

**FOR THE FISCAL
YEAR ENDED
SEPTEMBER 30,
2020**

**Okaloosa County,
Florida**



**COMPREHENSIVE
ANNUAL FINANCIAL
REPORT**



Comprehensive Annual Financial Report

Okaloosa County, Florida

For the year ended September 30, 2020

Prepared by
Clerk of Circuit Court and Comptroller
Department of Finance



Introductory Section

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INTRODUCTORY SECTION

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JD PEACOCK II

CLERK OF THE CIRCUIT COURT AND COMPTROLLER, OKALOOSA COUNTY, FLORIDA



April 20, 2021

To the Citizens of Okaloosa County:

The Comprehensive Annual Financial Report of Okaloosa County, Florida (the County) for the fiscal year ended September 30, 2020, is respectfully submitted. This report was prepared by the Finance Department under the supervision of the Clerk of Court & Comptroller. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Finance Department. This report contains three major sections: the Introductory, the Financial, and the Statistical.

The County prepares the basic financial statements to meet the requirements of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* (GASB 34) reporting model requiring the County to report in five parts, including, Management's Discussion and Analysis, Government-wide Financial Statements, major Fund Financial Statements, Budgetary Comparisons for certain funds and the Notes to the Financial Statements.

The report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with generally accepted accounting principles in the United States (GAAP). Because the costs of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's financial statements have been audited by the certified public accountants of the firm of Warren Averett CPAs and Advisors. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended September 30, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended September 30, 2020, are fairly presented in conformity with GAAP. The report of independent accountants is presented as the first component of the financial section of this report.

Okaloosa County is a non-charter county established under the Constitution and the Laws of the State of Florida. This Comprehensive Annual Financial Report (Annual Report) includes the funds of the primary government (the Board of County Commissioners, the Clerk of Court & Comptroller, the Property Appraiser, the Sheriff, the Supervisor of Elections and the Tax Collector).

Generally accepted accounting principles require that organizations for which the County is financially accountable be reported with the primary government (the County) as the reporting entity, however none of the organizations met this criteria. This Annual Report does not include the Okaloosa County School District or any other independent agency of Okaloosa County.

ECONOMIC CONDITION AND OUTLOOK



Okaloosa County is one of Florida's youngest counties, created in 1915 by an act of the state legislature. Okaloosa County is located in the panhandle of Northwest Florida. The city of Crestview, near its geographical center, is the County seat. The estimated population is inching towards 210,000 full time residents. As more people flock to Florida, we continue to see some of America's best and brightest choose to call Okaloosa County home.

Occupying a large portion of Okaloosa County is one of the world's largest military reservations. Established in 1935, Eglin Air Force Base covers over 724 square miles in Okaloosa and two neighboring counties and contains the 919th Special Operations Wing, Duke Field. Eglin Air Force Base, the Air Armament Center, is responsible for development, acquisition, testing, deployment and sustainment of all United States Air Force air-delivered weapons. Based upon Eglin's wide range of activities, Eglin will continue its major role in the defense of the United States and in the economy of Okaloosa County. Hurlburt Field, the headquarters of the Air Force Special Operations Command, is also located in Okaloosa County. Hurlburt Field occupies about 6,000 acres in the County. The military presence is the major income producing source for the County.



Tourism is the leading private income producing source for Okaloosa County. Visitor spending exceeds \$2.9 billion annually with total employment of over 44,000 in tourism related businesses, comprising 32% of County employment. Business spend related to tourism totals \$3.6 billion dollars. The Tourism industry generates nearly \$570 million in tax revenues per year, offsetting the cost of services to locals. Tourists may visit Welcome Centers on Okaloosa Island or at the Destin-Fort Walton Beach Airport for information on lodging, local activities, area information, sightseeing and all other things to do during their visit. Approximately 5 million visitors are estimated to come to our area annually.



Residents and tourists in Okaloosa County have a full range of attractions and recreational opportunities. Beaches are made up of finely ground, perfectly round quartz crystals carried from the Appalachian Mountains that squeak beneath your bare feet with every step. Kayaking, canoeing, and paddle boarding are great ways to explore the calm, still waters of Choctawhatchee Bay or the gentle Gulf of Mexico waves. Destin Harbor is home to the nation's largest charter fishing fleet and is the epicenter of the local commercial and recreational fishing community. The harbor offers excursions, Gulf-to-Table seafood, live music, unique shops, evening fireworks, and much more. Destin Commons is a large open-air mall with a variety of dining options, family-friendly events, a movie theater, and national brands alongside unique styles found only here. Fort Walton Beach offers a walkable downtown perfect for an evening stroll through the Landing Park, Indian Temple Mound archeological site, shops, and restaurants and bars.



Seven industrial parks have been developed with a total of over 1,100 acres available. An industrial park near Crestview has an 8,000-foot reinforced runway, capable of handling the largest aircraft, and it has complete utilities and services. A municipal industrial park at Fort Walton Beach offers complete facilities and utility services to companies supplying space-age components to the United States Air Force.

The One Okaloosa Economic Development Council places the total labor force at 94,116 and the unemployment rate at 3.7 percent as of September 2020. This compares favorably to Florida's rate of 7.6 percent and the national rate of 7.9 percent. Okaloosa County's cost of living is consistently below the national average and Florida has no state income tax. Property valuations continued to increase this year, building upon the increase the last 2 years, after declining for several years prior. The increase continues to provide the County the opportunity to maintain one of the state's lowest millage rates while also striving to maintain a relatively high level of service to County residents.

MAJOR FUNCTIONAL INITIATIVES

General Government Initiatives

Although the response to COVID-19 has been the front burner for the majority of the year – the County has made significant progress in other areas on behalf of the citizens. The County broke ground on the Southwest Crestview Bypass in the beginning of the fiscal year. This \$200 million project is the single-largest undertaking in Okaloosa County government history. This bypass will provide alternate routes for the high volume of traffic headed into the Crestview area from points south, including Eglin Air Force Base. The County fully funded the project through a combination of half-cent discretionary infrastructure surtax, BP Oil Spill restitution and Florida Department of Transportation (FDOT) funds, to be completed by 2024.



Public Safety Initiatives

The Department of Corrections and Public Safety (Emergency Management, Emergency Medical Services and Beach Safety) function as independent departments. The Department of Corrections and County Jail continue to deal with population growth, while trying their best to mitigate those increases and study future impact. The County dedicates a great deal of financial and personnel resources for public safety initiatives and facilities, like the Emergency Operations Center. Emergency Medical Services continues to review their function to enhance, if possible, this much needed service. The Sheriff was active and involved in many of these public safety initiatives throughout the year from a capital and operational perspective.



Physical Environment Initiatives

Physical environment initiatives primarily relate to water/wastewater improvements, solid waste, and stormwater.



County Water & Sewer completed a major water meter replacement project, with all 33,000 meters now modern, digital meters with radio read technology and ensuring all locations have backflow preventers, for the protection of the public water supply. Thanks to continuously reading meters, the County now detects leaks or abnormal consumption quickly and notifies each customer. In 2020, the North Lakeshore Drive Sewer Project was completed; this water quality project, adjacent to Lake Pippin and Choctawhatchee Bay, converted 20

homes from septic tanks to public sewer and installed critical backbone infrastructure. A reclaimed water expansion project was completed at the Arbennie Pritchett Water Reclamation Facility, providing increased disposal capacity and the ability to re-use wastewater effluent as public access irrigation. Water & Sewer also spent significant amount of resources, working around the clock, towards Hurricane Sally response and other major emergencies during 2020. Solid Waste continues

remediation and monitoring of the closed landfill facilities. Contracts for solid waste service are competitively procured and negotiated in order to maintain cost effective and sufficient, while also being efficient, fees for these services. The solid waste contract services generated over \$10M in revenue and managed over 175,000 tons of residential and commercial waste. Stormwater assessments are levied in order to meet the growing needs of certain deteriorating infrastructure, while attempting to determine some long-term resolution.



Transportation Initiatives

Transportation needs continue to be an area of vital importance to the citizens and elected officials of the County. Maintenance and enhancement of existing roadways and bridges is a high priority, but the limitation for significant improvement generally is hampered by limited resources. The approval of the half-cent discretionary infrastructure surtax, to improve infrastructure, storm water management and public safety in Okaloosa County is providing a fresh source of income for infrastructure improvements. Most notably the widening of PJ Adams Parkway is under way. The Destin-Fort Walton Beach Airport,

along with the General Aviation Airports in Destin and in Crestview at Bob Sikes, continued to enhance all facets of the aviation activity with significant growth throughout the year. Recent FDOT economic impact studies detail over \$1.7B in economic impact generated from Okaloosa County's three airport system. The US Department of Transportation and FDOT funded projects at the County's airports related to facility and safety improvements at the Destin-Fort Walton Beach Airport, including an expansion of the west aircraft apron including five new aircraft parking positions, the addition of 800 new revenue parking spaces, fall protection at the fuel farm and the completion of design efforts for a new Concourse C, upgraded Baggage Handling System and main terminal lobby expansions, to include new ticket counters, circulation space and restrooms, renovation of Taxiway A at Destin Executive Airport and runway rehabilitation at Bob Sikes Airport.



Economic Environment Initiatives

The economy of the County relates mainly to tourism and the military, although there are other growing aspects being emphasized and explored. The Tourist Development Council launched "Venture Out" adventure packs, partnering local water-based activities with restaurants to elevate the visitor experience and improve the economic impact of stays. Financial assistance in the form of housing assistance and assistance related to the many veterans located in the area also are included in Economic Environmental initiatives. Community Redevelopment agencies in several cities within the County utilize portions of Ad Valorem Tax dollars to enhance economic development in those designated areas.

Human Service Initiatives

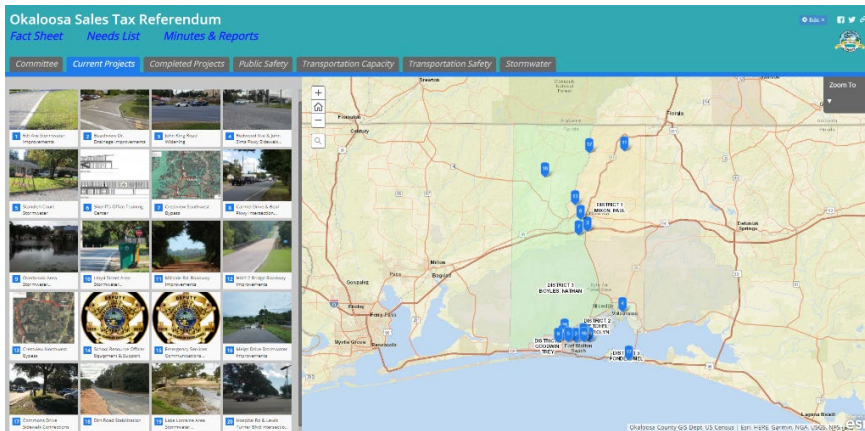
The funding for human service activities in the County include mosquito control, animal welfare, health care, Medicaid, elder services, day care service, mental health services and court-related child protection services expenditures. These activities, particularly state aid for Medicare and Medicaid, account for well over half of the dollars spent in this particular functional category. A portion of the operation of the Okaloosa County Health Department is another human service initiative in the County. Mosquito control, which covers 418,000 acres, funding is supplemented by grant funding which aids in management of Zika control initiatives.

Culture/Recreation Initiatives

The Culture and Recreational activities are an important element of funding in this diverse County ranging from the beautiful beaches to parks throughout the County, especially in the rural areas of north county. A horse arena attracts equestrian enthusiasts for rodeos and other competitive events. The Countywide Library Cooperative and their support of the other Municipal libraries, as a part of that cooperative, continue to provide library services during the year as they introduced a digital library card. Additionally, there have been investments in artificial reefs, renovation of Beach Accessway 7 on Okaloosa Island, and several other community park enhancements. Tourist Development continues utilizing bed tax to protect and restore Okaloosa County's natural resources, including dredging East Pass and placing approximately 170,000-180,000 cubic yards of sand on beaches, deploying over 100 artificial reefs to create nearly 40 patch reefs at various depths, conducting the first vessel deployment in more than a decade, and establishing the Choctawhatchee Bay Estuary Coalition.

Future Initiatives

Maintaining a high level of service the citizens expect will continue to be a challenge for the County, due



to recovery from COVID-19 and somewhat limited resources in a number of areas. Future financial planning includes building up reserves, possibly establishing a budget reserve policy, looking for additional available funding sources and reviewing future bonding for major capital projects.

As previously mentioned,

the half-cent discretionary infrastructure surtax has enabled the county to launch many projects which will benefit county residents. Revenue from these funds have already caused several key infrastructure projects to be completed. The County will continue to monitor road and stormwater needs consistent with the availability of funds. One tax increment area was established around Interstate 10 in order to alleviate congestion in the countywide transportation system and enhance the flow of traffic throughout the County. The County also has an eye on the future of the economy. Currently, there are two main drivers to the County's economy – the military mission and the tourism industry. In an effort to create other opportunities the County recently purchased 600+ acres at the Shoal River Ranch property east of Crestview to preserve and to sell to a large manufacturer for use as a production plant. Additionally, the County has used a grant from Triumph Gulf Coast to build out water and sewer lines to the site. This ensures the site will be 'shovel-ready' for a manufacturer as soon as possible. The creation of a manufacturing plant will ensure financial stability and growth for Okaloosa County for years to come.

Quality of life issues will continue to be reviewed in the area of culture and recreation. A referendum to expand the tourist development taxing district countywide may be considered by voters in the near future. Should the referendum pass, additional funding would become available to address tourism-related issues such as mobility, accessibility, and public safety issues.

FINANCIAL INFORMATION

Readers of this report are encouraged to read Management's Discussion and Analysis (MD&A). The MD&A provides basic financial information about the County and an overview of the County's activities. The government-wide financial statements, consisting of a Statement of Net Position and a Statement of Activities, provide a comprehensive financial picture of the County, split between governmental activities and business-type activities. These statements are prepared using the economic resources measurement focus and the accrual basis of accounting, where all assets, liabilities, revenues, and expenses of the County are reported. The fund financial statements provide information concerning the County's funds and are prepared from the County's accounting records. The County's accounting records for general governmental operations are maintained on a modified accrual basis, with revenues being recorded when available and measurable and expenditures being recorded when the services or goods are received and the liabilities are incurred. Accounting records for the County's proprietary funds are maintained on the accrual basis. The County's fiscal year is October 1 to September 30.

Section 11.45, Florida Statutes, requires an annual audit of all County agencies. The County has directed that the annual audit be more extensive than that required by Florida Statutes by requiring that the annual audit be a single audit covering all the funds and account groups of the County. This requirement has been complied with, and the unmodified opinion of the auditors has been included in this report.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2019.

The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for presentation of state and local government financial reports. In order to be awarded a Certificate of Achievement, the County must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards, GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current Comprehensive Annual Financial Report conforms to the Certificate of Achievement Program requirements, and it will be submitted to the GFOA to determine its eligibility for another certificate.

A comprehensive annual financial report of this nature could not have been prepared without the dedicated efforts of a considerable number of individuals. I want to especially thank the entire staff of the Finance Department for their invaluable assistance in the preparation of this report. I would also like to thank the members of the County's independent external auditors. I would also like to thank the Board of County Commissioners and their staff, and the other Constitutional Officers for their personal interest and dedicated support in planning and conducting the financial operations of the County in a responsible manner.

JD Peacock II
Okaloosa County Clerk & Comptroller



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Okaloosa County
Florida**

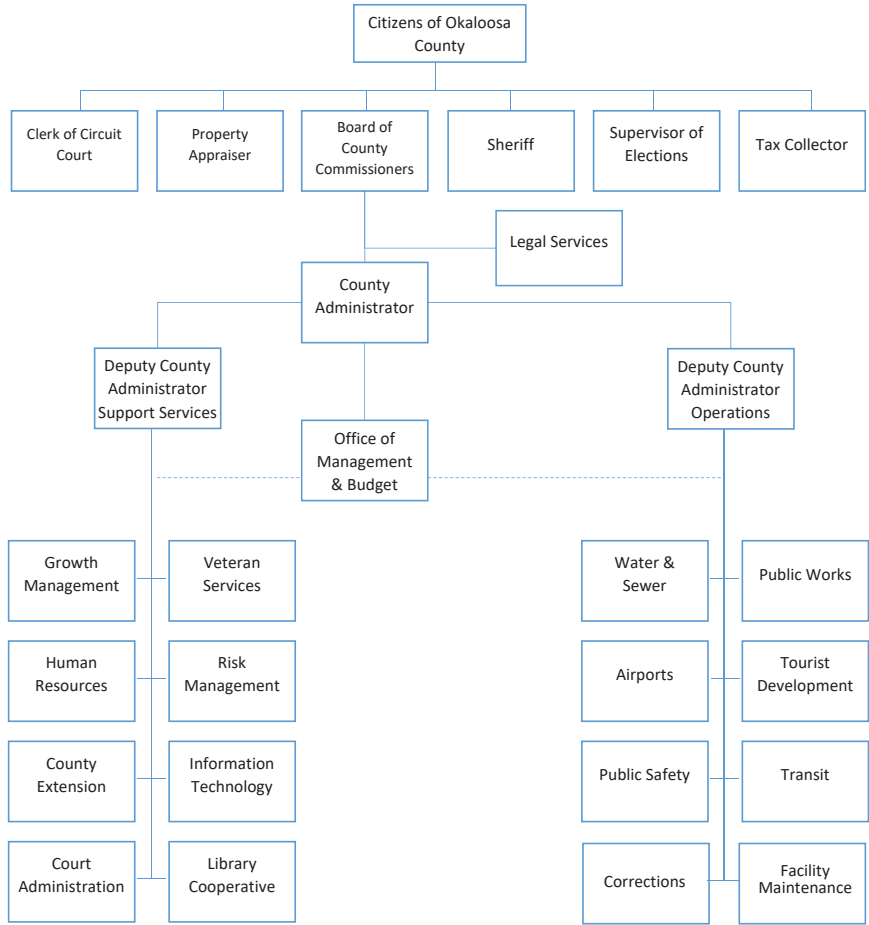
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morill

Executive Director/CEO

Organizational Chart



**COUNTY OFFICIALS
AS OF SEPTEMBER 30, 2020**

COUNTY COMMISSIONERS

| | | |
|--------------------|-------|--------------|
| Graham W. Fountain | _____ | District I |
| Carolyn Ketchel | _____ | District II |
| Nathaniel Boyles | _____ | District III |
| Trey Goodwin | _____ | District IV |
| Kelly Windes | _____ | District V |

OTHER ELECTED OFFICIALS

| | | |
|----------------|-------|-------------------------|
| JD Peacock II | _____ | Clerk of Court |
| Larry R Ashley | _____ | Sheriff |
| Ben Anderson | _____ | Tax Collector |
| Mack Busbee | _____ | Property Appraiser |
| Paul Lux | _____ | Supervisor of Elections |

OTHER OFFICIALS

| | | |
|--------------|-------|----------------------|
| John Hofstad | _____ | County Administrator |
|--------------|-------|----------------------|

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Financial Section

INDEPENDENT AUDITORS' REPORT

To the Honorable Chairman and Members of the
Board of County Commissioners and Other Elected Officials
Okaloosa County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Okaloosa County, Florida, (hereinafter referred to as "County") as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of September 30, 2020, and the respective changes in financial position, and cash flows, where applicable, and the respective budgetary comparison for the General Fund, Tourist Development Special Revenue Fund and Natural Disasters Special Revenue Fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other 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 introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by U.S. Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Chapter 10.550, *Rules of the Auditor General, Local Governmental Entity Audits*, and is also not a required part of the basic financial statements of the County. The accompanying schedule of expenditures of passenger facility charges is presented for purposes of additional analysis as specified in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration, and is not a required part of the basic financial statements of the County. The accompanying schedule of receipts and expenditures of funds related to the Deepwater Horizon Oil Spill is presented for the purpose of additional analysis as required by Florida Statute 288.8018 and the *Rules of the Auditor General*, Chapter 10.557(3)(f), and is not a required part of the financial statements.

The combining and individual nonmajor fund financial statements and schedules, the schedule of expenditures of federal awards and state financial assistance, the schedule of expenditures of passenger facility charges and the schedule of receipts and expenditures related to the Deepwater Horizon Oil Spill are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, the schedule of expenditures of federal awards and state financial assistance and the schedule of expenditures of passenger facility charges, are fairly stated in all material respects in relation to the financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 20, 2021, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Warren Averett, LLC

Fort Walton Beach, Florida
April 20, 2021

Okaloosa County, Florida Management Discussion and Analysis

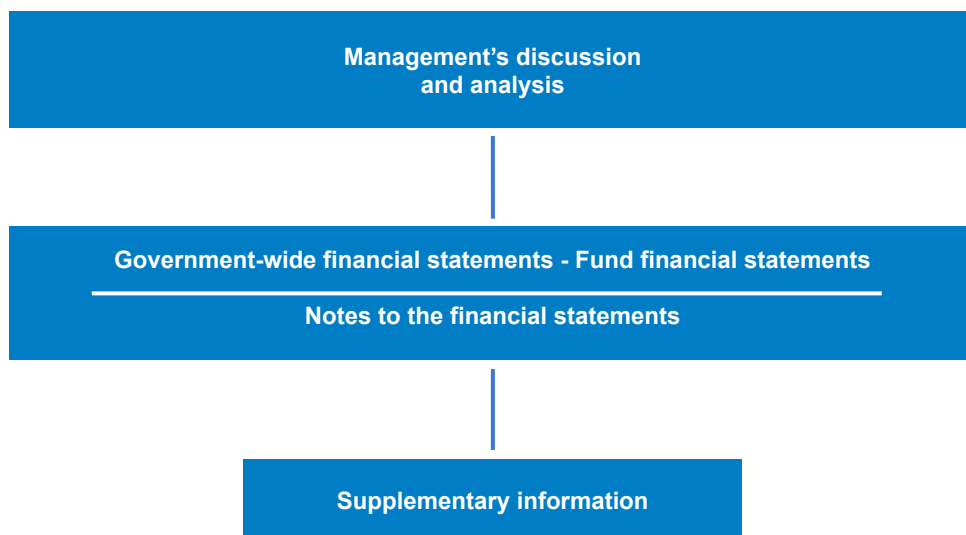
This discussion and analysis of Okaloosa County's (the County) financial statements is designed to introduce the basic financial statements and provide an analytical overview of the County's financial activities for the fiscal year ended September 30, 2020. This analysis, in conjunction with additional information provided in our letter of transmittal, should assist readers in identifying significant financial issues and changes in the County's financial position. In this Management Discussion and Analysis (MD&A), all amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- At the close of the fiscal year the County's assets and deferred outflows exceeded its liabilities and deferred inflows, resulting in net position of \$568,882. Governmental and business-type assets exceeded its liabilities by \$218,076 and \$350,805, respectively.
- The County's total net position increased by \$44,881, or 8.6%, in comparison to the prior year.
- The County had \$(18,788) of unrestricted net position (deficit) at the close of this year compared to \$(22,764) last year.
- Total revenues increased by \$38,683 or 13.9 percent, from \$278,961 to \$317,644.
- Total expenses increased by \$36,454, or 15.4 percent, from \$236,309 to \$272,763.
- The County's governmental activities reported a total net position of \$218,076, which is an increase of \$19,227, or 9.7%, in comparison to the prior year. A deficit in the unrestricted net asset position of \$(69,511) exists in the governmental activities.
- The County's business-type activities reported a total net position of \$350,805, which is an increase of \$25,654, or 7.9%, in comparison to prior year. Approximately 14.5% of the total, or \$50,723, is unrestricted, and thus available for spending at the County's discretion.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Okaloosa County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements, as illustrated on the following page. This report also contains other supplementary information in addition to the basic financial statements themselves.



Government-wide financial statements

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

The *statement of net position* presents information on all of the County's assets, deferred outflows, liabilities, and deferred inflows, with the difference between the two 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 government'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 in this statement for some items that will result in cash flows in future fiscal periods.

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, culture/recreation and court-related activity.

The business-type activities of the County include water/sewer services, airport services, solid waste collection/disposal, building inspection services and emergency medical service.

Fund Financial Statements

The accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, net position, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The County's funds are presented in separate fund financial statements. These funds are presented on governmental fund financial statements, proprietary fund financial statements and a fiduciary fund financial statement. The County's major funds are presented in separate columns on the fund financial statements. The definition of a major fund is one that meets certain criteria set-forth in GASB 34. The funds that do not meet the criteria of a major fund are considered non-major funds and are combined into a single column on the fund financial statements.

Governmental Fund Financial Statements

Governmental fund financial statements are prepared on the modified accrual basis using current financial resources measurement focus. Under the modified accrual basis, revenues are recognized when they become measurable and available as net current assets. Although the activity of the internal service funds is reported with the governmental activities on the government-wide financial statements they are not combined on the government fund financial statements.

Four of the County's governmental funds, the General Fund, Tourist Development Special Revenue Fund, Natural Disasters Fund, and the Road and Bridge Construction Capital Projects Fund are classified as major funds. All other governmental funds are combined into a single column on the governmental fund financial statements. Individual fund data for the non-major funds is found in combining statements presented as supplemental financial data.

The County adopts an annual budget for all governmental funds. A budgetary comparison has been presented for all the governmental funds, which compares not only actual results to budget but also the original adopted budget to final budget. These budgetary comparisons for the general fund and major special revenue funds are presented as part of the basic financial statements. Non-major governmental fund budget comparisons are presented as supplemental financial data.

Proprietary Fund Financial Statements

Proprietary fund financial statements, like government-wide financial statements, are prepared on the full accrual basis. Proprietary funds record both operating and non-operating revenues and expenses. Operating revenues are those that are obtained from the operations of the proprietary fund.

The County reports the Water and Sewer, Airport, Solid Waste, and Emergency Medical Services Enterprise as major funds in the proprietary fund financial statements. These enterprise funds are used to present the same functions that are presented in the government-wide financial statements. The other enterprise funds are grouped together and reported in a separate column entitled, "Other Enterprise Funds". The internal service funds are combined into a single column on the proprietary fund financial statements. Individual fund data is presented in combining statements as supplemental financial data.

The internal service funds are used to account for risk management, health, including other post-employment benefits for retirees, dental and liability insurance, fleet management services and funding of short-term compensated absence liability on a cost reimbursement basis.

Fiduciary Fund Financial Statement

Data shown on the fiduciary fund financial statement is not included in the government-wide financial statements because the resources of those funds are not available to support the County's programs. The only type of fiduciary funds the County maintains, agency funds, are used to account for assets held by the County as an agent for individuals or other governments.

Notes to the financial statements

The notes to the financial statements provide additional information that is useful for a more complete understanding of the data provided in the government-wide and fund financial statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Okaloosa County's change in and contributions to pensions and other post-employment benefits.

This report also presents combining statements for the non-major governmental and proprietary funds and agency funds, as well as individual fund budget and actual comparison schedules for non-major governmental funds.

Government-wide Financial Analysis

Over time, net position may serve as the most useful indicator of a government's financial position, although a number of significant estimates or long-term projections now impact that net position. As of September 30, 2020, the County's total net position or total assets less liabilities, was \$568,882. A significant portion of the County's net position, 82.3 percent, is identified as an investment in capital assets (such as land, buildings, equipment, infrastructure), less related debt outstanding that was used to acquire those assets. Since the County uses capital assets to provide services to its residents, the net position represented by "net investment in capital assets" are not available for future spending. In fact, the payment of maintenance and debt service costs on those capital assets will themselves require governmental resources. The net investment in capital assets balance of \$468,397 increased by \$35,776 or 8.3% percent, in comparison to the prior year.

Another portion of the County's net position is restricted net position which represents assets that are subject to constraints such as by debt covenants, grantors, laws or regulations. The restricted net position balance of \$119,273 (21.0 percent of total net position) increased by \$5,129 or 4.5% percent, in comparison to prior year, due to increased funds related to capital projects which offset declines experienced in public safety and culture/recreation due to pandemic.

Unrestricted net position is available to meet the County's ongoing obligations to residents, creditors, and enterprise fund customers. The County has an overall net unrestricted deficit of \$(18,788) primarily as a result of recording its proportionate share of the pension of the State of Florida's retirement system and the OPEB liability. These liabilities are actuarially determined and provided by the State of Florida Retirement System (FRS) and the contracted actuarial firm. The Governmental Activities overall net position increased by \$19,227. Although millage rates remained the same, property tax revenue increased due to rising taxable assessed values. Operating grants and revenue increased primarily from revenue received from the CARES act to facilitate public assistance and relief in response to the COVID-19 pandemic. The unrestricted net deficit in the Governmental Activities decreased by \$4,321 over the prior year due to an increase in pension and change in the OPEB liabilities. Net Position in the County's Business-type activities increased by \$25,654 due to increased charges for services. Unrestricted Net Position of \$50,723 is available in the County's Business-type activities to meet ongoing obligations to its customers.

The following is a condensed summary of net position for the primary government for fiscal years 2020 and 2019. The amounts for 2019 were reclassified to conform with current year presentation.

Okaloosa County, Florida
Summary of Net Position
September 30, 2020 and 2019

| | Governmental | | Business-type | | Total | |
|----------------------------------|--------------|------------|---------------|------------|------------|------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Current and Other Assets | \$ 171,460 | \$ 148,845 | \$ 116,275 | \$ 111,083 | \$ 287,734 | \$ 259,927 |
| Capital Assets | 251,082 | 239,223 | 349,018 | 335,433 | 600,100 | 574,657 |
| Total Assets | \$ 422,542 | \$ 388,068 | \$ 465,292 | \$ 446,516 | \$ 887,834 | \$ 834,584 |
| Total Deferred Outflows | \$ 36,743 | \$ 32,359 | \$ 13,186 | \$ 12,437 | \$ 49,930 | \$ 44,797 |
| Current and Other Liabilities | 26,028 | 22,655 | 17,080 | 16,998 | 43,109 | 39,653 |
| Noncurrent Liabilities | 212,324 | 192,049 | 108,755 | 113,785 | 321,078 | 305,834 |
| Total Liabilities | \$ 238,352 | \$ 214,705 | \$ 125,835 | \$ 130,783 | \$ 364,187 | \$ 345,487 |
| Total Deferred Inflows | \$ 2,857 | \$ 6,873 | \$ 1,839 | \$ 3,020 | \$ 4,695 | \$ 9,893 |
| Net Position: | | | | | | |
| Net Investment in Capital Assets | \$ 187,707 | \$ 176,565 | \$ 280,690 | \$ 256,056 | \$ 468,397 | \$ 432,621 |
| Restricted for | | | | | | |
| Debt Service | 706 | 563 | 4,276 | 4,200 | 4,982 | 4,764 |
| Capital Projects | 26,198 | 12,572 | - | - | 26,198 | 12,572 |
| Public Safety | 2,760 | 1,975 | - | - | 2,760 | 1,975 |
| Transportation | 14,303 | 14,276 | 15,117 | 22,469 | 29,420 | 36,746 |
| Eco Environment | 11,850 | 12,079 | - | - | 11,850 | 12,079 |
| Culture Recreation | 41,821 | 44,734 | - | - | 41,821 | 44,734 |
| Court-Related | 2,241 | 1,274 | - | - | 2,241 | 1,274 |
| Unrestricted | (69,511) | (65,190) | 50,723 | 42,426 | (18,788) | (22,764) |
| Total Net Position | \$ 218,076 | \$ 198,849 | \$ 350,805 | \$ 325,151 | \$ 568,882 | \$ 524,000 |

The following schedule compares the revenues and expenses for the primary government for the current and previous fiscal years:

Okaloosa County, Florida
Summary of Revenues and Expenses
As September 30, 2020 and 2019

| | Governmental Activities | | Business-type Activities | | Total | |
|------------------------------------|----------------------------|-------------------|-----------------------------|-------------------|-------------------|-------------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Revenues: | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services | \$ 46,012 | \$ 29,192 | \$ 71,877 | \$ 75,267 | \$ 117,889 | \$ 104,459 |
| Operating Grants and Contributions | 16,884 | 7,738 | 7,684 | 408 | 24,568 | 8,146 |
| Capital Grants and Contributions | 10,957 | 9,969 | 16,664 | 11,299 | 27,621 | 21,268 |
| General Revenues: | | | | | | |
| Taxes | 114,110 | 107,468 | 668 | 1,247 | 114,778 | 108,716 |
| State Shared Revenue | 27,314 | 28,978 | - | - | 27,314 | 28,978 |
| Other | 4,067 | 4,668 | 1,407 | 2,727 | 5,473 | 7,395 |
| Total Revenues | <u>219,344</u> | <u>188,013</u> | <u>98,300</u> | <u>90,948</u> | <u>317,644</u> | <u>278,961</u> |
| Expenses: | | | | | | |
| Program Activities: | | | | | | |
| General Government | 43,513 | 35,902 | - | - | 43,513 | 35,902 |
| Public Safety | 81,394 | 68,591 | - | - | 81,394 | 68,591 |
| Physical Environment | 2,221 | 2,176 | - | - | 2,221 | 2,176 |
| Transportation | 25,703 | 18,747 | - | - | 25,703 | 18,747 |
| Economic Environment | 10,772 | 7,616 | - | - | 10,772 | 7,616 |
| Human Services | 6,383 | 5,318 | - | - | 6,383 | 5,318 |
| Culture and Recreation | 20,679 | 16,834 | - | - | 20,679 | 16,834 |
| Court-Related | 9,625 | 9,242 | - | - | 9,625 | 9,242 |
| Interest and Fiscal Charges | 2,413 | 2,786 | - | - | 2,413 | 2,786 |
| Business-type Activities: | | | | | | |
| Water and Sewer | - | - | 30,291 | 29,359 | 30,291 | 29,359 |
| Airport | - | - | 14,986 | 15,775 | 14,986 | 15,775 |
| Solid Waste | - | - | 10,971 | 10,417 | 10,971 | 10,417 |
| Emergency Medical | - | - | 11,611 | 11,513 | 11,611 | 11,513 |
| Other | - | - | 2,200 | 2,032 | 2,200 | 2,032 |
| Total Expenses | <u>202,704</u> | <u>167,212</u> | <u>70,058</u> | <u>69,097</u> | <u>272,763</u> | <u>236,309</u> |
| Inc in Net Position Before Trf | 16,640 | 20,801 | 28,241 | 21,852 | 44,881 | 42,653 |
| Transfers | 2,587 | 2,149 | (2,587) | (2,149) | - | - |
| Inc/(Dec) in Net Position | 19,227 | 22,950 | 25,654 | 19,702 | 44,881 | 42,652 |
| Net Position October 1 | 198,849 | 175,899 | 325,151 | 305,449 | 524,000 | 481,348 |
| Net Position September 30 | <u>\$ 218,076</u> | <u>\$ 198,849</u> | <u>\$ 350,806</u> | <u>\$ 325,151</u> | <u>\$ 568,881</u> | <u>\$ 524,000</u> |

Revenues increased by \$31,331 or 16.7% percent in Governmental activities, primarily due to an increase in charges for services and operating grants and contributions. However, increases in Ad Valorem Tax revenue collections, attributable to increased property valuation, and the local option half-cent sales tax has contributed to this increase. Also, related to the BP Oil spill, Triumph funding was recorded in excess of \$4 million and will continue in future years. Revenues in business-type activity increased by \$7,351 or 8.1% percent from the prior year, mainly due to an increase in capital grants and contributions. Expenses increased by \$35,492 or 21.2% percent in Governmental activities, due primarily to General Government, Public Safety, and Transportation expenditure increases related to the COVID-19 pandemic. Also, included in the expense increase is the impact from the net pension liability allocated from Florida Retirement System (FRS). The discount rate used in the actuarial computations relating to the FRS plan decreased from 6.9% to 6.8% resulting in an increase in pension expense recognized in FY20. Expenses increased by \$962 or 1.4% percent also in business-type expenses due mainly to the impact of FRS as described above. Overall net position increased by 8.6% percent, from \$524,000 in 2019 to \$568,882 in 2020.

Governmental activities

The focus of Okaloosa County governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County’s financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government’s net resources available for spending at fiscal year-end.

As of September 30, 2020, the County governmental funds reported combined fund balances of \$147,243, an increase of \$18,585 over the prior year balances, mainly related to an excess of revenue over expenses related to tax revenue and transfers in from other financing sources.

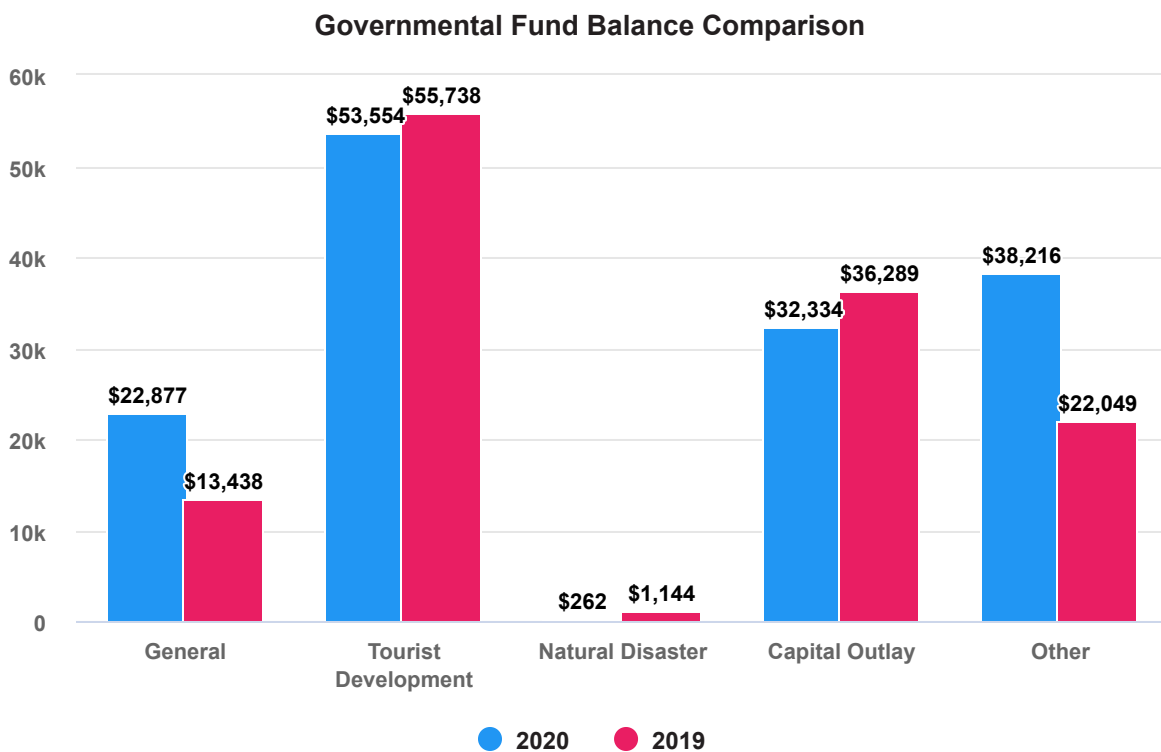
The General Fund is the chief operating fund of the County. As of September 30, 2020, total fund balance in the general fund was \$22,877 of which \$13,774 was unassigned. The general fund revenues for the fiscal year exceeded expenses by 4,436. The increase in the current fiscal year fund balance was mainly due to expenditures related to the COVID-19 pandemic were transferred to the Natural Disaster fund.

The Tourist Development Special Revenue Fund is used to account for the revenues and expenditures collected on short-term rentals in Okaloosa County. The Tourist Development Special Revenue Fund balance decreased over the prior year by \$2,184. The decrease in fund balance is primarily due to expenses exceeding tax revenue. The Tourist Development Special Revenue Fund experienced significantly decreased revenues as well as expense reductions from the prior fiscal year. The loss in program revenue/expense was directly related to the COVID-19 pandemic.

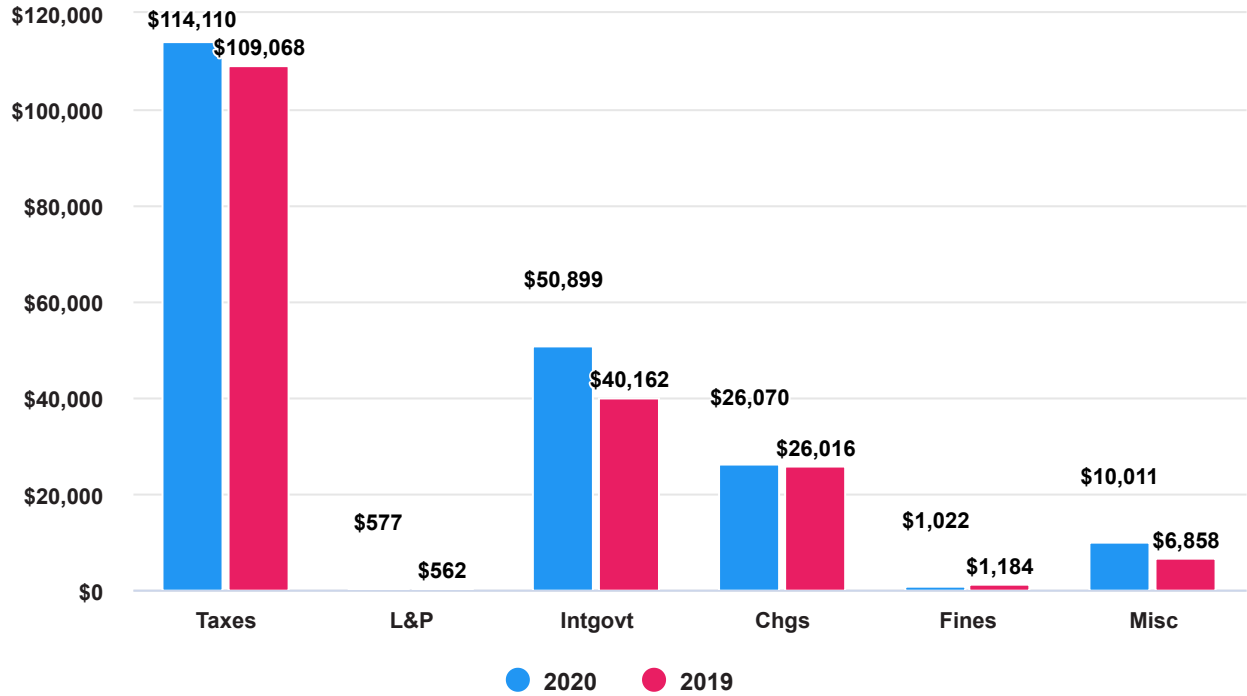
The Natural Disaster Fund is typically used to account for disaster funding and expenditures not considered normal recurring operating activity of the County. In 2020, the Natural Disaster Fund was also used to account for the governmental activities portion of the federal funds collected and disbursed pursuant to the Coronavirus Aid, Relief and Economic Security Act (the CARES Act). The fund balance decreased over the prior year by \$881 due primarily to the costs and related funding in response to the COVID-19 pandemic.

The Road and Bridge Construction Capital Projects Fund is the construction fund that is used to account for major governmental capital improvements. The fund balance decreased over the prior year by \$3,955 due primarily to the issuance of debt in the prior year. The debt proceeds were used for capital outlay expenditures related to the construction of the southwest Crestview bypass.

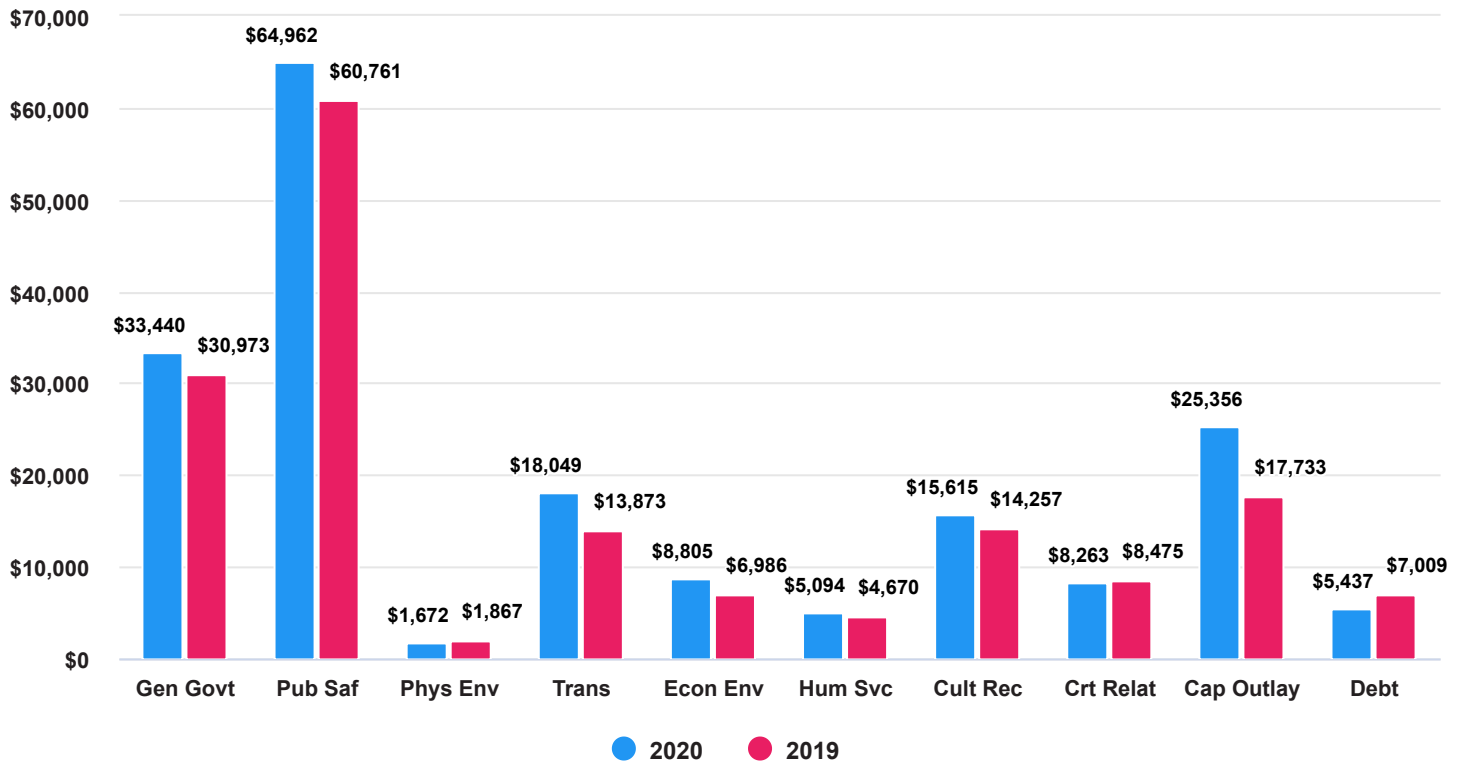
The following is a chart of all Governmental Fund Balances for the fiscal years 2020 and 2019.



Governmental Revenues By Source Comparison



Governmental Expenditures By Function Comparison



Proprietary Activities

Okaloosa County’s proprietary funds provide the same type of information found in the government- wide financial statements, but in more detail, and on a fund basis for the enterprise funds and internal service funds.

Enterprise Funds at September 30, 2020, total net position amounted to \$350,805 as compared to \$325,151 at September 30, 2019. Net Position balances are primarily the result of operations and capital contributions in the Water & Sewer and Airport Enterprise funds.

Business-type activities increased the County’s total net position by \$25,654 . Major components of this increase are as follows:

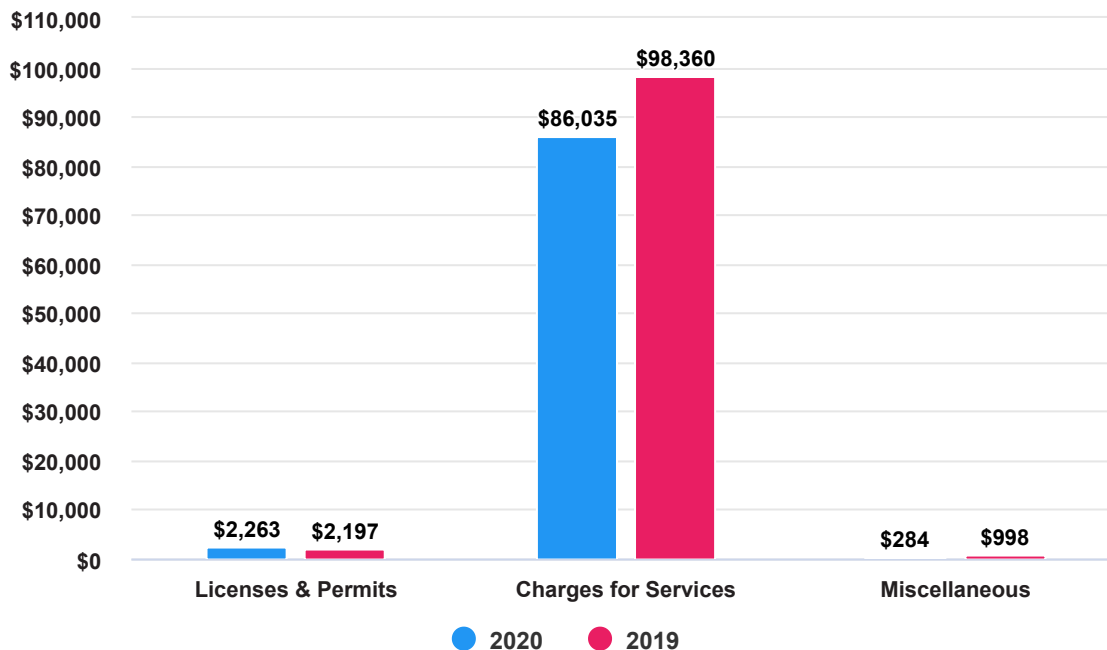
- The Water and Sewer Fund increased its net position by \$11,678, or 6.9% to \$181,127 . Net operating income was \$9,656 during the year which declined 8.9% less than last year primarily due to increases in personal services expenses offset by a decline in other operating expenses. The overall increase in net position for the current year relates primarily to investment in capacity expansion as a result of construction activity.
- The Airport Fund increased its net position by \$10,898, or 7.0% to \$166,097 . The Airport experienced a significant decline due to the pandemic. The operating revenues decreased \$2,782 or 18.3% less the prior year. Passenger and customer facility charges decreased 34.0% from the prior year. However, significant operating grant funding was received as a result of the pandemic. These factors along with prior consecutive years of financial strength contributed to the overall change in net position.
- The Emergency Medical Services Fund increased its net position by \$2,144, or 85.0% to (\$378). The most significant factor in this increase was intergovernmental activity related to grant funding.

The net operating income of the enterprise funds for fiscal years 2020 and 2019, is as follows:

Enterprise Net Operating Income (Loss)

| | 2020 | 2019 |
|------------------------------------|-----------------|-----------------|
| Water and Sewer | \$ 9,656 | \$ 10,598 |
| Airport | (1,941) | 205 |
| Solid Waste | 126 | 510 |
| Inspections | 491 | 524 |
| Emergency Medical Services | (2,930) | (1,974) |
| Tax Collector Building Maintenance | 45 | 47 |
| | <u>\$ 5,447</u> | <u>\$ 9,910</u> |

Proprietary Fund Operating Revenue by Source Comparison



Budgetary Highlights

A Budget to actual statement is provided for the General Fund, along with each of the other major special revenue funds as part of the basic financial statements. A budget column for both the original budget adopted for fiscal year 2020 as well as the final budget is presented.

Differences between the original budget and final amended budget are as follows:

- The County added budgeted revenue in the General Fund of approximately \$24,980 of which \$22,210 related to intergovernmental revenue as a result of anticipated state and federal grants related to public safety, housing assistance, and mass transit funds.
- The County added budgeted revenue in the Natural Disasters Fund of approximately \$37,687 related to intergovernmental revenue as a result of anticipated federal grants related to the CARES act.
- The County added budget expenditures in the General Fund of approximately \$29,982 most significantly in the areas of transportation, public safety, and capital outlay related to anticipated grant activity and response to the COVID-19 pandemic.
- The County increased budgeted financing sources in the General Fund by approximately \$2,220 related to transfers out to funds and constitutional officers.

Actual results, when compared to the final budget, are as follows:

- A variance in the General Fund of \$18,101 of actual revenues under anticipated budget amounts as the grant revenue anticipated was both not earned and unavailable in the current year based on the timing of both qualifying expenditures and the availability of funds received.
- A variance in the Natural Disasters Fund of \$28,234 of actual revenues under anticipated budget amounts as the grant revenue anticipated was both not earned and unavailable in the current year based on the timing of both qualifying expenditures and the availability of funds received.
- A variance in the General Fund of \$40,076 of actual expenditures under anticipated budget amounts due to the timing of grant related expenditures and various capital projects that were not complete as of the end of the fiscal year.
- A variance in the Natural Disasters Fund of \$27,208 of actual expenditures under anticipated budget amounts due to the timing of grant related expenditures and various capital projects that were not complete as of the end of the fiscal year.
- A variance of \$477 in the General Fund related to transfers among constitutional officers being less than anticipated.

Capital Asset and Debt Administration

Capital Assets. Okaloosa County's investment in capital assets for its governmental and business- type activities as of September 30, 2020 amounts to \$600,020 (net of accumulated depreciation). This investment in capital assets includes land, buildings, roads, bridges and other improvements, machinery and equipment and park facilities. The increase in Okaloosa County's governmental activities investment in capital assets for the current fiscal year amounted to \$11,862 or 5.0% percent increase, which was mainly due to the acquisition of assets related to the Courthouse remodel and expansion for governmental facilities and road improvements completed. The business-type activities capital assets increased to \$13,501, mainly due to the water and sewer infrastructure.

The following schedule compares capital assets for the primary government for the current and previous fiscal years:

Okaloosa County, Florida Capital Assets September 30, 2020 and 2019

| | Governmental Activities | | Business-type Activities | | Total | |
|-----------------------------------|----------------------------|------------|-----------------------------|------------|------------|------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Land | \$ 14,382 | \$ 14,382 | \$ 14,765 | \$ 14,765 | \$ 29,147 | \$ 29,147 |
| Buildings | 142,238 | 115,543 | 89,627 | 89,627 | 231,865 | 205,170 |
| Improvements other than buildings | 45,622 | 43,867 | 277 | 277 | 45,898 | 44,144 |
| Intangibles | 3,495 | 3,495 | 998 | 998 | 4,492 | 4,492 |
| Mach/Equipment | 64,244 | 62,273 | 24,547 | 24,289 | 88,790 | 86,561 |
| Const in Progress | 21,258 | 37,988 | 30,046 | 18,649 | 51,304 | 56,636 |
| Infrastructure | 173,005 | 164,459 | 399,493 | 384,290 | 572,497 | 548,749 |
| Art | 29 | 29 | 70 | 70 | 99 | 99 |
| Total Capital Assets | 464,272 | 442,035 | 559,822 | 532,964 | 1,024,093 | 974,999 |
| Accum Deprec | (213,189) | (202,812) | (210,804) | (197,531) | (423,993) | (400,343) |
| Total | \$ 251,082 | \$ 239,222 | \$ 349,018 | \$ 335,433 | \$ 600,100 | \$ 574,655 |

Additional information on Okaloosa County's capital assets can be found in notes to the financial statements (Note 6). Long-term debt. At the end of the current fiscal year, the primary government, Okaloosa County, had bonded and revolving loans for total long-term debt outstanding of \$152,268. Of this amount, \$82,284 comprises governmental activities while the remaining \$69,984 is secured by revenue bonds and revolving loans in business-type activities.

**Okaloosa County, Florida
Outstanding Debt
September 30, 2020 and 2019**

| | Governmental Activities | | Business-type Activities | | Total | |
|--------------------|----------------------------|------------------|-----------------------------|------------------|-------------------|-------------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Capital Lease | - | - | - | - | - | - |
| Revenue Bonds | 81,221 | 84,165 | 66,420 | 77,879 | 147,641 | 162,044 |
| Revolv & Comm Loan | 1,063 | 2,222 | 3,564 | 3,552 | 4,627 | 5,774 |
| Total | \$ 82,284 | \$ 86,387 | \$ 69,984 | \$ 81,431 | \$ 152,268 | \$ 167,818 |

Additional information on Okaloosa County's long-term debt can be found in notes to the financial statements (Note 11).

Okaloosa County, Florida, Debt Ratings at September 30, 2020

| Type of Debt Issue: | S & P | Fitch/Moody's |
|--|-----------|---------------|
| 2011 Capital Improvement Revenue Bonds | Not rated | Not rated |
| 2014 Sales Tax Revenue Bonds | AA | AA |
| 2016 Sales Tax Revenue Bonds | AA | AA |
| 2015 Water and Sewer Revenue Bonds | AA+ | Aa3 |
| 2007 Taxable Airport Revenue Bonds | AA | Not Rated |
| 2014 Taxable Airport Refunding Bonds | AA | AA |
| 2019 Sales Tax Refunding and Improvement Revenue Bonds | AA | AA |

Highest rating: AAA/Aaa
Investment grade ratings: AAA/Aaa through BBB-/Baa-
Lowest rating: C

Economic Factors

Local, national, and international economic factors influence the County's revenues in a variety of ways. Positive economic growth is correlated with increased revenues from property taxes, state sales taxes, fuel taxes, charges for services, state revenue sharing as well as state and federal grants, while negative economic growth generally has the opposite reaction. Economic growth may be measured by a variety of indicators such as employment growth, unemployment, new construction and assessed values, diversification of the property tax base, and Enterprise Fund revenue and net asset growth.

- U.S. Department of Labor and Florida Department of Economic Opportunity reported that Okaloosa County's labor force has decreased from 93,409 to 95,971 as of December 2020, a decrease of 2.7 percent. The declining labor force coupled with the COVID-19 pandemic led to the County's unemployment rate increasing to 4.1 percent in 2020 compared to 2.3 percent for 2019. The County's unemployment rate still remains extremely favorable compared to the state and national rates of 7.3 and 7.8 percent, respectively for 2020.
- The assessed value of real property located in the County after exemptions increased from \$17.704 billion in 2019 to \$18.897 billion, while the total assessed value of the County increased from \$18.578 billion to \$19.798 billion in 2020. This represented an increase of \$1.220 billion or 6.6 percent in property valuation.
- Okaloosa County has a diversified property tax base. The ten largest property taxpayers in the County represent approximately only 3.2 percent of the total ad valorem property tax levy.

More information on economic factors is provided in the Statistical Section.

Request for information

This financial report is designed to provide the reader an overview of the County. Questions regarding any information provided in this report should be directed to:

Finance Department

102 East James Lee Blvd.

Crestview, Florida, 32536.

