15,690,345	19,317,046	17,551,654	12,885,058	13,640,571	15,923,261
Economic environment	6,431,343	2,801,944	4,432,576	3,676,051	2,516,642	2,752,647	3,607,947	4,068,837	3,427,798	4,203,530
Human services	4,112,816	4,209,983	3,517,648	4,457,683	5,468,780	5,215,463	5,449,681	5,944,871	5,003,386	5,046,766
Culture and recreation	2,943,157	3,001,173	2,816,448	3,149,088	2,695,246	2,875,555	2,867,276	3,235,694	2,916,554	3,307,556
Capital outlay	3,160,826	11,859,687	7,543,886	215,166	1,048,244	2,191,074	488,191	349,049	12,644,982	1,770
Debt service										
Principal	1,988,110	2,470,274	2,740,258	5,606,394	5,618,597	1,430,597	1,259,276	1,193,194	1,773,560	1,428,549
Interest	516,363	563,745	636,800	585,792	310,886	213,123	172,712	134,732	196,066	156,236
Total expenditures	115,546,955	114,062,199	104,652,439	103,947,678	103,451,325	102,902,359	105,085,311	105,252,658	127,983,650	112,030,118
Excess of revenues over (under) expenditures	6,001,849	(1,667,175)	5,750,643	(57,200)	(239,655)	(5,407,988)	4,363,139	2,180,712	(4,057,306)	8,751,587
Other financing sources (uses)										
Transfers in	6,826,893	12,972,086	12,372,912	12,300,499	19,908,478	8,953,304	10,209,704	12,423,537	13,448,087	12,237,875
Transfers out	(6,826,893)	(12,972,086)	(12,372,912)	(12,300,499)	(21,046,384)	(9,429,123)	(10,705,368)	(13,065,603)	(13,398,087)	(11,721,938)
New debt issue	3,012,232	5,194,500	1,287,870	1,507,000	-	-	-	-	5,279,240	-
Refunding debt	-	-	-	4,400,208	268,350	-	-	-	-	-
Payments to escrow agent	-	-	-	(1,528,789)	-	-	-	-	-	-
Total other financing sources (uses)	3,012,232	5,194,500	1,287,870	4,378,419	(869,556)	(475,819)	(495,664)	(642,066)	5,329,240	515,937
Net change in fund balances	\$ 9,014,081	\$ 3,527,325	\$ 7,038,513	\$ 4,321,219	\$ (1,109,211)	\$ (5,883,807)	\$ 3,867,475	\$ 1,538,646	\$ 1,271,934	\$ 9,267,524
Debt service as a percentage of noncapital expenditures	2%	3%	3%	6%	6%	2%	1%	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
2008	\$ 13,858,705,774	\$ 628,712,468	\$ 4,821,823,632	\$ 53,415,175	\$ 4,875,238,807	\$ 9,036,882,142	\$ 575,297,293	\$ 14,487,418,242	\$ 9,612,179,435	6.0953
2009	\$ 12,407,795,204	\$ 626,124,722	\$ 4,984,837,837	\$ 72,336,682	\$ 5,057,174,519	\$ 7,422,957,367	\$ 553,788,040	\$ 13,033,919,926	\$ 7,976,745,407	6.0953
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

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	
2008	5.5330	0.5398	0.0225	6.0953	7.1230	1.8000	3.2373	2.0000	0.9700	1.4000	0.0450	22.6706
2009	5.5443	0.5350	0.0160	6.0953	7.4200	1.9000	3.2373	2.0000	1.0000	1.4000	0.0450	23.0976
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

Source: Tax Collector, Santa Rosa County

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

TAXPAYER	2017			2008		
	ASSESSED VALUATION	Rank	PERCENTAGE OF TOTAL ASSESSED VALUATION	ASSESSED VALUATION	Rank	PERCENTAGE OF TOTAL ASSESSED VALUATION
Gulf Power	\$ 126,685,244	1	1.44%	\$ 75,025,833	1	0.78%
Florida Gas Transmission	\$ 83,916,695	2	0.95%	\$ 54,855,822	3	0.57%
BellSouth Telecomm	\$ 63,150,628	3	0.72%	\$ 48,016,918	4	0.50%
Breitburn Operating	\$ 56,018,391	4	0.64%			
Taminco Us	\$ 37,341,510	5	0.42%			
WalMart Stores East	\$ 34,358,144	6	0.39%	\$ 21,609,184	8	0.26%
Escambia River Electric Coop	\$ 19,067,627	7	0.22%			
Santa Rosa Energy	\$ 18,580,380	8	0.21%	\$ 20,850,115	9	0.22%
Andrews Institute Medical Park	\$ 17,790,214	9	0.20%			
FWD I LLC	\$ 16,184,094	10	0.18%			
Quantun Resources				\$ 71,154,328	2	0.74%
Adams Homes of Northwest Florida				\$ 24,906,589	5	0.26%
Holi Corp				\$ 23,275,000	6	0.24%
Mediacom Southeast, LLC				\$ 21,770,560	7	0.23%
Inexo Oil Company				\$ 20,279,016	10	0.21%
Total assessed	\$ 8,792,096,321			\$ 8,381,908,603		

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
2008	\$ 56,773,097	\$ (7,730)	\$ 1,838,335	\$ 1,640,881	\$ 53,301,611	93.89%	\$ 54,942,492	96.78%	3.24%
2009	\$ 52,897,253	\$ 48,300	\$ 2,292,390	\$ 1,503,930	\$ 49,052,631	92.73%	\$ 50,556,561	95.58%	4.33%
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%

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	Total	Percentage of Personal Income	Per Capita
		Revenue- Backed Debt	Special Assessment Debt	Capital Leases	Revenue Debt			
2008	\$ 1,809,721	\$ 1,176,435	\$ 7,526,784	\$ -	\$ 8,124,926	\$ 18,637,866	0.372%	\$ 126.16
2009	\$ 4,359,387	\$ 1,036,547	\$ 8,107,660	\$ -	\$ 7,332,123	\$ 20,835,717	0.410%	\$ 139.58
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	\$ 4,564,520	\$ 832,800	\$ 1,688,055	\$ -	\$ 2,580,741	\$ 9,666,116	0.139%	\$ 57.88
2017	\$ 3,837,034	\$ 740,509	\$ 1,079,284	\$ -	\$ 2,102,521	\$ 7,759,348	0.110%	\$ 45.42

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

YEAR	Governmental Activities	Percentage of Actual Taxable Value of Property (2)	Per Capita (1)
	General Obligation Debt		
2008	\$ 1,809,721	0.019%	\$ 12.25
2009	\$ 4,359,387	0.055%	\$ 29.20
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	\$ 4,564,519	0.055%	\$ 27.33
2017	\$ 3,837,034	0.044%	\$ 22.46

(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	
2008	\$ 4,518,043	\$ 3,886,073	\$ 631,970	\$ 430,000	\$ 201,970	100%
2009	\$ 4,626,550	\$ 4,003,395	\$ 623,155	\$ 440,000	\$ 183,155	100%
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%

NOTES PAYABLE

YEAR	Gross Revenues (2)	Less: Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2008	\$ 2,885,096	\$ 2,335,798	\$ 549,298	\$ 359,658	\$ 300,387	83%
2009	\$ 2,796,916	\$ 1,336,740	\$ 1,460,176	\$ 374,239	\$ 285,737	221%
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	\$ 396,029	\$ 188,072	159%
2013	\$ 2,416,466	\$ 1,251,933	\$ 1,164,533	\$ 411,648	\$ 172,722	199%
2014	\$ 2,525,419	\$ 1,431,119	\$ 1,094,300	\$ 427,370	\$ 157,299	187%
2015	\$ 2,771,930	\$ 1,305,460	\$ 1,466,470	\$ 443,693	\$ 141,278	251%
2016	\$ 2,884,659	\$ 1,472,189	\$ 1,412,470	\$ 460,321	\$ 124,962	241%
2017	\$ 3,041,022	\$ 1,634,259	\$ 1,406,763	\$ 478,220	\$ 107,381	240%

