FOR THE FISCAL YEAR ENDED SEPTEMBER 30,

2020

Okaloosa County, Florida

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Comprehensive Annual Financial Report

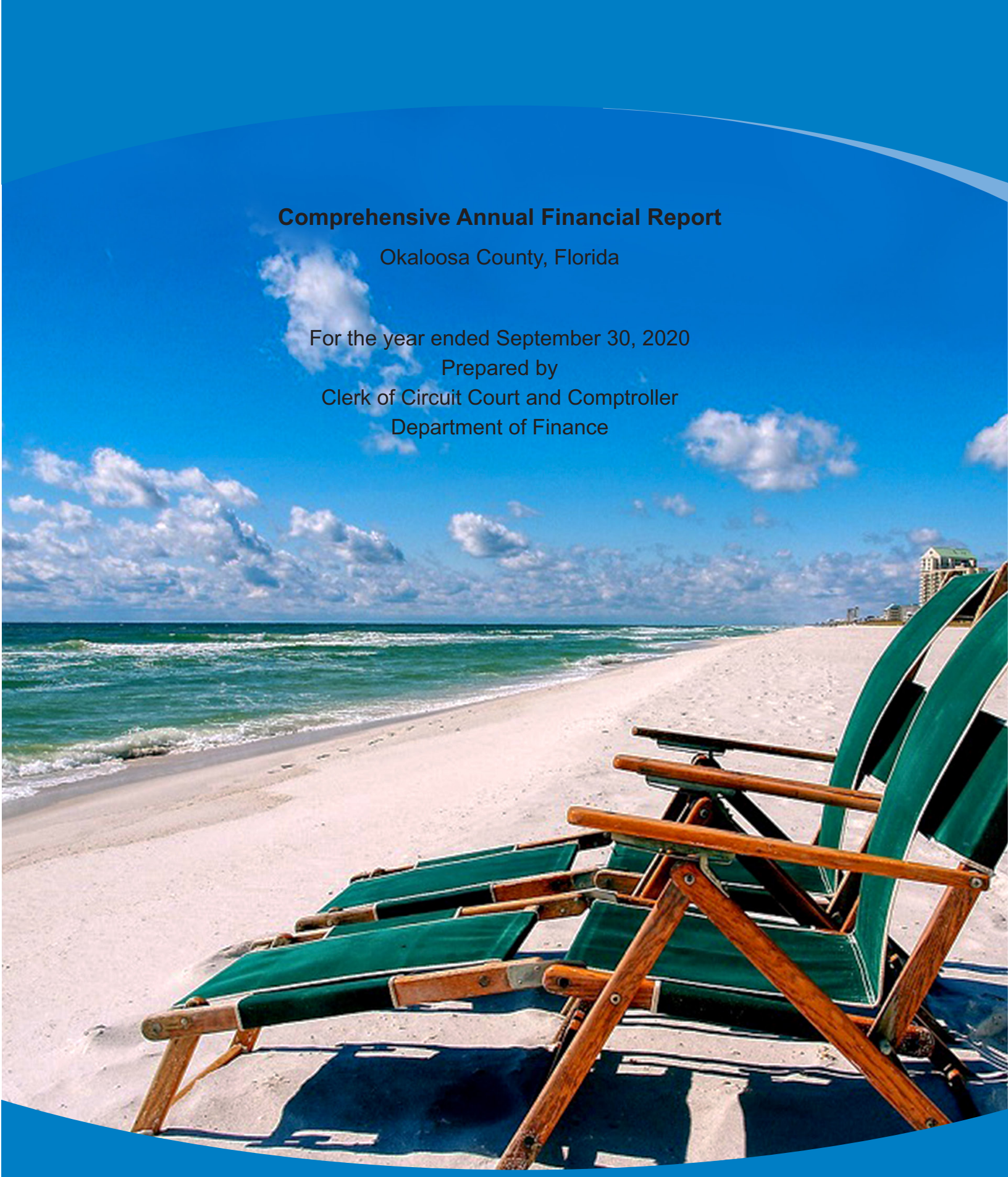
Okaloosa County, Florida

For the year ended September 30, 2020

Prepared by

Clerk of Circuit Court and Comptroller

Department of Finance



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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.

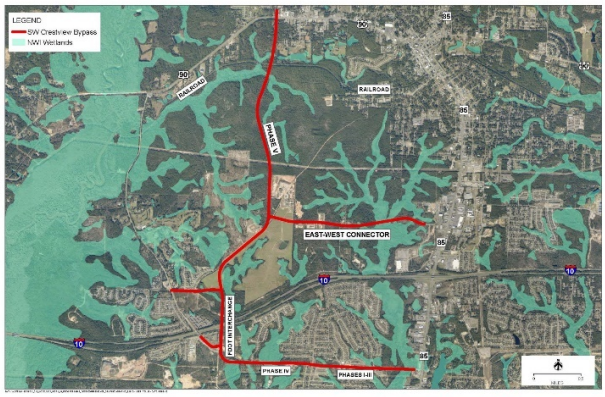
Seven industrial parks have been developed with a total of over 1,100 acres available. An industrial park near Crestview has an 8,000-foot reinforced runway, capable of handling the largest aircraft, and it has complete utilities and services. A municipal industrial park at Fort Walton Beach offers complete 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

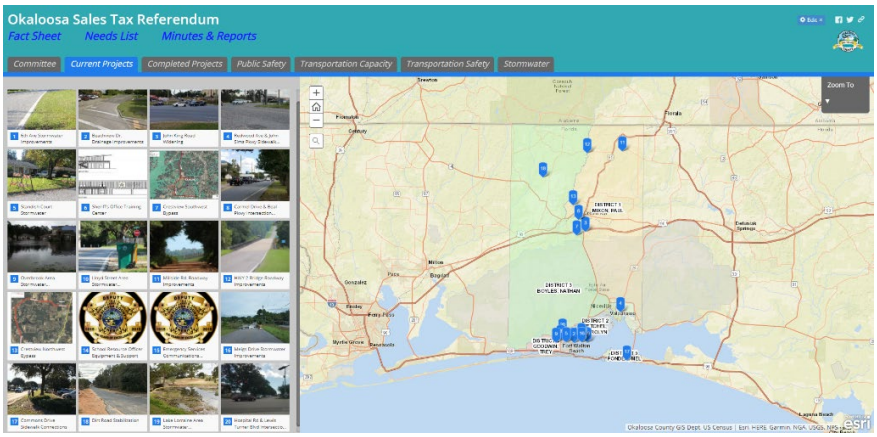
The funding for human service activities in the County include mosquito control, animal welfare, health care, Medicaid, elder services, day care service, mental health services and court-related child protection services expenditures. These activities, particularly state aid for Medicare and Medicaid, 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 aides 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

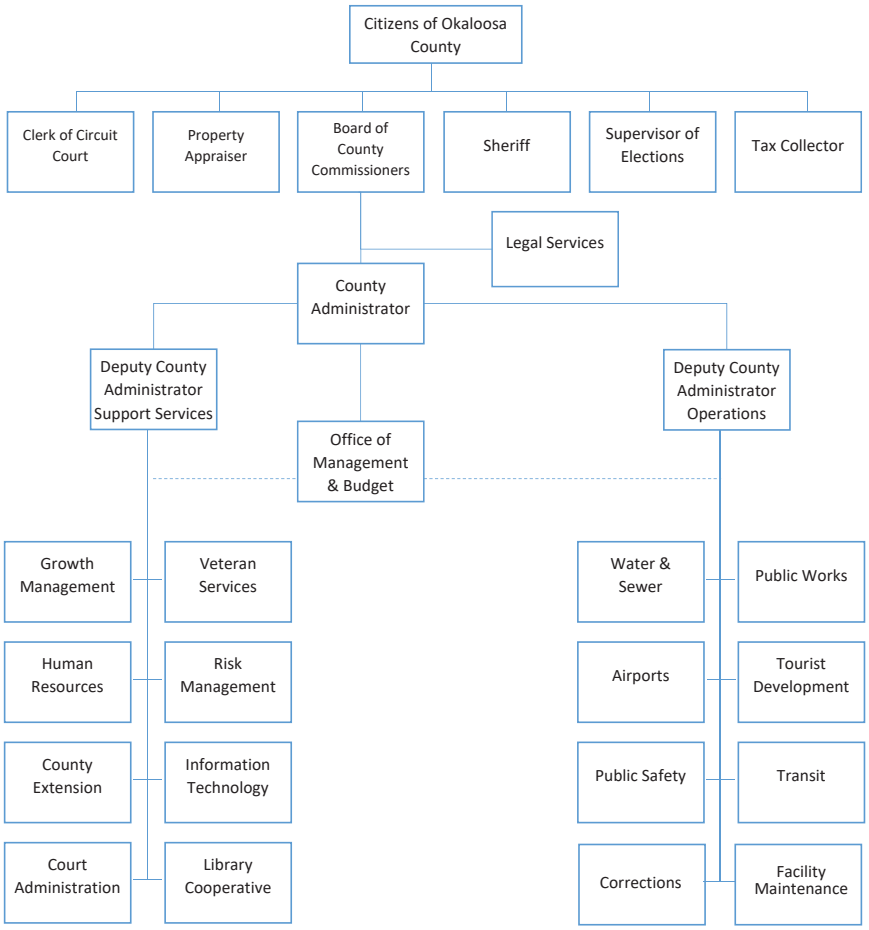
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morrill

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

Warren Averett
CPAs AND ADVISORS

45 Eglin Parkway, N.E., Suite 301
Fort Walton Beach, FL 32548
850.244.5121
warrenaverett.com

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

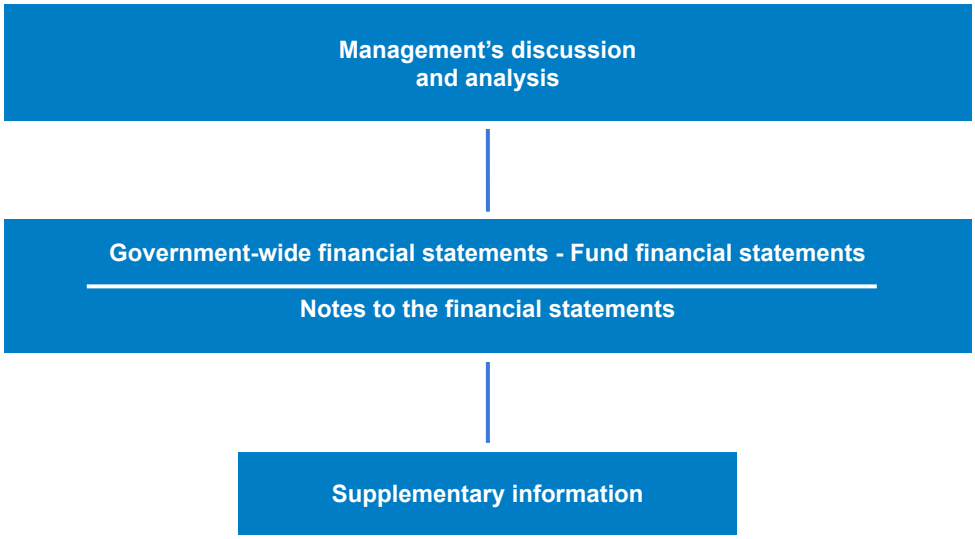
This discussion and analysis of Okaloosa County's (the County) financial statements is designed to introduce the basic financial statements and provide an analytical overview of the County's financial activities for the fiscal year ended September 30, 2020. This analysis, in conjunction with additional 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	219,344	188,013	98,300	90,948	317,644	278,961
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	202,704	167,212	70,058	69,097	272,763	236,309
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	$ 218,076	$ 198,849	$ 350,806	$ 325,151	$ 568,881	$ 524,000

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.

