

ON THE HORIZON

OKALOOSA COUNTY CLERK OF COURT &
COMPTROLLER



POPULAR ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2022

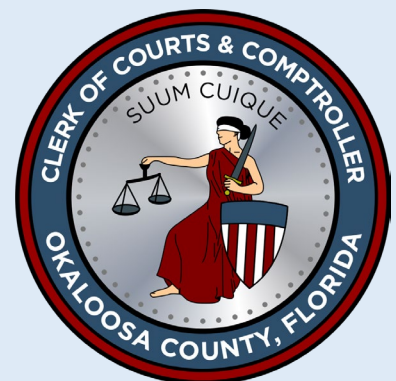


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MESSAGE FROM THE CLERK



To the Residents of Okaloosa County:

I am excited to present to you the County's Popular Annual Financial Report (PAFR) for the fiscal year ending September 30, 2022. The PAFR is an award-winning report on the status of Okaloosa County finances. It is designed to provide an easily understood summary and analysis of where county revenues come from and how those resources were managed and spent over the past fiscal year.

It is my responsibility as Clerk of the Circuit Court and County Comptroller to safeguard our county's funds and public records. In this role I serve as the official watchdog of county funds and resources, providing checks and balances on the county's budget, revenue, assets, and spending. I stand with your elected county constitutional officers and county commissioners in providing strong fiscal oversight of our county's resources. We are committed to providing excellent local government services in the most cost-effective and efficient manner possible.

Most of the information in this report is derived from Okaloosa County's Annual Comprehensive Financial Report. Awarded the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association, the Annual Comprehensive Financial Report contains detailed audited financial information. Since the information in the PAFR is summarized and does not provide financial information for all funds at the fund level, please refer to the Annual Comprehensive Financial Report for more in-depth and audited county financial information. Both reports are available on our website and can be accessed at www.okaloosaclerk.com/finance-accounting.

I hope you find this report to be informative. It is my honor and privilege to serve you as your Clerk and Comptroller. I am especially proud to serve with all the dedicated public servants in our county offices each day to enhance the quality of life here in Okaloosa County!

J.D. Peacock II, CPM

Okaloosa County Clerk of the Circuit Court and Comptroller

ABOUT THE CLERK

CLERK OF THE COURT

The Clerk serves the courts of Okaloosa County through activities such as; attending hearings and trials, processing all civil and criminal cases, jury management, maintaining custody of evidence, and assisting with petitions for protective injunctions.

34,400 NEW CASES FILED | 259,351 E-FILED DOCUMENTS PROCESSED | 20,350 JURORS SUMMONED

RECORDER OF THE DEEDS

The Clerk of Court is responsible for safeguarding all official documents for the county. Documents such as mortgages, marriage licenses, judgments and liens are electronically stored and preserved by the Clerk.

3,630 MARRIAGE LICENSES | 731 PASSPORT APPLICATIONS | 89,005 OFFICIAL DOCUMENTS PROCESSED

CHIEF FINANCIAL OFFICER, TREASURER & AUDITOR

As the Chief Financial Officer for the county, the Clerk serves as Accountant to the Board of County Commissioners and as Auditor and Custodian of County Funds. The Clerk is required to keep records and make required reports of all monies received and disbursed by the Board. The Clerk is also responsible for the collection, custody, and disbursement of county funds.

\$117,769,378 COURT AND LEGAL RECORDS FEES, FINES AND ASSESSMENTS COLLECTED & DISBURSED

CLERK TO THE BOARD OF COUNTY COMMISSIONERS

The Clerk is responsible for maintaining custody of all county resolutions, ordinances, and contracts as well as legal custody of the Official County Seal. The Clerk attends meetings of the Board of County Commissioners and processes appeals for the Value Adjustment Board.

\$242,383,026 AUDITED AND PAID COUNTY BILLS

OTHER DUTIES

On top of the duties listed above, the Clerk provides a myriad of other services and benefits to the community. Your Okaloosa County Clerk of Court is committed to providing outstanding customer service in both Fort Walton Beach and Crestview locations as well as top-notch phone support. The Clerk continues to seek ways to make processes more efficient and less costly for the county and its taxpayers.