SPECIAL ASSESSMENT NOTES

YEAR	Gross Revenues (3)	Less: Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2008	\$ 5,385,234	\$ -	\$ 5,385,234	\$ 1,555,853	\$ 358,488	281%
2009	\$ 5,771,832	\$ -	\$ 5,771,832	\$ 1,834,303	\$ 404,466	258%
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%

(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)
2008	147,730	\$ 5,008,693	\$ 33,312	5.6%
2009	149,279	\$ 5,083,554	\$ 33,498	9.1%
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	\$ 40,240	4.3%
2016	167,009	\$ 6,943,907	\$ 40,727	4.6%
2017	170,835	\$ 7,081,256 *	\$ 41,848 *	3.2%

* 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	2017			2008		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT
Santa Rosa County School District	2,980	1	3.99%	3,000	1	4.51%
U.S. Government	2,108	2	2.82%	2,290	2	3.44%
State of Florida	1,290	3	1.73%	1,351	4	2.03%
Wal-Mart Stores	1,288	4	1.72%	1,375	3	2.06%
Santa Rosa County	944	5	1.26%	1,018	5	1.53%
Baptist Health Systems	571	6	0.76%	850	6	1.28%
Santa Rosa Medical Center	484	7	0.65%	400	10	0.60%
Mediacom	400	8	0.54%	443	9	0.67%
Blackwater River Correctional Facility	339	9	0.45%			
Publix	322	10	0.43%			
Lowe's				600	7	0.90%
L3 Communications				475	8	0.71%
Total	10,726		14%	11,802		16%
Total employment			74,716			66,589

Source: Santa Rosa County Economic Development Office

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General government	289	253	265	283	265	273	269	269	261	268
Public safety	464	456	451	450	452	451	451	445	451	444
Physical environment	64	54	56	52	52	46	64	65	60	58
Transportation	126	120	118	109	103	105	111	110	108	107
Economic environment	3	2	2	2	2	2	10	11	7	12
Human services	23	23	24	23	22	23	25	25	25	24
Culture and recreation	45	38	34	35	33	32	35	38	37	37
Total	<u>1,014</u>	<u>946</u>	<u>950</u>	<u>954</u>	<u>929</u>	<u>932</u>	<u>965</u>	<u>963</u>	<u>949</u>	<u>950</u>

Source: Departmental reports.

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Public safety										
Law Enforcement										
Service calls	146,907	151,066	138,576	122,807	122,336	118,150	119,731	126,423	144,727	149,702
DUI arrests	326	303	248	272	175	148	236	215	273	352
Jail inmates	8,234	7,469	7,268	7,301	6,618	6,315	6,577	7,249	7,746	7,807
Physical environment										
Transportation										
Economic environment										
Human services										
Animal Services										
Service calls	8,181	7,911	7,689	7,270	8,100	6,995	7,201	7,162	6,520	6,970
Adoptions	751	794	664	529	517	511	571	616	570	583
Animal visits to shelter	8,751	9,035	8,405	7,857	7,875	7,538	6,592	6,631	6,137	6,038
Culture and recreation										
Libraries										
Items circulated	558,751	709,116	469,749	466,608	434,571	425,484	434,571	420,730	405,000	398,597
Registered borrowers	47,919	39,262	47,349	39,422	46,111	51,581	46,111	49,771	52,343	57,568

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)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Public safety										
Sheriff's Officers Vehicles	287	263	260	241	308	282	285	285	275	293
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	2,192	2,190	2,190	1,876	1,904	1,904	1,955	2,137	2,152	2,171
Sewer taps	2,181	2,178	2,178	1,864	1,893	1,893	1,942	2,124	2,139	2,158
Transportation										
Airports	1	1	1	1	1	1	1	1	1	1
Airport hangers	15	15	15	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	9	9	10	10	13	10	11	11	11	11
Culture and recreation										
Libraries	5	5	5	5	5	5	5	5	5	6
Items in library collection	144,843	148,957	149,338	132,626	138,565	149,133	138,565	156,786	148,288	155,149
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, 2017:

- (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, 2017.

Warren Averett, LLC

Pensacola, Florida
March 9, 2018

**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, 2017, and have issued our report thereon dated March 9, 2018 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 142 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 9, 2018

**SANTA ROSA COUNTY, FLORIDA
SCHEDULE OF RECEIPTS AND EXPENDITURES OF
FUND RELATED TO THE DEEPWATER HORIZON OIL SPILL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

<u>Source</u>	<u>Amount Received in the 2016-2017 Fiscal Year</u>	<u>Amount Expended in the 2016-2017 Fiscal Year</u>
BP Economic and Property Damages Promotional Fund:		
Agreement No. <u>2013-2014</u>	\$ 98,200	\$ -
Agreement No. <u>2015-2016</u>	36,800	-
Agreement No. <u>2016-2017</u>	100,000	98,926

Note: This does not include funds related to the Deepwater Horizon Oil Spill that are considered Federal awards or State financial assistance. The Schedule of Expenditures of Federal Awards and State Financial Assistance included \$146,824 of expenditures related to the Deepwater Horizon Oil Spill under CSFA 37.081.

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, 2017, and have issued our report thereon dated March 9, 2018.

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 9, 2018, 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.c. 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 address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Annual Financial Report

Sections 10.554(1)(i)5.b. and 10.556(7), *Rules of the Auditor General*, require that we apply appropriate procedures and report the results of our determination as to whether the annual financial report for the County for the fiscal year ended September 30, 2017, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2017. In connection with our audit, we determined that these two reports were in agreement.

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 address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and 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 9, 2018

**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, 2017, 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 9, 2018.

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 9, 2018

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

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, 2017. 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, 2017.

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, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 9, 2018, 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.

Warren Averett, LLC

Pensacola, Florida
March 9, 2018

**SANTA ROSA COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

Federal Grantor/Pass-through Grantor/Program Title	CFDA Number	Contract / Grant Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture/U.S. Forest Service				
Passed Through Florida Department of Agriculture and Consumer Services: Cooperative Forestry Assistance	10.664	023923	\$ 15,121	\$ -
U.S. Department of Health and Human Services				
Passed Through Florida Department of Revenue: Child Support Enforcement Program	93.563	COC01	244,010	-
Child Support Enforcement Program	93.563	CST57	14,645	-
			<u>258,655</u>	<u>-</u>
U.S. Department of Homeland Security				
Passed Through Florida Division of Emergency Management: Hazard Mitigation Grant	97.039	16HM-6B-01-67-01-196	160,529	-
Hazard Mitigation Grant	97.039	16HM-J3-01-67-01-216	17,956	-
Hazard Mitigation Grant	97.039	18HM-H4-01-67-01-029	17,108	-
Hazard Mitigation Grant	97.039	16HM-J3-01-67-01-217	2,694	-
Hazard Mitigation Grant	97.039	16HM-H4-01-67-01-250	15,413	-
Hazard Mitigation Grant	97.039	16HM-H4-01-67-01-422	74,878	-
			<u>288,578</u>	<u>-</u>
Passed Through Florida Division of Emergency Management: Flood Mitigation Assistance Grant Program	97.029	17FM-S3-01-67-01-353	132,600	-
Flood Mitigation Assistance Grant Program	97.029	17FM-S3-01-67-01-355	23,835	-
			<u>156,435</u>	<u>-</u>
Passed Through Florida Division of Emergency Management: Homeland Security Grant Program	97.067	17-DS-V4-01-67-01-302	42,733	-
Homeland Security Grant Program	97.067	16-DS-T9-01-67-01-294	13,500	-
			<u>56,233</u>	<u>-</u>
Passed Through Florida Division of Emergency Management: Emergency Management Performance Grant	97.042	17-FG-P9-01-67-01-131	57,140	-
Emergency Management Performance Grant	97.042	18-FG-7A-01-67-01-181	19,251	-
Passed Through Volunteer Florida: Emergency Management Performance Grant	97.042	VF2017 2069	14,185	-
Emergency Management Performance Grant	97.042	VF2017 8162	7,594	-
			<u>98,170</u>	<u>-</u>
U.S. Department of Housing and Urban Development				
Passed Through Escambia County Consortium: Home Investment Partnerships Program	14.239	M-11DC-12-0225	118,657	-
Passed Through Department of Economic Opportunity: Community Development Block Grant	14.228	17DB-OL-01-67-01-N30	5,000	-
U.S. Department of Justice				
Passed Through Florida Coalition Against Domestic Violence: Violence Against Women Formula Grants	16.588	17-8027-SAO	42,043	-
Violence Against Women Formula Grants	16.588	18-8027-SAO	17,597	-
			<u>59,640</u>	<u>-</u>
Passed Through Florida Office of the Attorney General: Crime Victim Assistance	16.575	V13233	20,578	-

The accompanying notes are an integral part of this schedule.