STATEMENT OF NET POSITION
September 30, 2020

| | Primary Government | | Total |
|--|--------------------------|-----------------------------|-----------------------|
| | Government Activities | Business-type Activities | |
| ASSETS | | | |
| Current Assets | | | |
| Cash and Cash Equivalents | \$ 19,411,502 | \$ 8,402,180 | \$ 27,813,682 |
| Investments | 103,430,763 | 63,237,799 | 166,668,562 |
| Receivables, Net of Allowance for Uncollectibles | 4,586,296 | 11,837,098 | 16,423,394 |
| Internal Balances | (1,141) | 1,141 | - |
| Due from (to) Fiduciary Funds | 142,687 | - | 142,687 |
| Due from Other Governments | 20,256,156 | 7,467,041 | 27,723,197 |
| Inventories | 739,378 | 2,366,216 | 3,105,594 |
| Prepaid Expenses | 1,101,799 | 1,526,358 | 2,628,157 |
| Restricted Assets | | | |
| Cash and Cash Equivalents | | | |
| Customer Deposits | - | 1,389,676 | 1,389,676 |
| Other Deposits | - | 1,059,373 | 1,059,373 |
| Investments | 21,792,256 | 18,987,816 | 40,780,072 |
| Total Current Assets | <u>171,459,696</u> | <u>116,274,698</u> | <u>287,734,394</u> |
| Capital Assets | | | |
| Land | 14,381,844 | 14,765,162 | 29,147,006 |
| Buildings | 142,237,925 | 89,627,172 | 231,865,097 |
| Improvements Other Than Buildings | 45,621,544 | 276,776 | 45,898,320 |
| Intangibles | 3,494,647 | 997,815 | 4,492,462 |
| Machinery and Equipment | 64,243,688 | 24,546,595 | 88,790,283 |
| Construction in Progress | 21,258,174 | 30,045,846 | 51,304,020 |
| Infrastructure | 173,004,511 | 399,492,519 | 572,497,030 |
| Works of Art | 29,195 | 69,865 | 99,060 |
| Accumulated Depreciation | <u>(213,189,250)</u> | <u>(210,804,153)</u> | <u>(423,993,403)</u> |
| Total Noncurrent Assets | <u>251,082,278</u> | <u>349,017,597</u> | <u>600,099,875</u> |
| Total Assets | <u>\$ 422,541,974</u> | <u>\$ 465,292,295</u> | <u>\$ 887,834,269</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred Charges Related to Pensions | \$ 35,834,978 | \$ 11,388,818 | \$ 47,223,796 |
| Deferred Charges on Refunding | - | 1,748,949 | 1,748,949 |
| Deferred Charges Related to OPEB | 908,337 | 48,653 | 956,990 |
| Total Deferred Outflows of Resources | <u>\$ 36,743,315</u> | <u>\$ 13,186,420</u> | <u>\$ 49,929,735</u> |
| Total Assets and Deferred Outflows of Resources | <u>\$ 459,285,289</u> | <u>\$ 478,478,715</u> | <u>\$ 937,764,004</u> |

Continued...

The notes to the financial statements are an integral part of this statement

STATEMENT OF NET POSITION
September 30, 2020

| | Primary Government | | Total |
|--|--------------------------|-----------------------------|-----------------------|
| | Government Activities | Business-type Activities | |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Accounts Payable and Other Accrued Liabilities | \$ 10,805,245 | \$ 7,991,569 | \$ 18,796,814 |
| Due to Other Governments | 1,564,530 | 47,162 | 1,611,692 |
| Unearned Revenue | 3,989,789 | 1,171,564 | 5,161,353 |
| Due to Depositors | 80,742 | - | 80,742 |
| Liabilities Payable from Restricted Assets | | | |
| Customer Deposits | - | 1,389,675 | 1,389,675 |
| Interest Payable | 1,664,622 | 780,457 | 2,445,079 |
| Current Portion of Long-term Obligations | | | |
| Compensated Absences | 3,593,034 | 1,104,899 | 4,697,933 |
| Closure Costs Payable | - | 380,598 | 380,598 |
| Claims and Judgments | 1,387,175 | - | 1,387,175 |
| Notes Payable | 819,274 | 444,362 | 1,263,636 |
| Revenue Bonds Payable | 2,124,000 | 3,770,000 | 5,894,000 |
| Total Current Liabilities | <u>26,028,411</u> | <u>17,080,286</u> | <u>43,108,697</u> |
| Noncurrent Liabilities | | | |
| Noncurrent Portion of Long-term Obligations | | | |
| Compensated Absences | 4,212,595 | 852,290 | 5,064,885 |
| Closure Costs Payable | - | 2,378,582 | 2,378,582 |
| Claims and Judgments | 4,028,226 | - | 4,028,226 |
| Notes Payable | 243,589 | - | 243,589 |
| Loans and Bonds Payable, Net of Unamortized Loan Costs | 79,097,478 | 65,769,430 | 144,866,908 |
| Other Post Employment Benefits | 9,259,750 | 1,397,043 | 10,656,793 |
| Net Pension Liability | 115,482,094 | 38,316,912 | 153,799,006 |
| Other Accrued Liabilities | - | 40,313 | 40,313 |
| Total Noncurrent Liabilities | <u>212,323,732</u> | <u>108,754,570</u> | <u>321,078,302</u> |
| Total Liabilities | <u>\$ 238,352,143</u> | <u>\$ 125,834,856</u> | <u>\$ 364,186,999</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred Charges Related to Pensions | \$ 1,581,152 | \$ 1,624,584 | \$ 3,205,736 |
| Deferred Charges Related to OPEB | 1,275,715 | 213,973 | 1,489,688 |
| Total Deferred Inflows of Resources | <u>\$ 2,856,867</u> | <u>\$ 1,838,557</u> | <u>\$ 4,695,424</u> |
| NET POSITION | | | |
| Net Investment in Capital Assets | \$ 187,707,122 | \$ 280,689,593 | \$ 468,396,715 |
| Restricted for | | | |
| Debt Service | 706,396 | 4,275,528 | 4,981,924 |
| Capital Outlay | 26,198,284 | - | 26,198,284 |
| Public Safety | 2,760,430 | - | 2,760,430 |
| Transportation | 14,303,051 | 15,117,245 | 29,420,296 |
| Economic Environment | 11,850,232 | - | 11,850,232 |
| Culture and Recreation | 41,821,080 | - | 41,821,080 |
| Court-Related | 2,240,660 | - | 2,240,660 |
| Unrestricted (Deficit) | <u>(69,510,976)</u> | <u>50,722,936</u> | <u>(18,788,040)</u> |
| Total Net Position (Deficit) | <u>\$ 218,076,279</u> | <u>\$ 350,805,302</u> | <u>\$ 568,881,581</u> |
| Total Liabilities, Deferred Inflow of Resources, and Net Position | <u>\$ 459,285,289</u> | <u>\$ 478,478,715</u> | <u>\$ 937,764,004</u> |

The notes to the financial statements are an integral part of this statement

STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2020

| | Expenses | Program Revenues | | | Net (Expense) Revenue |
|------------------------------------|-----------------------|-------------------------|--|--|--------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| Primary Government | | | | | |
| Governmental Activities | | | | | |
| General Government | \$ 43,512,967 | \$ 21,976,482 | \$ 253,206 | \$ - | \$ (21,283,279) |
| Public Safety | 81,394,219 | 16,820,060 | 10,358,481 | 547,525 | (53,668,153) |
| Physical Environment | 2,220,860 | 14,938 | 93,621 | - | (2,112,301) |
| Transportation | 25,703,448 | 1,546,941 | 3,540,542 | 9,939,579 | (10,676,386) |
| Economic Environment | 10,771,773 | - | 1,270,153 | - | (9,501,620) |
| Human Services | 6,383,383 | - | 370,847 | - | (6,012,536) |
| Culture and Recreation | 20,679,496 | 559,482 | 164,696 | 470,388 | (19,484,930) |
| Court-Related | 9,625,309 | 5,094,020 | 832,336 | - | (3,698,953) |
| Interest and Fiscal Charges | 2,412,723 | - | - | - | (2,412,723) |
| Total Governmental Activities | <u>202,704,178</u> | <u>46,011,923</u> | <u>16,883,882</u> | <u>10,957,492</u> | <u>(128,850,881)</u> |
| Business-type Activities | | | | | |
| Water & Sewer | 30,290,781 | 37,133,886 | 559,809 | 3,515,586 | 10,918,500 |
| Airport | 14,985,829 | 12,399,901 | 2,350,943 | 13,148,114 | 12,913,129 |
| Solid Waste | 10,970,611 | 11,096,730 | 212,011 | - | 338,130 |
| Emergency Medical Services | 11,610,890 | 8,510,384 | 4,543,498 | - | 1,442,992 |
| Inspection and Code Enforcement | 2,200,248 | 2,690,859 | - | - | 490,611 |
| Tax Collector Building Maintenance | - | 45,336 | 18,116 | - | 63,452 |
| Total Business-type Activities | <u>70,058,359</u> | <u>71,877,096</u> | <u>7,684,377</u> | <u>16,663,700</u> | <u>26,166,814</u> |
| Total Primary Government | <u>\$ 272,762,537</u> | <u>\$ 117,889,019</u> | <u>\$ 24,568,259</u> | <u>\$ 27,621,192</u> | <u>\$ (102,684,067)</u> |

The notes to the financial statements are an integral part of this statement

STATEMENT OF ACTIVITIES (CONTINUED)
For the Fiscal Year Ended September 30, 2020

| | Primary Government | | Total |
|--|----------------------------|-----------------------------|-----------------------|
| | Governmental Activities | Business-type Activities | |
| Changes in Net Position | | | |
| Net (Expenses) Revenue | \$ (128,850,881) | \$ 26,166,814 | \$ (102,684,067) |
| Unrestricted General Revenues | | | |
| Taxes | | | |
| Ad Valorem Tax | 70,542,621 | 667,757 | 71,210,378 |
| Tourist Development Tax | 18,696,605 | - | 18,696,605 |
| Local Option Fuel Tax | 5,668,758 | - | 5,668,758 |
| Communication Services Tax | 1,440,814 | - | 1,440,814 |
| Ninth-Cent Voted Fuel Tax | 1,099,419 | - | 1,099,419 |
| Local Business Tax | 289,320 | - | 289,320 |
| Infrastructure Surtax | 16,372,724 | - | 16,372,724 |
| State Revenue Sharing | | | |
| Miscellaneous Tax Revenue | 6,656,358 | - | 6,656,358 |
| Local Government Sales Tax | 17,103,647 | - | 17,103,647 |
| Gas Tax | 3,553,946 | - | 3,553,946 |
| Investment Earnings | 2,887,414 | 1,359,108 | 4,246,522 |
| Miscellaneous | 1,179,406 | 47,505 | 1,226,911 |
| Transfers - Internal Activities | 2,586,914 | (2,586,914) | - |
| Total Unrestricted-General Revenues and Transfers | <u>148,077,946</u> | <u>(512,544)</u> | <u>147,565,402</u> |
| Change in Net Position | 19,227,065 | 25,654,270 | 44,881,335 |
| Net Position - Beginning | <u>198,849,214</u> | <u>325,151,031</u> | <u>524,000,245</u> |
| Net Position - Ending | <u>\$ 218,076,279</u> | <u>\$ 350,805,301</u> | <u>\$ 568,881,580</u> |

The notes to the financial statements are an integral part of this statement

**BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2020**

| | General Fund | Tourist Development Special Revenue Fund | Natural Disasters Fund | Road and Bridge Construction Capital Projects Fund | Other Governmental Funds | Total Governmental Funds |
|---|----------------------|--|------------------------------|--|--------------------------------|--------------------------------|
| ASSETS | | | | | | |
| Cash and Cash Equivalents | \$ 4,744,620 | \$ 1,708,826 | \$ - | \$ - | \$ 7,806,816 | \$ 14,260,262 |
| Investments | 12,758,149 | 51,393,017 | - | 26,882,196 | 31,439,426 | 122,472,788 |
| Accounts Receivable | 164,400 | 8,802 | - | 4,055,290 | 46,404 | 4,274,896 |
| Due from Other Funds | 5,582,714 | - | - | - | 150,000 | 5,732,714 |
| Due from Other Elected Officials | 3,140,306 | - | - | - | 432,004 | 3,572,310 |
| Due from Other Governments | 5,707,661 | 2,710,306 | 6,195,864 | 2,413,542 | 3,131,714 | 20,159,087 |
| Inventory | 45,558 | - | 14,464 | 184,609 | 304,493 | 549,124 |
| Prepays | 647,463 | 7,278 | 1,318 | - | 42,890 | 698,949 |
| Total Assets | \$ 32,790,871 | \$ 55,828,229 | \$ 6,211,646 | \$ 33,535,637 | \$ 43,353,747 | \$ 171,720,130 |
| LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES | | | | | | |
| Liabilities | | | | | | |
| Accounts Payable | \$ 908,253 | \$ 1,258,761 | \$ 147,600 | \$ 16,492 | \$ 291,608 | \$ 2,622,714 |
| Contracts Payable | 1,149,964 | 450,023 | 268,150 | 1,185,153 | 914,193 | 3,967,483 |
| Other Accrued Liabilities | 2,240,944 | 80,697 | 390,755 | - | 422,024 | 3,134,420 |
| Due to Other Funds | 150,000 | - | 4,581,959 | - | 74,605 | 4,806,564 |
| Due to Other Elected Officials | 3,660,765 | 85,064 | 431,385 | - | 62,469 | 4,239,683 |
| Due to Other Governments | 294,113 | 277,258 | 81,329 | - | 911,587 | 1,564,287 |
| Due to Depositors | 20,845 | 1,932 | - | - | 57,965 | 80,742 |
| Unearned Revenue | 1,417,096 | 120,930 | 48,110 | - | 2,403,653 | 3,989,789 |
| Total Liabilities | 9,841,980 | 2,274,665 | 5,949,288 | 1,201,645 | 5,138,104 | 24,405,682 |
| Deferred Inflow of Resources | | | | | | |
| Unavailable Revenue | 71,706 | - | - | - | - | 71,706 |
| Fund Balances | | | | | | |
| Nonspendable | 693,021 | 7,278 | 15,782 | 184,609 | 347,383 | 1,248,073 |
| Restricted | 174,672 | 53,546,286 | 246,576 | 32,149,383 | 32,672,401 | 118,789,318 |
| Committed | 135,455 | - | - | - | 678,155 | 813,610 |
| Assigned | 8,100,000 | - | - | - | 4,541,200 | 12,641,200 |
| Unassigned | 13,774,037 | - | - | - | (23,496) | 13,750,541 |
| Total Fund Balances | 22,877,185 | 53,553,564 | 262,358 | 32,333,992 | 38,215,643 | 147,242,742 |
| Total Liabilities, Deferred Inflow of Resources, and Fund Balances | \$ 32,790,871 | \$ 55,828,229 | \$ 6,211,646 | \$ 33,535,637 | \$ 43,353,747 | \$ 171,720,130 |

The notes to the financial statements are an integral part of this statement

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
September 30, 2020**

Fund balances - total governmental funds \$ 147,242,742

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The difference does not include the net capital assets of the Internal Service fund accounted for separately.

Those assets consist of:

| | | |
|---|----------------------|-------------|
| Governmental nondepreciable/amortizable asset | 36,499,257 | |
| Governmental depreciable/amortizable assets | 422,520,082 | |
| Less accumulated depreciation/amortization | <u>(208,532,663)</u> | |
| | | 250,486,676 |

Internal service funds are used by management to charge the costs of certain activities, such as insurance, compensated absences and fleet maintenance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. Internal service fund net position are: (6,872,463)

Unavailable revenues in governmental funds is susceptible to full accrual on the entity-wide statements. 71,706

Deferred outflows and inflows of resources related to pensions and other postemployment benefits are applicable to future periods and not reported in governmental funds. The difference does not include the internal service fund which is included above.

| | | |
|---|------------------|------------|
| Deferred outflows of resources - Pensions | 35,006,258 | |
| Deferred inflows of resources - Pensions | (1,446,752) | |
| Deferred outflows of resources - OPEB | 420,684 | |
| Deferred inflow of resources - OPEB | <u>(774,778)</u> | |
| | | 33,205,412 |

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. The difference does not include the compensated absences or OPEB liabilities of the Internal Service funds accounted for separately. All liabilities, both current and long-term are reported in the statement of net position.

Balances at September 30, 2019 are:

| | | |
|--|----------------------|---------------|
| Accrued interest on bonds | (1,664,622) | |
| Revenue bonds payable | (81,221,478) | |
| Notes payable | (1,062,863) | |
| Compensated absences | (6,071,583) | |
| Other Post Employment Benefits | (3,316,409) | |
| Net Pension Liability, proportionate share | <u>(112,720,839)</u> | |
| Total long-term liabilities | | (206,057,794) |

Net position of governmental activities \$ 218,076,279

The notes to the financial statements are an integral part of this statement

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

For the Fiscal Year Ended September 30, 2020

| | General Fund | Tourist Development Special Revenue Fund | Natural Disasters Fund | Road and Bridge Construction Capital Projects Fund | Other Governmental Funds | Total Governmental Funds |
|--|----------------------|--|------------------------------|--|--------------------------------|--------------------------------|
| Revenues | | | | | | |
| Taxes | \$ 68,527,558 | \$ 18,696,607 | \$ - | \$ 1,810,284 | \$ 25,075,814 | \$ 114,110,263 |
| Licenses and Permits | 13,000 | - | - | - | 564,186 | 577,186 |
| Intergovernmental | 22,723,414 | 496,254 | 9,472,742 | 7,485,558 | 10,721,433 | 50,899,401 |
| Charges for Services | 18,947,899 | 505,079 | - | - | 6,616,705 | 26,069,683 |
| Fines | 10,759 | - | - | - | 1,011,475 | 1,022,234 |
| Miscellaneous | 3,536,801 | 1,175,912 | 30,754 | 4,597,058 | 670,881 | 10,011,406 |
| Total Revenues | 113,759,431 | 20,873,852 | 9,503,496 | 13,892,900 | 44,660,494 | 202,690,173 |
| Expenditures | | | | | | |
| Current | | | | | | |
| General Government | 32,634,144 | - | - | - | 806,271 | 33,440,415 |
| Public Safety | 54,992,772 | - | 8,784,943 | - | 1,183,977 | 64,961,692 |
| Physical Environment | 753,870 | - | - | - | 917,901 | 1,671,771 |
| Transportation | 3,663,208 | 14,492 | - | 6,193,473 | 8,177,560 | 18,048,733 |
| Economic Environment | 2,866,377 | 4,084,222 | 1,109,747 | - | 745,075 | 8,805,421 |
| Human Services | 4,491,904 | - | - | - | 601,661 | 5,093,565 |
| Culture and Recreation | 1,957,371 | 12,516,452 | - | - | 1,140,709 | 15,614,532 |
| Court-Related | 3,060,881 | - | - | - | 5,201,869 | 8,262,750 |
| Capital Outlay | 4,608,608 | 2,970,305 | 490,259 | 12,404,644 | 4,882,653 | 25,356,469 |
| Debt Service | | | | | | |
| Principal | 285,818 | - | - | - | 2,629,000 | 2,914,818 |
| Interest | 8,915 | - | - | - | 2,512,801 | 2,521,716 |
| Other Debt Service Costs | - | - | - | - | 500 | 500 |
| Total Expenditures | 109,323,868 | 19,585,471 | 10,384,949 | 18,598,117 | 28,799,977 | 186,692,382 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 4,435,563 | 1,288,381 | (881,453) | (4,705,217) | 15,860,517 | 15,997,791 |
| Other Financing Sources (Uses) | | | | | | |
| Transfers In | 6,480,560 | - | - | 750,000 | 5,875,344 | 13,105,904 |
| Transfers Out | (1,924,022) | (3,472,705) | - | - | (5,122,263) | (10,518,990) |
| Transfers Among Constitutional Officers | 447,331 | - | - | - | (447,331) | - |
| Total Other Financing Sources (Uses) | 5,003,869 | (3,472,705) | - | 750,000 | 305,750 | 2,586,914 |
| Net Change in Fund Balances | 9,439,432 | (2,184,324) | (881,453) | (3,955,217) | 16,166,267 | 18,584,705 |
| Fund Balances - Beginning | 13,437,753 | 55,737,888 | 1,143,811 | 36,289,209 | 22,049,376 | 128,658,037 |
| Fund Balances - Ending | \$ 22,877,185 | \$ 53,553,564 | \$ 262,358 | \$ 32,333,992 | \$ 38,215,643 | \$ 147,242,742 |

The notes to the financial statements are an integral part of this statement

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2020**

Net change in fund balances - total governmental funds \$ 18,584,705

Amounts reported for governmental activities in the statement of activities are different because:
Governmental funds do not report capital assets on the Balance Sheet; however, they are reported in the government-wide financial statements. Governmental funds report capital outlays as expenditures; however, in the Statement of Activities, the cost of those assets is depreciated or amortized over the estimated useful lives of the assets.

| | | |
|---|---------------------|------------|
| Expenditures for capital assets | 25,356,469 | |
| Less current year depreciation/amortization | <u>(13,070,639)</u> | 12,285,830 |

Governmental funds do not report capital assets on the Balance Sheet; however, they are reported in the government-wide financial statements. Accordingly, proceeds received from disposals of capital asset are shown as income in the governmental financial statements and a gain or loss is reported in the Statement of Activities. In addition, capital asset reassignments are reported as transfers in the Statement of Activities. (382,081)

Revenues that provide current financial resources are reported as revenue in the funds but are recognized as revenue in the statement of activities when earned. 71,706

The issuance of long-term debt provides current financial resources to the governmental fund, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on the net position. Also, governmental funds report the effect of premiums or discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. In addition, long-term debt reassignments are reported as transfers on the Statement of Activities.

| | | |
|--|----------------|-----------|
| Debt principal payments | 2,914,818 | |
| Amortization of premiums/discounts | 966,178 | |
| Decrease in long-term liability to other governments | <u>221,723</u> | 4,102,719 |

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

| | | |
|---|------------------|-------------|
| Compensated absences | (171,287) | |
| Other Post Employment Benefits | (253,886) | |
| Changes in accrued interest on long term debt | <u>(856,685)</u> | (1,281,858) |

Governmental funds report County pension contributions as expenditures. In the statement of activities, the cost of the pension benefits earned net of contributions is reported as pension expense.

| | | |
|---|--|--------------|
| Difference between pension contribution and net pension expense | | (14,322,514) |
|---|--|--------------|

Internal service funds are used by the County to charge the costs of certain activities, such as insurance, compensated absences and fleet maintenance to individual funds. The net revenue or expense of the internal service funds is reported with governmental activities. 168,558

Change in net position of governmental activities \$ 19,227,065

The notes to the financial statements are an integral part of this statement

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

For the Fiscal Year Ended September 30, 2020

| | Budgeted Amounts | | Actual Amounts | Variance With |
|--|---------------------|---------------------|----------------------|--|
| | Original | Final | | Final Budget Positive (Negative) |
| Revenues | | | | |
| Taxes | \$ 68,291,505 | \$ 68,619,735 | \$ 68,527,558 | \$ (92,177) |
| Licenses and Permits | 35,000 | 35,000 | 13,000 | (22,000) |
| Intergovernmental | 18,703,974 | 40,913,998 | 22,723,414 | (18,190,584) |
| Charges for Services | 17,653,351 | 18,687,208 | 18,947,899 | 260,691 |
| Fines | 10,500 | 13,186 | 10,759 | (2,427) |
| Miscellaneous | 2,186,975 | 3,591,735 | 3,536,801 | (54,934) |
| Total Revenues | <u>106,881,305</u> | <u>131,860,862</u> | <u>113,759,431</u> | <u>(18,101,431)</u> |
| Expenditures | | | | |
| Current | | | | |
| General Government | 34,405,873 | 34,511,329 | 32,634,144 | 1,877,185 |
| Public Safety | 68,108,219 | 76,854,057 | 54,992,772 | 21,861,285 |
| Physical Environment | 796,559 | 796,559 | 753,870 | 42,689 |
| Transportation | 108,977 | 13,774,302 | 3,663,208 | 10,111,094 |
| Economic Environment | 2,492,783 | 2,899,124 | 2,866,377 | 32,747 |
| Human Services | 4,112,422 | 4,784,825 | 4,491,904 | 292,921 |
| Culture and Recreation | 2,325,411 | 3,950,197 | 1,957,371 | 1,992,826 |
| Court-Related | 2,907,283 | 3,067,242 | 3,060,881 | 6,361 |
| Capital Outlay | 4,159,990 | 8,761,861 | 4,608,608 | 4,153,253 |
| Debt Service | | | | |
| Principal | - | - | 285,818 | (285,818) |
| Interest | - | - | 8,915 | (8,915) |
| Total Expenditures | <u>119,417,517</u> | <u>149,399,496</u> | <u>109,323,868</u> | <u>40,075,628</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(12,536,212)</u> | <u>(17,538,634)</u> | <u>4,435,563</u> | <u>21,974,197</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers In | 7,672,420 | 7,404,083 | 6,480,558 | (923,525) |
| Transfers Out | (227,134) | (300,629) | (1,924,022) | (1,623,393) |
| Transfers Among Constitutional Officers | (5,139,074) | (2,576,968) | 447,332 | 3,024,300 |
| Total Other Financing Sources (Uses) | <u>2,306,212</u> | <u>4,526,486</u> | <u>5,003,868</u> | <u>477,382</u> |
| Net Change in Fund Balance | <u>(10,230,000)</u> | <u>(13,012,148)</u> | <u>9,439,431</u> | <u>22,451,579</u> |
| Fund Balance - Beginning | <u>10,230,000</u> | <u>13,012,148</u> | <u>13,437,754</u> | <u>425,606</u> |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 22,877,185</u> | <u>\$ 22,877,185</u> |

The notes to the financial statements are an integral part of this statement

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
TOURIST DEVELOPMENT SPECIAL REVENUE FUND
For the Fiscal Year Ended September 30, 2020**

| | Budgeted Amounts | | Actual Amounts | Variance With |
|--|---------------------|---------------------|----------------------|--|
| | Original | Final | | Final Budget Positive (Negative) |
| Revenues | | | | |
| Taxes | \$ 22,140,000 | \$ 22,140,000 | \$ 18,696,607 | \$ (3,443,393) |
| Intergovernmental | - | 1,715,649 | 496,254 | (1,219,395) |
| Charges for Services | 899,500 | 915,992 | 505,079 | (410,913) |
| Miscellaneous | 2,455,000 | 2,518,791 | 1,175,912 | (1,342,879) |
| Total Revenues | <u>25,494,500</u> | <u>27,290,432</u> | <u>20,873,852</u> | <u>(6,416,580)</u> |
| Expenditures | | | | |
| Current | | | | |
| General Government | 264,141 | 278,891 | - | 278,891 |
| Physical Environment | 2,138 | 2,138 | - | 2,138 |
| Transportation | - | - | 14,492 | (14,492) |
| Economic Environment | 13,916,002 | 15,394,859 | 4,084,222 | 11,310,637 |
| Culture and Recreation | 52,355,941 | 55,140,019 | 12,516,452 | 42,623,567 |
| Capital Outlay | 5,866,613 | 7,172,083 | 2,970,305 | 4,201,778 |
| Total Expenditures | <u>72,404,835</u> | <u>77,987,990</u> | <u>19,585,471</u> | <u>58,402,519</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(46,910,335)</u> | <u>(50,697,558)</u> | <u>1,288,381</u> | <u>51,985,939</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers In | (4,202,316) | (4,202,316) | - | 4,202,316 |
| Transfers Out | - | - | (3,472,705) | (3,472,705) |
| Transfers Among Constitutional Officers | (585,500) | (488,500) | - | 488,500 |
| Total Other Financing Sources (Uses) | <u>(4,787,816)</u> | <u>(4,690,816)</u> | <u>(3,472,705)</u> | <u>1,218,111</u> |
| Net Change in Fund Balance | <u>(51,698,151)</u> | <u>(55,388,374)</u> | <u>(2,184,324)</u> | <u>53,204,050</u> |
| Fund Balance - Beginning | <u>51,698,151</u> | <u>55,388,374</u> | <u>55,737,888</u> | <u>349,514</u> |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 53,553,564</u> | <u>\$ 53,553,564</u> |

The notes to the financial statements are an integral part of this statement

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
NATURAL DISASTER SPECIAL REVENUE FUND
For the Fiscal Year Ended September 30, 2020**

| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|--|------------------|---------------|-------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$ - | \$ 37,687,422 | \$ 9,472,742 | \$ (28,214,680) |
| Miscellaneous | - | 50,000 | 30,754 | (19,246) |
| Total Revenues | - | 37,737,422 | 9,503,496 | (28,233,926) |
| Expenditures | | | | |
| Current | | | | |
| Public Safety | - | 36,253,889 | 8,784,943 | 27,468,946 |
| Economic Environment | - | 1,038,761 | 1,109,747 | (70,986) |
| Capital Outlay | - | 300,638 | 490,259 | (189,621) |
| Total Expenditures | - | 37,593,288 | 10,384,949 | 27,208,339 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | 144,134 | (881,453) | (1,025,587) |
| Other Financing Sources (Uses) | | | | |
| Transfers In | - | 73,495 | - | (73,495) |
| Transfers Among Constitutional Officers | - | (217,629) | - | 217,629 |
| Total Other Financing Sources (Uses) | - | (144,134) | - | 144,134 |
| Net Change in Fund Balance | - | - | (881,453) | (881,453) |
| Fund Balance - Beginning | - | - | 1,143,811 | 1,143,811 |
| Fund Balance - Ending | \$ - | \$ - | \$ 262,358 | \$ 262,358 |

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2020

| | Business-type Activities | | | |
|---|--|-------------------------------|------------------------|--|
| | Water and Sewer Enterprise Fund | Airport Enterprise Fund | Solid Waste Fund | Emergency Medical Services Enterprise Fund |
| ASSETS | | | | |
| Current Assets | | | | |
| Cash and Cash Equivalents | \$ 895,778 | \$ 2,794,657 | \$ 1,342,382 | \$ 2,417,049 |
| Investments | 39,310,025 | 14,225,916 | 3,630,216 | 3,523,743 |
| Receivables, Net of Allowance for Uncollectible | 4,397,804 | 1,676,486 | 897,040 | 4,804,686 |
| Due from Other Funds | - | - | 1,229 | - |
| Due from Other Elected Officials | - | 88 | - | - |
| Due from Other Governments | 2,524,278 | 4,919,846 | 22,917 | - |
| Inventory | 2,172,606 | 61,114 | - | 132,496 |
| Prepays | 128,751 | 1,376,568 | - | 9,150 |
| Restricted Assets | | | | |
| Cash and Cash Equivalents | | | | |
| Customer Deposits | 1,389,676 | - | - | - |
| Other Deposits | 1,059,373 | - | - | - |
| Investments | 3,870,572 | 15,117,245 | - | - |
| Total Restricted Assets | <u>6,319,621</u> | <u>15,117,245</u> | <u>-</u> | <u>-</u> |
| Total Current Assets | <u>55,748,863</u> | <u>40,171,920</u> | <u>5,893,784</u> | <u>10,887,124</u> |
| Capital Assets | | | | |
| Land | 8,180,380 | 6,451,481 | 133,301 | - |
| Buildings | 6,437,702 | 83,074,107 | 115,363 | - |
| Improvements Other Than Buildings | - | - | 276,776 | - |
| Intangibles | 824,840 | 100,400 | - | 30,150 |
| Machinery and Equipment | 13,399,196 | 2,152,543 | 3,480,521 | 5,122,350 |
| Construction in Progress | 12,488,618 | 17,557,228 | - | - |
| Infrastructure | 308,211,494 | 91,281,025 | - | - |
| Works of Art | - | 69,865 | - | - |
| Less Accumulated | | | | |
| Depreciation/Amortization | <u>(143,698,568)</u> | <u>(59,957,387)</u> | <u>(3,005,317)</u> | <u>(3,810,823)</u> |
| Total Capital Assets (Net of Accumulated Depreciation/Amortization) | <u>205,843,662</u> | <u>140,729,262</u> | <u>1,000,644</u> | <u>1,341,677</u> |
| Total Noncurrent Assets | <u>205,843,662</u> | <u>140,729,262</u> | <u>1,000,644</u> | <u>1,341,677</u> |
| Total Assets | <u>\$ 261,592,525</u> | <u>\$ 180,901,182</u> | <u>\$ 6,894,428</u> | <u>\$ 12,228,801</u> |

The notes to the financial statements are an integral part of this statement

- Enterprise Funds

| Other Enterprise Funds | Total Enterprise Funds | Governmental Activities -- Internal Service Funds |
|------------------------------|------------------------------|--|
| \$ 952,314 | \$ 8,402,180 | \$ 5,151,240 |
| 2,547,898 | 63,237,798 | 2,750,231 |
| 61,082 | 11,837,098 | 311,400 |
| - | 1,229 | - |
| - | 88 | 810,090 |
| - | 7,467,041 | 97,069 |
| - | 2,366,216 | 190,254 |
| 11,889 | 1,526,358 | 402,850 |
| - | 1,389,676 | - |
| - | 1,059,373 | - |
| - | 18,987,817 | - |
| - | 21,436,866 | - |
| 3,573,183 | 116,274,874 | 9,713,134 |
| - | 14,765,162 | 316,861 |
| - | 89,627,172 | 900,466 |
| - | 276,776 | - |
| 42,425 | 997,815 | - |
| 391,985 | 24,546,595 | 3,777,517 |
| - | 30,045,846 | - |
| - | 399,492,519 | 257,345 |
| - | 69,865 | - |
| (332,059) | (210,804,154) | (4,656,587) |
| 102,351 | 349,017,596 | 595,602 |
| 102,351 | 349,017,596 | 595,602 |
| \$ 3,675,534 | \$ 465,292,470 | \$ 10,308,736 |

Continued...

The notes to the financial statements are an integral part of this statement

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2020**

| | Business-type Activities | | | |
|---|--|-------------------------------|----------------------------|--|
| | Water and Sewer Enterprise Fund | Airport Enterprise Fund | Solid Waste Fund | Emergency Medical Services Enterprise Fund |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred Charges Related to Pensions | \$ 4,333,614 | \$ 1,644,607 | \$ 479,278 | \$ 4,491,845 |
| Deferred Charges on Refunding | 1,748,949 | - | - | - |
| Deferred Charges Related to OPEB | 19,493 | 5,302 | 2,121 | 19,633 |
| Total Deferred Outflows of Resources | <u>\$ 6,102,056</u> | <u>\$ 1,649,909</u> | <u>\$ 481,399</u> | <u>\$ 4,511,478</u> |
| Total Assets and Deferred Outflows of Resources | <u>\$ 267,694,581</u> | <u>\$ 182,551,091</u> | <u>\$ 7,375,827</u> | <u>\$ 16,740,279</u> |
| LIABILITIES | | | | |
| Current Liabilities | | | | |
| Accounts Payable | \$ 1,827,876 | \$ 225,561 | \$ 44,617 | \$ 85,922 |
| Contracts Payable | 741,047 | 3,681,145 | 741,753 | 53,148 |
| Accrued Liabilities | | | | |
| Compensated Absences | 550,557 | 109,204 | 60,790 | 227,170 |
| Closure Costs Payable | - | - | 380,598 | - |
| Claims and Judgments | - | - | - | - |
| Other Accrued Liabilities | 319,573 | 67,331 | 30,777 | 119,349 |
| Due to Other Funds | 27 | 32 | - | - |
| Due to Other Elected Officials | - | - | - | 118 |
| Due to Other Governments | 306 | 20,578 | 181 | 5,331 |
| Unearned Revenue | 716,157 | 433,326 | - | 2,342 |
| Notes Payable | 444,362 | - | - | - |
| Revenue Bonds Payable | 3,190,001 | 580,000 | - | - |
| Current Liabilities Payable from Restricted Assets | | | | |
| Customer Deposits Payable | 1,389,676 | - | - | - |
| Interest Payable | 687,295 | 93,161 | - | - |
| Total Current Liabilities Payable from Restricted Assets | <u>2,076,971</u> | <u>93,161</u> | <u>-</u> | <u>-</u> |
| Total Current Liabilities | <u>9,866,877</u> | <u>5,210,338</u> | <u>1,258,716</u> | <u>493,380</u> |

The notes to the financial statements are an integral part of this statement

- Enterprise Funds

| Other Enterprise Funds | Total Enterprise Funds | Governmental Activities - Internal Service Funds |
|------------------------------|------------------------------|---|
| \$ 439,475 | \$ 11,388,819 | \$ 828,720 |
| - | 1,748,949 | - |
| <u>2,104</u> | <u>48,653</u> | <u>487,653</u> |
| <u>\$ 441,579</u> | <u>\$ 13,186,421</u> | <u>\$ 1,316,373</u> |
| | | |
| <u>\$ 4,117,113</u> | <u>\$ 478,478,891</u> | <u>\$ 11,625,109</u> |
| | | |
| \$ 2,546 | \$ 2,186,522 | \$ 548,365 |
| 1,458 | 5,218,551 | 115,895 |
| 157,177 | 1,104,898 | 1,660,839 |
| - | 380,598 | - |
| - | - | 1,387,175 |
| 49,465 | 586,495 | 416,368 |
| - | 59 | 927,321 |
| - | 118 | - |
| 20,766 | 47,162 | 243 |
| 19,739 | 1,171,564 | - |
| - | 444,362 | - |
| <u>-</u> | <u>3,770,001</u> | <u>-</u> |
| | | |
| - | 1,389,676 | - |
| <u>-</u> | <u>780,456</u> | <u>-</u> |
| | | |
| <u>-</u> | <u>2,170,132</u> | <u>-</u> |
| | | |
| <u>251,151</u> | <u>17,080,462</u> | <u>5,056,206</u> |

Continued...

The notes to the financial statements are an integral part of this statement

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2020**

| | Business-type Activities | | | |
|--|--|-------------------------------|------------------------|--|
| | Water and Sewer Enterprise Fund | Airport Enterprise Fund | Solid Waste Fund | Emergency Medical Services Enterprise Fund |
| Noncurrent Liabilities | | | | |
| Compensated Absences | 485,536 | 86,673 | 50,694 | 114,367 |
| Closure Costs Payable | - | - | 2,378,581 | - |
| Claims and Judgments | - | - | - | - |
| Loan-State of Florida (Net of Unamortized Discounts) | 2,675,456 | - | - | - |
| Revenue Bonds Payable (Net of Unamortized Discounts and Premiums) | 57,758,974 | 5,335,000 | - | - |
| Other Post Employment Benefits | 565,325 | 153,768 | 61,509 | 555,415 |
| Other Accrued Liabilities | - | 40,313 | - | - |
| Net Pension Liability | 14,530,539 | 5,368,258 | 1,613,980 | 15,207,522 |
| Total Noncurrent Liabilities | \$ 76,015,830 | \$ 10,984,012 | \$ 4,104,764 | \$ 15,877,304 |
| Total Liabilities | \$ 85,882,707 | \$ 16,194,350 | \$ 5,363,480 | \$ 16,370,684 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred Charges Related to Pensions | \$ 598,673 | \$ 235,951 | \$ 70,510 | \$ 662,257 |
| Deferred Charges Related to OPEB | 86,412 | 23,504 | 9,403 | 85,327 |
| Total Deferred Inflows of Resources | \$ 685,085 | \$ 259,455 | \$ 79,913 | \$ 747,584 |
| NET POSITION | | | | |
| Net Investment in Capital Assets | \$ 143,523,818 | \$ 134,721,102 | \$ 1,000,645 | \$ 1,341,677 |
| Restricted for Debt Service | 4,275,528 | - | - | - |
| Restricted for Passenger Facility Charges Program | - | 12,312,424 | - | - |
| Restricted for Customer Facility Charges Program | - | 2,804,821 | - | - |
| Unrestricted (Deficit) | 33,327,443 | 16,258,939 | 931,789 | (1,719,666) |
| Total Net Position (Deficit) | \$ 181,126,789 | \$ 166,097,286 | \$ 1,932,434 | \$ (377,989) |
| Total Liabilities, Deferred Inflows, and Net Position (Deficit) | \$ 267,694,581 | \$ 182,551,091 | \$ 7,375,827 | \$ 16,740,279 |

The notes to the financial statements are an integral part of this statement

- Enterprise Funds

| Other Enterprise Funds | Total Enterprise Funds | Governmental Activities -- Internal Service Funds |
|------------------------------|------------------------------|--|
| 115,020 | 852,290 | 73,207 |
| - | 2,378,581 | - |
| - | - | 4,028,226 |
| - | 2,675,456 | - |
| - | 63,093,974 | - |
| 61,026 | 1,397,043 | 5,943,341 |
| - | 40,313 | - |
| <u>1,596,614</u> | <u>38,316,913</u> | <u>2,761,255</u> |
| <u>\$ 1,772,660</u> | <u>\$ 108,754,570</u> | <u>\$ 12,806,029</u> |
| <u>\$ 2,023,811</u> | <u>\$ 125,835,032</u> | <u>\$ 17,862,235</u> |
| <u>\$ 57,193</u> | <u>\$ 1,624,584</u> | <u>\$ 134,400</u> |
| <u>9,327</u> | <u>213,973</u> | <u>500,937</u> |
| <u>\$ 66,520</u> | <u>\$ 1,838,557</u> | <u>\$ 635,337</u> |
| <u>\$ 102,351</u> | <u>\$ 280,689,593</u> | <u>\$ 595,602</u> |
| - | 4,275,528 | - |
| - | 12,312,424 | - |
| - | 2,804,821 | - |
| <u>1,924,431</u> | <u>50,722,936</u> | <u>(7,468,065)</u> |
| <u>\$ 2,026,782</u> | <u>\$ 350,805,302</u> | <u>\$ (6,872,463)</u> |
| <u>\$ 4,117,113</u> | <u>\$ 478,478,891</u> | <u>\$ 11,625,109</u> |

The notes to the financial statements are an integral part of this statement

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS**

For the Fiscal Year Ended September 30, 2020

| | Business-type Activities | | | |
|---|--|-------------------------------|------------------------|--|
| | Water and Sewer Enterprise Fund | Airport Enterprise Fund | Solid Waste Fund | Emergency Medical Services Enterprise Fund |
| Operating Revenues | | | | |
| Charges for Services | \$ 36,996,821 | \$ 12,399,901 | \$ 11,032,439 | \$ 8,482,896 |
| Licenses and Permits | - | - | - | - |
| Miscellaneous | 137,066 | - | 64,291 | 27,488 |
| Total Operating Revenues | 37,133,887 | 12,399,901 | 11,096,730 | 8,510,384 |
| Operating Expenses | | | | |
| Personal services | 9,676,189 | 2,653,037 | 1,191,550 | 8,685,671 |
| Contractual Services | 3,140,709 | 3,487,854 | 8,809,648 | 593,037 |
| Supplies | 962,340 | 629,336 | 89,611 | 848,270 |
| Insurance Premiums and Claims | - | - | - | - |
| Utilities | 1,693,141 | 922,133 | 13,802 | 26,310 |
| Other Operating Expenses | 3,611,311 | 1,766,720 | 529,875 | 794,224 |
| Depreciation/Amortization | 8,394,469 | 4,881,612 | 336,125 | 492,995 |
| Total Operating Expenses | 27,478,159 | 14,340,692 | 10,970,611 | 11,440,507 |
| Operating Income (Loss) | 9,655,728 | (1,940,791) | 126,119 | (2,930,123) |
| Non-operating Revenues (Expenses) | | | | |
| Taxes | - | - | - | 667,757 |
| Intergovernmental | 559,809 | 2,350,943 | 212,011 | 4,543,498 |
| Investment Income (Loss) | 712,046 | 604,620 | - | - |
| Other Non-Operating Revenue | 47,505 | - | - | - |
| Interest Expenses | (2,839,156) | (631,667) | - | - |
| Other Debt Services Costs | (300) | (7,831) | - | - |
| Gain/(Loss) on Disposal of Capital Assets | 26,833 | (5,639) | - | (170,382) |
| Total nonoperating Revenues (Expenses) | (1,493,263) | 2,310,426 | 212,011 | 5,040,873 |
| Income (Loss) Before Contributions and Transfers | 8,162,465 | 369,635 | 338,130 | 2,110,750 |
| Capital Contributions | 3,515,586 | 9,036,871 | - | - |
| Passenger and Customer Facility Charges | - | 4,111,243 | - | - |
| Transfers In | - | - | - | 33,000 |
| Transfers Out | - | (2,619,914) | - | - |
| Change in Net Position | 11,678,051 | 10,897,835 | 338,130 | 2,143,750 |
| Total Net Position (Deficit) - Beginning | 169,448,738 | 155,199,451 | 1,594,304 | (2,521,739) |
| Total Net Position (Deficit) - Ending | \$ 181,126,789 | \$ 166,097,286 | \$ 1,932,434 | (\$377,989) |

The notes to the financial statements are an integral part of this statement

- Enterprise Funds

| Other Enterprise Funds | Total Enterprise Funds | Governmental Activities - Internal Service Funds |
|------------------------------|------------------------------|---|
| \$ 422,109 | \$ 69,334,166 | \$ 16,700,908 |
| 2,263,498 | 2,263,498 | - |
| 50,587 | 279,432 | 4,180 |
| <u>2,736,194</u> | <u>71,877,096</u> | <u>16,705,088</u> |
| 1,746,919 | 23,953,366 | 3,782,615 |
| 292,086 | 16,323,334 | 584,701 |
| 29,466 | 2,559,023 | 2,242,406 |
| - | - | 9,654,420 |
| - | 2,655,386 | 4,380 |
| 94,447 | 6,796,577 | 452,701 |
| 37,330 | 14,142,531 | 74,751 |
| <u>2,200,248</u> | <u>66,430,217</u> | <u>16,795,974</u> |
| <u>535,946</u> | <u>5,446,879</u> | <u>(90,886)</u> |
| - | 667,757 | - |
| 18,116 | 7,684,377 | 46,453 |
| 42,442 | 1,359,108 | 43,228 |
| - | 47,505 | - |
| - | (3,470,823) | - |
| - | (8,131) | - |
| - | (149,188) | 169,763 |
| <u>60,558</u> | <u>6,130,605</u> | <u>259,444</u> |
| <u>596,504</u> | <u>11,577,484</u> | <u>168,558</u> |
| - | 12,552,457 | - |
| - | 4,111,243 | - |
| - | 33,000 | - |
| - | (2,619,914) | - |
| <u>596,504</u> | <u>25,654,270</u> | <u>168,558</u> |
| <u>1,430,278</u> | <u>325,151,032</u> | <u>(7,041,021)</u> |
| <u>\$ 2,026,782</u> | <u>\$ 350,805,302</u> | <u>(\$6,872,463)</u> |

The notes to the financial statements are an integral part of this statement

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2020

| | Business-type Activities | | | |
|--|--|-------------------------------|--------------------------------------|--|
| | Water and Sewer Enterprise Fund | Airport Enterprise Fund | Solid Waste Enterprise Fund | Emergency Medical Services Enterprise Fund |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts from Customers | \$ 34,906,814 | \$ 8,586,608 | \$ 11,382,164 | \$ 9,116,264 |
| Payments to Suppliers | (9,826,940) | (6,503,372) | (9,693,694) | (2,405,130) |
| Payments to Employees | (7,352,875) | (2,218,213) | (993,259) | (6,990,702) |
| Payments for Other Revenues | 47,505 | - | - | - |
| Net Cash Provided (Used) by Operating Activities | <u>17,774,504</u> | <u>(134,977)</u> | <u>695,211</u> | <u>(279,568)</u> |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES | | | | |
| Operating Subsidy - Intergovernmental Revenue | 559,809 | 2,350,943 | 212,011 | 4,543,498 |
| Transfers (Out) In | - | (2,619,914) | - | 33,000 |
| Net Cash Provided (Used) by Non-capital Financing Activities | <u>559,809</u> | <u>(268,971)</u> | <u>212,011</u> | <u>4,576,498</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Purchase of Capital Assets | (12,983,908) | (14,618,359) | (209,915) | (64,666) |
| Passenger and Customer Facility Charges | - | 4,111,243 | - | - |
| Proceeds from Disposal of Capital Assets | 28,600 | - | - | - |
| Net Borrowing (Repayments) | | | | |
| Principal Paid on Capital Debt | (3,467,285) | (7,635,000) | - | - |
| Interest Paid on Capital Debt | (3,641,304) | (776,130) | - | - |
| Other Debt Service Costs | (300) | (7,831) | - | - |
| Capital Contributions | 3,515,586 | 9,036,871 | - | - |
| Net cash provided (used) by capital and related financing activities | <u>(16,548,611)</u> | <u>(9,889,206)</u> | <u>(209,915)</u> | <u>(64,666)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Proceeds from Sale and Maturities of Investments | 7,858,341 | 25,838,372 | - | 173,484 |
| Purchases of Investments | (9,542,347) | (15,690,266) | 435,914 | (2,000,000) |
| Interest Income | 712,046 | 604,620 | - | - |
| Net Cash Provided (Used) by Investing Activities | <u>(971,960)</u> | <u>10,752,726</u> | <u>435,914</u> | <u>(1,826,516)</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 813,742 | 459,572 | 1,133,221 | 2,405,748 |
| Cash and Cash Equivalents - Beginning of Year | 2,531,085 | 2,335,085 | 209,161 | 11,301 |
| Cash and Cash Equivalents - End of Year | <u>\$ 3,344,827</u> | <u>\$ 2,794,657</u> | <u>\$ 1,342,382</u> | <u>\$ 2,417,049</u> |
| Cash and Cash Equivalents at End of Year Consist of: | | | | |
| Current assets | \$ 895,778 | \$ 2,794,657 | \$ 1,342,382 | \$ 2,417,049 |
| Restricted assets | 2,449,049 | - | - | - |
| Total | <u>\$ 3,344,827</u> | <u>\$ 2,794,657</u> | <u>\$ 1,342,382</u> | <u>\$ 2,417,049</u> |

The notes to the financial statements are an integral part of this statement

- Enterprise Funds

| Other Enterprise Funds | Total Enterprise Funds | Governmental Activities - Internal Service Funds |
|------------------------------|------------------------------|---|
| \$ 2,756,333 | \$ 66,748,183 | \$ 17,187,491 |
| (403,934) | (28,833,070) | (12,097,042) |
| (1,485,532) | (19,040,581) | (3,029,654) |
| - | 47,505 | - |
| <u>866,867</u> | <u>18,922,037</u> | <u>2,060,795</u> |
| 18,116 | 7,684,377 | 46,453 |
| - | (2,586,914) | - |
| <u>18,116</u> | <u>5,097,463</u> | <u>46,453</u> |
| (46,412) | (27,923,260) | (38,547) |
| - | 4,111,243 | - |
| 18,690 | 47,290 | 178,274 |
| - | (11,102,285) | - |
| - | (4,417,434) | - |
| - | (8,131) | - |
| - | 12,552,457 | - |
| <u>(27,722)</u> | <u>(26,740,120)</u> | <u>139,727</u> |
| - | 33,870,197 | - |
| (249,997) | (27,046,696) | (199,811) |
| - | 1,316,666 | - |
| <u>(249,997)</u> | <u>8,140,167</u> | <u>(199,811)</u> |
| 607,264 | 5,419,547 | 2,047,164 |
| 345,050 | 5,431,682 | 2,613,199 |
| <u>\$ 952,314</u> | <u>\$ 10,851,229</u> | <u>\$ 4,660,363</u> |
| \$ 952,314 | \$ 8,402,180 | \$ 5,151,240 |
| - | 2,449,049 | - |
| <u>\$ 952,314</u> | <u>\$ 10,851,229</u> | <u>\$ 5,151,240</u> |

Continued...

The notes to the financial statements are an integral part of this statement

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2020

| | Business-type Activities | | | |
|--|--|-------------------------------|--------------------------------------|--|
| | Water and Sewer Enterprise Fund | Airport Enterprise Fund | Solid Waste Enterprise Fund | Emergency Medical Services Enterprise Fund |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities | | | | |
| Operating Income (Loss) | \$ 9,655,728 | \$ (1,940,791) | \$ 126,119 | \$ (2,930,123) |
| Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities | | | | |
| Depreciation/Amortization | 8,394,469 | 4,881,612 | 336,125 | 492,995 |
| Other revenue | 47,505 | - | - | 667,757 |
| Decrease (Increase) in Assets | | | | |
| Accounts Receivable | (1,216,169) | (462,449) | 246,573 | (62,883) |
| Due from Other Governments | (911,550) | (3,546,650) | 38,861 | - |
| Due from Other Funds | - | - | (1,229) | - |
| Inventories | (402,004) | (13,382) | - | - |
| Prepaid Expenses | (60,789) | 1,994 | - | (6,567) |
| Deferred Outflows | 199,466 | (107,638) | (44,877) | (434,233) |
| Increase (Decrease) in Liabilities | | | | |
| Accounts Payable | 1,125,802 | (1,330,240) | (57,067) | 19,085 |
| Service Contracts Payable | (1,192,096) | 1,767,202 | 112,827 | (58,542) |
| Due to Other Funds | - | 32 | - | - |
| Due to Other Elected Officials | (534) | (168,757) | - | 57 |
| Due to Other Governments | 232 | (3,883) | 44 | 5,294 |
| Compensated Absences Payable | 109,049 | 12,823 | 22,585 | (1,591) |
| Closure Cost Payable | - | - | (313,012) | - |
| Other Accrued Liabilities | 109,950 | 9,392 | 7,679 | (102,616) |
| Deposits | (32,903) | - | - | - |
| Unearned Revenue | (66,451) | 195,806 | - | 1,006 |
| Other Post Employment Benefits | (22,490) | (6,117) | (2,448) | (22,095) |
| Net Pension Liability | 2,495,281 | 655,695 | 273,206 | 2,640,991 |
| Deferred Inflows | (457,992) | (119,939) | (50,175) | (488,103) |
| Total Adjustments | <u>8,118,776</u> | <u>1,765,501</u> | <u>569,092</u> | <u>2,650,555</u> |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 17,774,504</u> | <u>\$ (175,290)</u> | <u>\$ 695,211</u> | <u>\$ (279,568)</u> |
| SUPPLEMENTAL DISCLOSURES OF NON CASH TRANSACTIONS: | | | | |
| Amortization of Loan Costs and Refunding Losses | <u>\$ 304,651</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

The notes to the financial statements are an integral part of this statement

- Enterprise Funds

| Other Enterprise Funds | Total Enterprise Funds | Governmental Activities - Internal Service Funds |
|------------------------------|------------------------------|---|
| \$ 535,946 | \$ 5,446,879 | \$ (90,886) |
| 37,330 | 14,142,531 | 74,751 |
| - | 715,262 | - |
| 12,538 | (1,482,390) | 781,686 |
| - | (4,419,339) | 3,481 |
| - | (1,229) | (287,387) |
| - | (415,386) | 13,893 |
| (514) | (65,876) | (44,063) |
| (57,027) | (444,309) | (336,686) |
| (3,750) | (246,170) | 441,909 |
| (2,334) | 627,057 | (37,381) |
| - | 32 | - |
| - | (169,234) | - |
| 2,537 | 4,224 | 243 |
| 39,662 | 182,528 | (266,711) |
| - | (313,012) | - |
| - | - | 1,362,658 |
| 16,126 | 40,531 | 9,261 |
| - | (32,903) | - |
| 7,601 | 137,962 | (15,377) |
| (2,427) | (55,577) | (4,007) |
| 346,060 | 6,411,233 | 455,343 |
| (64,881) | (1,181,090) | 68 |
| <u>330,921</u> | <u>13,434,845</u> | <u>2,151,681</u> |
| <u>\$ 866,867</u> | <u>\$ 18,881,724</u> | <u>\$ 2,060,795</u> |
| <u>\$ -</u> | <u>\$ 304,651</u> | <u>\$ -</u> |

The notes to the financial statements are an integral part of this statement

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
September 30, 2020**

| | Agency Funds |
|--|--------------|
| ASSETS | |
| Cash and Cash Equivalents | \$ 6,528,340 |
| Investments | 2,309,000 |
| Accounts Receivable | 14,518 |
| Total Assets | \$ 8,851,858 |
| LIABILITIES | |
| Accounts Payable | \$ 17,665 |
| Due to Other Elected Officials | 142,687 |
| Due to Other Governments | 1,252,872 |
| Due to Depositors | 4,870,205 |
| Taxes Collected in Advance for Other Governments | 2,568,429 |
| Total Liabilities | \$ 8,851,858 |

The notes to the financial statements are an integral part of this statement

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Okaloosa County, Florida (hereinafter referred to as the County) have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. The County uses the Uniform Accounting System mandated by Chapter 218.33, Florida Statutes.

The following is a summary of the more significant accounting policies of the County:

A. The Reporting Entity

Okaloosa County is a political subdivision of the State of Florida, governed by a five member Board of County Commissioners (the Board), each elected by the citizenry at large for four-year terms. The Board has no powers other than those expressly vested in it by State Statute and their governmental powers cannot be delegated. In addition, the Clerk of the Circuit Court, Sheriff, Tax Collector, Property Appraiser and Supervisor of Elections (collectively referred to as the County's Constitutional Officers) are elected by the citizenry at-large and function independently of the Board. However, the Board funds a portion of, or in certain instances, all of, the operating budgets of the County's Constitutional Officers. These financial statements include the operating activities of the Board and the County's Constitutional Officers.

In evaluating the County as a reporting entity, management has considered all potential component units for which the County may or may not be financially accountable and, as such, be included within the County's financial statements. Management utilized criteria set forth in GASB literature for determining financial accountability of potential component units in evaluating all potential component units. In accordance with GASB literature, the County (primary government) is financially accountable if it appoints a voting majority of the potential component unit's governing board and 1) it is able to impose its will on the organization or 2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the County. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Board evaluated the Emerald Coast Bridge Authority (the Authority) in accordance with GASB literature. The Authority has been dormant for several years. The Board does not believe it is financially accountable with respect to the Authority or that financial burden relationship exists based on an evaluation of GASB literature. As such, the Authority is not included as part of the County's reporting entity.

B. Government-Wide and Fund Financial Statements**1. Government-Wide Statements**

The government-wide financial statements include the statement of net position and the statement of activities. These statements display information on all of the non-fiduciary activities of the primary government and its component unit. The primary government and the component unit are reported separately with the focus of the statements being the primary government. Individual funds are not displayed. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities and for the different business-type activities of the County. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to report the expenses and program revenues associated with a distinct functional activity. Direct expenses are those that are clearly identifiable with a specific function or segment. The County does not allocate indirect expenses to functions in the statement of activities.

Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by the programs of the County and 2) grants and contributions that are restricted to meeting the operational activities or the construction, acquisition, or rehabilitation of capital assets required by a particular program. These revenues are subject to externally imposed restrictions to these program uses. The determining factor for identifying to which function program revenue pertains is which function generated the revenue in the case of charges for service. For grants and contributions, the determining factor is to which function the revenues are restricted.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**1. Government-Wide Statements - Continued**

Taxes and other items not properly included among program revenues are reported instead as general revenues of the County. The comparison of direct expense with program revenues in the statement of activities identifies the extent to which each governmental function and each business activity is self-financing and how much they draw from the general revenues of the County.

2. Fund Financial Statements

During the year, transactions related to certain functions or activities are segregated into separate funds in order to aid financial management and to demonstrate legal compliance. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The fund financial statements are designed to present detailed information about the County's financial activities. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**1. Exchange and Non-exchange Transactions**

Exchange transactions are those in which each party receives and gives up essentially equal values. An example of an exchange transaction is a charge for service, rent, in exchange for a specific service, use of a County building. Non-exchange transactions are those in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange. An example of a non-exchange transaction is property tax revenue received by the County which is used to fund various general governmental services. The revenue from these exchange and non-exchange transactions is recognized in the financial statements in varying ways depending on the basis of accounting used.

2. Government-Wide and Fiduciary Fund Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus. All assets and all liabilities associated with the operation of the County are included on the statement of net position. The statement of activities reports all revenues and expenses. Fiduciary funds are excluded from the government-wide financial statements. The statement of fiduciary assets and liabilities reports all assets and liabilities associated with the agency funds of the County. Agency funds are the only type of fiduciary fund used by the County.

Government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. The agency funds of the County use the accrual basis of accounting to recognize the receivables and payables recorded in those funds.

The effect of interfund activity has been eliminated from the government-wide financial statements except for interfund services provided and used. Elimination of those charges would distort the direct costs and program revenues reported for the various functions concerned on the statement of activities.

3. Governmental Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**3. Governmental Fund Financial Statements - Continued**

Governmental fund financial statements are reported using the modified accrual basis of accounting. Under this method, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Those revenues susceptible to accrual are sales tax, gasoline taxes and other intergovernmental revenues collected and held by the state at year end on behalf of the County, special assessments, licenses, interest revenue and charges for service. Current year property taxes uncollected at the end of the fiscal year are generally immaterial in amount and highly susceptible to uncollectibility and are not recorded as a receivable on the balance sheet. All other revenue items are considered to be measurable and available only when the government receives cash.

Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made in the following year. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

4. Proprietary Fund Financial Statements

The proprietary fund financial statements are reported using the economic resources measurement focus. Under this measurement focus, all assets and all liabilities associated with the operation of the fund are included on the balance sheet. The statement of revenue, expenses and changes in equity reports revenues and expenses. The proprietary funds are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. The principal operating revenues for the proprietary funds are fees and charges for water and sewer, airports, solid waste, inspection services, emergency medical services, convention center, self-insurance, compensated absence debt service and fleet internal service operations. Operating expenses for the enterprise funds, and the internal service funds, include the cost of sales and services, administrative expenses and depreciation of capital assets.

Non-operating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. They include property taxes, grants, entitlements, donations and capital contributions. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Contributions of capital in proprietary fund financial statements arise from internal and external contributions of capital assets or from grants or outside contribution of resources restricted to capital acquisition and construction.

5. Other Financial Statement Presentation Information

The County currently employs an indirect allocation system. An administrative service fee is charged by the General Fund, at the direction of the Board of County Commissioners, to several special revenue and enterprise funds to address General Fund services (finance, personnel, purchasing, legal, technology management, etc.) provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. An exception to this general rule is the charge back of services, such as insurance costs, vehicle maintenance, and central costs. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**5. Other Financial Statement Presentation Information - Continued**

The County reports the following major governmental funds:

General Fund

This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Tourist Development Special Revenue Fund

This fund is used to account for funds received from imposition of the 5% tourist development tax for the purpose of improving Okaloosa County's tourist industry as authorized by 125.0104, F.S., and Okaloosa County Ordinance No. 89-23 as amended by 91-20, 92-52, 95-10, 99-07, 07-58, 12-21, 13-19, 13-20, 14-08, 16-13 and 16-20.

Natural Disaster Fund

This fund is used to account for disaster funding and expenditures not considered normal recurring operating activity of the County, as well as grant funding received as a result of the Coronavirus pandemic.

Road and Bridge Construction Fund

This fund is used to account for road and bridge construction activities including resurfacing, special projects, and other major infrastructure construction services funded by non-discretionary fuel taxes, constitutional gas taxes, interest, other miscellaneous revenue and state grants.

The County reports the following major enterprise funds:

Water and Sewer Enterprise Fund

This fund is used to account for the user charges and expenses associated with the provision of water and sewer services to residents of the unincorporated areas of Okaloosa County.

Airport Enterprise Fund

This fund is used to account for the operation of three Okaloosa County airports. Revenue sources include federal and state grants, fees from concessionaires and other fees and charges for services to tenants and airport users.

Solid Waste Fund

This fund is used to account for the revenues and expenses associated with the provision of solid waste management within Okaloosa County.

Emergency Medical Services Enterprise Fund

This fund is used to account for the operation of a county-wide emergency medical technician and paramedic service. Revenue sources include ad valorem property tax subsidy, user charges, and private donations.

The County reports the following fund types:

Internal Service Funds

These funds account for insurance coverage (including other post-employment benefits for retirees), fleet management services, and funding of compensated absence debt provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis.

Agency Funds

These funds account for monies held on behalf of individuals and companies that use the County as a depository; property taxes, fines, court costs, licenses and fees collected on behalf of other governments; and surety bonds and performance deposits.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance****1. Deposits and Investments**

The County maintains a cash and investment pool that is available for use by all funds. Earnings from the pooled investments are allocated to the respective funds based on applicable cash participation by each fund. The investment pool is managed such that all participating funds have the ability to deposit and withdraw cash as if they were demand deposit accounts. Therefore, all balances representing participants' equity in the investment pools are classified as cash and cash equivalents for financial statement purposes.

Except for where otherwise specified, the County's investments are reported at fair value.

Some of the County's investments are in the Florida Local Government Investment Trust (the Trust), which was created and established under the laws of the state of Florida for the purpose of providing opportunities for the investment of excess public funds. The Trust is operated and administered by a Board of Trustees consisting of six members, three appointed by the Florida Association of Court Clerks, Inc., and three appointed by the Florida Association of Counties, Inc. The Trust is self-regulated and is not registered with the Securities and Exchange Commission.

The Trust offers two investment funds to its participants, the Short Term Bond Fund and the Day to Day Fund. The Short Term Bond Fund is a longer term, higher yielding fund, which is accounted for at fair value as a fluctuating Net Asset Value (NAV) pool. Also, because the County's investment in the Short Term Bond Fund is measured at a NAV fair value per share, it is excluded from categorization within the fair value hierarchy.

The Day to Day Fund is a highly liquid fund with underlying investments having a weighted average maturity of less than 90 days. The Day to Day Fund meets the criteria to be reported at amortized cost, and does have a policy that it will operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Because the fund is reported at amortized cost, it is also excluded from categorization within the fair value hierarchy.

2. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds or elected officials" or "due to other funds or elected officials" on the fund statement balance sheets. Short-term interfund loans are also classified as "interfund receivables/payables." Non-current portions of long-term interfund loan receivables are reported as advances and are offset equally by a non-spendable fund balance account that indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

3. Accounts Receivable

Accounts receivable are shown net of an allowance for uncollectible accounts. The General Fund, Emergency Medical Services Enterprise Fund, Airport Enterprise Fund, and Water and Sewer Enterprise Fund are the only funds of Okaloosa Board that provide for an allowance for doubtful accounts for trade accounts receivables. All other funds accounts receivable write offs are insignificant.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

4. Property Taxes

Property taxes attach as an enforceable lien on property as of the date of assessment and remain in effect until discharge by payment. Taxes are payable when levied (on November 1, or as soon thereafter as the assessment roll becomes available to the Tax Collector). The County bills and collects its own property taxes, as well as taxes for the County School District and taxes for municipalities and special districts within the County in accordance with the laws of the State of Florida. No accrual has been made for 2020 ad valorem taxes because property taxes are not legally due until subsequent to the end of the fiscal year. Collection of taxes and remittance of them to other governmental agencies are accounted for in the Disbursements Agency Fund of the Tax Collector.

The following is the current property tax calendar:

| | |
|-------------------------------|------------------|
| Lien Date January 1, 2020 | January 1, 2020 |
| Levy Date November 1, 2020 | November 1, 2020 |
| Due Date November 1, 2020 | November 1, 2020 |
| Delinquent Date April 1, 2021 | April 1, 2021 |

Discounts of 1% for each month taxes are paid prior to March 2021 are granted.

Revenue recognition criteria for property taxes under the Governmental Accounting Standards Board requires that property taxes expected to be collected within 60 days of the current period be accrued.

Current year taxes that are uncollected as of the end of the fiscal year are generally immaterial in amount and highly susceptible to uncollectibility and, therefore, are not recorded as a receivable on the balance sheet date.

5. Inventories and Prepaid Items

Inventory is valued at cost (first-in, first-out) in the governmental funds and at lower of cost (first-in, first-out) or net realizable value in the proprietary funds. The consumption method is used to account for the inventory. Under the consumption method, inventory items are recorded as expenditures during the period inventory is used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The consumption method is used to account for the prepaid items. Under the consumption method, prepaid items are recorded as expenditures during the period in which they are used.

6. Restricted Assets

Certain proceeds of the revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. In addition, restricted assets include funds set aside for repayment of customer deposits in several enterprise funds.

7. Capital Assets

Capital assets are not capitalized in the governmental funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported on the government-wide statement of net position of the County. Capital assets acquired by proprietary funds are reported in those funds.

Property, plant and equipment purchased or acquired is carried at historical cost or estimated historical cost. Contributed assets are recorded at acquisition value as of the date received. The County's capitalization levels are \$1,000 on tangible personal property and \$5,000 on buildings, improvements other than buildings and infrastructure. The Sheriff maintains a tangible personal property inventory and uses a \$1,000 capitalization level. Other costs incurred for repairs and maintenance are expensed as incurred. General infrastructure assets acquired prior to July 1, 1980 are included in the capital asset inventory and are reported at estimated historical cost using deflated replacement cost.

7. Capital Assets - Continued

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

| Assets | Years |
|------------------------------------|-------|
| Buildings | 10-50 |
| Improvements Other Than Buildings | 7-25 |
| Intangibles | 5 |
| Equipment | 3-7 |
| Vehicles | 2-15 |
| Roads and Bridges | 10-75 |
| Wastewater Lines and Pump Stations | 10-50 |
| Other Infrastructure | 10-50 |

8. Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid, accumulated annual and sick leave or compensatory time balances. The liability is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds financial statements only if they have matured, for example, as a result of employee resignations and retirements.

9. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements and the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of these funds.

However, compensated absences and claims that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are “due for payment” during the current year. Bonds and capital leases are recognized as a liability in the governmental fund financial statements when due. At the inception of capital leases reported in governmental funds, expenditures and an “Other Financing Source” of an equal amount are reported at the net present value of future minimum lease payments.

10. Self-insurance Claims

Liabilities for reported claims and incurred but not reported claims (IBNR) are estimated based on an actuarial review of claims pending and historical experience.

11. Landfill Closure and Post Closure Care Payable

The County recognizes municipal solid waste landfill closure and post closure care costs under the State of Florida’s Solid Waste Management Act of 1988, regulations of the Federal Environmental Protection agency and the GASB Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Post Closure Care Costs*. The County is required to place a final cover on closed landfills and to provide long-term care for up to thirty years after final cover. These obligations for closure and post closure are recognized in the Solid Waste Fund over the active life of the landfill, based on landfill capacity used to date.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**12. Net Pension Liability**

The government-wide and proprietary fund financial statements net pension liability represents the County's proportionate share of the net pension liability of the cost-sharing pension plan in which it participates. The County participates in the Florida Retirement System (FRS) and the Health Insurance Subsidy Program (HIS) which are administered by the Florida Division of Retirement. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflow of resources related to pensions, pension expense, additions to/deduction, and information about the fiduciary's net position have been determined on the same basis as they are reported by the cost-sharing plan. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The government-wide financial statements include the liability of all plan participants for the Board and the County's Constitutional Officers.

13. Bond Premiums, Discounts and Issuance Costs

On the government-wide statement of net position and the proprietary fund type statement of net position, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Unamortized losses on bonds are presented as deferred outflows.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the period the debt is issued. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

14. Deferred Outflows/Inflows of Resources

In addition to assets, deferred outflows of resources represent a consumption of fund balance that applies to a future period(s) and will not be recognized as an outflow of resources (expenditure) until then. The County has \$1,748,949 of deferred outflows on Water and Sewer, Series 2015 bonds, and \$48,180,788 of deferred outflows for pension and OPEB as of September 30, 2020. Amortization expense of the deferred outflow related to the Water and Sewer, Series 2015 bonds totaled \$405,561 for the year ended September 30, 2020, and is included in interest expense on the Statements of Revenues, Expenses and Changes in Net Position.

In addition to liabilities, deferred inflows of resources represent an acquisition of fund balance that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The County has \$4,695,428 of deferred inflows for pension and OPEB as of September 30, 2020.

15. Fund Balance

In the fund financial statements, GASB Statement 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications under GASB 54 are nonspendable, restricted, committed, assigned and unassigned.

These classifications reflect not only the nature of funds but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of restraint, such as external versus internal compliance requirements.

Nonspendable – Comprised of amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. "Not in spendable form" includes items that are not expected to be converted to cash (such as inventories and prepaid amounts) and items such as long-term amount of loans and notes receivable, as well as property acquired for resale. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.

Restricted – Component consists of amounts constrained for a specific purpose by external parties, constitutional provision, or enabling legislation.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**15. Fund Balance - Continued**

Committed – Component consists of amounts that can be used only for the specific purposes determined by a formal action, in the form of ordinances, of the Board, the highest level of decision making authority. Commitments may be changed or lifted only by the board taking the same formal action that imposed the constraint originally.

Assigned – Component consists of amounts that are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the Board of County Commissioners or (b) a body (for example: a budget or finance committee) or official to which the County has delegated the authority to assign amounts to be used for specific purposes. This indicates that resources in those funds are at a minimum, intended to be used for the purposes of that fund. The Board has delegated to the County Administrator and Finance Officer in accordance with the County's fund balance policy.

Unassigned – Unassigned fund balance is the residual classification of the general fund. This classification represents spendable fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

When both restricted and unrestricted resources are available for use, it is the policy of the County to use restricted resources first, and then unrestricted resources as they are needed. In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned, and unassigned. The County does not have a formal minimum fund balance policy. However, the County does target 10% of the General Fund budget to set aside for reserves during the annual Budget Policy meeting.

16. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

17. Net Position

The net positions of proprietary funds, governmental activities and business-type activities are made up of three components. Net Investment in Capital Assets which represents net capital assets less related long-term liabilities; unspent debt proceeds will increase this amount. The Restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. The restricted component represents assets that are legally restricted. They include reserve funds, special revenues restricted by statute or ordinance, bond proceeds, and other sources restricted for capital or improvements. The unrestricted component of net position is the balance not included in the determination of net investment in capital assets or the restricted component of net position.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**A. BUDGETARY INFORMATION**

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for all governmental and proprietary funds; however, budgets for proprietary funds are not required to be reported on and are not included in these financial statements. All appropriations lapse at fiscal year-end. Budgetary data reflected in the financial statements are established by the following Board procedures.

On or about June 1 of each year, proposed budgets are received by the Board of County Commissioners from its department heads, from all other constitutional officers, and from other agencies requesting funding for the ensuing fiscal year. These proposed expenditures, along with all estimated receipts, taxes to be levied, and balances expected to be brought forward are considered by the Board of County Commissioners in a series of workshops beginning on or after July 15. The Board of County Commissioners requires such changes as deemed necessary, sets proposed millages and establishes dates for tentative and final public budget hearings as prescribed by Florida Statutes. Proposed budgets are advertised in a newspaper of general circulation in the County. Public hearings are conducted in Crestview and Shalimar for the purpose of receiving input, responding to complaints and providing reasons and explanations for intended actions to all citizens participating.

In the event the final budget has not been adopted by October 1, the beginning of the fiscal year, Florida Statutes provide for expenditures based on the adopted tentative budget or the Board re-adopts its prior year's adopted final budget, as amended, and expends monies based on that budget until such time as its tentative budget is adopted pursuant to law. The final appropriations budget is adopted by resolution of the Board of County Commissioners.

Florida Statutes require that the individual budgets of several of the constitutional officers must be approved by the State of Florida. The "fee" portion of these budgets is not a part of the appropriations budget passed by the Board of County Commissioners. The budgetary information shown in these financial statements includes the entire budget for each constitutional office. The level of budgetary control (that is the level at which expenditures cannot legally exceed appropriations) has been established at the fund level. The County Administrator is authorized to transfer budgeted amounts within departments of a fund and between departments of a fund; however, the Board of County Commissioners must approve any revisions that alter the total expenditures of any fund. Each constitutional officer is authorized to make line item transfers but must request approval from the Board for increases in appropriations.

Budget amounts are originally adopted amounts as amended by action of the Board of County Commissioners by revision of fund totals. Supplemental budgetary appropriations of \$22,719,977 representing a 4.55% increase over the original adopted budget were necessary during the fiscal year. All amendments to originally adopted amounts were made in a legally permissible manner.

Encumbrance accounting, under which purchase orders, encumber contracts and other commitments for the expenditure of resources are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds. Encumbrances at fiscal year-end do not constitute expenditures since the commitments will be honored during the subsequent year.

B. DEFICIT FUND BALANCE/NET POSITION

The Emergency Medical Service Enterprise Fund reported a deficit net position of \$377,989 as of September 30, 2020. The fund increased charges for services beginning in FY17 and in FY19 the Board reimplemented allocating a portion of ad valorem taxes to the fund to subsidize its activity. The deficit should be cured by the increased fees in the provision of services and the Board allocations of ad valorem taxes in future budget periods.

The Self Insurance Internal Service Fund reported a deficit net position of \$1,986,102. Claim liabilities for workers' compensation, general and automobile liabilities and property damage are funded by actuarially projected budget requirements for expected yearly cash payouts. This funding method results in a deficit fund equity which will be charged back to the other funds over a reasonable period of time so that service fund revenues and expenses will be equal.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – CONTINUED**B. DEFICIT FUND BALANCE/NET POSITION - CONTINUED**

The Garage Services Internal Service Fund reported a deficit net position of \$1,786,408. Vehicle maintenance and centralized distribution of gasoline and special fuel are funded by monthly billing of services. This funding method results in a deficit fund equity which will be charged back to the other funds so that service fund revenues and expenses will be equal.

The Sheriff's Self-Insurance Fund is reflecting a deficit fund equity of \$3,099,954. This is the result of the implementation of GASB 75 which requires the unfunded liability for future employee benefits (OPEB) to be recorded at September 30, 2020.

NOTE 3 – DEPOSITS AND INVESTMENTS**Deposits**

At September 30, 2020, the County's carrying value of cash and cash equivalents totaled \$36,791,071, which is presented as \$30,262,732 in the statement of net position and \$6,528,339 in the statement of fiduciary net position.

The County maintains a cash and investment management pool in which each fund participates on a dollar equivalent and daily transaction basis. The County's cash and investment management pool is considered to be cash equivalent for reporting purposes because it is an internally managed fund, which allows individual funds to, at any time, deposit additional cash or make withdrawals without prior notice or penalty. The County's cash and investment management pool includes pooled cash maintained in interest-bearing demand deposit accounts, certificates of deposit, and pooled investments of the Local Government Surplus Trust Fund. Interest income (which includes unrealized gains and losses) is distributed monthly based on balance at date of distribution.

Custodial Credit Risk. The County maintains its deposits only with qualified public depositories as defined in Chapter 280, Florida Statutes. The provisions of this statute generally require public funds to be deposited in a bank or savings association designated by the State Chief Financial Officer as a "Qualified Public Depository". All qualified public depositories must maintain deposit insurance. They also must place with or in the name of the Chief Financial Officer of the State of Florida, collateral in the amount of the greater of the average daily balance of public deposits multiplied by the average monthly balance of public deposits or 125 percent of the average daily balance of public deposits greater than capital. Collateral requirements may be increased according to statute if specified conditions exist. Eligible collateral includes federal, federally-guaranteed, state and local government obligations and corporate bonds. In the event of default by a qualified public depository excess losses over insurance and collateral will be recovered through assessments to all qualified public depositories of the same type as the depository in default. Under this method, all County deposits, including certificates of deposit, are considered fully insured.

Investments

State Statutes and the formal investments and portfolio policies adopted by the Board of County Commissioners restrict the types of investments that can be made by the County. A description of the requirements and the types of investments allowed as well as information about valuation and other investment policies can be found in Note 1.D.1.

The investment policy manual details the methods used to manage the risks inherent to the investment process. The authority for investment of County funds rests with the Clerk of the Circuit Court who has delegated management of the investment program to the Director of Treasury & Board Services. Although the policies allow investments in many types of instruments, the Clerk has chosen to limit investment risks by investing mainly in allowed investment pools. The pools are 2a7-like investment pools and manage interest rate risk by limiting the weighted average maturity of their portfolios, manage credit risk by investing in mainly governmental and other highly rated securities, manage concentration of credit risk by limiting investment in any one issuer to less than 5% of the portfolio and manage custodial credit risk by requiring third party custody and safekeeping.

Interest rate risk. In accordance with the investment policy, the exposure to declines in fair value of investments outside of the pools is managed by matching the investments to a specific cash flow requirement.

NOTE 3 – DEPOSITS AND INVESTMENTS - CONTINUED

Credit risk. As of September 30, 2020, Standard & Poor’s rated the investment in Florida Local Government Investment Trust investment pool AAAM, Florida Local Government Investment Day to Day AAAM, and Florida Local Government Surplus Fund Trust AAAM. As of September 30, 2020, all U.S. Instrumentalities held by the County were rated AA+. The investment policies of the County manage credit risk by limiting investments in U.S. Instruments to the two highest ratings issued by nationally recognized statistical rating organizations.

Concentration of credit risk. The investment policies of the County diversify the portfolio by limiting the maximum percentage of various types of investments that can be purchased. The investment policy maximum percentages for the current portfolio are 50% for U.S. agencies and instrumentalities and 50% for repurchase agreements. As of September 30, 2020, 12.9% of the County’s investments are in the Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Government National Mortgage Association, and Fresb Multi-Family Mortgage Pass Thru. These investments are 6.2%, 4.4%, 0.1% and 2.3% respectively, of the County’s total investments.

Custodial credit risk. Federated Money Market, U.S. Treasury bills, and U.S. instrumentalities are held by the County’s agent in the County’s name in accordance with the Okaloosa County Investment Policy requiring third party custody and safekeeping.

The County had the following investment types by issuer and effective duration presented in terms of years:

| Security Type | Fair Value | Weighted Average Duration (Years) | Credit Rating | Percentage of Portfolio |
|---|---------------|-----------------------------------|---------------|-------------------------|
| Long Term Investments: | | | | |
| United States Government Agency Obligations | \$ 26,909,685 | 0.382 | AA+ | 12.90% |

NOTE 4 – FAIR VALUE OF INVESTMENTS

The County measures and records its investments using fair value measurements guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy as follow:

Level 1 – Quoted prices (unadjusted) for identical assets in active markets that a government can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for an asset, either directly or indirectly. These investments are valued using the Valuation multiple approach.

Level 3 – Unobservable inputs for an asset.

Okaloosa County has the following recurring fair value measurements as of September 30, 2020:

- Short-Term Bond Fund- FLGIT – Maximum of 75% of the total investment portfolio. Valued at the daily closing price as reported by the fund. These funds are required to publish their daily net asset value (NAV) and to transact at that price. These funds held by FLGIT are deemed to be actively traded.
- US Treasuries/Agencies/Instrumentalities – Maximum of 50% of the total investment portfolio. Valued at market prices for similar assets in active markets.

NOTE 4 – FAIR VALUE OF INVESTMENTS - CONTINUED

At September 30, 2020, Okaloosa County had the following recurring fair value measurements:

| | Fair Value | Level 1 | Level 2 | Level 3 |
|---|-----------------------|-------------|----------------------|-------------|
| Federal Home Loan Mortgage Corporation | \$ 7,781,752 | \$ - | \$ 7,781,752 | \$ - |
| Federal National Mortgage Association | 7,020,140 | - | 7,020,140 | - |
| Federal National Mortgage Association Pooled | 7,059,411 | - | 7,059,411 | - |
| Governmental National Mortgage Association | 285,648 | - | 285,648 | - |
| Fresb Multifamily Mortgage | 3,030,274 | - | 3,030,274 | - |
| Fresb Multifamily Mortgage TR | 1,205,075 | - | 1,205,075 | - |
| Fresb Multifamily Mortgage Pass Thru | 527,385 | - | 527,385 | - |
| | <u>26,909,685</u> | <u>\$ -</u> | <u>\$ 26,909,685</u> | <u>\$ -</u> |
| Investments measured at the net asset value (NAV) | | | | |
| Florida Fixed Income Trust | 15,306,864 | | | |
| Florida Local Government | | | | |
| Investment Trust - Investment Pool | <u>42,945,521</u> | | | |
| Total investments measured at fair value | 85,162,070 | | | |
| Total investments measured at amortized cost | 124,595,563 | | | |
| Total investments at September 30, 2020 | <u>\$ 209,757,633</u> | | | |

NOTE 5 – RECEIVABLES / UNEARNED AND UNAVAILABLE REVENUE

Receivables as of September 30, 2020 for the government's individual major funds and nonmajor governmental, nonmajor enterprise, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

| Funds | Accounts Receivable | Due From Other Governments | Total Receivables | Less: Allowance for Doubtful Accounts | Net Total Receivables Sept. 30, 2020 |
|------------------------------|------------------------|----------------------------------|----------------------|---|--|
| General | \$ 264,045 | \$ 5,707,661 | \$ 5,971,706 | \$ (99,645) | \$ 5,872,061 |
| Tourist Development | 8,802 | 2,710,306 | 2,719,108 | - | \$ 2,719,108 |
| Natural Disasters | - | 6,195,864 | 6,195,864 | - | \$ 6,195,864 |
| Road and Bridge Construction | 4,055,290 | 2,413,542 | 6,468,832 | - | 6,468,832 |
| Water and Sewer | 4,654,120 | 2,524,278 | 7,178,398 | (256,316) | 6,922,082 |
| Airport | 2,296,010 | 4,919,846 | 7,215,856 | (619,524) | 6,596,332 |
| Solid Waste | 897,040 | 22,917 | 919,957 | - | 919,957 |
| EMS | 9,564,115 | - | 9,564,115 | (4,759,429) | 4,804,686 |
| Nonmajor and Other Funds | 433,404 | 3,228,783 | 3,662,187 | - | 3,662,187 |
| Total | <u>\$ 22,172,826</u> | <u>\$ 27,723,197</u> | <u>\$ 49,896,023</u> | <u>\$ (5,734,914)</u> | <u>\$ 44,161,109</u> |

Governmental funds report unavailable revenue in connection with receivables that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources received, but not yet earned. Unearned / unavailable revenues as of September 30, 2020 for the government's individual major funds and nonmajor internal service, and fiduciary funds in the aggregate are as follows:

| Funds | Unavailable | Unearned |
|----------------------------|------------------|---------------------|
| General | \$ 71,706 | \$ 1,417,096 |
| Tourist Development | - | 120,930 |
| Natural Disasters | - | 48,110 |
| Water and Sewer | - | 716,157 |
| Airport | - | 433,326 |
| Emergency Medical Services | - | 2,342 |
| Nonmajor and Other Funds | - | 4,991,821 |
| Total | <u>\$ 71,706</u> | <u>\$ 7,729,782</u> |

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2020 was as follows:

| | Beginning Balance | Increases | Decreases | Transfers and Adjustments | Ending Balance |
|--|-----------------------|----------------------|------------------------|------------------------------|-----------------------|
| Governmental Activities | | | | | |
| Capital assets, not being depreciated/amortized: | | | | | |
| Land | \$ 14,381,844 | \$ - | \$ - | \$ - | \$ 14,381,844 |
| Intangibles | 1,146,905 | - | - | - | 1,146,905 |
| Construction in progress | 37,987,647 | 20,467,494 | (37,196,967) | - | 21,258,174 |
| Works of art | 29,195 | - | - | - | 29,195 |
| Total capital assets not being depreciated/amortized | <u>53,545,591</u> | <u>20,467,494</u> | <u>(37,196,967)</u> | <u>-</u> | <u>36,816,118</u> |
| Capital assets, being depreciated/amortized: | | | | | |
| Buildings | 115,542,537 | 26,695,388 | - | - | 142,237,925 |
| Improvement other than buildings | 43,867,496 | 1,754,048 | - | - | 45,621,544 |
| Intangibles | 2,347,742 | - | - | - | 2,347,742 |
| Machinery and equipment | 62,272,690 | 5,048,851 | (3,608,055) | 530,202 | 64,243,688 |
| Infrastructure | 164,459,261 | 8,545,250 | - | - | 173,004,511 |
| Total capital assets being depreciated/amortized | <u>388,489,726</u> | <u>42,043,537</u> | <u>(3,608,055)</u> | <u>530,202</u> | <u>427,455,410</u> |
| Less accumulated depreciation/amortization for: | | | | | |
| Buildings | (43,954,122) | (3,632,858) | - | - | (47,586,980) |
| Improvement other than buildings | (15,395,209) | (1,625,317) | - | - | (17,020,526) |
| Intangibles | (2,178,968) | (80,949) | - | - | (2,259,917) |
| Machinery and equipment | (47,042,879) | (4,883,519) | 3,259,279 | (491,066) | (49,158,185) |
| Infrastructure | (94,240,895) | (2,922,747) | - | - | (97,163,642) |
| Total accumulated depreciated/amortized | <u>(202,812,073)</u> | <u>(13,145,390)</u> | <u>3,259,279</u> | <u>(491,066)</u> | <u>(213,189,250)</u> |
| Total capital assets, being depreciated/amortized, net | <u>185,677,653</u> | <u>28,898,147</u> | <u>(348,776)</u> | <u>39,136</u> | <u>214,266,160</u> |
| Governmental Activities capital assets, net | <u>\$ 239,223,244</u> | <u>\$ 49,365,641</u> | <u>\$ (37,545,743)</u> | <u>\$ 39,136</u> | <u>\$ 251,082,278</u> |

Depreciation expense was charged to functions/programs as follows:

| | Depreciation | Amortization |
|---|----------------------|------------------|
| Governmental Activities | | |
| General government | \$ 3,321,107 | \$ 51,687 |
| Public safety | 3,224,375 | - |
| Physical environment | 234,609 | - |
| Transportation, incl. depreciation of general infrastructure assets | 3,862,100 | 18,859 |
| Economic environmental | 79,474 | - |
| Human services | 346,379 | - |
| Culture and recreation | 1,919,186 | 980 |
| Court related | 2,460 | 9,423 |
| Capital assets held by the governments internal service funds are charged to the various functions based on their usage of the assets | <u>74,751</u> | <u>-</u> |
| Total depreciation expense - governmental activities | <u>\$ 13,064,441</u> | <u>\$ 80,949</u> |

NOTE 6 - CAPITAL ASSETS - CONTINUED

| | Beginning Balance | Increases | Decreases | Transfers and Adjustments | Ending Balance |
|---|----------------------|---------------|-----------------|------------------------------|-------------------|
| Business-type Activities | | | | | |
| Capital assets, not being depreciated/amortized: | | | | | |
| Land | \$ 14,765,162 | \$ - | \$ - | \$ - | \$ 14,765,162 |
| Construction in progress | 18,648,576 | 24,447,476 | (13,050,206) | - | 30,045,846 |
| Works of art | 69,865 | - | - | - | 69,865 |
| Total capital assets not being depreciated/amortized | 33,483,603 | 24,447,476 | (13,050,206) | - | 44,880,873 |
| Capital assets, being depreciated/amortized: | | | | | |
| Buildings | 89,627,172 | - | - | - | 89,627,172 |
| Improvement other than buildings | 276,776 | - | - | - | 276,776 |
| Intangibles | 997,815 | - | - | - | 997,815 |
| Machinery and equipment | 24,288,604 | 1,343,889 | (555,696) | (530,202) | 24,546,595 |
| Infrastructure | 384,289,942 | 15,202,577 | - | - | 399,492,519 |
| Total capital assets being depreciated/amortized | 499,480,309 | 16,546,466 | (555,696) | (530,202) | 514,940,877 |
| Less accumulated depreciation/amortization for: | | | | | |
| Buildings | (26,949,779) | (2,545,666) | - | - | (29,495,445) |
| Improvement other than buildings | (210,669) | (9,226) | - | - | (219,895) |
| Intangibles | (933,624) | (26,903) | - | - | (960,527) |
| Machinery and equipment | (16,698,049) | (2,088,914) | 377,879 | 491,066 | (17,918,018) |
| Infrastructure | (152,738,446) | (9,471,822) | - | - | (162,210,268) |
| Total accumulated depreciated/amortized | (197,530,567) | (14,142,531) | 377,879 | 491,066 | (210,804,153) |
| Total capital assets, being depreciated/amortized, net | 301,949,742 | 2,403,935 | (177,817) | (39,136) | 304,136,724 |
| Business-type Activities capital assets, net | \$ 335,433,345 | \$ 26,851,411 | \$ (13,228,023) | \$ (39,136) | \$ 349,017,597 |

Depreciation expense was charged to enterprise funds as follows:

| Business-type Activities | Depreciation | Amortization |
|---|---------------|--------------|
| Water and sewer | \$ 8,368,766 | \$ 25,703 |
| Airport | 4,880,412 | 1,200 |
| Solid Waste | 336,125 | - |
| Emergency Management Services | 492,995 | - |
| Other enterprise funds | 37,330 | - |
| Total depreciation expense - business-type activities | \$ 14,115,628 | \$ 26,903 |

Construction Commitments**Water and Sewer Expansion and Renovation**

The Water and Sewer System is continuing capital projects in FY2021 related to expansion, aging infrastructure replacement/rehabilitation, and the environment. Based on the fiscal year 2021 capital budget, total expenditures will approximate \$16,286,000 on projects, which include \$2,083,400 in new equipment, \$1,190,600 for completion of the Highway 90 East Water & Sewer Main Extensions, \$6,275,800 to begin the Okaloosa County/Eglin/Niceville Reclaimed Water Pipeline; \$3,500,000 to begin the Field Offices Project, \$1,000,000 for ongoing gravity sewer rehabilitation, and multiple smaller projects.

NOTE 7 – COMPENSATED ABSENCES

Each constitutional officer’s policy for compensated absences is summarized below.

Board of County Commissioners and Supervisor of Elections

The policy of the Board of County Commissioners and the Supervisor of Elections for annual and sick leave and compensatory time is as follows:

Employees may accrue an unlimited amount of annual and sick leave. The employees earn leave at varying rates per month based on their work schedules.

| | <u>Years of Service</u> | <u>40 hours/ week</u> | <u>45 hours/ week</u> | <u>24 hours on/ 48 hours off</u> |
|--|-------------------------|-----------------------|-----------------------|----------------------------------|
| <u>Annual Leave</u> | | | | |
| Full time employees | 0-5 | 8 hours | 9 hours | 11 hours |
| | 6-10 | 10 hours | 11 hours | 14 hours |
| | 11-15 | 12 hours | 14 hours | 17 hours |
| | 16-20 | 14 hours | 16 hours | 20 hours |
| | 21-25 | 16 hours | 18 hours | 22 hours |
| | 26+ | 18 hours | 20 hours | 25 hours |
| Part time employees | 1 | 4 hours | | |
| Maximum amount paid upon separation from service | | 240 hours | 270 hours | 336 hours |
| - | | | | |
| <u>Sick Leave</u> | | | | |
| Full time employees | | 8 hours | 9 hours | 11 hours |
| Part time employees | | 0 hours | | |

Unused sick leave will be paid to employees having ten consecutive years of service upon termination or retirement at varying percentages based on the total unused hours: 50% for the first 480 hours; 25% for the second 480 hours and 20% for all hours over 960.

Compensatory Time

Compensatory time is available only to hourly (non-exempt) employees. Most employees may accrue up to 240 hours except for law enforcement and correctional officers who can accrue up to 480 hours. Unused amounts will be paid upon termination or retirement.

Clerk of the Circuit Court

The policy of the Clerk for annual and sick leave was changed June 1, 2015 to Paid Time Off (PTO). An employee can now accumulate and carry forward 1,000 hours of PTO from year to year. Any PTO in excess of 1,000 hours will be forfeited after the first pay period of the calendar year. PTO is accrued based on the schedule below. Upon retirement or termination, the employee may be paid up to a maximum of the following schedule.

| <u>Years of Service</u> | <u>Hours Earned per Pay Period⁽²⁶⁾</u> | <u>Years of Service</u> | <u>Balance Paid Upon Separation</u> |
|-------------------------|---|-------------------------|-------------------------------------|
| 0 – 1 | 6.25 | 2 – 5 | 20% of PTO |
| 2 – 5 | 7.00 | 6 – 10 | 25% of PTO |
| 6 – 10 | 7.75 | 11 – 15 | 30% of PTO |
| 11 – 15 | 8.50 | 16 – 20 | 40% of PTO |
| 16 – 20 | 9.25 | 21+ | 50% of PTO |
| 21+ | 10.00 | | |

NOTE 7 – COMPENSATED ABSENCES - CONTINUED

Sheriff

The Sheriff maintains a policy providing for annual vacation and sick leave pay for all full-time non- exempt employees. Employees are allowed to accumulate unlimited time; however, upon separation the employee will receive compensation only for any unused annual leave up to a maximum of 240 hours. Annual vacation leave for full-time non-exempt employees is calculated as follows:

| <u>Years of Service</u> | <u>Accrual Rate</u> |
|----------------------------|-------------------------------|
| Less than five (5) years | (8) hours per calendar month |
| Five (5) to ten (10) years | (10) hours per calendar month |
| Ten (10) and more years | (12) hours per calendar month |

Sick leave for non-exempt employees is accrued at eight hours per month. Unused accrued leave is carried over from year to year. Employees terminating after ten years of service are compensated for unused sick leave up to a maximum of 100 hours. Certain employees are also eligible to bank over time hours for future leave up to 120 hours.

Vacation leave for exempt employees is accrued at 176 hours annually and sick leave for exempt employees is accrued at 104 hours annually.

An employee who meets eligibility requirements receives up to 12 weeks of leave, paid and /or unpaid in accordance with the federal Family Medical Leave Act of 1993 guidelines.

Tax Collector

The policy of the Tax Collector for Paid Time Off (PTO) is that employees are entitled to accrue leave each pay period based on an employee’s hire date. Below is a breakdown of how leave will be earned:

| <u>Years of Service (based on hire date)</u> | <u>Weeks PTO</u> | <u># Hours Earned per Pay Period</u> |
|--|------------------|--|
| 1 year | 3 weeks | 4.62 |
| 2 - 5 years | 4.4 weeks | 6.77 |
| 6 - 10 years | 5.4 weeks | 8.31 |
| 11 - 15 years | 6 weeks | 9.23 |
| 16 - 20 years | 6.5 weeks | 10.00 |
| 21+ years | 7 weeks | 10.77 |

Upon separation of employment from the Tax Collector, the maximum unused hours paid at termination are based upon years of service. Maximum unused hours paid for employees with 91 days – 10 years of service or in DROP are 300 hours and 500 hours for 10 plus years of service.

Property Appraiser

The Property Appraiser’s policy for compensated absences provides for “paid days off” (a combination of sick and annual leave) which may be used at the employee’s discretion. Paid days off accumulate ratably during each year of employment at the following rates based on years of employment.

| | |
|---------------|--------------------|
| 1 to 5 years | 192 hours per year |
| 5 to 10 years | 216 hours per year |
| Over 10 years | 240 hours per year |

NOTE 7 – COMPENSATED ABSENCES - CONTINUED

Employees are allowed to accumulate up to 360 hours of paid days off for which they will be paid upon termination of employment. Paid days off accumulated in excess of 360 hours at the end of the calendar year are lost except for employees planning retirement. Employees planning retirement within the following year may increase the accrued paid days off to a maximum of 500 hours.

The total amounts of accumulated annual leave and other compensated absences for all elected officials as of September 30, 2020 are as follows:

| Elected Official | Current Portion | Long -Term Portion | Totals |
|-------------------------------|---------------------|---------------------|---------------------|
| Board of County Commissioners | \$ 2,853,848 | \$ 1,907,560 | \$ 4,761,408 |
| Clerk of the Circuit Court | 122,508 | 151,047 | 273,555 |
| Sheriff | 1,549,317 | 2,582,194 | 4,131,511 |
| Tax Collector | 104,919 | 237,647 | 342,566 |
| Property Appraiser | - | 122,476 | 122,476 |
| Supervisor of Elections | 67,341 | 63,960 | 131,301 |
| Totals | <u>\$ 4,697,933</u> | <u>\$ 5,064,884</u> | <u>\$ 9,762,817</u> |

The total current and long-term portions of compensated absences are shown on the face of the government wide statement of net position using the full accrual method of accounting.

NOTE 8 – LANDFILL POST CLOSURE CARE COSTS

The Board is required to study, estimate, and certify to the U.S. Environmental Protection Agency through the Florida Department of Environmental Protection the estimated cost to close and to perform certain maintenance and monitoring functions at Baker Landfill and Wright Landfill for thirty years after closure and Niceville Landfill for twenty years after closure. One hundred percent of the landfill capacity has been used in the landfills and they have all been permanently closed.

The Board is required by state and federal laws and regulations to develop its estimates using rates normal to commercial contracting firms and is based on the amount of the landfill capacity used to date, which is at 100% capacity as of September 30, 2020. The post closure costs are reevaluated each year. The estimate is subject to changes resulting from inflation, deflation, technology, or changes in applicable laws or regulations. The effect of this change in estimates has been reflected in the operations of the Solid Waste Enterprise Fund and has increased net income by \$313,010. The estimated liability for post closure care costs has a balance of \$2,759,180 as of September 30, 2020.

NOTE 9 – INTERFUND BALANCES AND ACTIVITY

The composition of interfund balances as of September 30, 2020 is as follows:

| | Receivable from Other Funds | Payable to Other Funds |
|-------------------------|--------------------------------|---------------------------|
| Major Fund | | |
| General Fund | \$ 5,582,714 | \$ 150,000 |
| Natural Disasters | - | 4,581,958 |
| Water and Sewer | - | 27 |
| Airport Enterprise Fund | - | 32 |
| Solid Waste Fund | 1,229 | - |
| Non-major Funds | | |
| Special Revenue Funds | 150,000 | 74,605 |
| Internal Service Funds | - | 927,321 |
| | <u>\$ 5,733,943</u> | <u>\$ 5,733,943</u> |

NOTE 9 – INTERFUND BALANCES AND ACTIVITY - CONTINUED

The composition of interfund balances with other elected officials as of September 30, 2020 is as follows:

| | Receivable from Other Elected Funds | Payable to Other Elected Official |
|--|--|---|
| Major Fund | | |
| General Fund | \$ 3,140,306 | \$ 3,660,765 |
| Tourist Development Special Revenue Fund | - | 85,064 |
| Natural Disasters | - | 431,385 |
| Airport Enterprise Fund | 88 | - |
| Emergency Medical Services | - | 118 |
| Non-major Funds | | |
| Governmental Funds | 432,004 | 62,469 |
| Internal Service Funds | 810,090 | - |
| Fiduciary Funds | - | 142,687 |
| | <u>\$ 4,382,488</u> | <u>\$ 4,382,488</u> |

Interfund receivables at the fund and elected official level result primarily from revenue accrued in certain funds that are transferred to other funds. Interfund receivables and payables at the fund level also include short term cash advances.

Interfund transfers activity for the year ended September 30, 2020 consisted of the following:

| | Transfers In | Transfers Out |
|---------------------------------------|----------------------|----------------------|
| Major Fund | | |
| General | \$ 6,480,560 | \$ 1,924,022 |
| Tourist Development | - | 3,472,705 |
| Road and Bridge | 750,000 | - |
| Airport Enterprise | - | 2,619,914 |
| Emergency Medical Services Enterprise | 33,000 | - |
| Non-major Funds | | |
| Governmental | 5,875,343 | 5,122,262 |
| | <u>\$ 13,138,903</u> | <u>\$ 13,138,903</u> |

The County's tourist development fund made transfers to multiple funds of the Board to fund activities allowed by Florida Statute to include parks maintenance, parks capital projects, beach safety and beach restoration projects in the amount of \$3,472,704. The E-911 operations special revenue fund (nonmajor governmental fund) provided approximately \$940,000 to the general fund to supplement the Sheriff's communications operations. Excess state revenue sharing funds were transferred from the debt service fund (nonmajor governmental fund) to the general fund to support library operations of approximately \$738,000. The county transportation trust special revenue fund (nonmajor governmental fund) received approximately \$2.7 million with amounts coming from the general fund, debt service fund (nonmajor governmental fund), and the unincorporated municipal taxing unit fund (nonmajor governmental fund). The amounts represent County general revenues, excess state revenue sharing proceeds, and the stormwater portion of MSTU taxes needed to support County transportation and stormwater projects. The Airport Enterprise fund made a transfer to the general fund of approximately \$2.6 million to fund law enforcement officers responsible for safety of the Destin-Fort Walton Beach Airport operations.

NOTE 10 - LEASES

Operating Leases – Lessor

The Board leases three county-owned parks and park buildings located on Okaloosa Island to outside parties. Capitalized investment in these assets is \$6,588,730. Accumulated depreciation of \$3,305,290 has been recorded as of September 30, 2020. All of the leases were for a 25-year period. However, two of the leases have been renegotiated and the period extended to thirty years. Three of the leases contain a 20% rent increase every five years. In 2016, one of the leases was renegotiated to have an incremental increase from 2% to 3.5% for five (5) year periods 2039. The second renegotiated lease contains a contingent rent fee of 15% of gross revenue if that amount is greater than the set rent amount through 2012. To date, the contingent rent option has not been needed. The terms of the leases are through 2040

The Board leases land and a building to a convenience store company. Capitalized investment in the building is \$132,488. Accumulated depreciation of \$71,212 has been recorded as of September 30, 2020. The lease was renegotiated to a five year lease with four five-year renewals beginning in 2008. In 2010, the lease was assigned and the lease term extended through June 2015. The first of four five year renewals executed in 2015; the optional lease term remaining is through fiscal year 2039.

The Board has leased space on a water tower to a wireless communication company. The five year lease automatically renews for five-year periods through 2038. Annual rental fees began at \$10,000 with a 15% increase at each renewal. There is no capitalized investment related to this lease.

The Board has entered into operating leases with various lessees and concessionaires for lease of space and facilities at the Destin-Fort Walton Beach Airport, the Bob Sikes Airport and the Destin Executive Airport. Lease periods vary with expiration dates through fiscal year 2049.

The Board leases land on Okaloosa Island to a company to operate a marine life center. The 10 year lease can be renewed for four (4) optional 10 year periods through 2062. Annual rental fees began at \$75,000 with annual consumer price index increase.

The Board leases land on Okaloosa Island to a company to operate Wild Willy’s Adventure Island. The 10 year lease can be renewed for four (2) optional 10 year periods through 2042. Annual rental fees begin at \$65,000 with annual consumer price index increase.

The Board leases office space at the Fort Walton Beach Water and Sewer building. Capitalized investment in these assets is \$2,995,873. Accumulated depreciation of \$2,059,868 has been recorded as of September 30, 2020. The one year lease expired in June 2020 and was replaced with a new lease that expires in June of 2023. Rental fees began at \$18,563 and have increased annually.

The Board leases additional office space at the Fort Walton Beach Water and Sewer building to the Florida Department of Health. Capitalized investment in these assets is \$2,995,873. Accumulated depreciation of \$2,059,868 has been recorded as of September 30, 2020. The 6 month lease expires in December 2020. Rental fees are \$7,735 per month. Future minimum rents to be earned under the terms of the lease agreement is \$23,205.

The Tax Collector leases space in its Niceville building to third parties under lease agreements with varying terms. Lease income earned during the year ending September 30, 2020 was \$86,196. Future minimum rents to be earned under the terms of the lease agreements are \$158,597.

Total minimum future rentals for material operating leases in which the County is the lessor are as follows:

| <u>Fiscal Year Ended September 30</u> | |
|---------------------------------------|----------------------|
| 2021 | \$ 5,816,833 |
| 2022 | 2,255,146 |
| 2023 | 2,118,818 |
| 2024 | 1,981,459 |
| 2025 | 1,897,161 |
| Thereafter | <u>22,559,547</u> |
| | <u>\$ 36,628,964</u> |

NOTE 10 - LEASES - CONTINUED**Operating Leases – Lessee**

The Board leases the land, approximately 130 acres, on which airport facilities are located from the United States Government under a long-term lease agreement expiring in July 2063. The lease was renegotiated in April 2018. The amended agreement extends the expiration from December 9, 2038 to July 30, 2063 and removes a 3% annual escalation factor, which was replaced with an annual CPI adjustment. As part of the renegotiation, the Board agreed to a lump-sum \$1,200,000 payment in April 2018, which will be amortized over the remaining forty-five year life of the lease. The future minimum lease payments total \$18,218,587. Lease expense for fiscal year 2020 was \$468,081, which includes \$26,617 in amortization expenses.

The Board of County Commissioners (Okaloosa County) leases the land on which Water and Sewer's Water Reclamation Facility is located from the United States Government under a 30 year lease agreement expiring in September 2037. The lease agreement contains a built in rent increase of 2% for annual escalation factor. The lease has an option of renewal at the end of the current lease period. The future minimum lease payments total \$7,958,440 over the life time of the lease. Lease expense for fiscal year 2020 was \$412,179.

The Board of County Commissioners leases cardiac monitors from Philips Medical Capital LLC under a lease agreement which expired March 2019. The lease was renewed and expired in April 2020. The previous lease was based on monthly payments of \$8,505 and the new one (1) year lease is based on monthly payments of \$7,695. Lease expense for fiscal year 2020 was \$43,712.

The Board of County Commissioners entered into a new lease for cardiac monitors from Zoll Medical Corporation under a lease agreement which expires March of 2023. The lease is based on monthly payments of \$9,900. Future minimum lease payments total \$297,000. Lease expense for fiscal year 2020 was \$49,500.

The Board of County Commissioners leases five (5) vehicles used by the Airport, two (2) Chevrolet Malibu's and three (3) Ford F-250s for a period of two (2) years for a total of \$2,039 per month through December 2020. The future minimum lease payments total \$6,117. Lease expense for fiscal year 2020 was \$25,006.

The Clerk of the Circuit Court leases copier equipment under non-cancelable operating leases effective for four years. Monthly payments under the original lease were \$4,014 thru 2/28/2018. The previous contracted monthly payment was \$2,468 effective 3/1/2018 and ended 2/28/2019. The current monthly payment of \$3,020 is effective through 11/1/2022. Future minimum lease payments for the equipment leases total \$75,500 through November 2022. Total lease expenditures for the fiscal year ended September 30, 2020 were \$36,602.

The Clerk of the Circuit Court leases postal equipment for the Crestview office under an operating lease effective for five years. Monthly payments under the previous lease were \$395. The current lease began 4/1/2019 and has a minimum lease payment of \$423.67 per month effective through 3/31/2024. Future minimum lease payments for the equipment leases total \$17,370 through March 2024. Total lease expenditures for fiscal year ended September 30, 2020 were \$3,813.

The Clerk of the Circuit Court entered a new lease January 30, 2015 for postal equipment for the Fort Walton Beach office under an operating lease effective for five years. Monthly payments under the lease are \$376 effective through 12/1/2019. Total lease expenditures for fiscal year ended September 30, 2020 were \$4,512.

NOTE 10 - LEASES - CONTINUED

Operating Leases - Lessee - Continued

Total lease expenditure/expense for material operating leases in which the County is the lessee for fiscal year ended September 30, 2020 amounted to \$1,136,645. Future minimum lease payments for these leases are as follows:

| <u>Fiscal Year Ended September 30</u> | |
|---------------------------------------|----------------------|
| 2021 | \$ 1,082,803 |
| 2022 | 1,022,731 |
| 2023 | 938,687 |
| 2024 | 882,049 |
| 2025 | 888,854 |
| 2026-2030 | 4,584,491 |
| 2031-2035 | 4,835,909 |
| 2036-2040 | 3,311,863 |
| 2041-2045 | 2,168,879 |
| 2046-2050 | 2,168,879 |
| 2051-2055 | 2,168,879 |
| 2056-2060 | 2,168,879 |
| 2061-2063 | 1,301,328 |
| | <u>\$ 27,524,231</u> |

NOTE 11 – LONG-TERM DEBT

Primary Government

The following debt issues are outstanding for September 30, 2020:

Governmental Activities:

REVENUE BONDS

| | |
|--|-----------------------------|
| <p>\$26,615,000 Sales Tax Revenue Bonds, Series 2009, serial and term bonds with stated interest rates ranging from 3.0 percent to 6.375 percent compounded semi-annually through October 1, 2039; issued in denominations of \$5,000 maturity value due in annual installments of \$315,000 to \$1,495,000 from October 1, 2011 through October 1, 2039. Sales tax revenues along with any direct federal subsidy payments received with respect to the Taxable Series 2009B Bonds (Direct Payment Build America Bonds) were pledged for payment of the bonds. Proceeds of the bonds were used to finance the construction of a new judicial center complex in the County. This issue is subject to federal arbitrage regulations. Portions of the Sales Tax Refunding and Improvement Revenue Bonds, Series 2019 proceeds were used to help pay off this debt.</p> | <p>\$ -</p> |
| <p>\$3,600,000 Capital improvement Revenue Bond, Series 2011, serial bonds with stated interest rate of 3.72 percent compounded semi-annually through October 1, 2030; issued in denominations of \$5,000 maturity value due in annual installments of \$133,000 to \$259,000 from October 1, 2012 through October 1, 2030. General governmental revenues are pledged for the payment of the bonds. Proceeds of the bonds have been used to finance the purchase of the Newman C. Brackin Building to be used for office space. This issue is subject to federal arbitrage regulations.</p> | <p>2,385,000</p> |
| <p>\$22,165,000 Sales Tax Revenue Bonds, Series 2014, serial and term bonds with stated interest rates ranging from 3.0 percent to 5.0 percent compounded semi-annually through October 1, 2034; issued in denominations of \$5,000 maturity value due in annual installments of \$760,000 to \$1,720,000 from October 1, 2016 through October 1, 2034 and interest only payments October 1, 2015 - September 30, 2016. Sales tax revenues were pledged for payment of the bonds. Proceeds of the bonds will be used to finance the construction of Crestview courthouse, Administration building and refunding the Sales Tax Revenue Bond Anticipation Note, Series 2014. The issue is subject to federal arbitrage regulations.</p> | <p>18,965,000</p> |
| <p>\$12,960,000 Sales Tax Revenue Bonds, Series 2016, serial and term bonds with stated interest rates ranging from 3.0 percent to 5.0 percent compounded semi-annually through October 1, 2046; issued in dominations of \$5,000 maturity value due in annual installments of \$235,000 to \$715,000 from October 1, 2017 through October 1, 2046. Sales tax revenues were used for payment of the bonds. Proceeds of the bonds will be used to finance the acquisition and construction of improvements to County facilities, including additional improvements to the Crestview courthouse. The issue is subject to federal arbitrage regulations.</p> | <p>12,240,000</p> |
| <p>\$38,300,000 Sales Tax Refunding and Improvement Revenue Bonds, Series 2019, serial and term bonds with a stated interest rate of 4.0 percent compounded semi-annually through 2040; issued in denominations of \$5,000 maturity value due in annual installments of \$810,000 to \$2,130,000 from October 1, 2020 through October 1, 2040. Sales tax revenues were pledged for payment of the bonds. Proceeds of the bonds will be used to refund a portion of the County's outstanding Taxable Sales Tax Revenue Bonds Series 2009B and finance certain capital improvements in and for the County. The issue is subject to federal arbitrage regulations.</p> | <p><u>38,300,000</u></p> |
| <p>Total Governmental Activities Revenue Bonds</p> | <p><u>\$ 71,890,000</u></p> |

NOTE 11 – LONG-TERM DEBT - CONTINUED

Primary Government - Continued

Governmental Activities - Continued

LOANS AND NOTES - DIRECT BORROWINGS

\$5,000,000 Private Bank Loan from Hancock Bank with fixed interest rate of 1.79 percent compounded semi-annually through October 1, 2020; principal due in annual installments of \$591,000 and \$664,000 from October 1, 2013 to October 1, 2020. The loan finances the County's portion of a joint beach renourishment project with the City of Destin and is payable from a special assessment levied for beach renourishment as well as Tourist Development taxes. In the event of default, the lender may declare all unpaid principal to be immediately due and payable. The agreement does not contain any subjective acceleration clauses. \$ 664,000

\$2,300,000 Private Bank Loan from Summit Bank with fixed rate of interest of 4.25% through February 25, 2025; principal and interest of \$17,372 due beginning March 26, 2015, with a final balloon payment of \$953,676 due at maturity. Collateral for loan is specific revenue within the Tax Collector's annual budget earmarked for loan repayment, until loan is paid in full. Proceeds used for the purchase of a building to serve customers in Niceville, Florida. In the event of default, the lender may declare all unpaid principal to be immediately due and payable. The agreement does not contain any subjective acceleration clauses. -

LOANS AND NOTES - OTHER

Loans In October 2017, the Clerk received notice from the Florida Department of Revenue (FDOR), Child Support Enforcement Program (CSE) that its contractor, Maximus, had completed an analysis of allowable indirect costs rate for 2016 and determined the rate that was being used by the Clerk was too high resulting in overpayments by the Department of Revenue to the Clerk. The indirect cost rate being used also created overpayments in 2017. The Clerk agreed to repay the estimated amount of \$278,529 for 2016 and set up monthly installments to repay this amount. During the review of the 2017 and 2018 indirect cost rates, the determination was made that the Clerk was overpaid an additional \$437,777. Monthly installment payments have been set up to repay this additional amount. 398,863
 Total Governmental Activities Loans and Notes \$ 1,062,863

Business-type Activities:

REVENUE BONDS

Airport
 \$9,980,000 Taxable Airport Revenue Bonds, Series 2007, term bonds with stated interest rates ranging from 6.0 percent to 7.0 percent compounded semi-annually through October 1, 2030; issued in denominations of \$5,000 maturity value due in annual installments of \$220,000 to \$830,000 from October 1, 2009 through October 1, 2030. Net revenue derived from the operation of the Airport System and the Customer Facility Charges imposed per rental car transaction day at the Destin-Fort Walton Beach Airport are pledged for payment of the bonds. Proceeds from the bonds were used to finance a portion of the cost of the East Side Development Program. This issue is not subject to federal arbitrage regulations. This series was paid of in fiscal year 2020. \$ -

\$8,920,000 Taxable Airport Revenue Refunding Bonds, Series 2014, due in annual installments of \$360,000 to \$740,000 through October 1, 2028; interest rate of 3.15 percent per annum. Proceeds from the bond were used to refund Airport Revenue Revenue Bonds, Series 2003 and Commercial Paper Loan. This issue is not subject to federal arbitrage regulations. 5,915,000

Water and Sewer

The following parity bonds are secured by a pledge of the net revenues from the operation of the water and sewer system.

\$67,595,000 Water and Sewer Revenue Bonds, Series 2015, due in annual installments of \$760,000 to \$3,940,000 through July 1, 2036; interest ranging from 2.00 percent to 3.75 percent per annum. Proceeds from the bond were used to refund Water and Sewer Revenue Bonds, Series 2004; Water and Sewer Revenue Bonds, Series 2006; and Water and Sewer Revenue Note, Series 2012, as well as constructing additions to the water and sewer system. This issue is subject to federal arbitrage regulations. 53,660,000

Total Business-type Revenue Bonds \$ 59,575,000

NOTE 11 – LONG-TERM DEBT - CONTINUED**Primary Government - Continued****Business-type Activities - Continued****LOANS - STATE OF FLORIDA - DIRECT BORROWING**

The following loans from the State of Florida were obtained for construction of extensions and improvements to the County sewer system. Water and Sewer revenue net of operating costs and debt service are pledged for repayment of these loans.

\$8,168,888 State of Florida Department of Environmental Protection Revolving Loan Fund; semi-annual payments including capitalized interest of \$291,598 at 2.71% and 3.00% beginning June 15, 2007 reducing to \$263,938 beginning December 15, 2008 through December 15, 2026. In the event of default, the lender may declare all unpaid principal to be immediately due and payable. The agreement does not contain any subjective acceleration clauses.