66,183 PHONE CALLS ANSWERED | 47,230 WALK-IN CUSTOMERS SERVED

ABOUT THIS REPORT

Most of the information contained in this report is derived from the Okaloosa County's ACFR. The ACFR contains detailed and audited information. Information in the Okaloosa County's Popular Annual Financial Report is summarized and thus does not provide financial information for all funds nor conform to GAAP reporting requirements for government agencies. This report is designed to give non-financial readers information in an understandable way. For a more in depth and audited review of the financial statements please view the Okaloosa County ACFR available at www.okaloosaclerk.com/finance-accounting.



Government Finance Officers Association

Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting

Presented to

**Okaloosa County
Florida**

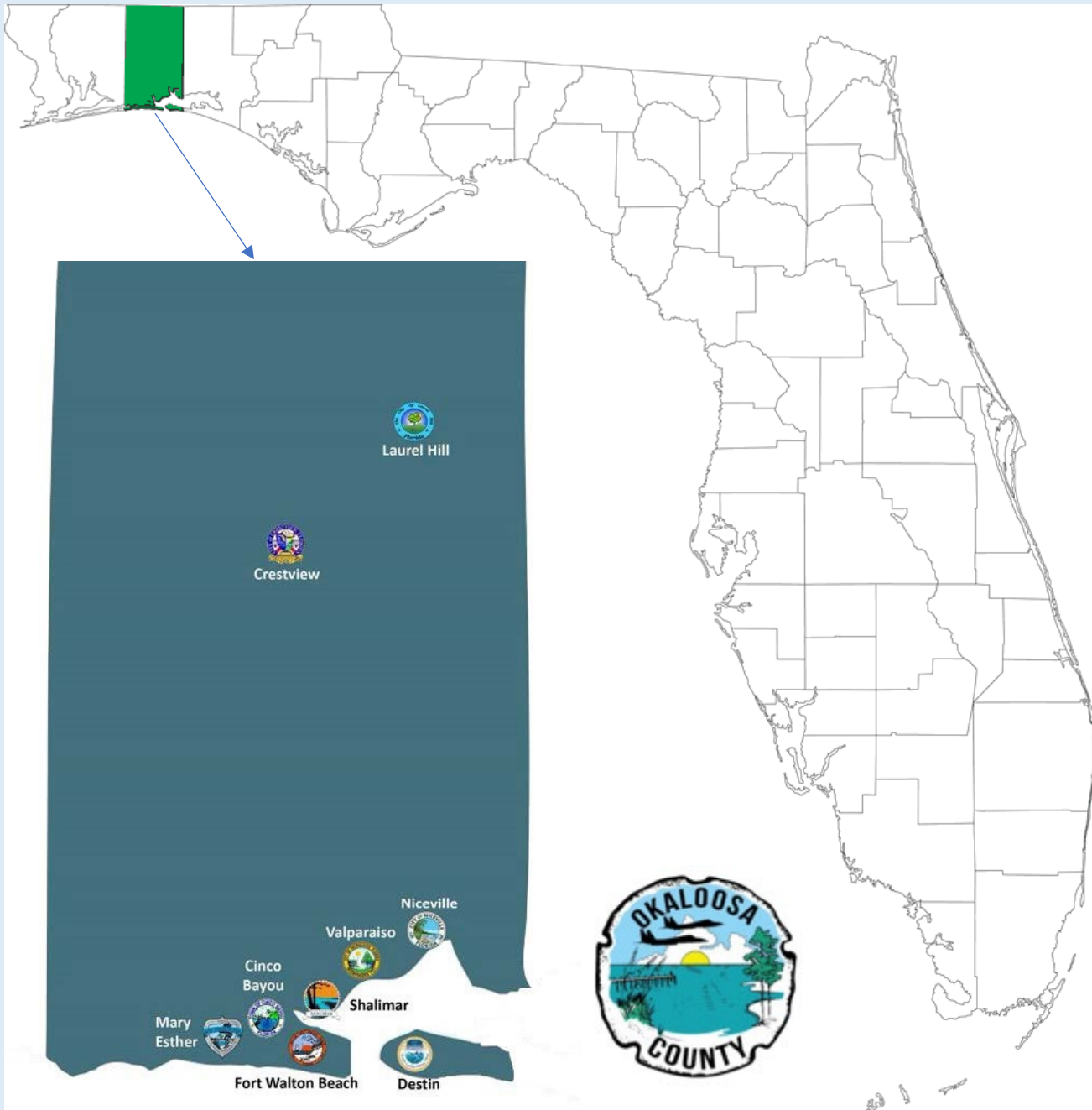
For its Annual Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morill

Executive Director/CEO

OKALOOSA COUNTY



Okaloosa County became the 52nd county in Florida in 1915, created from parts of Santa Rosa and Walton Counties. Okaloosa County Government was created to be responsive to citizens in providing an appropriate level of accessible services on a cost-effective basis.