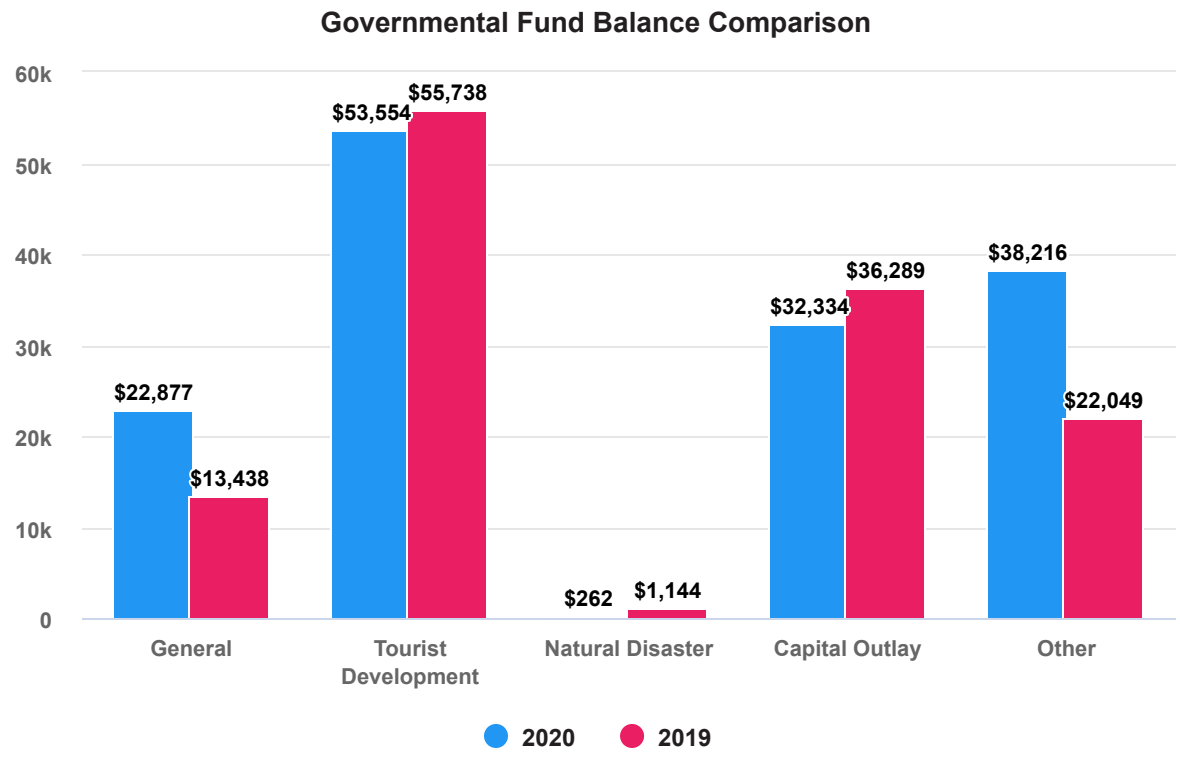
The General Fund is the chief operating fund of the County. As of September 30, 2020, total fund balance in the general fund was $22,877 of which $13,774 was unassigned. The general fund revenues for the fiscal year exceeded expenses by 4,436. The increase in the current fiscal year fund balance was 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.

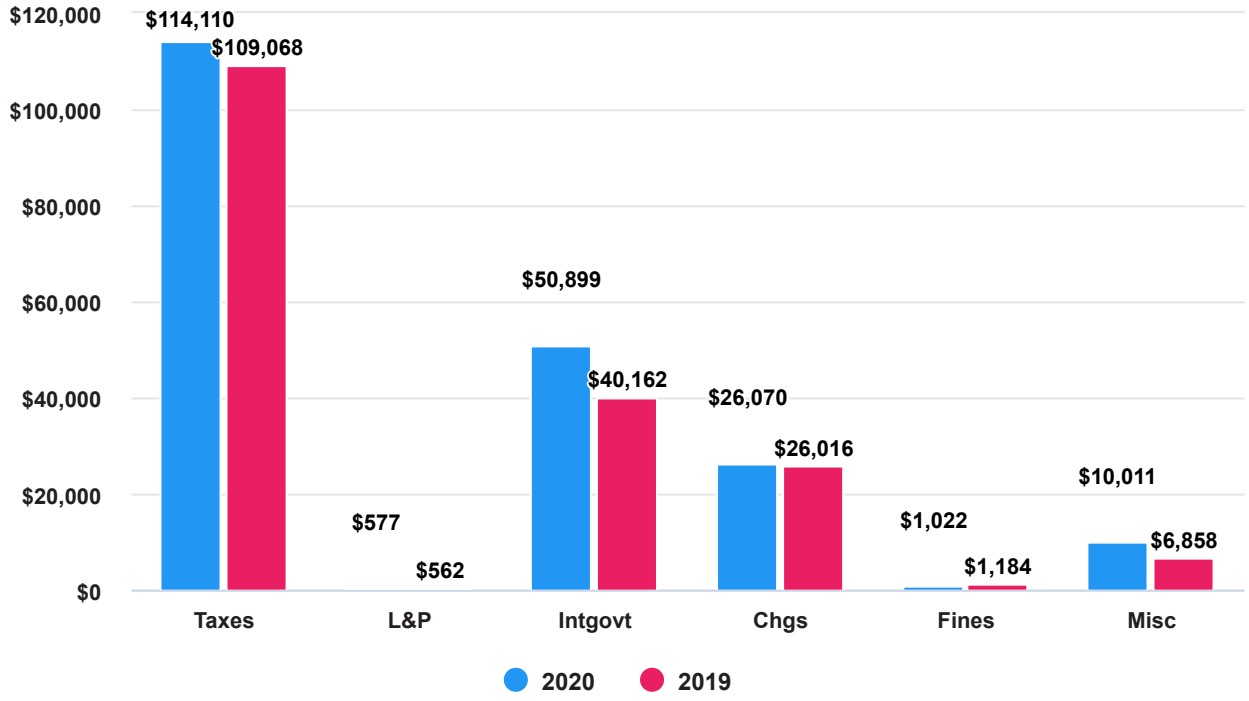
The Natural Disaster Fund is typically used to account for disaster funding and expenditures not considered normal recurring operating activity of the County. In 2020, the Natural Disaster Fund was also used to account for the governmental activities portion of the federal funds collected and disbursed 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.

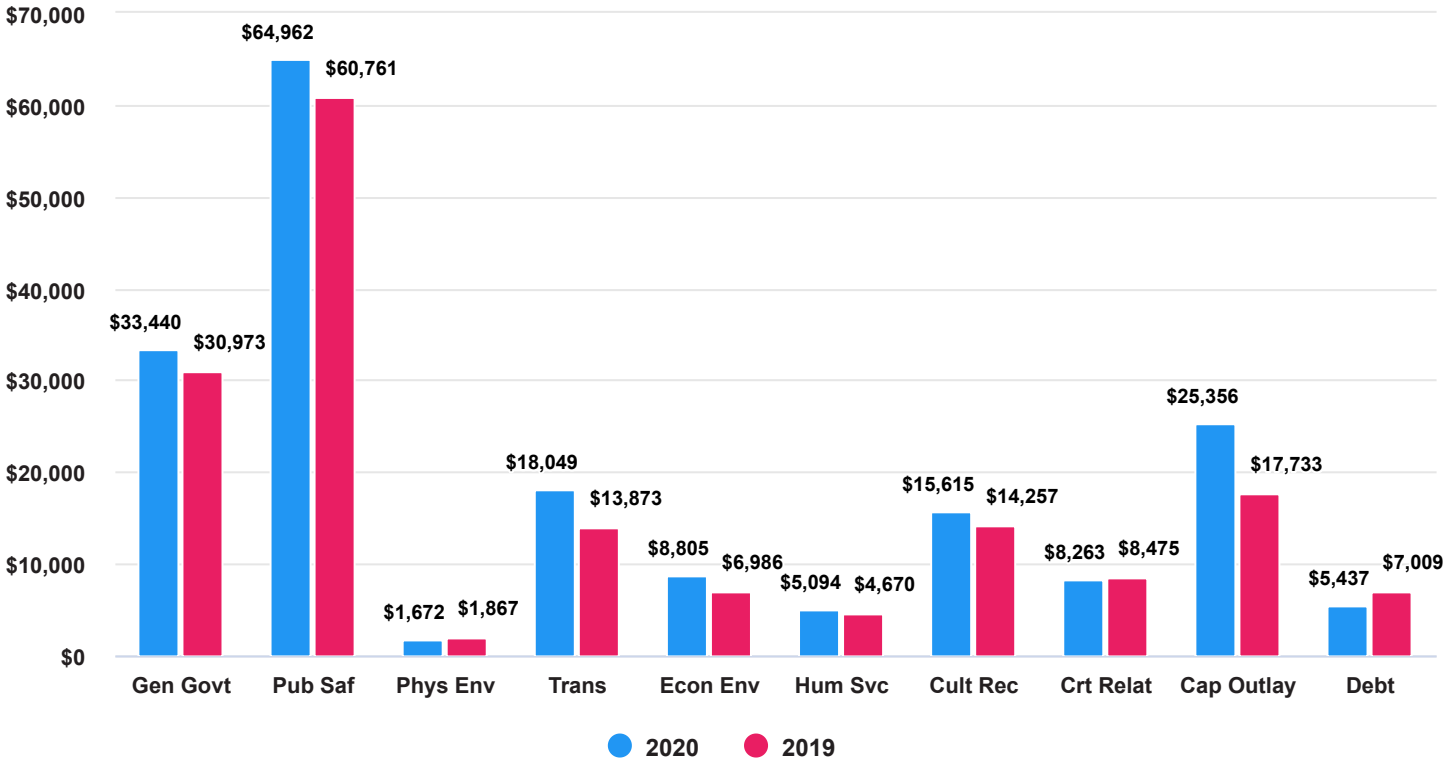
The following is a chart of all Governmental Fund Balances for the fiscal years 2020 and 2019.



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:

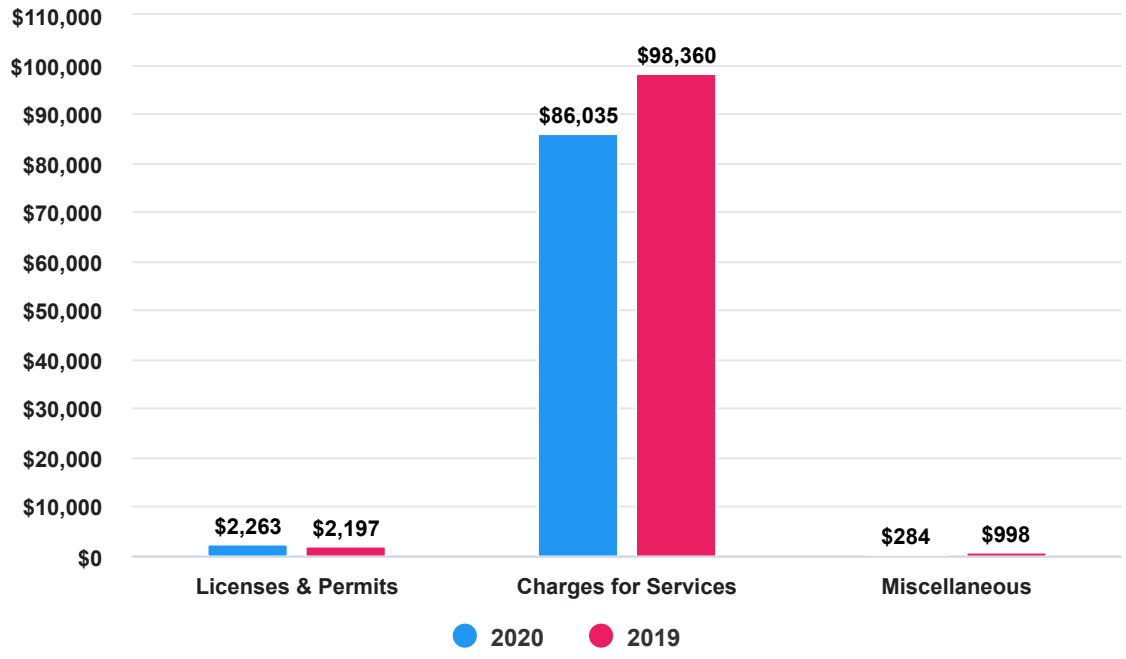
- The Water and Sewer Fund increased its net position by $11,678, or 6.9% to $181,127 . Net operating income was $9,656 during the year which declined 8.9% less than last year primarily due to increases in personal services expenses offset by a decline in other operating expenses. The overall increase 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
	$ 5,447	$ 9,910

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

	Govenmental Activities		Busines-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.

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STATEMENT OF NET POSITION
September 30, 2020

	Primary Government		
	Government Activities	Business-type Activities	Total
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	171,459,696	116,274,698	287,734,394
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	(213,189,250)	(210,804,153)	(423,993,403)
Total Noncurrent Assets	251,082,278	349,017,597	600,099,875
Total Assets	$ 422,541,974	$ 465,292,295	$ 887,834,269
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	$ 36,743,315	$ 13,186,420	$ 49,929,735
Total Assets and Deferred Outflows of Resources	$ 459,285,289	$ 478,478,715	$ 937,764,004

Continued...