\$ 3,119,818

The following is a summary of the changes in long-term debt of the Board of County Commissioners for the fiscal year ended September 30, 2020:

| | Balance Due October 1, 2019 | Increases | Decreases | Balance Due September 30, 2020 | Due Within One Year |
|---------------------------------|-----------------------------------|-------------|-----------------------|--------------------------------------|------------------------|
| Governmental Activities: | | | | | |
| Revenue Bonds | | | | | |
| Sales Tax Revenue Bonds, | | | | | |
| Series 2009 | \$ 715,000 | \$ - | \$ (715,000) | \$ - | - |
| Series 2011 | 2,557,000 | - | (172,000) | 2,385,000 | 179,000 |
| Series 2014 | 19,810,000 | - | (845,000) | 18,965,000 | 880,000 |
| Series 2016 | 12,485,000 | - | (245,000) | 12,240,000 | 255,000 |
| Series 2019 | 38,300,000 | - | - | 38,300,000 | 810,000 |
| Less deferred amounts | | | | | |
| For issuance discounts/premiums | 10,297,657 | - | (966,179) | 9,331,478 | - |
| Total Revenue Bonds | <u>84,164,657</u> | <u>-</u> | <u>(2,943,179)</u> | <u>81,221,478</u> | <u>2,124,000</u> |
| Notes from direct borrowings | | | | | |
| Private bank note | 1,316,000 | - | (652,000) | 664,000 | 664,000 |
| Private bank note, 2015 | 285,817 | - | (285,817) | - | - |
| Total direct borrowings | <u>1,601,817</u> | <u>-</u> | <u>(937,817)</u> | <u>664,000</u> | <u>664,000</u> |
| Other Payable | | | | | |
| Other Payable | 620,586 | - | (221,723) | 398,863 | 155,274 |
| Total Notes and Payables | <u>\$ 2,222,403</u> | <u>\$ -</u> | <u>\$ (1,159,540)</u> | <u>\$ 1,062,863</u> | <u>\$ 819,274</u> |

NOTE 11 – LONG-TERM DEBT - CONTINUED

Primary Government - Continued

| | Balance Due | | | Balance Due | |
|---------------------------------------|----------------------|---------------------|------------------------|----------------------|------------------------|
| | October 1 2019 | Increases | Decreases | September 30 2020 | Due Within One Year |
| Accrued compensated absences | \$ 7,381,935 | \$ 752,856 | \$ (329,164) | \$ 7,805,628 | \$ 3,593,033 |
| Estimated claims payable | 5,028,972 | 386,429 | - | 5,415,401 | 1,387,175 |
| Total Governmental Activities | \$ 98,797,967 | \$ 1,139,285 | \$ (4,431,882) | \$ 95,505,370 | \$ 7,923,482 |
| Business-type Activities: | | | | | |
| Revenue Bonds | | | | | |
| Airport Taxable Revenue Bonds, | | | | | |
| Series 2007 | \$ 7,075,000 | \$ - | \$ (7,075,000) | \$ - | \$ - |
| Series 2014 | 6,475,000 | - | (560,000) | 5,915,000 | 580,000 |
| Water and Sewer Revenue, | | | | | |
| Series 2015 | 56,695,000 | - | (3,035,000) | 53,660,000 | 3,190,000 |
| Bond discounts/premiums | 7,634,054 | - | (345,079) | 7,288,975 | - |
| Total Revenue Bonds | 77,879,054 | - | (11,015,079) | 66,863,975 | 3,770,000 |
| Loans and Notes - Direct Borrowings | | | | | |
| State of Florida Revolving Loan | | | | | |
| Fund, beginning June 15, 2007 | | | | | |
| through December 15, 2023 | 3,552,103 | - | (432,285) | 3,119,818 | 444,362 |
| Total Loans and Notes | 3,552,103 | - | (432,285) | 3,119,818 | 444,362 |
| Accrued compensated absences | 1,774,660 | 204,121 | (21,593) | 1,957,188 | 1,104,899 |
| Estimated closure costs payable | 3,072,190 | - | (313,010) | 2,759,180 | 380,598 |
| Total Business-type Activities | \$ 86,278,007 | \$ 204,121 | \$ (11,781,967) | \$ 74,700,162 | \$ 5,699,859 |

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end, \$1,734,046 of internal service funds compensated absences and \$5,415,401 of estimated claims are included in the above amounts.

NOTE 11 – LONG-TERM DEBT - CONTINUED

Primary Government - Continued

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

Debt service requirements to maturity on long-term debt at September 30, 2020 are as follows:

| Year Ending September 30, | Governmental Activities | | | |
|---------------------------|-------------------------|----------------------|--------------------------|-----------------|
| | Revenue Bonds | | Loans, Notes, and Leases | |
| | Principal | Interest | Principal | Interest |
| 2021 | 2,124,000 | 3,265,599 | 819,274 | 6,854 |
| 2022 | 2,266,000 | 3,159,174 | 164,766 | - |
| 2023 | 2,373,000 | 3,045,277 | 78,823 | - |
| 2024 | 2,490,000 | 2,924,688 | - | - |
| 2025 | 2,612,000 | 2,797,741 | - | - |
| 2026-2030 | 15,091,000 | 11,861,307 | - | - |
| 2031-2035 | 17,929,000 | 7,893,509 | - | - |
| 2036-2040 | 12,215,000 | 4,543,894 | - | - |
| 2041-2045 | 7,680,000 | 2,341,556 | - | - |
| 2046-2050 | 7,110,000 | 659,925 | - | - |
| | <u>\$ 71,890,000</u> | <u>\$ 42,492,669</u> | <u>\$ 1,062,863</u> | <u>\$ 6,854</u> |

| Year Ending September 30, | Business-type Activities | | | | | |
|------------------------------|--------------------------|----------------------|---------------------|-------------------|------------------------|-------------|
| | Revenue Bonds | | Loans and Notes | | Landfill Closure Costs | |
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2021 | \$ 3,770,000 | \$ 2,810,938 | \$ 444,362 | \$ 83,514 | \$ 380,598 | \$ - |
| 2022 | 3,945,000 | 2,633,010 | 456,777 | 71,099 | 380,598 | - |
| 2023 | 4,135,000 | 2,446,203 | 469,539 | 58,337 | 380,598 | - |
| 2024 | 4,325,000 | 2,250,686 | 482,659 | 45,217 | 380,598 | - |
| 2025 | 4,540,000 | 2,045,790 | 496,146 | 31,730 | 380,598 | - |
| 2026-2030 | 17,855,000 | 7,340,098 | 770,336 | 21,478 | 856,190 | - |
| 2031-2035 | 17,065,000 | 3,381,500 | - | - | - | - |
| 2036-2040 | 3,940,000 | 147,750 | - | - | - | - |
| | <u>\$ 59,575,000</u> | <u>\$ 23,055,974</u> | <u>\$ 3,119,818</u> | <u>\$ 311,375</u> | <u>\$ 2,759,180</u> | <u>\$ -</u> |

NOTE 12 – CONDUIT DEBT

Since 1984, Okaloosa County has authorized eight industrial development revenue bond issues that are still outstanding. The original issues totaled \$55,814,025 and as of September 30, 2020, \$12,902,829 was the principal liability. These bonds do not constitute an indebtedness of the County and are not a charge against its general credit or taxing powers. The bonds are payable solely from revenues of the respective industries to which these bond proceeds were remitted.

NOTE 13 – FUND BALANCES/RESTRICTED BALANCE

A schedule of the governmental fund balances for September 30, 2020 is provided below:

| | Major Funds | | | | | Total |
|----------------------------------|----------------------|----------------------|-------------------|----------------------|----------------------|-----------------------|
| | General Fund | Tourist Development | Natural Disaster | Road and Bridge | Other | |
| Fund Balances: | | | | | | |
| Nonspendable: | | | | | | |
| Inventory | \$ 45,558 | \$ - | \$ 14,464 | \$ 184,609 | \$ 304,493 | \$ 549,124 |
| Prepays | 647,463 | 7,278 | 1,318 | - | 42,890 | 698,949 |
| Restricted for: | | | | | | |
| Tourist Development 1st Cent | - | 17,346,447 | - | - | - | 17,346,447 |
| Tourist Development 2nd Cent | - | 5,658,814 | - | - | - | 5,658,814 |
| Tourist Development 3rd Cent | - | 9,224,112 | - | - | - | 9,224,112 |
| Tourist Development 4th Cent | - | 14,762,140 | - | - | - | 14,762,140 |
| Tourist Development 5th Cent | - | 6,554,773 | - | - | - | 6,554,773 |
| Florida Boating Improvements | - | - | - | - | 488,381 | 488,381 |
| Capital Projects | - | - | - | - | 539,864 | 539,864 |
| Emergency and Disaster Relief | - | - | 246,576 | - | - | 246,576 |
| Housing and Urban Development | - | - | - | - | 300,645 | 300,645 |
| E-911 Operations | - | - | - | - | 1,802,739 | 1,802,739 |
| Radio Communications | - | - | - | - | 274,502 | 274,502 |
| Law Enforcement Trust Fund | 174,672 | - | - | - | 154,946 | 329,618 |
| Police Academy | - | - | - | - | 106,995 | 106,995 |
| Park and Stormwater Projects | - | - | - | - | 3,133,109 | 3,133,109 |
| Prisoner Benefit Fund | - | - | - | - | 1,032,404 | 1,032,404 |
| Judicial Innovations | - | - | - | - | 446,089 | 446,089 |
| Drug Abuse Trust Fund | - | - | - | - | 113,350 | 113,350 |
| Domestic Violence Trust Fund | - | - | - | - | 5,712 | 5,712 |
| Public Records | - | - | - | - | 770,339 | 770,339 |
| Traffic Education | - | - | - | - | 271,619 | 271,619 |
| Debt Service | - | - | - | - | 706,396 | 706,396 |
| Transportation Projects | - | - | - | 32,149,383 | - | 32,149,383 |
| Infrastructure Projects | - | - | - | - | 22,525,311 | 22,525,311 |
| Committed to: | | | | | | |
| Planning Projects | 135,455 | - | - | - | - | 135,455 |
| Municipal Benefits Service Units | - | - | - | - | 678,155 | 678,155 |
| Assigned to: | | | | | | |
| Capital Projects | 8,100,000 | - | - | - | 4,045,188 | 12,145,188 |
| Transportation Projects | - | - | - | - | - | - |
| Fiber Optic Cable | - | - | - | - | 488,039 | 488,039 |
| Health Department | - | - | - | - | 7,973 | 7,973 |
| Unassigned: | | | | | | |
| Unassigned | 13,774,037 | - | - | - | (23,496) | 13,750,541 |
| Total Fund Balances | \$ 22,877,185 | \$ 53,553,564 | \$ 262,358 | \$ 32,333,992 | \$ 38,215,643 | \$ 147,242,742 |

The proprietary fund balance sheet contains the line item “Net Position Restricted for Other Purposes”. Following is a list of the detail balances contained in that line item for September 30, 2020.

| Fund | Amount | Purpose |
|---|----------------------|------------------------------------|
| Airport Enterprise Fund | \$ 12,312,424 | Passenger Facility Charges Program |
| Airport Enterprise Fund | 2,804,821 | Customer Facility Charges Program |
| Total Net Position Restricted for Other Purposes | \$ 15,117,245 | |

NOTE 14 – ENCUMBRANCES

The amount of encumbrances outstanding as of September 30, 2020, is as follows:

| | Amount |
|---------------------|---------------------|
| Governmental Funds | |
| General Fund | \$ 149,427 |
| Tourist Development | 4,745,772 |
| Natural Disasters | 300,854 |
| Capital Outlay | 64,250 |
| Other Governmental | 104,072 |
| Total | <u>\$ 5,364,375</u> |

Encumbrances at year end do not constitute expenditures or liabilities; therefore, they are not reflected in the financial statements.

NOTE 15 – PENSION PLAN

The County participates in the Florida Retirement System (FRS) which is a cost sharing multiple employer contributory retirement system administered by the State of Florida (State). The FRS was established in 1970 by Chapter 121, Florida Statutes. In 2002 the FRS was amended to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. Rules governing the operation and administration of the system may be found in Chapter 60S of the Florida Administrative Code. Chapter 112, Florida Statutes established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple employer defined benefit pension plan to assist retired members of any state-administered retirement system in paying the cost of health insurance.

The State of Florida Retirement System issues a publicly available stand-alone financial report (CAFR) which includes financial statements and required supplementary information. Also available are the pension systems actuarial reports to support the schedules of employer allocations and schedules of pension amounts by employer. These reports are available on the division's website at <http://www.dms.myflorida.com> or by email at rep@dms.myflorida.com. The CAFR and actuarial reports may also be obtained by contacting the Division of Retirement at:

State of Florida Department of Management Services

Division of Retirement

Research and Education Section

P.O. Box 9000

Tallahassee, FL 32315-9000

850-488-5706 or toll free 877-377-1737

There are six classes of membership applicable to the County. Members are eligible for normal retirement when they have met the requirements listed below. Early retirement may be taken any time after vesting within 20 years of normal retirement age; however, there is a 5 percent benefit reduction for each year prior to the normal retirement age.

- **Regular Class, Senior Management Service Class, and Elected Officers' Class Members** – For members initially enrolled in the FRS before July 1, 2011, six or more years of creditable service and age 62, or the age after completing six years of creditable service if after age 62. Thirty years of creditable service regardless of age before age 62. For members initially enrolled in the FRS on or after July 1, 2011, eight or more years of creditable service and age 65, or the age after completing eight years of creditable service if after age 65. Thirty-three years of creditable service regardless of age before age 65.

NOTE 15 – PENSION PLAN – CONTINUED

- **Special Risk Class and Special Risk Administrative Support Class Members** – For members initially enrolled in the FRS before July 1, 2011, six or more years of Special Risk Class service and age 55, or the age after completing six years of Special Risk Class service if after age 55. Twenty-five years of special risk service regardless of age before age 55. A total of 25 years of service including special risk service and up to four years of active duty wartime service and age 52. Without six years of Special Risk Class service, members of the Special Risk Administrative Support Class must meet the requirements of the Regular Class. For members initially enrolled in the FRS on or after July 1, 2011, eight or more years of Special Risk Class service and age 60, or the age after completing eight years of Special Risk Class service if after age 60. Thirty years of special risk service regardless of age before age 60. Without eight years of Special Risk Class service, members of the Special Risk Administrative Support Class must meet the requirements of the Regular Class.
- **The Deferred Retirement Option Program (DROP)** is available under the FRS Pension Plan when the member first reaches eligibility for normal retirement. The DROP allows a member to retire while continuing employment for up to 60 months.

FRS Membership and Plan Benefits - The FRS Pension Plan provides retirement and disability benefits, death benefits and survivor’s benefits. Members are also eligible for in-line-of-duty or regular disability benefits if permanently disabled and unable to work. Benefits are established by State Statutes. Retirement benefits are based on a formula comprised of age, average compensation, length of FRS service, and membership class. Average compensation is computed as the average of an individual’s five highest years of earnings for employees hired before July 1, 2011 or eight highest years of earnings for employees hired on or after July 1, 2011. The amount of benefit payments is also affected by the retirement income option chosen by the plan participant.

Pension plan participants may choose to receive benefit in retirement under one of four options which will include a 3% cost-of-living adjustment each July (adjustments are only applicable for FRS service earned prior to July 1, 2011).

If a pension plan participant leaves FRS-covered employment, the pension plan benefit is frozen until the employee returns to FRS-covered employment or begins receiving early or normal retirement benefit.

HIS Membership and Plan Benefits - The HIS membership is available to all members within the FRS and defined contribution Investment Plan. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to section Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

Contribution Requirements - The County is required to contribute at an actuarially determined rate; these rates are a percent of annual covered payroll. Employees are required to contribute 3% of their annual salary, while members participating in DROP are not required to make the 3% contribution. The County’s contractually required contribution rate includes the HIS contribution, .06% administrative and educational fee and any applicable unfunded actuarial liability “UAL” rates. The HIS required contribution rate is 1.66% for the 2019 and 2020 FRS plan years. This contribution when combined with the employee contribution is expected to finance the cost of the benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Descriptions and contribution rates in effect during the period ended September 30, 2020 and two preceding FRS fiscal years are as follows:

| | September 30, 2020 | June 30, 2020 | June 30, 2019 | June 30, 2018 |
|-------------------------------------|--------------------|---------------|---------------|---------------|
| Regular Class | 10.00% | 8.47% | 8.26% | 7.92% |
| Senior Management | 27.29% | 25.41% | 24.06% | 22.71% |
| Elected Officials | 49.18% | 48.82% | 48.70% | 45.50% |
| Deferred Retirement Option Program | 16.98% | 14.60% | 14.03% | 13.26% |
| Special Risk Regular | 24.45% | 25.48% | 24.50% | 23.27% |
| Special Risk Administrative Support | 35.84% | 38.59% | 34.98% | 34.63% |

NOTE 15 – PENSION PLAN – CONTINUED

For the years ending September 30, 2020, 2019, 2018, the County contributed \$12,339,863, \$11,380,819, and \$10,521,464 respectively, equal to 100% of the required contributions for each year.

The Florida Legislature has the authority for establishing or amending retirement legislation and related bills of significance to members of the Florida Retirement System (FRS). Passed bills are presented to the Governor and approved before they may be enacted into law.

Net pension liability, deferred outflows/inflows of resources and pension expense related to the County defined benefit pension plan - At September 30, 2020, the County reported a liability of \$153,799,006 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County’s proportion of the net pension liability was based on the County’s long-term share of contributions to the FRS relative to the contributions of all participating governments. At June 30, 2020, the County’s change in proportion was an increase from its proportion measured as of June 30, 2019.

The following table presents the information on the County’s proportionate share of the FRS and HIS:

| | FRS | HIS | County Total |
|--|----------------------|---------------------|----------------|
| Proportionate share of Net Pension | | | |
| Liability at June 30, 2020 | \$ 128,458,322 | \$ 25,340,684 | \$ 153,799,006 |
| County’s proportion at June 30, 2020 | 0.00296386603 | 0.00207543174 | |
| County’s proportion at June 30, 2019 | 0.00293695540 | 0.00207070154 | |
| Change in proportion during current year | <u>0.00002691063</u> | <u>0.0000047302</u> | |

For the fiscal year ended September 30, 2020, the County recognized pension expense of \$18,636,042.

At September 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | FRS | | HIS | | County Total |
|---|----------------------|---------------------|---------------------|---------------------|------------------------------------|
| | Deferred Outflow | Deferred Inflow | Deferred Outflow | Deferred Inflow | Deferred Outflow (Deferred Inflow) |
| Differences between expected and actual experience | \$ 4,916,361 | - | \$ 1,036,588 | \$ 19,549 | \$ 5,933,400 |
| Changes in assumptions | 23,255,043 | - | 2,724,845 | 1,473,462 | \$ 24,506,426 |
| Net difference between projected and actual earnings on pension plan investments | 7,648,532 | - | 20,232 | - | \$ 7,668,764 |
| Changes in proportion and differences between County contributions and proportionate share of contributions | 3,314,671 | 1,197,783 | 1,210,622 | 514,943 | \$ 2,812,567 |
| County contributions subsequent to the measurement date | 2,769,758 | - | 327,147 | - | 3,096,905 |
| | <u>\$ 41,904,365</u> | <u>\$ 1,197,783</u> | <u>\$ 5,319,434</u> | <u>\$ 2,007,954</u> | <u>\$ 44,018,062</u> |

NOTE 15 – PENSION PLAN – CONTINUED

\$3,096,905 reported as deferred outflows related to pensions resulting from the County’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| Reporting year Ending June 30, | FRS | HIS | County Total Deferred Outflow (Deferred Inflow) |
|-----------------------------------|---------------|--------------|---|
| 2021 | \$ 7,773,638 | \$ 745,606 | \$ 8,519,244 |
| 2022 | 11,888,455 | 582,048 | 12,470,503 |
| 2023 | 10,163,944 | 240,592 | 10,404,536 |
| 2024 | 6,233,717 | 410,328 | 6,644,045 |
| 2025 | 1,720,263 | 518,153 | 2,238,416 |
| Thereafter | 156,807 | 487,606 | 644,413 |
| Totals | \$ 37,936,824 | \$ 2,984,333 | \$ 40,921,157 |

The total FRS pension liability in the June 30, 2020 actuarial valuation was determined based on the discount rate using the following actuarial assumptions, applied to all periods included in the measurement. The total pension liability is calculated using the Individual Entry Age Normal cost allocation method, which differs from the Ultimate Entry Age Normal cost allocation method used in the funding valuation for the system.

FRS actuarial methods and assumptions are:

| | |
|---|---------------------------------|
| Actuarial cost allocation method | Individual Entry Age Cost |
| Amortization method | Level Percentage of Pay, Closed |
| Equivalent single amortization period | 30 years |
| Asset valuation method | Fair market value |
| Actuarial Assumptions: | |
| Discount rate | 6.80% |
| Long Term expected rate of return, net of investment expense, including inflation | 6.80% |
| Municipal bond rate | N/A |
| Inflation | 2.40% |
| Salary increases including inflation | 3.25% |

Mortality rates were based on PUB-2010 base table with projections scale

HIS actuarial methods and assumptions are:

| | |
|---|-------|
| Actuarial Assumptions: | |
| Discount rate | 2.21% |
| Long Term expected rate of return, net of investment expense, including inflation | N/A |
| Municipal bond rate | 2.21% |
| Inflation | 2.40% |
| Salary increases including inflation | 3.25% |

Mortality rates were based on Generational PUB-2010 with projections scale

NOTE 15 – PENSION PLAN – CONTINUED

The Actuarial assumptions that determined the total pension liability as of June 30, 2020 were based on the results of an actuarial experience study for the period of July 1, 2013 – June 30, 2018.

The discount rate used for calculating the total FRS pension liability was 6.80%, The FRS plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long term expected rate of return. Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 2.21% was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index). Mortality assumptions for the FRS Pension Plan were based on the PUB-2010 base table, projected generationally with Scale MP-2018, and mortality assumptions for the HIS Program were based on the Generational RP-2000 with Projection Scale BB tables.

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

| Asset Class | Target Allocation ⁽¹⁾ | Annual Arithmetic Return | Compound Annual (Geometric) | Standard Deviation |
|--------------------------|----------------------------------|--------------------------|-----------------------------|--------------------|
| Cash | 1.0% | 2.2% | 2.2% | 1.2% |
| Fixed income | 19.0% | 3.0% | 2.9% | 3.5% |
| Global equity | 54.2% | 8.0% | 6.7% | 17.1% |
| Real estate (property) | 10.3% | 6.4% | 5.8% | 11.7% |
| Private equity | 11.1% | 10.8% | 8.1% | 25.7% |
| Strategic investments | 4.4% | 5.5% | 5.3% | 6.9% |
| | 100.0% | | | |
| Assumed Inflation - Mean | | | 2.4% | 1.7% |

⁽¹⁾As outlined in the Plan’s investment policy

Sensitivity of the County’s proportionate share of the pension liability to changes in the discount rate is calculated using discount rate for the respective plans, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

| FRS Net Pension Liability | | | HIS Net Pension Liability | | |
|---------------------------|-----------------------|--------------|---------------------------|-----------------------|--------------|
| 1% Decrease | Current Discount Rate | 1% Increase | 1% Decrease | Current Discount Rate | 1% Increase |
| 5.80% | 6.80% | 7.80% | 1.21% | 2.21% | 3.21% |
| \$205,126,352 | \$128,458,322 | \$64,424,850 | \$29,292,699 | \$25,340,684 | \$22,105,970 |

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

NOTE 16 - POSTEMPLOYMENT BENEFITS

Board of County Commissioners

Plan Description

In addition to providing the pension benefits described, the Board of County Commissioners and all other elected officials except for the Sheriff and Tax Collector (the County) provides post-employment health care and dental insurance benefits (OPEB) for eligible retired employees and their spouses through a single-employer defined benefit plan administered by Blue Cross Blue Shield of Florida (BCBSFL). Pursuant to the provision of Section 112.0801, Florida Statutes, employees who retire from the County and eligible dependents, may continue to participate in the group insurance plan. Retirees and their eligible dependents shall be offered the same health and hospitalization insurance coverage as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees. The County subsidizes the premium rates paid by the retirees by allowing them to participate in the plan at blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. In order for OPEB obligations to be considered funded, an irrevocable trust fund must be used. The County has elected not to “fund” the total OPEB obligation, but instead chose to appropriate and set aside amounts annually in the Board’s Self Insurance Fund so that the total OPEB liability is completely offset by cash and investments over time. Benefits, benefit levels, employee contributions and employer contributions are governed and amended through its personnel manual by the County’s Self Insurance Fund with approval by the Board. The plan does not issue a separate report.

Plan Membership

| | |
|---|-----|
| Inactive plan members or beneficiaries currently receiving benefits | 46 |
| Inactive plan members entitled to but not yet receiving benefits | - |
| Active plan members | 936 |
| | 982 |

Benefits Provided

The County provides post-employment health care and dental benefits to its retirees. To be eligible for benefits an employee must retire under the County’s retirement plan and must have been covered under the medical plan as an active employee immediately prior to retirement. Elected officials are not eligible for benefits if they qualify for retirement.

All health care benefits are provided through the County’s health care provider, BCBSFL. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; dental care; and prescriptions. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the County’s plan becomes secondary.

NOTE 16 - POSTEMPLOYMENT BENEFITS - CONTINUED**Board of County Commissioners - Continued**Contributions

The County contracted Insurance Broker negotiates the premium rates with BCBSFL. Retirees and beneficiaries currently receiving benefits are required to contribute 100% of their current premium costs. The County contributes the remainder to cover the costs of providing the benefits to the retirees via the insured plan. Active employees do not contribute to the plan until retirement.

Total OPEB Liability

The total OPEB liability was actuarially determined based on several actuarial assumptions, using the actuarial measurement date of September 30, 2019. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The actuarial assumptions used in the September 30, 2019 OPEB Plan valuation were based on the results of an actuarial study for the period from October 1, 2018 through September 30, 2019.

Actuarial Assumptions

The following assumptions were used in determining the total OPEB liability:

| | |
|-----------------------------|--|
| Actuarial cost method | Entry Age Normal |
| Inflation | 2.25% |
| Discount rate | The discount rate was changed from 3.83% as of the previous measurement date to 2.75% as of September 30, 2020. This change is reflected in the Schedule of Changes in Total OPEB Liability. |
| Salary increases | Salary increase rates developed in the 5-year experience study dated January 15, 2019 and covering the period 2012 through 2017; 3.0% - 8.5%, including inflation. |
| Retirement age | Retirement rates developed in the 5-year experience study dated January 15, 2019 and covering the period 2012 through 2017; varies by age. |
| Mortality | Mortality tables used for Regular and Special Risk Class members in the July 1, 2019 actuarial valuation of the Florida Retirement System. They are based on the results of a statewide experience study covering the period 2013 through 2018 and include generational projections. |
| Healthcare cost trend rates | Based on the Getzen Model, with trend starting at 6.5% on 10/1/2020 (to reflect actual premiums) followed by 6.25% on 10/1/2021 and gradually decreasing to an ultimate trend rate of 3.99% plus 0.56% increase for excise tax. |
| Aging factors | Based on the 2013 SOA Study "Health Care Costs – From Birth to Death". |
| Expenses | Administrative expenses are include in the per capital health costs. |

Change in Net OPEB Liability

| | Increase (Decrease) | | |
|--|-----------------------|-----------------------------------|-----------------------|
| | Net OPEB Liability | Plan Fiduciary Net Position | Net OPEB Liability |
| | (a) | (b) | (a) - (b) |
| Balances at September 30, 2019 | \$ 4,880,942 | \$ - | \$ 4,880,942 |
| Changes for the year: | | | |
| Service cost | 292,775 | - | 292,775 |
| Interest | 194,080 | - | 194,080 |
| Difference in expected and actual experience of the Total OPEB Liability | (773,538) | - | (773,538) |
| Changes of assumptions | 312,630 | - | 312,630 |
| Contributions | - | 212,688 | (212,688) |
| Benefit payments | (212,688) | (212,688) | - |
| Net changes | (186,741) | - | (186,741) |
| Balances at September 30, 2020 | <u>\$ 4,694,201</u> | <u>\$ -</u> | <u>\$ 4,694,201</u> |

NOTE 16 - POSTEMPLOYMENT BENEFITS - CONTINUED

Board of County Commissioners - Continued

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

| | 1% Decrease 1.75% | Current Discount Rate 2.75% | 1% Increase 3.75% |
|--------------------|-------------------------|-----------------------------------|-------------------------|
| Net OPEB Liability | \$5,312,019 | \$4,694,201 | \$4,171,771 |

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Trend Rates:

| | 1% Decrease | Current Healthcare Cost Trend Rate Assumption | 1% Increase |
|--------------------|----------------|--|----------------|
| Net OPEB Liability | \$4,306,080 | \$4,694,201 | \$5,163,988 |

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
 For the year ended September 30, 2020, the Board recognized OPEB expense of \$394,197. On September 30 2020, the Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Diference between expected and actual experience | \$ - | \$ 694,606 |
| Changes in assumptions | 280,729 | 303,642 |
| Contributions subsequent to the measurement date | 161,860 | - |
| | <u>\$ 442,589</u> | <u>\$ 998,248</u> |

Deferred outflows of resources related to OPEB of \$161,860 resulting from the Board’s contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ending September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| | |
|--------------------------|---------------------|
| Year ended September 30: | |
| 2021 | \$ (92,658) |
| 2022 | (92,658) |
| 2023 | (92,658) |
| 2024 | (92,658) |
| 2025 | (92,658) |
| Thereafter | (254,229) |
| Total | <u>\$ (717,519)</u> |

NOTE 16 - POSTEMPLOYMENT BENEFITS - CONTINUED

Sheriff

Plan Description

The Okaloosa County Sheriff’s Office (OCSO) administers a single-employer defined benefit healthcare plan (“the Plan”). The Plan provides healthcare insurance for eligible retirees and their spouses through the Sheriff’s group health insurance plan, which covers both active and retired members. Employer contribution rates for retirees vary based on the type of retirement, years of service, and type of coverage. The Plan does not issue a publicly available financial report but OPEB expenses are reflected in the Sheriff’s internal service fund within the County’s Comprehensive Annual Financial Report (CAFR).

Plan Membership

| | |
|---|-----|
| Inactive plan members or beneficiaries currently receiving benefits | 23 |
| Inactive plan members entitled to but not yet receiving benefits | - |
| Active plan members | 379 |
| | 402 |

Contributions and Funding Policy

Retirees and beneficiaries currently receiving medical / prescription benefits are required to make monthly premium contributions in order to maintain their coverage. The single retiree premium is paid by the OCSO for retirees with at least 20 years of service, until the retiree reaches age 65. Effective October 1, 2010 that benefit is no longer available except to retirees that met the criteria as of September 30, 2010. Effective June 2011, the OCSO instituted a policy whereby retiring members with thirty years of service with the agency will receive a 50% premium subsidy on their retired employee coverage. This subsidy is limited to five years from their retirement date or until they reach age 65, whichever comes first. Dependent coverage is paid by the retiree. The amount of the premium contribution may change from time to time. Surviving spouses of retirees are eligible to continue coverage under the plan, but must continue to pay the full premium. However, the premiums for health coverage for surviving spouses and any dependent children of officers who had sustained catastrophic injuries or death in the line of duty are paid fully by the OCSO as prescribed by FS Sec 112.19(g) and 112.19(h)1.

Total OPEB Liability

The total OPEB liability was actuarially determined based on several actuarial assumptions, using the actuarial measurement date of September 30, 2019. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The actuarial assumptions used in the September 30, 2019 OPEB Plan valuation were based on the results of an actuarial study for the period from October 1, 2018 through September 30, 2019.

NOTE 16 - POSTEMPLOYMENT BENEFITS - CONTINUED

Sheriff - Continued

Actuarial Assumptions

The following assumptions were used in determining the total OPEB liability:

| | |
|-----------------------------|---|
| Actuarial cost method | Entry Age Normal |
| Inflation | 2.25% |
| Discount rate | 2.75% |
| Salary increases | Salary increase rates used in the July 1, 2019 actuarial valuation of the Florida Retirement Systems; 3.6% - 8.0%, including inflation. |
| Retirement age | Retirement rates used in the July 1, 2019 actuarial valuation of the Florida Retirement System. They are based on the results of a state wide experience study covering the period 2013 through 2018. |
| Mortality | Mortality tables used for Regular and Special Risk Class members in the July 1, 2019 actuarial valuation of the Florida Retirement System. They are based on the results of a statewide experience study covering the period 2013 through 2018. |
| Healthcare cost trend rates | Based on the Getzen Model, with trend starting at 6.50% for 10/1/2020 (5.50% for premiums), followed by 6.25% on 10/1/2021 and gradually decreasing to an ultimate trend rate of 3.99% plus 0.45% increase for excise tax. |
| Aging factors | Based on the 2013 SOA Study "Health Care Costs – From Birth to Death". |
| Expenses | Administrative expenses are include in the per capital health costs. |

Change in Net OPEB Liability

| | Increase (Decrease) | | |
|--|---------------------|---------------------------|---------------------|
| | Total OPEB | Plan | Net OPEB |
| | Liability | Fiduciary Net Position | Liability |
| | (a) | (b) | (a) - (b) |
| Balances at September 30, 2019 | \$ 5,456,745 | \$ - | \$ 5,456,745 |
| Changes for the year: | | | |
| Service cost | 286,196 | - | 286,196 |
| Interest | 215,697 | - | 215,697 |
| Difference in expected and actual experience of the Total OPEB Liability | 236,378 | - | 236,378 |
| Changes of assumptions | (130,119) | - | (130,119) |
| Contributions | - | 222,307 | (222,307) |
| Benefit payments | (222,307) | (222,307) | - |
| Net changes | <u>\$ 385,845</u> | <u>\$ -</u> | <u>\$ 385,845</u> |
| Balances at September 30, 2020 | <u>\$ 5,842,590</u> | <u>\$ -</u> | <u>\$ 5,842,590</u> |

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

| | 1% | Current | 1% |
|--------------------|--------------|---------------|--------------|
| | Decrease | Discount Rate | Increase |
| | 1.75% | 2.75% | 3.75% |
| Net OPEB Liability | \$ 6,533,389 | \$ 5,842,590 | \$ 5,263,278 |

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Trend Rates

| | 1% | Healthcare | 1% |
|--------------------|-------------|---------------------|-------------|
| | Decrease | Cost Trend Rates | Increase |
| | 1% | 2.75% | 3.75% |
| Net OPEB Liability | \$5,018,025 | \$5,842,590 | \$6,895,327 |

NOTE 16 - POSTEMPLOYMENT BENEFITS - CONTINUED

Sheriff - Continued

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
 For the year ended September 30, 2020, the OCSO recognized OPEB expense of \$474,219. On September 30 2020, the OCSO reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Diference between expected and actual experience | \$ 217,766 | \$ - |
| Changes in assumptions | - | 485,538 |
| Contributions subsequent to the measurement date | 266,413 | - |
| | <u>\$ 484,179</u> | <u>\$ 485,538</u> |

Deferred outflows of resources related to OPEB of \$266,413 resulting from the OCSO’s contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ending September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| | |
|--------------------------|---------------------|
| Year ended September 30: | |
| 2021 | \$ (27,674) |
| 2022 | (27,674) |
| 2023 | (27,674) |
| 2024 | (27,674) |
| 2025 | (27,674) |
| Thereafter | (129,402) |
| | <u>\$ (267,772)</u> |

Tax Collector

The Okaloosa County Tax Collector’s Office (the Tax Collector) provides certain continuing health care and life insurance benefits for its retired employees. This is considered a single-employer defined benefit OPEB plan administered by the Tax Collector (the TC’s OPEB Plan). Medical benefits are provided through comprehensive plans and are made available to employees upon actual retirement and meeting certain eligibility requirements. For purposes of measuring the net OPEB liability, deferred outflows of resources, deferred inflows of resources related to OPEB and OPEB expense, the Tax Collector recognizes benefit payments when due and payable in accordance with the benefit terms. Life insurance coverage is not considered in this valuation.

As of September 30, 2020, the Tax Collector’s OPEB plan reports a net OPEB liability of \$120,002, deferred outflows of resources of \$30,222 and deferred inflows of resources of \$5,902 as of September 30, 2020. For the year ended September 30, 2020, the Tax Collector’s OPEB plan recognized OPEB expense of \$95,682. These amounts are recognized in the government-wide financial statements as part of governmental activities. Life insurance coverage is not considered in this valuation.

Due to the insignificant amounts involved, management has elected not to provide the detailed footnotes as required by generally accepted accounting principles in the United States of America.

NOTE 17 - RISK MANAGEMENT

The County is exposed to risk of loss for claims and judgments for public liability, workers' compensation, employee medical benefits and other special risks. The County uses the Self Insurance Internal Services Fund to account for all risks from workers' compensation loss, general liability, and medical benefit claims for all County employees except those of the Sheriff, from catastrophic damage to real and tangible property and from special risk policies for the Board. A mixture of commercial insurance coverage and self-insurance, which is described below, manages the risk to the County. There has been no significant reduction in insurance coverage from the prior fiscal year, and insurance coverage has been sufficient to cover all claims made in the prior three fiscal years.

A. Method of Risk Management*Public Liability*

Florida Statutes 768.28(5) limits the maximum County liability for claims and judgments by any one person and any one incident to \$200,000 and \$300,000, respectively. The County self-insures public liability claims for automobile, general and professional liability. A third party administrator manages claims. Currently, the County retains the risk for the first \$50,000 for automobile liability, and \$100,000 for general and professional liability for each claim or incident. A third party administrator manages the claims.

The Sheriff maintains a commercial insurance policy for public liability and bears no risk of loss under this type of coverage.

Property Insurance

The County self-insures the risk of physical loss to its real property, business property and equipment. The County retains the risk of the first \$50,000 of physical damage to County property. In the case of a named storm, the self-insurance retention changes to a 5% deductible on each structure with a minimum deductible of \$100,000 on all damaged structures for a capped deductible of \$5,000,000 per storm. Effective October 2015, the County insures vehicles valued at \$25,000 and above and retains the risk for the first \$10,000 of physical damage.

Workers' Compensation

The County contracts with a Third Party Administrator to have its workers' compensation claims processed. The County retains risk for all claims up to \$500,000 per incident. Excess insurance is purchased to cover losses up to a statutory limit for workers' compensation and \$1,000,000 for employers' liability.

The Sheriff participates in the Florida Sheriff's Association Workers' Compensation Program. It is a fully insured, guaranteed cost program with a deductible trust fund and insurance with a commercial carrier. The Sheriff retains no risk.

Employee Medical Benefits

The Board of County Commissioners and all other elected officials of Okaloosa County, except the Sheriff, use a fully insured commercial insurance plan to fund employee medical benefits. The Board of County Commissioners or elected official pays the premiums for the employees while the individual pays for dependent and retiree coverage. The County bears no risk of loss under this type of coverage.

The Sheriff utilizes a self-funded health plan to provide comprehensive medical benefits to the employees, retirees and their dependents. It is funded by contributions from the Sheriff's Office and employees. In compliance with Florida Statute, Section 112.08, an actuarial review of the Plan demonstrates that the current rate structure of the Plan plus the current net position available for benefits appears adequate to support current outstanding claims as well as those projected claims and expenses for the next plan year.

Excess insurance is purchased from a commercial carrier to provide a specific claim and aggregate limits coverage. Specific claim coverage benefits the covered individual by providing unlimited coverage to begin when a specific claim exceeds \$105,000 plus an additional corridor of \$275,000. Aggregate limits coverage limits the Sheriff's total risk exposure. This coverage provides the Sheriff with an additional \$1,000,000 in coverage for the coverage year when total claims paid less the total paid under the specific claim excess coverage exceeds 125% of the expected claims for the current plan year.

NOTE 17 - RISK MANAGEMENT - CONTINUED**A. Method of Risk Management - Continued***Employee Medical Benefits - Continued*

The Sheriff uses an internal service fund to account for risks from medical benefit claims. Claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. At September 30, 2020, the amount of these liabilities was \$361,136. This liability has been determined based on an actuarial evaluation of all claims reported and all claims incurred but not reported (IBNR) as of September 30, 2020. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors.

| Reconciliation of Claims Liabilities for Medical Benefits | As of September 30, 2020 | As of September 30, 2019 |
|---|-----------------------------|-----------------------------|
| Unpaid claims and adjustment expenses at beginning of year | \$ 590,384 | \$ 285,884 |
| Incurred claims and claim adjustment expenses | | |
| A) Provision for insured events of current fiscal year | 8,223,909 | 6,509,806 |
| B) Increases (decreases) in provision for insured events of prior fiscal years | - | - |
| Total incurred claims and claim adjustment expense | <u>8,814,293</u> | <u>6,795,690</u> |
| Payments | | |
| A) Claims and claim adjustment expenses attributable to insured events of current fiscal year | 7,398,408 | 6,205,306 |
| B) Claims and claim adjustment expenses attributable to insured events of prior fiscal year | 1,054,749 | - |
| Total payments | <u>8,453,157</u> | <u>6,205,306</u> |
| Unpaid claims and claim adjustment expenses at end of year | <u>\$ 361,136</u> | <u>\$ 590,384</u> |

Special Risk Policies

The Board purchases commercial crime coverage against theft of money and securities with a \$25,000 deductible. All of the other elected officials, except the Sheriff, are covered under the policy. Florida Statute requires certain classes of employees (law enforcement) be provided with a special death and disability benefit. The Board purchases a commercial policy. The County bears no risk of loss under this type of coverage. The Sheriff insures this exposure separately.

B. Claim Liabilities for Retained Risk

Claim liabilities for workers' compensation, general liabilities (including errors and omissions), and auto liability (both bodily injury and property damage) have been determined based on an actuarial evaluation of all claims reported and all claims incurred but not reported (IBNR) as of September 30, 2020. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. The actuarial estimation of ultimate losses does not include any future recoveries from the Florida Special Disability Fund, subrogation or third party liens, etc. except to the degree they are implicitly included in the trending process of estimating ultimate losses. The ultimate loss calculation does take into consideration specific excess reinsurance recoverable.

NOTE 17 - RISK MANAGEMENT - CONTINUED

B. Claim Liabilities for Retained Risk - Continued

Claims liabilities recognized in the Self Insurance Fund of the Board of County Commissioners at September 30, 2020 were as follows:

| | Current | Long-term | Total |
|-----------------------------------|---------------------|---------------------|---------------------|
| Workers' compensation | \$ 1,086,994 | \$ 3,329,652 | \$ 4,416,646 |
| General liability | 207,718 | 571,595 | \$ 779,313 |
| Automobile liability | 83,222 | 124,833 | \$ 208,055 |
| Property | 9,241 | 2,146 | \$ 11,387 |
| Total claims liability recognized | <u>\$ 1,387,175</u> | <u>\$ 4,028,226</u> | <u>\$ 5,415,401</u> |

C. Funding of Claims Liabilities

The Self Insurance Fund charges the other funds of the Board and other participating elected officials for the cost of claim liabilities based on actuarially projected budget requirements for expected yearly cash payouts. This funding method results in a deficit fund balance that will be charged back to the other funds over a reasonable period of time so that service fund revenues and expenses will be approximately equal.

NOTE 17 - RISK MANAGEMENT - CONTINUED

D. Reconciliation of Claims Liabilities

| | As of September 30, 2020 | | | | | As of September 30, 2019 | | | | |
|---|--------------------------|-------------------|-------------------|------------------|---------------------|--------------------------|--------------------|------------------|-----------------|---------------------|
| | Workers' Compensation | General Liability | Automobile | Property | Total | Workers' Compensation | General Liability | Automobile | Property | Total |
| Unpaid claims and adjustment expenses at beginning of year | \$ 4,047,249 | \$ 319,521 | \$ 64,181 | \$ 7,637 | \$ 4,438,588 | \$ 4,811,614 | \$ 328,618 | \$ 62,864 | \$ 7,056 | \$ 5,210,152 |
| Incurred claims and claim adjustment expenses | | | | | | | | | | |
| A) Provision for insured events of current fiscal year | 1,785,954 | 556,560 | 154,123 | 31,519 | 2,528,156 | 1,125,888 | 137,818 | 9,102 | 36,161 | 1,308,969 |
| B) Increases (decreases) in provision for insured events of prior fiscal years | (416,750) | 255,778 | 132,625 | 178,360 | 150,013 | (965,482) | 959,158 | 1,317 | (4,196) | (9,203) |
| Total incurred claims and claim adjustment expenses | <u>1,369,204</u> | <u>812,338</u> | <u>286,748</u> | <u>209,879</u> | <u>2,678,169</u> | <u>160,406</u> | <u>1,096,976</u> | <u>10,419</u> | <u>31,965</u> | <u>1,299,766</u> |
| Payments | | | | | | | | | | |
| A) Claims and claim adjustment expenses attributable to insured events of current fiscal year | (326,804) | (151,649) | (39,304) | (25,945) | (543,702) | (228,003) | (14,749) | (9,102) | (31,384) | (283,238) |
| B) Claims and claim adjustment expenses attributable to insured events of prior fiscal year | (673,004) | (200,897) | (103,570) | (180,184) | (1,157,655) | (696,768) | (1,091,324) | - | - | (1,788,092) |
| Total payments | <u>(999,808)</u> | <u>(352,546)</u> | <u>(142,874)</u> | <u>(206,129)</u> | <u>(1,701,357)</u> | <u>(924,771)</u> | <u>(1,106,073)</u> | <u>(9,102)</u> | <u>(31,384)</u> | <u>(2,071,330)</u> |
| Unpaid claims and claim adjustment expenses at end of year | <u>\$ 4,416,645</u> | <u>\$ 779,313</u> | <u>\$ 208,055</u> | <u>\$ 11,387</u> | <u>\$ 5,415,400</u> | <u>\$ 4,047,249</u> | <u>\$ 319,521</u> | <u>\$ 64,181</u> | <u>\$ 7,637</u> | <u>\$ 4,438,588</u> |

NOTE 18 - COMMITMENTS AND CONTINGENCIES

Wastewater Service Interlocal Agreement with Fort Walton Beach

In 2009, the Board adopted the Wastewater Service Interlocal Agreement (Agreement) with the City of Fort Walton Beach (City). The Agreement outlines a long-term association for the treatment of the City’s influent wastewater flow at a set percentage of the County’s base sewer rate plus a locked-in annual rate escalator. The agreement provides other ancillary benefits to the City such as the provision of “no cost” tertiary treated effluent for use as irrigation water at the City’s 36-hole municipal Golf Club. The Agreement is effective for 30 years and can be automatically extended for up to two additional terms for a period of ten years for each extension term.

The City is to be billed monthly at a rate equal to \$2.46 per each 1,000 gallons of wastewater flow. Additionally, the City pays to the County the Sewer Readiness to Serve Fee, which is equal to \$3,750 per month. Beginning March 2011, and each year thereafter, the Readiness to Serve Fee increases by 3% annually. Service to the City began March 2010. Fees of \$2,566,023 paid by the City during 2020 are reflected as Charges for Services in the Water and Sewer fund. The minimum commitment to the County under the Agreement is as follows:

| Fiscal Year Ending September 30, | Payment |
|----------------------------------|---------------------|
| 2021 | \$ 61,382 |
| 2022 | 63,223 |
| 2023 | 65,120 |
| 2024 | 67,074 |
| 2025 | 69,086 |
| 2026-2030 | 377,795 |
| 2031-2035 | 437,973 |
| 2036-2039 | 400,093 |
| Total | <u>\$ 1,541,746</u> |

Grants

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

Lawsuits

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the Board’s management that resolution of most of these matters will not have a material adverse effect on the financial condition of the Board.

Inmate Health Services Agreement

The County has in place an Inmate Health Service Agreement for which a contractor has assumed the responsibilities of the provision for certain health care services to be delivered to individuals in the custody and control of the County. The annual compensation is based on an average daily population of the inmates served; however there is an annual limited exposure of \$2,902,500 in the contract. Health service expenses above these amounts are the responsibility of the County. During the year ended September 30, 2020 the County incurred additional expenses of \$681,096 as actual costs exceeded the annual exposure amount.

NOTE 19 – RELATED ORGANIZATION**Library Cooperative**

The Okaloosa County Board of County Commissioners entered into an inter-local agreement with six (6) municipalities located within Okaloosa County, Florida to provide for operation of a countywide public library system. The governing body of the cooperative is the Okaloosa County Public Library Cooperative Board made up of one appointee from each municipality and the County. Capital assets remain the property of the participating municipalities. Under the agreement, the County agreed to provide annual funding to the cooperative.


The current agreement was entered into January 2020 and shall end or be renewed December 2020. The Okaloosa County Board of County Commissioners' contribution to the library cooperative for the year ended September 30, 2020 was \$739,159. In addition, approximately \$97,551 of allocable indirect costs was charged to the fund. These charges were treated as an in-kind contribution by the County during the year ended September 30, 2020. The future commitment to the library cooperative in 2021 is \$733,245.

NOTE 20 – SUBSEQUENT EVENTS

The County has evaluated events and transactions that occurred between September 30, 2020, and April 20, 2021, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements. The following subsequent events are noted:

- The County received approval from FDOT for approximately \$43.9 million dollars in funding for infrastructure related to the Crestview Bypass.
- The County has received approximately \$24.6 million dollars in the Natural Disaster Fund for the purpose of CARES act funding and distributions.
- The Airport Fund defeased the Series 2007 Revenue bonds and awarded a contract for a consolidated rental car facility for approximately \$1.9 million dollars.
- The Water & Sewer Fund was able to secure two grants totalling \$5.5 million dollars to install an 11-mile pipeline from the Arbennie Pritchett Water Reclamation Facility after negotiating agreements with the Eglin Air Force Base and the City of Niceville. The total cost of the project is estimated at \$10.5 million dollars.

No other subsequent events have been recognized or disclosed.

The graphic features a large, light blue curved shape at the top and a solid blue curved shape at the bottom. A white circle is centered in the middle, containing the text. The circle is surrounded by a light blue ring and a darker blue ring. A horizontal light blue bar passes behind the circle.

**Required
Supplementary
Information**

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
Board of County Commissioners, Clerk of Courts, Supervisor
of Elections, and Property Appraiser's Plan

Last 10 years (1)

| Reporting Year Ended September 30, ⁽²⁾ | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|---|---------------------|---------------------|---------------------|
| Total OPEB Liability | | | |
| Service cost | \$ 292,775 | \$ 301,261 | \$ 315,544 |
| Interest | 194,080 | 175,371 | 155,871 |
| Changes of benefits terms | - | - | - |
| Difference between expected and actual experience | (773,538) | - | - |
| Changes in assumptions and other inputs (3) | 312,630 | (190,963) | (228,803) |
| Benefit payments | <u>(212,688)</u> | <u>(228,144)</u> | <u>(263,492)</u> |
| Net change in total OPEB liability | (186,741) | 57,525 | (20,880) |
| Total OPEB liability – beginning | <u>4,880,942</u> | <u>4,823,417</u> | <u>4,844,297</u> |
| Total OPEB liability – ending | <u>\$ 4,694,201</u> | <u>\$ 4,880,942</u> | <u>\$ 4,823,417</u> |
| Covered Payroll | \$ 41,026,759 | \$46,908,840 | \$ 39,785,614 |
| Total OPEB liability as a percentage of covered payroll | 11.44% | 10.41% | 12.12% |

⁽¹⁾ This schedule is intended to show information for ten years. Additional years will be displayed as data becomes available.

⁽²⁾ The actuarial valuation of the liabilities was determined as of September 30, 2017 and "rolled-forward" to the September 30, 2018 measurement date.

⁽³⁾ Changes in assumptions and other inputs include the change in the discount rate from 3.83% as of the beginning of the measurement period to 2.75% as of September 30, 2019. This change is reflected in the Schedule of Changes in Total OPEB Liability. There were no benefit changes during the year.

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
Sheriff's Plan
Last 10 years (1)

| Reporting Year Ended September 30, ⁽²⁾ | 2020 | 2019 | 2018 |
|--|-------------------|-------------------|-------------------|
| Total OPEB Liability | | | |
| Service cost | \$ 286,196 | \$ 289,638 | \$ 299,973 |
| Interest | 215,697 | 195,267 | 173,653 |
| Changes of benefits terms | - | - | - |
| Difference between expected and actual experience | 236,378 | - | - |
| Changes in assumptions and other inputs (3) | (130,119) | (204,160) | (253,549) |
| Benefit payments | (222,307) | (226,832) | (237,985) |
| Net change in total OPEB liability | 385,845 | 53,913 | (17,908) |
| Total OPEB liability – beginning | 5,456,745 | 5,402,832 | 5,420,740 |
| Total OPEB liability – ending | \$ 5,842,590 | \$ 5,456,745 | \$ 5,402,832 |
| Covered Payroll | \$ 19,281,684 | \$ 21,725,682 | \$ 15,887,651 |
| Total OPEB liability as a percentage of covered payroll | 30.30% | 25.12% | 34.01% |

⁽¹⁾ This schedule is intended to show information for ten years. Additional years will be displayed as data becomes available.

⁽²⁾ The actuarial valuation of the liabilities was determined as of September 30, 2017 and "rolled-forward" to the September 30, 2018 measurement date.

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

| | Florida Retirement System | | | | | | |
|--|---------------------------|----------------|---------------|---------------|---------------|---------------|---------------|
| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| County's proportion of the net pension liability (asset) | 0.296386603% | 0.293695540% | 0.290145586% | 0.283869579% | 0.283557756% | 0.269702499% | 0.265150180% |
| County's proportionate share of the net pension liability (asset) | \$ 128,458,322 | \$ 101,144,655 | \$ 87,393,354 | \$ 83,995,538 | \$ 71,598,556 | \$ 34,835,695 | \$ 16,322,350 |
| County's covered payroll | \$ 82,201,157 | \$ 88,574,717 | \$ 82,752,416 | \$ 76,059,862 | \$ 75,588,485 | \$ 73,573,015 | \$ 70,721,165 |
| County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 156.27% | 114.19% | 105.61% | 110.43% | 94.72% | 47.35% | 23.08% |
| Plan fiduciary net position as a percentage of the total pension liability | 78.85% | 82.61% | 84.26% | 83.89% | 84.88% | 92.00% | 96.09% |
| | Health Insurance Subsidy | | | | | | |
| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| County's proportion of the net pension liability (asset) | 0.207543174% | 0.207070154% | 0.203838365% | 0.198655761% | 0.197456901% | 0.196252961% | 0.195263644% |
| County's proportionate share of the net pension liability (asset) | \$ 25,340,684 | \$ 23,169,078 | \$ 21,574,482 | \$ 21,241,191 | \$ 23,012,784 | \$ 20,014,715 | \$ 18,257,627 |
| County's covered payroll | \$ 82,201,157 | \$ 88,574,717 | \$ 82,752,416 | \$ 76,059,862 | \$ 75,588,485 | \$ 73,573,015 | \$ 70,721,165 |
| County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 30.83% | 26.16% | 26.07% | 27.93% | 30.44% | 27.20% | 25.82% |
| Plan fiduciary net position as a percentage of the total pension liability | 3.00% | 2.63% | 2.15% | 1.64% | 0.97% | 0.50% | 0.99% |

*The amounts presented for each fiscal year were determined as of 6/30.

NOTE: This Schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years which information is available.

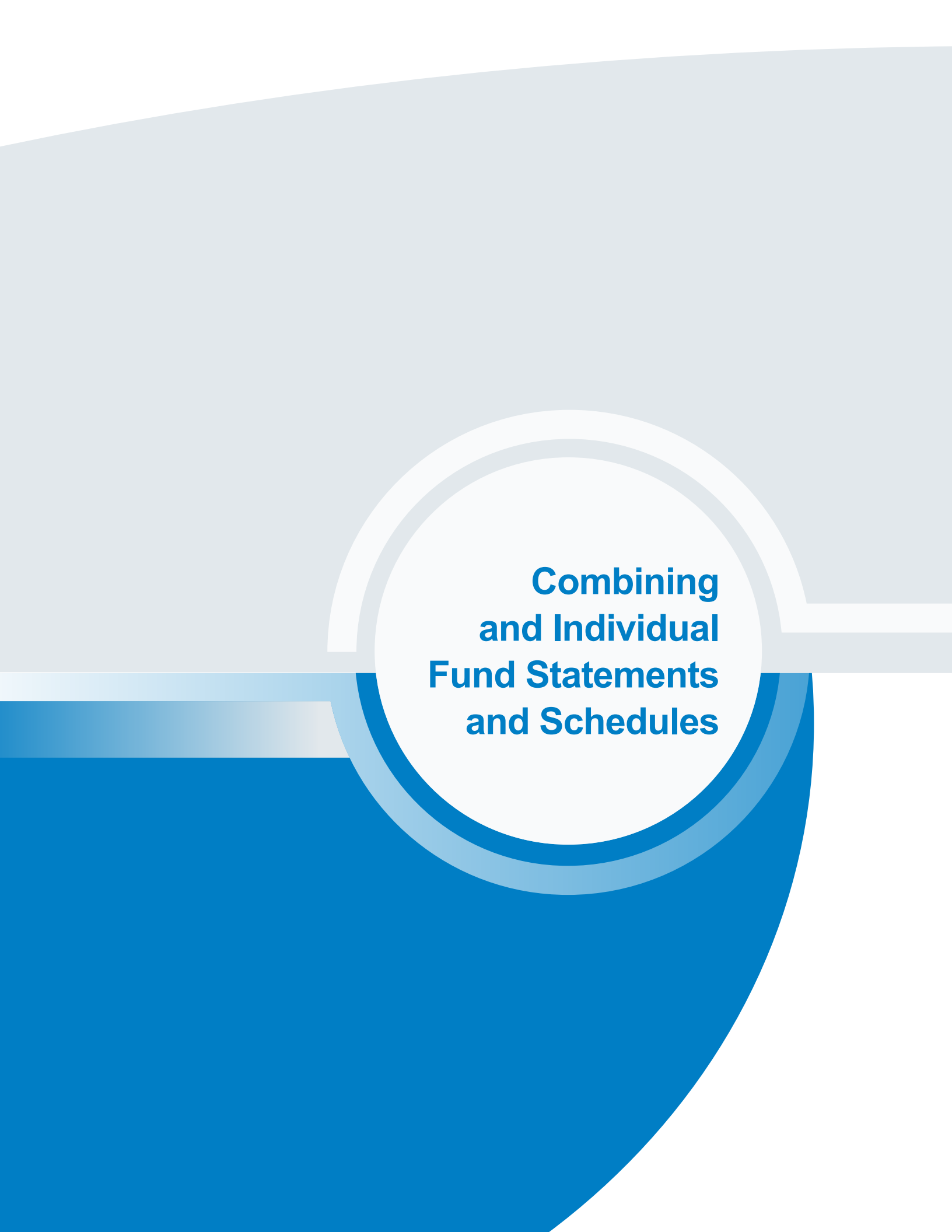
Okaloosa County, Florida

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

The following changes in actuarial assumptions occurred in 2020:

FRS: There were no changes in actuarial assumptions. The inflation rate assumption decreased from 2.60% to 2.40%, and payroll growth, including inflation, remained at 3.25%. The long-term expected rate of return decreased from 6.9% to 6.8%, and the active member mortality assumption was updated.

HIS: The municipal rate used to determine total pension liability was decreased from 3.50% to 2.21%



**Combining
and Individual
Fund Statements
and Schedules**

Nonmajor Governmental Funds

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Board of County Commissioners

County Transportation Trust Fund

This fund is used to account for maintenance and in-house construction of Okaloosa County roads. These activities include road maintenance traffic control engineering right-of-way acquisition and construction of new roadways. Funds are provided from state shared revenue and certain gasoline taxes collected and distributed by the State of Florida..

Local Housing Assistance Trust Fund

This fund is used to account for funds received from the State Housing Initiatives Partnership Program for implementing and administering the local housing assistance plan.

E-911 Operations Fund

This fund is used to account for E911 revenues collected exclusively for costs associated with developing and maintaining E911 systems and networks.

Radio Communications Fund

This fund is used to account for surcharges collected to fund the acquisition of equipment software and engineering administrative and maintenance services to construct, operate and maintain a statewide radio system.

Law Enforcement Trust Fund

This fund is used to account for the revenues received as a result of criminal or forfeiture proceedings and used for school resource officer crime prevention safe neighborhood drug abuse education and prevention programs or for other law enforcement purposes.

Police Academy Fund

This fund is used to account for an additional \$2 assessed by the County for criminal justice education degree programs and training courses.

County Public Health Fund

This fund is used to account for funds appropriated by Okaloosa County for or on behalf of the county public health unit such as capital projects costs.

Municipal Services Benefit Units Fund

This fund is used to account for the assessments levied against benefiting properties for providing street lighting street and drainage improvements and maintenance.

Unincorporated Municipal Services Taxing Unit Fund

This fund is used to account for ad valorem tax proceeds levied on property in the unincorporated areas of Okaloosa County for the maintenance of parks in those areas.

Prisoner Benefit Fund

This fund is used to account for profits from the detention facility's commissary and expenses involved in the commissary operation.

Additional Court Cost Fund

This fund is used to account for the \$65 additional court costs imposed by the County to fund innovations in legal aid law library and teen court operations.

Board of County Commissioners (Continued)**Drug Abuse Trust Fund**

This fund is used to account for an additional assessment collected for the purpose of providing assistance for alcohol and other drug abuse treatment or education programs.

Domestic Violence Trust Fund

This fund is used to account for the \$85 surcharge imposed on domestic violence offenses and is used to provide additional training to law enforcement personnel in combating domestic violence.

