

## **Triumph Gulf Coast, Inc. Trust Fund Application for Funds**

Proposal Instructions: The Triumph Gulf Coast, Inc. Trust Fund Grant Application (this document) must be completed by the entity applying for the grant and signed, as applicable, by either the individual applying for funds, an individual authorized to bind the entity applying for funds, a chief elected official, the administrator for the governmental entity or their designee. Please read the Application carefully as some questions may require a separate narrative to be completed. In addition, please complete all Addendums that may be applicable to the proposed project or program.

Triumph Gulf Coast, Inc. will make awards from available funds to projects or programs that meet the priorities for economic recovery, diversification, and enhancement of the disproportionately affected counties. Triumph Gulf Coast, Inc. may make awards for:

- Ad valorem tax rate reduction within disproportionately affected counties;
- Local match requirements of s. 288.0655 for projects in the disproportionately affected counties;
- Public infrastructure projects for construction, expansion, or maintenance which are shown to enhance economic recovery, diversification, and enhancement of the disproportionately affected counties;
- Grants to local governments in the disproportionately affected counties to establish and maintain equipment and trained personnel for local action plans of response to respond to disasters, such as plans created for the Coastal Impacts Assistance Program;
- Grants to support programs that prepare students for future occupations and careers at K-20 institutions that have campuses in the disproportionately affected counties. Eligible programs include those that increase students' technology skills and knowledge; encourage industry certifications; provide rigorous, alternative pathways for students to meet high school graduation requirements; strengthen career readiness initiatives; fund high-demand programs of emphasis at the bachelor's and master's level designated by the Board of Governors; and, similar to or the same as talent retention programs created by the Chancellor of the State University System and the Commission of Education; encourage students with interest or aptitude for science, technology, engineering, mathematics, and medical disciplines to pursue postsecondary education at a state university or a Florida College System institution within the disproportionately affected counties;
- Grants to support programs that provide participants in the disproportionately affected counties with transferable, sustainable workforce skills that are not confined to a single employer; and
- Grants to the tourism entity created under s. 288.1226 for the purpose of advertising and promoting tourism and Fresh From Florida, and grants to promote workforce and infrastructure, on behalf of all of the disproportionately affected counties.

Pursuant to Florida Law, Triumph Gulf Coast, Inc. will provide priority consideration to Applications for projects or programs that:

- Generate maximum estimated economic benefits, based on tools and models not generally employed by economic input-output analyses, including cost-benefit, return-on-investment, or dynamic scoring techniques to determine how the long-term economic growth potential of the disproportionately affected counties may be enhanced by the investment.
- Increase household income in the disproportionately affected counties above national average household income.
- Leverage or further enhance key regional assets, including educational institutions, research facilities, and military bases.
- Partner with local governments to provide funds, infrastructure, land, or other assistance for the project.
- Benefit the environment, in addition to the economy.
- Provide outcome measures.
- Partner with K-20 educational institutions or school districts located within the disproportionately affected counties as of January 1, 2017.
- Are recommended by the board of county commissioners of the county in which the project or program will be located.
- Partner with convention and visitor bureaus, tourist development councils, or chambers of commerce located within the disproportionately affected counties.

Additionally, the Board of Triumph Gulf Coast, Inc. may provide discretionary priority to consideration of Applications for projects and programs that:

- Are considered transformational for the future of the Northwest Florida region.
- May be consummated quickly and efficiently.
- Promote net-new jobs in the private sector with an income above regional average household income.
- Align with Northwest Florida FORWARD, the regional strategic initiative for Northwest Florida economic transformation.
- Create net-new jobs in targeted industries to include: aerospace and defense, financial services/shared services, water transportation, artificial intelligence, cybersecurity, information technology, manufacturing, and robotics.
- Promote industry cluster impact for unique targeted industries.
- Create net-new jobs with wages above national average wage (e.g., similar to EFI QTI program, measured on graduated scale).
- Are located in Rural Area of Opportunity as defined by the State of Florida (DEO).
- Provide a wider regional impact versus solely local impact.
- Align with other similar programs across the regions for greater regional impact, and not be duplicative of other existing projects or programs.
- Enhance research and innovative technologies in the region.
- Enhance a targeted industry cluster or create a Center of Excellence unique to Northwest Florida.

- Create a unique asset in the region that can be leveraged for regional growth of targeted industries.
- Demonstrate long-term financial sustainability following Triumph Gulf Coast, Inc. funding.
- Leverage funding from other government and private entity sources.
- Provide local investment and spending.
- Are supported by more than one governmental entity and/or private sector companies, in particular proposed projects or programs supported by more than one county in the region.
- Provide clear performance metrics over duration of project or program.
- Include deliverables-based payment system dependent upon achievement of interim performance metrics.
- Provide capacity building support for regional economic growth.
- Are environmentally conscious and business focused.
- Include Applicant and selected partners/vendors located in Northwest Florida.

Applications will be evaluated and scored based on compliance with the statutory requirements of the Triumph Gulf Coast legislation, including but not limited to the priorities identified therein and the geographic region served by the proposed project or program.

**Applicant Information**

Name of Individual (if applying in individual capacity): \_\_\_\_\_

Name of Entity/Organization: Santa Rosa County Board of County Commissioners

Background of Applicant Individual/Entity/Organization: Santa Rosa County is a unit of government established by Florida Law.

Federal Employer Identification Number: 59-6000842

**Contact Information:**

Primary Contact Information: Shannon Ogletree

Title: Director, Santa Rosa Economic Development Office (EDO)

Mailing Address: 6491 Caroline Street, Suite 4  
Milton, Florida 32570

Phone: 850-623-0174

Email: shannon@santarosa.fl.gov

Website: www.santarosaedo.com

Identify any co-applicants, partners, or other entities or organizations that will have a role in the proposed project or program and such partners proposed roles.

Santa Rosa County EDO has been working with the current property owner to coordinate delivery of a an industrial site. Funding this proposal provides the resources for acquisition and improvements to deliver a suitable industrial site. Beyond satisfaction of the risk assessment this project meets Santa Rosa County's economic development resiliency and the regions branding goals by adding manufacturing/distribution capacity.

Total amount of funding requested from Triumph Gulf Coast: \$8,800,000.00

Has the applicant in the past requested or applied for funds for all or part of the proposed project/program?

Yes       No

If yes, please provide detailed information concerning the prior request for funding, including:

- the date the request/application for funding was made;
- the source to which the request/application for funding was made,
- the results of the request/application for funding, and
- projected or realized results and/or outcomes from prior funding.

Describe the financial status of the applicant and any co-applicants or partners:

The most recent audit of the county's financial status showed the county as financially sound.

In a separate attachment, please provide financial statements or information that details the financial status of the applicant and any co-applicants or partners.

Please see the county's financial statement in Attachment 1.

Has the applicant or any co-applicants, partners or any associated or affiliated entities or individuals filed for bankruptcy in the last ten (10) years?

Yes       No

If yes, please identify the entity or individual that filed for bankruptcy and the date of filing.

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**Eligibility**

Pursuant to Section 288.8017, Triumph Gulf Coast, Inc. was created to make awards from available funds to projects or programs that meet the priorities for economic recovery, diversification, and enhancement of the disproportionately affected counties. The disproportionately affected counties are: Bay County, Escambia County, Franklin County, Gulf County, Okaloosa County, Santa Rosa County, Walton County, or Wakulla County. See, Section 288.08012.

1. From the choices below, please check the box that describes the purpose of the proposed project or program (check all that apply):

- Ad valorem tax rate reduction within disproportionately affected counties;
- Local match requirements of s. 288.0655 for projects in the disproportionately affected counties;
- Public infrastructure projects for construction, expansion, or maintenance which are shown to enhance economic recovery, diversification, and enhancement of the disproportionately affected counties;
- Grants to local governments in the disproportionately affected counties to establish and maintain equipment and trained personnel for local action plans of response to respond to disasters, such as plans created for the Coastal Impacts Assistance Program;
- Grants to support programs that prepare students for future occupations and careers at K-20 institutions that have campuses in the disproportionately affected counties. Eligible programs include those that increase students' technology skills and knowledge; encourage industry certifications; provide rigorous, alternative pathways for students to meet high school graduation requirements; strengthen career readiness initiatives; fund high-demand programs of emphasis at the bachelor's and master's level designated by the Board of Governors; and, similar to or the same as talent retention programs created by the Chancellor of the State University System and the Commission of Education, encourage students with interest or aptitude for science, technology, engineering, mathematics, and medical disciplines to pursue postsecondary education at a state university or a Florida College System institution within the disproportionately affected counties;
- Grants to support programs that provide participants in the disproportionately affected counties with transferable, sustainable workforce skills that are not confined to a single employer; and
- Grants to the tourism entity created under s. 288.1226 for the purpose of advertising and promoting tourism and Fresh From Florida, and grants to promote workforce and infrastructure, on behalf of all of the disproportionately affected counties.

2. Provide the title and a detailed description of the proposed project or program, including the location of the proposed project or program, a detailed description of, and quantitative evidence demonstrating how the proposed project or program will promote economic recovery, diversification, and enhancement of the disproportionately affected counties, a proposed timeline for the proposed project or program, and the disproportionately affected counties that will be impacted by the proposed project or program.

**Title:** Project Young Frankenstein

**Description:** This project proposes the acquisition and improvement of one site totaling approximately 39.1 acres of prime industrial property in Santa Rosa County. Improvements include overall site development for a manufacturing/distribution center. The county will own the land and manage the project through a development agreement with the private capital engaged on the project.

With proximity to Mobile, New Orleans, Montgomery, Birmingham, Pensacola, Tallahassee and other southeastern cities, the combined site is well suited for manufacturing/distribution companies. Competition for this project includes the ready sites available just across state lines in Alabama.

In addition, Santa Rosa County would like to propose a new staff position to be in place for seven years at approximately \$12,000/year for a total of \$83,094 to assist with grant administration and compliance for this new Triumph project. All total 65 new jobs will be created by the project. Santa Rosa County recommends this site specifically to promote economic recovery, diversification and enhancement of community.

- Number of Jobs: estimated  
210
- Average Wage: estimated  
42,000.00
- Capital Investment:  
approximate \$10,000,000.00

Please see Attachment 2 for Map.

**How the proposed project promotes economic recovery, diversification and enhancement of the disproportionately affected counties:**

(a) **Economic Recovery:** The Santa Rosa Board of County Commissioners has worked for years to bring higher paying jobs to the County. One of the most telling statistics of the county can be seen on the Northwest Florida FORWARD County Snapshots. The net inflow/outflow of commuters is largely outward from Santa Rosa County, which means workers are commuting outside the county to higher paying jobs. They are commuting to the metropolitan core areas of Pensacola or Fort Walton Beach or to Crestview. The downturn of the economy in 2008 and the Deepwater Horizon Oil Spill in 2010 both hit the county's economy very hard (unemployment rose from 2.8 in 2006 to 9.5 in 2010) because of the reliance on growth in the construction/housing industry and tourism for jobs and revenues. Funding acquisition of this site for the construction of a distribution center broadens the regions economic recovery by implementing diversification recommendations from regional economic development professionals. (Northwest Florida Forward, Feb. 2017, A Regional Strategy for Economic Transformation)

Consumer trends that were started prior to the pandemic such as the shift away from retail stores toward online shopping continue to accelerate creating a pressing need for strategically located distribution centers. As companies re-evaluate their supply chain, Santa Rosa County wants to be ready to accommodate their needs with this site.

(b) **Diversification:** Santa Rosa County has relied heavily upon military, tourism and agriculture, all of which are subject to unpredicted devastating events that can wipe out expected revenues, such as the Deepwater Horizon Oil Spill, weather conditions, base realignments or pandemics. Development of the distribution/logistics and manufacturing industries will not only diversify the economy but would also provide stability.

(c) **Enhancement of Disproportionately Affected Counties:** Santa Rosa County and the region of disproportionately affected counties will be enhanced:

- i. The COVID-19 pandemic has brought a renewed attention to US manufacturing and supply chains. Strengthening the manufacturing and distribution industry in Santa Rosa County will benefit all of NW FL.
- ii. Aligns with the Northwest Florida FORWARD regional strategic initiative by supporting the manufacturing/distribution industries providing transportation for its products and supporting land-based logistics.
- iii. Will create net new jobs in support of targeted industries.
- iv. All of Northwest Florida wins when we can compete with our neighbors to the north and west. The South Alabama Megasite and Mobile, Alabama are a mere 60-minute drive from the proposed spec building. The only way to compete and win companies is to have available warehouse space.



3. Explain how the proposed project or program is considered transformational and how it will effect the disproportionately affected counties in the next ten (10) years.

Please see Attachment 3.

4. Describe data or information available to demonstrate the viability of the proposed project or program.

Please see Attachment 4.

5. Describe how the impacts to the disproportionately affected counties will be measured long term.

The impacts would be measured long term by reviewing the following indicators over a ten-year period: (1) number of jobs, (2) average wage, and (3) amount of capital investment.

6. Describe how the proposed project or program is sustainable. (Note: Sustainable means how the proposed project or program will remain financially viable and continue to perform in the long-term after Triumph Gulf Coast, Inc. funding.)