**SANTA ROSA COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE – (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

Federal Grantor/Pass-through Grantor/Program Title	CFDA Number	Contract / Grant Number	Expenditures	Passed Through to Subrecipients
Direct Program:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2014-DJ-BX-0396	14,595	-
Passed Through Florida Department of Law Enforcement:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2015-JAGC-SANT-1-R3-086	46,888	-
			61,483	-
U.S. Department of Transportation				
Direct Program:				
Airport Improvement Program	20.106	3-12-0052-013-2016	1,080,363	-
Passed Through Florida Dept. of Transportation:				
Formula Grants for Rural Areas	20.509	G0712	114,343	-
Passed Through Florida Dept. of Transportation:				
Highway Planning and Construction	20.205	G0811 (437087-2-38-01)	33,612	-
Highway Planning and Construction	20.205	G0813 (436985-1-38-01)	42,022	-
			75,634	-
U.S. Department of the Treasury				
Direct Program:				
RESTORE Act	21.015	RDCGR210016-01-00	108,000	-
Executive Office of the President				
Passed Through Office of National Drug Policy:				
High Intensity Drug Trafficking Areas Program	95.001	G17GC00007A	18,253	-
U.S. Election Assistance Commission				
Passed Through Florida Division of Elections:				
Help America Vote Act Requirement Payments	90.401	2016-2017-0001-SAN	29,388	-
Total Federal Awards			\$ 2,564,531	\$ -

The accompanying notes are an integral part of this schedule.

SANTA ROSA COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE – (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2017

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	023812	\$ 31,540	\$ -
Agriculture Nonpoint Source Best Management Practices Implementation	42.017	023012	40,188	-
Agriculture Nonpoint Source Best Management Practices Implementation	42.017	024312	15,955	-
			<u>56,143</u>	<u>-</u>
Florida Department of Economic Opportunity				
Passed through Enterprise Florida, Inc.				
Enterprise Florida, Inc. - Defense Infrastructure Grant	40.003	DIG 14-01	196,122	-
Enterprise Florida, Inc. - Defense Infrastructure Grant	40.003	DIG 15-04	200,000	-
			<u>396,122</u>	<u>-</u>
Local Economic Development Initiatives - Defense Infrastructure Grant	40.012	S0035	4,225	-
Military Base Protection	40.014	DRG S0071	25,922	-
Military Base Protection	40.014	DRG S0084	4,875	-
			<u>30,797</u>	<u>-</u>
Community Planning Technical Assistance Grant	40.038	P0195	30,000	-
Florida Department of Health				
County Grant Awards	64.005	C4055	1,860	-
County Grant Awards	64.005	C5055	20,336	-
			<u>22,196</u>	<u>-</u>
Florida Department of State				
State Aid to Libraries	45.030	17-ST-74	52,386	-
Florida Division of Emergency Management				
Emergency Management Programs	31.063	17-BG-83-01-67-01-064	89,803	-
Emergency Management Programs	31.063	18-BG-W9-01-67-01-182	15,814	-
			<u>105,617</u>	<u>-</u>
Emergency Management Projects - Hazards Analysis	31.067	17-CP-11-01-67-01-166	9,475	-
Florida Fish and Wildlife Conservation Commission				
Derelict Vessel Removal	77.005	16167	4,125	-
Artificial Reef Grants Program	77.007	15154	203,257	-
Florida Department of Environmental Protection				
Beach Management Funding Assistance Program	37.003	17SR1	38,275	-
Statewide Surface Water Restoration and Wastewater Projects	37.039	LP57111	115,197	-
NRDA Early Restoration Deep Water Horizon Oil Spill	37.081	S0896	137,545	-
NRDA Early Restoration Deep Water Horizon Oil Spill	37.081	S0937	9,279	-
			<u>146,824</u>	<u>-</u>
Florida Housing Finance Corporation				
State Housing Initiative Partnership Program	40.901	N/A	1,109,699	-
TOTAL STATE AWARDS			<u>2,355,878</u>	<u>-</u>
TOTAL FEDERAL AND STATE AWARDS			<u>\$ 4,920,409</u>	<u>\$ -</u>

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, 2017**

1. BASIS OF PRESENTATION

The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, *Rules of the Auditor General*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance 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, 2017. Expenditures reported on the schedule are reported on the modified accrual basis of accounting. 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 FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

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. 20.106 Airport Improvement Program

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 FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

A. SUMMARY OF AUDITOR RESULTS (CONTINUED)

State Projects

CSFA No. 40.003 Enterprise Florida, Inc. – Defense Infrastructure Grant
CSFA No. 40.901 State Housing Initiative Partnership Program

Dollar threshold used to distinguish
between type A and type B programs: \$300,000

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
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

2016-001: General Fund Budget Over Expenditure

Florida Statute 129.06 (2) allows for the county budget to be increased and amended during the year, and as late as 60 days after the end of the fiscal year, for receipts not originally anticipated and received for a particular purpose. During the year, an accrual for significant intergovernmental grants to fund beach re-nourishment expenditures resulted in the need to increase both the budgeted revenues and expenditures.

Although the Board was aware of, and approved the grant revenue sources, the official budget was not amended. Since the budget was not duly amended in accordance with Florida Statute 129.06, the actual expenditures reported in the general fund's schedule of revenues, expenditures, and changes in fund balance – budget and actual, exceeded the total appropriations by approximately \$11.7 million.

Current Status

No similar findings were noted in the 2017 audit.

SUPPORTING FINANCIAL STATEMENTS

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

FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

**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, 2017, 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, 2017, 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, 2017, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules on pages 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 and individual fund financial statements beginning 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 22, 2018, 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 22, 2018

SANTA ROSA COUNTY, FLORIDA CLERK OF COURT AND COMPTROLLER
BALANCE SHEET – ALL GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017

	Major Funds				Non-Major	
	Courts		Courts Technology	Records Modernization Trust	Other Governmental Funds	Total
	General					
ASSETS						
Cash and cash equivalents	\$ 699,485	\$ 538,559	\$ 709,088	\$ 559,971	\$ -	\$ 2,507,103
Accounts receivable, net	23,921	-	-	-	-	23,921
Due from other funds	60	35,323	-	-	-	35,383
Due from other governmental units	502	-	-	-	35,323	35,825
TOTAL ASSETS	\$ 723,968	\$ 573,882	\$ 709,088	\$ 559,971	\$ 35,323	\$ 2,602,232
LIABILITIES						
Accounts payable	\$ 26,933	\$ 4,543	\$ 30,740	\$ -	\$ -	\$ 62,216
Accrued wages and salaries	45,183	74,157	5,140	-	-	124,480
Due to BOCC	568,032	-	-	-	-	568,032
Due to other funds	-	60	-	-	35,323	35,383
Due to other governmental units	41,347	448,516	1,468	-	-	491,331
Deposits	42,473	-	-	-	-	42,473
TOTAL LIABILITIES	723,968	527,276	37,348	-	35,323	1,323,915
FUND BALANCES						
Restricted for state court operations	-	46,606	-	-	-	46,606
Restricted for records modernization	-	-	-	559,971	-	559,971
Restricted for court equipment and technology	-	-	671,740	-	-	671,740
TOTAL FUND BALANCES	-	46,606	671,740	559,971	-	1,278,317
TOTAL LIABILITIES & FUND BALANCES	\$ 723,968	\$ 573,882	\$ 709,088	\$ 559,971	\$ 35,323	\$ 2,602,232