BOARD OF COUNTY COMMISSIONERS

Nathan Boyles
District 3



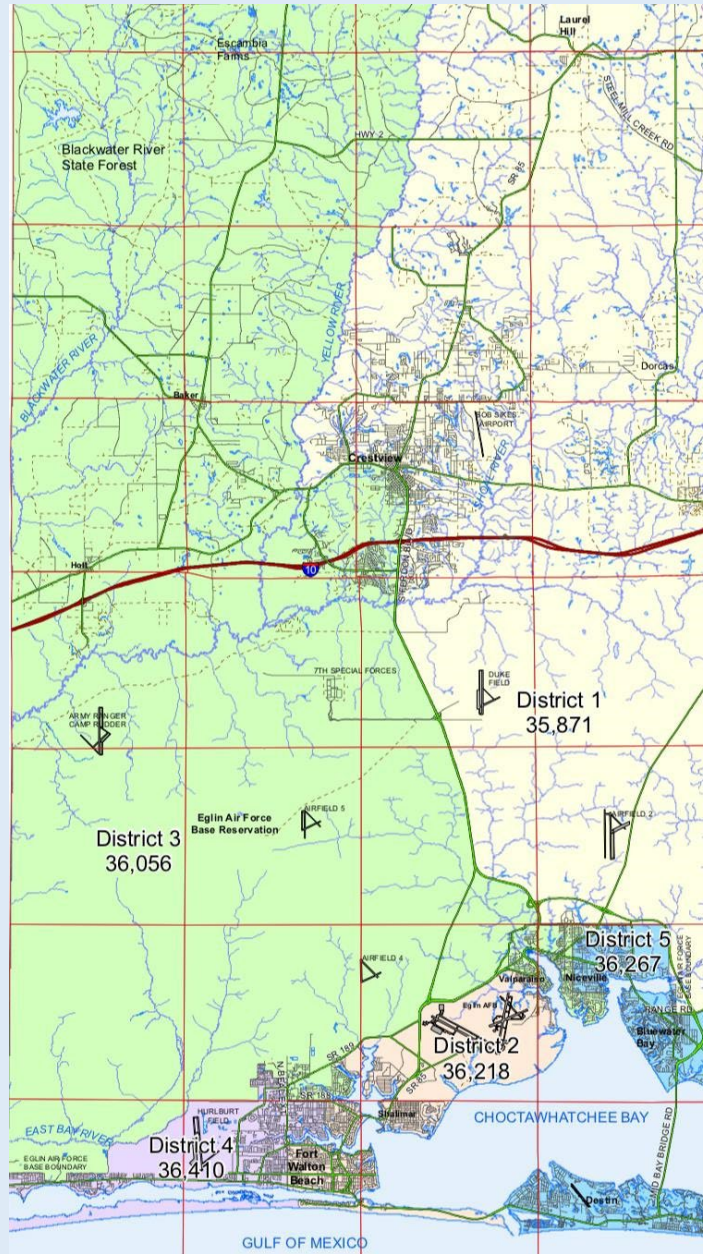
Paul Mixon
District 1



Mel Ponder
District 5



Trey Goodwin
District 4

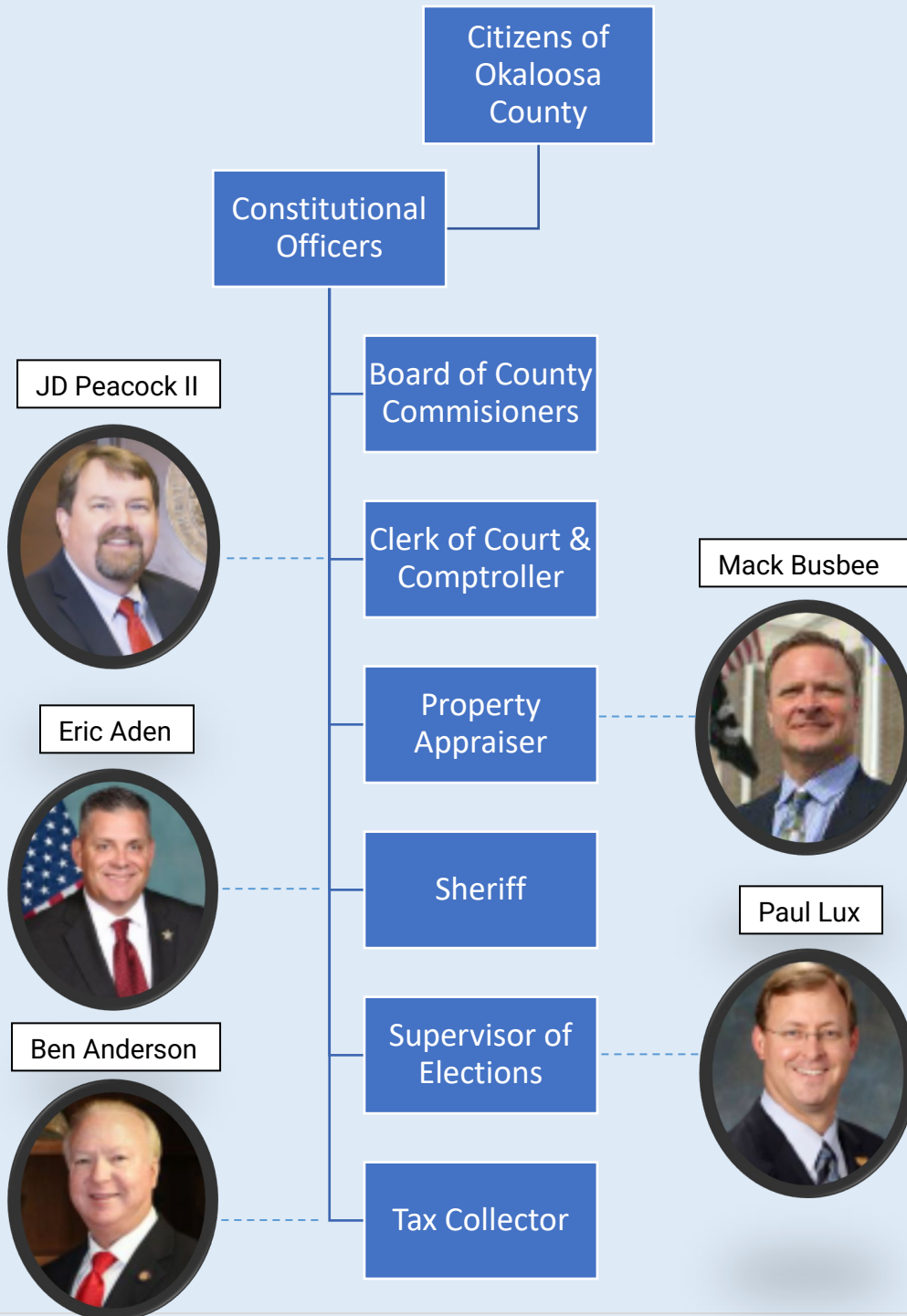


Carolyn Ketchel
District 2

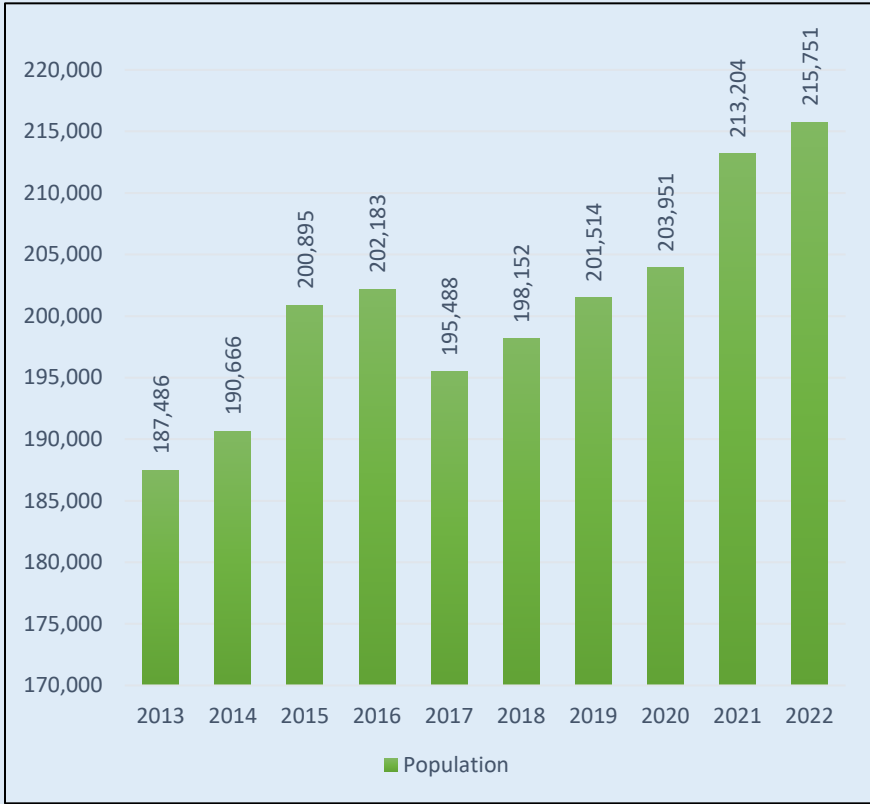








ELECTED CONSTITUTIONAL OFFICERS

In addition to the Board, there are five elected Constitutional Officers serving specific governmental functions. The framers of the Constitution intentionally made these countywide offices separate and independent from the County government to ensure the entity that decides how to spend your tax dollars (BOCC) is not the same entity that pays the County's bills (Clerk), assesses your property's taxable value (Property Appraiser), collects your taxes (Tax Collector), protects its citizens (Sheriff), or oversees the election process (Supervisor of Elections).



DEMOGRAPHICS & TOP EMPLOYERS



-  Unemployment Rate - 2.2%
-  Median Household Income - \$67,586
-  Median Home Price - \$300,000
-  Median Age - 36.9
-  # Students Enrolled in School District - 27,000
-  County Fiscal Year Budget - \$511.3M

EMPLOYER	EMPLOYED
Hurlburt Air Force Base (Active Duty)	8,261
Okaloosa County School District	3,495
Walmart Super Center	1,710
HCA Florida Fort Walton-Destin Hospital	1,221
Publix	1,050
Okaloosa County BOCC	903