Traffic Education Trust Fund

This fund is used to account for the additional \$5 surcharge imposed on each traffic penalty and is used to fund driver education programs in public and non-public schools.

Choctaw Bay Estuary Fund

This fund is used to account for comprehensive management and improvement of water quality, habitat, natural resources and economic benefits of Choctawhatchee Bay.

Fiber Optic Cable Fund

This fund provides for the engineering, operation, maintenance and sustainability of the County Fiber Optic Telecommunication Utility System and related critical assets.

Clerk of Circuit Court**Courts Special Revenue Fund**

This fund is used to account for the statutory fines, fees, service charges and costs collected by the Clerk related to the performance of court-related activities. All excess funds over the amount of the Clerk's operating budget for this fund approved by the Clerks of Court Operations Corporation are remitted to the Florida Department of Revenue.

Public Records Modernization Trust Fund

This fund is used to account for recording fees collected by the Clerk under Florida Statute 28.24(12) (d). The fund is used exclusively for equipment personnel training and technical assistance in modernizing the public records system.

Public Records Courts Special Revenue Fund

This fund is used to account for recording fees collected by the Clerk under Florida Statute 28.24(12) (e). The fund is used exclusively for court-related technology needs.

Sheriff**Federal Law Enforcement Trust Fund**

This fund is used to account for confiscated merchandise and funds and is expended for Law Enforcement Purposes. Funds cannot be used for normal operating expenses.

Teen Challenge Driver Fund

This fund is used to account for revenues restricted by the Florida Sheriffs Association and is expended to support a new safety program for teen drivers. Funds cannot be used for normal operating expenses.

DEBT SERVICE FUND

Debt Service funds are used to account for the accumulation of resources and payment of special obligation bond principal and interest from governmental resources when Okaloosa County is obligated in some manner for the payment.

Board of County Commissioners

Okaloosa Debt Service Fund

This fund is used to account for accumulation of resources and payment of bond debt for Sales Tax Revenue Bonds Series 2011, 2014, 2016, 2019 and Tourist Development note.

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds

Board of County Commissioners

Capital Outlay Construction Trust Capital Projects Fund

This fund is used to account for proceeds of bond issues, federal and state grants, and local appropriations for major capital projects. At the end of the fiscal year, completed projects are capitalized and reported on the government-wide financial statements of Okaloosa County, Florida.

Infrastructure Surtax Fund

This fund is used to account for funds received from the imposition of the one-half cent surtax for the purpose of financing, planning, reconstructing, renovating, and improving Okaloosa County's infrastructure related to efficient transportation infrastructure, management of stormwater, provision of law enforcement, public safety and correctional services as authorized by 212.055(2), F.S. and Okaloosa County Ordinance No. 17-24 as amended by 18-09.

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2020**

| | County Transportation Trust Special Revenue Fund | Local Housing Assistance Trust Fund | E-911 Operations Special Revenue Fund |
|--|---|---|---|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 1,487,561 | \$ 761,258 | \$ 325,916 |
| Investments | 2,029,801 | 1,909,039 | 1,364,000 |
| Accounts Receivable | - | 43,632 | - |
| Due from Other Funds | - | - | - |
| Due from Other Elected Officials | - | - | - |
| Due from Other Governments | 1,020,173 | - | 166,823 |
| Inventory | 304,190 | - | - |
| Prepays | 6,085 | 6,481 | - |
| Total Assets | <u>\$ 4,847,810</u> | <u>\$ 2,720,410</u> | <u>\$ 1,856,739</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities | | | |
| Accounts Payable | \$ 125,689 | \$ 65,023 | \$ - |
| Contracts Payable | 169,113 | - | - |
| Other Accrued Liabilities | 190,439 | - | - |
| Due to Other Funds | 755 | - | - |
| Due to Other Elected Officials | 123 | 1,695 | 54,000 |
| Due to Other Governments | 1 | - | - |
| Due to Depositors | 6,227 | - | - |
| Unearned Revenue | - | 2,346,566 | - |
| Total Liabilities | <u>492,347</u> | <u>2,413,284</u> | <u>54,000</u> |
| Fund Balances | | | |
| Nonspendable | 310,275 | 6,481 | - |
| Restricted | - | 300,645 | 1,802,739 |
| Committed | - | - | - |
| Assigned | 4,045,188 | - | - |
| Unassigned | - | - | - |
| Total Fund Balances | <u>4,355,463</u> | <u>307,126</u> | <u>1,802,739</u> |
| Total Liabilities and Fund Balances | <u>\$ 4,847,810</u> | <u>\$ 2,720,410</u> | <u>\$ 1,856,739</u> |

| Radio Communications Special Revenue Fund | Law Enforcement Trust Special Revenue Fund | Police Academy Special Revenue Fund | County Public Health Special Revenue Fund | Municipal Services Benefit Unit Special Revenue Fund |
|--|--|---|--|--|
| \$ 170,105 | \$ 31,544 | \$ 69,762 | \$ 18,093 | \$ 166,115 |
| 98,836 | 123,402 | 35,562 | 40,019 | 578,414 |
| - | - | - | - | 1,172 |
| - | - | - | - | - |
| 5,561 | - | 1,671 | - | 606 |
| - | - | - | - | 6,144 |
| - | - | - | - | - |
| - | - | - | - | - |
| <u>\$ 274,502</u> | <u>\$ 154,946</u> | <u>\$ 106,995</u> | <u>\$ 58,112</u> | <u>\$ 752,451</u> |
| | | | | |
| \$ - | \$ - | \$ - | \$ - | \$ 446 |
| - | - | - | 50,139 | - |
| - | - | - | - | - |
| - | - | - | - | 73,850 |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | 50,139 | 74,296 |
| | | | | |
| - | - | - | - | - |
| 274,502 | 154,946 | 106,995 | - | - |
| - | - | - | - | 678,155 |
| - | - | - | 7,973 | - |
| - | - | - | - | - |
| <u>274,502</u> | <u>154,946</u> | <u>106,995</u> | <u>7,973</u> | <u>678,155</u> |
| <u>\$ 274,502</u> | <u>\$ 154,946</u> | <u>\$ 106,995</u> | <u>\$ 58,112</u> | <u>\$ 752,451</u> |

Continued...

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2020**

| | Unincorporated Municipal Services Taxing Unit Fund | Prisoner Benefit Special Revenue Fund | Additional Court Cost Special Revenue Fund | Drug Abuse Trust Special Revenue Fund |
|--|---|---|--|---|
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ - | \$ 25,213 | \$ 319,864 | \$ 61,421 |
| Investments | 3,227,921 | 1,094,186 | 368,190 | 51,491 |
| Accounts Receivable | 1,600 | - | - | - |
| Due from Other Funds | - | - | - | - |
| Due from Other Elected Officials | 4,119 | - | 111,026 | 438 |
| Due from Other Governments | - | - | 8,654 | - |
| Inventory | 303 | - | - | - |
| Prepays | - | 675 | - | - |
| Total Assets | \$ 3,233,943 | \$ 1,120,074 | \$ 807,734 | \$ 113,350 |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities | | | | |
| Accounts Payable | \$ 80,003 | \$ 1,186 | \$ 211 | \$ - |
| Contracts Payable | - | 24,747 | 21,953 | - |
| Other Accrued Liabilities | 19,948 | 9,324 | 8,160 | - |
| Due to Other Funds | - | - | - | - |
| Due to Other Elected Officials | - | - | - | - |
| Due to Other Governments | 580 | - | 331,321 | - |
| Due to Depositors | - | 51,738 | - | - |
| Unearned Revenue | - | - | - | - |
| Total Liabilities | 100,531 | 86,995 | 361,645 | - |
| Fund Balances | | | | |
| Nonspendable | 303 | 675 | - | - |
| Restricted | 3,133,109 | 1,032,404 | 446,089 | 113,350 |
| Committed | - | - | - | - |
| Assigned | - | - | - | - |
| Unassigned | - | - | - | - |
| Total Fund Balances | 3,133,412 | 1,033,079 | 446,089 | 113,350 |
| Total Liabilities and Fund Balances | \$ 3,233,943 | \$ 1,120,074 | \$ 807,734 | \$ 113,350 |

| Domestic Violence Trust Special Revenue Fund | Traffic Education Special Revenue Fund | Choctaw Bay Estuary Fund | Fiber Optic Cable Fund | Range Fund | Courts Special Revenue Fund | Public Records Modernization Trust Special Revenue Fund | Public Records Courts Special Revenue Fund |
|--|--|-----------------------------|---------------------------|-------------|--------------------------------------|--|---|
| \$ - | \$ 112,120 | \$ 60,044 | \$ 487,341 | \$ - | \$ 663,024 | \$ 99,512 | \$ 361,893 |
| 3,420 | 154,647 | 687 | 1,233 | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | 150,000 |
| 2,292 | 4,852 | - | - | - | 40,447 | 55,627 | 103,307 |
| - | - | 20 | - | - | 44,161 | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | 23,496 | 6,153 | - |
| <u>\$ 5,712</u> | <u>\$ 271,619</u> | <u>\$ 60,751</u> | <u>\$ 488,574</u> | <u>\$ -</u> | <u>\$ 771,128</u> | <u>\$ 161,292</u> | <u>\$ 615,200</u> |

| | | | | | | | |
|-----------------|-------------------|------------------|-------------------|-------------|-------------------|-------------------|-------------------|
| \$ - | \$ - | \$ 183 | \$ 535 | \$ - | \$ 5,136 | \$ - | \$ - |
| - | - | - | - | - | - | - | - |
| - | - | 3,481 | - | - | 186,307 | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | 579,685 | - | - |
| - | - | - | - | - | - | - | - |
| - | - | 57,087 | - | - | - | - | - |
| - | - | 60,751 | 535 | - | 771,128 | - | - |
| - | - | - | - | - | 23,496 | 6,153 | - |
| 5,712 | 271,619 | - | - | - | - | 155,139 | 615,200 |
| - | - | - | 488,039 | - | - | - | - |
| - | - | - | - | - | (23,496) | - | - |
| <u>5,712</u> | <u>271,619</u> | <u>-</u> | <u>488,039</u> | <u>-</u> | <u>-</u> | <u>161,292</u> | <u>615,200</u> |
| <u>\$ 5,712</u> | <u>\$ 271,619</u> | <u>\$ 60,751</u> | <u>\$ 488,574</u> | <u>\$ -</u> | <u>\$ 771,128</u> | <u>\$ 161,292</u> | <u>\$ 615,200</u> |

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**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2020**

| | Federal Law Enforcement Trust Special Revenue Fund | Teen Driver Challenge Special Revenue Fund | Okaloosa Debt Service Fund | Capital Outlay Construction Trust Capital Projects Fund | Infrastructure Surtax Fund | Total Nonmajor Governmental Funds |
|--|---|---|----------------------------------|--|-------------------------------|--|
| ASSETS | | | | | | |
| Cash and Cash Equivalents | \$ - | \$ - | \$ 152,541 | \$ - | \$ 2,433,489 | \$ 7,806,816 |
| Investments | - | - | 133,676 | 1,092,859 | 19,132,043 | 31,439,426 |
| Accounts Receivable | - | - | - | - | - | 46,404 |
| Due from Other Funds | - | - | - | - | - | 150,000 |
| Due from Other Elected Officials | - | - | - | 102,058 | - | 432,004 |
| Due from Other Governments | - | - | 420,179 | - | 1,465,560 | 3,131,714 |
| Inventory | - | - | - | - | - | 304,493 |
| Prepays | - | - | - | - | - | 42,890 |
| Total Assets | \$ - | \$ - | \$ 706,396 | \$ 1,194,917 | \$ 23,031,092 | \$ 43,353,747 |
| LIABILITIES AND FUND BALANCES | | | | | | |
| Liabilities | | | | | | |
| Accounts Payable | \$ - | \$ - | \$ - | \$ 13,196 | \$ - | \$ 291,608 |
| Contracts Payable | - | - | - | 153,476 | 494,765 | 914,193 |
| Other Accrued Liabilities | - | - | - | - | 4,365 | 422,024 |
| Due to Other Funds | - | - | - | - | - | 74,605 |
| Due to Other Elected Officials | - | - | - | - | 6,651 | 62,469 |
| Due to Other Governments | - | - | - | - | - | 911,587 |
| Due to Depositors | - | - | - | - | - | 57,965 |
| Unearned Revenue | - | - | - | - | - | 2,403,653 |
| Total Liabilities | - | - | - | 166,672 | 505,781 | 5,138,104 |
| Fund Balances | | | | | | |
| Nonspendable | - | - | - | - | - | 347,383 |
| Restricted | - | - | 706,396 | 1,028,245 | 22,525,311 | 32,672,401 |
| Committed | - | - | - | - | - | 678,155 |
| Assigned | - | - | - | - | - | 4,541,200 |
| Unassigned | - | - | - | - | - | (23,496) |
| Total Fund Balances | - | - | 706,396 | 1,028,245 | 22,525,311 | 38,215,643 |
| Total Liabilities and Fund Balances | \$ - | \$ - | \$ 706,396 | \$ 1,194,917 | \$ 23,031,092 | \$ 43,353,747 |

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2020**

| | County Transportation Trust Special Revenue Fund | Local Housing Assistance Trust Fund | E-911 Operations Special Revenue Fund |
|--|---|---|---|
| Revenues | | | |
| Taxes | \$ 4,957,893 | \$ - | \$ - |
| Licenses and Permits | - | - | - |
| Intergovernmental | 2,063,952 | 647,143 | 1,758,674 |
| Charges for Services | 834,466 | - | - |
| Fines | 1,740 | - | - |
| Miscellaneous | 61,369 | 73,927 | 27,345 |
| Total Revenues | 7,919,420 | 721,070 | 1,786,019 |
| Expenditures | | | |
| Current | | | |
| General Government | - | 528,954 | - |
| Public Safety | - | - | 94,286 |
| Physical Environment | 824,280 | - | - |
| Transportation | 7,607,234 | - | - |
| Economic Environment | - | 745,076 | - |
| Human Services | - | - | - |
| Culture and Recreation | - | - | - |
| Court-Related | - | - | - |
| Capital Outlay | 975,054 | - | - |
| Debt Service | | | |
| Principal | - | - | - |
| Interest | - | - | - |
| Other Debt Service Costs | - | - | - |
| Total Expenditures | 9,406,568 | 1,274,030 | 94,286 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (1,487,148) | (552,960) | 1,691,733 |
| Other Financing Sources (Uses) | | | |
| Transfers In | 2,793,082 | - | - |
| Transfers Out | - | - | (940,414) |
| Transfers Among Constitutional Officers | - | - | (452,058) |
| Total Other Financing Sources (Uses) | 2,793,082 | - | (1,392,472) |
| Net Change in Fund Balances | 1,305,934 | (552,960) | 299,261 |
| Fund Balances - Beginning | 3,049,529 | 860,086 | 1,503,478 |
| Fund Balances - Ending | \$ 4,355,463 | \$ 307,126 | \$ 1,802,739 |

| Radio Communications Special Revenue Fund | Law Enforcement Trust Special Revenue Fund | Police Academy Special Revenue Fund | County Public Health Special Revenue Fund | Municipal Services Benefit Unit Special Revenue Fund |
|--|--|---|--|--|
| \$ - | \$ - | \$ - | \$ 599,114 | \$ - |
| - | - | - | - | 564,186 |
| - | - | - | - | 1,920 |
| - | - | 25,010 | - | - |
| 84,006 | 16,585 | - | - | - |
| 3,357 | 2,568 | 1,414 | 3,251 | 22,457 |
| <u>87,363</u> | <u>19,153</u> | <u>26,424</u> | <u>602,365</u> | <u>588,563</u> |
| - | - | - | - | - |
| - | - | 2,649 | - | 660 |
| - | - | - | - | - |
| - | - | - | - | 459,431 |
| - | - | - | - | - |
| - | - | - | 601,661 | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | 2,649 | 601,661 | 460,091 |
| <u>87,363</u> | <u>19,153</u> | <u>23,775</u> | <u>704</u> | <u>128,472</u> |
| - | - | - | 4,000 | 640 |
| - | - | - | - | (640) |
| - | (68,600) | - | - | 609 |
| - | (68,600) | - | 4,000 | 609 |
| 87,363 | (49,447) | 23,775 | 4,704 | 129,081 |
| <u>187,139</u> | <u>204,393</u> | <u>83,220</u> | <u>3,269</u> | <u>549,074</u> |
| <u>\$ 274,502</u> | <u>\$ 154,946</u> | <u>\$ 106,995</u> | <u>\$ 7,973</u> | <u>\$ 678,155</u> |

Continued...

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2020**

| | Unincorporated Municipal Services Taxing Unit Fund | Prisoner Benefit Special Revenue Fund | Additional Court Cost Special Revenue Fund | Drug Abuse Trust Special Revenue Fund |
|--|---|---|--|---|
| Revenues | | | | |
| Taxes | \$ 2,504,614 | \$ - | \$ - | \$ - |
| Licenses and Permits | - | - | - | - |
| Intergovernmental | - | - | - | - |
| Charges for Services | 12,380 | 877,122 | 1,363,305 | - |
| Fines | - | - | - | 15,152 |
| Miscellaneous | 76,905 | 16,243 | 98,014 | 1,559 |
| Total Revenues | <u>2,593,899</u> | <u>893,365</u> | <u>1,461,319</u> | <u>16,711</u> |
| Expenditures | | | | |
| Current | | | | |
| General Government | - | - | 8,523 | - |
| Public Safety | - | 865,818 | - | - |
| Physical Environment | - | - | - | - |
| Transportation | - | - | - | - |
| Economic Environment | - | - | - | - |
| Human Services | - | - | - | - |
| Culture and Recreation | 1,075,183 | - | - | - |
| Court-Related | - | - | 1,228,514 | 2,769 |
| Capital Outlay | 231,854 | 29,233 | 2,750 | - |
| Debt Service | - | - | - | - |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| Other Debt Service Costs | - | - | - | - |
| Total Expenditures | <u>1,307,037</u> | <u>895,051</u> | <u>1,239,787</u> | <u>2,769</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>1,286,862</u> | <u>(1,686)</u> | <u>221,532</u> | <u>13,942</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers In | - | - | 277,158 | - |
| Transfers Out | (996,218) | - | (469,292) | - |
| Transfers Among Constitutional Officers | 4,118 | - | - | - |
| Total Other Financing Sources (Uses) | <u>(992,100)</u> | <u>-</u> | <u>(192,134)</u> | <u>-</u> |
| Net Change in Fund Balances | <u>294,762</u> | <u>(1,686)</u> | <u>29,398</u> | <u>13,942</u> |
| Fund Balances - Beginning | <u>2,838,650</u> | <u>1,034,765</u> | <u>416,691</u> | <u>99,408</u> |
| Fund Balances - Ending | <u>\$ 3,133,412</u> | <u>\$ 1,033,079</u> | <u>\$ 446,089</u> | <u>\$ 113,350</u> |

| Domestic Violence Trust Special Revenue Fund | Traffic Education Special Revenue Fund | Choctaw Bay Estuary Fund | Fiber Optic Cable Fund | Range Fund | Courts Special Revenue Fund | Public Records Modernization Trust Special Revenue Fund | Public Records Courts Special Revenue Fund |
|--|--|-----------------------------|---------------------------|------------------|--------------------------------------|--|---|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - | - |
| - | - | 93,621 | - | - | 406,583 | - | - |
| 28,540 | 69,958 | - | 59,071 | - | 2,758,703 | 167,575 | 519,073 |
| 158 | 3,611 | - | 1,234 | - | 795,494 | - | - |
| <u>28,698</u> | <u>73,569</u> | <u>93,621</u> | <u>60,305</u> | <u>-</u> | <u>3,960,780</u> | <u>167,575</u> | <u>521,909</u> |
| - | - | - | 57,533 | - | - | 20,511 | - |
| - | - | - | - | 91,070 | - | - | - |
| - | - | 93,621 | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | 3,960,780 | - | 9,806 |
| - | - | - | 41,071 | 135,978 | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| <u>-</u> | <u>-</u> | <u>93,621</u> | <u>98,604</u> | <u>227,048</u> | <u>3,960,780</u> | <u>20,511</u> | <u>9,806</u> |
| <u>28,698</u> | <u>73,569</u> | <u>-</u> | <u>(38,299)</u> | <u>(227,048)</u> | <u>-</u> | <u>147,064</u> | <u>512,103</u> |
| - | - | - | 526,338 | - | - | - | - |
| (28,541) | - | - | - | - | - | - | - |
| - | (22,951) | - | - | 227,048 | - | - | - |
| <u>(28,541)</u> | <u>(22,951)</u> | <u>-</u> | <u>526,338</u> | <u>227,048</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| 157 | 50,618 | - | 488,039 | - | - | 147,064 | 512,103 |
| 5,555 | 221,001 | - | - | - | - | 14,228 | 103,097 |
| <u>\$ 5,712</u> | <u>\$ 271,619</u> | <u>\$ -</u> | <u>\$ 488,039</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 161,292</u> | <u>\$ 615,200</u> |

Continued...

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2020**

| | Federal Law Enforcement Trust Special Revenue Fund | Teen Driver Challenge Special Revenue Fund | Okaloosa Debt Service Fund | Capital Outlay Construction Trust Capital Projects Fund | Infrastructure Surtax Fund | Total Nonmajor Governmental Funds |
|--|---|---|-------------------------------|--|-------------------------------|--|
| Revenues | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ 641,468 | \$ 16,372,724 | \$ 25,075,813 |
| Licenses and Permits | - | - | - | - | - | 564,186 |
| Intergovernmental | 65,886 | - | 5,581,596 | 102,058 | - | 10,721,433 |
| Charges for Services | - | - | - | - | - | 6,616,705 |
| Fines | - | - | - | - | - | 1,011,475 |
| Miscellaneous | - | - | 1,197 | 54,004 | 219,433 | 670,882 |
| Total Revenues | 65,886 | - | 5,582,793 | 797,530 | 16,592,157 | 44,660,494 |
| Expenditures | | | | | | |
| Current | | | | | | |
| General Government | - | - | 190,750 | - | - | 806,271 |
| Public Safety | 106,543 | 22,951 | - | - | - | 1,183,977 |
| Physical Environment | - | - | - | - | - | 917,901 |
| Transportation | - | - | - | - | 110,894 | 8,177,559 |
| Economic Environment | - | - | - | - | - | 745,076 |
| Human Services | - | - | - | - | - | 601,661 |
| Culture and Recreation | - | - | - | 65,526 | - | 1,140,709 |
| Court-Related | - | - | - | - | - | 5,201,869 |
| Capital Outlay | 27,943 | - | - | 973,500 | 2,465,270 | 4,882,653 |
| Debt Service | | | | | | |
| Principal | - | - | 2,629,000 | - | - | 2,629,000 |
| Interest | - | - | 2,512,801 | - | - | 2,512,801 |
| Other Debt Service Costs | - | - | 500 | - | - | 500 |
| Total Expenditures | 134,486 | 22,951 | 5,333,051 | 1,039,026 | 2,576,164 | 28,799,977 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (68,600) | (22,951) | 249,742 | (241,496) | 14,015,993 | 15,860,517 |
| Other Financing Sources (Uses) | | | | | | |
| Transfers In | - | - | 1,596,517 | 677,609 | - | 5,875,344 |
| Transfers Out | - | - | (1,703,316) | (526,338) | (457,504) | (5,122,263) |
| Transfers Among Constitutional Officers | 68,600 | 22,951 | - | - | (227,048) | (447,331) |
| Total Other Financing Sources (Uses) | 68,600 | 22,951 | (106,799) | 151,271 | (684,552) | 305,750 |
| Net Change in Fund Balances | - | - | 142,943 | (90,225) | 13,331,441 | 16,166,267 |
| Fund Balances (Deficit) - Beginning | - | - | 563,453 | 1,118,470 | 9,193,870 | 22,049,376 |
| Fund Balances - Ending | \$ - | \$ - | \$ 706,396 | \$ 1,028,245 | \$ 22,525,311 | \$ 38,215,643 |

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE CONSTRUCTION CAPITAL PROJECTS FUND
For the Fiscal Year Ended September 30, 2020**

| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|--|--------------------|---------------------|----------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Taxes | \$ 1,991,000 | \$ 1,991,000 | \$ 1,810,284 | \$ (180,716) |
| Intergovernmental | 2,100,000 | 15,211,694 | 7,485,558 | (7,726,136) |
| Miscellaneous | 200,000 | 64,800,000 | 4,597,058 | (60,202,942) |
| Total Revenues | <u>4,291,000</u> | <u>82,002,694</u> | <u>13,892,900</u> | <u>(68,109,794)</u> |
| Expenditures | | | | |
| Current | | | | |
| Transportation | 3,992,416 | 11,300,026 | 6,193,473 | 5,106,553 |
| Capital Outlay | 7,785,883 | 105,220,008 | 12,404,644 | 92,815,364 |
| Other Debt Service Costs | - | - | 184,842 | (184,842) |
| Total Expenditures | <u>11,778,299</u> | <u>116,520,034</u> | <u>18,782,959</u> | <u>97,737,075</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(7,487,299)</u> | <u>(34,517,340)</u> | <u>(4,890,059)</u> | <u>29,627,281</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers In | 750,000 | 750,000 | 750,000 | - |
| Bond Proceeds | - | 24,991,131 | - | (24,991,131) |
| Total Other Financing Sources (Uses) | <u>750,000</u> | <u>25,741,131</u> | <u>750,000</u> | <u>(24,991,131)</u> |
| Net Change in Fund Balance | <u>(6,737,299)</u> | <u>(8,776,209)</u> | <u>(4,140,059)</u> | <u>4,636,150</u> |
| Fund Balance - Beginning | <u>6,737,299</u> | <u>8,776,209</u> | <u>36,289,209</u> | <u>27,513,000</u> |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 32,149,150</u> | <u>\$ 32,149,150</u> |

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY TRANSPORTATION TRUST SPECIAL REVENUE FUND
For the Fiscal Year Ended September 30, 2020**

| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|--|--------------------|--------------------|---------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Taxes | \$ 4,895,000 | \$ 4,895,000 | \$ 4,957,893 | \$ 62,893 |
| Intergovernmental | 1,881,245 | 4,672,172 | 2,063,952 | (2,608,220) |
| Charges for Services | 648,782 | 648,782 | 834,466 | 185,684 |
| Fines | - | - | 1,740 | 1,740 |
| Miscellaneous | 37,500 | 39,167 | 61,369 | 22,202 |
| Total Revenues | 7,462,527 | 10,255,121 | 7,919,420 | (2,335,701) |
| Expenditures | | | | |
| Current | | | | |
| Physical Environment | 1,386,325 | 1,821,444 | 824,280 | 997,164 |
| Transportation | 9,588,323 | 10,258,762 | 7,607,234 | 2,651,528 |
| Economic Environment | - | 3,333 | - | 3,333 |
| Capital Outlay | 617,800 | 4,013,211 | 975,054 | 3,038,157 |
| Total Expenditures | 11,592,448 | 16,096,750 | 9,406,568 | 6,690,182 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (4,129,921) | (5,841,629) | (1,487,148) | 4,354,481 |
| Other Financing Sources (Uses) | | | | |
| Transfers In | 2,793,082 | 2,793,082 | 2,793,082 | - |
| Total Other Financing Sources (Uses) | 2,793,082 | 2,793,082 | 2,793,082 | - |
| Net Change in Fund Balance | (1,336,839) | (3,048,547) | 1,305,934 | 4,354,481 |
| Fund Balance - Beginning | 1,336,839 | 3,048,547 | 3,049,529 | 982 |
| Fund Balance - Ending | \$ - | \$ - | \$ 4,355,463 | \$ 4,355,463 |

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
LOCAL HOUSING ASSISTANCE TRUST FUND
For the Fiscal Year Ended September 30, 2020**

| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|--|------------------|--------------|-------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$ - | \$ 2,353,526 | \$ 647,143 | \$ (1,706,383) |
| Miscellaneous | 6,000 | 1,056,532 | 73,927 | (982,605) |
| Total Revenues | 6,000 | 3,410,058 | 721,070 | (2,688,988) |
| Expenditures | | | | |
| Current | | | | |
| General Government | - | 881,949 | 528,954 | 352,995 |
| Economic Environment | 332,975 | 2,860,822 | 745,076 | 2,115,746 |
| Total Expenditures | 332,975 | 3,742,771 | 1,274,030 | 2,468,741 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (326,975) | (332,713) | (552,960) | (220,247) |
| Net Change in Fund Balance | (326,975) | (332,713) | (552,960) | (220,247) |
| Fund Balance - Beginning | 326,975 | 332,713 | 860,086 | 527,373 |
| Fund Balance - Ending | \$ - | \$ - | \$ 307,126 | \$ 307,126 |

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
E-911 OPERATIONS SPECIAL REVENUE FUND
For the Fiscal Year Ended September 30, 2020**

| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|--|--------------------|--------------------|---------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$ 920,000 | \$ 1,911,908 | \$ 1,758,674 | \$ (153,234) |
| Charges for Services | 4,500 | 4,500 | - | (4,500) |
| Miscellaneous | 20,000 | 20,000 | 27,345 | 7,345 |
| Total Revenues | <u>944,500</u> | <u>1,936,408</u> | <u>1,786,019</u> | <u>(150,389)</u> |
| Expenditures | | | | |
| Current | | | | |
| Public Safety | 615,949 | 1,217,099 | 94,286 | 1,122,813 |
| Capital Outlay | - | 111,000 | - | 111,000 |
| Total Expenditures | <u>615,949</u> | <u>1,328,099</u> | <u>94,286</u> | <u>1,233,813</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>328,551</u> | <u>608,309</u> | <u>1,691,733</u> | <u>1,083,424</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers Out | (1,119,880) | - | (940,414) | (940,414) |
| Transfers Among Constitutional Officers | - | (1,932,322) | (452,058) | 1,480,264 |
| Total Other Financing Sources (Uses) | <u>(1,119,880)</u> | <u>(1,932,322)</u> | <u>(1,392,472)</u> | <u>539,850</u> |
| Net Change in Fund Balance | (791,329) | (1,324,013) | 299,261 | 1,623,274 |
| Fund Balance - Beginning | <u>791,329</u> | <u>1,324,013</u> | <u>1,503,478</u> | <u>179,465</u> |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,802,739</u> | <u>\$ 1,802,739</u> |

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
RADIO COMMUNICATIONS SPECIAL REVENUE FUND
For the Fiscal Year Ended September 30, 2020**

| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|--|------------------|------------------|-------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Fines | \$ 55,000 | \$ 55,000 | \$ 84,006 | \$ 29,006 |
| Miscellaneous | 2,250 | 2,250 | 3,357 | 1,107 |
| Total Revenues | <u>57,250</u> | <u>57,250</u> | <u>87,363</u> | <u>30,113</u> |
| Expenditures | | | | |
| Current | | | | |
| Public Safety | 60,000 | 60,000 | - | 60,000 |
| Capital Outlay | 47,250 | 184,390 | - | 184,390 |
| Total Expenditures | <u>107,250</u> | <u>244,390</u> | <u>-</u> | <u>244,390</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(50,000)</u> | <u>(187,140)</u> | <u>87,363</u> | <u>274,503</u> |
| Net Change in Fund Balance | (50,000) | (187,140) | 87,363 | 274,503 |
| Fund Balance - Beginning | <u>50,000</u> | <u>187,140</u> | <u>187,139</u> | <u>(1)</u> |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 274,502</u> | <u>\$ 274,502</u> |

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
LAW ENFORCEMENT TRUST FUND SPEACIAL REVENUE FUND
For the Fiscal Year Ended September 30, 2020**

| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|--|------------------|-----------|-------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Fines | \$ - | \$ - | \$ 16,585 | \$ 16,585 |
| Miscellaneous | 3,000 | 3,000 | 2,568 | (432) |
| Total Revenues | 3,000 | 3,000 | 19,153 | 16,153 |
| Expenditures | | | | |
| Current | | | | |
| Public Safety | - | - | - | - |
| Total Expenditures | - | - | - | - |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 3,000 | 3,000 | 19,153 | 16,153 |
| Other Financing Sources (Uses) | | | | |
| Transfers Among Constitutional Officers | (15,000) | (207,392) | (68,600) | 138,792 |
| Total Other Financing Sources (Uses) | (15,000) | (207,392) | (68,600) | 138,792 |
| Net Change in Fund Balance | (12,000) | (204,392) | (49,447) | 154,945 |
| Fund Balance - Beginning | 12,000 | 204,392 | 204,393 | 1 |
| Fund Balance - Ending | \$ - | \$ - | \$ 154,946 | \$ 154,946 |

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
POLICE ACADEMY SPECIAL REVENUE FUND
For the Fiscal Year Ended September 30, 2020**

| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|--|------------------|-----------------|-------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Charges for Services | \$ 15,000 | \$ 15,000 | \$ 25,010 | \$ 10,010 |
| Miscellaneous | 1,250 | 1,250 | 1,414 | 164 |
| Total Revenues | <u>16,250</u> | <u>16,250</u> | <u>26,424</u> | <u>10,174</u> |
| Expenditures | | | | |
| Current | | | | |
| Public Safety | 10,750 | 10,886 | 2,649 | 8,237 |
| Total Expenditures | <u>10,750</u> | <u>10,886</u> | <u>2,649</u> | <u>8,237</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>5,500</u> | <u>5,364</u> | <u>23,775</u> | <u>18,411</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers Among Constitutional Officers | (30,500) | (88,583) | - | 88,583 |
| Total Other Financing Sources (Uses) | <u>(30,500)</u> | <u>(88,583)</u> | <u>-</u> | <u>88,583</u> |
| Net Change in Fund Balance | (25,000) | (83,219) | 23,775 | 106,994 |
| Fund Balance - Beginning | <u>25,000</u> | <u>83,219</u> | <u>83,220</u> | <u>1</u> |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 106,995</u> | <u>\$ 106,995</u> |

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY PUBLIC HEALTH SPECIAL REVENUE FUND
For the Fiscal Year Ended September 30, 2020**

| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|--|------------------|----------------|-------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Taxes | \$ 595,161 | \$ 595,161 | \$ 599,114 | \$ 3,953 |
| Miscellaneous | 2,500 | 2,500 | 3,251 | 751 |
| Total Revenues | <u>597,661</u> | <u>597,661</u> | <u>602,365</u> | <u>4,704</u> |
| Expenditures | | | | |
| Current | | | | |
| Human Services | 601,661 | 601,661 | 601,661 | - |
| Total Expenditures | <u>601,661</u> | <u>601,661</u> | <u>601,661</u> | <u>-</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(4,000)</u> | <u>(4,000)</u> | <u>704</u> | <u>4,704</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers In | 4,000 | 4,000 | 4,000 | - |
| Total Other Financing Sources (Uses) | <u>4,000</u> | <u>4,000</u> | <u>4,000</u> | <u>-</u> |
| Net Change in Fund Balance | - | - | 4,704 | 4,704 |
| Fund Balance - Beginning | - | - | 3,269 | 3,269 |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 7,973</u> | <u>\$ 7,973</u> |

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
MUNICIPAL SERVICES BENEFIT UNIT SPECIAL REVENUE FUND
For the Fiscal Year Ended September 30, 2020**

| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|--|------------------|------------|-------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Licenses and Permits | \$ 530,400 | \$ 530,400 | \$ 564,186 | \$ 33,786 |
| Intergovernmental | - | 183,191 | 1,920 | (181,271) |
| Miscellaneous | 11,500 | 19,500 | 22,456 | 2,956 |
| Total Revenues | 541,900 | 733,091 | 588,562 | (144,529) |
| Expenditures | | | | |
| Current | | | | |
| General Government | - | 12,915 | - | 12,915 |
| Public Safety | - | - | 660 | (660) |
| Transportation | 981,900 | 1,085,962 | 459,431 | 626,531 |
| Capital Outlay | - | 185,336 | - | 185,336 |
| Total Expenditures | 981,900 | 1,284,213 | 460,091 | 824,122 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (440,000) | (551,122) | 128,471 | 679,593 |
| Other Financing Sources (Uses) | | | | |
| Transfers In | - | 640 | 640 | - |
| Transfers Out | - | - | (640) | (640) |
| Transfers Among Constitutional Officers | - | - | 609 | 609 |
| Total Other Financing Sources (Uses) | - | 640 | 609 | (31) |
| Net Change in Fund Balance | (440,000) | (550,482) | 129,080 | 679,562 |
| Fund Balance - Beginning | 440,000 | 550,482 | 549,075 | (1,407) |
| Fund Balance - Ending | \$ - | \$ - | \$ 678,155 | \$ 678,155 |

**UNINCORPORATED MUNICIPAL SERVICES TAXING UNIT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2020**

| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|--|------------------|------------------|---------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Taxes | \$ 2,490,633 | \$ 2,490,633 | \$ 2,504,614 | \$ 13,981 |
| Charges for Services | 14,800 | 14,800 | 12,380 | (2,420) |
| Miscellaneous | 2,325,000 | 4,545,279 | 76,905 | (4,468,374) |
| Total Revenues | <u>4,830,433</u> | <u>7,050,712</u> | <u>2,593,899</u> | <u>(4,456,813)</u> |
| Expenditures | | | | |
| Current | | | | |
| Culture and Recreation | 2,684,798 | 4,905,077 | 1,075,183 | 3,829,894 |
| Capital Outlay | 1,149,417 | 1,149,417 | 231,854 | 917,563 |
| Total Expenditures | <u>3,834,215</u> | <u>6,054,494</u> | <u>1,307,037</u> | <u>4,747,457</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>996,218</u> | <u>996,218</u> | <u>1,286,862</u> | <u>290,644</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers Out | (996,218) | (996,218) | (996,218) | - |
| Transfers Among Constitutional Officers | - | - | 4,118 | 4,118 |
| Total Transfers Among Sources (Uses) | <u>(996,218)</u> | <u>(996,218)</u> | <u>(992,100)</u> | <u>4,118</u> |
| Net Change in Fund Balance | - | - | 294,762 | 294,762 |
| Fund Balance - Beginning | - | - | 2,838,650 | 2,838,650 |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 3,133,412</u> | <u>\$ 3,133,412</u> |

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
PRISONER BENEFIT SPECIAL REVENUE FUND
For the Fiscal Year Ended September 30, 2020**

| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|--|------------------|--------------------|---------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Charges for Services | \$ 661,000 | \$ 661,000 | \$ 877,122 | \$ 216,122 |
| Miscellaneous | 22,500 | 22,500 | 16,242 | (6,258) |
| Total Revenues | <u>683,500</u> | <u>683,500</u> | <u>893,364</u> | <u>209,864</u> |
| Expenditures | | | | |
| Current | | | | |
| Public Safety | 1,560,400 | 1,687,965 | 865,818 | 822,147 |
| Capital Outlay | 23,100 | 30,300 | 29,233 | 1,067 |
| Total Expenditures | <u>1,583,500</u> | <u>1,718,265</u> | <u>895,051</u> | <u>823,214</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(900,000)</u> | <u>(1,034,765)</u> | <u>(1,687)</u> | <u>1,033,078</u> |
| Net Change in Fund Balance | (900,000) | (1,034,765) | (1,687) | 1,033,078 |
| Fund Balance - Beginning | <u>900,000</u> | <u>1,034,765</u> | <u>1,034,766</u> | <u>1</u> |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,033,079</u> | <u>\$ 1,033,079</u> |

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
ADDITIONAL COURT COST SPECIAL REVENUE FUND
For the Fiscal Year Ended September 30, 2020**

| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|--|------------------|------------------|-------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Charges for Services | \$ 1,120,250 | \$ 1,120,250 | \$ 1,363,305 | \$ 243,055 |
| Miscellaneous | 43,500 | 43,500 | 98,014 | 54,514 |
| Total Revenues | <u>1,163,750</u> | <u>1,163,750</u> | <u>1,461,319</u> | <u>297,569</u> |
| Expenditures | | | | |
| Current | | | | |
| General Government | - | - | 8,523 | (8,523) |
| Court-Related | 1,394,869 | 1,527,571 | 1,228,514 | 299,057 |
| Capital Outlay | 34,000 | - | 2,750 | (2,750) |
| Total Expenditures | <u>1,428,869</u> | <u>1,527,571</u> | <u>1,239,787</u> | <u>287,784</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(265,119)</u> | <u>(363,821)</u> | <u>221,532</u> | <u>585,353</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers In | 277,158 | 277,158 | 277,158 | - |
| Transfers Out | (385,000) | (385,000) | (469,292) | (84,292) |
| Total Other Financing Sources (Uses) | <u>(107,842)</u> | <u>(107,842)</u> | <u>(192,134)</u> | <u>(84,292)</u> |
| Net Change in Fund Balance | (372,961) | (471,663) | 29,398 | 501,061 |
| Fund Balance - Beginning | <u>372,961</u> | <u>471,663</u> | <u>416,691</u> | <u>(54,972)</u> |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 446,089</u> | <u>\$ 446,089</u> |

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DRUG ABUSE TRUST SPECIAL REVENUE FUND
For the Fiscal Year Ended September 30, 2020**

| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|--|------------------|-----------------|-------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Fines | \$ 20,000 | \$ 20,000 | \$ 15,152 | \$ (4,848) |
| Miscellaneous | 1,000 | 1,000 | 1,559 | 559 |
| Total Revenues | <u>21,000</u> | <u>21,000</u> | <u>16,711</u> | <u>(4,289)</u> |
| Expenditures | | | | |
| Current | | | | |
| Court-Related | <u>107,167</u> | <u>120,408</u> | <u>2,769</u> | <u>117,639</u> |
| Total Expenditures | <u>107,167</u> | <u>120,408</u> | <u>2,769</u> | <u>117,639</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(86,167)</u> | <u>(99,408)</u> | <u>13,942</u> | <u>113,350</u> |
| Net Change in Fund Balance | (86,167) | (99,408) | 13,942 | 113,350 |
| Fund Balance - Beginning | <u>86,167</u> | <u>99,408</u> | <u>99,408</u> | <u>-</u> |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 113,350</u> | <u>\$ 113,350</u> |

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DOMESTIC VIOLENCE TRUST SPECIAL REVENUE FUND
For the Fiscal Year Ended September 30, 2020**

| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|--|------------------|-----------|-------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Fines | \$ 25,000 | \$ 25,000 | \$ 28,540 | \$ 3,540 |
| Miscellaneous | 225 | 225 | 158 | (67) |
| Total Revenues | 25,225 | 25,225 | 28,698 | 3,473 |
| Expenditures | | | | |
| Current | | | | |
| Court-Related | 5,115 | 5,123 | - | 5,123 |
| Total Expenditures | 5,115 | 5,123 | - | 5,123 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 20,110 | 20,102 | 28,698 | 8,596 |
| Other Financing Sources (Uses) | | | | |
| Transfers Out | (25,225) | (25,657) | (28,541) | (2,884) |
| Total Other Financing Sources (Uses) | (25,225) | (25,657) | (28,541) | (2,884) |
| Net Change in Fund Balance | (5,115) | (5,555) | 157 | 5,712 |
| Fund Balance - Beginning | 5,115 | 5,555 | 5,555 | - |
| Fund Balance - Ending | \$ - | \$ - | \$ 5,712 | \$ 5,712 |

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
TRAFFIC EDUCATION SPECIAL REVENUE FUND
For the Fiscal Year Ended September 30, 2020**

| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|--|------------------|------------------|-------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Fines | \$ 55,000 | \$ 55,000 | \$ 69,958 | \$ 14,958 |
| Miscellaneous | 4,500 | 4,500 | 3,611 | (889) |
| Total Revenues | <u>59,500</u> | <u>59,500</u> | <u>73,569</u> | <u>14,069</u> |
| Expenditures | | | | |
| Current | | | | |
| Court-Related | <u>175,000</u> | <u>175,000</u> | - | 175,000 |
| Total Expenditures | <u>175,000</u> | <u>175,000</u> | - | 175,000 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(115,500)</u> | <u>(115,500)</u> | <u>73,569</u> | <u>189,069</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers Among Constitutional Officers | <u>(34,500)</u> | <u>(105,500)</u> | <u>(22,951)</u> | <u>82,549</u> |
| Total Other Financing Sources (Uses) | <u>(34,500)</u> | <u>(105,500)</u> | <u>(22,951)</u> | <u>82,549</u> |
| Net Change in Fund Balance | (150,000) | (221,000) | 50,618 | 271,618 |
| Fund Balance - Beginning | <u>150,000</u> | <u>221,000</u> | <u>221,001</u> | <u>1</u> |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 271,619</u> | <u>\$ 271,619</u> |

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CHOCTAW BAY ESTUARY FUND
For the Fiscal Year Ended September 30, 2020**

| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|--|------------------|-----------|-------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | - | - | 93,621 | 93,621 |
| Charges for Services | - | 59,071 | - | (59,071) |
| Total Revenues | - | 59,071 | 93,621 | 34,550 |
| Expenditures | | | | |
| Current | | | | |
| General Government | - | 93,705 | - | 93,705 |
| Physical Environment | - | - | 93,621 | (93,621) |
| Capital Outlay | - | 491,704 | - | 491,704 |
| Total Expenditures | - | 585,409 | 93,621 | 491,788 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | (526,338) | - | 526,338 |
| Other Financing Sources (Uses) | | | | |
| Transfers In | - | 526,338 | - | (526,338) |
| Total Other Financing Sources (Uses) | - | 526,338 | - | (526,338) |
| Net Change in Fund Balance | - | - | - | - |
| Fund Balance - Beginning | - | - | - | - |
| Fund Balance - Ending | \$ - | \$ - | \$ - | \$ - |

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FIBER OPTIC CABLE FUND
For the Fiscal Year Ended September 30, 2020**

| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|--|------------------|-----------|-------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Charges for Services | - | 59,071 | 59,071 | - |
| Miscellaneous | - | - | 1,233 | 1,233 |
| Total Revenues | - | 59,071 | 60,304 | 1,233 |
| Expenditures | | | | |
| Current | | | | |
| General Government | - | 93,705 | 57,533 | 36,172 |
| Capital Outlay | - | 491,704 | 41,071 | 450,633 |
| Total Expenditures | - | 585,409 | 98,604 | 486,805 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | (526,338) | (38,300) | 488,038 |
| Other Financing Sources (Uses) | | | | |
| Transfers In | - | 526,338 | 526,338 | - |
| Total Other Financing Sources (Uses) | - | 526,338 | 526,338 | - |
| Net Change in Fund Balance | - | - | 488,038 | 488,038 |
| Fund Balance - Beginning | - | - | - | - |
| Fund Balance - Ending | \$ - | \$ - | \$ 488,038 | \$ 488,038 |

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

For the Fiscal Year Ended September 30, 2020

| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|--|------------------|-----------|-------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Miscellaneous | \$ - | \$ - | \$ - | \$ - |
| Total Revenues | - | - | - | - |
| Expenditures | | | | |
| Current | | | | |
| Public Safety | 91,070 | 91,070 | 91,070 | - |
| Capital Outlay | 135,978 | 135,978 | 135,978 | - |
| Total Expenditures | 227,048 | 227,048 | 227,048 | - |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (227,048) | (227,048) | (227,048) | - |
| Other Financing Sources (Uses) | | | | |
| Transfers Among Constitutional Officers | 227,048 | 227,048 | 227,048 | - |
| Total Other Financing Sources (Uses) | 227,048 | 227,048 | 227,048 | - |
| Net Change in Fund Balance | - | - | - | - |
| Fund Balance - Beginning | - | - | - | - |
| Fund Balance - Ending | \$ - | \$ - | \$ - | \$ - |

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
COURTS SPECIAL REVENUE FUND
For the Fiscal Year Ended September 30, 2020**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance With Final Budget Positive (Negative)</u> |
|---|-------------------------|------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Intergovernmental | \$ 290,971 | \$ 290,971 | \$ 406,583 | \$ 115,612 |
| Charges for Services | 2,889,159 | 2,889,159 | 2,758,703 | (130,456) |
| Fines | 795,628 | 795,628 | 795,494 | (134) |
| | <u>3,975,758</u> | <u>3,975,758</u> | <u>3,960,780</u> | <u>(14,978)</u> |
| Total Revenues | | | | |
| Expenditures | | | | |
| Current | | | | |
| Court-Related | 3,972,258 | 3,972,258 | 3,960,780 | 11,478 |
| Capital Outlay | 3,500 | 3,500 | - | 3,500 |
| | <u>3,975,758</u> | <u>3,975,758</u> | <u>3,960,780</u> | <u>14,978</u> |
| Total Expenditures | | | | |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | - | - | - |
| Net Change in Fund Balance | - | - | - | - |
| Fund Balance - Beginning | - | - | - | - |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
PUBLIC RECORDS MODERNIZATION TRUST SPECIAL REVENUE FUND
For the Fiscal Year Ended September 30, 2020**

| | <u>Budgeted Amounts</u> | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|--|-------------------------|-----------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Charges for Services | \$ 112,000 | \$ 112,000 | \$ 167,574 | \$ 55,574 |
| Fines | 125,000 | 14,229 | - | (14,229) |
| Total Revenues | <u>237,000</u> | <u>126,229</u> | <u>167,574</u> | <u>41,345</u> |
| Expenditures | | | | |
| Current | | | | |
| General Government | 162,000 | 51,229 | 20,511 | 30,718 |
| Total Expenditures | <u>162,000</u> | <u>51,229</u> | <u>20,511</u> | <u>30,718</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>75,000</u> | <u>75,000</u> | <u>147,063</u> | <u>72,063</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers Out | (75,000) | (75,000) | - | 75,000 |
| Total Other Financing Sources (Uses) | <u>(75,000)</u> | <u>(75,000)</u> | <u>-</u> | <u>75,000</u> |
| Net Change in Fund Balance | - | - | 147,063 | 147,063 |
| Fund Balance - Beginning | - | - | 14,229 | 14,229 |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 161,292</u> | <u>\$ 161,292</u> |

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
PUBLIC RECORDS COURTS SPECIAL REVENUE FUND
For the Fiscal Year Ended September 30, 2020**

| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|--|------------------|------------------|-------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Charges for Services | \$ 333,172 | \$ 333,172 | \$ 519,074 | \$ 185,902 |
| Miscellaneous | 200,000 | 103,096 | 2,836 | (100,260) |
| Total Revenues | <u>533,172</u> | <u>436,268</u> | <u>521,910</u> | <u>85,642</u> |
| Expenditures | | | | |
| Current | | | | |
| Court-Related | 134,182 | 37,278 | 9,806 | 27,472 |
| Total Expenditures | <u>134,182</u> | <u>37,278</u> | <u>9,806</u> | <u>27,472</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>398,990</u> | <u>398,990</u> | <u>512,104</u> | <u>113,114</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers Out | (398,990) | (398,990) | - | 398,990 |
| Total Other Financing Sources (Uses) | <u>(398,990)</u> | <u>(398,990)</u> | <u>-</u> | <u>398,990</u> |
| Net Change in Fund Balance | - | - | 512,104 | 512,104 |
| Fund Balance - Beginning | - | - | 103,096 | 103,096 |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 615,200</u> | <u>\$ 615,200</u> |

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FEDERAL LAW ENFORCEMENT TRUST FUND
For the Fiscal Year Ended September 30, 2020**

| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|--|------------------|-----------------|-------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$ 65,886 | \$ 65,886 | \$ 65,886 | \$ - |
| Total Revenues | <u>65,886</u> | <u>65,886</u> | <u>65,886</u> | <u>-</u> |
| Expenditures | | | | |
| Current | | | | |
| Public Safety | 134,486 | 134,486 | 106,543 | 27,943 |
| Capital Outlay | - | - | 27,943 | (27,943) |
| Total Expenditures | <u>134,486</u> | <u>134,486</u> | <u>134,486</u> | <u>-</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(68,600)</u> | <u>(68,600)</u> | <u>(68,600)</u> | <u>-</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers Among Constitutional Officers | 68,600 | 68,600 | 68,600 | - |
| Total Other Financing Sources (Uses) | <u>68,600</u> | <u>68,600</u> | <u>68,600</u> | <u>-</u> |
| Net Change in Fund Balance | - | - | - | - |
| Fund Balance - Beginning | - | - | - | - |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
TEEN DRIVER CHALLENGE FUND
For the Fiscal Year Ended September 30, 2020**

| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|--|------------------|----------|-------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$ - | \$ - | \$ - | \$ - |
| Total Revenues | - | - | - | - |
| Expenditures | | | | |
| Current | | | | |
| Public Safety | 37,981 | 37,981 | 22,951 | 15,030 |
| Total Expenditures | 37,981 | 37,981 | 22,951 | 15,030 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (37,981) | (37,981) | (22,951) | 15,030 |
| Other Financing Sources (Uses) | | | | |
| Transfers Among Constitutional Officers | 37,981 | 37,981 | 22,951 | (15,030) |
| Total Other Financing Sources (Uses) | 37,981 | 37,981 | 22,951 | (15,030) |
| Net Change in Fund Balance | - | - | - | - |
| Fund Balance - Beginning | - | - | - | - |
| Fund Balance - Ending | \$ - | \$ - | \$ - | \$ - |

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
OKALOOSA DEBT SERVICE FUND
For the Fiscal Year Ended September 30, 2020**

| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|--|------------------|--------------|-------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$ 5,746,500 | \$ 5,703,311 | \$ 5,581,596 | \$ (121,715) |
| Miscellaneous | 445,000 | - | 1,197 | 1,197 |
| Total Revenues | 6,191,500 | 5,703,311 | 5,582,793 | (120,518) |
| Expenditures | | | | |
| Current | | | | |
| General Government | 190,750 | 190,750 | 190,750 | - |
| Debt Service | | | | |
| Principal | 2,629,000 | 1,996,985 | 2,629,000 | (632,015) |
| Interest | 2,810,540 | 3,144,819 | 2,512,801 | 632,018 |
| Other Debt Service Costs | 362,615 | 1,906,312 | 500 | 1,905,812 |
| Total Expenditures | 5,992,905 | 7,238,866 | 5,333,051 | 1,905,815 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 198,595 | (1,535,555) | 249,742 | 1,785,297 |
| Other Financing Sources (Uses) | | | | |
| Transfers In | 1,054,721 | 2,000,414 | 1,596,517 | (403,897) |
| Transfers Out | (1,703,316) | (1,703,316) | (1,703,316) | - |
| Total Other Financing Sources (Uses) | (648,595) | 297,098 | (106,799) | (403,897) |
| Net Change in Fund Balance | (450,000) | (1,238,457) | 142,943 | 1,381,400 |
| Fund Balance - Beginning | 450,000 | 1,238,457 | 563,453 | (675,004) |
| Fund Balance - Ending | \$ - | \$ - | \$ 706,396 | \$ 706,396 |

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL OUTLAY CONSTRUCTION TRUST CAPITAL PROJECTS FUND
For the Fiscal Year Ended September 30, 2020**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | Variance With Final Budget Positive (Negative) |
|--|-------------------------|--------------------|-----------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Taxes | \$ 638,437 | \$ 638,437 | \$ 641,468 | \$ 3,031 |
| Intergovernmental | 120,000 | 120,000 | 102,058 | (17,942) |
| Miscellaneous | 15,000 | 15,000 | 54,004 | 39,004 |
| Total Revenues | <u>773,437</u> | <u>773,437</u> | <u>797,530</u> | <u>24,093</u> |
| Expenditures | | | | |
| Current | | | | |
| Culture and Recreation | 150,870 | 165,870 | 65,526 | 100,344 |
| Capital Outlay | 3,125,362 | 2,928,982 | 973,500 | 1,955,482 |
| Total Expenditures | <u>3,276,232</u> | <u>3,094,852</u> | <u>1,039,026</u> | <u>2,055,826</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(2,502,795)</u> | <u>(2,321,415)</u> | <u>(241,496)</u> | <u>2,079,919</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers In | 1,450,000 | 1,450,000 | 677,609 | (772,391) |
| Transfers Out | (55,205) | (526,338) | (526,338) | - |
| Total Other Financing Sources (Uses) | <u>1,394,795</u> | <u>923,662</u> | <u>151,271</u> | <u>(772,391)</u> |
| Net Change in Fund Balance | <u>(1,108,000)</u> | <u>(1,397,753)</u> | <u>(90,225)</u> | <u>1,307,528</u> |
| Fund Balance - Beginning | <u>1,108,000</u> | <u>1,397,753</u> | <u>1,118,470</u> | <u>(279,283)</u> |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,028,245</u> | <u>\$ 1,028,245</u> |

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
INFRASTRUCTURE SURTAX FUND
For the Fiscal Year Ended September 30, 2020**

| | Budgeted Amounts | | Actual Amounts | Variance With Final Budget Positive (Negative) |
|--|-------------------|--------------------|----------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Taxes | \$ 14,028,995 | \$ 14,028,995 | \$ 16,372,724 | \$ 2,343,729 |
| Miscellaneous | 6,634,995 | 9,216,370 | 219,433 | (8,996,937) |
| Total Revenues | <u>20,663,990</u> | <u>23,245,365</u> | <u>16,592,157</u> | <u>(6,653,208)</u> |
| Expenditures | | | | |
| Current | | | | |
| Transportation | 6,812,890 | 4,764,761 | 110,894 | 4,653,867 |
| Capital Outlay | <u>13,851,100</u> | <u>16,832,911</u> | <u>2,465,270</u> | <u>14,367,641</u> |
| Total Expenditures | <u>20,663,990</u> | <u>21,597,672</u> | <u>2,576,164</u> | <u>19,021,508</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>-</u> | <u>1,647,693</u> | <u>14,015,993</u> | <u>12,368,300</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers Out | - | (945,693) | (457,504) | 488,189 |
| Transfers Among Constitutional Officers | <u>-</u> | <u>(702,000)</u> | <u>(227,048)</u> | <u>474,952</u> |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>(1,647,693)</u> | <u>(684,552)</u> | <u>963,141</u> |
| Net Change in Fund Balance | - | - | 13,331,441 | 13,331,441 |
| Fund Balance - Beginning | <u>-</u> | <u>-</u> | <u>9,193,870</u> | <u>9,193,870</u> |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 22,525,311</u> | <u>\$ 22,525,311</u> |

NONMAJOR ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the Board of County Commissioner of Okaloosa County is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the Board has decided that periodic determination of net income is appropriate for accountability purposes.

Board of County Commissioners

Inspection and Code Enforcement Fund

This fund is used to account for the license, permit and inspection fees and related expenses for the provision of inspection and code enforcement services to residents of the unincorporated areas of Okaloosa County.

Tax Collector

Building Maintenance Fund

This fund accounts for certain common area maintenance charges billed to all tenants who occupy space in the building in Niceville, Florida in which the Tax Collector is landlord. The common area maintenance fees accumulated for future repairs and maintenance to the building are accounted for in this fund.

**COMBINING STATEMENT ON NET POSITION
NONMAJOR ENTERPRISE FUNDS
PROPRIETARY FUNDS
September 30, 2020**

| | Business-type Activities | | |
|--|---------------------------------------|--|---------------------------------------|
| | Inspection and Code Enforcement | Tax Collector Building Maintenance | Total Nonmajor Enterprise Funds |
| ASSETS | | | |
| Current Assets | | | |
| Cash and Cash Equivalents | \$ 722,497 | \$ 229,817 | \$ 952,314 |
| Investments | 2,547,898 | - | 2,547,898 |
| Receivables, Net of Allowance for Uncollectible | 61,082 | - | 61,082 |
| Prepays | 11,889 | - | 11,889 |
| Total Current Assets | 3,343,366 | 229,817 | 3,573,183 |
| Capital Assets | | | |
| Intangible | 42,425 | - | 42,425 |
| Machinery and Equipment | 391,985 | - | 391,985 |
| Less Accumulated Depreciation/Amortization | (332,059) | - | (332,059) |
| Total Capital Assets (Net of Accumulated Depreciation/Amortization) | 102,351 | - | 102,351 |
| Total Noncurrent Assets | 102,351 | - | 102,351 |
| Total Assets | \$ 3,445,717 | \$ 229,817 | \$ 3,675,534 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred Charges Related to Pensions | \$ 439,475 | \$ - | \$ 439,475 |
| Deferred Charges Related to OPEB | 2,104 | - | 2,104 |
| Total Deferred Outflows of Resources | \$ 441,579 | \$ - | \$ 441,579 |
| Total Assets and Deferred Outflows of Resources | \$ 3,887,296 | \$ 229,817 | \$ 4,117,113 |

Continued...