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, 2017

	Major Funds			Non-Major	
	General	Courts	Courts Technology	Records Modernization Trust	Other Governmental Funds
REVENUES					Total
Intergovernmental	\$ -	\$ 184,502	\$ -	\$ -	\$ 244,010
Charges for services	1,106,782	2,467,164	353,474	114,303	4,041,723
Fines and forfeitures	-	945,487	-	-	1,072,961
Miscellaneous	47,518	52,258	-	-	99,776
Total revenues	1,154,300	3,649,411	353,474	114,303	5,642,972
EXPENDITURES					
Current:					
General government:					
Financial and administrative:					
Personal services	2,021,672	-	-	-	2,021,672
Operating	484,867	-	-	-	484,867
Capital outlay	31,211	-	-	-	31,211
Judicial:					
Personal services	-	2,685,302	38,479	-	352,192
Operating	-	197,232	200,674	-	397,906
Total expenditures	2,537,750	2,882,534	239,153	-	6,011,629
Excess (deficiency) of revenue over expenditures	(1,383,450)	766,877	114,321	114,303	(368,657)
OTHER FINANCING SOURCES (USES)					
BOCC appropriation	1,943,058	-	-	-	1,943,058
BOCC unspent revenues	(559,608)	-	-	-	(559,608)
Payments to Clerks of the Court Trust Fund	-	(754,539)	-	-	(797,597)
Total other financing sources (uses)	1,383,450	(754,539)	-	-	585,853
NET CHANGE IN FUND BALANCES	-	12,338	114,321	114,303	217,196
FUND BALANCES, BEGINNING	-	34,268	557,419	445,668	1,061,121
FUND BALANCES, ENDING	\$ -	\$ 46,606	\$ 671,740	\$ 559,971	\$ 1,278,317

See notes to the financial statements.

SANTA ROSA COUNTY, FLORIDA CLERK OF COURT AND COMPTROLLER
STATEMENT OF ASSETS AND LIABILITIES – AGENCY FUNDS
SEPTEMBER 30, 2017

ASSETS

Cash and cash equivalents	\$ 3,721,864
Due from other governmental units	<u>11,883</u>
TOTAL ASSETS	<u>\$ 3,733,747</u>

LIABILITIES

Accounts payable	\$ 41,616
Due to other governmental units	1,062,292
Deposits	<u>2,629,839</u>
TOTAL LIABILITIES	<u>\$ 3,733,747</u>

See notes to the financial statements.

**SANTA ROSA COUNTY, FLORIDA CLERK OF COURT AND COMPTROLLER
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

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 consists 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, 2017

1. SUMMARY OF ACCOUNTING POLICIES – 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 funds of the Clerk are 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.

10% Fines – Public Records Modernization Trust (PRMT) Fund is a special revenue fund used to account for 10% of fines collected and retained by the Clerk for supporting court operations. The 10% Fines Fund was closed during the year and the activity is now being reported in the Courts Fund.

Fiduciary Funds

The Clerk uses agency funds to account for assets being held in a trustee capacity or 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 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. 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, 2017**

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, 2017, the banks reported deposits before outstanding checks of \$6,845,835, all of which were held by a financial institution designated 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, 2017

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 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. 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 rates established by the State of Florida.

SANTA ROSA COUNTY, FLORIDA CLERK OF COURT AND COMPTROLLER
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

3. PENSION AND RETIREMENT PLAN – CONTINUED

Blended contribution rates for the fiscal year ended September 30, 2017 were as follows: regular employees - 7.62%, special risk employees – 22.75%, elected officials – 43.23%, senior management employees – 22.01%, and DROP participants – 13.06%. 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 \$351,182, \$346,250, and \$347,267 for the years ended September 30, 2017, 2016, and 2015, 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 Clerk participates in the health insurance plan offered to employees of the Board and other County Elected Officials (the Board plan). Additionally, retirees and eligible dependents have the option of continuing in the Board plan at the same group rate as for active employees.

Although participating retirees are required to reimburse the Board for 100% of the premium cost, employees who retire with a minimum of 10 years of creditable service (8 years elected service) are eligible for a monthly health insurance subsidy of \$3 per year of creditable service, limited to the lesser of \$90 per month or the actual cost of the retiree's monthly health insurance premium.

Because the premium is a group rate which includes active lower cost employees, these retirees are receiving an "implicit subsidy". The annual cost, the accrued obligation, and other required disclosures have been calculated for the County as a whole, and not separately for the Clerk. 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, 2017

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, 2017, the Clerk had restricted fund balances for state court operations of \$46,606 and for records modernization and court equipment and technology of \$1,231,711.

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, 2017

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, 2017

	General Fund			Special Revenue Fund Courts Fund		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Variance with Final Budget Positive (Negative)
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 184,502	\$ 184,502
Charges for services	633,106	758,106	1,106,782	2,190,910	2,467,164	276,254
Fines & forfeitures	-	-	-	799,812	945,487	145,675
Miscellaneous	20,250	20,250	47,518	-	52,258	52,258
Total revenues	653,356	778,356	1,154,300	2,990,722	3,649,411	658,689
EXPENDITURES						
Current:						
General government:						
Financial and administrative:						
Personal services	2,098,372	2,115,672	2,021,672	-	-	-
Operating	443,789	567,489	484,867	-	-	-
Capital outlay	54,193	38,193	31,211	-	-	-
Judicial:						
Personal services	-	-	-	2,833,921	2,833,921	148,619
Operating	-	-	-	156,801	197,232	(40,431)
Total expenditures	2,596,354	2,721,354	2,537,750	2,990,722	2,882,534	108,188
Excess (deficiency) of revenues over expenditures	(1,942,998)	(1,942,998)	(1,383,450)	-	-	766,877
OTHER FINANCING SOURCES (USES)						
BOCC appropriation	1,942,998	1,942,998	1,943,058	-	-	-
BOCC unspent revenues	-	-	(559,608)	-	-	-
Payments to Clerks of the Court	-	-	-	-	-	-
Trust Fund	-	-	-	-	(754,539)	(754,539)
Total other financing sources (uses)	1,942,998	1,942,998	1,383,450	-	(754,539)	(754,539)
NET CHANGE IN FUND BALANCES	-	-	-	-	12,338	12,338
FUND BALANCES, BEGINNING	-	-	-	-	34,268	34,268
FUND BALANCES, ENDING	\$ -	\$ -	\$ -	\$ -	\$ 46,606	\$ 46,606

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, 2017

	Special Revenue Fund				Special Revenue Fund			
	Courts Technology 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	\$ 280,000	\$ 280,000	\$ 353,474	\$ 73,474	\$ 100,000	\$ 100,000	\$ 114,303	\$ 14,303
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	280,000	280,000	353,474	73,474	100,000	100,000	114,303	14,303
EXPENDITURES								
Current:								
General government:								
Financial and administrative:								
Operating	-	-	-	-	65,200	65,200	-	65,200
Capital outlay	-	-	-	-	34,800	34,800	-	34,800
Judicial:								
Personal services	118,200	118,200	38,479	79,721	-	-	-	-
Operating	146,800	146,800	200,674	(53,874)	-	-	-	-
Capital outlay	15,000	15,000	-	15,000	-	-	-	-
Total expenditures	280,000	280,000	239,153	40,847	100,000	100,000	-	100,000
Excess (deficiency) of revenues over expenditures	-	-	114,321	114,321	-	-	114,303	114,303
FUND BALANCES, BEGINNING	200,000	200,000	557,419	357,419	-	-	445,668	445,668
FUND BALANCES, ENDING	\$ 200,000	\$ 200,000	\$ 671,740	\$ 471,740	\$ -	\$ -	\$ 559,971	\$ 559,971

See notes to required supplementary information.