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

STATEMENT OF NET POSITION
September 30, 2020

	Primary Government		
	Government Activities	Business-type Activities	Total
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			
Custumer 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	26,028,411	17,080,286	43,108,697
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	212,323,732	108,754,570	321,078,302
Total Liabilities	$ 238,352,143	$ 125,834,856	$ 364,186,999
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	$ 2,856,867	$ 1,838,557	$ 4,695,424
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
Transporation	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)	(69,510,976)	50,722,936	(18,788,040)
Total Net Position (Deficit)	$ 218,076,279	$ 350,805,302	$ 568,881,581
Total Liabilities, Deferred Inflow of Resources, and Net Position	$ 459,285,289	$ 478,478,715	$ 937,764,004

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

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

		Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue
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	202,704,178	46,011,923	16,883,882	10,957,492	(128,850,881)
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	70,058,359	71,877,096	7,684,377	16,663,700	26,166,814
Total Primary Government	$ 272,762,537	$ 117,889,019	$ 24,568,259	$ 27,621,192	$ (102,684,067)

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		
	Governmental Activities	Business-type Activities	Total
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	148,077,946	(512,544)	147,565,402
Change in Net Position	19,227,065	25,654,270	44,881,335
Net Position - Beginning	198,849,214	325,151,031	524,000,245
Net Position - Ending	$ 218,076,279	$ 350,805,301	$ 568,881,580

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 Contruction 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
Prepaids	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	(208,532,663)	
		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 govenmental 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	(774,778)	
		33,205,412
Long-term liabilities, including bonds payable, are not due and payable inthe 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 liabilites of the Internal Service funds accounted for separately.All liabilites, 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	(112,720,839)	
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 Contruction 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 ofactivities 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	(13,070,639)	
		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	221,723	
		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	(856,685)	
		(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

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

For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts			Variance With Final Budget Positive
	Original	Final	Actual Amounts	(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	106,881,305	131,860,862	113,759,431	(18,101,431)
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	119,417,517	149,399,496	109,323,868	40,075,628
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,536,212)	(17,538,634)	4,435,563	21,974,197
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)	2,306,212	4,526,486	5,003,868	477,382
Net Change in Fund Balance	(10,230,000)	(13,012,148)	9,439,431	22,451,579
Fund Balance - Beginning	10,230,000	13,012,148	13,437,754	425,606
Fund Balance - Ending	$ -	$ -	$ 22,877,185	$ 22,877,185

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			Variance With Final Budget Positive
	Original	Final	Actual Amounts	(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	25,494,500	27,290,432	20,873,852	(6,416,580)
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	72,404,835	77,987,990	19,585,471	58,402,519
Excess (Deficiency) of Revenues Over (Under) Expenditures	(46,910,335)	(50,697,558)	1,288,381	51,985,939
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)	(4,787,816)	(4,690,816)	(3,472,705)	1,218,111
Net Change in Fund Balance	(51,698,151)	(55,388,374)	(2,184,324)	53,204,050
Fund Balance - Beginning	51,698,151	55,388,374	55,737,888	349,514
Fund Balance - Ending	$ -	$ -	$ 53,553,564	$ 53,553,564

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			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
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

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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
Prepaids	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	6,319,621	15,117,245	-	-
Total Current Assets	55,748,863	40,171,920	5,893,784	10,887,124
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	(143,698,568)	(59,957,387)	(3,005,317)	(3,810,823)
Total Capital Assets (Net of Accumulated Depreciation/Amortization)	205,843,662	140,729,262	1,000,644	1,341,677
Total Noncurrent Assets	205,843,662	140,729,262	1,000,644	1,341,677
Total Assets	$ 261,592,525	$ 180,901,182	$ 6,894,428	$ 12,228,801

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	$ 6,102,056	$ 1,649,909	$ 481,399	$ 4,511,478
Total Assets and Deferred Outflows of Resources	$ 267,694,581	$ 182,551,091	$ 7,375,827	$ 16,740,279
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	2,076,971	93,161	-	-
Total Current Liabilities	9,866,877	5,210,338	1,258,716	493,380

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	-
2,104	48,653	487,653
$ 441,579	$ 13,186,421	$ 1,316,373
$ 4,117,113	$ 478,478,891	$ 11,625,109
$ 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	-
-	3,770,001	-
-	1,389,676	-
-	780,456	-
-	2,170,132	-
251,151	17,080,462	5,056,206

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	-
1,596,614	38,316,913	2,761,255
$ 1,772,660	$ 108,754,570	$ 12,806,029
$ 2,023,811	$ 125,835,032	$ 17,862,235
$ 57,193	$ 1,624,584	$ 134,400
9,327	213,973	500,937
$ 66,520	$ 1,838,557	$ 635,337
$ 102,351	$ 280,689,593	$ 595,602
-	4,275,528	-
-	12,312,424	-
-	2,804,821	-
1,924,431	50,722,936	(7,468,065)
$ 2,026,782	$ 350,805,302	$ (6,872,463)
$ 4,117,113	$ 478,478,891	$ 11,625,109

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
2,736,194	71,877,096	16,705,088
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
2,200,248	66,430,217	16,795,974
535,946	5,446,879	(90,886)
-	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
60,558	6,130,605	259,444
596,504	11,577,484	168,558
-	12,552,457	-
-	4,111,243	-
-	33,000	-
-	(2,619,914)	-
596,504	25,654,270	168,558
1,430,278	325,151,032	(7,041,021)
$ 2,026,782	$ 350,805,302	($6,872,463)

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	17,774,504	(134,977)	695,211	(279,568)
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	559,809	(268,971)	212,011	4,576,498
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	(16,548,611)	(9,889,206)	(209,915)	(64,666)
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	(971,960)	10,752,726	435,914	(1,826,516)
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	$ 3,344,827	$ 2,794,657	$ 1,342,382	$ 2,417,049
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	$ 3,344,827	$ 2,794,657	$ 1,342,382	$ 2,417,049

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	-
866,867	18,922,037	2,060,795
18,116	7,684,377	46,453
-	(2,586,914)	-
18,116	5,097,463	46,453
(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	-
(27,722)	(26,740,120)	139,727
-	33,870,197	-
(249,997)	(27,046,696)	(199,811)
-	1,316,666	-
(249,997)	8,140,167	(199,811)
607,264	5,419,547	2,047,164
345,050	5,431,682	2,613,199
$ 952,314	$ 10,851,229	$ 4,660,363
$ 952,314	$ 8,402,180	$ 5,151,240
-	2,449,049	-
$ 952,314	$ 10,851,229	$ 5,151,240

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	8,118,776	1,765,501	569,092	2,650,555
Net Cash Provided (Used) by Operating Activities	$ 17,774,504	$ (175,290)	$ 695,211	$ (279,568)
SUPPLEMENTAL DISCLOSURES OF NON CASH TRANSACTIONS:				
Amortization of Loan Costs and Refunding Losses	$ 304,651	$ -	$ -	$ -

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
330,921	13,434,845	2,151,681
$ 866,867	$ 18,881,724	$ 2,060,795
$ -	$ 304,651	$ -

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 MortgageAssociation	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	-
	26,909,685	$ -	$ 26,909,685	$ -
Investments measured at the net asset value (NAV)				
Florida Fixed Income Trust	15,306,864			
Florida Local Government				
Investment Trust - Investment Pool	42,945,521			
Total investments measured at fair value	85,162,070			
Total investments measured at amortized cost	124,595,563			
Total investments at September 30, 2020	$ 209,757,633			

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	$ 22,172,826	$ 27,723,197	$ 49,896,023	$ (5,734,914)	$ 44,161,109

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	$ 71,706	$ 7,729,782

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	53,545,591	20,467,494	(37,196,967)	-	36,816,118
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	388,489,726	42,043,537	(3,608,055)	530,202	427,455,410
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	(202,812,073)	(13,145,390)	3,259,279	(491,066)	(213,189,250)
Total capital assets, being depreciated/amortized, net	185,677,653	28,898,147	(348,776)	39,136	214,266,160
Governmental Activities capital assets, net	$ 239,223,244	$ 49,365,641	$ (37,545,743)	$ 39,136	$ 251,082,278

Depreciation expense was charged to functions/programs as follows:

Governmental Activities	Depreciation	Amortization
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	74,751	-
Total depreciation expense - governmental activities	$ 13,064,441	$ 80,949

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.

	Years of Service	40 hours/ week	45 hours/ week	24 hours on/ 48 hours off
Annual Leave				
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
Sick Leave				
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.

Years of Service	Hours Earned per Pay Period [26]
0 – 1	6.25
2 – 5	7.00
6 – 10	7.75
11 – 15	8.50
16 – 20	9.25
21+	10.00

Years of Service	Balance Paid Upon Separation
2 – 5	20% of PTO
6 – 10	25% of PTO
11 – 15	30% of PTO
16 – 20	40% of PTO
21+	50% of PTO

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:

Years of Service	Accrual Rate
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:

Years of Service (based on hire date)	Weeks PTO	# Hours Earned per Pay Period
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	$ 4,697,933	$ 5,064,884	$ 9,762,817

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
	$ 5,733,943	$ 5,733,943

NOTE 9 – INTERFUND BALANCES AND ACTIVITY - CONTINUED

The composition of interfund balances with other elected officals 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
	$ 4,382,488	$ 4,382,488

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
	$ 13,138,903	$ 13,138,903

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:

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

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:

Fiscal Year Ended September 30		
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
	$	27,524,231

NOTE 11 – LONG-TERM DEBT

Primary Government

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

Governmental Activities:

REVENUE BONDS

$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.	$ -
$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.	2,385,000
$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.	18,965,000
$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 acquistion and construction of improvements to County facilities, including additional improvements to the Crestview courthouse. The issue is subject to federal arbitrage regulations.	12,240,000
$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.	38,300,000
Total Governmental Activities Revenue Bonds	$ 71,890,000

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 immediatly 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 immediatly 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 annuam. 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 immediatly 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	84,164,657	-	(2,943,179)	81,221,478	2,124,000
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	1,601,817	-	(937,817)	664,000	664,000
Other Payable					
Other Payable	620,586	-	(221,723)	398,863	155,274
Total Notes and Payables	$ 2,222,403	$ -	$ (1,159,540)	$ 1,062,863	$ 819,274

NOTE 11 – LONG-TERM DEBT - CONTINUED

Primary Government - Continued

	Balance Due October 1 2019	Increases	Decreases	Balance Due 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:

	Governmental Activities			
	Revenue Bonds		Loans, Notes, and Leases	
Year Ending September 30,	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	-	-
	$ 71,890,000	$ 42,492,669	$ 1,062,863	$ 6,854

	Business-type Activities					
	Revenue Bonds		Loans and Notes		Landfill ClosureCosts	
Year Ending September 30,	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	-	-	-	-
	$ 59,575,000	$ 23,055,974	$ 3,119,818	$ 311,375	$ 2,759,180	$ -

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					
	General Fund	Tourist Development	Natural Disaster	Road and Bridge	Other	Total
Fund Balances:						
Nonspendable:						
Inventory	$ 45,558	$ -	$ 14,464	$ 184,609	$ 304,493	$ 549,124
Prepaids	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	$ 5,364,375

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	0.00002691063	0.0000047302	

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 betweeen 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 mearsurement date	2,769,758	-	327,147	-	3,096,905
	$ 41,904,365	$ 1,197,783	$ 5,319,434	$ 2,007,954	$ 44,018,062

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 expanse, including inflation	6.80%
Municipal bond rate	N/A
Inflation	2.40%
Salary increases including inflation	3.25%

Morality 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 expanse, including inflation	N/A
Municipal bond rate	2.21%
Inflation	2.40%
Salary increases including inflation	3.25%

Morality 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 liabilityto 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

1% Decrease	Current Discount Rate	1% Increase
5.80%	6.80%	7.80%
$205,126,352	$128,458,322	$64,424,850

HIS Net Pension Liability

1% Decrease	Current Discount Rate	1% Increase
1.21%	2.21%	3.21%
$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 Liabiltiy (a)	Plan Fiduciary Net Position (b)	Net OPEB Liabiltiy (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	$ 4,694,201	$ -	$ 4,694,201

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	-
	$ 442,589	$ 998,248

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	$ (717,519)

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 Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liabiltiy (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	$ 385,845	$ -	$ 385,845
Balances at September 30, 2020	$ 5,842,590	$ -	$ 5,842,590

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	$ 6,533,389	$ 5,842,590	$ 5,263,278

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
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	-
	$ 484,179	$ 485,538

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)
	$ (267,772)

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 Liablities 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	8,814,293	6,795,690
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	8,453,157	6,205,306
Unpaid claims and claim adjustment expenses at end of year	$ 361,136	$ 590,384

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	$ 1,387,175	$ 4,028,226	$ 5,415,401

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	1,369,204	812,338	286,748	209,879	2,678,169	160,406	1,096,976	10,419	31,965	1,299,766
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	(999,808)	(352,546)	(142,874)	(206,129)	(1,701,357)	(924,771)	(1,106,073)	(9,102)	(31,384)	(2,071,330)
Unpaid claims and claim adjustment expenses at end of year	$ 4,416,645	$ 779,313	$ 208,055	$ 11,387	$ 5,415,400	$ 4,047,249	$ 319,521	$ 64,181	$ 7,637	$ 4,438,588

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	$ 1,541,746

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.

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]	2020	2019	2018
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	(212,688)	(228,144)	(263,492)
Net change in total OPEB liability	(186,741)	57,525	(20,880)
Total OPEB liability – beginning	4,880,942	4,823,417	4,844,297
Total OPEB liability – ending	$ 4,694,201	$ 4,880,942	$ 4,823,417
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.

SCHEDULE OF CONTRIBUTIONS

Last 10 Fiscal Years*

	Florida Retirement System						
	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 9,847,613	$ 9,106,681	$ 8,268,916	$ 7,389,824	$ 6,915,008	$ 6,575,576	$ 5,859,714
Contributions in relation to the contractually required contribution	$ (9,847,613)	$ (9,106,681)	$ (8,268,916)	$ (7,389,824)	$ (6,915,008)	$ (6,575,576)	$ (5,859,714)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
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
Contributions as a percentage of covered payroll	11.98%	10.28%	9.99%	9.72%	9.15%	8.94%	8.29%

	Health Insurance Subsidy						
	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 1,195,974	$ 1,149,840	$ 1,105,421	$ 1,051,344	$ 1,012,092	$ 750,201	$ 668,908
Contributions in relation to the contractually required contribution	$ (1,195,974)	$ (1,149,840)	$ (1,105,421)	$ (1,051,344)	$ (1,012,092)	$ (750,201)	$ (668,908)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
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
Contributions as a percentage of covered payroll	1.45%	1.30%	1.34%	1.38%	1.34%	1.02%	0.95%

*The amounts presented for each fiscal year were determined as of 9/30.