The Triumph funding will be used to purchase 39.1 acres of industrial zoned property and to construct the infrastructure for the site. The site layout utilizes the proximity to Interstate 10 running east/west sustaining access and visibility needed to create efficiencies which provide viability for the long term. Long term management and maintenance will be provided by the local jurisdiction through its Economic Development Office in partnership with the private equity financing the project and ultimately the tenant.

7. Describe how the deliverables for the proposed project or program will be measured.

Santa Rosa EDO has an established track record of measuring deliverables for infrastructure projects. They will be measured according to the specifications detailed in the bid packages and contracts. An engineering firm will be hired to provide construction engineering and inspection (CEI) services.

1. Please check the box if the proposed project or program will meet any of the following priorities (check all that apply):

X Generate maximum estimated economic benefits, based on tools and models not generally employed by economic input-output analyses, including cost-benefit, return-on-investment, or dynamic scoring techniques to determine how the long-term economic growth potential of the disproportionately affected counties may be enhanced by the investment.

X Increase household income in the disproportionately affected counties above national average household income.

X Leverage or further enhance key regional assets, including educational institutions, research facilities, and military bases.

Partner with local governments to provide funds, infrastructure, land, or other assistance for the project.

Benefit the environment, in addition to the economy.

X Provide outcome measures.

Partner with K-20 educational institutions or school districts located within the disproportionately affected counties as of January 1, 2017.

X Are recommended by the board of county commissioners of the county in which the project or program will be located.

Partner with convention and visitor bureaus, tourist development councils, or chambers of commerce located within the disproportionately affected counties.

2. Please explain how the proposed project meets the priorities identified above.

Generate maximum estimated economic benefits, based on tools and models not generally employed by economic input-output analyses, including cost-benefit, return-on-investment, or dynamic scoring techniques to determine how the long-term economic growth potential of the disproportionately affected counties may be enhanced by the investment. No longer Applicable. Our most recent guidance is Triumph's evaluation team will provide this modeling for use by the applicant and the Triumph Board of Directors.

Increase household income in the disproportionately affected counties above national average household income.

Wages will be at least 115% of the County average, based on the Florida Department of Economic Opportunity, Labor Market Statistics Center.

Leverage or further enhance key regional assets, including educational institutions, research facilities, and military bases.

This project is compatible with and enhances the Triumph award to Pensacola State College for a truck driver training facility located just 3 miles away. The site is also 7 miles away from Pensacola State College's Milton Campus and 9 miles away from Locklin Technical College.

Provide outcome measures.

The outcome measures will be a review of the following indicators: (1) number of jobs (2) average wage, (3) amount of capital investment.

Are recommended by the board of county commissioners of the county in which the project or program will be located.

3. Please explain how the proposed project or program meets the discretionary priorities identified by the Board.

Please see Attachment 5.

4. In which of the eight disproportionately affected county/counties is the proposed project or program located? (Circle all that apply)

Escambia Santa Rosa Okaloosa Walton Bay Gulf Franklin Wakulla

5. Was this proposed project or program on a list of proposed projects and programs submitted to Triumph Gulf Coast, Inc., by one (or more) of the eight disproportionately affected Counties as a project and program located within its county?

Yes, Santa Rosa County.

6. Does the Board of County Commissioners for each County listed in response to question 5, above, recommend this project or program to Triumph?

*The Santa Rosa County BOCC heard this project at the December 12, 2024 Committee Meeting.*

**\*\*Please attach proof of recommendation(s) from each County identified.**

*Please see corresponding attachment 6, if approved*

### **Approvals and Authority**

1. If the Applicant is awarded grant funds based on this proposal, what approvals must be obtained before Applicant can execute an agreement with Triumph Gulf Coast, Inc.?

If awarded, the County Attorney will review a terms sheet offered by Triumph before developing an agreement that will be reviewed and presented to the BOCC. If approved the Chairman will be authorized to sign the agreement. No other approvals are needed.

2. If approval of a board, commission, council or other group is needed prior to execution of an agreement between the entity and Triumph Gulf Coast:
  - A. Provide the schedule of upcoming meetings for the group for a period of at least six months.
  - B. State whether that group can hold special meetings, and if so, upon how many days' notice.

The BOCC meets twice monthly and can hold special meetings with generally 7 days notice.

3. Describe the timeline for the proposed project or program if an award of funding is approved, including milestones that will be achieved following an award through completion of the proposed project or program.

If the project were awarded in December of 2024, the land acquisition, infrastructure improvements, and site readiness would be completed in 36 months: land acquisition 6 months; design/procurement of infrastructure improvements 6 months; construction up to 30 months including closeout. Company capital investment would be complete by Q4 2028.

4. Attach evidence that the undersigned has all necessary authority to execute this proposal on behalf of the entity applying for funding. This evidence may take a variety of forms, including but not limited to: a delegation of authority, citation to relevant laws or codes, policy documents, etc. In addition, please attach any support letters from partners. Please see Attachment 8 BOCC Authority.

**Funding and Budget:**

Pursuant to Section 288.8017, awards may not be used to finance 100 percent of any project or program. An awardee may not receive all of the funds available in any given year.

1. Identify the amount of funding sought from Triumph Gulf Coast, Inc. and the time period over which funding is requested. 4,000,000.00 in the first year
2. What percentage of total program or project costs does the requested award from Triumph Gulf Coast, Inc. represent? (Please note that an award of funding will be for a defined monetary amount and will not be based on percentage of projected project costs.) 47%
3. Please describe the types and number of jobs expected from the proposed project or program and the expected average wage.  
It is anticipated that this project will create 210 jobs in manufacturing/distribution with an average wage of at least 115% of the county average.
4. Does the potential award supplement but not supplant existing funding sources? If yes, describe how the potential award supplements existing funding sources.  
The award does not supplant existing funding sources because no other funds have been identified at this point. It does supplement the investment/expenditures planned at 10 million in private capital.
5. Please provide a Project/Program Budget. Include all applicable costs and other funding sources available to support the proposal.

Project/Program Costs:

Example Costs (Note: Not exhaustive list of possible Cost categories.)

Construction	\$ 4,400,000.00
Reconstruction	\$ 0
Design & Engineering	\$
Land Acquisition	\$ 4,400,000.00
Land Improvement	\$ 10,000,000.00
Equipment	\$ 0
Supplies	\$ 0
Salaries	\$ 83,094.00

Other (specify)	\$ _____	
Total Project Costs:	_____	
B. Other Project Funding Sources:	<u>\$18,883,094.00</u>	
Example Funding Sources (Note: Not an exhaustive list of possible Funding Sources.)		
City/County	<u>\$0</u>	
Private Sources	<u>\$ 10,000,000.00</u>	Capital Investment &
Other (e.g., grants, etc.)	<u>Design \$ 0</u>	
Total Other Funding	<u>\$ 0</u>	
Total Amount Requested:	<u>\$ 8,800,000.00</u>	

Note: The total amount requested must equal the difference between the costs in 3A. and the other project funding sources in 3.B.

C. Provide a detailed budget narrative, including the timing and steps necessary to obtain the funding and any other pertinent budget-related information.

After the Board of County Commissioners approves the agreement with Triumph, a budget amendment will be on the agenda at the next regular commission meeting, usually held twice monthly.

Applicant understands that the Triumph Gulf Coast, Inc. statute requires that the award contract must include provisions requiring a performance report on the contracted activities, must account for the proper use of funds provided under the contract, and must include provisions for recovery of awards in the event the award was based upon fraudulent information or the awardee is not meeting the performance requirements of the award.

Yes

Applicant understands that awardees must regularly report to Triumph Gulf Coast, Inc. the expenditure of funds and the status of the project or program on a schedule determined by Triumph Gulf Coast, Inc.

Yes

Applicant acknowledges that Applicant and any co-Applicants will make books and records and other financial data available to Triumph Gulf Coast, Inc. as necessary to measure and confirm performance metrics and deliverables.

Yes

Applicant acknowledges that Triumph Gulf Coast, Inc. reserves the right to request additional information from Applicant concerning the proposed project or program.

Yes

**ADDENDUM FOR INFRASTRUCTURE PROPOSALS:**

1. Program Requirements

- A. Is the infrastructure owned by the public?  
 Yes       No
- B. Is the infrastructure for public use or does it predominately benefit the public?  
 Yes       No
- C. Will the public infrastructure improvements be for the exclusive benefit of any private company?  
 Yes       No

- D. Provide a detailed explanation of how the public infrastructure improvements will connect to a broader economic development vision for the community and benefit additional current and future businesses.

Santa Rosa County since 2010 is one of the 10 fastest growing counties in Florida and within the top 5% of the fastest growing counties in the US. This project manifests both the local and regional economic development vision. The site is within Santa Rosa Industrial Park and will further complete the strategic plan to advance Logistics and Distribution as a targeted industry. The demonstration of successful zoning modification on the site will bring adjacent properties forward for further evaluation and integration into the broader economic development vision.

- E. Provide a detailed description of, and quantitative evidence demonstrating how the proposed public infrastructure project will promote: Economic recovery, Economic Diversification, Enhancement of the disproportionately affected counties, Enhancement of a Targeted Industry.

Please see Attachment 10 Economic Recovery, Diversification, Enhancement of Disproportionately Affected Counties, and Enhancement of a Targeted Industry.

2. Additional Information

- A. Is this project an expansion of existing infrastructure project?  
 Yes  
 No

- B. Provide the proposed beginning commencement date and number of days required  
If the project were awarded in December of 2024, the land acquisition, infrastructure improvements, and site readiness would be completed in 36 months: land acquisition 6 months; design/procurement of infrastructure improvements 6 months; construction up to 24 months including closeout. Company capital investment would be complete by Q4 2028.



- C. What is the location of the public infrastructure? (Provide the road number, if applicable.)

Project Young Frankenstein will be located on Jeff Ates Road off Highway 90 in Santa Rosa County.

Parcel id# 33-2N-27-0000-00300-0000 - 39.1 Acres

- D. Who is responsible for maintenance and upkeep? (Indicate if more than one are applicable.)

Once the property is acquired, Santa Rosa County BOCC will assume responsibility for maintenance and upkeep.

- E. What permits are necessary for the infrastructure project?

The project will be designed and permitted by Santa Rosa County.

Detail whether required permits have been secured, and if not, detail the timeline for securing these permits. Additionally, if any required permits are local permits, will they be prioritized?

Permits will be prioritized.

- F. What is the future land use and zoning designation on the proposed site of the Infrastructure improvement, and will the improvements conform to those uses?

Future land use will be Industrial.

- G. Will an amendment to the local comprehensive plan or a development order be required on the site of the proposed project or on adjacent property to accommodate the infrastructure and potential current or future job creation opportunities? If yes, please detail the timeline  
 Yes  No

An amendment to the comprehensive plan is not required. A development order is required.

- H. Does this project have a local match amount? If yes, please describe the entity providing the match and the amount.  
 Yes  No

Match will be in the form of private company capital investment

- I. Provide any additional information or attachments to be considered for this proposal.

*I, the undersigned, do hereby certify that I have express authority to sign this proposal on my behalf or on behalf of the above-described entity, organization, or governmental entity:*

Name of Applicant: Santa Rosa County BOCC

Name and Title of Authorized Representative: Kerry Smith, Chairman

Representative Signature: 

Signature Date: December 30, 2024

I2103/24draft

## INDEPENDENT AUDITORS' REPORT

The Honorable Board of County Commissioners  
Santa Rosa County, Florida

### Opinions

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, (hereinafter referred to as "County") as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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, 2023, and the respective changes in financial position, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that

includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules for the general fund, road and bridge fund, grant fund, and American rescue plan fund, local option sales tax fund, schedule of the County's proportionate share of the net pension liability, the schedule of the County's contributions, and schedule of changes in the County's total OPEB liability and related ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

### **Supplementary 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 combining and individual fund financial statements and individual budgetary schedules are presented for purposes of additional analysis and are not a required part of the basic 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 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 and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2024 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, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

*Warren Account, LLC*

Pensacola, Florida  
March 18, 2024



**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, 2023. 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 8-10 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 \$325,476,031 (net position).** Of this amount, \$495,289 represents unrestricted net position, which may normally be used to meet the government's ongoing obligations to citizens and creditors. In the current year, the balance in unrestricted net position decreased primarily due to the changes in pension liability in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68 as discussed in Note K as well as an excess of landfill revenues over landfill expenses.
- The County's total net position increased by \$23,001,913; governmental activities increased by \$18,162,118 and business-type activities increased by \$4,839,795. The increase in total net position was primarily due to increases in tax based revenues including sales taxes, property taxes and tourist taxes and an increase in investment earnings in the governmental activities, and in business-type activities, the increase primarily related to an excess of landfill revenues over landfill expenses.
- At the close of the current fiscal year, the County governmental funds reported combined fund balances of \$105,051,858, an increase of \$7,349,799 in comparison with the prior year. Approximately 44% of this amount (\$45,707,643) 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 \$63,089,812, or approximately 55% of total general fund expenditures.
- The County's total outstanding long-term bonds and notes decreased by \$846,803 during the current fiscal year due to normal debt service principal reductions offset by issuance of new general obligation notes and new leases.