**SANTA ROSA COUNTY, FLORIDA CLERK OF COURT AND COMPTROLLER
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2017**

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 & INDIVIDUAL FUND
FINANCIAL STATEMENTS**

**SANTA ROSA COUNTY, FLORIDA CLERK OF COURT AND COMPTROLLER
BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUND
SEPTEMBER 30, 2017**

	Child Support Title IV-D
	<hr/>
ASSETS	
Due from other governmental units	\$ 35,323
TOTAL ASSETS	<hr/> \$ 35,323 <hr/>
LIABILITIES	
Due to other funds	\$ 35,323
TOTAL LIABILITIES	<hr/> 35,323 <hr/>
FUND BALANCES	
Restricted for court equipment and technology	<hr/> -
Total fund balances	<hr/> -
TOTAL LIABILITIES & FUND BALANCES	<hr/> \$ 35,323 <hr/>

**SANTA ROSA COUNTY, FLORIDA CLERK OF COURT AND COMPTROLLER
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
ALL NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	10% Fines- PRMTF	Child Support Title IV-D	Totals
REVENUES			
Intergovernmental	\$ -	\$ 244,010	\$ 244,010
Fines and forfeitures	127,474	-	127,474
Total revenues	127,474	244,010	371,484
EXPENDITURES			
Current:			
General government:			
Judicial:			
Personal services	108,182	244,010	352,192
Operating	-	-	-
Capital outlay	-	-	-
Total expenditures	108,182	244,010	352,192
Excess (deficiency) of revenue over expenditures	19,292	-	19,292
OTHER FINANCING SOURCES (USES)			
Payments to Clerks of the Court Trust Fund	(43,058)	-	(43,058)
Total other financing sources (uses)	(43,058)	-	(43,058)
NET CHANGE IN FUND BALANCES	(23,766)	-	(23,766)
FUND BALANCES, BEGINNING	23,766	-	23,766
FUND BALANCES, ENDING	\$ -	\$ -	\$ -

SANTA ROSA COUNTY, FLORIDA CLERK OF COURT AND COMPTROLLER
COMBINING STATEMENT OF ASSETS AND LIABILITIES
ALL AGENCY FUNDS
SEPTEMBER 30, 2017

	Court Registry	Fine and Cost	Intangible Tax	State					Flower Trust Fund	Totals
				Documentary Stamp	Suspense	Tax Redemption	Ordinary Witness	Bail Bonds		
ASSETS										
Cash and cash equivalents	\$ 1,638,133	\$ 292,395	\$ 106,672	\$ 604,116	\$ 61,911	\$ 741,460	\$ 26,931	\$ 248,652	\$ 1,594	\$ 3,721,864
Due from other governmental units	-	-	-	-	-	-	11,883	-	-	11,883
TOTAL ASSETS	\$ 1,638,133	\$ 292,395	\$ 106,672	\$ 604,116	\$ 61,911	\$ 741,460	\$ 38,814	\$ 248,652	\$ 1,594	\$ 3,733,747
LIABILITIES										
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 2,802	\$ -	\$ 38,814	\$ -	\$ -	\$ 41,616
Due to other governmental units	-	292,395	106,672	604,116	59,109	-	-	-	-	1,062,292
Deposits	1,638,133	-	-	-	-	741,460	-	248,652	1,594	2,629,839
TOTAL LIABILITIES	\$ 1,638,133	\$ 292,395	\$ 106,672	\$ 604,116	\$ 61,911	\$ 741,460	\$ 38,814	\$ 248,652	\$ 1,594	\$ 3,733,747

**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, 2017, and the related notes to the financial statements, which collectively comprise the Clerk's financial statements and have issued our report thereon dated January 22, 2018.

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 cursive script that reads "Warren Averett, LLC".

Pensacola, Florida
January 22, 2018

**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 regards to certain court-related functions, and Florida Statute 61.181 in regards to operation of a depository for alimony and child support for the year ended September 30, 2017.

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 and, accordingly, included examining, on a test basis, evidence about the Clerk'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 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, 2017.

Warren Averett, LLC

Pensacola, Florida
January 22, 2018

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, 2017, and have issued our report thereon dated January 22, 2018.

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 Reports

We have also issued our Independent Auditors’ Report on Internal Control Over Financial Reporting and 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 January 22, 2018, 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 address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Other Matters

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

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the 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 22, 2018

**SANTA ROSA COUNTY, FLORIDA CLERK OF COURT AND COMPTROLLER
MANAGEMENT'S RESPONSE TO MANAGEMENT LETTER
SEPTEMBER 30, 2017**

There are no findings which require a response from management.

**SANTA ROSA COUNTY, FLORIDA
PROPERTY APPRAISER**

FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

**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 Property Appraiser, Santa Rosa County, Florida (the Property Appraiser), as of and for the fiscal year ended September 30, 2017, 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, 2017, 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, 2017, 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
November 14, 2017

**SANTA ROSA COUNTY, FLORIDA PROPERTY APPRAISER
BALANCE SHEET – GENERAL FUND
SEPTEMBER 30, 2017**

ASSETS

Cash	\$ 165,240
------	------------

LIABILITIES

Accounts payable	\$ 14,688
Due to Board of County Commissioners	126,545
Accrued payroll and benefits	<u>24,007</u>
Total liabilities	165,240

FUND BALANCE

Fund balance - unassigned	<u>-</u>
Total liabilities and fund balance	<u>\$ 165,240</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, 2017**

REVENUES

Charges for services	\$ 32,753
Miscellaneous	602
	<u> </u>
Total revenues	33,355

EXPENDITURES

Current:	
General government:	
Personal services	2,438,295
Operating expenditures	497,535
Capital outlay	111,744
	<u> </u>
Total expenditures	3,047,574
	<u> </u>
Deficiency of revenues over expenditures	(3,014,219)

OTHER FINANCING SOURCES (USES)

Board of County Commissioners appropriation	3,140,764
Board of County Commissioners unspent revenue	(126,545)
	<u> </u>
Total other financing sources	3,014,219
	<u> </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
PROPERTY APPRAISER
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

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 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, 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, 2017**

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, 2017 and November 14, 2017, 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, 2017, the bank reported deposits before outstanding checks of \$252,448 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 6 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, 2017**

3. PENSION AND RETIREMENT PLAN – CONTINUED

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.

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).

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 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 statewide rates established by the State of Florida. Average contribution rates for the fiscal year ended September 30, 2017 were as follows: regular employees, 7.62%, special risk employees, 22.75%, elected officials, 43.23%, senior management employees, 22.01%, and DROP participants, 13.06%.

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, 2017**

3. PENSION AND RETIREMENT PLAN – CONTINUED

Contributions to both plans totaled \$170,753, \$161,914, and \$169,689 for the years ended September 30, 2017, 2016, and 2015, 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 Property Appraiser participates in the health insurance plan offered to employees of the Board and other County Elected Officials (the Board plan). Additionally, retirees and eligible dependents have the option of continuing in the Board plan at the same group rate as for active employees. Although participating retirees are required to reimburse the Board for 100% of the premium cost, employees who retire with a minimum of 10 years of creditable service (8 years elected service) are eligible for a monthly health insurance subsidy based on the number of years of creditable service multiplied by \$3, and limited to the lesser of \$90 per month or the actual cost of the retiree's monthly health insurance premium.