**COMBINING STATEMENT ON NET POSITION
NONMAJOR ENTERPRISE FUNDS
PROPRIETARY FUNDS
September 30, 2020**

| | | Business-type Activities | | |
|---|----|---------------------------------------|--|---------------------------------------|
| | | Inspection and Code Enforcement | Tax Collector Building Maintenance | Total Nonmajor Enterprise Funds |
| LIABILITIES | | | | |
| Liabilities | | | | |
| Current Liabilities | | | | |
| Accounts Payable | \$ | 2,546 | \$ - | \$ 2,546 |
| Contracts Payable | | 1,458 | - | 1,458 |
| Accrued Liabilities | | | | |
| Compensated Absences | | 157,177 | - | 157,177 |
| Other Accrued Liabilities | | 49,465 | - | 49,465 |
| Due to Other Governments | | 20,766 | - | 20,766 |
| Unearned Revenue | | 19,739 | - | 19,739 |
| Total Current Liabilities | | <u>251,151</u> | <u>-</u> | <u>251,151</u> |
| Noncurrent Liabilities | | | | |
| Compensated Absences | | 115,020 | - | 115,020 |
| Other Post Employment Benefits | | 61,026 | - | 61,026 |
| Net Pension Liability | | 1,596,615 | - | 1,596,615 |
| Total Noncurrent Liabilities | | <u>1,772,661</u> | <u>-</u> | <u>1,772,661</u> |
| Total Liabilities | \$ | <u>2,023,812</u> | \$ <u>-</u> | \$ <u>2,023,812</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred Charges Related to Pensions | \$ | 57,193 | \$ - | \$ 57,193 |
| Deferred Charges Related to OPEB | | 9,327 | - | 9,327 |
| Total Deferred Inflows of Resources | \$ | <u>66,520</u> | \$ <u>-</u> | \$ <u>66,520</u> |
| NET POSITION | | | | |
| Net Investment in Capital Assets | \$ | 102,351 | \$ - | \$ 102,351 |
| Unrestricted (Deficit) | | 1,694,613 | 229,817 | 1,924,430 |
| Total Net Position (Deficit) | | <u>1,796,964</u> | <u>229,817</u> | <u>2,026,781</u> |
| Total Liabilities, Deferred Inflows, and Net Position (Deficit) | \$ | <u>3,887,296</u> | \$ <u>229,817</u> | \$ <u>4,117,113</u> |

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

For the Fiscal Year Ended September 30, 2020

| | Business-type Activities | | |
|---|---------------------------------------|--|------------------------------------|
| | Inspection and Code Enforcement | Tax Collector Building Maintenance | Total Nonmajor Enterprise Funds |
| Operating Revenues | | | |
| Licenses and Permits | \$ 422,109 | \$ - | \$ 422,109 |
| Charges for Services | 2,263,498 | - | 2,263,498 |
| Miscellaneous | 5,252 | 45,335 | 50,587 |
| | <u>2,690,859</u> | <u>45,335</u> | <u>2,736,194</u> |
| Total Operating Revenues | | | |
| Operating Expenses | | | |
| Personal services | 1,746,919 | - | 1,746,919 |
| Contractual Services | 292,086 | - | 292,086 |
| Supplies | 29,466 | - | 29,466 |
| Other Operating Expenses | 94,447 | - | 94,447 |
| Depreciation/Amortization | 37,330 | - | 37,330 |
| | <u>2,200,248</u> | <u>-</u> | <u>2,200,248</u> |
| Total Operating Expenses | | | |
| Operating Income (Loss) | <u>490,611</u> | <u>45,335</u> | <u>535,946</u> |
| Nonoperating Revenues (Expenses) | | | |
| Intergovernmental | 18,116 | - | 18,116 |
| Investment Income | 42,442 | - | 42,442 |
| | <u>60,558</u> | <u>-</u> | <u>60,558</u> |
| Total Nonoperating Revenues (Expenses) | | | |
| Income (Loss) Before Contributions and Transfers | <u>551,169</u> | <u>45,335</u> | <u>596,504</u> |
| Change in Net Position | 551,169 | 45,335 | 596,504 |
| Total Net Position (Deficit) - Beginning | <u>1,245,795</u> | <u>184,482</u> | <u>1,430,277</u> |
| Total Net Position (Deficit) - Ending | <u>\$ 1,796,964</u> | <u>\$ 229,817</u> | <u>\$ 2,026,781</u> |

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended September 30, 2020**

| | Business-type Activities | | |
|--|---------------------------------------|--|---------------------------------------|
| | Inspection and Code Enforcement | Tax Collector Building Maintenance | Total Nonmajor Enterprise Funds |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from Customers | \$ 2,710,998 | \$ 45,335 | \$ 2,756,333 |
| Payments to Suppliers | (403,934) | - | (403,934) |
| Payments to Employees | (1,485,532) | - | (1,485,532) |
| Net Cash Provided (Used) by Operating Activities | <u>821,532</u> | <u>45,335</u> | <u>866,867</u> |
| Operating Subsidy - Intergovernmental Revenue | 18,116 | - | 18,116 |
| Net Cash Provided (Used) by Non-capital Financing Activities | <u>18,116</u> | <u>-</u> | <u>18,116</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| Purchase of Capital Assets | (46,412) | - | (46,412) |
| Proceeds from Disposal of Capital Assets | 18,690 | - | 18,690 |
| Net cash provided (used) by capital and related financing activities | <u>(27,722)</u> | <u>-</u> | <u>(27,722)</u> |
| NET CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of Investments | (249,997) | - | (249,997) |
| Net Cash Provided (Used) by Investing Activities | <u>(249,997)</u> | <u>-</u> | <u>(249,997)</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 561,929 | 45,335 | 607,264 |
| Cash and Cash Equivalents - Beginning of Year | 160,568 | 184,482 | 345,050 |
| Cash and Cash Equivalents - End of Year | <u>\$ 722,497</u> | <u>\$ 229,817</u> | <u>\$ 952,314</u> |

Continued...

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended September 30, 2020

| | Business-type Activities | | |
|--|---------------------------------------|--|---|
| | Inspection and Code Enforcement | Tax Collector Building Maintenance | Total Nonmajor Enterprise Funds (Exhibit IV) |
| Cash and Cash Equivalents at End of Year Consist of: | | | |
| Current assets | 722,497 | 229,817 | 952,314 |
| Total | <u>\$ 722,497</u> | <u>\$ 229,817</u> | <u>\$ 952,314</u> |
| Reconciliation of Operating Income (Loss) to Net | | | |
| Cash Provided (Used) by Operating Activities | | | |
| Operating Income (Loss) | \$ 490,611 | \$ 45,335 | \$ 535,946 |
| Adjustments to Reconcile Operating Income to Net | | | |
| Cash Provided (Used) by Operating Activities | | | |
| Depreciation/Amortization | 37,330 | - | 37,330 |
| Decrease (Increase) in Assets | | | |
| Accounts Receivables | 12,538 | - | 12,538 |
| Prepaid Expenses | (514) | - | (514) |
| Deferred Outflows | (57,027) | - | (57,027) |
| Increase (Decrease) in Liabilities | | | |
| Accounts Payable | (3,750) | - | (3,750) |
| Service Contracts Payable | (2,334) | - | (2,334) |
| Due to Other Governments | 2,537 | - | 2,537 |
| Compensated Absences Payable | 39,662 | - | 39,662 |
| Other Accrued Liabilities | 16,126 | - | 16,126 |
| Unearned Revenue | 7,601 | - | 7,601 |
| Other Post Employment Benefits | (2,427) | - | (2,427) |
| Net Pension Liability | 346,060 | - | 346,060 |
| Deferred Inflows | (64,881) | - | (64,881) |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 821,532</u> | <u>\$ 45,335</u> | <u>\$ 866,867</u> |

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INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the Board of County Commissioners of Okaloosa County and to other government units, on a cost reimbursement basis.

Board of County Commissioners

Self Insurance

This fund is used to account for premiums and claims associated with the provision of self-insurance programs for Okaloosa County.

Garage Service Fund

This fund is used to account for user charges and expenses associated with vehicle maintenance and the centralized distribution of gasoline and special fuel to various Okaloosa County Departments as well as other County agencies.

Sheriff

Compensated Absences Fund

This fund is used to accumulate and fund the short-term portion of compensated absence liability for the Sheriff.

Health Benefits Self Insurance Fund

This fund is used to account for premiums and claims associated with the provision of self-insurance of health benefits for the Sheriff and to record the liability for other post employment benefits provided to the retirees of the Sheriff.

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
September 30, 2020

| | Governmental Activities | | | | |
|--|-------------------------|---------------------|------------------------------|--|------------------------------|
| | Self-Insurance | Garage Services | Sheriff Compensated Absences | Sheriff Health Benefits Self Insurance | Total Internal Service Funds |
| ASSETS | | | | | |
| Current Assets | | | | | |
| Cash and Cash Equivalents | \$ 400,141 | \$ 463,873 | \$ 1,289,354 | \$ 2,997,872 | \$ 5,151,240 |
| Investments | 2,750,231 | - | - | - | 2,750,231 |
| Receivables, Net of Allowance for Uncollectible | 304,716 | - | - | 6,684 | 311,400 |
| Due from Other Elected Officials | - | 683 | 259,963 | 549,444 | 810,090 |
| Due from Other Governments | 1,189 | 95,880 | - | - | 97,069 |
| Inventory | - | 190,254 | - | - | 190,254 |
| Prepays | 402,850 | - | - | - | 402,850 |
| Total Current Assets | 3,859,127 | 750,690 | 1,549,317 | 3,554,000 | 9,713,134 |
| Noncurrent Assets | | | | | |
| Capital Assets | | | | | |
| Land | - | 316,861 | - | - | 316,861 |
| Buildings | - | 900,466 | - | - | 900,466 |
| Machinery and Equipment | 10,058 | 3,767,459 | - | - | 3,777,517 |
| Infrastructure | - | 257,345 | - | - | 257,345 |
| Depreciation/Amortization | (9,197) | (4,647,390) | - | - | (4,656,587) |
| Total Capital Assets (Net of Accumulated Depreciation/Amortization) | 861 | 594,741 | - | - | 595,602 |
| Total Assets | \$ 3,859,988 | \$ 1,345,431 | \$ 1,549,317 | \$ 3,554,000 | \$ 10,308,736 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Deferred Charges Related to Pensions | \$ 108,958 | \$ 719,762 | \$ - | \$ - | \$ 828,720 |
| Deferred Charges Related to OPEB | 471 | 3,003 | - | 484,179 | 487,653 |
| Total Deferred Outflows of Resources | \$ 109,429 | \$ 722,765 | \$ - | \$ 484,179 | \$ 1,316,373 |
| Total Assets and Deferred Outflows of Resources | \$ 3,969,417 | \$ 2,068,196 | \$ 1,549,317 | \$ 4,038,179 | \$ 11,625,109 |

Continued...

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
September 30, 2020**

| | Governmental Activities | | | | Total Internal Service Funds |
|--|-------------------------|---------------------|------------------------------------|--|---------------------------------|
| | Self-Insurance | Garage Services | Sheriff Compensated Absences | Sheriff Health Benefits Self Insurance | |
| LIABILITIES | | | | | |
| Liabilities | | | | | |
| Current Liabilities | | | | | |
| Accounts Payable | \$ 45,468 | \$ 54,028 | \$ - | \$ 448,869 | \$ 548,365 |
| Contracts Payable | 35,952 | 79,943 | - | - | 115,895 |
| Compensated Absences | 12,445 | 99,077 | 1,549,317 | - | 1,660,839 |
| Claims and Judgments | 1,387,175 | - | - | - | 1,387,175 |
| Other Accrued Liabilities | 11,213 | 44,019 | - | 361,136 | 416,368 |
| Due to Other Funds | - | 927,321 | - | - | 927,321 |
| Due To Other Governments | - | 243 | - | - | 243 |
| Total Current Liabilities | 1,492,253 | 1,204,631 | 1,549,317 | 810,005 | 5,056,206 |
| Noncurrent Liabilities | | | | | |
| Compensated Absences | 1,341 | 71,866 | - | - | 73,207 |
| Claims and Judgments | 4,028,226 | - | - | - | 4,028,226 |
| Other Post Employment Benefits | 13,668 | 87,083 | - | 5,842,590 | 5,943,341 |
| Net Pension Liability | 404,911 | 2,356,344 | - | - | 2,761,255 |
| Total Noncurrent Liabilities | 4,448,146 | 2,515,293 | - | 5,842,590 | 12,806,029 |
| Total Liabilities | \$ 5,940,399 | \$ 3,719,924 | \$ 1,549,317 | \$ 6,652,595 | \$ 17,862,235 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Deferred Charges Related to Pensions | \$ 13,031 | \$ 121,369 | \$ - | \$ - | \$ 134,400 |
| Deferred Charges Related to OPEB | 2,089 | 13,310 | - | 485,538 | 500,937 |
| Total Deferred Inflows of Resources | \$ 15,120 | \$ 134,679 | \$ - | \$ 485,538 | \$ 635,337 |
| NET POSITION | | | | | |
| Net Investment in Capital Assets | \$ 861 | \$ 594,741 | \$ - | \$ - | \$ 595,602 |
| Unrestricted (Deficit) | (1,986,963) | (2,381,148) | - | (3,099,954) | (7,468,065) |
| Total Net Position (Deficit) | (1,986,102) | (1,786,407) | - | (3,099,954) | (6,872,463) |
| Total Liabilities, Deferred Inflows, and Net Position (Deficit) | \$ 3,969,417 | \$ 2,068,196 | \$ 1,549,317 | \$ 4,038,179 | \$ 11,625,109 |

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**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS**

For the Fiscal Year Ended September 30, 2020

| | Governmental Activities | | | | Total Internal Service Funds |
|---|-------------------------|-----------------------|------------------------------------|--|---------------------------------|
| | Self-Insurance | Garage Services | Sheriff Compensated Absences | Sheriff Health Benefits Self Insurance | |
| Operating Revenues | | | | | |
| Charges for Services | \$ 4,320,568 | \$ 3,869,090 | \$ 259,963 | \$ 8,251,287 | \$ 16,700,908 |
| Miscellaneous | 689 | 3,491 | - | - | 4,180 |
| Total Operating Revenues | 4,321,257 | 3,872,581 | 259,963 | 8,251,287 | 16,705,088 |
| Operating Expenses | | | | | |
| Personal Services | 1,674,978 | 1,639,868 | 259,963 | 207,806 | 3,782,615 |
| Contractual Services | 68,038 | 26,176 | - | 490,487 | 584,701 |
| Supplies | 4,967 | 2,237,439 | - | - | 2,242,406 |
| Insurance Premiums and Claims | 2,679,630 | 60,240 | - | 6,914,551 | 9,654,421 |
| Utilities | - | 4,380 | - | - | 4,380 |
| Other Operating Expenses | 76,314 | 376,386 | - | - | 452,700 |
| Depreciation/Amortization | 333 | 74,418 | - | - | 74,751 |
| Total Operating Expenses | 4,504,260 | 4,418,907 | 259,963 | 7,612,844 | 16,795,974 |
| Operating Income (Loss) | (183,003) | (546,326) | - | 638,443 | (90,886) |
| Nonoperating Revenues (Expenses) | | | | | |
| Intergovernmental | 1,891 | 44,562 | - | - | 46,453 |
| Investment Income (Loss) | 43,228 | - | - | - | 43,228 |
| Gain/Loss on Disposal of Capital Assets | - | 169,763 | - | - | 169,763 |
| Total Nonoperating Revenues (Expenses) | 45,119 | 214,325 | - | - | 259,444 |
| Income (Loss) Before Contributions and Transfers | (137,884) | (332,001) | - | 638,443 | 168,558 |
| Change in Net Position | (137,884) | (332,001) | - | 638,443 | 168,558 |
| Total Net Position - Beginning | (1,848,217) | (1,454,407) | - | (3,738,397) | (7,041,021) |
| Total Net Position (Deficit)- Ending | \$ (1,986,101) | \$ (1,786,408) | \$ - | \$ (3,099,954) | \$ (6,872,463) |

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended September 30, 2020**

| | Governmental | | | Activities | |
|--|-------------------|-------------------|------------------------------|--|------------------------------|
| | Self-Insurance | Garage Services | Sheriff Compensated Absences | Sheriff Health Benefits Self Insurance | Total Internal Service Funds |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Receipts from Customers | \$ 4,047,300 | \$ 3,933,900 | \$ 7,020 | \$ 9,199,271 | \$ 17,187,491 |
| Payments to Suppliers | (1,889,807) | (2,731,948) | - | (7,475,287) | (12,097,042) |
| Payments to Employees | (1,615,214) | (1,414,440) | - | - | (3,029,654) |
| Net Cash Provided (Used) by Operating Activities | <u>542,279</u> | <u>(212,488)</u> | <u>7,020</u> | <u>1,723,984</u> | <u>2,060,795</u> |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES | | | | | |
| ACTIVITIES | | | | | |
| Transfers Out | 1,891 | 44,562 | - | - | 46,453 |
| Net Interfund Activity | 1,753 | 489,124 | - | - | 490,877 |
| Net Cash Provided (Used) by Non-capital Financing Activities | <u>3,644</u> | <u>533,686</u> | <u>-</u> | <u>-</u> | <u>537,330</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | |
| Purchase of Capital Assets | - | (38,547) | - | - | (38,547) |
| Proceeds from Disposal of Capital Assets | - | 178,274 | - | - | 178,274 |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>-</u> | <u>139,727</u> | <u>-</u> | <u>-</u> | <u>139,727</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Purchases on Investments | (199,811) | - | - | - | (199,811) |
| Net Cash Provided (Used) by Investing Activities | <u>(199,811)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(199,811)</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 346,112 | 460,925 | 7,020 | 1,723,984 | 2,538,041 |
| Cash and Cash Equivalents - Beginning of Year | 54,029 | 2,948 | 1,282,334 | 1,273,888 | 2,613,199 |
| Cash and Cash Equivalents - End of Year | <u>\$ 400,141</u> | <u>\$ 463,873</u> | <u>\$ 1,289,354</u> | <u>\$ 2,997,872</u> | <u>\$ 5,151,240</u> |

Continued...

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended September 30, 2020**

| | Governmental Activities | | | | |
|---|-------------------------|---------------------|------------------------------|--|------------------------------|
| | Self-Insurance | Garage Services | Sheriff Compensated Absences | Sheriff Health Benefits Self Insurance | Total Internal Service Funds |
| Cash and Cash Equivalents at End of Year | | | | | |
| Consist of: | | | | | |
| Current assets | \$ 400,141 | \$ 463,873 | \$ 1,289,354 | \$ 2,997,872 | \$ 5,151,240 |
| Total | <u>\$ 400,141</u> | <u>\$ 463,873</u> | <u>\$ 1,289,354</u> | <u>\$ 2,997,872</u> | <u>\$ 5,151,240</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities | | | | | |
| Operating Income (Loss) | \$ (183,004) | \$ (546,325) | \$ - | \$ 638,443 | \$ (90,886) |
| Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities | | | | | |
| Depreciation/Amortization | 333 | 74,418 | - | - | 74,751 |
| Decrease (Increase) in Assets | | | | | |
| Accounts Receivable | (257,390) | 56,648 | - | 982,428 | 781,686 |
| Due from Other Governments | (1,189) | 4,670 | - | - | 3,481 |
| Due from Other Funds | - | - | (252,943) | (34,444) | (287,387) |
| Inventories | - | 13,893 | - | - | 13,893 |
| Prepaid Expenses | (52,878) | 8,815 | - | - | (44,063) |
| Deferred Outflows | (15,033) | (59,781) | - | (261,872) | (336,686) |
| Increase (Decrease) in Liabilities | | | | | |
| Accounts Payable | 32,846 | (39,806) | - | 448,869 | 441,909 |
| Service Contracts Payable | (19,670) | (17,711) | - | - | (37,381) |
| Due to Other Governments | - | 243 | - | - | 243 |
| Compensated Absences Payable | 1,542 | (9,098) | 259,963 | (519,118) | (266,711) |
| Claims and Judgments Payable | 976,813 | - | - | 385,845 | 1,362,658 |
| Other Accrued Liabilities | 2,022 | 7,239 | - | - | 9,261 |
| Unearned Revenue | (15,377) | - | - | - | (15,377) |
| Other Post Employment Benefits | (543) | (3,464) | - | - | (4,007) |
| Net Pension Liability | 91,069 | 364,274 | - | - | 455,343 |
| Deferred Inflows | (17,262) | (66,503) | - | 83,833 | 68 |
| | <u>725,283</u> | <u>333,837</u> | <u>7,020</u> | <u>1,085,541</u> | <u>2,151,681</u> |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 542,279</u> | <u>\$ (212,488)</u> | <u>\$ 7,020</u> | <u>\$ 1,723,984</u> | <u>\$ 2,060,795</u> |

**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
September 30, 2020**

| | Fine and Forfeiture | Jury and Witness Fund | Tax Deed | Support | Registry of Court | BOCC Trust | State Trust | Probation Fee Trust |
|--|---------------------|-----------------------|---------------------|------------------|---------------------|------------------|-------------------|---------------------|
| ASSETS | | | | | | | | |
| Cash and Cash Equivalents | \$ 51,644 | \$ 30,184 | \$ 613,591 | \$ 86,979 | \$ 2,230,988 | \$ 53,822 | \$ 243,142 | \$ - |
| Investments | 285,000 | - | 710,000 | - | - | - | 430,000 | - |
| Accounts Receivable | - | - | - | 8,976 | - | - | - | - |
| Total Assets | \$ 336,644 | \$ 30,184 | \$ 1,323,591 | \$ 95,955 | \$ 2,230,988 | \$ 53,822 | \$ 673,142 | \$ - |
| LIABILITIES | | | | | | | | |
| Accounts Payable | - | 5 | 3,170 | - | - | - | - | - |
| Due to Other Elected Officials | 85,715 | - | - | - | - | 53,822 | - | - |
| Due to Other Governments | 250,929 | 223 | 4,583 | 279 | 260,407 | - | 673,142 | - |
| Due to Depositors | - | 29,956 | 1,315,838 | 95,676 | 1,970,581 | - | - | - |
| Taxes Collected in Advance for Other Governments | - | - | - | - | - | - | - | - |
| Total Liabilities | \$ 336,644 | \$ 30,184 | \$ 1,323,591 | \$ 95,955 | \$ 2,230,988 | \$ 53,822 | \$ 673,142 | \$ - |

Continued...

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
September 30, 2020

| | Escrow Trust | Juvenile Trust | Foreclosure Escrow Trust | Cash Bond Trust | Individual Depositors | Suspense (Levies) | Disbursements | Total Agency Funds |
|--|-------------------|-----------------|-----------------------------|--------------------|--------------------------|----------------------|---------------------|-----------------------|
| ASSETS | | | | | | | | |
| Cash and Cash Equivalents | \$ 31,415 | \$ 1,803 | \$ 311,670 | \$ 228,161 | \$ 3,150 | \$ 26,897 | \$ 2,614,894 | \$ 6,528,340 |
| Investments | 150,000 | - | 459,000 | 275,000 | - | - | - | 2,309,000 |
| Accounts Receivable | - | - | - | - | - | - | 5,542 | 14,518 |
| Total Assets | \$ 181,415 | \$ 1,803 | \$ 770,670 | \$ 503,161 | \$ 3,150 | \$ 26,897 | \$ 2,620,436 | \$ 8,851,858 |
| LIABILITIES | | | | | | | | |
| Accounts Payable | 14,490 | - | - | - | - | - | - | 17,665 |
| Due to Other Elected Officials | - | - | - | - | 3,150 | - | - | 142,687 |
| Due to Other Governments | 7,786 | 1,703 | - | 39,272 | - | - | 14,548 | 1,252,872 |
| Due to Depositors | 159,139 | 100 | 770,670 | 463,889 | - | 26,897 | 37,459 | 4,870,205 |
| Taxes Collected in Advance for Other Governments | - | - | - | - | - | - | 2,568,429 | 2,568,429 |
| Total Liabilities | \$ 181,415 | \$ 1,803 | \$ 770,670 | \$ 503,161 | \$ 3,150 | \$ 26,897 | \$ 2,620,436 | \$ 8,851,858 |

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS**

For the Fiscal Year Ended September 30, 2020

| | Balances October 1, 2019 | Additions | Deletions | Balances October 1, 2020 |
|--|--------------------------------|---------------------|---------------------|--------------------------------|
| FINE AND FORFEITURE AGENCY FUND | | | | |
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ 144,775 | \$ 4,976,917 | \$ 5,070,048 | \$ 51,644 |
| Investments | 285,000 | - | - | 285,000 |
| Due from Other Elected Officials | - | 1,345,398 | 1,345,398 | - |
| Due from Other Governments | 1,800 | - | 1,800 | - |
| Total Assets | <u>\$ 431,575</u> | <u>\$ 6,322,315</u> | <u>\$ 6,417,246</u> | <u>\$ 336,644</u> |
| LIABILITIES | | | | |
| Due to Other Elected Officials | \$ 110,284 | \$ 1,345,398 | \$ 1,369,967 | \$ 85,715 |
| Due to Other Governments | 321,291 | 3,737,093 | 3,807,455 | 250,929 |
| Total Liabilities | <u>\$ 431,575</u> | <u>\$ 5,082,491</u> | <u>\$ 5,177,422</u> | <u>\$ 336,644</u> |
| JURY AND WITNESS AGENCY FUND | | | | |
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ 12,102 | \$ 35,787 | \$ 17,705 | \$ 30,184 |
| LIABILITIES | | | | |
| Accounts Payable | \$ 1,624 | \$ 15,769 | \$ 17,388 | \$ 5 |
| Due to Other Governments | 378 | 157 | 312 | 223 |
| Due to Depositors | 10,100 | 35,820 | 15,964 | 29,956 |
| Total Liabilities | <u>\$ 12,102</u> | <u>\$ 51,746</u> | <u>\$ 33,664</u> | <u>\$ 30,184</u> |
| TAX DEED AGENCY FUND | | | | |
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ 169,539 | \$ 1,512,346 | \$ 1,068,294 | \$ 613,591 |
| Investments | 850,000 | 60,000 | 200,000 | 710,000 |
| Total Assets | <u>\$ 1,019,539</u> | <u>\$ 1,572,346</u> | <u>\$ 1,268,294</u> | <u>\$ 1,323,591</u> |
| LIABILITIES | | | | |
| Accounts Payable | \$ 190 | \$ 516,230 | \$ 513,250 | \$ 3,170 |
| Due to Other Funds | 20,574 | 178,396 | 194,387 | 4,583 |
| Due to Depositors | 998,775 | 1,341,100 | 1,024,037 | 1,315,838 |
| Total Liabilities | <u>\$ 1,019,539</u> | <u>\$ 2,035,726</u> | <u>\$ 1,731,674</u> | <u>\$ 1,323,591</u> |
| SUPPORT AGENCY FUND | | | | |
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ 83,557 | \$ 1,938,823 | \$ 1,935,401 | \$ 86,979 |
| Accounts Receivable | 10,182 | 700 | 1,906 | 8,976 |
| Total Assets | <u>\$ 93,739</u> | <u>\$ 1,939,523</u> | <u>\$ 1,937,307</u> | <u>\$ 95,955</u> |
| LIABILITIES | | | | |
| Due to Other Governments | \$ 346 | \$ 6,434 | \$ 6,501 | \$ 279 |
| Due to Depositors | 93,393 | 1,938,585 | 1,936,302 | 95,676 |
| Total Liabilities | <u>\$ 93,739</u> | <u>\$ 1,945,019</u> | <u>\$ 1,942,803</u> | <u>\$ 95,955</u> |

Continued...

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS**

For the Fiscal Year Ended September 30, 2020

| | Balances October 1, 2019 | Additions | Deletions | Balances October 1, 2020 |
|--|--------------------------------|----------------------|----------------------|--------------------------------|
| REGISTRY OF COURT AGENCY FUND | | | | |
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ 1,469,993 | \$ 9,954,833 | \$ 9,193,838 | \$ 2,230,988 |
| LIABILITIES | | | | |
| Due to Other Governments | \$ 6,426 | \$ 427,986 | \$ 174,005 | \$ 260,407 |
| Due to Depositors | 1,463,567 | 7,455,444 | 6,948,430 | 1,970,581 |
| Total Liabilities | <u>\$ 1,469,993</u> | <u>\$ 7,883,430</u> | <u>\$ 7,122,435</u> | <u>\$ 2,230,988</u> |
| BOARD OF COUNTY COMMISSIONERS TRUST AGENCY FUND | | | | |
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ 39,496 | \$ 546,676 | \$ 532,350 | \$ 53,822 |
| LIABILITIES | | | | |
| Due to Other Elected Officials | \$ 39,496 | \$ 600,458 | \$ 586,132 | \$ 53,822 |
| STATE TRUST AGENCY FUND | | | | |
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ 504,542 | \$ 38,536,484 | \$ 38,797,884 | \$ 243,142 |
| Investments | 330,000 | 100,000 | - | 430,000 |
| Total Assets | <u>\$ 834,542</u> | <u>\$ 38,636,484</u> | <u>\$ 38,797,884</u> | <u>\$ 673,142</u> |
| LIABILITIES | | | | |
| Due to Other Governments | \$ 834,542 | \$ 38,536,484 | \$ 38,697,884 | \$ 673,142 |
| PROBATION FEE TRUST FUND | | | | |
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ 80 | \$ 7 | \$ 87 | \$ - |
| LIABILITIES | | | | |
| Due to Depositors | \$ 80 | \$ 7 | \$ 87 | \$ - |
| ESCROW TRUST AGENCY FUND | | | | |
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ 12,585 | \$ 1,093,993 | \$ 1,075,163 | \$ 31,415 |
| Investments | 150,000 | - | - | 150,000 |
| Total Assets | <u>\$ 162,585</u> | <u>\$ 1,093,993</u> | <u>\$ 1,075,163</u> | <u>\$ 181,415</u> |
| LIABILITIES | | | | |
| Accounts Payable | \$ 735 | \$ 180,432 | \$ 166,677 | \$ 14,490 |
| Due to Other Governments | 3,568 | 8,135 | 3,917 | 7,786 |
| Due to Depositors | 158,282 | 1,103,824 | 1,102,967 | 159,139 |
| Total Liabilities | <u>\$ 162,585</u> | <u>\$ 1,292,391</u> | <u>\$ 1,273,561</u> | <u>\$ 181,415</u> |

Continued...

COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES AGENCY FUNDS

For the Fiscal Year Ended September 30, 2020

| | <u>Balances October 1, 2019</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balances October 1, 2020</u> |
|---|---|---------------------|---------------------|---|
| JUVENILE TRUST AGENCY FUND | | | | |
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ 4,240 | \$ 17,288 | \$ 19,725 | \$ 1,803 |
| LIABILITIES | | | | |
| Due to Other Governments | \$ 1,698 | \$ 1,073 | \$ 1,068 | \$ 1,703 |
| Due to Depositors | 2,542 | 16,764 | 19,206 | 100 |
| Total Liabilities | <u>\$ 4,240</u> | <u>\$ 17,837</u> | <u>\$ 20,274</u> | <u>\$ 1,803</u> |
| FORECLOSURE ESCROW TRUST AGENCY FUND | | | | |
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ 494,862 | \$ 1,341,960 | \$ 1,525,152 | \$ 311,670 |
| Investments | 359,000 | 100,000 | - | 459,000 |
| Total Assets | <u>\$ 853,862</u> | <u>\$ 1,441,960</u> | <u>\$ 1,525,152</u> | <u>\$ 770,670</u> |
| LIABILITIES | | | | |
| Due to Depositors | <u>\$ 853,862</u> | <u>\$ 1,363,744</u> | <u>\$ 1,446,936</u> | <u>\$ 770,670</u> |
| CASH BOND TRUST AGENCY FUND | | | | |
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ 48,214 | \$ 714,457 | \$ 534,510 | \$ 228,161 |
| Investments | 275,000 | - | - | 275,000 |
| Accounts Receivable | 278 | - | 278 | - |
| Total Assets | <u>\$ 323,492</u> | <u>\$ 714,457</u> | <u>\$ 534,788</u> | <u>\$ 503,161</u> |
| LIABILITIES | | | | |
| Due to Other Governments | \$ 24,263 | \$ 38,372 | \$ 23,363 | \$ 39,272 |
| Due to Depositors | 299,229 | 682,266 | 517,606 | 463,889 |
| Total Liabilities | <u>\$ 323,492</u> | <u>\$ 720,638</u> | <u>\$ 540,969</u> | <u>\$ 503,161</u> |
| INDIVIDUAL DEPOSITORS AGENCY FUND | | | | |
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ 4,130 | \$ - | \$ 980 | \$ 3,150 |
| LIABILITIES | | | | |
| Due to Other Elected Officials | <u>\$ 4,130</u> | <u>\$ -</u> | <u>\$ 980</u> | <u>\$ 3,150</u> |
| SUSPENSE (LEVIES) AGENCY FUND | | | | |
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ 4,469 | \$ 22,428 | \$ - | \$ 26,897 |
| LIABILITIES | | | | |
| Due to Depositors | <u>\$ 4,469</u> | <u>\$ 22,428</u> | <u>\$ -</u> | <u>\$ 26,897</u> |

Continued...

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS**

For the Fiscal Year Ended September 30, 2020

| | Balances October 1, 2019 | Additions | Deletions | Balances October 1, 2020 |
|----------------------------------|--------------------------------|-----------------------|-----------------------|--------------------------------|
| DISBURSEMENTS AGENCY FUND | | | | |
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ 2,480,067 | \$ 277,762,247 | \$ 277,627,420 | \$ 2,614,894 |
| Accounts Receivable | 3,631 | 5,542 | 3,631 | 5,542 |
| Total Assets | <u>\$ 2,483,698</u> | <u>\$ 277,767,789</u> | <u>\$ 277,631,051</u> | <u>\$ 2,620,436</u> |
| LIABILITIES | | | | |
| Due to Other Funds | \$ - | \$ 6,068,785 | \$ 6,068,785 | \$ - |
| Due to Other Elected Officials | - | 216,506,970 | 216,506,970 | - |
| Due to Other Governments | 13,825 | 49,661,297 | 49,660,574 | 14,548 |
| Due to Depositors | 35,878 | 37,459 | 35,878 | 37,459 |
| Taxes Collected in Advance | 2,433,995 | 5,493,278 | 5,358,844 | 2,568,429 |
| Total Liabilities | <u>\$ 2,483,698</u> | <u>\$ 277,767,789</u> | <u>\$ 277,631,051</u> | <u>\$ 2,620,436</u> |
| TOTAL - ALL AGENCY FUNDS | | | | |
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ 5,472,651 | \$ 338,454,246 | \$ 337,398,557 | \$ 6,528,340 |
| Investments | 2,249,000 | 260,000 | 200,000 | 2,309,000 |
| Accounts Receivable | 14,091 | 6,242 | 5,815 | 14,518 |
| Due from Other Elected Officials | - | 1,345,398 | 1,345,398 | - |
| Due from Other Governments | 1,800 | - | 1,800 | - |
| Total Assets | <u>\$ 7,737,542</u> | <u>\$ 340,065,886</u> | <u>\$ 338,951,570</u> | <u>\$ 8,851,858</u> |
| LIABILITIES | | | | |
| Accounts Payable | \$ 2,549 | \$ 712,431 | \$ 697,315 | \$ 17,665 |
| Due to Other Funds | 20,574 | 6,247,181 | 6,263,172 | 4,583 |
| Due to Other Elected Officials | 153,910 | 218,452,826 | 218,464,049 | 142,687 |
| Due to Other Governments | 1,206,337 | 92,417,031 | 92,375,079 | 1,248,289 |
| Due to Depositors | 3,920,177 | 13,997,441 | 13,047,413 | 4,870,205 |
| Taxes Collected in Advance | 2,433,995 | 5,493,278 | 5,358,844 | 2,568,429 |
| Total Liabilities | <u>\$ 7,737,542</u> | <u>\$ 337,320,188</u> | <u>\$ 336,205,872</u> | <u>\$ 8,851,858</u> |

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The logo features a central white circle with a blue border, set against a background of light blue and dark blue curved shapes. The text "Statistical Section" is centered within the white circle.

**Statistical
Section**

This part of Okaloosa County, Florida's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

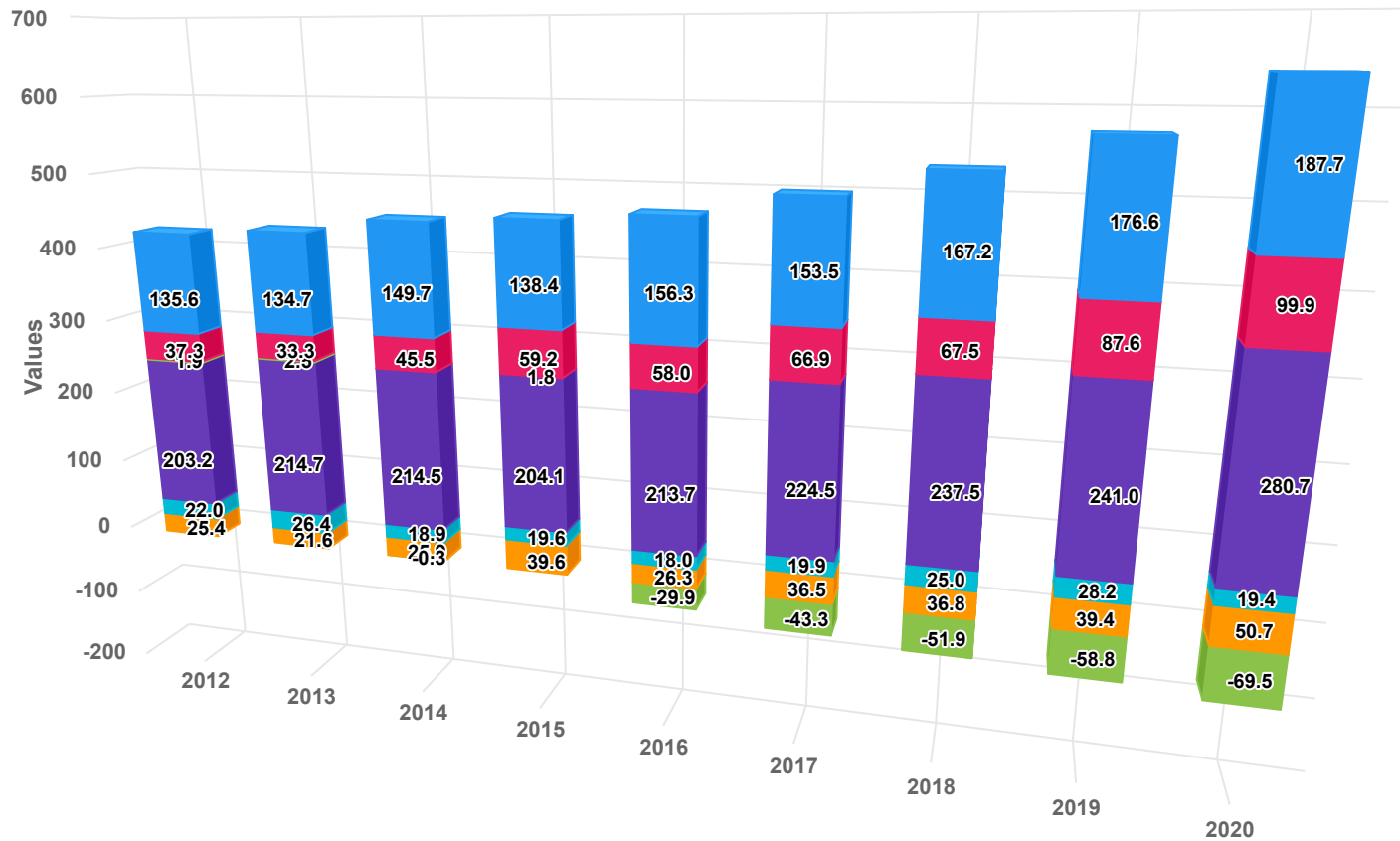
UNAUDITED

SCHEDULE 1

NET POSITION BY CATEGORY - LAST NINE FISCAL YEARS * - (ACCRUAL BASIS OF ACCOUNTING)

| (amounts in thousands) | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| GOVERNMENTAL ACTIVITIES: | | | | | | | | | |
| NET INVESTMENT IN CAPITAL ASSETS | \$ 135,627 | \$ 134,735 | \$ 149,700 | \$ 138,402 | \$ 156,262 | \$ 153,520 | \$ 167,159 | \$ 176,565 | \$ 187,707 |
| RESTRICTED: | | | | | | | | | |
| DEBT SERVICE | 994 | 463 | 504 | 1,039 | - | 435 | 467 | 563 | 706 |
| OTHER PURPOSES | 36,326 | 32,871 | 45,004 | 58,132 | 57,959 | 66,498 | 67,034 | 86,997 | 99,174 |
| UNRESTRICTED (DEFICIT) | 2,534 | (265) | 1,846 | (29,906) | (43,267) | (51,926) | (58,761) | (65,276) | (69,511) |
| TOTAL GOVERNMENTAL ACTIVITIES NET POSITION | 175,481 | 167,804 | 197,054 | 167,667 | 170,954 | 168,527 | 175,899 | 198,849 | 218,076 |
| BUSINESS-TYPE ACTIVITIES | | | | | | | | | |
| NET INVESTMENT IN CAPITAL ASSETS | 214,734 | 214,514 | 204,110 | 213,694 | 224,457 | 237,458 | 241,039 | 256,056 | 280,690 |
| RESTRICTED: | | | | | | | | | |
| DEBT SERVICE | 10,262 | 9,496 | 9,964 | 8,643 | 5,837 | 5,150 | 4,156 | 4,200 | 4,276 |
| OTHER PURPOSES | 11,773 | 16,888 | 8,956 | 10,969 | 12,194 | 14,778 | 20,843 | 24,019 | 15,117 |
| UNRESTRICTED | 21,613 | 25,916 | 39,603 | 26,319 | 36,495 | 36,799 | 39,410 | 40,876 | 50,723 |
| TOTAL BUSINESS-TYPE ACTIVITIES NET POSITION | 258,382 | 266,814 | 262,633 | 259,625 | 278,983 | 294,185 | 305,449 | 325,151 | 350,806 |
| PRIMARY GOVERNMENT | | | | | | | | | |
| NET INVESTMENT IN CAPITAL ASSETS | 350,361 | 349,249 | 353,810 | 352,096 | 380,719 | 390,978 | 408,199 | 432,621 | 468,397 |
| RESTRICTED: | | | | | | | | | |
| DEBT SERVICE | 11,256 | 9,959 | 10,468 | 9,682 | 5,837 | 5,585 | 4,623 | 4,764 | 4,982 |
| OTHER PURPOSES | 48,099 | 49,759 | 53,960 | 69,101 | 70,153 | 81,276 | 87,876 | 111,015 | 114,291 |
| UNRESTRICTED | 24,147 | 25,651 | 41,449 | (3,587) | (6,772) | (15,127) | (19,350) | (24,400) | (18,788) |
| TOTAL PRIMARY GOVERNMENT NET POSITION | \$ 433,863 | \$ 434,618 | \$ 459,687 | \$ 427,292 | \$ 449,937 | \$ 462,712 | \$ 481,348 | \$ 524,000 | \$ 568,882 |

Net Position by Category
Last Nine Fiscal Years



- Government-Capital
- Government-Restricted
- Government-Unrestricted
- Business-Capital
- Business-Restricted
- Business-Unrestricted

UNAUDITED

SCHEDULE 2

CHANGES IN NET POSITION - LAST NINE FISCAL YEARS * - (ACCRUAL BASIS OF ACCOUNTING)

(amounts in thousands)

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| EXPENSES | | | | | | | | | |
| GOVERNMENTAL ACTIVITIES: | | | | | | | | | |
| GENERAL GOVERNMENT | \$ 30,552 | \$ 28,715 | \$ 29,543 | \$ 30,449 | \$ 33,975 | \$ 33,691 | \$ 33,716 | \$ 35,902 | \$ 43,513 |
| PUBLIC SAFETY | 46,360 | 45,296 | 47,804 | 49,096 | 52,621 | 59,924 | 62,277 | 68,591 | 81,394 |
| PHYSICAL ENVIRONMENT | 933 | 1,502 | 1,178 | 1,139 | 1,376 | 1,864 | 1,993 | 2,176 | 2,221 |
| TRANSPORTATION | 16,245 | 14,632 | 13,712 | 14,349 | 17,224 | 17,788 | 17,752 | 18,747 | 25,703 |
| ECONOMIC ENVIRONMENT | 5,563 | 4,983 | 6,174 | 6,432 | 8,501 | 10,730 | 10,333 | 7,616 | 10,772 |
| HUMAN SERVICES | 4,352 | 4,500 | 4,277 | 4,535 | 4,931 | 5,325 | 5,011 | 5,318 | 6,383 |
| CULTURE AND RECREATION | 5,902 | 11,997 | 7,521 | 7,317 | 8,238 | 9,480 | 10,488 | 16,834 | 20,679 |
| COURT-RELATED | 6,634 | 7,589 | 7,406 | 8,154 | 8,147 | 9,135 | 9,405 | 9,242 | 9,625 |
| INTEREST AND FISCAL CHARGES | 1,692 | 1,745 | 1,526 | 2,659 | 2,471 | 2,595 | 2,716 | 2,786 | 2,414 |
| TOTAL GOVERNMENTAL EXPENSES | \$ 118,233 | \$ 120,959 | \$ 119,141 | \$ 124,130 | \$ 137,484 | \$ 150,532 | \$ 153,691 | \$ 167,212 | \$ 202,704 |
| BUSINESS-TYPE ACTIVITIES: | | | | | | | | | |
| WATER AND SEWER | \$ 26,149 | \$ 27,657 | \$ 25,122 | \$ 26,444 | \$ 26,004 | \$ 26,832 | \$ 29,224 | \$ 29,359 | \$ 30,291 |
| AIRPORT | 12,928 | 12,450 | 13,223 | 12,415 | 13,966 | 13,134 | 14,618 | 15,775 | 14,986 |
| SOLID WASTE | 7,438 | 7,684 | 8,566 | 7,155 | 7,913 | 9,053 | 9,907 | 10,417 | 10,971 |
| INSPECTIONS | 1,600 | 1,588 | 1,541 | 1,678 | 1,671 | 1,975 | 1,917 | 2,032 | 2,199 |
| EMERGENCY MEDICAL SERVICES | 6,933 | 7,234 | 7,587 | 7,440 | 8,553 | 9,292 | 10,876 | 11,513 | 11,611 |
| CONFERENCE CENTER | 4,301 | 3,153 | - | - | - | - | - | - | - |
| TAX COLLECTOR BUILDING MAINTENANCE | - | - | - | - | - | - | - | - | - |
| TOTAL BUSINESS-TYPE EXPENSES | \$ 59,349 | \$ 59,766 | \$ 56,039 | \$ 55,132 | \$ 58,107 | \$ 60,286 | \$ 66,542 | \$ 69,096 | \$ 70,058 |
| TOTAL PRIMARY GOVERNMENT EXPENSES | \$ 177,582 | \$ 180,725 | \$ 175,180 | \$ 179,262 | \$ 195,591 | \$ 210,818 | \$ 220,233 | \$ 236,308 | \$ 272,762 |
| PROGRAM REVENUES - GOVERNMENTAL ACTIVITIES: | | | | | | | | | |
| CHARGES FOR SERVICES | | | | | | | | | |
| GENERAL GOVERNMENTAL | \$ 12,364 | \$ 11,378 | \$ 11,482 | \$ 12,538 | \$ 12,124 | \$ 22,252 | \$ 19,914 | \$ 13,405 | \$ 21,976 |
| OTHER | 13,332 | 14,090 | 11,829 | 13,423 | 13,338 | 3,874 | 5,897 | 15,788 | 24,035 |
| OPERATING GRANTS AND CONTRIBUTIONS | 8,354 | 5,845 | 7,379 | 6,738 | 8,959 | 15,761 | 9,173 | 7,738 | 16,884 |
| CAPITAL GRANTS AND CONTRIBUTIONS | 6,240 | 1,249 | 1,716 | 1,393 | 984 | 1,047 | 3,288 | 9,969 | 10,957 |
| TOTAL GOVERNMENT PROGRAM REVENUE | \$ 40,290 | \$ 32,562 | \$ 32,406 | \$ 34,092 | \$ 35,405 | \$ 42,934 | \$ 38,272 | \$ 46,899 | \$ 73,852 |

Continued

UNAUDITED

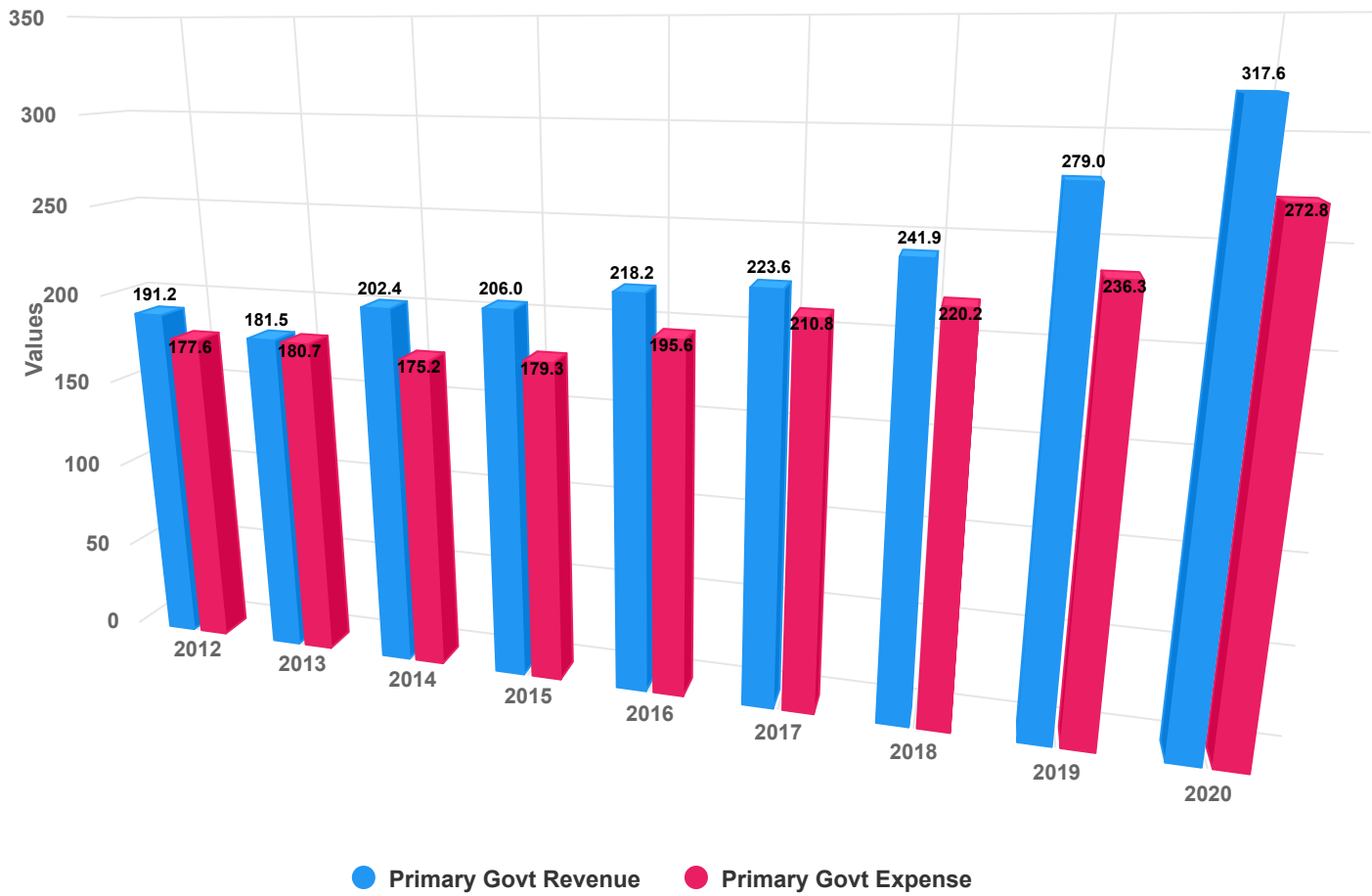
SCHEDULE 2

CHANGES IN NET POSITION - LAST NINE FISCAL YEARS * - (ACCRUAL BASIS OF ACCOUNTING)

(amounts in thousands)

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|--------------------|--------------------|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| BUSINESS-TYPE ACTIVITIES: | | | | | | | | | |
| CHARGES FOR SERVICES | | | | | | | | | |
| WATER & SEWER | \$ 26,025 | \$ 26,778 | \$ 28,746 | \$ 28,239 | \$ 33,038 | \$ 34,063 | \$ 33,819 | \$ 37,015 | \$ 37,134 |
| OTHER | 28,186 | 29,176 | 25,461 | 25,255 | 29,401 | 30,898 | 36,678 | 38,252 | 34,743 |
| OPERATING GRANTS AND CONTRIBUTIONS | 338 | 528 | 264 | 272 | 455 | 893 | 628 | 408 | 7,684 |
| CAPITAL GRANTS AND CONTRIBUTIONS | 10,292 | 4,720 | 18,962 | 10,860 | 11,697 | 9,059 | 7,737 | 11,299 | 16,664 |
| TOTAL BUSINESS-TYPE PROGRAM REVENUE | \$ 64,841 | \$ 61,202 | \$ 73,433 | \$ 64,626 | \$ 74,591 | \$ 74,913 | \$ 78,862 | \$ 86,974 | \$ 96,225 |
| TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES | \$ 105,131 | \$ 93,764 | \$ 105,839 | \$ 98,718 | \$ 109,996 | \$ 117,847 | \$ 117,134 | \$ 133,872 | \$ 170,077 |
| NET (EXPENSE)/REVENUE | | | | | | | | | |
| GOVERNMENT ACTIVITIES | \$ (77,943) | \$ (88,397) | \$ (86,735) | \$ (90,038) | \$ (102,079) | \$ (107,598) | \$ (115,419) | \$ (120,313) | \$ (128,852) |
| BUSINESS-TYPE ACTIVITIES | 5,492 | 1,436 | 17,394 | 9,494 | 16,484 | 14,627 | 12,320 | 17,877 | 26,167 |
| TOTAL PRIMARY GOVERNMENT NET EXPENSE | (72,451) | (86,961) | (69,341) | (80,544) | (85,595) | (92,971) | (103,099) | (102,436) | (102,685) |
| GENERAL REVENUES | | | | | | | | | |
| GOVERNMENTAL ACTIVITIES: | | | | | | | | | |
| TAXES | 58,759 | 58,010 | 68,740 | 73,101 | 77,192 | 82,104 | 92,802 | 107,468 | 114,110 |
| STATE SHARED REVENUE | 17,041 | 17,801 | 22,673 | 23,228 | 24,643 | 17,977 | 25,795 | 28,978 | 27,314 |
| GRANT AND CONTRIBUTIONS NOT RESTRICTED | 360 | 124 | 146 | 3 | 3 | - | - | - | - |
| OTHER | 4,241 | 4,785 | 2,951 | 5,831 | 3,527 | 5,090 | 6,378 | 6,817 | 6,654 |
| TOTAL GOVERNMENTAL ACTIVITIES | 80,401 | 80,720 | 94,510 | 102,163 | 105,365 | 105,171 | 124,975 | 143,263 | 148,078 |
| BUSINESS-TYPE ACTIVITIES: | | | | | | | | | |
| TAXES | 6,780 | 6,709 | 1,111 | 1,504 | 1,122 | 2 | 1 | 1,247 | 668 |
| STATE SHARED REVENUE | - | - | - | - | - | - | - | - | - |
| GRANT AND CONTRIBUTIONS NOT RESTRICTED | - | - | - | - | - | - | - | - | - |
| OTHER | (1,151) | 287 | 927 | 3,641 | 1,752 | 572 | (209) | 578 | (1,180) |
| TOTAL BUSINESS-TYPE ACTIVITIES | 5,629 | 6,996 | 2,038 | 5,145 | 2,874 | 574 | (208) | 1,825 | (512) |
| CHANGES IN NET POSITION | | | | | | | | | |
| GOVERNMENTAL ACTIVITIES | 2,458 | (7,677) | 7,775 | 12,125 | 3,286 | (2,427) | 9,556 | 22,950 | 19,226 |
| BUSINESS-TYPE ACTIVITIES | 11,121 | 8,432 | 19,432 | 14,639 | 19,358 | 15,201 | 12,112 | 19,702 | 25,655 |
| TOTAL PRIMARY GOVERNMENT | \$ 13,579 | \$ 755 | \$ 27,207 | \$ 26,764 | \$ 22,644 | \$ 12,774 | \$ 21,668 | \$ 42,652 | \$ 44,881 |