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	-	-
Prepaids	6,085	6,481	-
Total Assets	$ 4,847,810	$ 2,720,410	$ 1,856,739
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	492,347	2,413,284	54,000
Fund Balances			
Nonspendable	310,275	6,481	-
Restricted	-	300,645	1,802,739
Committed	-	-	-
Assigned	4,045,188	-	-
Unassigned	-	-	-
Total Fund Balances	4,355,463	307,126	1,802,739
Total Liabilities and Fund Balances	$ 4,847,810	$ 2,720,410	$ 1,856,739

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
$ 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
-	-	-	-	-
-	-	-	-	-
$ 274,502	$ 154,946	$ 106,995	$ 58,112	$ 752,451
$ -	$ -	$ -	$ -	$ 446
-	-	-	50,139	-
-	-	-	-	-
-	-	-	-	73,850
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	50,139	74,296
-	-	-	-	-
274,502	154,946	106,995	-	-
-	-	-	-	678,155
-	-	-	7,973	-
-	-	-	-	-
274,502	154,946	106,995	7,973	678,155
$ 274,502	$ 154,946	$ 106,995	$ 58,112	$ 752,451

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	-	-	-
Prepaids	-	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	-
$ 5,712	$ 271,619	$ 60,751	$ 488,574	$ -	$ 771,128	$ 161,292	$ 615,200
$ -	$ -	$ 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)	-	-
5,712	271,619	-	488,039	-	-	161,292	615,200
$ 5,712	$ 271,619	$ 60,751	$ 488,574	$ -	$ 771,128	$ 161,292	$ 615,200

Continued…

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
Prepaids	-	-	-	-	-	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

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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
87,363	19,153	26,424	602,365	588,563
-	-	-	-	-
-	-	2,649	-	660
-	-	-	-	-
-	-	-	-	459,431
-	-	-	-	-
-	-	-	601,661	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	2,649	601,661	460,091
87,363	19,153	23,775	704	128,472
-	-	-	4,000	640
-	-	-	-	(640)
-	(68,600)	-	-	609
-	(68,600)	-	4,000	609
87,363	(49,447)	23,775	4,704	129,081
187,139	204,393	83,220	3,269	549,074
$ 274,502	$ 154,946	$ 106,995	$ 7,973	$ 678,155

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	2,593,899	893,365	1,461,319	16,711
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	1,307,037	895,051	1,239,787	2,769
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,286,862	(1,686)	221,532	13,942
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)	(992,100)	-	(192,134)	-
Net Change in Fund Balances	294,762	(1,686)	29,398	13,942
Fund Balances - Beginning	2,838,650	1,034,765	416,691	99,408
Fund Balances - Ending	$ 3,133,412	$ 1,033,079	$ 446,089	$ 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
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-	-
-	-	93,621	-	-	406,583	-	-
-	-	-	59,071	-	2,758,703	167,575	519,073
28,540	69,958	-	-	-	795,494	-	-
158	3,611	-	1,234	-	-	-	2,836
28,698	73,569	93,621	60,305	-	3,960,780	167,575	521,909
-	-	-	57,533	-	-	20,511	-
-	-	-	-	91,070	-	-	-
-	-	93,621	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	3,960,780	-	9,806
-	-	-	41,071	135,978	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	93,621	98,604	227,048	3,960,780	20,511	9,806
28,698	73,569	-	(38,299)	(227,048)	-	147,064	512,103
-	-	-	526,338	-	-	-	-
(28,541)	-	-	-	-	-	-	-
-	(22,951)	-	-	227,048	-	-	-
(28,541)	(22,951)	-	526,338	227,048	-	-	-
157	50,618	-	488,039	-	-	147,064	512,103
5,555	221,001	-	-	-	-	14,228	103,097
$ 5,712	$ 271,619	$ -	$ 488,039	$ -	$ -	$ 161,292	$ 615,200

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	Infrastucture 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			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
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	4,291,000	82,002,694	13,892,900	(68,109,794)
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	11,778,299	116,520,034	18,782,959	97,737,075
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,487,299)	(34,517,340)	(4,890,059)	29,627,281
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)	750,000	25,741,131	750,000	(24,991,131)
Net Change in Fund Balance	(6,737,299)	(8,776,209)	(4,140,059)	4,636,150
Fund Balance - Beginning	6,737,299	8,776,209	36,289,209	27,513,000
Fund Balance - Ending	$ -	$ -	$ 32,149,150	$ 32,149,150

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			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
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			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
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	944,500	1,936,408	1,786,019	(150,389)
Expenditures				
Current				
Public Safety	615,949	1,217,099	94,286	1,122,813
Capital Outlay	-	111,000	-	111,000
Total Expenditures	615,949	1,328,099	94,286	1,233,813
Excess (Deficiency) of Revenues Over (Under) Expenditures	328,551	608,309	1,691,733	1,083,424
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)	(1,119,880)	(1,932,322)	(1,392,472)	539,850
Net Change in Fund Balance	(791,329)	(1,324,013)	299,261	1,623,274
Fund Balance - Beginning	791,329	1,324,013	1,503,478	179,465
Fund Balance - Ending	$ -	$ -	$ 1,802,739	$ 1,802,739

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	57,250	57,250	87,363	30,113
Expenditures				
Current				
Public Safety	60,000	60,000	-	60,000
Capital Outlay	47,250	184,390	-	184,390
Total Expenditures	107,250	244,390	-	244,390
Excess (Deficiency) of Revenues Over (Under) Expenditures	(50,000)	(187,140)	87,363	274,503
Net Change in Fund Balance	(50,000)	(187,140)	87,363	274,503
Fund Balance - Beginning	50,000	187,140	187,139	(1)
Fund Balance - Ending	$ -	$ -	$ 274,502	$ 274,502

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	16,250	16,250	26,424	10,174
Expenditures				
Current				
Public Safety	10,750	10,886	2,649	8,237
Total Expenditures	10,750	10,886	2,649	8,237
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,500	5,364	23,775	18,411
Other Financing Sources (Uses)				
Transfers Among Constitutional Officers	(30,500)	(88,583)	-	88,583
Total Other Financing Sources (Uses)	(30,500)	(88,583)	-	88,583
Net Change in Fund Balance	(25,000)	(83,219)	23,775	106,994
Fund Balance - Beginning	25,000	83,219	83,220	1
Fund Balance - Ending	$ -	$ -	$ 106,995	$ 106,995

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

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			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
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			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
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	4,830,433	7,050,712	2,593,899	(4,456,813)
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	3,834,215	6,054,494	1,307,037	4,747,457
Excess (Deficiency) of Revenues Over (Under) Expenditures	996,218	996,218	1,286,862	290,644
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)	(996,218)	(996,218)	(992,100)	4,118
Net Change in Fund Balance	-	-	294,762	294,762
Fund Balance - Beginning	-	-	2,838,650	2,838,650
Fund Balance - Ending	$ -	$ -	$ 3,133,412	$ 3,133,412

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	683,500	683,500	893,364	209,864
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	1,583,500	1,718,265	895,051	823,214
Excess (Deficiency) of Revenues Over (Under) Expenditures	(900,000)	(1,034,765)	(1,687)	1,033,078
Net Change in Fund Balance	(900,000)	(1,034,765)	(1,687)	1,033,078
Fund Balance - Beginning	900,000	1,034,765	1,034,766	1
Fund Balance - Ending	$ -	$ -	$ 1,033,079	$ 1,033,079

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			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
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	1,163,750	1,163,750	1,461,319	297,569
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	1,428,869	1,527,571	1,239,787	287,784
Excess (Deficiency) of Revenues Over (Under) Expenditures	(265,119)	(363,821)	221,532	585,353
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)	(107,842)	(107,842)	(192,134)	(84,292)
Net Change in Fund Balance	(372,961)	(471,663)	29,398	501,061
Fund Balance - Beginning	372,961	471,663	416,691	(54,972)
Fund Balance - Ending	$ -	$ -	$ 446,089	$ 446,089

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	21,000	21,000	16,711	(4,289)
Expenditures				
Current				
Court-Related	107,167	120,408	2,769	117,639
Total Expenditures	107,167	120,408	2,769	117,639
Excess (Deficiency) of Revenues Over (Under) Expenditures	(86,167)	(99,408)	13,942	113,350
Net Change in Fund Balance	(86,167)	(99,408)	13,942	113,350
Fund Balance - Beginning	86,167	99,408	99,408	-
Fund Balance - Ending	$ -	$ -	$ 113,350	$ 113,350

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

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			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
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			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
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

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
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)
Total Revenues	3,975,758	3,975,758	3,960,780	(14,978)
Expenditures				
Current				
Court-Related	3,972,258	3,972,258	3,960,780	11,478
Capital Outlay	3,500	3,500	-	3,500
Total Expenditures	3,975,758	3,975,758	3,960,780	14,978
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	$ -	$ -	$ -	$ -

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

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

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	533,172	436,268	521,910	85,642
Expenditures				
Current				
Court-Related	134,182	37,278	9,806	27,472
Total Expenditures	134,182	37,278	9,806	27,472
Excess (Deficiency) of Revenues Over (Under) Expenditures	398,990	398,990	512,104	113,114
Other Financing Sources (Uses)				
Transfers Out	(398,990)	(398,990)	-	398,990
Total Other Financing Sources (Uses)	(398,990)	(398,990)	-	398,990
Net Change in Fund Balance	-	-	512,104	512,104
Fund Balance - Beginning	-	-	103,096	103,096
Fund Balance - Ending	$ -	$ -	$ 615,200	$ 615,200

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	65,886	65,886	65,886	-
Expenditures				
Current				
Public Safety	134,486	134,486	106,543	27,943
Capital Outlay	-	-	27,943	(27,943)
Total Expenditures	134,486	134,486	134,486	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(68,600)	(68,600)	(68,600)	-
Other Financing Sources (Uses)				
Transfers Among Constitutional Officers	68,600	68,600	68,600	-
Total Other Financing Sources (Uses)	68,600	68,600	68,600	-
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	$ -	$ -	$ -	$ -

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

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
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	773,437	773,437	797,530	24,093
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	3,276,232	3,094,852	1,039,026	2,055,826
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,502,795)	(2,321,415)	(241,496)	2,079,919
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)	1,394,795	923,662	151,271	(772,391)
Net Change in Fund Balance	(1,108,000)	(1,397,753)	(90,225)	1,307,528
Fund Balance - Beginning	1,108,000	1,397,753	1,118,470	(279,283)
Fund Balance - Ending	$ -	$ -	$ 1,028,245	$ 1,028,245

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

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
Prepaids	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	251,151	-	251,151
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	1,772,661	-	1,772,661
Total Liabilities	$ 2,023,812	$ -	$ 2,023,812
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	$ 66,520	$ -	$ 66,520
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)	1,796,964	229,817	2,026,781
Total Liabilities, Deferred Inflows, and Net Position (Deficit)	$ 3,887,296	$ 229,817	$ 4,117,113

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
Total Operating Revenues	2,690,859	45,335	2,736,194
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
Total Operating Expenses	2,200,248	-	2,200,248
Operating Income (Loss)	490,611	45,335	535,946
Nonoperating Revenues (Expenses)			
Intergovernmental	18,116	-	18,116
Investment Income	42,442	-	42,442
Total Nonoperating Revenues (Expenses)	60,558	-	60,558
Income (Loss) Before Contributions and Transfers	551,169	45,335	596,504
Change in Net Position	551,169	45,335	596,504
Total Net Position (Deficit) - Beginning	1,245,795	184,482	1,430,277
Total Net Position (Deficit) - Ending	$ 1,796,964	$ 229,817	$ 2,026,781

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	821,532	45,335	866,867
Operating Subsidy - Intergovernmental Revenue	18,116	-	18,116
Net Cash Provided (Used) by Non-capital Financing Activities	18,116	-	18,116
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	(27,722)	-	(27,722)
NET CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Investments	(249,997)	-	(249,997)
Net Cash Provided (Used) by Investing Activities	(249,997)	-	(249,997)
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	$ 722,497	$ 229,817	$ 952,314

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	$ 722,497	$ 229,817	$ 952,314
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	$ 821,532	$ 45,335	$ 866,867

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
Prepaids	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				
	Self-Insurance	Garage Services	Sheriff Compensated Absences	Sheriff Health Benefits Self Insurance	Total Internal Service Funds
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

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION 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
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	542,279	(212,488)	7,020	1,723,984	2,060,795
CASH FLOWS FROM NON-CAPITAL FINANCING 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	3,644	533,686	-	-	537,330
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	-	139,727	-	-	139,727
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases on Investments	(199,811)	-	-	-	(199,811)
Net Cash Provided (Used) by Investing Activities	(199,811)	-	-	-	(199,811)
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	$ 400,141	$ 463,873	$ 1,289,354	$ 2,997,872	$ 5,151,240