Because the premium is a group rate which includes active lower cost employees, these retirees are receiving an "implicit subsidy". This implicit subsidy has a cost which has been calculated for the County as a whole, and not separately for the Property Appraiser. Accordingly, these calculations and disclosures can be found in the countywide 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, 2017**

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, 2017**

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Charges for services	\$ -	\$ -	\$ 32,753	\$ 32,753
Miscellaneous	-	-	602	602
Total revenues	-	-	33,355	33,355
EXPENDITURES				
Current:				
General government:				
Personal services	2,577,468	2,553,713	2,438,295	115,418
Operating expenditures	476,358	495,708	497,535	(1,827)
Capital outlay	-	104,800	111,744	(6,944)
Total expenditures	3,053,826	3,154,221	3,047,574	106,647
Excess (deficiency) of revenues over expenditures	(3,053,826)	(3,154,221)	(3,014,219)	140,002
OTHER FINANCING SOURCES (USES)				
BOCC appropriation	3,053,826	3,154,221	3,140,764	(13,457)
BOCC unspent revenue	-	-	(126,545)	(126,545)
Total other financing sources (uses)	3,053,826	3,154,221	3,014,219	(140,002)
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
PROPERTY APPRAISER
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

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, 2017, and the related notes to the financial statements, and have issued our report thereon dated November 14, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Warren Averett, LLC

Pensacola, Florida
November 14, 2017

**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, 2017.

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 and, accordingly, included examining, on a test basis, evidence about the Property Appraiser'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 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, 2017.

Warren Averett, LLC

Pensacola, Florida
November 14, 2017

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, 2017, and the related notes to the financial statements, and have issued our report thereon dated November 14, 2017.

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 November 14, 2017 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 address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

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

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the 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
November 14, 2017

**SANTA ROSA COUNTY, FLORIDA
PROPERTY APPRAISER
MANAGEMENT'S RESPONSE TO MANAGEMENT LETTER
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

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

SANTA ROSA COUNTY, FLORIDA SHERIFF

FINANCIAL STATEMENTS

SEPTEMBER 30, 2017



**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, 2017, 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 auditor considers internal control relevant to the Sheriff's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sheriff's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of each major fund and the aggregate remaining fund information of the Sheriff, as of September 30, 2017, 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, 2017, 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, 2018

**SANTA ROSA COUNTY, FLORIDA SHERIFF
BALANCE SHEET – GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017**

	<u>Major Funds</u>		<u>Non-Major</u>	
	<u>General</u>	<u>Jail Commissary</u>	<u>Other Governmental Funds</u>	<u>Total</u>
ASSETS				
Cash	\$ 2,761,683	\$ 878,430	\$ 136,095	\$ 3,776,208
Due from other funds	121,084	-	724	121,808
Due from other governmental units	134,257	-	98,498	232,755
Accounts receivable	18,782	22,260	-	41,042
Inventory	26,674	-	-	26,674
Total assets	<u>\$ 3,062,480</u>	<u>\$ 900,690</u>	<u>\$ 235,317</u>	<u>\$ 4,198,487</u>
LIABILITIES				
Accounts payable and accrued payroll	\$ 1,580,412	\$ 10,501	\$ 14,518	\$ 1,605,431
Due to other funds	724	33,774	87,310	121,808
Due to other governmental units	1,454,670	-	9,726	1,464,396
Unearned revenue	-	-	68,563	68,563
Total liabilities	3,035,806	44,275	180,117	3,260,198
FUND BALANCES				
Restricted for inmate welfare and recreation	-	856,415	-	856,415
Restricted for law enforcement training	-	-	55,200	55,200
Nonspendable - inventory	26,674	-	-	26,674
Total fund balances	26,674	856,415	55,200	938,289
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 3,062,480</u>	<u>\$ 900,690</u>	<u>\$ 235,317</u>	<u>\$ 4,198,487</u>

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, 2017**

	<u>Major Funds</u>		<u>Non-Major</u>	
	<u>General</u>	<u>Jail Commissary</u>	<u>Other Governmental Funds</u>	<u>Total</u>
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 633,028	\$ 633,028
Commissions	-	400,259	-	400,259
Total revenues	-	400,259	633,028	1,033,287
EXPENDITURES				
Current				
General government				
Judicial				
Personal services	1,091,939	-	-	1,091,939
Operating	18,411	-	-	18,411
Public safety				
Law enforcement				
Personal services	18,410,890	-	551,149	18,962,039
Operating	3,771,021	-	56,655	3,827,676
Capital outlay	1,212,797	186,420	3,756	1,402,973
Correction and detention				
Personal services	8,012,273	94,578	-	8,106,851
Operating	5,640,182	272,986	-	5,913,168
Total expenditures	38,157,513	553,984	611,560	39,323,057
Excess (deficiency) of revenues over expenditures	(38,157,513)	(153,725)	21,468	(38,289,770)
OTHER FINANCING SOURCES (USES)				
BOCC appropriation	39,276,047	-	-	39,276,047
BOCC unspent funds	(1,118,991)	-	-	(1,118,991)
Total other financing sources (uses)	38,157,056	-	-	38,157,056
NET CHANGE IN FUND BALANCES	(457)	(153,725)	21,468	(132,714)
FUND BALANCES, BEGINNING OF YEAR	27,131	1,010,140	33,732	1,071,003
FUND BALANCES, END OF YEAR	\$ 26,674	\$ 856,415	\$ 55,200	\$ 938,289

See notes to the financial statements.

**SANTA ROSA COUNTY, FLORIDA SHERIFF
STATEMENT OF ASSETS AND LIABILITIES – AGENCY FUNDS
SEPTEMBER 30, 2017**

ASSETS

Cash	\$ 46,534
TOTAL ASSETS	<u>\$ 46,534</u>

LIABILITIES

Accounts payable	\$ 15,301
Deposits	<u>31,233</u>
TOTAL LIABILITIES	<u>\$ 46,534</u>

See notes to the financial statements.

**SANTA ROSA COUNTY, FLORIDA SHERIFF
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

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 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.

**SANTA ROSA COUNTY, FLORIDA SHERIFF
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

1. SUMMARY OF ACCOUNTING POLICIES – CONTINUED

Governmental Funds – Continued

Non-major governmental funds of the Sheriff are as follows:

Grants Fund accounts for grant revenues and expenditures according to the terms of each grant.

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.

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 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. 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 first-in, first-out 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, 2017**

1. SUMMARY OF ACCOUNTING POLICIES – CONTINUED

Accounting for Capital Assets – Continued

Depreciation of vehicles and equipment is calculated using the straight-line method over estimated useful lives of 3-10 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 statements, expenditures are not recognized until payments are made to employees.

Unspent Appropriations from 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, 2017 the reported amount of the Sheriff's deposits was \$3,817,705 and the bank balance was \$4,078,334, consisting entirely of deposits with a financial institution in checking accounts.

**SANTA ROSA COUNTY, FLORIDA SHERIFF
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

3. INTERFUND BALANCES

At September 30, 2017, interfund balances consisted of the following:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 121,084	\$ 724
Jail Commissary	-	33,774
Non-major governmental	724	87,310
	<u>\$ 121,808</u>	<u>\$ 121,808</u>

Amounts due to the General Fund from non-major governmental funds are related to advances which will be paid back to the General Fund after reimbursement is received from grantors. 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, 2017**

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, 2017 were as follows: regular employees - 7.62%, special risk employees – 22.75%, elected officials – 43.23%, senior management employees – 21.95%, and DROP participants – 13.06%. 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 \$3,487,545, \$3,206,487 and \$2,946,879 for the years ended September 30, 2017, 2016, and 2015, 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, 2017**

5. OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN

The Sheriff participates in the health insurance plan offered to employees of the Board and other County Elected Officials (the Board plan). Additionally, retirees and eligible dependents have the option of continuing in the Board plan at the same group rate as for active employees. Although participating retirees are required to reimburse the Board for 100% of the premium cost, employees who retire with a minimum of 10 years of creditable service (8 years elected service) are eligible for a monthly health insurance subsidy based on the number of years of creditable service multiplied by \$3, and limited to the lesser of \$90 per month or the actual cost of the retiree's monthly health insurance premium.