### 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, building inspections, and hangar rentals.

The government-wide financial statements can be found on pages 32-34 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. The County's funds 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 twenty-four 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, grants fund, local option sales tax fund, and American Rescue Plan fund, which are considered to be major funds. Data from the other nineteen 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 all but four of its governmental funds. Budgetary comparison schedules are provided as required supplementary information for the general fund, road and bridge fund, grants fund, local option sales tax fund, and American Rescue Plan fund.

The basic governmental fund financial statements can be found on pages 35-40 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, building inspections, and hangar rentals. Internal services funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for the management of its retained risks and for its fleet of vehicles. Because both 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 inspection services as well as solid waste disposal services which 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 41-43 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 thirteen custodial funds which report 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 page 45 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 48-76 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 78 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 93 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 \$325.5 million as of September 30, 2023.

### Santa Rosa County's Net Position

(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Current and other assets</b>	\$ 147,544	\$ 152,443	\$ 56,279	\$ 52,462	\$ 203,823	\$ 204,905
Capital assets	302,119	273,341	35,263	34,174	337,382	307,515
<b>Total assets</b>	<b>449,663</b>	<b>425,784</b>	<b>91,542</b>	<b>86,636</b>	<b>541,205</b>	<b>512,420</b>
<b>Deferred outflows of resources</b>	<b>30,277</b>	<b>29,367</b>	<b>1,441</b>	<b>1,192</b>	<b>31,718</b>	<b>30,559</b>
<b>Long-term liabilities outstanding</b>	175,202	158,032	23,972	23,676	199,174	181,708
Other liabilities	37,792	49,176	1,643	1,750	39,435	50,926
<b>Total liabilities</b>	<b>212,994</b>	<b>207,208</b>	<b>25,615</b>	<b>25,426</b>	<b>238,609</b>	<b>232,634</b>
<b>Deferred inflow of resources</b>	<b>8,447</b>	<b>7,606</b>	<b>392</b>	<b>266</b>	<b>8,839</b>	<b>7,872</b>
<b>Net position</b>						
Net investment in capital assets	248,715	219,040	33,078	34,174	281,793	253,214
Restricted	41,588	37,058	1,601	2,902	43,189	39,960
Unrestricted (deficit)	(31,803)	(15,761)	32,298	25,061	495	9,300
<b>Total net position</b>	<b>\$ 258,500</b>	<b>\$ 240,337</b>	<b>\$ 66,977</b>	<b>\$ 62,137</b>	<b>\$ 325,477</b>	<b>\$ 302,474</b>

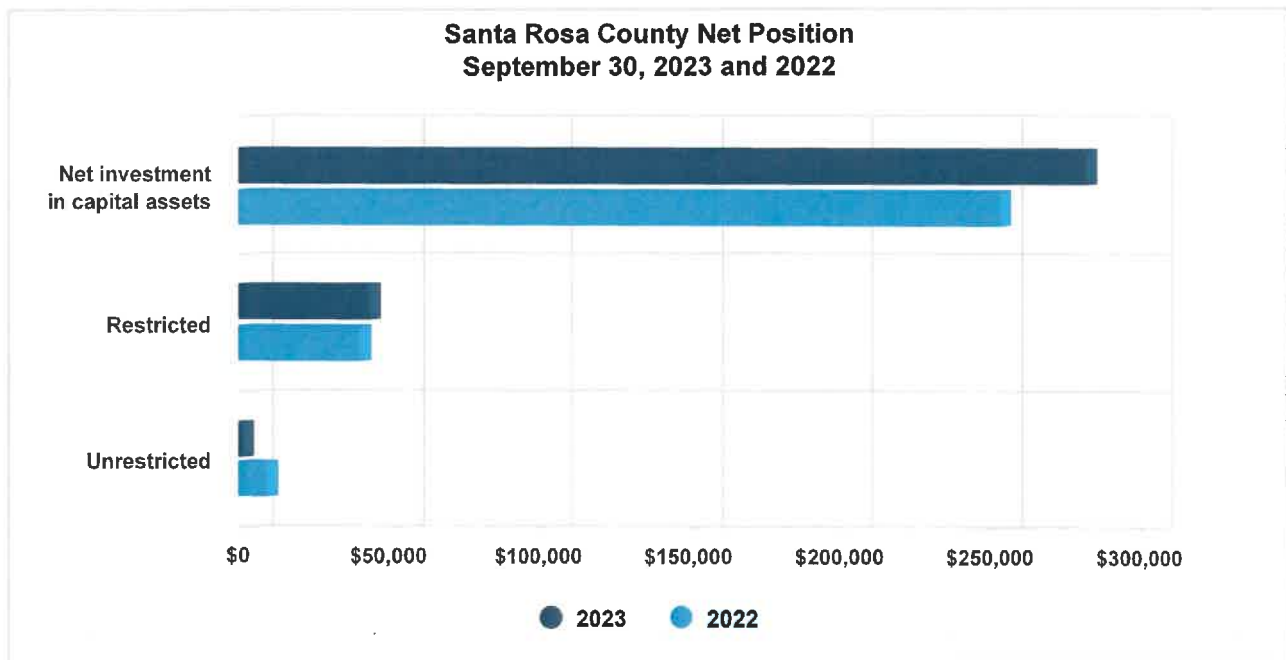
The largest portion of the County's net position (87%) reflects its investment in capital assets (e.g., land, buildings, equipment, improvements, construction in progress and infrastructure), less any related outstanding debt that was used to acquire those assets. The County uses these capital assets 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 (13%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$495,289 is unrestricted and may normally be used to meet the government's ongoing obligations to its citizens and creditors. The County's unrestricted net position decreased in the current year due in large part to the GASB Statement No. 68 adjustment in the amount of \$17,862,456 which requires the County to record an estimated liability and expense for potential future pension costs. The estimated liability and expense are based on the following assumptions:

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

See page 71 of this report which shows significant variations in the liability due to the discount rate assumptions.

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



However, the County's overall net position increased \$23,001,913 from operations. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

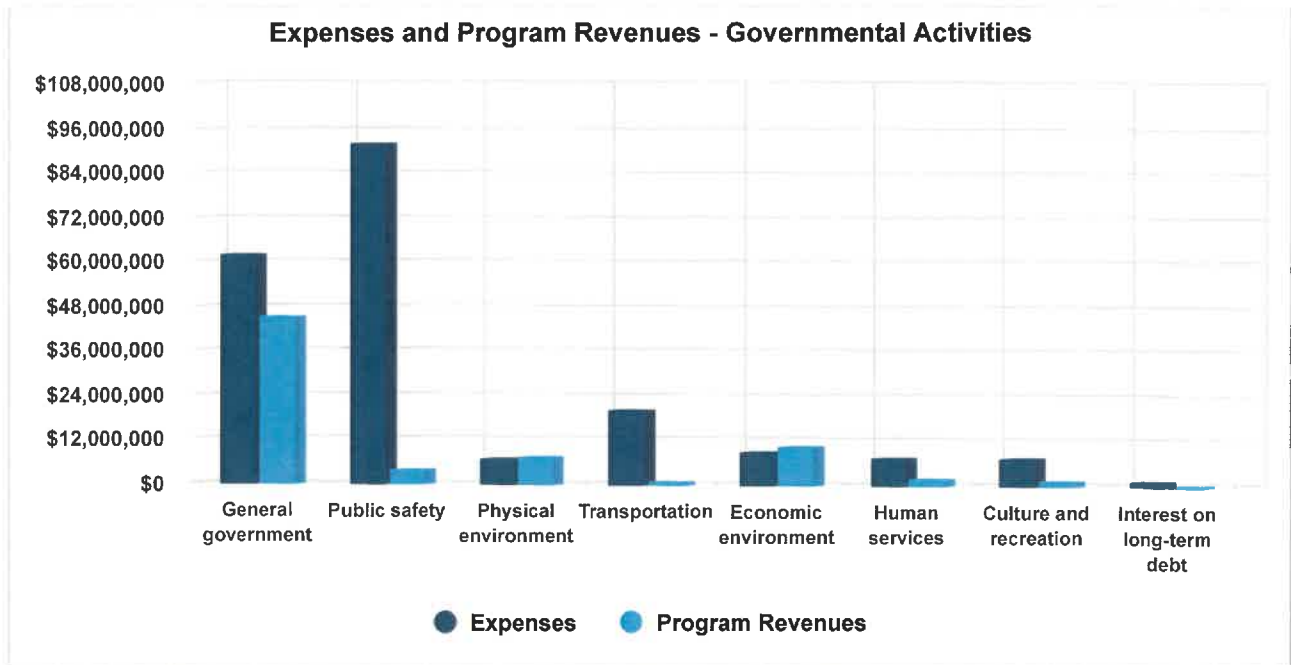
### Governmental Activities

During the current fiscal year, net position for governmental activities increased \$18,162,118 from the prior fiscal year, leaving an ending net position of \$258,499,326. An increase in property tax revenue as a result of increased property values, an increase in sales tax revenues due to increased spending and inflation, and an increase in tourist tax revenue due to promotional activities as well as an increase in investment income due to increased interest rates were primarily responsible for the increase in net position of governmental activities. An increase in expenses related to increased estimated pension liability as discussed above, as well as unspent local option sales taxes due to budgeted infrastructure projects not being completed were also contributing factors.

**Santa Rosa County's Changes in Net Position**

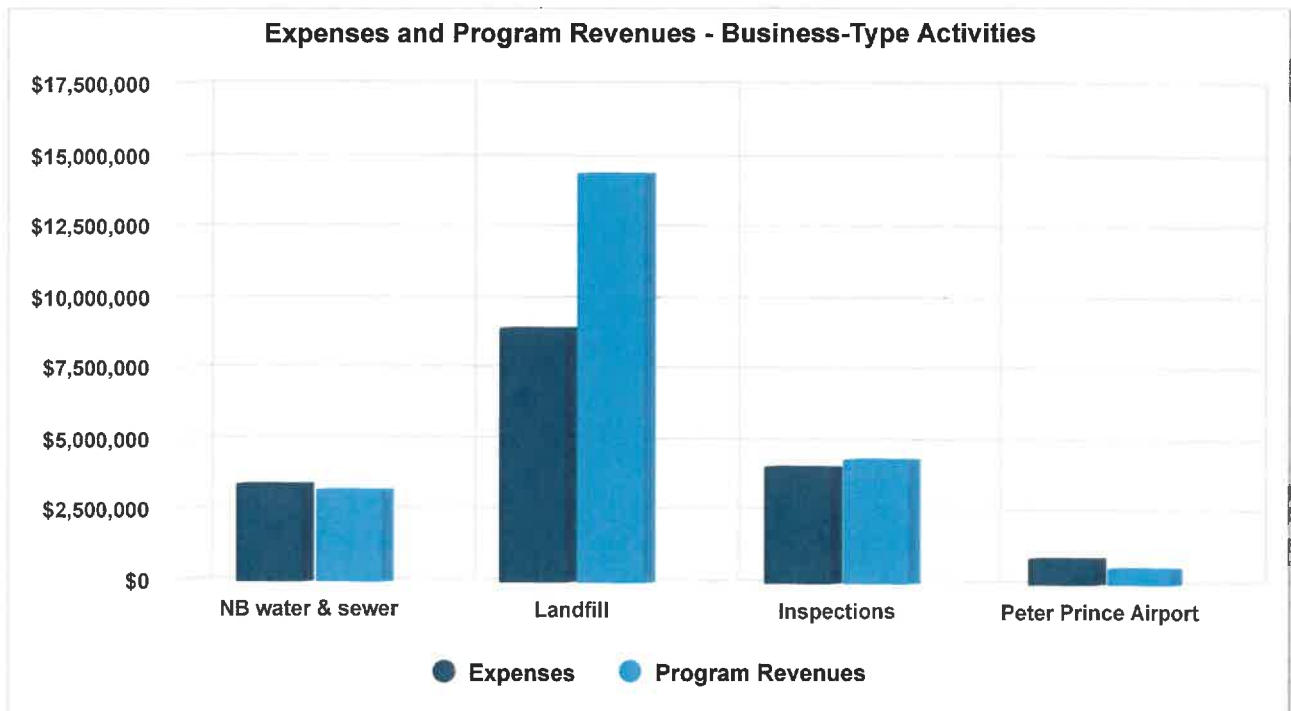
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Revenues:</b>						
<b>Program revenues</b>						
Charges for services	\$ 37,229	\$ 35,467	\$ 22,225	\$ 23,950	\$ 59,454	59,417
Operating grants & contributions	22,104	11,785	-	-	22,104	11,785
Capital grants & contributions	9,492	14,753	149	1,132	9,641	15,885
<b>General revenues</b>						
Property tax	83,602	72,946	-	-	83,602	72,946
Sales, use and fuel tax	32,700	29,509	-	-	32,700	29,509
Communications services	1,278	1,256	-	-	1,278	1,168
Grants and contributions	23,802	23,136	-	-	23,802	23,136
Investment earnings	5,694	743	2,168	(178)	7,862	565
Other	3,365	2,563	138	54	3,503	2,617
<b>Total revenues</b>	<b>219,266</b>	<b>192,158</b>	<b>24,680</b>	<b>24,958</b>	<b>243,946</b>	<b>217,116</b>
<b>Expenses:</b>						
General government	61,513	55,214	-	-	61,513	55,214
Public safety	91,840	74,527	-	-	91,840	74,527
Physical environment	6,475	2,048	-	-	6,475	2,048
Transportation	19,790	18,914	-	-	19,790	18,914
Economic environment	8,904	7,105	-	-	8,904	7,105
Human services	7,354	6,717	-	-	7,354	6,717
Culture and recreation	6,908	6,532	-	-	6,908	6,532
Interest on long term debt	932	894	-	-	932	894
Water and sewer	-	-	3,410	2,231	3,410	2,231
Inspections	-	-	4,045	3,298	4,045	3,298
Airport	-	-	844	1,716	844	1,716
Landfill	-	-	8,931	9,569	8,931	9,569
<b>Total expenses</b>	<b>203,716</b>	<b>171,951</b>	<b>17,230</b>	<b>16,814</b>	<b>220,946</b>	<b>188,765</b>
Increase in net position before transfers	15,551	20,207	7,451	8,144	23,000	28,351
Transfers	2,611	719	(2,611)	(719)	-	-
Change in net position	18,162	20,926	4,840	7,425	23,000	28,351
<b>Net position, beg. of year</b>	<b>240,338</b>	<b>240,338</b>	<b>62,136</b>	<b>62,136</b>	<b>302,474</b>	<b>251,108</b>
<b>Net position, end of year</b>	<b>\$ 258,500</b>	<b>\$ 240,338</b>	<b>\$ 66,976</b>	<b>\$ 62,136</b>	<b>\$ 325,474</b>	<b>\$ 279,459</b>

The following graph displays the Governmental Activities current program revenues and expenditures by function for fiscal year 2023.