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	$ 400,141	$ 463,873	$ 1,289,354	$ 2,997,872	$ 5,151,240
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
	725,283	333,837	7,020	1,085,541	2,151,681
Net Cash Provided (Used) by Operating Activities	$ 542,279	$ (212,488)	$ 7,020	$ 1,723,984	$ 2,060,795

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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	$ 431,575	$ 6,322,315	$ 6,417,246	$ 336,644
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	$ 431,575	$ 5,082,491	$ 5,177,422	$ 336,644
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	$ 12,102	$ 51,746	$ 33,664	$ 30,184
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	$ 1,019,539	$ 1,572,346	$ 1,268,294	$ 1,323,591
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	$ 1,019,539	$ 2,035,726	$ 1,731,674	$ 1,323,591
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	$ 93,739	$ 1,939,523	$ 1,937,307	$ 95,955
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	$ 93,739	$ 1,945,019	$ 1,942,803	$ 95,955

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	$ 1,469,993	$ 7,883,430	$ 7,122,435	$ 2,230,988
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	$ 834,542	$ 38,636,484	$ 38,797,884	$ 673,142
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	$ 162,585	$ 1,093,993	$ 1,075,163	$ 181,415
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	$ 162,585	$ 1,292,391	$ 1,273,561	$ 181,415

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
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	$ 4,240	$ 17,837	$ 20,274	$ 1,803
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	$ 853,862	$ 1,441,960	$ 1,525,152	$ 770,670
LIABILITIES				
Due to Depositors	$ 853,862	$ 1,363,744	$ 1,446,936	$ 770,670
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	$ 323,492	$ 714,457	$ 534,788	$ 503,161
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	$ 323,492	$ 720,638	$ 540,969	$ 503,161
INDIVIDUAL DEPOSITORS AGENCY FUND				
ASSETS				
Cash and Cash Equivalents	$ 4,130	$ -	$ 980	$ 3,150
LIABILITIES				
Due to Other Elected Officials	$ 4,130	$ -	$ 980	$ 3,150
SUSPENSE (LEVIES) AGENCY FUND				
ASSETS				
Cash and Cash Equivalents	$ 4,469	$ 22,428	$ -	$ 26,897
LIABILITIES				
Due to Depositors	$ 4,469	$ 22,428	$ -	$ 26,897

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	$ 2,483,698	$ 277,767,789	$ 277,631,051	$ 2,620,436
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	$ 2,483,698	$ 277,767,789	$ 277,631,051	$ 2,620,436
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	$ 7,737,542	$ 340,065,886	$ 338,951,570	$ 8,851,858
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	$ 7,737,542	$ 337,320,188	$ 336,205,872	$ 8,851,858

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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

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

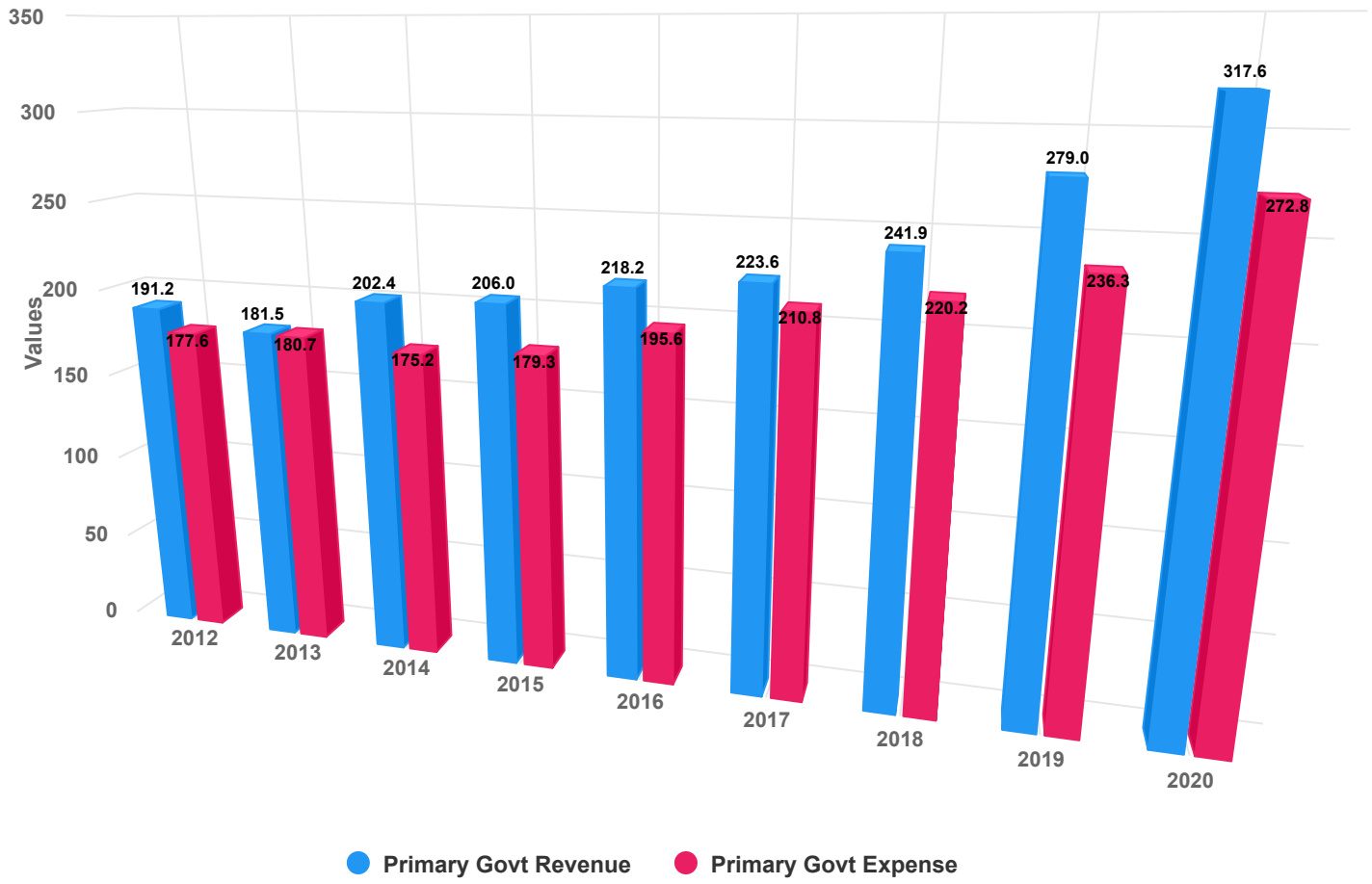
UNAUDITED

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



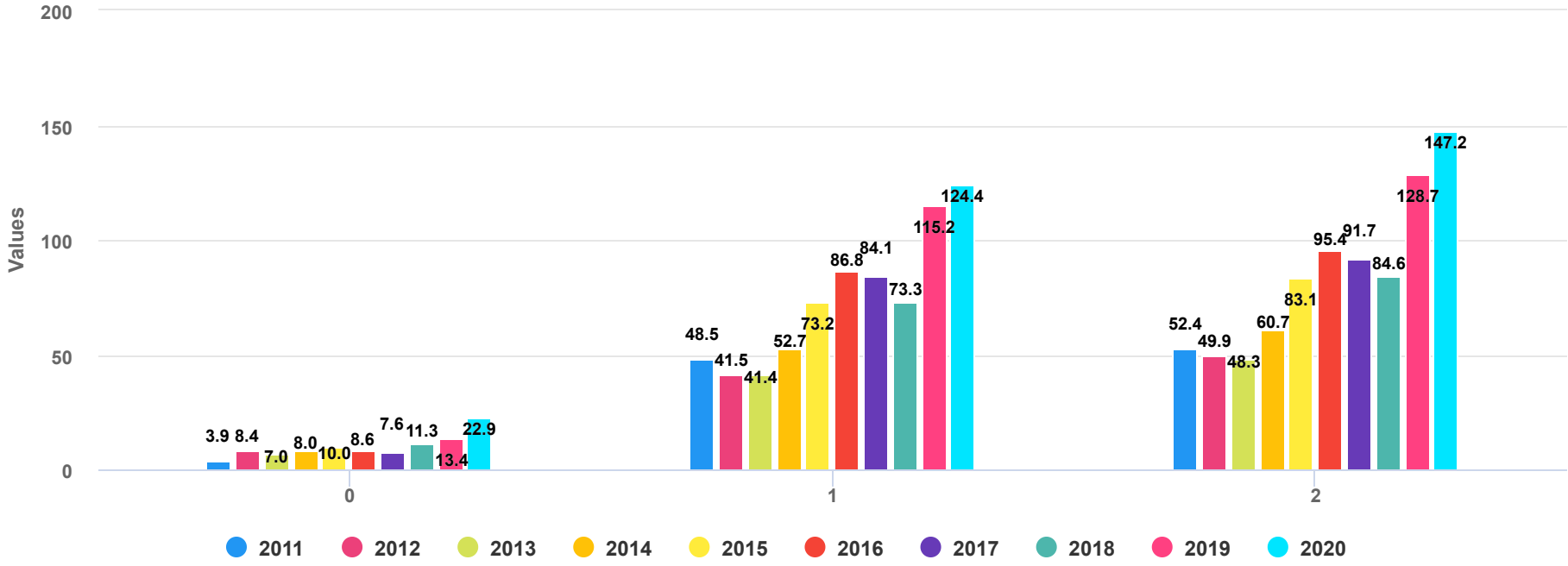
UNAUDITED

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	3,936,643	8,423,311	6,967,987	8,016,874	9,992,871	8,615,435	7,624,545	11,295,300	13,437,753	22,877,185
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	48,455,770	41,520,689	41,365,495	52,715,242	73,156,678	86,769,479	84,066,881	73,282,512	115,220,284	124,365,557
TOTAL FUND BALANCES	$ 52,392,413	$ 49,944,000	$ 48,333,482	$ 60,732,116	$ 83,149,549	$ 95,384,914	$ 91,691,426	$ 84,577,812	$ 128,658,037	$ 147,242,742