Northwest Florida State College	765
North Okaloosa Medical Center	737
Reliance Test & Technology	730
Lockheed Martin	698

INSPECTOR GENERAL

Upon election, Clerk Peacock initiated a plan to create the Department of Inspector General. Clerk Peacock recognized and campaigned on the importance of government accountability through statutory and regulatory compliance, establishment of effective policies, procedures and transparency. The Clerk envisioned an accredited office that would be well funded and staffed by highly trained and experienced members. Established in January of 2015, the Department of Inspector General has initiated numerous audits and investigations.

MISSION:

The mission of the Inspector General is to improve the efficiency and effectiveness of government operations by providing independent, objective investigative and audit services to the citizens of Okaloosa County.

The Department's goal is to preserve public trust in government. The department strives to achieve this goal by maintaining the highest standards of professionalism.

The Department of Inspector General is **committed** to **prevention and detection** or misuse of County resources as well as ensuring an effect system of internal controls.

The Department of Inspector General has established three methods for individuals to report potential fraud, waste and/or abuse of County of Clerk resources.



Anonymous Tip Line: (850) 683-TIPS (8477)



Inspector General, 101 East James Lee Blvd, Crestview FL 32536



Online: www.okaloosaclerk.com



STATEMENT OF NET POSITION

The statement of net position presents information on all the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The difference between the assets plus the deferred outflows of resources and the liabilities plus the deferred inflows of resources is the 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.

	FY 2022	FY 2021	INCREASE (DECREASE)	PERCENT CHANGE
Assets (in millions):				
Current and Other Assets	489.3	357.4	131.9	36.9%
Capital Assets (Net)	704.2	640.0	64.2	9.1%
Total Assets	1,193.5	997.5	196.0	19.7%
Total Deferred Outflows of Resources	36.5	29.0	7.6	26.1%
Liabilities:				
Current Liabilities	96.5	73.2	23.3	31.8%
Non-Current Liabilities	300.6	203.1	97.5	48.0%
Total Liabilities	397.0	276.3	120.7	43.7%
Total Deferred Inflows of Resources	90.0	83.1	6.8	7.6%
Net Position:				
Net Investment in Capital Assets	583.1	514.8	68.2	13.3%
Restricted	150.9	147.8	3.0	2.1%
Unrestricted	9.1	4.3	4.9	114.2%
Total Net Position	743.1	666.9	76.1	11.4%
% of Capital Assets to Total Net Position	78.5%	77.2%		
% of Restricted Assets to Total Net Position	20.3%	22.2%		
Unrestricted Net Position by Activity				
Governmental	(44.1)	(50.5)		
Businesses-Type	53.2	54.8		