### Business-type Activities

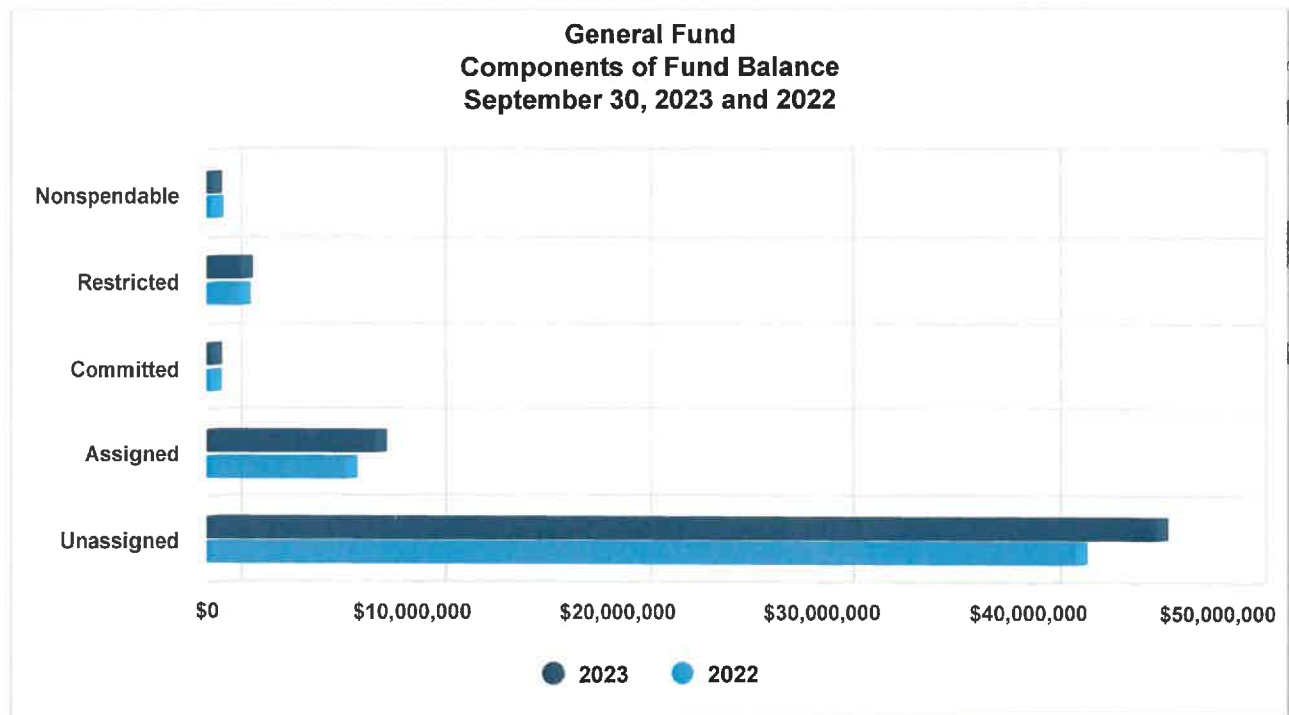
During the current fiscal year, net position for business-type activities increased \$4,839,795 from the prior fiscal year leaving an ending net position of \$66,976,705. The increase is primarily attributable to an excess of landfill revenues over landfill expenses due to increased rates in order to prepare for landfill closure cost requirements.



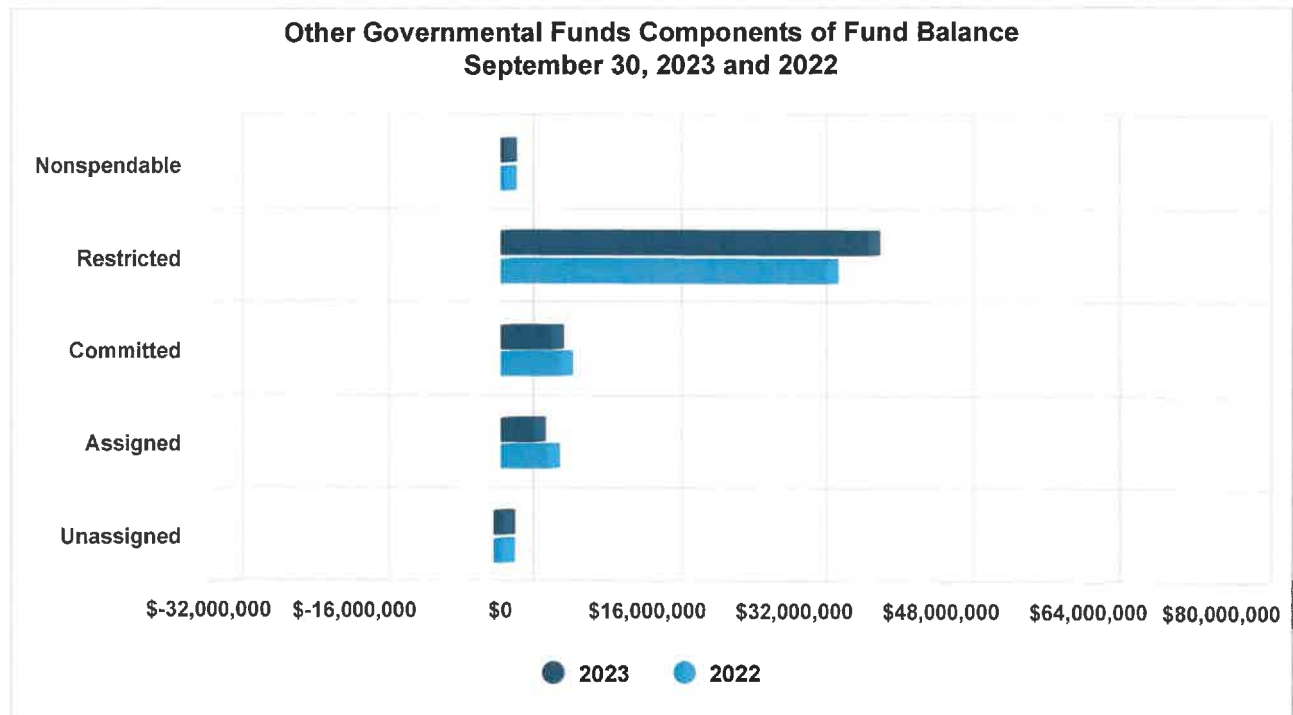
### Financial Analysis of Governmental Funds

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

As of September 30, 2023, the County's governmental funds reported combined fund balances of \$105,051,858, an increase of \$7,349,799 in comparison with the prior year. Approximately 44% of this amount (\$45,707,643) 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 it is 1) not in spendable form (\$374,492), 2) restricted for particular purposes (\$41,587,554), 3) committed for particular purposes (\$5,673,067), or 4) assigned for particular purposes (\$11,709,102).



The General fund is the primary operating fund of the County. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$46,235,164, while the total fund balance increased to \$56,082,048. 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 40% of total general fund expenditures, while total fund balance represents approximately 49% of that same amount.



The fund balance of the County's general fund increased by \$5,362,933 during the current fiscal year. This increase primarily relates to increased property tax revenues due to increases in new construction and overall property values.

The road and bridge fund, a major fund, had a \$1,275,708 decrease in fund balance during the current fiscal year which put the overall fund balance at \$4,083,573. The fund reports an assigned fund balance of \$3,477,993, and accounts for fuel and other taxes designated for road improvements. During the year, fund balance decreased primarily due to increased personnel costs in addition to increased expenditures related to drainage projects.

The grants fund was considered a major governmental fund in fiscal year 2023, reporting a \$475,717 increase in fund balance, bringing the final fund balance to \$24,292. The increase in fund balance was primarily a result of transfers from the general fund to provide local matching funds.

The local option sales tax fund, another major governmental fund, had a \$3,856,357 increase in fund balance during the current fiscal year which put the overall fund balance at \$18,401,550. The primary reason for the increase in the fund was an increase in revenue from the prior year and not expending funds which were budgeted by year end. This was due to the timing of the projects, some of which included Metron Estates drainage, West Williams Creek, and major equipment purchases for the Sheriff and volunteer fire departments.

The American Rescue Plan fund was the final major governmental fund in fiscal year 2023, reporting a \$964,822 increase in fund balance, bringing the final fund balance to \$1,134,863. The fund was established to account for appropriations from the Federal government under the American Rescue Plan Act and related expenditures. The increase in fund balance is due to investment earnings on the appropriated funds received in advance and held until they were spent.

### 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 Inspections fund was \$5,676,618. The total increase in net position for the Inspections fund was \$76,625. The increase in the inspections fund net position is primarily due to increased investment income due to increased interest rates.

Unrestricted net position of the Landfill fund was \$22,585,273. The total change in net position for the Landfill fund was \$5,426,844. As discussed in the business –type activities section, the increase in the landfill fund is attributable to an excess of revenues over expenses in preparation for required landfill closure costs.

### General Fund Budgetary Highlights

*Original budget compared to final budget.* During the year, the General Fund’s original expenditure budget was increased by \$8,144,896. 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 public safety for sheriff personnel costs and physical environment for an artificial reef project..

*Final budget compared to actual results.* The General Fund under spent the final budget by \$11,630,042 or 8.2%. The primary reasons actual expenditures were less than the final budget were 1) funds budgeted for personnel, utilities and facility repairs weren’t expended in the current year.and 2) funds set aside in reserves for contingencies remained unspent.

### Santa Rosa County’s General Fund Budget to Actual

	Original Budget	Final Budget	Change in Budget	Actual	Actual Variance from Budget
General government	\$ 39,725,804	\$ 40,754,707	\$ 1,028,903	\$ 38,163,474	\$ (2,591,233)
Public safety	64,406,216	66,008,314	1,602,098	60,449,564	(5,558,750)
Physical environmen	2,890,152	4,726,880	1,836,728	2,170,331	(2,556,549)
Transportation	1,780,881	2,003,138	222,257	1,639,464	(363,674)
Economic environme	1,192,374	1,412,124	219,750	1,329,374	(82,750)
Human services	6,879,150	7,051,019	171,869	6,848,851	(202,168)
Culture and recreatio	4,915,982	5,032,458	116,476	4,757,540	(274,918)
Transfers out	11,455,884	14,402,699	2,946,815	14,402,699	-
<b>Total</b>	<b>\$ 133,246,443</b>	<b>\$ 141,391,339</b>	<b>\$ 8,144,896</b>	<b>\$ 129,761,297</b>	<b>\$ (11,630,042)</b>

### 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, 2023, amounts to \$337,382,321 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery, equipment, vehicles, park facilities, roads, highways, and the water treatment facility. The total increase in capital assets for the current fiscal year was approximately 9.5%.

### Capital Assets at Year-end

(Net of Depreciation, in Thousands)

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Land	\$ 34,181	\$ 29,897	\$ 1,306	\$ 1,306	\$ 35,487	\$ 31,203
Construction in progress	62,254	94,727	7,942	8,538	70,196	103,265
Buildings	57,751	10,349	5,493	2,471	63,244	12,820
Improvements other than building	119,400	112,094	16,393	17,751	135,793	129,845
Machinery, furniture and equip.	27,977	26,399	4,129	4,106	32,105	30,505
<b>Totals</b>	<b>\$ 301,563</b>	<b>\$ 273,466</b>	<b>\$ 35,263</b>	<b>\$ 34,172</b>	<b>\$ 336,825</b>	<b>\$ 307,638</b>



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

- Metron Estates Drainage costs of \$2,661,970
- Edgewood Drive Drainage costs of \$2,178,872
- Randy Brown Road Extension costs of \$4,021,374 during the year
- East Bay Cross Drainage project costs of \$5,079,469 during the year
- Costs associated with Phase 2 of the I-10 Industrial Park totaled \$2,889,042 during the current year
- Pea Ridge Connector construction costs of \$2,159,154 for the current fiscal year

Additional information on the County's capital assets can be found in Note F on pages 59-60 of this report.