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**

Continued

UNAUDITED

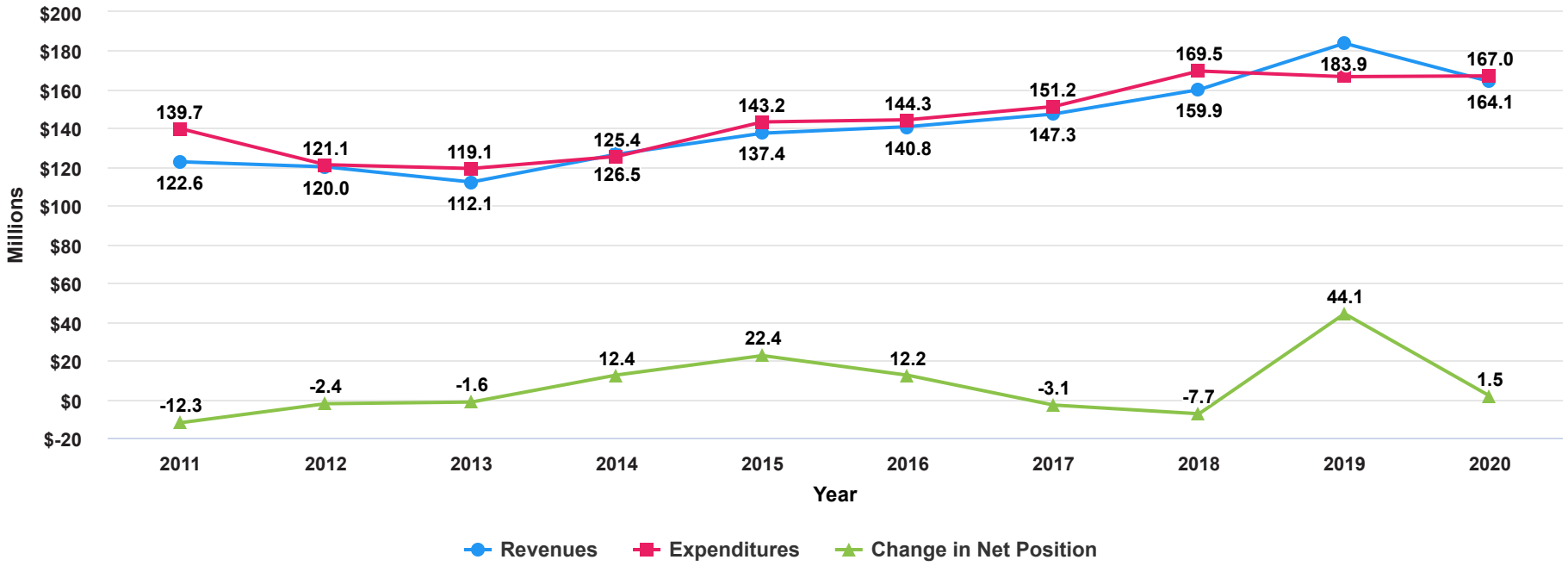
SCHEDULE 4

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

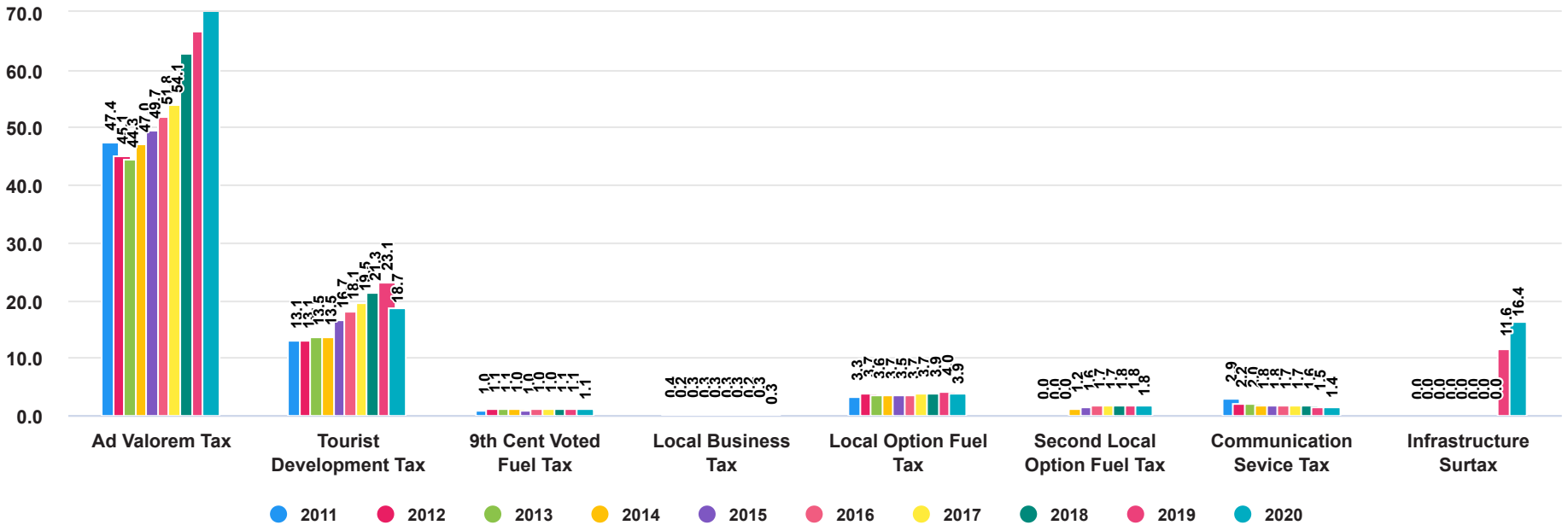


UNAUDITED

SCHEDULE 5

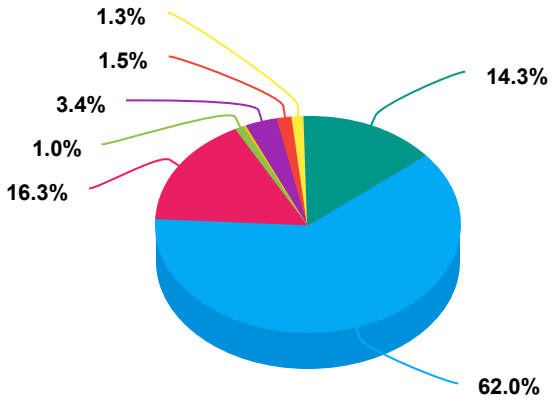
GOVERNMENTAL TAX REVENUES BY SOURCE - LAST TEN FISCAL YEARS

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



Ad Valorem Tax
Tourist Devt Tax
9th Cent Fuel Tax
Local Business Tax
Local Option Fuel Tax
Sec Local Option Fuel Tax
Comm Srvc Tax
Intrastructure Surtax

UNAUDITED

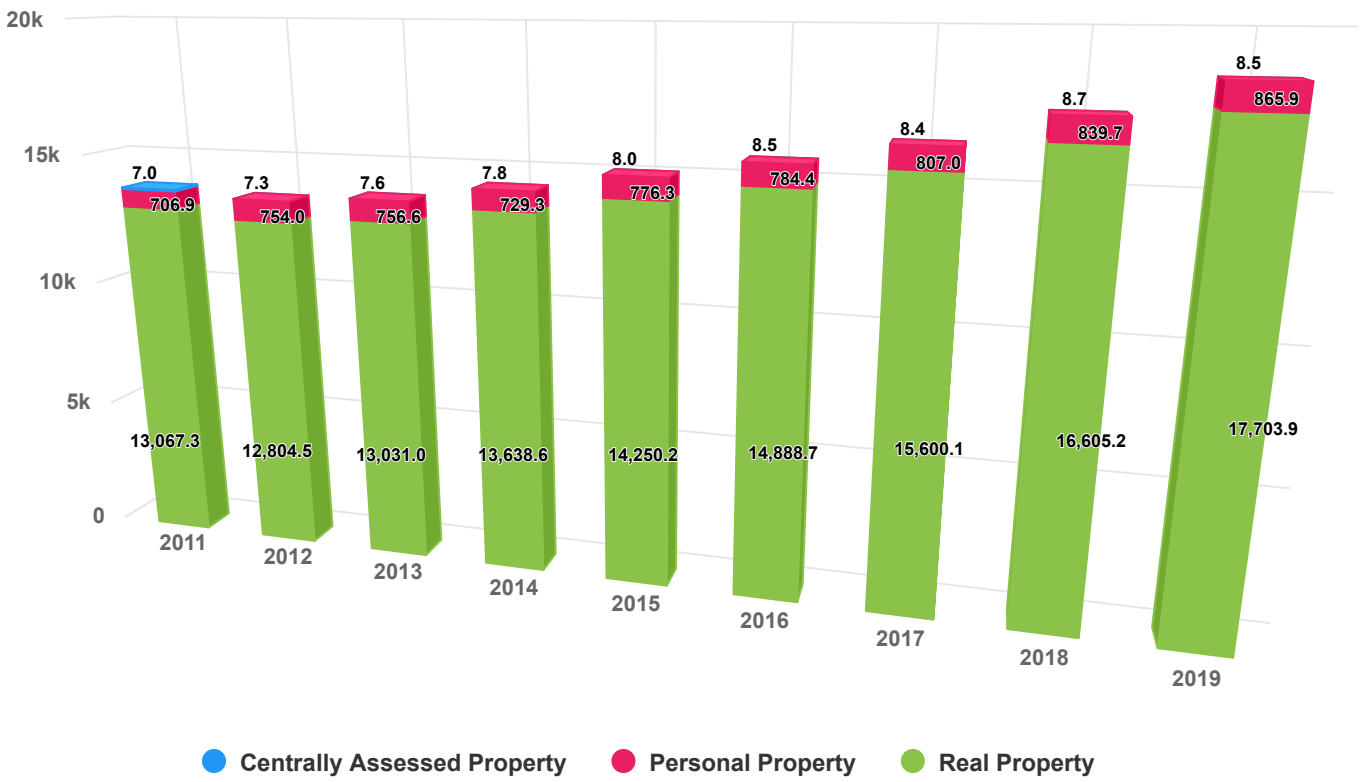
SCHEDULE 6

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

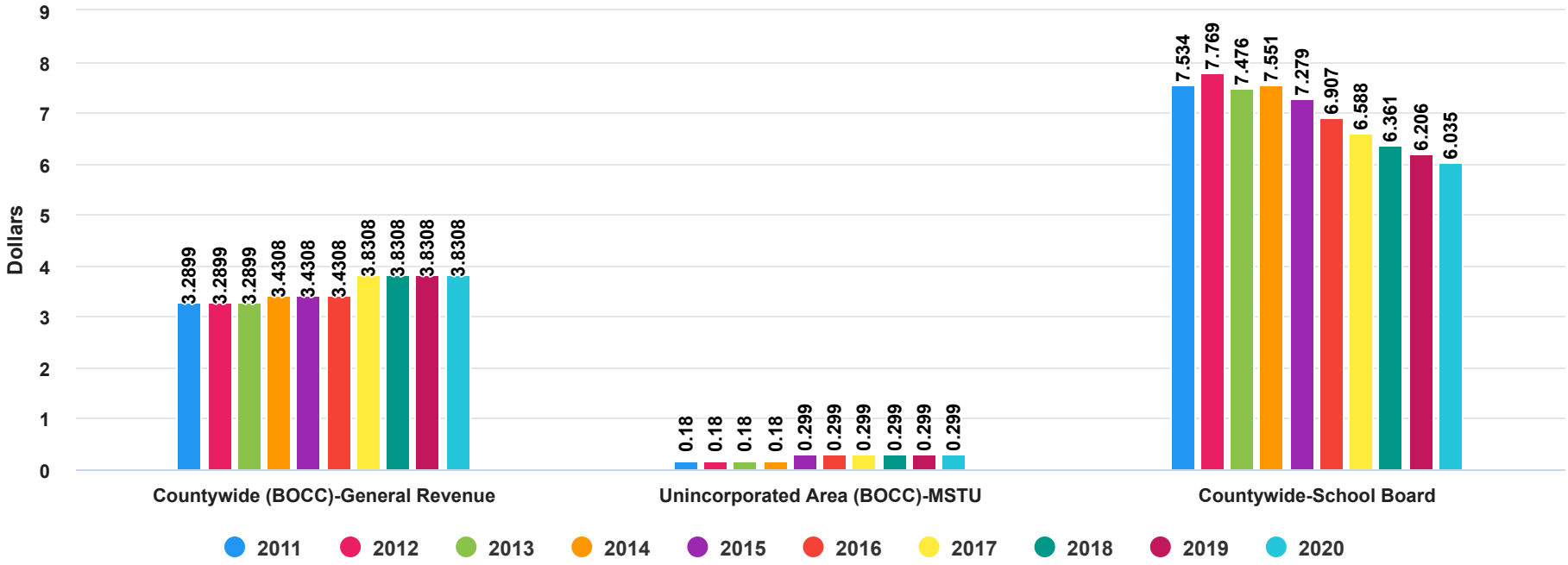
SCHEDULE 7

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

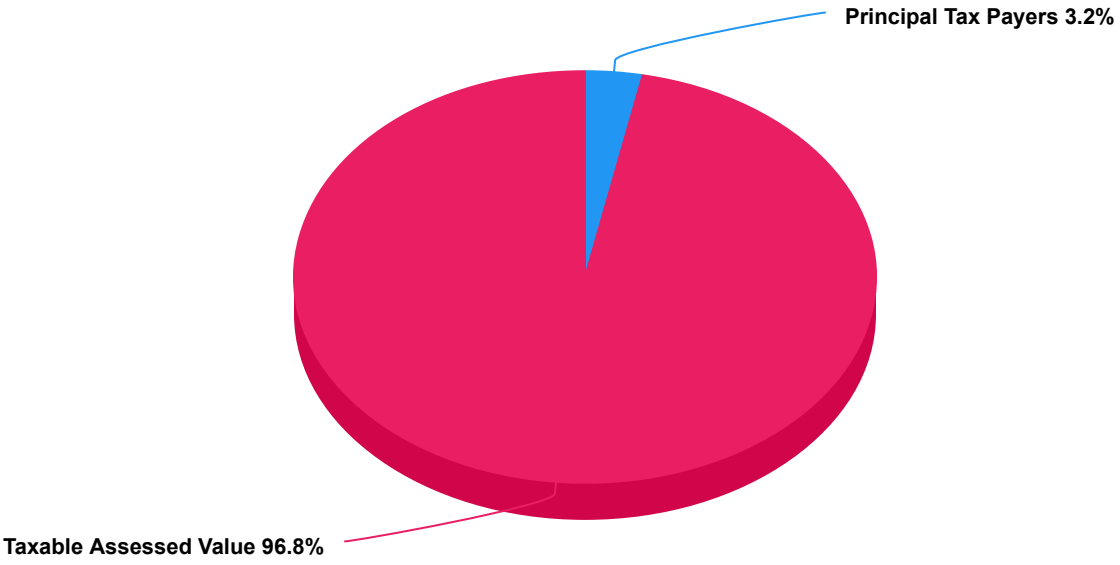
SCHEDULE 8

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

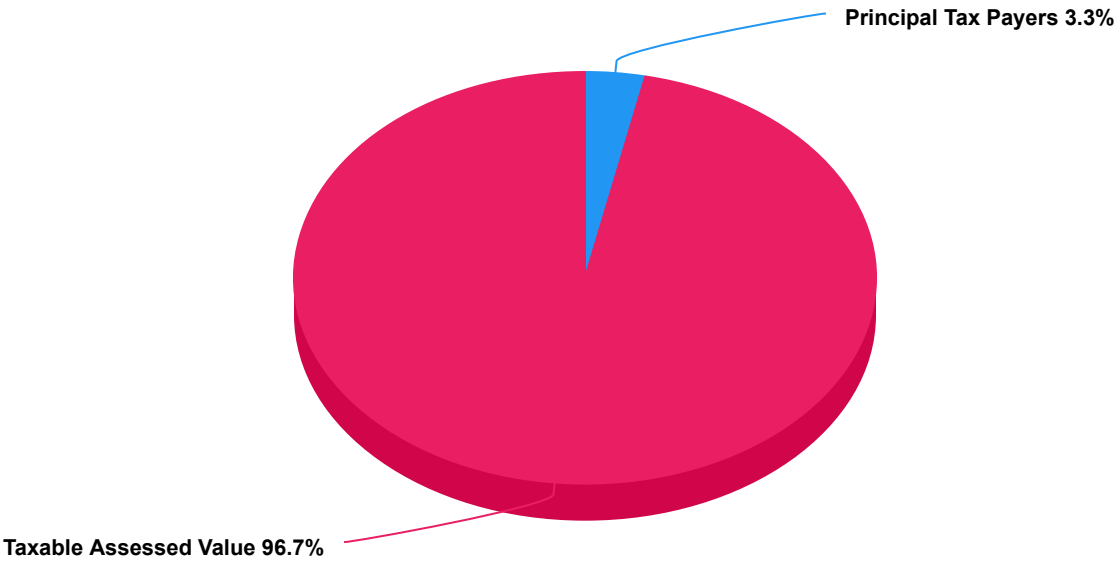
	2020		2011	
TAXPAYER	TAXABLE ASSESSED VALUE	PERCENTAGE OF TOTAL TAXABLE ASSESSED VALUE	TAXABLE ASSESSED VALUE	PERCENTAGE OF TOTAL TAXABLE ASSESSED VALUE
GULF POWER CO.	$ 206,931,238	1.05%		
FLORIDA GAS TRANSMISSION	61,151,367	0.31%		
DESTIN COMMONS LTD	53,127,529	0.27%		
PASSCO SEA GLASS DST	51,518,051	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