Changes in Net Position Last Nine Fiscal Years



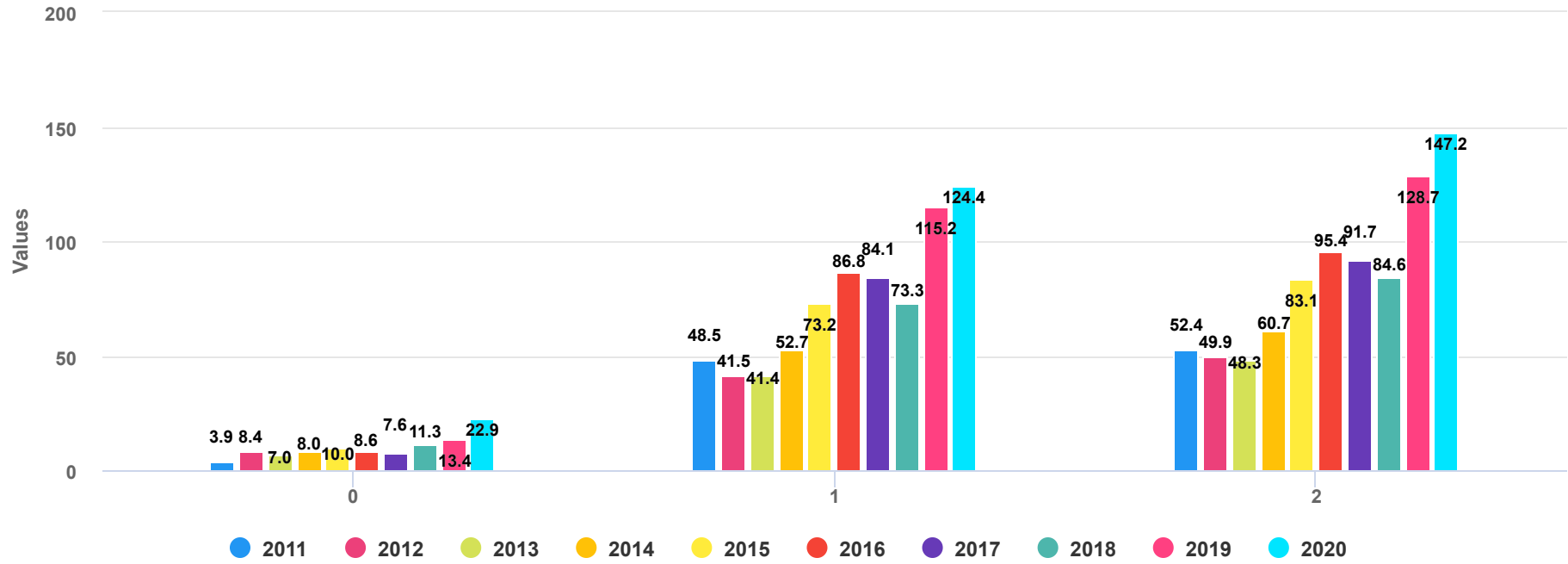
UNAUDITED

SCHEDULE 3

FUND BALANCES - GOVERNMENTAL FUNDS - LAST TEN FISCAL YEARS

| | FISCAL YEAR | | | | | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| GENERAL FUND | | | | | | | | | | |
| NONSPENDABLE | \$ 347,376 | \$ 284,264 | \$ 346,136 | \$ 288,101 | \$ 380,834 | \$ 439,248 | \$ 244,992 | \$ 684,298 | \$ 670,484 | \$ 693,021 |
| RESTRICTED | - | - | - | - | - | - | - | - | - | 174,672 |
| COMMITTED | 26,833 | 26,808 | 26,808 | 28,271 | 32,811 | 32,229 | 35,829 | 33,732 | 35,455 | 135,455 |
| ASSIGNED | - | - | - | - | 4,269,298 | 3,739,233 | 1,074,730 | - | - | 8,100,000 |
| UNASSIGNED | 3,562,434 | 8,112,239 | 6,595,043 | 7,700,502 | 5,309,928 | 4,404,725 | 6,268,994 | 10,577,270 | 12,731,814 | 13,774,037 |
| TOTAL GENERAL FUND | <u>3,936,643</u> | <u>8,423,311</u> | <u>6,967,987</u> | <u>8,016,874</u> | <u>9,992,871</u> | <u>8,615,435</u> | <u>7,624,545</u> | <u>11,295,300</u> | <u>13,437,753</u> | <u>22,877,185</u> |
| ALL OTHER GOVERNMENTAL FUNDS | | | | | | | | | | |
| NONSPENDABLE | 1,064,068 | 644,538 | 89,494 | 50,299 | 63,714 | 150,989 | 123,806 | 823,802 | 713,878 | 555,052 |
| RESTRICTED | 38,051,645 | 35,934,149 | 37,677,535 | 49,600,151 | 69,362,485 | 85,406,990 | 79,617,856 | 69,574,098 | 111,202,709 | 118,614,646 |
| COMMITTED | 542,977 | 579,899 | 562,599 | 519,514 | 556,145 | 584,502 | 525,437 | 486,014 | 548,332 | 678,155 |
| ASSIGNED | 9,861,148 | 4,992,479 | 3,103,981 | 3,378,819 | 3,238,048 | 3,421,017 | 3,923,588 | 2,398,598 | 2,761,043 | 4,541,200 |
| UNASSIGNED | (1,064,068) | (630,376) | (68,114) | (833,541) | (63,714) | (2,794,019) | (123,806) | - | (5,678) | (23,496) |
| TOTAL ALL OTHER GOVERNMENTAL FUNDS | <u>48,455,770</u> | <u>41,520,689</u> | <u>41,365,495</u> | <u>52,715,242</u> | <u>73,156,678</u> | <u>86,769,479</u> | <u>84,066,881</u> | <u>73,282,512</u> | <u>115,220,284</u> | <u>124,365,557</u> |
| TOTAL FUND BALANCES | <u>\$ 52,392,413</u> | <u>\$ 49,944,000</u> | <u>\$ 48,333,482</u> | <u>\$ 60,732,116</u> | <u>\$ 83,149,549</u> | <u>\$ 95,384,914</u> | <u>\$ 91,691,426</u> | <u>\$ 84,577,812</u> | <u>\$ 128,658,037</u> | <u>\$ 147,242,742</u> |

Fund Balances - Governmental Funds Last Ten Fiscal Years



UNAUDITED

SCHEDULE 4

CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS-LAST TEN FISCAL YEARS

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|------------------------------------|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| REVENUES | | | | | | | | | | |
| TAXES | \$ 61,193,262 | \$ 58,759,403 | \$ 58,009,904 | \$ 68,739,375 | \$ 73,100,840 | \$ 77,192,003 | \$ 82,103,975 | \$ 91,202,391 | \$ 109,068,378 | \$ 114,110,263 |
| LICENSES & PERMITS | 1,325,765 | 1,335,069 | 816,294 | 822,400 | 848,363 | 865,485 | 462,139 | 514,511 | 561,794 | 577,186 |
| INTERGOVERNMENTAL | 33,113,485 | 34,752,396 | 30,863,164 | 30,120,655 | 31,928,295 | 33,791,368 | 34,785,503 | 38,255,522 | 40,162,037 | 50,899,401 |
| CHARGES FOR SERVICES | 16,703,982 | 18,066,625 | 18,655,266 | 21,372,281 | 23,045,957 | 23,862,806 | 24,412,780 | 24,257,996 | 26,016,319 | 26,069,683 |
| FINES & FORFEITURES | 366,891 | 465,016 | 476,561 | 1,164,801 | 1,384,872 | 1,431,519 | 1,251,298 | 1,038,282 | 1,183,846 | 1,022,234 |
| MISCELLANEOUS | 9,896,129 | 6,602,495 | 3,307,732 | 4,307,247 | 7,076,827 | 3,616,291 | 4,282,219 | 4,634,083 | 6,858,396 | 10,011,406 |
| TOTAL REVENUES | 122,599,514 | 119,981,004 | 112,128,921 | 126,526,759 | 137,385,154 | 140,759,472 | 147,297,914 | 159,902,785 | 183,850,770 | 202,690,173 |
| EXPENDITURES | | | | | | | | | | |
| GENERAL GOVERNMENT SERVICES | 29,385,011 | 28,153,161 | 26,836,490 | 28,079,338 | 29,330,828 | 30,551,262 | 29,095,006 | 29,395,459 | 30,973,435 | 33,440,415 |
| PUBLIC SAFETY | 43,923,618 | 43,331,001 | 44,072,056 | 46,091,455 | 47,208,844 | 48,955,445 | 53,315,581 | 56,403,035 | 60,761,166 | 64,961,692 |
| PHYSICAL ENVIRONMENT | 2,190,121 | 1,012,021 | 1,052,328 | 1,121,652 | 1,065,957 | 1,211,921 | 1,640,119 | 1,750,746 | 1,866,941 | 1,671,771 |
| TRANSPORTATION | 13,049,151 | 12,403,808 | 11,660,285 | 11,423,718 | 11,610,886 | 13,847,394 | 13,487,051 | 13,524,697 | 13,873,338 | 18,048,733 |
| ECONOMIC ENVIRONMENT | 9,158,215 | 5,077,420 | 4,941,758 | 6,336,515 | 6,408,961 | 8,466,893 | 9,948,113 | 9,800,565 | 6,985,903 | 8,805,421 |
| HUMAN SERVICES | 4,111,405 | 4,020,503 | 4,185,618 | 4,051,161 | 4,213,371 | 4,639,176 | 4,684,444 | 4,495,950 | 4,669,920 | 5,093,565 |
| CULTURE AND RECREATION | 3,419,210 | 5,330,917 | 11,418,463 | 6,603,579 | 6,311,704 | 6,914,218 | 7,649,712 | 8,575,412 | 14,257,158 | 15,614,532 |
| COURT RELATED | 6,824,745 | 6,795,357 | 7,158,838 | 7,400,259 | 8,111,902 | 7,808,128 | 8,057,760 | 8,296,348 | 8,474,981 | 8,262,750 |
| CAPITAL OUTLAY | 25,526,067 | 10,304,163 | 5,427,895 | 11,282,675 | 23,602,553 | 13,705,605 | 20,824,074 | 31,018,577 | 17,733,232 | 25,356,469 |
| PRINCIPAL RETIREMENT | 582,411 | 3,050,000 | 713,000 | 1,329,000 | 3,094,789 | 3,938,378 | 790,899 | 3,207,112 | 3,222,444 | 2,914,818 |
| INTEREST | 1,479,158 | 1,587,593 | 1,626,624 | 1,648,372 | 2,032,150 | 4,131,798 | 1,654,726 | 3,051,861 | 3,600,263 | 2,521,716 |
| OTHER CHARGES | 96,448 | 19,768 | 41,210 | 13,101 | 212,836 | 150,124 | 3,622 | 1,305 | 185,877 | 500 |
| TOTAL EXPENDITURES | 139,745,560 | 121,085,712 | 119,134,565 | 125,380,825 | 143,204,781 | 144,320,342 | 151,151,107 | 169,521,067 | 166,604,658 | 186,692,382 |
| EXCESS OF REVENUES | | | | | | | | | | |
| OVER(Under) EXPENDITURES | (17,146,046) | (1,104,708) | (7,005,644) | 1,145,934 | (5,819,627) | (3,560,870) | (3,853,193) | (9,618,282) | 17,246,112 | 15,997,791 |

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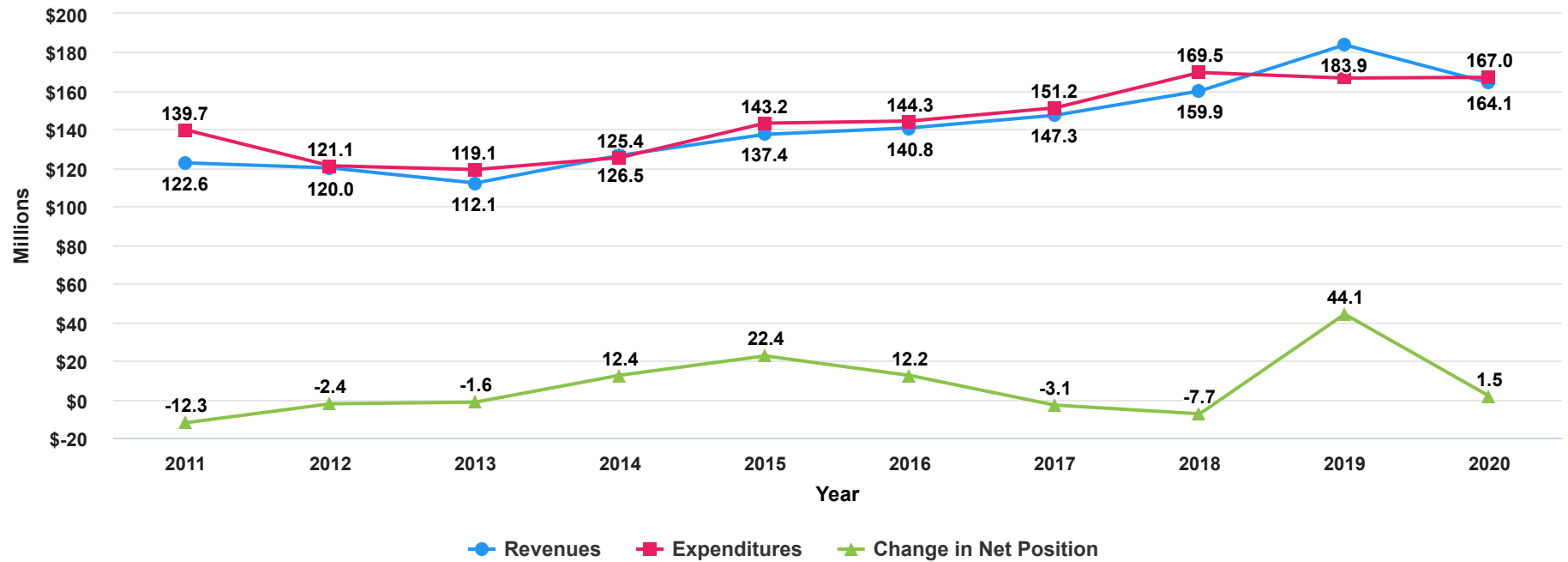
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SCHEDULE 4

CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS-LAST TEN FISCAL YEARS

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|------------------------|-----------------------|-----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|----------------------|----------------------|
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | |
| SPECIAL ITEM | - | (2,007,041) | - | - | - | - | - | - | - | - |
| TRANSFERS IN | 11,551,302 | 11,920,643 | 6,333,962 | 16,598,302 | 9,263,264 | 8,841,151 | 7,920,212 | 8,726,549 | 10,727,023 | 13,105,904 |
| TRANSFERS OUT | (10,293,670) | (11,257,307) | (5,938,836) | (7,820,602) | (8,499,093) | (7,829,475) | (7,210,946) | (6,771,442) | (9,077,752) | (10,518,990) |
| BUDGET TRANSFERS AMOUNG | | | | | | | | | | |
| CONSTITUTIONAL OFFICERS | - | - | - | 825,000 | - | - | - | - | - | - |
| ISSUANCE OF DEBT | 3,600,000 | - | 5,000,000 | 1,650,000 | 27,472,889 | 13,584,438 | - | - | 17,160,000 | - |
| ORGINAL ISSUE PREMIUM | - | - | - | - | - | 1,200,121 | - | - | 8,024,842 | - |
| TOTAL OTHER FINANCING SOURCES (USES) | 4,857,632 | (1,343,705) | 5,395,126 | 11,252,700 | 28,237,060 | 15,796,235 | 709,266 | 1,955,107 | 26,834,113 | 2,586,914 |
| NET CHANGE IN FUND BALANCES | \$ (12,288,414) | \$ (2,448,413) | \$ (1,610,518) | \$ 12,398,634 | \$ 22,417,433 | \$ 12,235,365 | \$ (3,143,927) | \$ (7,663,175) | \$ 44,080,225 | \$ 18,584,705 |
| DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES | 1.89% | 4.20% | 2.09% | 2.62% | 4.46% | 6.29% | 1.88% | 4.52% | 4.71% | 3.37% |

Changes in Fund Balances - Governmental Funds Last Ten Fiscal Years

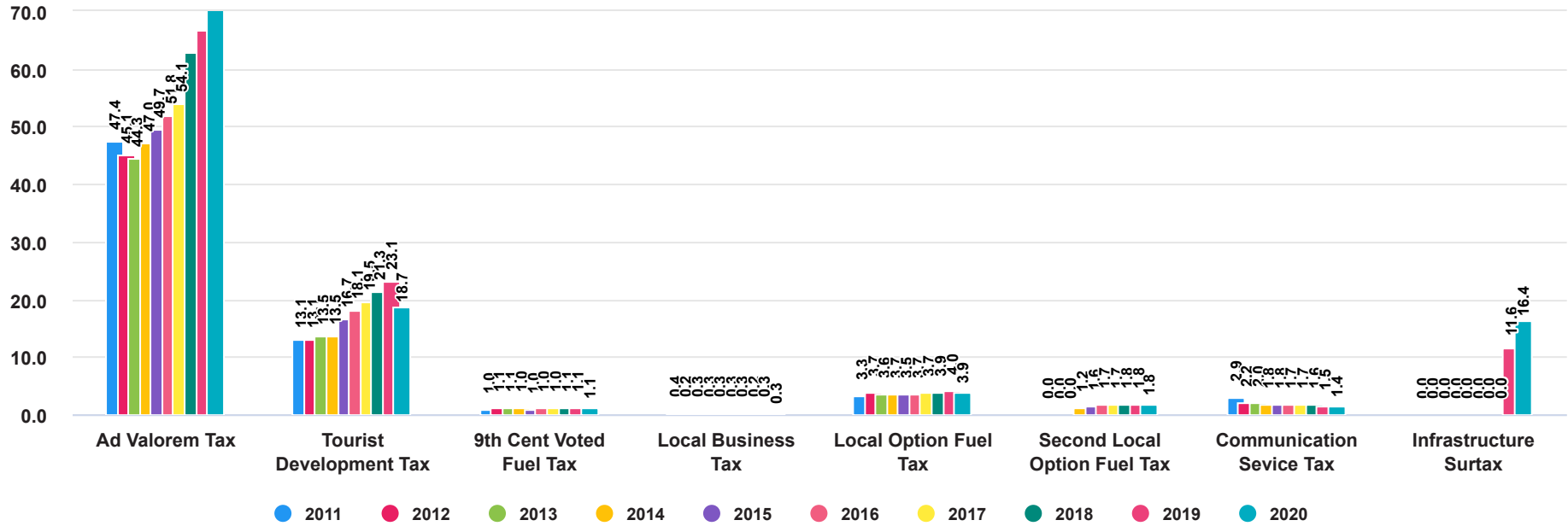


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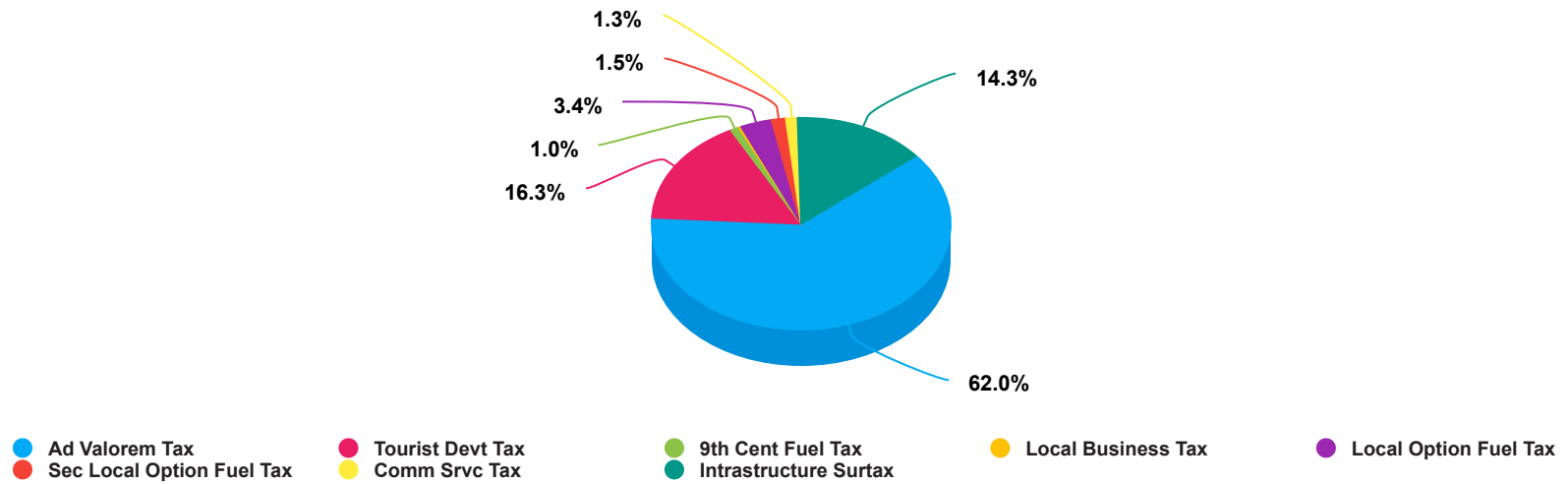
SCHEDULE 5

GOVERNMENTAL TAX REVENUES BY SOURCE - LAST TEN FISCAL YEARS

| FISCAL YEAR | AD VALOREM TAX | TOURIST DEVELOPMENT TAX | 9TH CENT VOTED FUEL TAX | LOCAL BUSINESS TAX | LOCAL OPTION FUEL TAX | SECOND LOCAL OPTION FUEL TAX | COMMUNICATION SERVICE TAX | INFRA-STRUCTURE SURTAX | TOTAL TAXES |
|-------------|----------------|-------------------------|-------------------------|--------------------|-----------------------|------------------------------|---------------------------|------------------------|----------------|
| 2011 | \$ 47,413,163 | \$ 13,092,667 | \$ 977,680 | \$ 363,365 | \$ 3,262,337 | \$ - | \$ 2,894,338 | \$ - | \$ 68,003,550 |
| 2012 | \$ 45,105,639 | \$ 13,128,501 | \$ 1,119,335 | \$ 241,449 | \$ 3,735,262 | \$ - | \$ 2,208,919 | \$ - | \$ 65,539,105 |
| 2013 | \$ 44,348,020 | \$ 13,520,017 | \$ 1,066,902 | \$ 268,190 | \$ 3,559,220 | \$ - | \$ 1,956,905 | \$ - | \$ 64,719,254 |
| 2014 | \$ 47,044,564 | \$ 14,780,313 | \$ 1,038,703 | \$ 276,084 | \$ 3,694,824 | \$ 1,167,117 | \$ 1,848,458 | \$ - | \$ 69,850,063 |
| 2015 | \$ 49,668,734 | \$ 16,713,548 | \$ 992,766 | \$ 324,402 | \$ 3,533,694 | \$ 1,604,709 | \$ 1,766,987 | \$ - | \$ 74,604,840 |
| 2016 | \$ 51,839,796 | \$ 18,078,186 | \$ 1,039,247 | \$ 283,877 | \$ 3,699,205 | \$ 1,680,999 | \$ 1,692,888 | \$ - | \$ 78,314,199 |
| 2017 | \$ 54,096,832 | \$ 19,534,276 | \$ 1,049,857 | \$ 304,577 | \$ 3,737,446 | \$ 1,682,579 | \$ 1,700,212 | \$ - | \$ 82,105,778 |
| 2018 | \$ 62,942,101 | \$ 21,252,688 | \$ 1,093,007 | \$ 215,021 | \$ 3,891,258 | \$ 1,762,082 | \$ 1,646,991 | \$ - | \$ 92,803,148 |
| 2019 | \$ 66,852,871 | \$ 23,136,045 | \$ 1,126,931 | \$ 285,849 | \$ 4,008,738 | \$ 1,814,424 | \$ 1,457,663 | \$ 11,633,311 | \$ 110,315,832 |
| 2020 | \$ 71,210,378 | \$ 18,696,605 | \$ 1,099,419 | \$ 289,320 | \$ 3,902,287 | \$ 1,766,471 | \$ 1,440,814 | \$ 16,372,724 | \$ 114,778,018 |



Governmental Tax Revenues by Source
Fiscal Year 2020



UNAUDITED

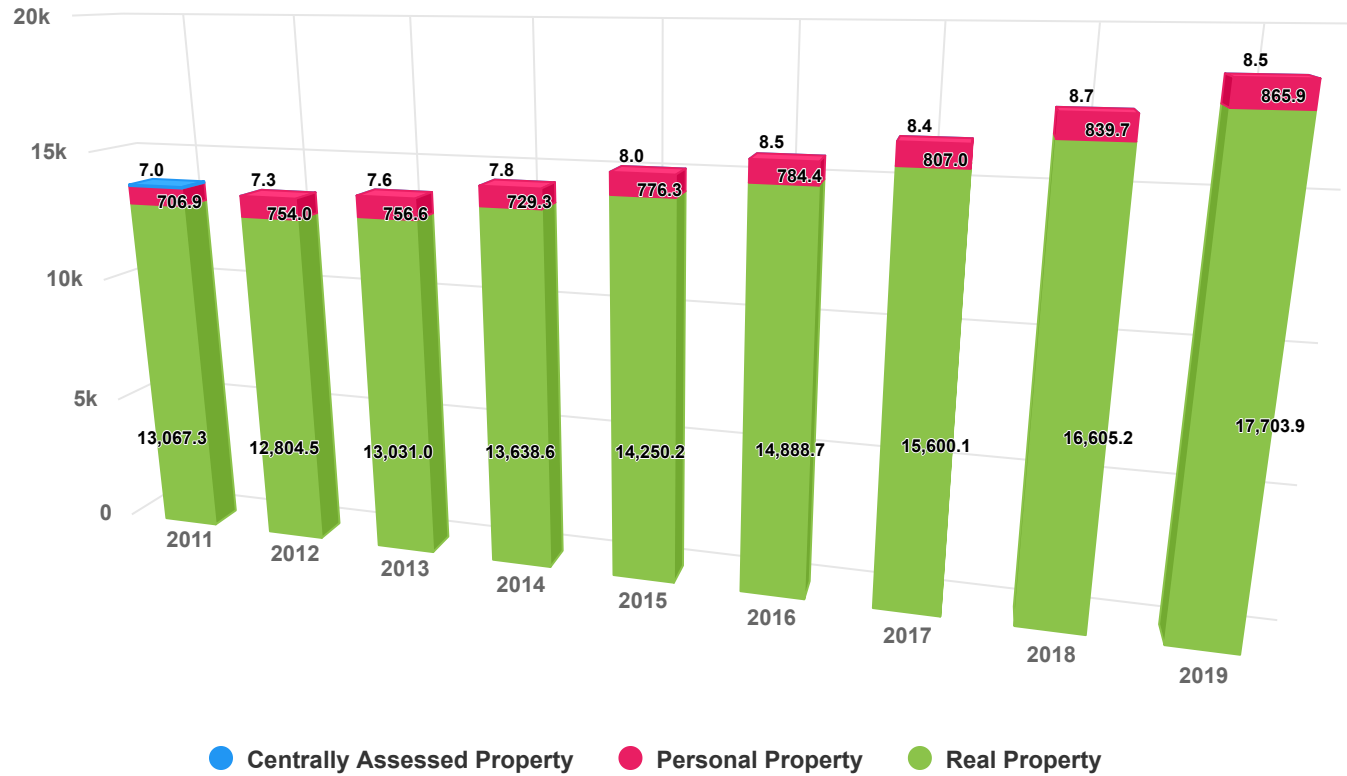
SCHEDULE 6

TAXABLE ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF PROPERTY - LAST TEN FISCAL YEARS

| FISCAL YEAR | ASSESSED VALUE | | | TOTAL TAXABLE ASSESSED VALUE | TOTAL DIRECT TAX RATE | ESTIMATED ACTUAL VALUE, ⁽¹⁾ | ASSESSED TO ESTIMATED ACTUAL |
|-------------|----------------|-------------------|-----------------------------|------------------------------|-----------------------|--|------------------------------|
| | REAL PROPERTY | PERSONAL PROPERTY | CENTRALLY ASSESSED PROPERTY | | | | |
| 2011 | 13,067,292,712 | 706,920,964 | 7,025,754 | 13,781,239,430 | 11.0039 | 16,213,222,859 | 85.00% |
| 2012 | 12,804,470,883 | 753,956,598 | 7,314,456 | 13,565,741,937 | 11.2389 | 15,959,696,396 | 85.00% |
| 2013 | 13,030,999,186 | 756,578,546 | 7,592,401 | 13,795,170,133 | 10.9459 | 16,229,611,921 | 85.00% |
| 2014 | 13,638,594,459 | 729,296,565 | 7,839,711 | 14,375,730,735 | 11.1618 | 16,912,624,394 | 85.00% |
| 2015 | 14,250,207,252 | 776,305,018 | 7,960,210 | 15,034,472,480 | 11.0088 | 17,687,614,682 | 85.00% |
| 2016 | 14,888,659,305 | 784,426,652 | 8,494,897 | 15,681,580,854 | 10.6368 | 18,448,918,652 | 85.00% |
| 2017 | 15,600,116,012 | 807,013,281 | 8,353,692 | 16,415,482,985 | 10.7178 | 19,312,332,924 | 85.00% |
| 2018 | 16,605,239,655 | 839,650,782 | 8,662,999 | 17,453,553,436 | 10.5246 | 20,533,592,278 | 85.00% |
| 2019 | 17,703,889,423 | 865,862,150 | 8,524,526 | 18,578,276,099 | 10.3685 | 21,856,795,411 | 85.00% |
| 2020 | 18,897,824,142 | 896,897,664 | 3,442,857 | 19,798,164,663 | 10.1959 | 23,291,958,427 | 85.00% |

(1) BASED ON PROPERTY APPRAISER'S ESTIMATE OF ASSESSED PROPERTY VALUATION BEING 85% OF MARKET VALUE
SOURCE: OKALOOSA COUNTY PROPERTY APPRAISER

Taxable Assessed Value Last Ten Fiscal Years



UNAUDITED

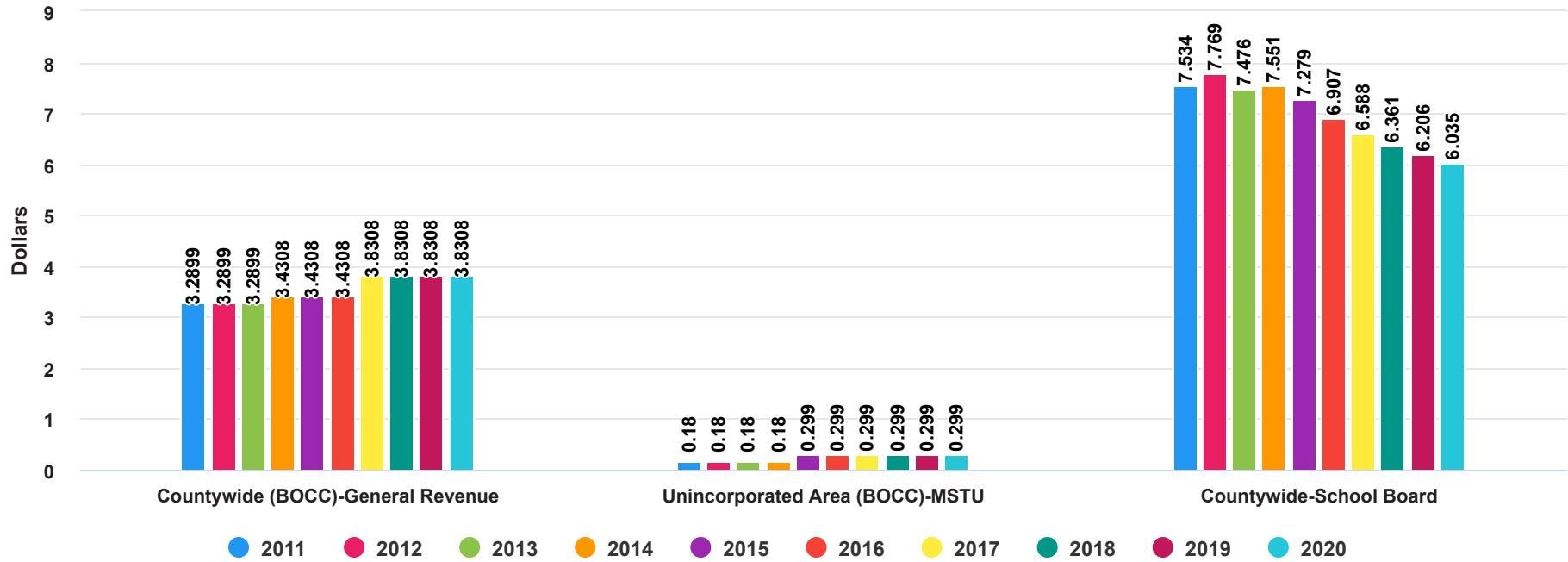
SCHEDULE 7

PROPERTY TAX MILLAGE RATES FOR DIRECT AND OVERLAPPING GOVERNMENTS - LAST TEN FISCAL YEARS

| | FISCAL YEAR | | | | | | | | | |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| COUNTYWIDE (BOCC) | | | | | | | | | | |
| GENERAL REVENUE | 3.2899 | 3.2899 | 3.2899 | 3.4308 | 3.4308 | 3.4308 | 3.8308 | 3.8308 | 3.8308 | 3.8308 |
| UNINCORPORATED AREA (BOCC) | | | | | | | | | | |
| MUNICIPAL SERVICE TAXING UNIT (MSTU) | 0.1800 | 0.1800 | 0.1800 | 0.1800 | 0.2990 | 0.2990 | 0.2990 | 0.2990 | 0.2990 | 0.2990 |
| COUNTYWIDE (OTHER) | | | | | | | | | | |
| SCHOOL BOARD | 7.5340 | 7.7690 | 7.4760 | 7.5510 | 7.2790 | 6.9070 | 6.5880 | 6.3610 | 6.2060 | 6.0350 |
| TOTAL MILLAGES | 11.0039 | 11.2389 | 10.9459 | 11.1618 | 11.0088 | 10.6368 | 10.7178 | 10.4908 | 10.3358 | 10.1648 |
| MUNICIPALITIES | | | | | | | | | | |
| CINCO BAYOU | 2.1000 | 2.3000 | 2.3500 | 2.3500 | 3.0000 | 3.0000 | 3.0000 | 3.0000 | 3.0000 | 3.0000 |
| CRESTVIEW | 5.8466 | 5.5966 | 5.5966 | 5.8466 | 6.9466 | 6.9466 | 6.9466 | 6.9466 | 6.9466 | 6.9466 |
| DESTIN | | 1.4550 | 1.4550 | 1.5000 | 1.5000 | 1.6150 | 1.6150 | 1.6150 | 1.6150 | 1.6150 |
| FORT WALTON BEACH | 4.5383 | 4.5383 | 4.5383 | 5.7697 | 5.7697 | 5.7697 | 5.7697 | 5.7697 | 5.6395 | 5.3293 |
| LAUREL HILL | 3.5000 | 3.5000 | 3.5000 | 3.5000 | 3.5000 | 3.5000 | 3.5000 | 3.5000 | 3.5000 | 3.5000 |
| MARY ESTHER | 2.6435 | 2.6435 | 2.6435 | 2.6435 | 3.5000 | 3.8880 | 4.2347 | 4.2347 | 5.0261 | 5.0261 |
| NICEVILLE | 3.6301 | 3.6500 | 3.7000 | 3.7000 | 3.7000 | 3.7000 | 3.7000 | 3.7000 | 3.7000 | 3.7000 |
| SHALIMAR | 2.0000 | 2.0000 | 2.0000 | 2.0000 | 2.0000 | 2.0000 | 2.0000 | 2.0000 | 2.0000 | 1.8000 |
| VALPARAISO | 3.9330 | 4.0644 | 4.5240 | 4.5240 | 5.0240 | 5.0240 | 5.0240 | 5.0240 | 5.0240 | 5.0240 |
| SPECIAL DISTRICTS | | | | | | | | | | |
| NW FLORIDA WATER MANAGEMENT | 0.0450 | 0.0400 | 0.0400 | 0.0400 | 0.0378 | 0.0366 | 0.0353 | 0.0338 | 0.0327 | 0.0311 |
| LAKE PIPPIN MSBU | FLAT | FLAT | FLAT | FLAT | FLAT | FLAT | FLAT | FLAT | FLAT | FLAT |
| DESTIN FIRE | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 |
| EAST NICEVILLE FIRE | 2.3500 | 2.3700 | 2.3700 | 2.3700 | 2.7000 | 3.0176 | 3.0176 | 3.0176 | 3.0176 | 3.0176 |
| FLOROSA FIRE | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.5000 | 1.7500 |
| NORTH BAY FIRE | 2.2500 | 2.3500 | 2.3500 | 2.3500 | 2.3500 | 2.3500 | 2.3500 | 2.3500 | 2.3500 | 2.3500 |
| OCEAN CITY-WRIGHT FIRE | 2.0000 | 2.0000 | 2.0000 | 2.2500 | 2.4000 | 2.5800 | 2.5800 | 2.7500 | 2.7500 | 2.7500 |
| OKALOOSA ISLAND FIRE | 2.7949 | 2.9950 | 3.1154 | 3.5550 | 3.4500 | 3.3699 | 3.6000 | 3.4308 | 3.2033 | 3.0498 |
| SYLVANIA HEIGHTS | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| ALMARANTE FIRE | FLAT | FLAT | FLAT | FLAT | FLAT | FLAT | FLAT | FLAT | FLAT | FLAT |
| BAKER FIRE | FLAT | FLAT | FLAT | FLAT | FLAT | FLAT | FLAT | FLAT | FLAT | FLAT |
| BLACKMAN FIRE | FLAT | FLAT | FLAT | FLAT | FLAT | FLAT | FLAT | FLAT | FLAT | FLAT |
| DORCAS FIRE | FLAT | FLAT | FLAT | FLAT | FLAT | FLAT | FLAT | FLAT | FLAT | FLAT |
| HOLT FIRE | FLAT | FLAT | FLAT | FLAT | FLAT | FLAT | FLAT | FLAT | FLAT | FLAT |
| NORTH OKALOOSA FIRE | FLAT | FLAT | FLAT | FLAT | FLAT | FLAT | FLAT | FLAT | FLAT | FLAT |

SOURCE: OKALOOSA COUNTY PROPERTY APPRAISER

Property Tax Millage Rates Last Ten Fiscal Years



UNAUDITED

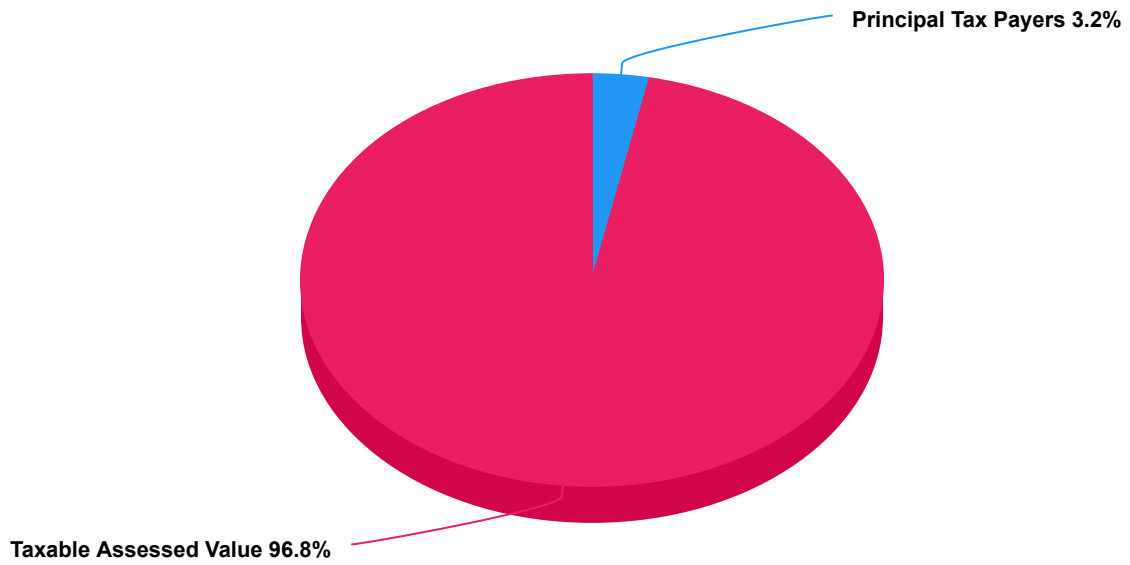
SCHEDULE 8

**PRINCIPAL PROPERTY TAX PAYERS -
LAST FISCAL YEAR COMPARED TO THE FISCAL YEAR NINE YEARS EARLIER**

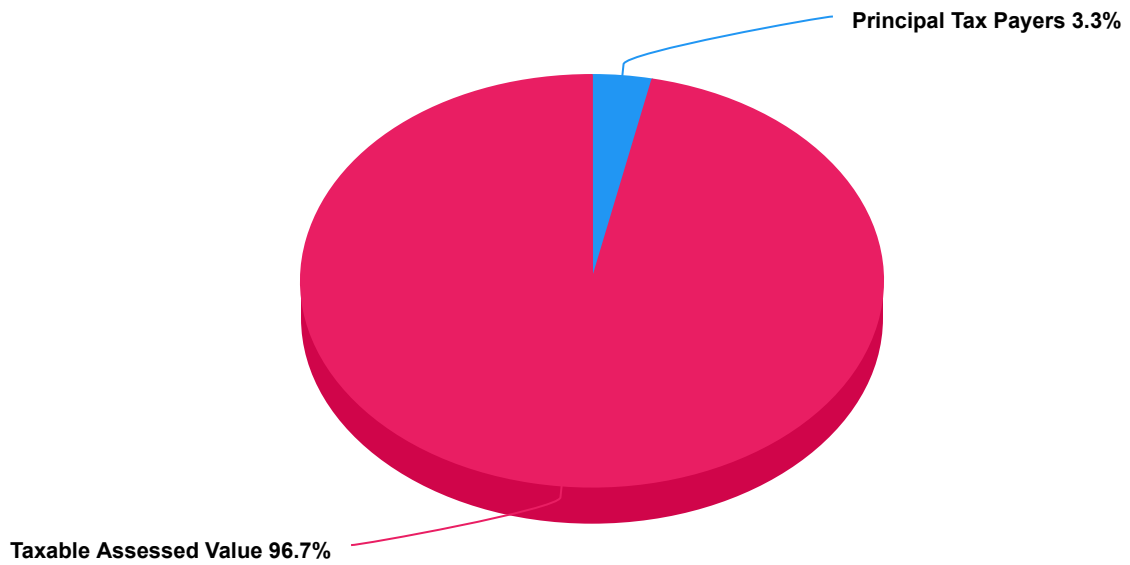
| TAXPAYER | 2020 | | 2011 | |
|--------------------------------|------------------------------|--|------------------------------|--|
| | TAXABLE ASSESSED VALUE | PERCENTAGE OF TOTAL TAXABLE ASSESSED VALUE | TAXABLE ASSESSED VALUE | PERCENTAGE OF TOTAL TAXABLE ASSESSED VALUE |
| GULF POWER CO. | \$ 206,931,238 | 1.05% | | |
| FLORIDA GAS TRANSMISSION | 61,151,367 | 0.31% | | |
| DESTIN COMMONS LTD | 53,127,529 | 0.27% | | |
| PASSCO SEA GLASS DST | 51,518,051 | 0.26% | | |
| EMERALD GRANDE INC | 51,211,280 | 0.26% | | |
| PASSO LEGACY DST | 46,545,904 | 0.24% | | |
| FT WALTON BEACH MEDICAL CENTER | 43,194,968 | 0.22% | | |
| US GOVT | 41,021,286 | 0.21% | | |
| CHOCTAWHATCHEE ELECTRIC CO | 37,260,055 | 0.19% | | |
| BR HENDERSON BEACH LLC | 36,045,601 | 0.18% | | |
| GULF POWER COMPANY | | | 135,742,468 | 0.98% |
| EMERALD GRANDE INC | | | 56,198,960 | 0.41% |
| EMBARQ CORP | | | 55,165,355 | 0.40% |
| DESTIN COMMONS LTD | | | 36,706,672 | 0.27% |
| SRM-SPE LLC | | | 35,144,665 | 0.26% |
| COXCOM INC | | | 34,098,100 | 0.25% |
| CHOCTAWHATCHEE ELECTRIC CO | | | 30,798,644 | 0.22% |
| WAL-MART STORES INC | | | 27,357,363 | 0.20% |
| USO NORGE WATERSCAPE LLC | | | 24,632,484 | 0.18% |
| VALPARAISO REALTY | | | 21,819,672 | 0.16% |
| TOTAL PRINCIPAL TAXPAYER VALUE | 628,007,279 | 3.17% | 457,664,383 | 3.32% |
| TOTAL OTHER TAXPAYER VALUE | 19,170,157,384 | 96.83% | 13,323,575,047 | 96.68% |
| TOTAL TAXABLE ASSESSED VALUE | \$ 19,798,164,663 | 100.00% | \$ 13,781,239,430 | 100.00% |

SOURCE: OKALOOSA COUNTY PROPERTY APPRAISER

Principal Property Tax Payers Current Year 2020



Principal Property Tax Payers Year 2011



UNAUDITED

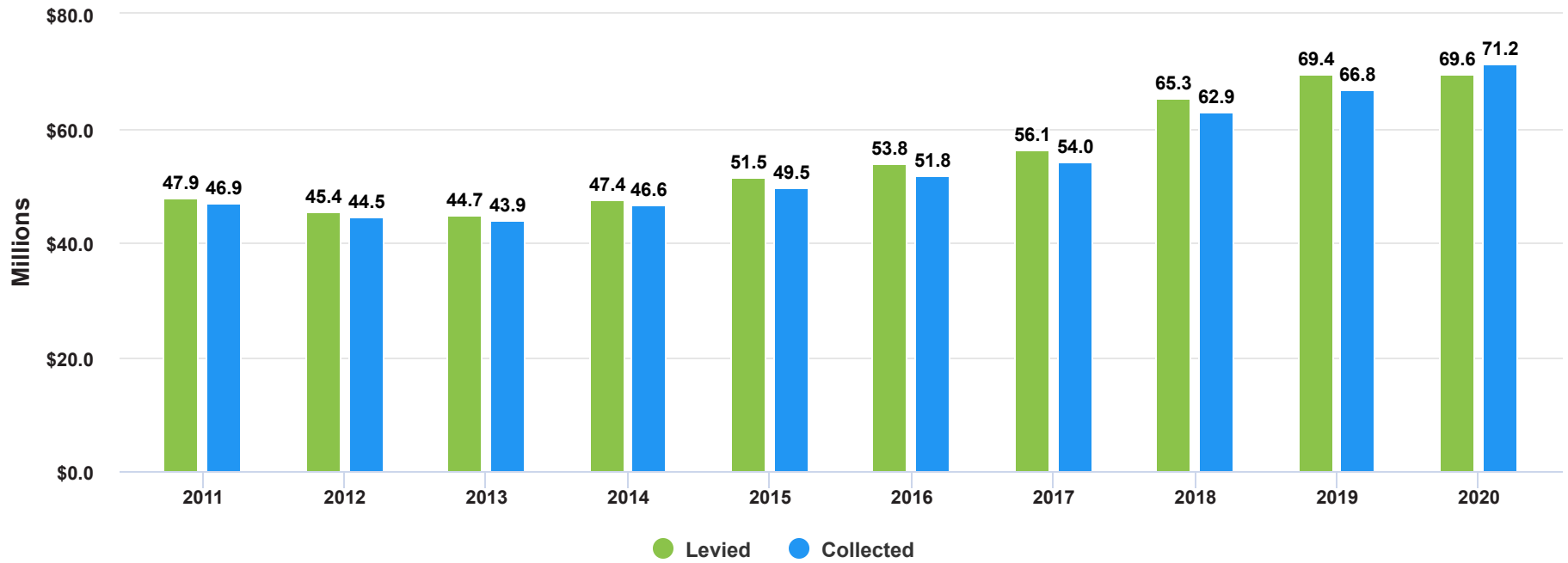
SCHEDULE 9

PROPERTY TAX LEVIES AND COLLECTIONS - LAST TEN FISCAL YEARS

| FISCAL YEAR | TAXES LEVIED FOR THE FISCAL YEAR | COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY | | COLLECTIONS IN SUBSEQUENT YEARS | TOTAL COLLECTIONS TO DATE | |
|----------------|--|---|-----------------------|---------------------------------------|---------------------------|-----------------------|
| | | AMOUNT | PERCENTAGE OF LEVY | | AMOUNT | PERCENTAGE OF LEVY |
| 2011 | \$ 47,862,708 | \$ 46,941,453 | 98.1% | \$ 235,856 | \$ 47,177,309 | 98.6% |
| 2012 | \$ 45,434,311 | \$ 44,537,852 | 98.0% | \$ 283,894 | \$ 44,821,746 | 98.7% |
| 2013 | \$ 44,715,750 | \$ 43,934,031 | 98.3% | \$ 168,991 | \$ 44,103,022 | 98.6% |
| 2014 | \$ 47,418,367 | \$ 46,623,220 | 98.3% | \$ 210,673 | \$ 46,833,893 | 98.8% |
| 2015 | \$ 51,479,158 | \$ 49,506,421 | 96.2% | \$ 162,314 | \$ 49,668,735 | 96.5% |
| 2016 | \$ 53,794,633 | \$ 51,776,803 | 96.2% | \$ 62,994 | \$ 51,839,797 | 96.4% |
| 2017 | \$ 56,098,297 | \$ 54,031,657 | 96.3% | \$ 65,175 | \$ 54,096,832 | 96.4% |
| 2018 | \$ 65,279,339 | \$ 62,899,736 | 96.4% | \$ 42,365 | \$ 62,942,100 | 96.4% |
| 2019 | \$ 69,420,530 | \$ 66,809,436 | 96.2% | \$ 43,434 | \$ 66,852,871 | 96.3% |
| 2020 | \$ 69,565,801 | \$ 71,100,748 | 102.2% | \$ 109,630 | \$ 71,210,378 | 102.4% |

SOURCE:OKALOOSA COUNTY TAX COLLECTOR RECAPITULATION OF THE TAX ROLL

Property Tax Levies and Collections Last Ten Fiscal Years



UNAUDITED

SCHEDULE 10

RATIOS OF OUTSTANDING DEBT BY TYPE - LAST TEN FISCAL YEARS

| FISCAL YEAR | GOVERNMENTAL ACTIVITIES | | | | BUSINESS-TYPE ACTIVITIES | | | | | | TOTAL PRIMARY GOVERNMENT | PERCENTAGE OF PERSONAL INCOME | PER CAPITA |
|-------------|---|------------------------------|-------------------------------|--|--|--|----------------------------------|--|----------------|----------------|--------------------------|-------------------------------|------------|
| | SPECIAL OBLIGATION BONDS ⁽¹⁾ | REVENUE BONDS ⁽²⁾ | CAPITAL LEASES ⁽³⁾ | COMMERCIAL PAPER, NOTES AND LOANS ⁽⁴⁾ | WATER BONDS, NOTES, AND LOANS ⁽⁵⁾ | AIRPORT BONDS, NOTES, AND LOANS ⁽⁶⁾ | SOLID WASTE BONDS ⁽⁷⁾ | CONFERENCE CENTER BONDS ⁽⁸⁾ | CAPITAL LEASES | | | | |
| 2011 | \$ - | \$ 29,391,615 | \$ - | \$ 2,740,000 | \$ 84,700,701 | \$ 22,693,018 | \$ - | \$ 3,490,000 | \$ - | \$ 143,838,719 | 1.92% | \$ 732 | |
| 2012 | \$ - | \$ 19,153,198 | \$ - | \$ - | \$ 95,984,441 | \$ 23,995,407 | \$ - | \$ 1,685,000 | \$ - | \$ 151,569,848 | 2.03% | \$ 771 | |
| 2013 | \$ - | \$ 28,510,203 | \$ - | \$ 4,973,393 | \$ 84,863,512 | \$ 22,235,623 | \$ - | \$ 155,000 | \$ - | \$ 137,070,512 | 1.83% | \$ 697 | |
| 2014 | \$ - | \$ 28,290,659 | \$ - | \$ 6,059,000 | \$ 88,566,870 | \$ 20,249,582 | \$ - | \$ - | \$ - | \$ 143,166,111 | 1.92% | \$ 728 | |
| 2015 | \$ - | \$ 52,719,870 | \$ - | \$ 6,022,211 | \$ 81,984,312 | \$ 19,235,035 | \$ - | \$ - | \$ - | \$ 159,961,428 | 1.77% | \$ 796 | |
| 2016 | \$ - | \$ 63,899,514 | \$ 416,292 | \$ 4,490,979 | \$ 79,094,314 | \$ 19,515,143 | \$ - | \$ - | \$ - | \$ 167,416,242 | 1.86% | \$ 822 | |
| 2017 | \$ - | \$ 63,368,537 | \$ 208,146 | \$ 4,340,756 | \$ 75,459,990 | \$ 18,698,323 | \$ - | \$ - | \$ - | \$ 162,075,753 | 1.68% | \$ 829 | |
| 2018 | \$ - | \$ 61,187,380 | \$ - | \$ 1,957,000 | \$ 71,789,364 | \$ 17,839,765 | \$ - | \$ - | \$ - | \$ 152,773,509 | 1.54% | \$ 771 | |
| 2019 | \$ - | \$ 73,867,000 | \$ - | \$ 2,222,403 | \$ 67,991,638 | \$ 13,439,518 | \$ - | \$ - | \$ - | \$ 157,520,559 | 1.54% | \$ 782 | |
| 2020 | \$ - | \$ 71,890,000 | \$ - | \$ 1,148,506 | \$ 64,068,792 | \$ 5,915,000 | \$ - | \$ - | \$ - | \$ 143,022,298 | 1.35% | \$ 701 | |

⁽¹⁾ Includes Refunding, Revenue & Improvement Bonds, 1985 and Capital Improvement Bonds, 1991

⁽²⁾ Includes Sales Tax Revenue Bonds, Series 2009 (Net issuance discount), Capital Improvement Revenue Bond, Series 2011, Sales Tax Revenue Bonds, Series 2014, and Sales Tax Revenue Bonds, Series 2016

⁽³⁾ Includes Capital Leases and Operating Leases with Escalator Clauses

⁽⁴⁾ Includes Florida Local Government Finance Commission Pooled Paper Loan and Private Bank Note, 2015

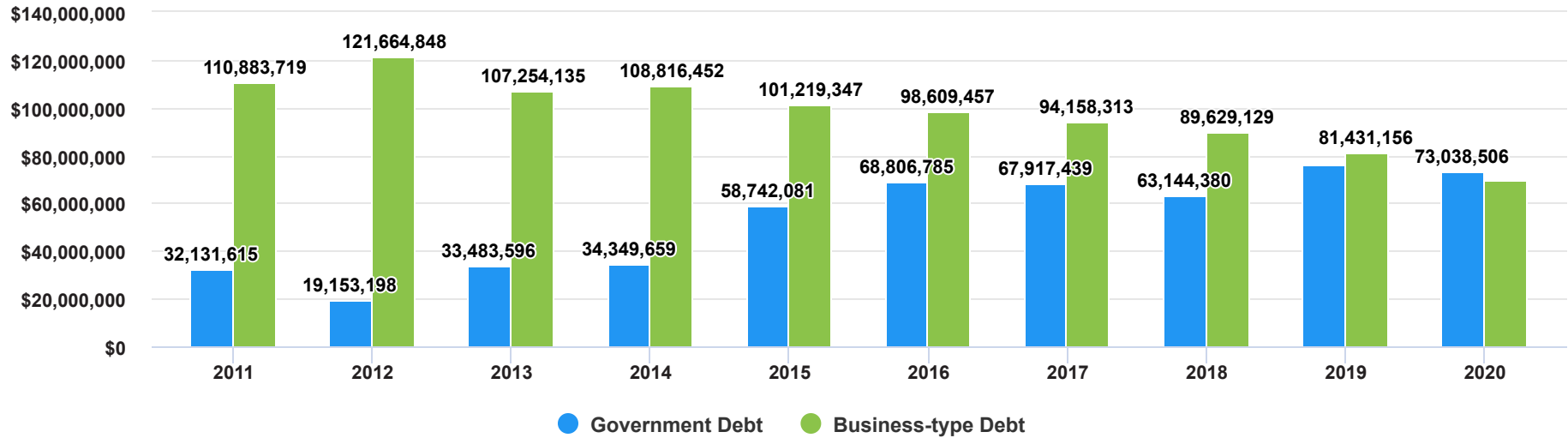
⁽⁵⁾ Includes State Pollution Control Bonds, and Revenue Bonds, Series 2015 (Net issuance premium)

⁽⁶⁾ Includes Revenue Bonds 2007 (Net issuance discount) and 2014, State Infrastructure Bank Loans, and 2015 Commercial Paper Loan

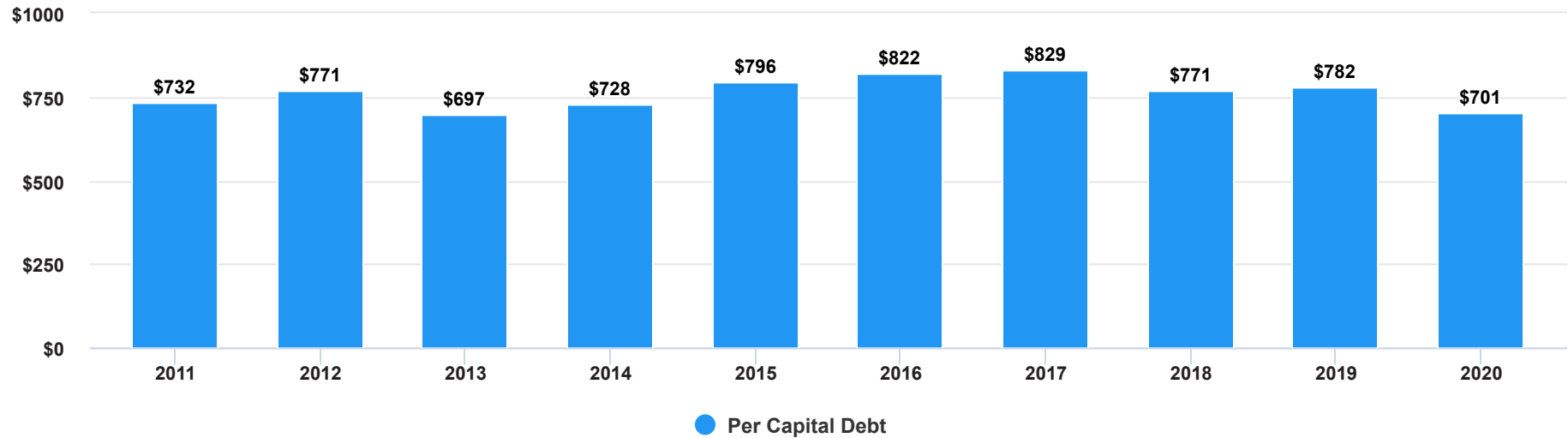
⁽⁷⁾ Includes Capital Improvement Bonds, 1991

⁽⁸⁾ Includes Fourth Cent Tourist Development Tax Revenue Bonds, 2000

Debt by Type Last Ten Fiscal Years



Per Capita Debt Last Ten Fiscal Years



UNAUDITED

SCHEDULE 11

PLEDGED-REVENUE BOND COVERAGE

| FISCAL YEAR | Gross Operating Revenue | Direct Operating Expense | Net Revenue Avail-Debt Serv | WATER REVENUE BONDS AND NOTES (PRINCIPAL + INTEREST) | | | | | | | TOTAL | COVERAGE |
|-------------|-------------------------|--------------------------|-----------------------------|--|------|--------------|--------------|------------|--------------|---------------|-------|----------|
| | | | | 1985 | 1992 | 2004 | 2006 | 2012 | 2015 | | | |
| 2011 | \$25,895,709 | \$16,650,924 | \$ 9,244,785 | \$ 67,542 | \$ - | \$ 982,850 | \$ 4,989,988 | \$ - | \$ - | \$ 6,040,380 | 1.53 | |
| 2012 | \$26,581,965 | \$15,571,980 | \$ 11,009,985 | \$ 67,426 | \$ - | \$ 3,728,770 | \$ - | \$ 533,531 | \$ - | \$ 4,329,727 | 2.54 | |
| 2013 | \$26,685,108 | \$15,295,914 | \$ 11,389,194 | \$ 68,003 | \$ - | \$ 3,754,732 | \$ 2,837,287 | \$ 489,839 | \$ - | \$ 7,149,861 | 1.59 | |
| 2014 | \$29,122,953 | \$14,809,770 | \$ 14,313,183 | \$ 66,451 | \$ - | \$ 3,790,065 | \$ - | \$ 536,674 | \$ - | \$ 4,393,190 | 3.26 | |
| 2015 | \$33,938,933 | \$15,992,250 | \$ 17,946,683 | \$ 33,520 | \$ - | \$ 5,037,556 | \$ 3,077,105 | \$ 300,731 | \$ 1,902,096 | \$ 10,351,008 | 1.73 | |
| 2016 | \$33,971,112 | \$15,844,441 | \$ 18,126,671 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 4,899,300 | \$ 4,899,300 | 3.70 | |
| 2017 | \$34,491,900 | \$16,807,625 | \$ 17,684,275 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 5,807,763 | \$ 5,807,763 | 3.04 | |
| 2018 | \$34,473,966 | \$19,128,076 | \$ 15,345,890 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 5,799,050 | \$ 5,799,050 | 2.65 | |
| 2019 | \$38,369,807 | \$18,314,645 | \$ 20,055,162 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 5,794,585 | \$ 5,794,585 | 3.46 | |
| 2020 | \$37,845,933 | \$19,083,690 | \$ 18,762,243 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 5,820,800 | \$ 5,820,800 | 3.22 | |

Continued

UNAUDITED

SCHEDULE 11

PLEDGED-REVENUE BOND COVERAGE

| FISCAL YEAR | Gross Operating Revenue | Passenger Facility Charges | Direct Operating Expense | Net Revenue Avail - Debt Serv | AIRPORT REVENUE BONDS (PRINCIPAL + INTEREST) | | | | |
|-------------|-------------------------|----------------------------|--------------------------|-------------------------------|--|--------------|------------|--------------|----------|
| | | | | | 2003 | 2007 | 2014 | TOTAL | COVERAGE |
| 2011 | \$9,602,757 | \$1,732,199 | \$7,893,609 | \$ 3,441,347 | \$ 797,950 | \$ 887,675 | \$ - | \$ 1,685,625 | 2.04 |
| 2012 | \$9,502,093 | \$1,451,015 | \$8,056,047 | \$ 2,897,061 | \$ 795,575 | \$ 892,975 | \$ - | \$ 1,688,550 | 1.72 |
| 2013 | \$9,334,305 | \$1,384,486 | \$7,117,500 | \$ 3,601,291 | \$ 797,393 | \$ 887,075 | \$ - | \$ 1,684,468 | 2.14 |
| 2014 | \$9,052,923 | \$1,488,823 | \$7,864,096 | \$ 2,677,650 | \$ 353,691 | \$ 6,250,575 | \$ 559,028 | \$ 7,163,294 | 0.37 |
| 2015 | \$8,448,925 | \$1,321,169 | \$7,776,146 | \$ 1,993,948 | \$ - | \$ 300,087 | \$ 269,150 | \$ 569,237 | 3.50 |
| 2016 | \$10,073,560 | \$1,756,663 | \$8,554,275 | \$ 3,275,948 | \$ - | \$ 1,160,662 | \$ 894,380 | \$ 2,055,042 | 1.59 |
| 2017 | \$12,013,833 | \$2,243,640 | \$7,991,528 | \$ 6,265,945 | \$ - | \$ 866,938 | \$ 747,825 | \$ 1,614,763 | 3.88 |
| 2018 | \$14,165,274 | \$2,776,566 | \$9,235,558 | \$ 7,706,282 | \$ - | \$ 864,906 | \$ 751,130 | \$ 1,616,036 | 4.77 |
| 2019 | \$16,263,239 | \$3,392,550 | \$10,251,267 | \$ 9,404,522 | \$ - | \$ 878,969 | \$ 748,963 | \$ 1,627,932 | 5.78 |
| 2020 | \$13,004,521 | \$2,199,401 | \$9,441,390 | \$ 5,762,532 | \$ - | \$ 7,409,863 | \$ 746,323 | \$ 8,156,186 | 0.71 |

Continued

SCHEDULE 11

PLEDGED-REVENUE BOND COVERAGE

| FISCAL YEAR | Gross Operating Revenue | Direct Operating Expense | Net Revenue Avail -Debt Serv | CONFERENCE CENTER REVENUE BONDS (PRINCIPAL + INTEREST) | | |
|-------------|-------------------------|--------------------------|------------------------------|--|--------------|----------|
| | | | | Bond | TOTAL | COVERAGE |
| 2011 | \$6,062,145 | \$2,597,664 | \$ 3,464,481 | \$ 8,929,631 | \$ 8,929,631 | 0.39 |
| 2012 | \$6,110,432 | \$3,509,121 | \$ 2,601,311 | \$ 1,903,563 | \$ 1,903,563 | 1.37 |
| 2013 | \$6,258,565 | \$2,437,430 | \$ 3,821,135 | \$ 1,535,370 | \$ 1,535,370 | 2.49 |

Note: Conference Center debt was paid in full in fiscal year 2014.