**Long-term Debt.** At the end of the current fiscal year, the County had total bonds and notes outstanding of \$45,445,367. Of this amount, \$41,882,735 is debt backed by various revenues of the County and \$3,562,632 is special assessment debt for which the County is liable in the event of default by the property owners subject to the assessment.

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

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Revenue bonds	\$ 39,157	\$ 42,100	\$ -	\$ -	\$ 39,157	\$ 42,100
Notes payable	2,726	2,038	-	-	2,726	2,038
Special assessment notes	3,563	4,023	-	-	3,563	4,023
<b>Totals</b>	<b>\$ 45,446</b>	<b>\$ 48,161</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 45,446</b>	<b>\$ 48,161</b>

The County's total debt decreased by \$846,803 (-2%) during the current fiscal year. The reason for the decrease was the normal payment of principal amounts of outstanding debt issues in addition to issuance of new notes and leases.

Additional information on the County's long-term debt can be found in Note H on pages 64-67 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 2023-2024 fiscal year budget.

- The taxable assessed property values increased 8.1%.
- Sales tax revenues are expected to generate approximately \$16.1 million.
- Capital projects are expected to require use of reserves of approximately \$9 million.

### Requests for Information

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





**Basic Financial  
Statements**



**Statement of Net Position**  
**September 30, 2023**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 129,218,420	\$ 43,762,853	\$ 172,981,273
Investments	1,574,704	10,865,669	12,440,373
Receivables, net	16,376,629	1,650,398	18,027,027
Inventory	374,491	-	374,491
Capital assets, net			
Nondepreciable	96,434,086	9,249,034	105,683,120
Depreciable	205,684,839	26,014,362	231,699,201
<b>Total assets</b>	<b>449,663,169</b>	<b>91,542,316</b>	<b>541,205,485</b>
<b>Deferred Outflows Of Resources</b>			
Deferred outflows on pension	24,010,376	1,021,021	25,031,397
Deferred outflows on health insurance subsidy	3,167,580	214,127	3,381,707
Deferred outflows on OPEB	3,098,769	206,049	3,304,818
<b>Total deferred outflows of resources</b>	<b>30,276,725</b>	<b>1,441,197</b>	<b>31,717,922</b>
<b>Liabilities</b>			
Accounts payable	6,442,352	835,866	7,278,218
Contracts payable	1,195,013	-	1,195,013
Accrued wages payable	4,966,328	330,689	5,297,017
Interest payable	189,833	1,835	191,668
Due to other governments	1,004,016	164,050	1,168,066
Deposits	295,419	310,576	605,995
Unearned revenue	23,699,088	-	23,699,088
Noncurrent liabilities			
Due within one year	9,684,661	1,210,394	10,895,055
Due in more than one year	165,517,214	22,761,403	188,278,617
<b>Total liabilities</b>	<b>212,993,924</b>	<b>25,614,813</b>	<b>238,608,737</b>
<b>Deferred Inflows Of Resources</b>			
Deferred inflows on leases	199,430	-	199,430
Deferred inflows on pension	2,458,232	-	2,458,232
Deferred inflows on health insurance subsidy	2,213,944	157,155	2,371,099
Deferred inflows on OPEB	3,575,038	234,840	3,809,878
<b>Total deferred inflows of resources</b>	<b>8,446,644</b>	<b>391,995</b>	<b>8,838,639</b>

Continued ...

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

**Statement of Net Position – Continued**  
**September 30, 2023**

	Governmental Activities	Business-type Activities	Total
<b>Net Position</b>			
Net investment in capital assets	248,714,869	33,077,614	281,792,483
Restricted for:			
Landfill Closure	-	1,600,705	1,600,705
Communications	390,848	-	390,848
Partners for pets	92,683	-	92,683
Drivers education	447,773	-	447,773
Boating improvement	344,986	-	344,986
Domestic violence	289,627	-	289,627
Pollworker recruitment	716	-	716
Navarre Beach Bridge maintenance	331,527	-	331,527
Infrastructure development	18,884,494	-	18,884,494
Law Enforcement Trust Fund	56,629	-	56,629
Crime prevention	581,164	-	581,164
Federal seizure funds	145,668	-	145,668
Mosquito control	207,904	-	207,904
Federal and state grants	1,159,155	-	1,159,155
Enhanced 911 system	225,015	-	225,015
Tourist development	5,464,530	-	5,464,530
State Housing Improvement Program	1,856,189	-	1,856,189
Flood Mitigation	7,023,147	-	7,023,147
Fire prevention and control	157,681	-	157,681
Road and sewer construction	994,260	-	994,260
Canal maintance	411,367	-	411,367
Beach restoration	18,859	-	18,859
Court equipment and technology	587,215	-	587,215
Records modernization trust fund	1,204,276	-	1,204,276
Law enforcement training	142,632	-	142,632
Inmate welfare purchases	569,207	-	569,207
Unrestricted (deficit)	(31,803,097)	32,298,386	495,289
<b>Total net position</b>	<b>\$ 258,499,326</b>	<b>\$ 66,976,705</b>	<b>\$ 325,476,031</b>

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

**Statement of Activities**  
Year Ended September 30, 2023

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Functions/Programs:</b>							
Governmental activities:							
General government	\$ 61,512,610	\$ 28,851,463	\$ 15,925,061	\$ -	\$ (16,736,086)	\$ -	\$ (16,736,086)
Public safety	91,840,336	2,479,133	617,134	318,364	(88,425,705)	-	(88,425,705)
Physical environment	6,474,752	5,017,290	2,295,624	-	838,162	-	838,162
Transportation	19,790,081	-	100,262	383,266	(19,306,553)	-	(19,306,553)
Economic environment	8,903,948	-	1,444,538	8,790,235	1,330,825	-	1,330,825
Human services	7,353,874	37,067	1,665,220	-	(5,651,587)	-	(5,651,587)
Culture and recreation	6,907,795	844,400	55,703	-	(6,007,692)	-	(6,007,692)
Interest on long-term debt	931,699	-	-	-	(931,699)	-	(931,699)
<b>Total governmental activities</b>	<b>203,715,095</b>	<b>37,229,353</b>	<b>22,103,542</b>	<b>9,491,865</b>	<b>(134,890,335)</b>		<b>(134,890,335)</b>
<b>Business-type activities:</b>							
Navarre Beach water and sewer	3,409,812	3,170,483	-	-	\$ (239,329)	\$ (239,329)	(239,329)
Inspections	4,044,542	4,342,104	-	-	297,562	297,562	297,562
Peter Prince Airport	843,637	376,758	-	137,810	(329,069)	(329,069)	(329,069)
Landfill	8,930,717	14,335,352	-	11,050	5,415,685	5,415,685	5,415,685
<b>Total business-type activities</b>	<b>17,228,708</b>	<b>22,224,697</b>	<b>-</b>	<b>148,860</b>	<b>5,144,849</b>	<b>5,144,849</b>	<b>5,144,849</b>
<b>Total</b>	<b>220,943,803</b>	<b>59,454,050</b>	<b>22,103,542</b>	<b>9,640,725</b>	<b>(134,890,335)</b>	<b>5,144,849</b>	<b>(129,745,486)</b>
<b>General revenues:</b>							
Taxes							
Property taxes					83,601,586	-	83,601,586
Sales, use and fuel taxes					32,700,174	-	32,700,174
Communication services taxes					1,278,164	-	1,278,164
Grants and contributions not restricted to specific program					23,801,882	-	23,801,882
Unrestricted investment earnings					5,694,217	2,168,134	7,862,351
Miscellaneous					3,365,140	20,273	3,385,413
Gain on sale of assets					-	117,829	117,829
Transfers					2,611,290	(2,611,290)	-
<b>Total general revenues and transfers</b>					<b>153,052,453</b>	<b>(305,054)</b>	<b>152,747,399</b>
Change in net position					18,162,118	4,839,795	23,001,913
<b>Net position - beginning</b>					<b>240,337,208</b>	<b>62,136,910</b>	<b>302,474,118</b>
<b>Net position - ending</b>					<b>\$ 258,499,326</b>	<b>\$ 66,976,705</b>	<b>\$ 325,476,031</b>

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

### Balance Sheet Governmental Funds September 30, 2023

	General	Road and Bridge	Grants	Local Option Sales Tax	American Rescue Plan	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>							
Cash and Cash Equivalents	\$ 50,532,426	\$ 2,202,613	\$ 21,603	\$ 18,673,867	\$ 24,877,588	\$ 27,512,162	\$ 123,820,259
Investments	877,495	-	-	-	-	-	877,495
Receivables, Net of Uncollectibles							
Accounts	453,906	14,367	-	-	-	776,702	1,244,975
Leases - Current	58,513	-	-	-	-	-	58,513
Interest	2,321	-	-	-	-	-	2,321
Due From Other Governments	2,322,451	2,559,063	6,992,521	846,097	-	2,158,425	14,878,557
Due From Other Funds	2,184,758	-	-	-	-	288,123	2,472,881
Advances To Other Funds	6,029,476	-	-	-	-	-	6,029,476
Inventory	100,438	274,053	-	-	-	-	374,491
Leases - Noncurrent	145,514	-	-	-	-	-	145,514
<b>Total Assets</b>	<b>\$ 62,707,298</b>	<b>\$ 5,050,096</b>	<b>\$ 7,014,124</b>	<b>\$ 19,519,964</b>	<b>\$ 24,877,588</b>	<b>\$ 30,735,412</b>	<b>\$ 149,904,482</b>
<b>Liabilities and Fund Balances</b>							
<b>Liabilities:</b>							
Accounts Payable	\$ 1,468,453	\$ 493,019	\$ 476,251	\$ 846,163	\$ 294,561	\$ 1,427,835	\$ 5,006,282
Contracts Payable	-	-	474,152	272,251	19,245	429,365	1,195,013
Accrued Wages Payable	4,088,693	473,504	3,316	-	-	385,506	4,951,019
Deposits	295,419	-	-	-	-	-	295,419
Unearned Revenue	250,565	-	-	-	23,428,919	19,604	23,699,088
Due to Other Funds	29,938	-	-	-	-	2,442,943	2,472,881
Due to Other Governments	292,752	-	6,637	-	-	704,627	1,004,016
Advances from Other Funds	-	-	6,029,476	-	-	-	6,029,476
<b>Total Liabilities</b>	<b>6,425,820</b>	<b>966,523</b>	<b>6,989,832</b>	<b>1,118,414</b>	<b>23,742,725</b>	<b>5,409,880</b>	<b>44,653,194</b>
<b>Deferred Inflows</b>							
Leases	199,430	-	-	-	-	-	199,430
<b>Total Deferred Inflows</b>	<b>199,430</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>199,430</b>
<b>Fund Balances:</b>							
Nonspendable	100,439	274,053	-	-	-	-	374,492
Restricted	1,566,634	331,527	24,292	18,401,550	1,134,863	20,128,688	41,587,554
Committed	51,826	-	-	-	-	5,621,241	5,673,067
Assigned	8,127,985	3,477,993	-	-	-	103,124	11,709,102
Unassigned	46,235,164	-	-	-	-	(527,521)	45,707,643
<b>Total Fund Balances</b>	<b>56,082,048</b>	<b>4,083,573</b>	<b>24,292</b>	<b>18,401,550</b>	<b>1,134,863</b>	<b>25,325,532</b>	<b>105,051,858</b>
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<b>\$ 62,707,298</b>	<b>\$ 5,050,096</b>	<b>\$ 7,014,124</b>	<b>\$ 19,519,964</b>	<b>\$ 24,877,588</b>	<b>\$ 30,735,412</b>	<b>\$ 149,904,482</b>