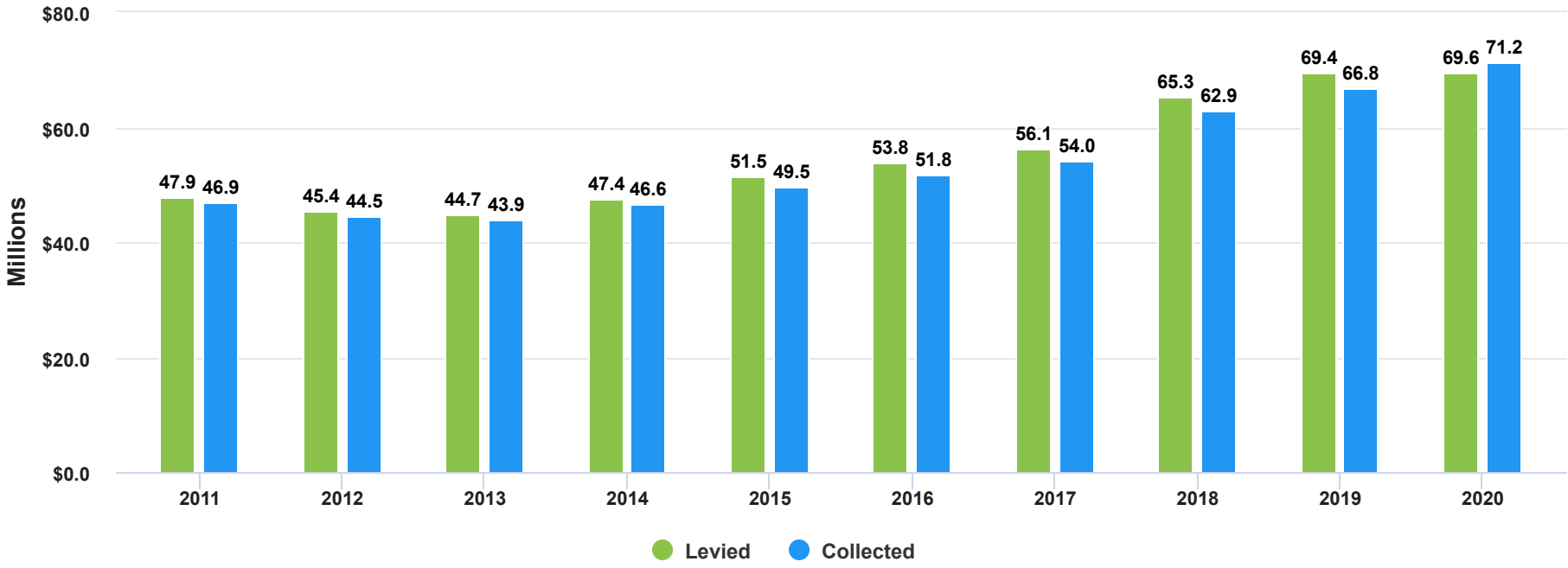
SCHEDULE 9

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

	GOVERNMENTAL ACTIVITIES				BUSINESS-TYPE ACTIVITIES							
FISCAL YEAR	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	TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
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

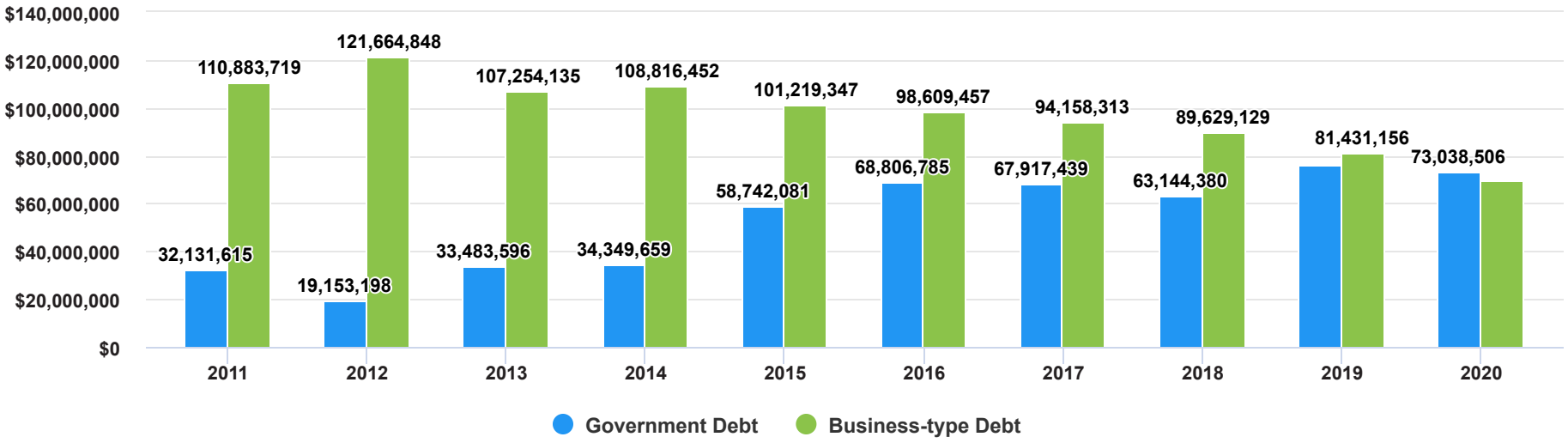
[5] Includes State Pollution Control Bonds, and Revenue Bonds, Series 2015 (Net issuance premium)

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

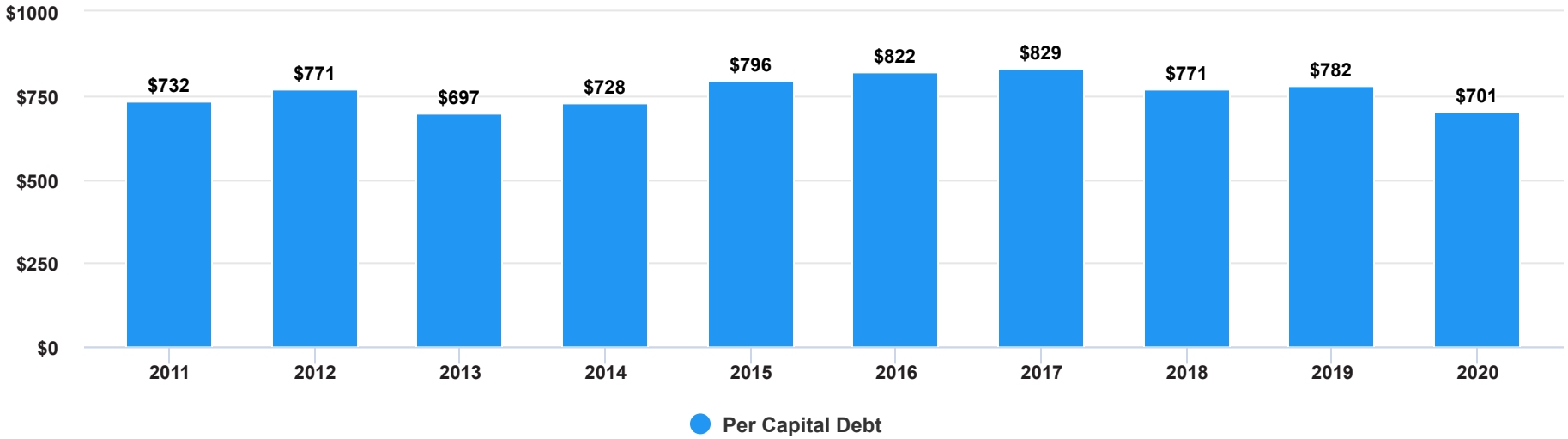
[7] Includes Capital Improvement Bonds, 1991

[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) 1985	1992	2004	2006	2012	2015	TOTAL	COVERAGE
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

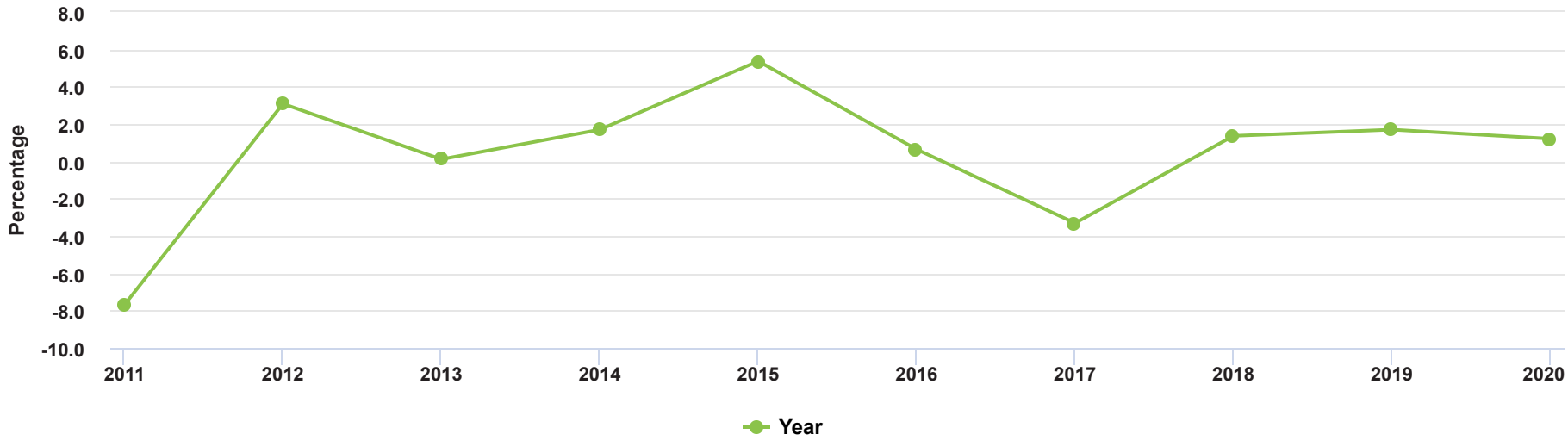
DEMOGRAPHIC AND ECONOMIC STATISTICS - LAST TEN YEARS

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%

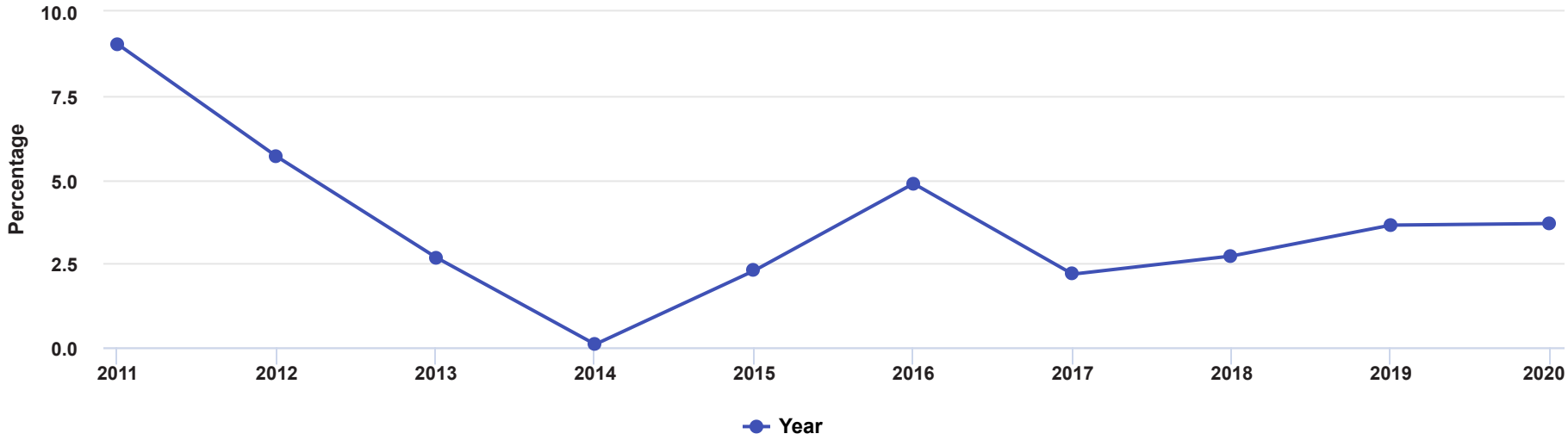
[1] Estimated income figures based upon average percent in prior years.