Because the premium is a group rate which includes active lower cost employees, these retirees are receiving an "implicit subsidy". This implicit subsidy has a cost. The annual cost, the accrued obligation, 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

**SANTA ROSA COUNTY, FLORIDA SHERIFF
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

7. RISK MANAGEMENT – CONTINUED

Conventional insurance provided by the Florida Sheriff's Risk Management Fund remains in effect for Sheriff's general and professional liability, Sheriff's automobiles, and 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.

Worker's compensation coverage is provided by the Florida Sheriff's Worker's Compensation Self Insurance Fund. Annual premium costs under this coverage were \$496,595 and \$501,900, for the years ended September 30, 2017 and 2016, 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.

**SANTA ROSA COUNTY, FLORIDA SHERIFF
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

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, 2017**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	-	-	-	-
EXPENDITURES				
Current				
General government				
Judicial				
Personal services	1,039,334	1,091,941	1,091,939	2
Operating	27,092	58,380	18,411	39,969
Public safety				
Law enforcement				
Personal services	18,651,281	18,745,366	18,410,890	334,476
Operating	3,778,823	3,778,823	3,771,021	7,802
Capital outlay	1,335,338	1,335,338	1,212,797	122,541
Correction and detention				
Personal services	7,677,498	8,013,806	8,012,273	1,533
Operating	6,283,681	6,252,393	5,640,182	612,211
Total expenditures	38,793,047	39,276,047	38,157,513	1,118,534
Excess (deficiency) of revenues over expenditures	(38,793,047)	(39,276,047)	(38,157,513)	1,118,534
OTHER FINANCING SOURCES (USES)				
BOCC appropriation	38,793,047	39,276,047	39,276,047	-
BOCC unspent funds	-	-	(1,118,991)	(1,118,991)
Total other financing sources (uses)	38,793,047	39,276,047	38,157,056	(1,118,991)
NET CHANGE IN FUND BALANCE	-	-	(457)	(457)
FUND BALANCE, BEGINNING OF YEAR	-	-	27,131	27,131
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ 26,674	\$ 26,674

See notes to required supplementary information.

**SANTA ROSA COUNTY, FLORIDA SHERIFF
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2017**

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, 2017**

	Grants Fund	Second Dollar Fund	Federal Seizure Fund	Totals
ASSETS				
Cash	\$ 33,586	\$ 55,539	\$ 46,970	\$ 136,095
Due from other funds	724	-	-	724
Due from other governmental units	98,498	-	-	98,498
Total assets	<u>\$ 132,808</u>	<u>\$ 55,539</u>	<u>\$ 46,970</u>	<u>\$ 235,317</u>
LIABILITIES				
Accounts payable	\$ 14,518	\$ -	\$ -	\$ 14,518
Due to other funds	86,971	339	-	87,310
Due to other governmental units	9,726	-	-	9,726
Unearned revenue	21,593	-	46,970	68,563
Total liabilities	132,808	339	46,970	180,117
FUND BALANCES				
Resricted for law enforcement training	-	55,200	-	55,200
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 132,808</u>	<u>\$ 55,539</u>	<u>\$ 46,970</u>	<u>\$ 235,317</u>

**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, 2017**

	Grants Fund	Second Dollar Fund	Federal Seizure Fund	Totals
REVENUES				
Intergovernmental	\$ 603,631	\$ 29,397	\$ -	\$ 633,028
TOTAL REVENUES	603,631	29,397	-	633,028
EXPENDITURES				
Current				
Public safety				
Law enforcement				
Personal services	551,149	-	-	551,149
Operating	48,726	7,929	-	56,655
Capital outlay	3,756	-	-	3,756
Total Expenditures	603,631	7,929	-	611,560
NET CHANGES IN FUND BALANCE	-	21,468	-	21,468
FUND BALANCES, BEGINNING OF YEAR	-	33,732	-	33,732
FUND BALANCES, END OF YEAR	\$ -	\$ 55,200	\$ -	\$ 55,200

**SANTA ROSA COUNTY, FLORIDA SHERIFF
COMBINING STATEMENT OF ASSETS AND LIABILITIES
ALL AGENCY FUNDS
SEPTEMBER 30, 2017**

	<u>Suspense Fund</u>	<u>Seizure Fund</u>	<u>Flower Fund</u>	<u>Totals</u>
ASSETS				
Cash	<u>\$ 15,301</u>	<u>\$ 14,175</u>	<u>\$ 17,058</u>	<u>\$ 46,534</u>
TOTAL ASSETS	<u><u>\$ 15,301</u></u>	<u><u>\$ 14,175</u></u>	<u><u>\$ 17,058</u></u>	<u><u>\$ 46,534</u></u>
LIABILITIES				
Accounts payable	\$ 15,301	\$ -	\$ -	\$ 15,301
Deposits	<u>-</u>	<u>14,175</u>	<u>17,058</u>	<u>31,233</u>
TOTAL LIABILITIES	<u><u>\$ 15,301</u></u>	<u><u>\$ 14,175</u></u>	<u><u>\$ 17,058</u></u>	<u><u>\$ 46,534</u></u>

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

Honorable 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 "Sheriff"), as of and for the year ended September 30, 2017, 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, 2018.

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 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 cursive script that reads "Warren Averett, LLC".

Pensacola, Florida
January 30, 2018

**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 "Sheriff") compliance with Florida Statute 218.415 in regards to investments for the year ended September 30, 2017.

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 and, accordingly, included examining, on a test basis, evidence about the Sheriff'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 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, 2017.

Warren Averett, LLC

Pensacola, Florida
January 30, 2018

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 "Sheriff"), as of and for the year ended September 30, 2017 and the related notes to the financial statements, and have issued our report thereon dated January 30, 2018.

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 also issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on Examination of Compliance Requirements in Accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated January 30, 2018, 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 address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

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

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the 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, 2018

**SANTA ROSA COUNTY, FLORIDA SHERIFF
MANAGEMENT'S RESPONSE TO MANAGEMENT LETTER
SEPTEMBER 30, 2017**

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

**SANTA ROSA COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

**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, 2017, 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, 2017, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of 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, 2017, 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.



Pensacola, Florida
January 11, 2018

**SANTA ROSA COUNTY, FLORIDA SUPERVISOR OF ELECTIONS
BALANCE SHEET – GENERAL FUND
SEPTEMBER 30, 2017**

ASSETS

Due from Board of County Commissioners	<u>\$ 91,121</u>
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LIABILITIES

Accounts payable	\$ 1,727
Accrued expenses	25,185
Advances on grants	<u>64,209</u>
Total liabilities	91,121

FUND BALANCE

Fund balance	<u>-</u>
Total liabilities and fund balance	<u>\$ 91,121</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, 2017**

REVENUES

Grant revenue	\$ 29,388
Charges for services	150,207
Miscellaneous revenue	<u>252</u>
Total revenues	179,847

EXPENDITURES

Current:

General government:

Personal services	590,315
Operating	579,036
Capital outlay	<u>325,860</u>

Total expenditures	<u>1,495,211</u>
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Excess (deficiency) of revenues over expenditures	(1,315,364)
---	-------------

OTHER FINANCING SOURCES

Board of County Commissioners appropriation	<u>1,315,364</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, 2017

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, 2017

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.

Subsequent Events

The Supervisor of Elections has evaluated events and transactions that occurred between September 30, 2017, and January 11, 2018, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

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, 2017

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 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. 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.

SANTA ROSA COUNTY, FLORIDA SUPERVISOR OF ELECTIONS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

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, 2017 were as follows: regular employees, 7.62%, special risk employees, 22.75%, elected officials, 42.23%, senior management employees, 22.01%, and DROP participants, 13.06%.

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 \$73,239, \$62,485 and \$68,893 for the years ended September 30, 2017, 2016, and 2015, 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 Supervisor of Elections participates in the health insurance plan offered to employees of the Board and other County Elected Officials (the Board plan). Additionally, retirees and eligible dependents have the option of continuing in the Board plan at the same group rate as for active employees. Although participating retirees are required to reimburse the Board for 100% of the premium cost, employees who retire with a minimum of 10 years of creditable service (8 years elected service) are eligible for a monthly health insurance subsidy based on the number of years of creditable service multiplied by \$3, and limited to the lesser of \$90 per month or the actual cost of the retiree's monthly health insurance premium.