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, 2023

<b>Total Governmental Fund Balances</b>		<b>\$ 105,051,858</b>
 <i>Amounts Reported for Governmental Activities in the Statement of Net Position Are Different Because:</i>		
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	302,118,925	
Less: Internal Service Fund Capital Assets	<u>(15,116)</u>	302,103,809
 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	24,010,376	
Less: Internal Service Fund Deferred Outflows On Pensions	(55,902)	
Deferred Outflows On Health Insurance Subsidy	3,167,580	
Less: Internal Service Fund Deferred Outflows On Health Insurance Subsidy	(12,050)	
Deferred Outflows On OPEB	3,098,769	
Less: Internal Service Fund Deferred Outflows On OPEB	<u>(10,956)</u>	30,197,817
 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 H	(63,345,914)	
Net Pension Liability, See Note K	(108,986,229)	
Net OPEB Liability, See Note N	(8,498,366)	
Add: Interest Payable Due to Interest Accruals	(189,833)	
Less: Enterprise Funds Net Pension Liability	5,140,364	
Less: Enterprise Funds Net OPEB Liability	488,270	
Less: Internal Service Fund Insurance Claims Payable	3,428,417	
Less: Internal Service Fund Compensated Absences	41,420	
Less: Internal Service Fund Other Postemployment Benefits Liability	34,027	
Less: Internal Service Fund Net Pension Liability	157,311	
Less: Internal Service Fund Net Health Insurance Subsidy Liability	<u>106,565</u>	(171,623,968)
 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	(2,458,232)	
Deferred Inflows On Health Insurance Subsidy	(2,213,944)	
Less: Internal Service Fund Deferred Inflows On Health Insurance Subsidy	8,390	
Deferred Inflows On OPEB	(3,575,038)	
Less: Internal Service Fund Deferred Inflows On OPEB	<u>13,029</u>	(8,225,795)
 Internal Service Funds are used by management to charge the costs of providing insurance coverage to individual funds and therefore, the assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position.		
		<u>995,605</u>
<b>Net Position of Governmental Activities</b>		<b>\$ 258,499,326</b>

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





**Statement of Revenues, Expenditures, And Changes In Fund Balances**  
**Governmental Funds**  
 Year Ended September 30, 2023

	General	Road and Bridge	Grants	Local Option Sales Tax
<b>Revenues</b>				
Taxes	\$ 86,234,981	\$ 8,367,577	\$ -	\$ 14,165,469
Permits, Fees and Special Assessments	956,442	-	-	-
Intergovernmental	20,750,885	5,226,042	9,009,415	-
Charges for Services	11,852,067	3,372	27,924	-
Fines and Forfeits	434,305	-	-	-
Miscellaneous	5,193,396	960,890	51,892	785,923
<b>Total Revenues</b>	<b>125,422,076</b>	<b>14,557,881</b>	<b>9,089,231</b>	<b>14,951,392</b>
<b>Expenditures</b>				
<b>Current</b>				
General Government	\$ 38,163,474	\$ -	\$ 7,653,807	\$ 90,173
Public Safety	60,449,564	-	39,537	4,236,999
Physical Environment	2,170,331	1,280,880	269,030	1,565,298
Transportation	1,639,464	21,152,824	133,055	4,581,056
Economic Environment	1,329,374	-	560,167	-
Human Services	6,848,851	-	180,697	-
Culture and Recreation	4,757,540	-	-	621,509
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
<b>Total Expenditures</b>	<b>115,358,598</b>	<b>22,433,704</b>	<b>8,836,293</b>	<b>11,095,035</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>10,063,478</b>	<b>(7,875,823)</b>	<b>252,938</b>	<b>3,856,357</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	7,973,890	6,600,115	222,779	-
Transfers Out	(14,402,699)	-	-	-
Issuance of Other Debt	1,728,264	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(4,700,545)</b>	<b>6,600,115</b>	<b>222,779</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>5,362,933</b>	<b>(1,275,708)</b>	<b>475,717</b>	<b>3,856,357</b>
Fund Balances, Beginning of Year	50,719,115	5,359,281	(451,425)	14,545,193
<b>Fund Balances, End of Year</b>	<b>\$ 56,082,048</b>	<b>\$ 4,083,573</b>	<b>\$ 24,292</b>	<b>\$ 18,401,550</b>

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

American Rescue Plan	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 8,811,897	\$ 117,579,924
-	12,977,868	13,934,310
11,233,866	9,105,381	55,325,589
-	5,371,816	17,255,179
-	1,367,620	1,801,925
964,823	2,154,759	10,111,683
<b>12,198,689</b>	<b>39,789,341</b>	<b>216,008,610</b>
\$ 1,241,116	\$ 7,113,041	\$ 54,261,611
-	16,845,462	81,571,562
5,683,921	625,740	11,595,200
288,589	266,151	28,061,139
-	6,733,980	8,623,521
-	-	7,029,548
-	-	5,379,049
-	13,456,989	13,456,989
-	4,616,870	4,616,870
<b>7,213,626</b>	<b>49,658,233</b>	<b>214,595,489</b>
<b>4,985,063</b>	<b>(9,868,892)</b>	<b>1,413,121</b>
-	16,322,844	31,119,628
(4,020,241)	(10,385,398)	(28,808,338)
-	1,897,124	3,625,388
<b>(4,020,241)</b>	<b>7,834,570</b>	<b>5,936,678</b>
<b>964,822</b>	<b>(2,034,322)</b>	<b>7,349,799</b>
170,041	27,359,854	97,702,059
<b>\$ 1,134,863</b>	<b>\$ 25,325,532</b>	<b>\$ 105,051,858</b>

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

**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, 2023**

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 7,349,799</b>
 <i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
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	43,834,551
Current Period Depreciation	(15,206,830)
Current Period Loss On Disposal of Capital Assets, Net of Proceeds	(497,716)
 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	(48,833)
 Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also debt proceeds are an other financing source in the governmental funds, but the issuance increases long-term liabilities in the statement of net position.	
Current Period Change in Compensated Absences	(1,797,686)
Current Period Note Payments	345,493
Current Period Special Assessment Note Payments	460,608
Current Period Revenue Bond Payments	2,942,800
Current Period Lease Payments	534,595
Current Period SBITA Payments	211,065
Current Period Debt Proceeds	(3,625,388)
Current Period Change in Pension Liability	(7,272,540)
Current Period Change in Health Insurance Subsidy	(8,366,574)
Current Period Increase in Other Post Employment Benefits Liability	(341,650)
Current Period Change in Deferred Outflow of Resources On Pensions	(1,064,526)
Current Period Change in Deferred Inflow of Resources On Pensions	948,716
Current Period Change in Deferred Outflow of Resources On Health Insurance Subsidy	(302,693)
Current Period Change in Deferred Inflow of Resources On Health Insurance Subsidy	342,710
Current Period Change in Deferred Outflow of Resources On OPEB	2,264,628
Current Period Change in Deferred Inflow of Resources On OPEB	(2,186,380)
 Internal service funds are used by management to charge the costs of providing insurance coverage and therefore, the change in net position of the internal service fund is included in governmental activities in the Statement of Activities.	
	<u>(362,031)</u>
 <b>Change in Net Position of Governmental Activities</b>	 <b><u>\$ 18,162,118</u></b>

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

## Statement of Net Position Proprietary Funds September 30, 2023

	Business-type Activities				Governmental
	Major Funds		Nonmajor Enterprise Funds	Total Enterprise Funds	Internal
	Inspections	Landfill			Service Fund
<b>Current Assets</b>					
Cash and Cash Equivalents	\$ 8,372,622	\$ 24,714,259	\$ 4,560,049	\$ 37,646,930	\$ 5,398,161
Investments	-	-	-	-	697,209
Accounts Receivable, net	-	1,302,529	291,623	1,594,152	46,749
Due From Other Governments	-	-	56,246	56,246	-
<b>Total Current Assets</b>	<b>8,372,622</b>	<b>26,016,788</b>	<b>4,907,918</b>	<b>39,297,328</b>	<b>6,142,119</b>
<b>Noncurrent Assets</b>					
Restricted Cash and Cash Equivalents	-	6,115,923	-	6,115,923	-
Restricted Investments	-	10,865,669	-	10,865,669	-
Capital Assets, Net of Accumulated Depreciation	180,942	24,451,852	10,630,602	35,263,396	15,116
<b>Total Noncurrent Assets</b>	<b>180,942</b>	<b>41,433,444</b>	<b>10,630,602</b>	<b>52,244,988</b>	<b>15,116</b>
<b>Total Assets</b>	<b>8,553,564</b>	<b>67,450,232</b>	<b>15,538,520</b>	<b>91,542,316</b>	<b>6,157,235</b>
<b>Deferred Outflows of Resources</b>					
Deferred Outflows On Pension	472,799	431,098	117,124	1,021,021	55,902
Deferred Outflows On Health Insurance Subsidy	88,931	97,659	27,537	214,127	12,050
Deferred Outflows On OPEB	95,566	88,333	22,150	206,049	10,956
<b>Total Deferred Outflows of Resources</b>	<b>657,296</b>	<b>617,090</b>	<b>166,811</b>	<b>1,441,197</b>	<b>78,908</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Accounts Payable	12,453	734,883	88,530	835,866	1,436,070
Current Portion of Claims Payable	-	-	-	-	661,073
Accrued Wages Payable	155,781	141,117	33,791	330,689	15,309
Interest Payable	-	1,835	-	1,835	-
Due to Other Governments	161,488	-	2,562	164,050	-
Compensated Absences - Current Portion	122,322	195,000	53,649	370,971	41,420
Leases Payable - Current	-	795,181	-	795,181	-
Deposits	-	185,676	124,900	310,576	-
Current Portion of Landfill Closure Costs	-	44,242	-	44,242	-
<b>Total Current Liabilities</b>	<b>452,044</b>	<b>2,097,934</b>	<b>303,432</b>	<b>2,853,410</b>	<b>2,153,872</b>
<b>Noncurrent Liabilities</b>					
Long Term Portion of Compensated Absences	195,000	210,523	-	405,523	-
Long Term Portion of Claims Payable	-	-	-	-	2,767,344
Long Term Portion of Landfill Closure Costs	-	15,336,645	-	15,336,645	-
Leases Payable - Noncurrent	-	1,390,601	-	1,390,601	-
Net Pension Liability	1,598,240	1,483,750	418,247	3,500,237	157,311
Net Health Insurance Subsidy Liability	719,741	713,715	206,671	1,640,127	106,565
OPEB Liability	205,956	214,764	67,550	488,270	34,027
<b>Total Noncurrent Liabilities</b>	<b>2,718,937</b>	<b>19,349,998</b>	<b>692,468</b>	<b>22,761,403</b>	<b>3,065,247</b>
<b>Total Liabilities</b>	<b>3,170,981</b>	<b>21,447,932</b>	<b>995,900</b>	<b>25,614,813</b>	<b>5,219,119</b>
<b>Deferred Inflows of Resources</b>					
Deferred Inflow On Health Insurance Subsidy	75,080	65,527	16,549	157,156	8,390
Deferred Inflow On OPEB	107,239	101,815	25,785	234,839	13,029
<b>Total Deferred Inflows of Resources</b>	<b>182,319</b>	<b>167,342</b>	<b>42,334</b>	<b>391,995</b>	<b>21,419</b>
<b>Net Position</b>					
Net Investment in Capital Assets	180,942	22,266,070	10,630,602	33,077,614	15,116
Restricted for Landfill Closure	-	1,600,705	-	1,600,705	-
Unrestricted	5,676,618	22,585,273	4,036,495	32,298,386	980,489
<b>Total Net Position</b>	<b>\$ 5,857,560</b>	<b>\$ 46,452,048</b>	<b>\$ 14,667,097</b>	<b>\$ 66,976,705</b>	<b>\$ 995,605</b>

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

**Statement of Revenues, Expenses, And  
 Changes In Net Position - Proprietary Funds  
 Year Ended September 30, 2023**

	Business-type Activities				Governmental
	Major Funds		Nonmajor Enterprise Funds	Total Enterprise Funds	Activities
	Inspections	Landfill			Internal Service Fund
<b>Operating Revenues</b>					
Permits, Fees and Special Assessments	\$ 4,332,462	\$ 450	\$ -	\$ 4,332,912	\$ -
Charges for Services	9,642	14,334,902	3,547,241	17,891,785	1,767,410
Insurance Proceeds	10,700	-	-	10,700	1,306,432
Miscellaneous	3	1,115	8,455	9,573	500
<b>Total Operating Revenues</b>	<b>4,352,807</b>	<b>14,336,467</b>	<b>3,555,696</b>	<b>22,244,970</b>	<b>3,074,342</b>
<b>Operating Expenses</b>					
Personal Services	3,668,257	3,546,050	818,704	8,033,011	376,565
Contract Services	43,624	2,229,483	1,593,306	3,866,413	152,658
Supplies	126,312	109,932	183,260	419,504	31,301
Repairs and Maintenance	17,632	751,969	501,463	1,271,064	13,614
Utilities	-	104,316	120,113	224,429	-
Depreciation	38,448	1,086,508	966,308	2,091,264	5,376
Amortization	-	908,412	-	908,412	-
Travel and Per Diem	5,703	8,531	1,659	15,893	324
Insurance	53,000	130,000	13,450	196,450	2,316,087
Communications	237	3,619	9,296	13,152	147
Advertising	1,261	10,282	-	11,543	-
Fuel and Oil	47,495	436,278	9,606	493,379	-
Rentals	30,313	368,540	31,535	430,388	-
Landfill Closure and Maintenance	-	(891,231)	-	(891,231)	-
Claims and Changes in Estimates	-	-	-	-	1,009,329
Miscellaneous	12,260	28,753	4,749	45,762	13,943
<b>Total Operating Expenses</b>	<b>4,044,542</b>	<b>8,831,442</b>	<b>4,253,449</b>	<b>17,129,433</b>	<b>3,919,344</b>
<b>Operating Income (Loss)</b>	<b>308,265</b>	<b>5,505,025</b>	<b>(697,753)</b>	<b>5,115,537</b>	<b>(845,002)</b>
<b>Non-operating Revenues (Expenses)</b>					
Investment Income/(Loss)	331,640	1,673,217	163,277	2,168,134	182,971
Interest Expense	-	(36,718)	-	(36,718)	-
Sale of Recycled Materials	-	70,528	-	70,528	-
Gain (Loss) On Disposal of Assets	(1,835)	66,299	(17,163)	47,301	-
Aid to Other Governments	-	(60,000)	-	(60,000)	-
Aid to Private Organizations	-	(2,557)	-	(2,557)	-
<b>Total Non-operating Revenues (Expenses)</b>	<b>329,805</b>	<b>1,710,769</b>	<b>146,114</b>	<b>2,186,688</b>	<b>182,971</b>
<b>Income (Loss) Before Contributions and Transfers</b>	<b>638,070</b>	<b>7,215,794</b>	<b>(551,639)</b>	<b>7,302,225</b>	<b>(662,031)</b>
Transfers in	-	-	-	-	300,000
Transfers Out	(561,445)	(1,800,000)	(249,845)	(2,611,290)	-
Capital Contribution	-	11,050	137,810	148,860	-
<b>Change in Net Position</b>	<b>76,625</b>	<b>5,426,844</b>	<b>(663,674)</b>	<b>4,839,795</b>	<b>(362,031)</b>
Net Position, Beginning of Year	5,780,935	41,025,204	15,330,771	62,136,910	1,357,636
<b>Net Position, End of Year</b>	<b>\$ 5,857,560</b>	<b>\$ 46,452,048</b>	<b>\$ 14,667,097</b>	<b>\$ 66,976,705</b>	<b>\$ 995,605</b>