SOURCE: FLORIDA RESEARCH AND ECONOMIC DATABASE

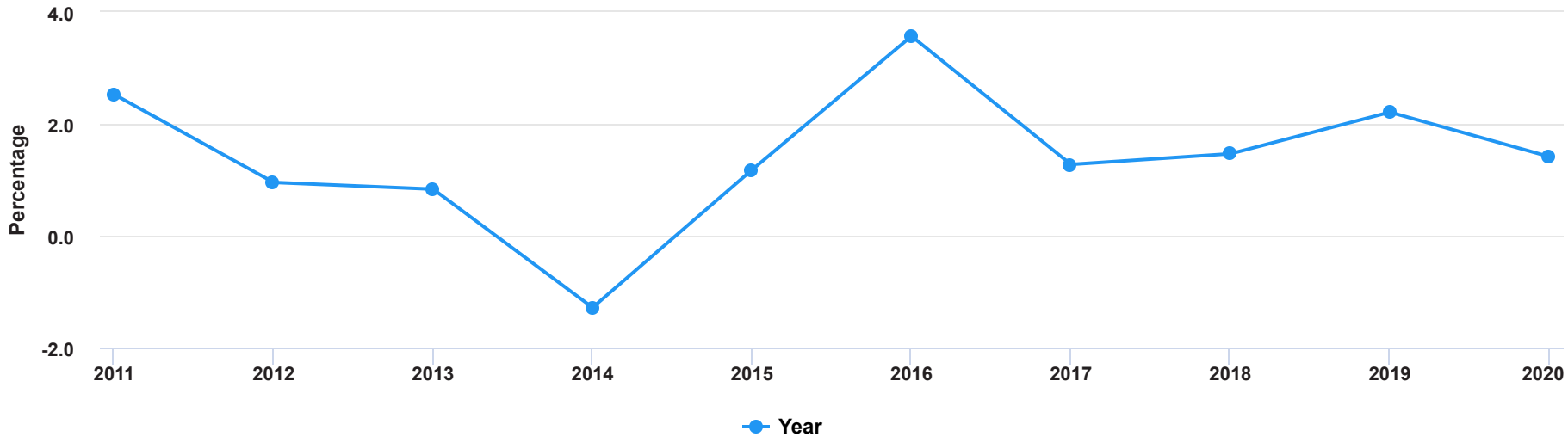
Population
Last Ten Fiscal Years



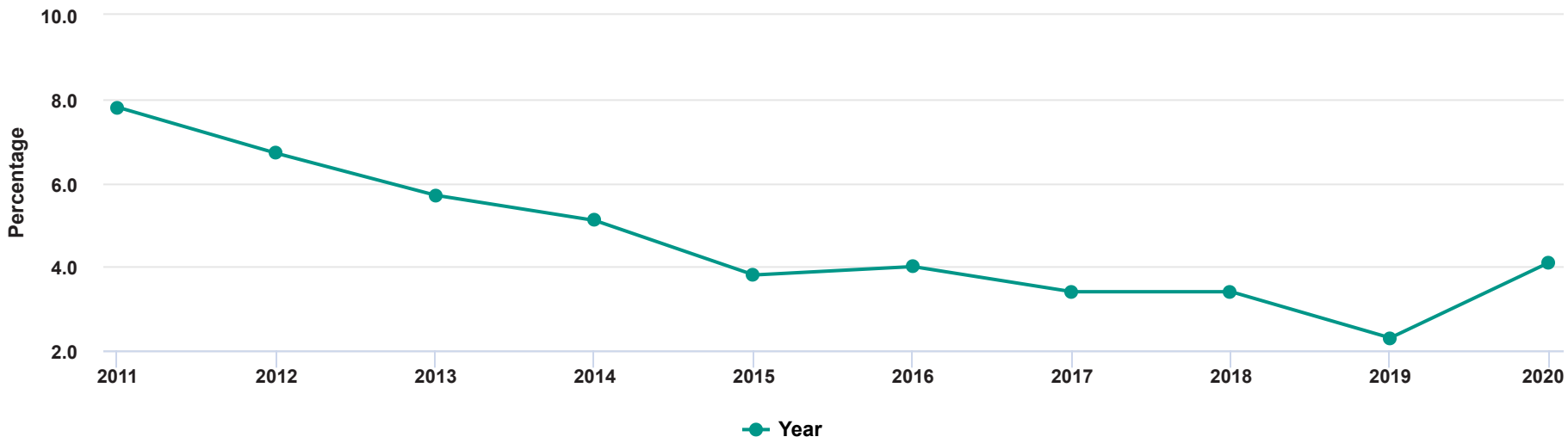
Personal Income
Last Ten Fiscal Years



Per Capita Income
Last Ten Fiscal Years



Unemployment Rate
Last Ten Fiscal Years



UNAUDITED

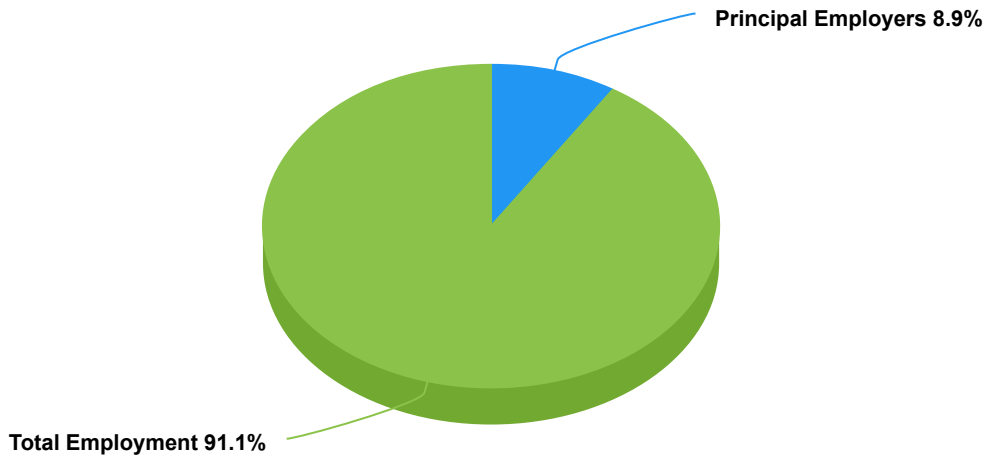
SCHEDULE 14

PRINCIPAL EMPLOYERS - CURRENT YEAR AND NINE YEARS AGO

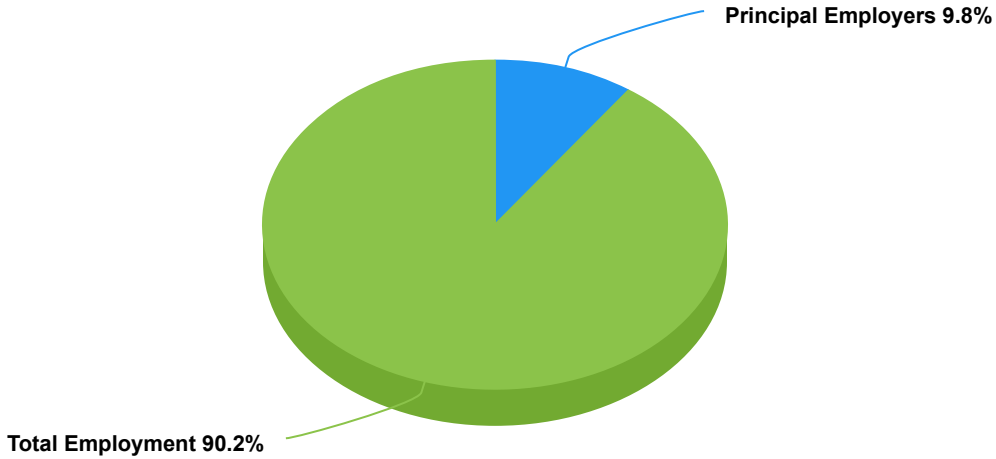
	2020		2011	
EMPLOYER	EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT	EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT
UNITED STATES DEPT OF AIR FORCE	5,029	5.62%		
UNITED STATES DEPT OF ARMY	669	0.75%		
OKALOOSA COUNTY SCHOOL DISTRICT	457	0.51%		
LOCKHEED MARTIN CORPORATION	382	0.43%		
NORTHWEST FLORIDA STATE COLLEGE	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

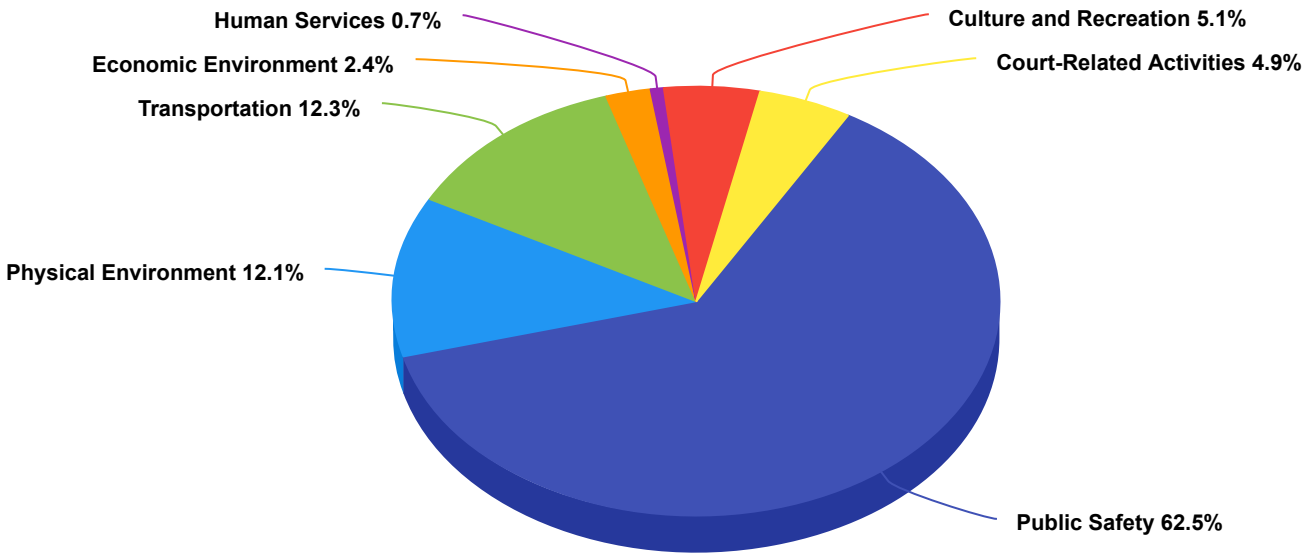
SCHEDULE 15

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

Compliance Section

Warren Averett
CPAs AND ADVISORS

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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.

Warren Averett, LLC

Fort Walton Beach, Florida
April 20, 2021

Warren Averett
CPAs AND ADVISORS

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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

Warren Averett
CPAs AND ADVISORS

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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

Source	Amount Received in Fiscal Year 2020	Amount Expended in Fiscal Year 2020
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.

Warren Averett
CPAs AND ADVISORS

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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.

Warren Averett, LLC

Fort Walton Beach, Florida
April 20, 2021

Warren Averett
CPAs AND ADVISORS

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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 it 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 Genera*l, 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

Revenues	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
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 I – 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.

Single Audit

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
FEDERAL AWARDS				
U.S. Department of Agriculture				
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.S. Department of Housing and Urban Development				
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.S. Department of the Interior				
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.S. Department of the Interior				
Direct Program				
Payments in Lieu of Taxes	15.226	N/A	11,013	-
Total U.S. Department of the Interior			11,013	-
U.S. Department of Justice				
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.S. Department of Transportation				
Direct Programs				
Federal Aviation Administration				
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
FEDERAL AWARDS (continued)				
U.S. Department of Transportation (continued)				
Direct Programs (continued)				
Federal Transit Administration				
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	-
Election Assistance Commission				
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.S. Department of Health & Human Services				
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.S. Department of Treasury				
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
Consumer Product Safety Commission				
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
FEDERAL AWARDS (continued)				
Delta Regional Authority, Denali Commission, Election Assistance Commission or Japan - U.S. Friendship				
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.S. Department of Homeland Security				
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
STATE FINANCIAL ASSISTANCE				
Executive Office of the Governor				
Direct Projects				
Florida Division of Emergency Management				
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	-
Florida Department of Environmental Protection				
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	-
Florida Department of Agriculture and Consumer Services				
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, 44801, 53801, 63801	63,210	-
Transportation Regional Incentive Program (TRIP)	55.026	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

1. SUMMARY OF AUDITOR RESULTS (CONTINUED)

Federal Awards and State Projects (continued)

Identification of Major Programs/Projects (continued):

State:

CSFA #	Name of State Project
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*.