Because the premium is a group rate which includes active lower cost employees, these retirees are receiving an "implicit subsidy". This annual cost, the accrued obligation, and other required disclosures have been calculated for the County as a whole, and not separately for the Supervisor of Elections. 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, 2017

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, 2017**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Grant revenues	\$ 167,020	\$ 97,451	\$ 29,388	\$ (68,063)
Charges for services	-	-	150,207	150,207
Miscellaneous revenues	-	-	252	252
Total revenues	167,020	97,451	179,847	82,396
EXPENDITURES				
Current				
General government				
Personal services	590,240	590,240	590,315	(75)
Operating	726,650	746,194	579,036	167,158
Capital outlay	309,812	325,862	325,860	2
Total expenditures	1,626,702	1,662,296	1,495,211	167,085
Excess (deficiency) of revenues over expenditures	(1,459,682)	(1,564,845)	(1,315,364)	249,481
OTHER FINANCING SOURCES				
Board of County Commissioners appropriation	1,459,682	1,564,845	1,315,364	(249,481)
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 SUPERVISOR OF ELECTIONS
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

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, 2017, and the related notes to the financial statements, and have issued our report thereon dated January 11, 2018.

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.

Warren Averett, LLC

Pensacola, Florida
January 11, 2018

**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, 2017.

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, 2017.

Warren Averett, LLC

Pensacola, Florida
January 11, 2018

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, 2017, and the related notes to the financial statements, and have issued our report thereon dated January 11, 2018.

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 11, 2018, 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 address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

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

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the Supervisor of Elections, 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 11, 2018

**SANTA ROSA COUNTY, FLORIDA SUPERVISOR OF ELECTIONS
MANAGEMENT'S RESPONSE TO MANAGEMENT LETTER
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

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

**SANTA ROSA COUNTY, FLORIDA
TAX COLLECTOR**

FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

**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, 2017, 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, 2017, 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. 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, 2017, 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

December 7, 2017
Pensacola, Florida

**SANTA ROSA COUNTY, FLORIDA TAX COLLECTOR
BALANCE SHEET – GENERAL FUND
SEPTEMBER 30, 2017**

ASSETS

Cash	\$ 757,910
Total assets	<u>\$ 757,910</u>

LIABILITIES

Accounts payable	\$ 4,717
Accrued payroll, taxes and benefits	107,814
Unearned revenues	79,200
Due to other governmental units	<u>566,179</u>
Total liabilities	<u>757,910</u>

FUND BALANCE

Fund balance	<u>-</u>
Total liabilities and fund balance	<u>\$ 757,910</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, 2017**

REVENUES

Charges for services	\$ 4,133,555
Miscellaneous	<u>2,714</u>
Total revenues	4,136,269

EXPENDITURES

Current:	
General government:	
Personal services	2,840,123
Operating	665,371
Capital outlay	<u>77,796</u>
Total expenditures	<u>3,583,290</u>

Excess of revenues over expenditures	552,979
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OTHER FINANCING SOURCES (USES)

Unspent revenues	<u>(552,979)</u>
Total other financing sources (uses)	<u>(552,979)</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, 2017**

ASSETS

Cash	\$ 1,395,017
Miscellaneous receivables	<u>155,939</u>
Total assets	1,550,956

LIABILITIES

Accounts payable	35,000
Due to other governmental units	1,490,970
Miscellaneous liabilities	<u>24,986</u>
Total liabilities	<u>1,550,956</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, 2017

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 Fund – 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, 2017

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 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. 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.

Events Occurring After the Reporting Date

The Tax Collector has evaluated events and transactions that occurred between September 30, 2017 and December 7, 2017, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

2. CASH AND INVESTMENTS

At September 30, 2017, the bank reported deposits before outstanding checks and deposits of \$2,140,542 all of which was held by a financial institution designated as a "qualified public depository" by the State Treasurer.

SANTA ROSA COUNTY, FLORIDA TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

2. CASH AND INVESTMENTS – CONTINUED

All deposits were fully insured through a combination of Federal depository insurance and participation of the financial institution in the multiple financial institution collateral pool as specified in Chapter 280, Florida Statutes. Accordingly, the Tax Collector does not believe it is exposed to any significant credit risk on its cash balances.

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. The Tax Collector does not have any assets of an investment nature as of September 30, 2017.

3. 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 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. 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.

SANTA ROSA COUNTY, FLORIDA TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

3. PENSION AND RETIREMENT PLAN – CONTINUED

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, 2017 were as follows: regular employees, 7.62%, special risk employees, 22.75%, elected officials, 43.23%, senior management employees, 21.01%, and DROP participants, 13.06%. 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 \$196,231, \$184,136, and \$183,925 for the years ended September 30, 2017, 2016, and 2015, respectively.

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.

4. OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN

The Tax Collector participates in the health insurance plan offered to employees of the Board and other County Elected Officials (the Board plan). Additionally, retirees and eligible dependents have the option of continuing in the Board plan at the same group rate as for active employees.

**SANTA ROSA COUNTY, FLORIDA TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

4. OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN – CONTINUED

Although participating retirees are required to reimburse the Board for 100% of the premium cost, employees who retire with a minimum of 10 years of creditable service (8 years elected service) are eligible for a monthly health insurance subsidy based on the number of years of creditable service multiplied by \$3, and limited to the lesser of \$90 per month or the actual cost of the retiree's monthly health insurance premium.

Because the premium is a group rate which includes active lower cost employees, these retirees are receiving an "implicit subsidy". This implicit subsidy has a cost which has been calculated for the County as a whole, and not separately for the Tax Collector. Accordingly, these calculations and disclosures can be found in the County's comprehensive annual financial report.

5. 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:

2018	\$ 28,800
2019	28,800
2020	28,800
2021	<u>12,000</u>
Total minimum future rental payments	<u><u>\$ 98,400</u></u>

Total lease payments for the year ended September 30, 2017 were \$28,800.

6. 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, 2017**

6. 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.

7. 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, 2017

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Charges for services	\$4,168,180	\$ 4,168,180	\$4,133,555	\$ (34,625)
Miscellaneous	37,950	37,950	2,714	(35,236)
Total revenues	4,206,130	4,206,130	4,136,269	(69,861)
EXPENDITURES				
Current:				
General government:				
Personal services	2,892,018	2,871,189	2,840,123	31,066
Operating	613,470	667,651	665,371	2,280
Capital outlay	111,151	77,799	77,796	3
Total expenditures	3,616,639	3,616,639	3,583,290	33,349
Excess of revenues over expenditures	589,491	589,491	552,979	(36,512)
OTHER FINANCING SOURCES (USES)				
Unspent revenues	(589,491)	(589,491)	(552,979)	36,512
Total other financing sources (uses)	(589,491)	(589,491)	(552,979)	36,512
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, 2017**

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, 2017, and the related notes to the financial statements, which collectively comprise the Tax Collector's financial statements, and have issued our report thereon dated December 7, 2017.

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.

Warren Averett, LLC

December 7, 2017
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 regards to investments for the year ended September 30, 2017.

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 and, accordingly, included examining, on a test basis, evidence about the Tax Collector'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 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, 2017.

Warren Averett, LLC

December 7, 2017
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 year ended September 30, 2017, and the related notes to the financial statements, and have issued our report thereon dated December 7, 2017.

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 Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on Examination of Compliance Requirements in Accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports which are dated December 7, 2017, 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. No recommendations were made in the preceding annual financial audit report.

Additional Matters

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

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

Purpose of this Letter

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

December 7, 2017
Pensacola, Florida

**SANTA ROSA COUNTY, FLORIDA TAX COLLECTOR
MANAGEMENT'S RESPONSE TO MANAGEMENT LETTER
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

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