**Statement of Cash Flows**  
**Proprietary Funds**  
**Year Ended September 30, 2023**

	Business-type Activities				Governmental
	Major Funds		Nonmajor Enterprise Funds	Total Enterprise Funds	Activities
	Inspections	Landfill			Internal Service Fund
<b>Cash Flows From Operating Activities</b>					
Cash Received From Customers	\$ 4,352,807	\$ 14,719,736	\$ 3,493,827	\$ 22,566,370	\$ -
Cash Paid to Suppliers	41,454	(3,823,252)	(2,555,577)	(6,337,375)	(2,019,693)
Cash Paid to Employees	(3,631,922)	(3,502,789)	(812,398)	(7,947,109)	(364,134)
Cash Received From Interfund Services Provided	-	-	-	-	3,078,041
Cash Paid for Internal Services Provided	-	-	-	-	(1,469,204)
<b>Net Cash Provided (Used) By Operating Activities</b>	<b>762,339</b>	<b>7,393,695</b>	<b>125,852</b>	<b>8,281,886</b>	<b>(774,990)</b>
<b>Cash Flows From Noncapital Financing Activities</b>					
Transfers in	-	-	-	-	300,000
Transfers out	(561,445)	(1,800,000)	(249,845)	(2,611,290)	-
Aid to Other Governments	-	(60,000)	-	(60,000)	-
Aid to Private Organizations	-	(2,557)	-	(2,557)	-
<b>Net Cash Provided (Used) By Noncapital Financing Activities</b>	<b>(561,445)</b>	<b>(1,862,557)</b>	<b>(249,845)</b>	<b>(2,673,847)</b>	<b>300,000</b>
<b>Cash Flows From Capital and Related Financing Activities</b>					
Proceeds From Sale of Assets	4,935	26,067	17,163	48,165	-
Capital Contribution	-	11,050	137,810	148,860	-
Purchases of Capital Assets	-	(4,075,120)	(61,995)	(4,137,115)	-
Proceeds From Capital Debt	-	22,371	-	22,371	-
Interest Paid On Capital Debt	-	(35,782)	-	(35,782)	-
<b>Net Cash Provided (Used) By Capital and Related Financing Activities</b>	<b>4,935</b>	<b>(4,051,414)</b>	<b>92,978</b>	<b>(3,953,501)</b>	<b>-</b>
<b>Cash Flows From Investing Activities</b>					
Interest and Dividends	331,640	1,673,217	163,277	2,168,134	182,971
Net Sale (Purchase) of Investments	-	(377,195)	-	(377,195)	(24,203)
<b>Net Cash Provided (Used) By Investing Activities</b>	<b>331,640</b>	<b>1,296,022</b>	<b>163,277</b>	<b>1,790,939</b>	<b>158,768</b>
Net Increase (Decrease) in Cash and Cash Equivalents	537,469	2,775,746	132,262	3,445,477	(316,222)
Cash and Cash Equivalents At Beginning of Year	7,835,153	28,054,436	4,427,787	40,317,376	5,840,040
<b>Cash and Cash Equivalents At End of Year</b>	<b>\$ 8,372,622</b>	<b>\$ 30,830,182</b>	<b>\$ 4,560,049</b>	<b>\$ 43,762,853</b>	<b>\$ 5,523,818</b>

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

	<b>Business-type Activities</b>				<b>Continued</b>
	<b>Major Funds</b>		<b>Nonmajor Enterprise Funds</b>	<b>Total Enterprise Funds</b>	<b>Governmental Activities</b>
	<b>Inspections</b>	<b>Landfill</b>			<b>Internal Service Fund</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>					
Operating Income (Loss)	\$ 308,265	\$ 5,505,025	\$ (697,753)	\$ 5,115,537	\$ (845,002)
<b>Adjustments to reconcile operating income to net cash provided (used) by operating activities</b>					
Depreciation Expense	38,448	1,086,508	966,308	2,091,264	5,376
Amortization Expense	-	908,412	-	908,412	-
Landfill Closure Costs	-	(891,231)	-	(891,231)	-
Gain (Loss) On Disposal of Capital Assets	(1,835)	66,299	(17,163)	47,301	-
Sale of Recycled Materials	-	70,528	-	70,528	-
Changes in Assets and Liabilities:					
Accounts Receivable	-	383,269	(26,137)	357,132	4,199
Due From Other Governments	-	-	349,056	349,056	-
Accounts Payable	(107,720)	55,155	22,395	(30,170)	378,760
Contracts Payable	-	(258,001)	-	(258,001)	-
Accrued Compensation	12,024	12,478	1,725	26,227	1,055
Compensated Absences	24,311	30,783	4,581	59,675	11,376
Due to Other Governments	34,076	-	453	34,529	-
Due to Other Funds	-	-	(700,000)	(700,000)	-
Opeb Liability	11,356	9,501	2,420	23,277	1,222
Claims Payable	-	-	-	-	(459,875)
Deposits	-	(387)	119,500	119,113	-
Net Pension Liability	184,636	174,568	42,063	401,267	20,010
Net Health Insurance Subsidy	313,285	296,199	71,372	680,856	33,951
Deferred Outflows of Resources	(115,953)	(107,034)	(25,930)	(248,917)	67,081
Deferred Inflows of Resources	61,446	51,623	12,962	126,031	6,857
<b>Net Cash Provided (Used) By Operating Activities</b>	<b>\$ 762,339</b>	<b>\$ 7,393,695</b>	<b>\$ 125,852</b>	<b>\$ 8,281,886</b>	<b>\$ (774,990)</b>

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



**Statement of Fiduciary Net Position**  
**Custodial Funds**  
**September 30, 2023**

<b>Assets</b>	
Cash and Cash Equivalents	\$ 8,549,829
Miscellaneous Receivables	4,565
<b>Total Assets</b>	<b><u>\$ 8,554,394</u></b>
<b>Liabilities</b>	
Accounts Payable	\$ 8,250
Due to Other Governments	1,653,886
Miscellaneous Liabilities	77,231
<b>Total Liabilities</b>	<b><u>\$ 1,739,367</u></b>
<b>Net Position</b>	
Restricted for:	
Cash Bonds	\$ 336,444
Court Registry	3,842,955
General Trust	2,499,524
Seizure	111,526
Flowers or Donations	24,578
<b>Total Net Position</b>	<b><u>\$ 6,815,027</u></b>

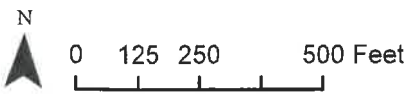
The accompanying notes are an integral part of these financial statements.

## Statement of Changes in Fiduciary Net Position Custodial Funds September 30, 2023

<b>Additions</b>	
Deposits in Court Registry	\$ 10,770,296
Recording Fees	28,122,130
Deposits for Real Estate Auction	2,136,164
Deposits for Tax Deeds	541,079
Deposits for Restitution	222,584
Deposits for Bonds	834,388
Payments from Individuals	4,607,300
Child Support Purges and Levies	34,499
Cash Seized	84,054
Property Tax Collections for Other Governments	195,381,903
Other Taxes and Fees for Other Governments	2,514,482
License and Fees Collected for State	55,874,130
Other Fees Collected for Other Entities	5,307,843
<b>Total Additions</b>	<b><u>306,430,852</u></b>
<b>Deductions</b>	
Release of Bonds	880,986
Refunds of Real Estate Auction Deposits	2,766,695
Tax Deed Deferred	106,408
Payments to State	87,053,171
Payments to Local Agencies	1,628,706
Payments for Witnesses	10,056
Payments to Victims	213,498
Refunds	131,586
Court Ordered Disbursements	9,495,745
Flower Fund	3,506
Purges and Levies Paid to Other Agencies	34,499
Payments to Law Enforcement Trust	114,339
Payments of Property Tax to Other Governments	195,381,903
Payments of Other Taxes and Fees to Other Governments	2,514,482
Payments to Other Entities	5,307,843
<b>Total Deductions</b>	<b><u>305,643,423</u></b>
<b>Changes in Net Position</b>	<b>787,429</b>
Net Position, Beginning of Year	<u>6,027,598</u>
<b>Net Position, End of Year</b>	<b><u>\$ 6,815,027</u></b>

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

KWY Investments  
33-2N-27-0000-00300-0000  
39.1 Acres



**ATTACHMENT 3  
TRANSFORMATIONAL AND 10 YEAR EFFECT**

**Describe how the proposed project is considered transformational and how it will affect the disproportionately affected counties in the next 10 years.**

**Transformational**

As a key economic driver in Florida, the transportation and logistics industry creates jobs that have 30 percent higher wages than the typical Florida job. In addition, the logistics industry creates jobs in other sectors, including construction, distribution, and warehousing. Examples of the impact such facilities can have to transform an economy can be seen by their impacts on other communities where they have located:

2007 – an Amazon warehouse opened in Phoenix Arizona, designed to create 300 full-time jobs and between 1,000 and 1,300 seasonal positions. Ten years later Amazon operates three fulfillment centers, a sortation center, and a Prime hub within Phoenix city limits, and employs more than 6,000 full-time workers in the Phoenix Metro Area. <https://www.globest.com/2018/06/26/how-do-amazon-fulfillment-facilities-impact-their-surroundings/>

2017 – a \$135 million Walmart distribution center (600 jobs) increases container activity at the Port of Mobile by approximately 10% or 25,000 containers annually. The distribution center, when fully operational, will be a logistics hub for the nation's No. 1 retailer, which also ranks No. 3 on the Transport Topics Top 100 list of the largest private carriers in North America. The center will service approximately 800 of Wal-Mart's 4,600 U.S. stores. Those 800 stores are scattered over a sweeping area of the nation's heartland, from Alabama and Mississippi northward to the Great Lakes region. <https://www.tnews.com/articles/new-wal-mart-distribution-center-impact-port-mobile-traffic-i-10-traffic>

**Effect on Disproportionately Affected Counties in Next Ten Years**

In 2018, the Santa Rosa Economic Development Office (EDO) requested a brief economic analysis of the impact of a distribution company locating within Santa Rosa County from the University of West Florida Haas Center for Business Research and Economic Development. The analysis requested was for an industry creating 400 jobs at the industrial park. While dated; we believe the following results hold true:

Distribution: 400 Jobs, \$46,000 average wage

Category	Units	2020	2021	2022	2023	2024	2025	2026	2027	2028
Direct Employment		185	189	377	568	574	576	575	573	571
Additional Employment		185	55	110	168	174	176	175	173	171

Economic Impact	Millions of Current \$	12.8	21.1	43.2	66.6	68.7	70.6	72.4	74.1	75.8
Income Increase	Millions of Current \$	7.6	7.6	16.2	25.9	28.7	32.2	35.6	39.0	42.6

Job Creation Impact Over 13 Years: \$823.7 million

The projections were generated using the Regional Economic Model, Inc. model REMI PI+ Version 2.2.2 in a 23 sector, 67 county model.

NOTE: We understand Triumph staff now includes in its analysis of each application this projection.

ATTACHMENT 4  
VIABILITY OF PROJECT YOUNG FRANKENSTEIN

Describe the data or information available to demonstrate the viability of the proposed project.

In 2017, Florida's Great Northwest published Northwest Florida Forward: A Regional Strategy for Economic Transformation. In it, TIP Strategies and the Haas Center identified five industries as target industry clusters that "will transform the region if successfully developed through business recruitment, retention, expansion and entrepreneurial support." One of the target industry clusters was Water Transportation, along with Aerospace and Defense, Financial Services, Water Transportation, Cybersecurity and Advanced Manufacturing. Northwest Florida Forward was published as three reports: strategy, technical and county snap shots. On page 92 of the strategy report a discussion begins of Florida (and Northwest Florida's) attractiveness to the water transportation industry.