UNAUDITED

SCHEDULE 12

DIRECT AND OVERLAPPING GOVENMENTAL ACTIVITIES
DEBT AND COMPUTATION

| DIRECT: | DEBT OUTSTANDNING | PERCENT APPLICABLE TO THIS GOVERNMENTAL UNIT |
|--------------------------------------|----------------------|---|
| OKALOOSA COUNTY - REVENUE BONDS | \$ 71,890,000 | 100% |
| OKALOOSA COUNTY - PRIVATE BANK NOTES | \$ 1,148,506 | 100% |
| OKALOOSA COUNTY - CAPITAL LEASE | \$ - | 0% |

OVERLAPPING:
 OKALOOSA GOVERNMENTS ARE ENCOURAGED, BUT NOT REQUIRED TO PRESENT INFORMATION ABOUT DIRECT OR OVERLAPPING DEBT.
 OVERLAPPING DEBT IS NOT PRESENTED.

UNAUDITED

SCHEDULE 13

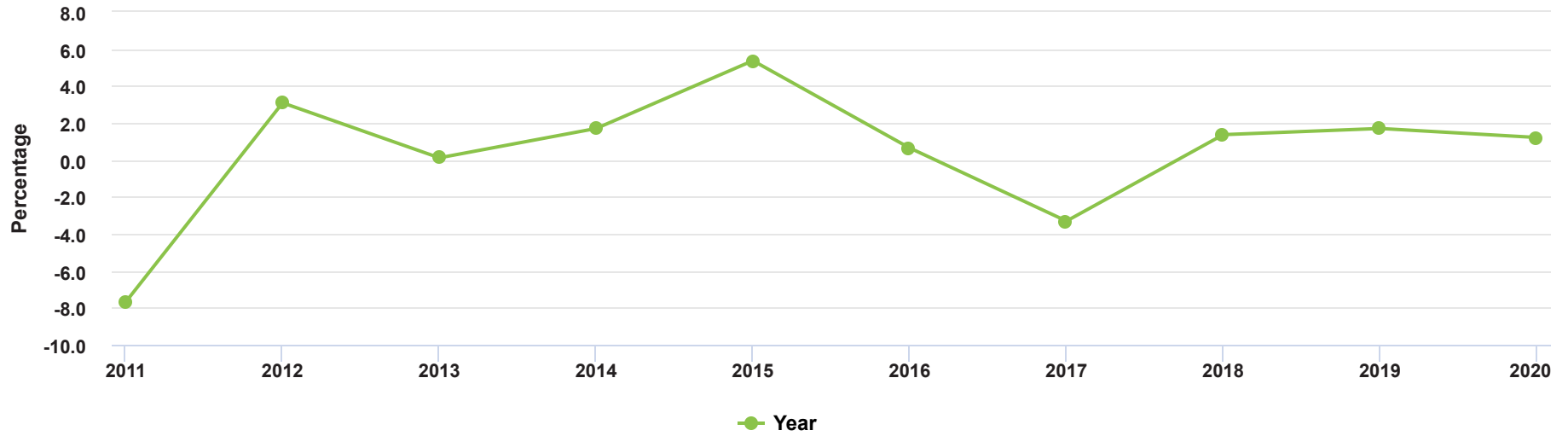
DEMOGRAPHIC AND ECONOMIC STATISTICS - LAST TEN YEARS

| YEAR | POPULATION | PERCENT +/- | PERSONAL INCOME IN THOUSANDS | PERCENT +/- | PER CAPITA PERSONAL INCOME | PERCENT +/- | UNEMPLOYMENT RATE |
|------|------------|----------------|------------------------------------|----------------|----------------------------------|----------------|----------------------|
| 2011 | 181,679 | -7.7% | \$ 8,086,833 | 9.0% | \$ 44,479 | 2.5% | 7.80% |
| 2012 | 187,280 | 3.1% | \$ 8,546,210 | 5.7% | \$ 44,903 | 1.0% | 6.70% |
| 2013 | 187,486 | 0.1% | \$ 8,775,211 | 2.7% | \$ 45,277 | 0.8% | 5.70% |
| 2014 | 190,666 | 1.7% | \$ 8,783,041 | 0.1% | \$ 44,695 | -1.3% | 5.10% |
| 2015 | 200,895 | 5.4% | \$ 8,983,919 | 2.3% | \$ 45,222 | 1.2% | 3.80% |
| 2016 | 202,183 | 0.6% | \$ 9,422,078 | 4.9% | \$ 46,836 | 3.6% | 4.00% |
| 2017 | 195,488 | -3.3% | \$ 9,627,521 | 2.2% | \$ 47,433 | 1.3% | 3.40% |
| 2018 | 198,152 | 1.4% | \$ 9,889,567 | 2.7% | \$ 48,128 | 1.5% | 3.40% |
| 2019 | 201,514 | 1.7% | \$ 10,249,557 | 3.6% | \$ 49,191 | 2.2% | 2.30% |
| 2020 | 203,951 | 1.2% | \$ 10,627,473 ⁽¹⁾ | 3.7% | \$ 49,887 ⁽¹⁾ | 1.4% | 4.10% |

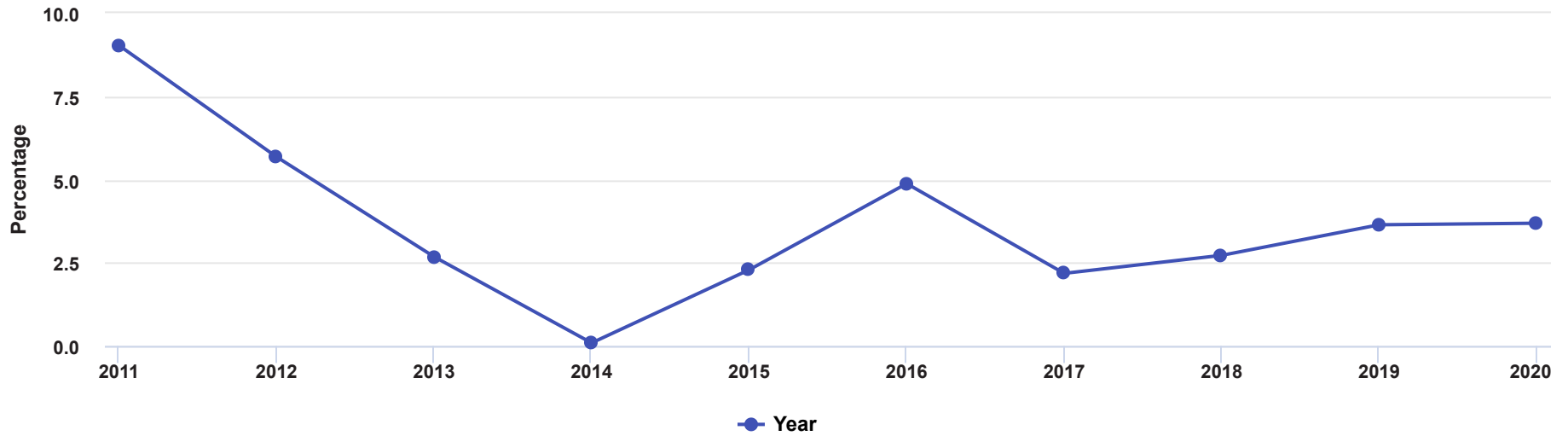
⁽¹⁾ Estimated income figures based upon average percent in prior years.

SOURCE: FLORIDA RESEARCH AND ECONOMIC DATABASE

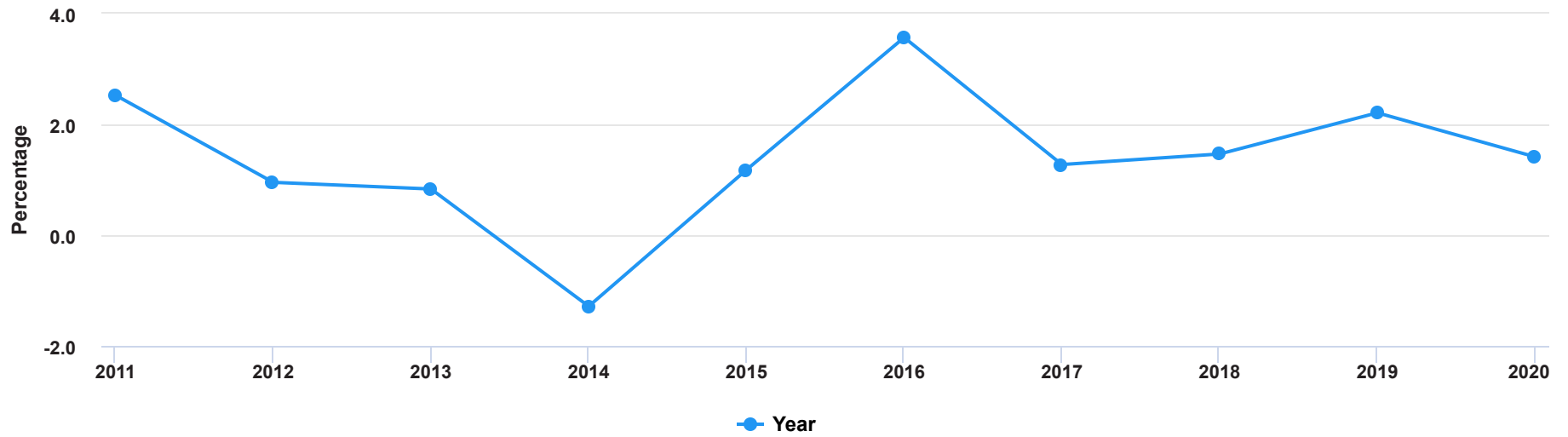
Population Last Ten Fiscal Years



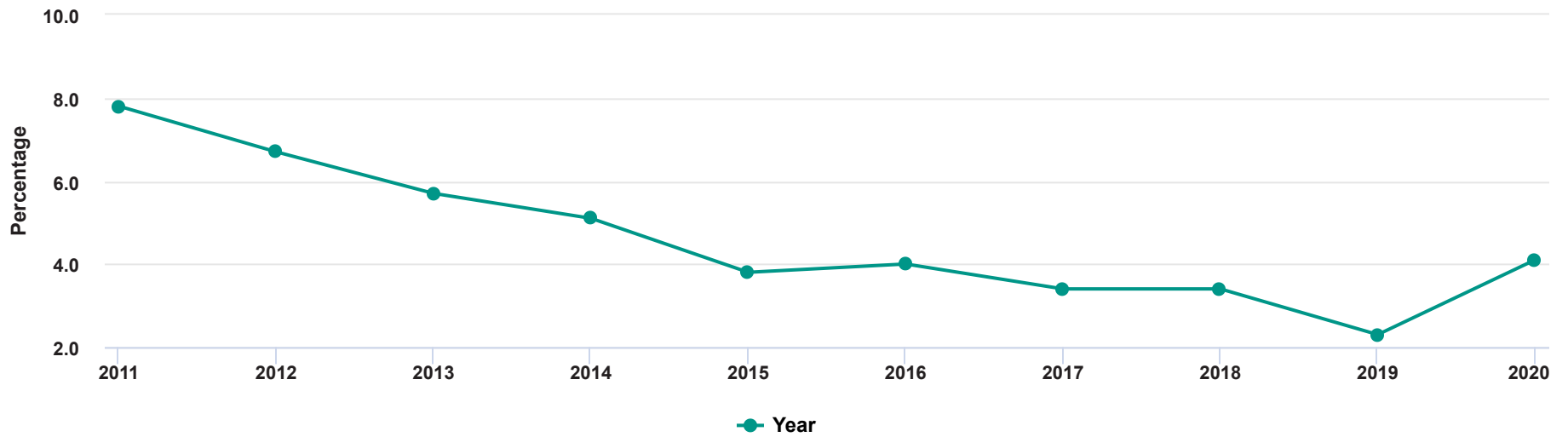
Personal Income Last Ten Fiscal Years



Per Capita Income Last Ten Fiscal Years



Unemployment Rate Last Ten Fiscal Years



UNAUDITED

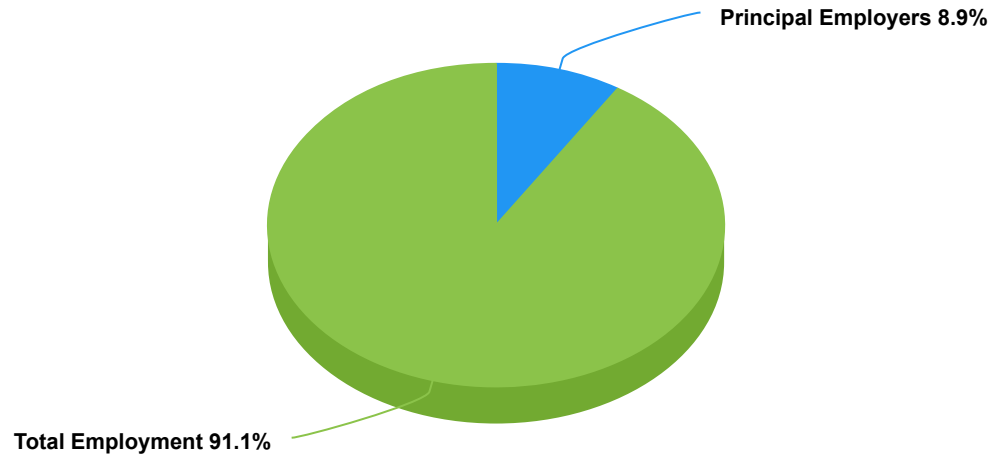
SCHEDULE 14

PRINCIPAL EMPLOYERS - CURRENT YEAR AND NINE YEARS AGO

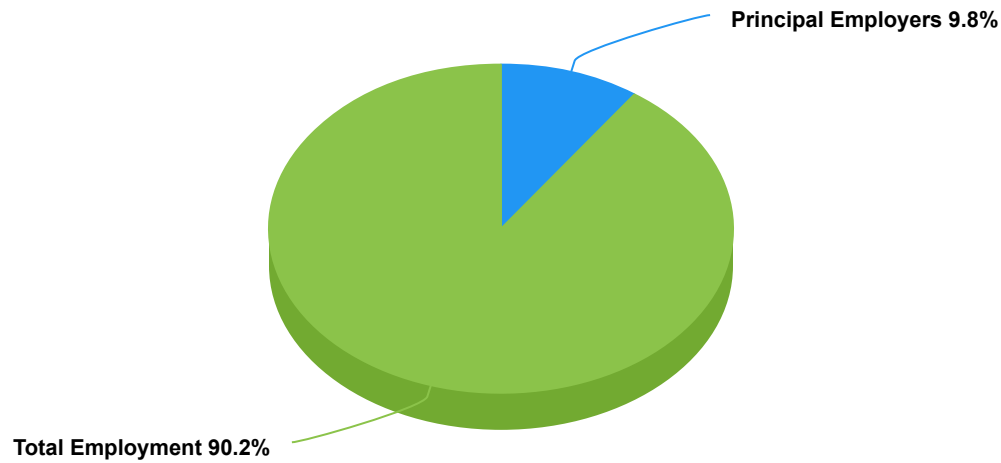
| EMPLOYER | 2020 | | 2011 | |
|---------------------------------|-----------|--------------------------------|-----------|--------------------------------|
| | EMPLOYEES | PERCENTAGE OF TOTAL EMPLOYMENT | EMPLOYEES | PERCENTAGE OF TOTAL EMPLOYMENT |
| UNITED STATES DEPT OF AIR FORCE | 5,029 | 5.62% | | |
| UNITED STATES DEPT OF ARMY | 669 | 0.75% | | |
| OKALOOSA COUNTY SCHOOL DISTRICT | 457 | 0.51% | | |
| LOCKHEED MARTIN CORPORATION | 382 | 0.43% | | |
| NORTHWEST FLORIDA STATE COLLEGE | 294 | 0.33% | | |
| WAL-MART INC | 280 | 0.31% | | |
| JACOBS ENGINEERING GROUP INC | 257 | 0.29% | | |
| BOEING | 234 | 0.26% | | |
| UNITED STATES DEPT OF NAVY | 221 | 0.25% | | |
| KELLER WILLIAMS REALTY INC | 192 | 0.21% | | |
| FT WALTON BEACH MEDICAL CENTER | | | 1,305 | 1.63% |
| L-3 CRESTVIEW AEROSPACE | | | 930 | 1.17% |
| DRS TRAINING & CONTROL SYSTEMS | | | 875 | 1.10% |
| INDYNE, INC | | | 786 | 0.98% |
| RESORT QUEST | | | 750 | 0.94% |
| JACOBS TEAS | | | 700 | 0.88% |
| BAE SYSTEMS TECHNICAL SERVICES | | | 700 | 0.88% |
| LOCKHEED MARTIN | | | 680 | 0.85% |
| TYBRIN CORPORATION | | | 535 | 0.67% |
| BOEING | | | 530 | 0.66% |
| TOTAL | 8,015 | 8.95% | 7,791 | 9.76% |
| TOTAL COUNTY EMPLOYMENT | 89,556 | | 79,825 | |

SOURCE: Office of Economic Development and Engagement of UWF

Principal Employers Current Year 2020



Principal Employers Nine Years Ago 2011



UNAUDITED

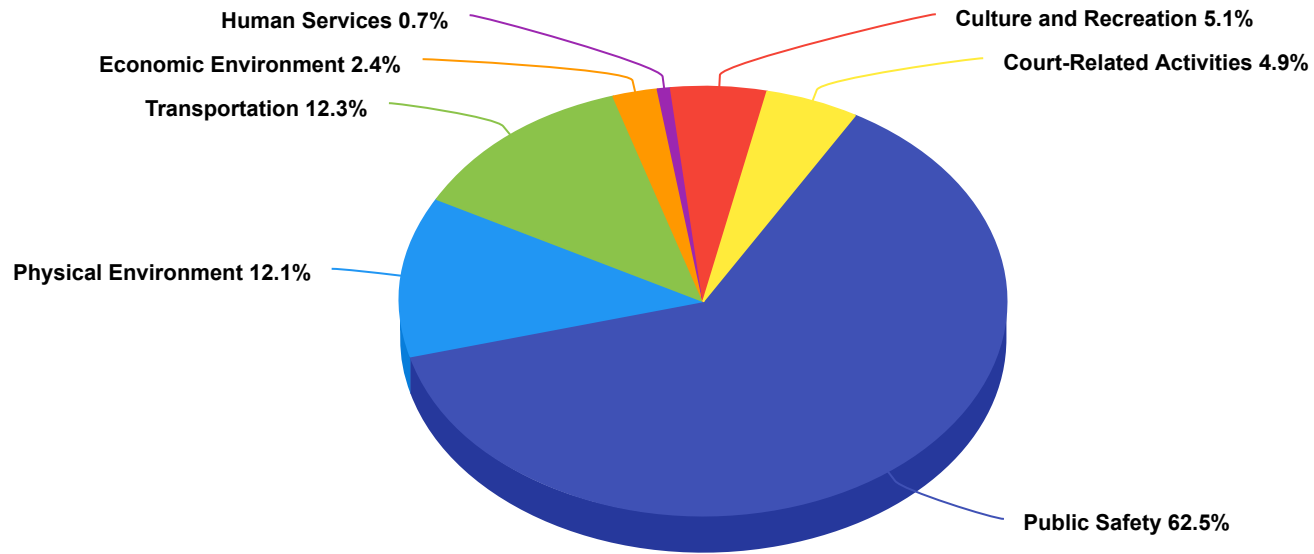
SCHEDULE 15

FULL-TIME EQUIVALENT GOVERNMENT EMPLOYEES BY FUNCTION - LAST TEN YEARS

| FUNCTION | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| GENERAL GOVERNMENT | 313 | 303 | 309 | 314 | 315 | 325 | 308 | 355 | 355 | 325 |
| PUBLIC SAFETY | 657 | 629 | 649 | 649 | 669 | 701 | 706 | 745 | 773 | 809 |
| PHYSICAL ENVIRONMENT | 156 | 147 | 144 | 146 | 151 | 164 | 155 | 145 | 147 | 156 |
| TRANSPORTATION | 154 | 146 | 156 | 166 | 167 | 162 | 138 | 157 | 163 | 159 |
| ECONOMIC ENVIRONMENT | 18 | 14 | 14 | 14 | 14 | 15 | 15 | 22 | 26 | 31 |
| HUMAN SERVICES | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 7 | 9 |
| CULTURE AND RECREATION | 42 | 42 | 42 | 47 | 53 | 54 | 44 | 59 | 60 | 66 |
| COURT-RELATED ACTIVITIES | 82 | 86 | 86 | 85 | 89 | 78 | 76 | 74 | 70 | 64 |
| TOTAL | 1,430 | 1,375 | 1,408 | 1,429 | 1,465 | 1,507 | 1,450 | 1,565 | 1,601 | 1,619 |

SOURCE: BUDGET OFFICE

FTE by Function Fiscal Year 2019



UNAUDITED

SCHEDULE 16

OPERATING INDICATORS BY FUNCTION/PROGRAM - LAST TEN FISCAL YEARS

| FUNCTION/PROGRAM | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| TRANSIT | | | | | | | | | | |
| TOTAL ROUTE MILES | 168 | 168 | 215 | 215 | 215 | 220 | 220 | 220 | 220 | 220 |
| PASSENGERS | 175,595 | 179,946 | 182,584 | 161,878 | 139,389 | 137,644 | 123,473 | 119,761 | 119,658 | 64,385 |
| LIBRARY | | | | | | | | | | |
| CIRCULATION | 713,416 | 699,532 | 696,234 | 736,264 | 739,882 | 762,052 | 764,595 | 768,370 | 787,847 | 601,970 |
| REGISTERED BORROWERS | 77,616 | 72,730 | 70,908 | 70,739 | 71,322 | 72,555 | 73,401 | 73,883 | 72,711 | 63,491 |
| PUBLIC WORKS | | | | | | | | | | |
| ASPHALT OVERLAY (SQUARE YARDS) | 58,809 | 24,547 | 42,280 | 61,219 | 57,523 | 78,044 | 90,624 | 218,500 | 218,496 | 153,915 |
| BRIDGES REPAIRED/REPLACED | 8 | 7 | 1 | 0 | 1 | 15 | 1 | 10 | 5 | 4 |
| WATER | | | | | | | | | | |
| NEW CONNECTIONS | 320 | 757 | 140 | 119 | 169 | 189 | 179 | 182 | 190 | 338 |
| WATER MAINS REPAIRED | 74 | 55 | 63 | 124 | 32 | 36 | 28 | 24 | 34 | 56 |
| ANNUAL WATER UNITS BILLED | 437,682 | 442,834 | 444,340 | 451,427 | 456,066 | 423,601 | 469,014 | 476,239 | 480,260 | 484,186 |
| SEWER | | | | | | | | | | |
| ANNUAL SEWER UNITS BILLED | 402,977 | 407,625 | 414,612 | 414,188 | 418,921 | 424,767 | 432,917 | 438,480 | 443,196 | 446,085 |
| AIRPORTS | | | | | | | | | | |
| ENPLANEMENTS | 448,870 | 385,165 | 374,431 | 373,143 | 385,109 | 436,410 | 566,212 | 680,151 | 820,940 | 523,624 |
| DEPLANEMENTS | 451,692 | 387,574 | 379,194 | 372,268 | 385,936 | 437,957 | 567,997 | 681,597 | 826,290 | 525,456 |
| GROWTH MANAGEMENT | | | | | | | | | | |
| DEVELOPMENT PERMITS ISSUED | 1,049 | 842 | 908 | 837 | 965 | 998 | 1,105 | 1,053 | 1,158 | 1,196 |
| HOME OCCUPATIONS | 370 | 379 | 463 | 440 | 456 | 521 | 515 | 476 | 447 | 349 |
| REFUSE COLLECTION | | | | | | | | | | |
| TRANSFER STATION TONNAGE | 109,099 | 121,443 | 125,755 | 118,022 | 117,689 | 132,475 | 142,104 | 150,105 | 147,917 | 155,517 |
| RECYCLING TONNAGE | 6,584 | 8,139 | 6,196 | 7,278 | 8,700 | 8,922 | 9,391 | 12,567 | 13,681 | 14,353 |
| PUBLIC SAFETY | | | | | | | | | | |
| EMERGENCY CALLS (EMS) | 23,782 | 23,591 | 23,986 | 25,105 | 25,973 | 27,139 | 29,127 | 31,101 | 32,301 | 30,659 |
| SYSTEM CALLS (9-1-1) | 117,530 | 129,530 | 131,147 | 103,320 | 101,451 | 188,631 | 130,395 | 209,675 | 393,408 | 100,812 |

SOURCE: COUNTY ADMINISTRATOR'S OFFICE

UNAUDITED

SCHEDULE 17

CAPITAL INDICATORS BY FUNCTION/PROGRAM - LAST TEN FISCAL YEARS

| FUNCTION/PROGRAM | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| PARKS AND RECREATION | | | | | | | | | | |
| COUNTY PARKS | 18 | 18 | 18 | 18 | 19 | 19 | 19 | 19 | 18 | 18 |
| UNINCORPORATED PARKS | 32 | 33 | 34 | 33 | 35 | 35 | 36 | 37 | 38 | 39 |
| PARK ACERAGE | | | | | | | | | | |
| TRANSIT | | | | | | | | | | |
| BUSES/PASSENGER VAN | 17 | 17 | 17 | 17 | 11 | 11 | 11 | 13 | 14 | 17 |
| LIBRARY | | | | | | | | | | |
| COLLECTION | 312,747 | 321,797 | 311,899 | 310,302 | 309,368 | 320,095 | 316,684 | 327,913 | 331,790 | 325,474 |
| PUBLIC WORKS | | | | | | | | | | |
| PAVED ROADS MAINTAINED (MILES) | 652 | 652 | 666 | 670 | 674 | 670 | 678 | 682 | 682 | 713 |
| DIRT ROADS MAINTAINED (MILES) | 207 | 207 | 201 | 199 | 198 | 199 | 196 | 196 | 185 | 171 |
| COLD MIX ROADS MAINTAINED (MILES) | 74 | 74 | 74 | 72 | 70 | 74 | 71 | 67 | 60 | 45 |
| TRAFFIC SIGNALS | 11 | 13 | 13 | 13 | 13 | 13 | 10 | 10 | 11 | 12 |
| WATER | | | | | | | | | | |
| WATER MAINS (MILES) | 455 | 422 | 767 | 726 | 741 | 466 | 513 | 486 | 493 | 518 |
| FIRE HYDRANTS | 2,267 | 4,038 | 5,519 | 5,546 | 5,777 | 3,980 | 4,138 | 3,332 | 3,232 | 2,463 |
| MAXIMUM DAILY CAPACITY (THOUSANDS OF GALLONS) | 17,200 | 17,200 | 17,200 | 17,200 | 17,200 | 17,200 | 10,620 | 10,620 | 10,620 | 10,620 |
| SEWER | | | | | | | | | | |
| SANITARY SEWERS (MILES) | 400 | 340 | 558 | 561 | 593 | 448 | 521 | 499 | 479 | 483 |
| MAXIMUM DAILY TREATMENT CAPACITY (THOUSANDS OF GALLONS) | 13,206 | 13,206 | 13,206 | 13,206 | 13,206 | 11,980 | 11,980 | 11,980 | 16,980 | 16,980 |

SOURCE: COUNTY ADMINISTRATOR'S OFFICE

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**Compliance
Section**

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

To the Honorable Chairman and Members of the
Board of County Commissioners and Other Elected Officials
Okaloosa County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements (hereinafter referred to as "financial statements") of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Okaloosa County, Florida (the County) as of and for the year ended September 30, 2020, which collectively comprise the County's basic financial statements and have issued our report thereon dated April 20, 2021.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



Fort Walton Beach, Florida

April 20, 2021

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

Honorable Chairman and the Members of the
Board of County Commissioners and Other Elected Officials
Okaloosa County, Florida

We have examined Okaloosa County, Florida's (hereinafter referred to as the "County") compliance with the following requirements for the year ended September 30, 2020:

- (1) Florida Statute 218.415 in regards to investments
- (2) Florida Statutes 28.35 and 28.36 in regards to certain court-related functions
- (3) Florida Statutes 61.181 in regards to operation of a depository for alimony and child support
- (4) Florida Statute 288.8018 in regards to the Deepwater Horizon Oil spill receipts and expenditures
- (5) Florida Statute 365.172 and 365.173 in regards to the E911 revenues and expenditures

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

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

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

In our opinion, Okaloosa County, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.

Warren Averett, LLC

Fort Walton Beach, Florida
April 20, 2021

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

To the Honorable Chairman and Members of the
Board of County Commissioners and Other Elected Officials
Okaloosa County, Florida

We have audited the financial statements of the Okaloosa County, Florida (the County) as of and for the year ended September 30, 2020, and have issued our report thereon dated April 20, 2021, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole.

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

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

Warren Averett, LLC

Fort Walton Beach, Florida
April 20, 2021

Okaloosa County, Florida
SCHEDULE OF RECEIPTS AND EXPENDITURES OF
FUNDS RELATED TO THE DEEPWATER HORIZONS OIL SPILL
For the Fiscal Year Ended September 30, 2020

| <u>Source</u> | <u>Amount Received in Fiscal Year 2020</u> | <u>Amount Expended in Fiscal Year 2020</u> |
|--|--|--|
| U.S. Department of Treasury | | |
| Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States (RDCGR 180094-01-01) | \$ 389,289 | \$ 389,289 |
| Triumph Gulf Coast, Inc. | | |
| Okaloosa County - Crestview Bypass / Project #46 | - | 4,055,290 |
| Okaloosa County - Water & Sewer Mains Extension | - | 1,535,840 |
| | - | 5,591,130 |
| TOTAL | \$ 389,289 | \$ 5,980,419 |

Notes:

The U.S. Department of Treasury funds relate to the Deepwater Horizon Oil Spill and are considered Federal awards, which are reported on the Schedule of Expenditures of Federal Awards and State Financial Assistance under CFDA # 21.015.

The schedule of receipts and expenditures of funds related to the Deepwater Horizon Oil Spill is prepared on the cash basis of accounting.

MANAGEMENT LETTER

To the Honorable Chairman and Members of the
Board of County Commissioners and Other Elected Officials
Okaloosa County, Florida

Report on the Financial Statements

We have audited the financial statements of Okaloosa County, Florida (hereinafter referred to as "County") as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, and have issued our report thereon dated April 20, 2021.

Auditors' Responsibility

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

Other Reports and Schedules

We have issued:

- Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*;
- Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance and Compliance with Requirements Applicable to the Passenger Facility Charge Program;
- Schedule of Findings and Questioned Costs;
- Independent Accountants' Report on Examination of Compliance Requirements in Accordance with Chapter 10.550, *Rules of the Florida Auditor General*;

Disclosures in those reports which are dated April 20, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. Okaloosa County, Florida is a political subdivision of the State of Florida organized under Title VIII, Section 1(e) of the Florida constitution. The primary government includes the Board of County Commissioners, the Clerk of the Circuit Court and Comptroller, the Sheriff, the Tax Collector, the Property Appraiser, and the Supervisor of Elections. As of September 30, 2020, Okaloosa County had no component units, as defined by GASB 61, with a significant operational or financial relationship with the County.

Financial Condition and Management

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

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

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

Additional Matters

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

Purpose of this Letter

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

We greatly appreciate the assistance and cooperation extended us during our audit.



Fort Walton Beach, Florida
April 20, 2021

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL AND COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE PASSENGER FACILITY CHARGE PROGRAM

To the Honorable Chairman and Members of the
Board of County Commissioners and Other Elected Officials
Okaloosa County, Florida

Report on Compliance for Each Major Federal Program, State Project and Passenger Facility Charge Program

We have audited the compliance of Okaloosa County, Florida (hereinafter referred to as "County"), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement*; the requirements described in the Florida Department of Financial Services' *State Projects Compliance Supplement* and the compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration, that could have a direct and material effect on each of the County's major federal programs, state projects and passenger facility charge program for the year ended September 30, 2020. The County's major federal programs and state projects are identified in the summary of auditor results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program, State Project, and Passenger Facility Charge Program

In our opinion, the County complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs, state projects and passenger facility charge program for the fiscal year ended September 30, 2020.

Report on Internal Control Over Compliance

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

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

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

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance, Chapter 10.550 *Rules of the Auditor General*, and the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration. Accordingly, this report is not suitable for any other purpose.

Warren Averett, LLC

Fort Walton Beach, Florida
April 20, 2021

**Okaloosa County, Florida
Airports Enterprise Fund
SCHEDULE OF EXPENDITURES OF PASSENGER FACILITY CHARGES
Fiscal Year Ended September 30, 2020**

| | Date Approved | Amount Approved For Use | Cumulative Total - September 30, 2019 | Quarter Ended December 31, 2019 | March 31, 2020 | June 30, 2020 | September 30, 2020 | Year Ended September 30, 2020 | Cumulative Total - September 30, 2020 |
|---|------------------|-------------------------------|--|---------------------------------------|-------------------|---------------------|-----------------------|-------------------------------------|--|
| Revenues | | | | | | | | | |
| Passenger facility charge revenues received | | | \$ 30,378,054 | \$ 519,770 | \$ 872,169 | \$ 1,114,689 | \$ 829,621 | \$ 3,336,249 | \$ 33,714,303 |
| Interest earned | | | 2,308,320 | 100,753 | 111,400 | 98,077 | 100,599 | 410,829 | 2,719,149 |
| Total passenger facility charge revenue received | | | \$ 32,686,374 | \$ 620,523 | \$ 983,569 | \$ 1,212,766 | \$ 930,220 | \$ 3,747,078 | \$ 36,433,452 |
| Expenditures | | | | | | | | | |
| Application 00-01-C-01-VPS | October 2000 | \$ 16,080,970 | \$ 10,006,210 | \$ 449,564 | \$ 1,243 | \$ 74,858 | \$ 74,862 | \$ 600,527 | \$ 10,606,737 |
| Application 03-02-C-00-VPS | July 2003 | 1,349,009 | 840,913 | 38,509 | 107 | 6,412 | 6,413 | 51,441 | 892,354 |
| Application 07-03-C-01-VPS | October 2007 | 758,782 | 758,782 | - | - | - | - | - | 758,782 |
| Application 08-04-C-00-VPS | June 2008 | 110,083 | 110,083 | - | - | - | - | - | 110,083 |
| Application 10-05-C-01-VPS | August 2010 | 1,396,924 | 1,396,924 | - | - | - | - | - | 1,396,924 |
| Application 15-06-C-00-VPS | July 2015 | 5,398,994 | 5,156,236 | 6,662 | 236,096 | - | - | 242,758 | 5,398,994 |
| Application 19-07-C-00-VPS | August 2019 | 19,116,456 | 778,408 | 143,595 | 584,786 | 1,281,964 | 791,213 | 2,801,558 | 3,579,966 |
| Total passenger facility charge revenue expended | | \$ 44,211,218 | \$ 19,047,556 | \$ 638,330 | \$ 822,232 | \$ 1,363,234 | \$ 872,488 | \$ 3,696,284 | \$ 22,743,840 |

Okaloosa County, Florida
NOTES TO THE SCHEDULE OF EXPENDITURES
OF PASSENGER FACILITY CHARGES

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Passenger Facility Charges Collected and Expended includes all the PFCs and the interest earnings thereon collected by the County from January 1, 2001 (original date of approval) through September 30, 2020. The County currently collects \$4.50 per enplaned passenger. The current approval for charges as approved by the Federal Aviation Administration is estimated to end on October 1, 2027.

NOTE 2 – BASIS OF ACCOUNTING

The Schedule of Expenditures of Passenger Facility Charges was prepared on the accrual basis of accounting. Passenger Facility Charges are recorded as revenue when earned and expenditures for debt service and approved capital projects are recorded as expenditures are made. Expenditures are made under an approved FAA application for use.

NOTE 3 – PROGRAM COSTS

The amounts shown as current year revenues and expenses represent only the Passenger Facility Charges portions of the project costs. Entire project costs may be more than shown.

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Single Audit

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Okaloosa County, Florida
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
Fiscal Year Ended September 30, 2020

| Federal/State Agency Pass-through Entity Federal Program/State Project | CFDA/CSFA Number | Contract or Grant Number | Expenditures | Passed Through to Subrecipients |
|---|---------------------|--------------------------|--------------|------------------------------------|
| <u>FEDERAL AWARDS</u> | | | | |
| <u>U.S. Department of Agriculture</u> | | | | |
| Passed Through Florida Department of Agriculture & Consumer Services | | | | |
| Food Distribution Program | 10.550 | 82002 | \$ 23,058 | \$ - |
| Child Nutrition Cluster | | | | |
| School Breakfast Program | 10.553 | 01-0303 | (7,559) | - |
| National School Lunch Program | 10.555 | 01-0303 | (11,824) | - |
| Total Child Nutrition Cluster | | | (19,383) | - |
| Passed Through Florida Department of Financial Services | | | | |
| Forest Service Schools and Roads Cluster | | | | |
| Schools and Roads - Grants to States | 10.665 | N/A | 121 | - |
| Total U.S. Department of Agriculture | | | 3,796 | - |
| <u>U.S. Department of Housing and Urban Development</u> | | | | |
| Passed Through Florida Department of Economic Opportunity | | | | |
| Community Development Block Grants | 14.228 | 10DB-4X-01-56-01-F18 | 390,100 | - |
| Community Development Block Grants | 14.228 | 10DB-4X-01-56-01-F18 | 13,988 | - |
| Total U.S. Department of Housing and Urban Development | | | 404,088 | - |
| <u>U.S. Department of the Interior</u> | | | | |
| Passed Through Florida Fish and Wildlife Conservation Commission | | | | |
| Sport Fish Restoration Program | 15.605 | FWC18104 | 35,000 | - |
| Total U.S. Department of the Interior | | | 35,000 | - |
| <u>U.S. Department of the Interior</u> | | | | |
| Direct Program | | | | |
| Payments in Lieu of Taxes | 15.226 | N/A | 11,013 | - |
| Total U.S. Department of the Interior | | | 11,013 | - |
| <u>U.S. Department of Justice</u> | | | | |
| Direct Programs | | | | |
| Justice Systems Response to Families | 16.021 | 2016-FJ-AX-0016 | 92,330 | - |
| Public Safety Partnership and Community Policing Grants | 16.710 | 2016-UL-WX-0016 | 133,140 | - |
| Equitable Sharing Program | 16.922 | N/A | 65,886 | - |
| Coronavirus Emergency Supplemental Funding Program | 16.034 | 2020-VD-BX-1649 | 115,468 | - |
| Passed Through Florida Department of Law Enforcement | | | | |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | 2018-DJ-BX-0670 | 36,363 | - |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | 2019-JAGC-OKAL-3-N2-153 | 17,052 | - |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | 2019-DJ-BX-0806 | 30,488 | - |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | 2020-JAGC-OKAL-1-Y5-023 | 16,800 | - |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | 2020-JAGC-OKAL-2-Y5-097 | 25,108 | - |
| Total U.S. Department of Justice | | | 532,635 | - |
| <u>U.S. Department of Transportation</u> | | | | |
| Direct Programs | | | | |
| <u>Federal Aviation Administration</u> | | | | |
| Airport Improvement Program | 20.106 | 3-12-0081-030-2019 | 4,537,886 | - |
| Airport Improvement Program | 20.106 | 3-12-0014-024-2017 | 9,640 | - |
| Airport Improvement Program | 20.106 | 3-12-0081-028-2017 | 2,160 | - |
| Airport Improvement Program | 20.106 | 3-12-0014-025-2019 | 424,011 | - |
| Airport Improvement Program | 20.106 | 3-12-0081-032-2020 | 2,050,142 | - |
| Airport Improvement Program | 20.106 | 3-12-0020-020-2020 | 69,000 | - |
| Airport Improvement Program | 20.106 | 3-12-0014-026-2020 | 69,000 | - |
| Airport Improvement Program | 20.106 | 3-12-0081-029-2018 | 37,308 | - |

The accompanying notes are an integral part of this schedule.

(Continued)

Okaloosa County, Florida
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE – CONTINUED
Fiscal Year Ended September 30, 2020

| Federal/State Agency Pass-through Entity Federal Program/State Project | CFDA/CSFA Number | Contract or Grant Number | Expenditures | Passed Through to Subrecipients |
|--|---------------------|---------------------------------------|-------------------|------------------------------------|
| <u>FEDERAL AWARDS (continued)</u> | | | | |
| <u>U.S. Department of Transportation (continued)</u> | | | | |
| Direct Programs (continued) | | | | |
| <u>Federal Transit Administration</u> | | | | |
| Federal Transit Cluster | | | | |
| Federal Transit Formula Grants | 20.507 | FL-90-X715-00 | \$ 376,316 | \$ - |
| Federal Transit Formula Grants | 20.507 | FL-2017-064-00 | 30,126 | - |
| Federal Transit Formula Grants | 20.507 | FL-2018-093-00 | 37,243 | - |
| Federal Transit Formula Grants | 20.507 | FL-2019-017-00 | 200,717 | - |
| Federal Transit Formula Grants | 20.507 | FL-2019-021-00 | 158,775 | - |
| Federal Transit Formula Grants | 20.507 | FL-2020-073-00 | 1,113,509 | - |
| Federal Transit Formula Grants | 20.507 | FL-90-X716-00 | 15,678 | - |
| Passed Through Florida Department of Transportation | | | | |
| Highway Planning and Construction | 20.205 | G1593, 43391025801 & 43391026801 | \$ 1,270,507 | - |
| Highway Planning and Construction | 20.205 | G0H05, 421997-8-48-01, 421997-9-48-01 | 427,017 | - |
| Highway Planning and Construction | 20.205 | G0N75, 421997-7-58-01, 421997-7-68-01 | 2,253,629 | - |
| Highway Planning and Construction | 20.205 | G0Z29, 442260-1-38-01 | 33,228 | - |
| Highway Planning and Construction | 20.205 | G1892, 421997-8-A8-01 | 886,584 | - |
| Highway Planning and Construction | 20.205 | G1C78; 445004-1-1-38-01 | 43,145 | - |
| Highway Planning and Construction | 20.205 | ANZ38, 409797-1-88-01 | 107,960 | - |
| Formula Grants for Rural Areas | 20.509 | G1D27; 42136538418 | 365,820 | - |
| Formula Grants for Rural Areas - COVID-19 | 20.509 | G1M18; 44749918401 | 172,304 | - |
| Federal Transit Cluster | | | | |
| Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs | 20.526 | 42392553-94-15 | 74,199 | - |
| Highway Safety Cluster | | | | |
| National Priority Safety Programs | 20.600 | G1D80; SC-20-13-20 | 22,348 | - |
| National Priority Safety Programs | 20.600 | G1124; SC-19-13-16 | 5,395 | - |
| Total U.S. Department of Transportation | | | 14,793,647 | - |
| <u>Election Assistance Commission</u> | | | | |
| Passed Through Florida Department of State | | | | |
| Help America Vote Act Requirements Payments | 90.401 | 2016-2017-001-OKA | 2,124 | - |
| Help America Vote Act Requirements Payments | 90.401 | 2017-2018-0001-OKA HAVA | 8,100 | - |
| Total Election Assistance Commission | | | 10,224 | - |
| <u>U.S. Department of Health & Human Services</u> | | | | |
| Passed Through Florida Department of Revenue | | | | |
| Child Support Enforcement | 93.563 | N/A | 2,677 | - |
| Child Support Enforcement | 93.563 | CSU46 | 7,999 | - |
| Child Support Enforcement | 93.563 | COC46 | 531,084 | - |
| Coronavirus Provider Relief Fund | 93.498 | N/A | 255,902 | - |
| Passed Through Florida Department of Children and Families | | | | |
| Block Grant for Prevention and Treatment of Substance Abuse | 93.959 | AH105 | 478 | - |
| Total U.S. Department of Health and Human Services | | | 798,140 | - |
| <u>U.S. Department of Treasury</u> | | | | |
| Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States | 21.015 | RDCGR180094-01-01 | 389,289 | 389,289 |
| Passed Through Florida Housing Finance Corporation | | | | |
| Coronavirus Relief Fund | 21.019 | 080-2020 | 137,715 | - |
| Passed Through Florida Division of Emergency Management | | | | |
| Coronavirus Relief Fund | 21.019 | Y2276 | 14,264,592 | - |
| Total U.S. Department of Treasury | | | 14,791,596 | 389,289 |
| <u>Consumer Product Safety Commission</u> | | | | |
| Gulf Coast Ecosystem Restoration Council Oil Spill Impact Program | 87.052 | 200090033 | 21 | - |
| Gulf Coast Ecosystem Restoration Council Oil Spill Impact Program | 87.052 | 200088034 | 2,996 | - |
| Total Consumer Product Safety Commission | | | 3,017 | - |

The accompanying notes are an integral part of this schedule.

(Continued)

Okaloosa County, Florida
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE – CONTINUED
Fiscal Year Ended September 30, 2020

| Federal/State Agency, Pass-through Entity, Federal Program/State Project | CFDA/CSFA Number | Contract or Grant Number | Expenditures | Passed Through to Subrecipients |
|--|------------------|---------------------------------|----------------------|---------------------------------|
| <u>FEDERAL AWARDS (continued)</u> | | | | |
| <u>Delta Regional Authority, Denali Commission, Election Assistance Commission or Japan - U.S. Friendship</u> | | | | |
| 2018 HAVA Election Security Grants - COVID-19 | 90.404 | 2020-001 | \$ 121,094 | \$ - |
| Total Delta Regional Authority, Denali Commission, Election Assistance Commission or Japan - U.S. Friendship | | | 121,094 | - |
| <u>U.S. Department of Homeland Security</u> | | | | |
| Direct Programs | | | | |
| Law Enforcement Officer Reimbursement Agreement Program - (OTA) | 97.090 | HSTS02-16-H-SLR794 | 116,260 | - |
| Passed Through Florida Division of Emergency Management | | | | |
| Flood Mitigation Assistance Grant Program | 97.029 | 18FM-X8-01-56-01-354 | 797 | - |
| Flood Mitigation Assistance Grant Program | 97.029 | 18FM-X8-01-56-01-380 | 92,750 | - |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters) | 97.036 | Z0863 | (200) | - |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters) | 97.036 | NA | 2,690 | - |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters) | 97.036 | DR-4564 FL | 829,461 | - |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters) | 97.036 | DR-4564 FL | 138,243 | - |
| Hazard Mitigation Grant | 97.039 | 18HM-H4-01-56-01-388; 4177-06-A | 1,920 | - |
| Emergency Management Performance Grants | 97.042 | G0031 | 86,025 | - |
| Homeland Security Grant Program | 97.067 | 19-DS-01-01-56-02-317 | 104,426 | - |
| Homeland Security Grant Program | 97.067 | 19-DS-06-01-56-01-285 | 95,042 | - |
| Homeland Security Grant Program | 97.067 | R0161 | 20,000 | - |
| Total U.S. Department of Homeland Security | | | 1,487,414 | - |
| Sub-Total Florida Matching | | | - | - |
| TOTAL FEDERAL AWARDS | | | \$ 32,991,664 | \$ 389,289 |
| <u>STATE FINANCIAL ASSISTANCE</u> | | | | |
| <u>Executive Office of the Governor</u> | | | | |
| Direct Projects | | | | |
| <u>Florida Division of Emergency Management</u> | | | | |
| Emergency Management Programs | 31.063 | A0022 | \$ 80,798 | \$ - |
| Emergency Management Programs | 31.063 | A0118 | 55,536 | - |
| Emergency Management Projects | 31.067 | T0021 | 13,241 | - |
| Florida Department of Management Services - E911 Board | 72.003 | S12-19-02-19 | 197,386 | - |
| Florida Department of Management Services - E911 Board | 72.003 | S12-19-02-20 | 254,672 | - |
| Total Executive Office of the Governor | | | 601,633 | - |
| <u>Florida Department of Environmental Protection</u> | | | | |
| Direct Projects | | | | |
| Beach Management Funding Assistance Program | 37.003 | 19OK1 | 11,375 | - |
| Cooperative Collection Center Grant | 37.007 | HW005 | 107,471 | - |
| Cooperative Collection Center Grant | 37.007 | HW105 | 22,917 | - |
| Statewide Surface Water Restoration and Wastewater Projects | 37.039 | LP46043 | 57,230 | - |
| Statewide Surface Water Restoration and Wastewater Projects | 37.039 | LP46041 | 559,443 | - |
| Statewide Surface Water Restoration and Wastewater Projects | 37.039 | S0881 | 1,929,206 | - |
| Early Restoration Deepwater Horizon Oil Spill | 37.081 | DH002 | 295,304 | - |
| Total Florida Department of Environmental Protection | | | 2,982,946 | - |
| <u>Florida Department of Agriculture and Consumer Services</u> | | | | |
| Direct Projects | | | | |
| Mosquito Control - FY 18 | 42.003 | 24750 | 6,059 | - |
| Mosquito Control - FY 19 | 42.003 | 025511 | 3,009 | - |
| Total Florida Department of Agriculture and Consumer Services | | | 9,068 | - |

The accompanying notes are an integral part of this schedule.

(Continued)

Okaloosa County, Florida
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE – CONTINUED
Fiscal Year Ended September 30, 2020

| Federal/State Agency, Pass-through Entity, Federal Program/State Project | CFDA/CSFA Number | Contract or Grant Number | Expenditures | Passed Through to Subrecipients |
|---|---------------------|--|----------------------|------------------------------------|
| STATE FINANCIAL ASSISTANCE (continued) | | | | |
| Florida Department of State | | | | |
| Direct Projects | | | | |
| State Aid to Libraries - FY16 | 45.030 | 16-ST-46 | \$ 20,468 | \$ - |
| State Aid to Libraries - FY17 | 45.030 | 17-ST-45 | 72,854 | - |
| Total Florida Department of State | | | 93,322 | - |
| Florida Housing Finance Corporation | | | | |
| Direct Projects | | | | |
| State Housing Initiative Partnership (SHIP) | 40.901 | 2019/2020 | 2,046 | - |
| State Housing Initiative Partnership (SHIP) | 40.901 | 2018/2019 | 2,231 | - |
| State Housing Initiative Partnership (SHIP) | 40.901 | 2018/2019 | 24,366 | - |
| State Housing Initiative Partnership (SHIP) | 40.901 | 2017/2018 | 546,897 | - |
| Total Florida Housing Finance Corporation | | | 575,540 | - |
| Florida Department of Education and Commissioner of Education | | | | |
| Direct Projects | | | | |
| Coach Aaron Feis Guardian Program | 48.140 | 97J-90210-9D001 | 192,866 | - |
| Total Florida Department of Education and Commissioner of Education | | | 192,866 | - |
| Florida Department of Transportation | | | | |
| Direct Projects | | | | |
| Computerized Traffic Signal System | 55.N/A | ASI26; 409797-3-88-01 | 27,226 | - |
| Traffic Management Control Project | 55.N/A | 220239-4-88-01 | 51,533 | - |
| Advanced Transportation Management System SR30 (US98) Miracle Strip Parkway Expansion Project | 55.N/A | 439966-1-58-01 | 248,359 | - |
| Commission for the Transportation Disadvantaged Trip and Equipment Grant Program | 55.001 | G1A53; 43202718401/43202818401 | 318,649 | - |
| Commission for the Transportation Disadvantaged Trip and Equipment Grant Program | 55.001 | G1O20; 43202718401/43202818401 | 114,518 | - |
| Aviation Development Grant | 55.004 | G1800; 42561449401 | 178,177 | - |
| Aviation Development Grant | 55.004 | AR859; 42561729401 | 2,559,367 | - |
| Aviation Development Grant | 55.004 | ARQ67; 42561829401 | (12,517) | - |
| Aviation Development Grant | 55.004 | ARQ65; 42230339401 | 3,863 | - |
| Aviation Development Grant | 55.004 | G0604; 41819339401 | 645,104 | - |
| Aviation Development Grant | 55.004 | GOL13; 42561539401 | 96,767 | - |
| Aviation Development Grant | 55.004 | G1798; 42230389401 | 9,233 | - |
| Aviation Development Grant | 55.004 | G1972; 42230379401 | 663,672 | - |
| Aviation Development Grant | 55.004 | G1J21; 42561889401 | 1,030 | - |
| Aviation Development Grant | 55.004 | G1K02; 422303-4-94-01 | 162 | - |
| Aviation Development Grant | 55.004 | G1H77; 425616-4-94-01 | 19,585 | - |
| Aviation Development Grant | 55.004 | G1799; 42561869401 | 6,533 | - |
| Commuter Assistance / Rideshare Grants | 55.007 | G1F77; 420315-2-84-02 | 1,605 | - |
| Public Transit Block Grant Program | 55.010 | G1F72; 42225318402 | 116,645 | - |
| Transit Corridor Program | 55.013 | G1F74; 42225618402 | 227,997 | - |
| Transit Corridor Program | 55.013 | G1305-42225618401 | 14,492 | - |
| Transportation Regional Incentive Program (TRIP) | 55.026 | ARB51; 421997-33801, 34801,43801, | 63,210 | - |
| Transportation Regional Incentive Program (TRIP) | 55.026 | 44801, 53801, 63801 G0J40; 42199735801 | 513,835 | - |
| Total Florida Department of Transportation | | | 5,869,045 | - |
| Florida Department of Health | | | | |
| Direct Projects | | | | |
| County Grant Awards | 64.005 | C8046 | 18,261 | - |
| Substance Abuse and Mental Health - Community Services | 60.153 | A0280 | 250,000 | - |
| SAMH Me State Funded Federal Excluded Services | 60.19 | AH105 | 180,318 | - |
| Domestic Mosquito Control for Zika Virus | 64.N/A | SOW 19-127/ Amended by SOW20-282 for time extension | 106,259 | - |
| Response to Public Health Emergency of COVID 19 Pandemic | 64.N/A | State PO B786B9 | 5,520 | - |
| Total Florida Department of Health | | | 560,358 | - |
| Florida Fish and Wildlife Conservation Commission | | | | |
| Direct Projects | | | | |
| Okaloosa County Artificial Reef Construction 2019-20 | 15.605 | FWC19043 | 25,000 | - |
| Artificial Reef Grants Program | 77.007 | FWC15155 | 115,084 | - |
| Total Florida Fish and Wildlife Conservation Commission | | | 140,084 | - |
| TOTAL STATE FINANCIAL ASSISTANCE | | | \$ 11,024,862 | \$ - |
| TOTAL FEDERAL AND STATE FINANCIAL ASSISTANCE | | | \$ 44,016,526 | \$ 389,289 |

The accompanying notes are an integral part of this schedule.

Okaloosa County, Florida
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
Fiscal Year Ended September 30, 2020

NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) presents the activity of all federal funded programs and state funded projects of Okaloosa County, Florida for the year ended September 30, 2020. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included on the schedule. Funds received and expended as state financial assistance reported on the schedule include only those state funds provided from state resources to carry out state projects. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, *Rules of the Auditor General*. Because the Schedule presents only a selected portion of the operations of Okaloosa County, Florida, it is not intended to, and does not, present the financial position, changes in net position, or cash flows of Okaloosa County, Florida.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance is presented using the modified accrual basis of accounting for all governmental fund grants and the accrual basis of accounting for all proprietary fund grants. The basis of accounting is described in Note 1 C to the County's financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain type of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3. INDIRECT COST RATE

Okaloosa County, Florida has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Okaloosa County, Florida
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended September 30, 2020

1. SUMMARY OF AUDITOR RESULTS

Financial Statements

Type of auditors' report issued: Unmodified Opinion

Internal control over financial reporting:

- Material weakness identified? _____ Yes X No
- Significant deficiencies identified that are not considered to be material weakness? _____ Yes X None reported

Non-compliance material to financial statements noted? _____ Yes X No

Federal Awards and State Projects

Internal control over major programs/projects:

- Material weakness identified? _____ Yes X No
- Significant deficiency identified that is/ not considered to be material weakness? _____ Yes X None reported

Type of auditor's report issues on compliance for major programs/projects: Unmodified Opinion

- Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*? _____ Yes X No

Identification of Major Programs/Projects:

| | |
|----------|------------------------------------|
| Federal: | |
| CFDA # | Name of Federal Program or Cluster |
| 21.019 | Coronavirus Relief Fund |

Okaloosa County, Florida
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED
For the Fiscal Year Ended September 30, 2020

1. SUMMARY OF AUDITOR RESULTS (CONTINUED)

Federal Awards and State Projects (continued)

Identification of Major Programs/Projects (continued):

State:

| <u>CSFA #</u> | <u>Name of State Project</u> |
|---------------|---|
| 37.039 | Statewide Surface Water Restoration and Wastewater Project |
| 55.004 | Aviation Development Grant |

Dollar threshold used to distinguish between Type A and B programs for Federal Awards: \$989,750

Dollar threshold used to distinguish between Type A and B projects for State Projects: \$750,000

Auditee qualified as low-risk auditee? Yes X No

2. FINANCIAL STATEMENT FINDINGS

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

3. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL PROGRAMS

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

4. FINDINGS AND QUESTIONED COSTS - MAJOR STATE FINANCIAL ASSISTANCE

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