*Northwest Florida boasts a number of assets that support the development and expansion of the Water Transportation cluster, including three seaports offering a range of options for shippers, multiple US naval installations (Pensacola NAS, Whiting Field, and Naval Support Activity Panama City), and Eastern Shipbuilding Group. . . Located on the Gulf of Mexico, the Port of Pensacola is a deepwater port (dredged to 33 feet) which handles specialty bulk and breakbulk cargoes. The port includes an area designated as a foreign trade zone and an enterprise zone and offers Class I rail services . . .*

*Industry/Infrastructure*

- *Three seaports offering a range of services and incentives including foreign trade zones and ample shovel-ready sites.*
- *Concentration of machine shops and supportive industries.*
- *Available sites and buildings, including multiple certified industrial sites. (emphasis added)*

*Market Trends/Policy*

- *The region is well positioned to benefit from growing trade with Latin American and Caribbean countries.*
- *DoD priorities related to robotics and autonomous systems includes the development of underwater vehicles.*
- *Favorable state business climate (Florida ranked "Best Business Climate" in 2016 by Business Facilities magazine).*
- *Low operating costs and favorable tax structure (including no state personal income tax).*

**In order to develop a complete value-added water transportation industry, a network of land distribution for both raw materials and finished products is a must.** The demand from port facilities for inland shipping facilities will increase as efforts are made to expand facilities in Northwest Florida.

Additionally, Garner Economics, LLC in its 2018 strategic plan for Santa Rosa County, *Building a Better Santa Rosa County: A Five-Year Strategic Blueprint for Economic Development* listed many characteristics of Santa Rosa County that support the efficacy of Distribution and Logistics businesses succeeding if locating in the County. Garner Economics update and reaffirmed the strategic plan in 2022.

## TARGET 2: DISTRIBUTION & LOGISTICS

### Rationales

- Excellent interstate access (P)
- Rail service via CSX (P)
- Proximity to Pensacola & Mobile Ports (P)
- Positioned to serve regional market (P)
- High number of military veterans in area with logistics & related skills (P) (C)
- *Wholesale Trade* gained 368 jobs between 2011 and 2016 (P)(C)
- Average wage for *Transportation & Warehousing* industry is 11 percent higher than US (C)
- 1,227 degrees and certificates granted in majors related to logistics & distribution operations (P)(C)
- Availability of distribution-oriented workforce (P) (C)
- Low cost of labor (P)
- Post-secondary vocational training options (P)
- Within half-hour of major university or college (P)
- Quality of education K-20+ (P) (C)
- Availability of executive and moderate- cost housing (P)
- Low cost of living (P)
- Average target national earnings of \$60,469 (C)
- Total growth of target industry family over past decade is 16.1% (P) (C)
- Target 10-year growth projection of 14.8% (P)
- Existing pool of high-demand occupations and occupations with skills transferability (P)
- Shovel-ready sites to accommodate distribution facilities (P)

**ATTACHMENT 5  
DISCRETIONARY PRIORITIES**

**Describe how Project Young Frankenstein meets the discretionary priorities**

**identified by the Board.** The discretionary priorities and responses are listed below:

- 1. Are considered transformational for the future of the Northwest Florida region.** Please see Attachment 3 for explanation of how Project Young Frankenstein is part of the transformation now underway in Northwest Florida.
- 2. May be consummated quickly and efficiently.** Upon approval by the Triumph Board, project acquisition will be completed and final site plan submittal will move forward for construction permitting.
- 5. Align with Northwest Florida Forward, the regional strategic initiative for Northwest Florida economic transformation.** Project Young Frankenstein provides supporting infrastructure for the Water Transportation Industry, one of five cluster industries identified in Northwest Florida as transformative, by supporting it via land-based transportation and logistics
- 8. Create net-new jobs with wages above the national average wage (e.g. similar to EFI QTI program, measured on a graduated scale).** According to the US Census American Community Survey, the median earnings for an individual worker in Santa Rosa County is \$31,333. New distribution jobs with wages of \$41,900 would have a positive impact in average wages in the county.
- 15. Demonstrate long-term financial sustainability following Triumph Gulf Coast, Inc. funding.** Long term sustainability will be provided through the Santa Rosa County Economic Development Office as the property manager for County owned assets designated for job creation.
- 16. Leverage funding from other government and private entity sources.** Private capital is positioned to spend 10,000,000.00.
- 17. Provide local investment and spending.** *Local investment will occur as additional tenants build their facilities and proceed with their operations.*
- 19. Provide clear performance metrics over duration of the project or program.** The performance metrics will be annual reports provided by the Private Equity partner/Investor and its tenant based on its jobs and wages.
- 20. Provide capacity-building support for regional economic growth.** The project will add capacity to the transportation and logistics industry cluster which; as an umbrella industry, contains one of the five targeted industries transforming Northwest Florida and is a target industry in the County's five-year development plan.



ATTACHMENT 6

Commissioner Committee Meeting

December 12, 2024

Milton, Florida

## Attachment 7 Timeline

The following timeline is for land acquisition and construction.

	Action	Time
	Land Acquisition <ul style="list-style-type: none"> <li>• Drafting of contract, approval, execution</li> </ul>	6 months
	Construction Procurement and Mobilization <ul style="list-style-type: none"> <li>• Development of bid package for construction contractor(s)</li> <li>• Pre-bid meeting</li> <li>• Bid opening</li> <li>• Development of recommendation to BOCC</li> <li>• BOCC approval</li> <li>• Contract development</li> <li>• Issuance of notice to proceed (NTP)</li> </ul>	6 months
	Construction <ul style="list-style-type: none"> <li>• Construction commencement</li> <li>• Processing payments</li> <li>• Construction inspection</li> <li>• Construction completion</li> <li>• Final inspection</li> </ul>	22 months
	Grant close out <ul style="list-style-type: none"> <li>• Final payment</li> <li>• Final reimbursement request and report</li> </ul>	2 months
	<b>TOTAL TIME</b>	<b>36 months</b>

**Exhibit B**

Project Young Frankenstein  
 Estimated construction start date

	Design	Closing Cost and Due Diligence	Land Acquisition	Construction	Grant Administration	Total
<b>Project Total</b>						
2024	-	-	-	-	-	-
2025	-	-	4,400,000	2,200,000	10,920	6,610,920
2026	-	-	-	5,200,000	11,222	5,211,222
2027	-	-	-	4,000,000	11,533	4,011,533
2028	-	-	-	3,000,000	11,853	3,011,853
2029					12,181	12,181
2030					12,519	12,519
2031					12,865	12,865
<b>Project Total</b>	-	-	4,400,000	14,400,000	83,094	18,883,094
<b>Triumph</b>						
2024						-
2025			4,400,000	2,200,000	10,920	6,610,920
2026				2,200,000	11,222	2,211,222
2027					11,533	11,533
2028					11,853	11,853
2029					12,181	12,181
2030					12,519	12,519
2031					12,865	12,865
<b>Triumph Total</b>	-	-	4,400,000	4,400,000	83,094	8,883,094
<b>Grantee</b>						
2024						-
2025						-
2026						-
2027						-
2028						-
2029						-
2030						-
2031						-
<b>Grantee Total</b>	-	-	-	-	-	-
<b>Company</b>						
2024						-
2025						-
2026				3,000,000		3,000,000
2027				4,000,000		4,000,000
2028				3,000,000		3,000,000
2029						-
2030						-
2031						-
<b>Match Source 1 Total</b>	-	-	-	10,000,000	-	10,000,000

**ATTACHMENT 10**  
**Economic Recovery, Economic Diversification, Enhancement of Disproportionately Affected Counties  
 and Enhancement of a Targeted Industry**

**Provide a detailed description of, and quantitative evidence demonstrating how the proposed public infrastructure project will promote:**

**Economic Recovery**

The Santa Rosa Board of County Commissioners has worked for years to bring higher paying jobs to the County. The downturn of the economy in 2008 and the Deepwater Horizon Oil Spill in 2010 both hit the county's economy very hard (unemployment rose from 2.8 in 2006 to 9.5 in 2010) because of the reliance on growth in the construction/housing industry and tourism for jobs and revenues. Years later, the choice among better paying jobs in the county is still limited. As of 2016 according to the County Snapshots, the top five industry sectors by employment are, in order, elementary and secondary schools, limited service restaurants, full service restaurants, the federal government including military, and local government.

One sector that has begun to show signs of recovery is transportation and logistics. The County has begun to attract distribution companies and their associated jobs. Transportation and Material Moving occupations increased employment by 211 (13 percent) between 2011 and 2016 in the County. The proposed project builds upon this success by tapping into the excess capacity in industrial land and workforce that remains in the County.

**Diversification**

Santa Rosa County has relied heavily upon the military, tourism and agriculture as drivers for its economy, all of which are subject to unpredicted devastating events that can wipe out expected revenues, such as the Deepwater Horizon Oil Spill and weather conditions. Development of the distribution industry will not only diversify the economy but would also provide stability as the need increases for cargo operations.

The table below shows the top five categories of jobs held by Santa Rosa County residents. It can readily be seen that government and school employment is top-heavy, with restaurants ranking second.

**Top Five Total Employees by Establishment Type  
 North American Industry Classification System (NAICS)**

*Source: Santa Rosa County Economic Development Office Website*

<b>Employer</b>	<b>Employees</b>
Government	3,513
Restaurants	3,176
Primary and Secondary Education	2,629
Health and Medical Services	2,482
Hospitals	2,028

When government, restaurants, and education are the top jobs held by residents in a county, the need exists for diversification of jobs in other sectors that can provide equal or better pay, training, benefits, and opportunities for upward mobility. Santa Rosa's strength and challenges arise from its location: it lies between the core cities of two MSA's: Pensacola to the west and Fort Walton Beach to the east. A strength is that Santa Rosa's excellent public school system, low crime, recreational opportunities for residents of all ages, and low cost of living attract workers from Escambia and Okaloosa Counties to make their homes in Santa Rosa County. A challenge is that the lack of jobs within the county results in pockets of poverty especially within the central sections of the county. Triumph funding will help with diversification into the distribution industry, with the development of an anchor tenant at I-10 Exit 26, the first industrial site on this emerging exit. Of particular relevance is the site's proximity and accessibility for an often overlooked skilled labor force residing in the Bagdad community.

#### Enhancement of Disproportionately Affected Counties

Santa Rosa County and the region of disproportionately affected counties will be enhanced:

- Distribution industry employment will bring jobs with higher pay.
- Aligns in support with the Northwest Florida FORWARD regional strategic initiative of manufacturing and water transportation as targeted industry with a strong outlook for growth.
- Will create net new jobs in support of targeted industry.
- Provides a wider regional impact as evidenced by the U.S. Cluster Mapping Project, Institute for Strategy and Competitiveness, Harvard Business School, which shows Northwest Florida as a cluster for the transportation and logistics industry.

#### Enhancement of a Targeted Industry – Water Transportation

Wholesale Trade ranked fifth in Santa Rosa County for industry sectors experiencing growth between 2011 and 2016. That sector gained 368 jobs in Santa Rosa County during that time reflecting a 68 percent increase. Transportation and Warehousing industry jobs increased as well. The compelling story, however, is that the average industry wage in Santa Rosa County is 11 percent higher than the national average for that industry sector. Transportation and Material Moving occupations increased employment by 211 (13 percent) between 2011 and 2016 in the County.

The modern transportation and distribution industry is geared toward the Interstate Highway system and the ability to shift modes efficiently. Santa Rosa County is well served by I-10 (east/west) connecting Jacksonville to Mobile, New Orleans, and points westward along the southern United States. In addition to road networks, the County is fortunate to have a CSX rail line serving the area and be near both the Pensacola and Mobile ports.

Santa Rosa County is positioned to serve the greater region with its location and transportation assets. Mobile can be easily reached within 90 minutes drivetime. Within three hours drivetime the cities of Tallahassee, Montgomery, and Biloxi are accessible; within five hours drivetime New Orleans can be served and the suburbs of Jacksonville are in sight. Building a regional hub for distribution makes sense for Santa Rosa County's reach.

There is an existing regional pool of workers engaged in Material Moving occupations including loading, shipping, receiving, logisticians, and distribution managers. Truck Driver Institute (TDI) has an

established truck driving school located in Milton, which can help position the County for addressing the system-wide driver shortage. In 2016, Santa Rosa County had nearly 400 truck drivers while the Pensacola metro as a whole employed 1,716.

Santa Rosa County's central Gulf Coast location on Florida's western tip ensures fast access to top markets in the southeastern United States and enables you to reach the rest of the U.S. within a day. The County offers geographic proximity to everywhere via I-10, U.S. 98 and U.S. 90—three major east-west highways that run right through Santa Rosa County. We offer access to rail and three deep-water ports, including the Port of Pensacola, Port of Mobile, and Port of Panama City. Pensacola International Airport is 25 miles to the west and Peter Prince Field is available as Santa Rosa County's general aviation airport.