As of September 30, 2022, the County's total net position increased by \$76.1 million to \$743.1 million. A significant portion is investment in capital assets. Since the County uses capital assets to provide services to its residents, the net position represented by "net investment in capital assets" is not available for future spending. The restricted component of net position represents assets subject to constraints such as by debt covenants, grantors, contributors, or laws and regulations. The unrestricted net position is available to meet the County's ongoing obligations to citizens, creditors, and customers.

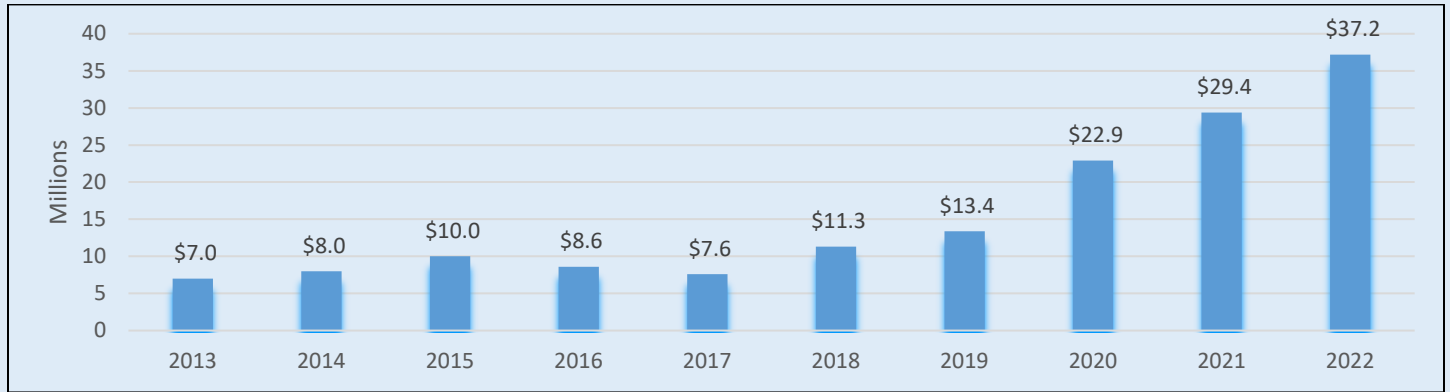
STATEMENT OF ACTIVITIES

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.

	FY 2022	FY 2021	INCREASE (DECREASE)	PERCENT CHANGE
REVENUES (in millions)				
Program Revenues:				
Charges for Services	140.4	132.1	8.3	6.3%
Operating Grants/Contributions	12.5	37.4	(25.0)	-66.6%
Capital Grants/Contributions	25.1	32.8	(7.6)	-23.3%
General Revenues:				
Taxes	148.9	137.7	11.1	8.1%
State Shared Revenue	37.0	32.1	4.9	15.4%
Other	0.3	3.2	(2.9)	-90.9%
Total Revenues	364.2	375.3	(11.1)	-3.0%
EXPENSES				
General Government	44.2	40.0	4.3	10.7%
Public Safety	90.9	93.6	(2.6)	-2.8%
Physical Environment	2.5	2.3	0.1	6.4%
Transportation	20.1	20.1	(0.1)	-0.3%
Economic Environment	20.8	19.0	1.8	9.3%
Human Services	6.1	5.9	0.2	3.3%
Culture & Recreation	12.1	15.1	(3.0)	-19.6%
Court-Related	10.0	9.4	0.5	5.6%
Interest & Fiscal Charges	2.4	2.3	0.0	1.4%
Water & Sewer	31.6	31.1	0.5	1.5%
Airport	20.0	15.3	4.7	30.7%
Solid Waste	13.1	11.8	1.3	10.7%
Inspections	2.7	2.0	0.6	32.0%
Emergency Medical	11.7	9.3	2.4	26.4%
Total Expenses	288.1	277.3	10.8	3.9%
Increase in Net Position	76.2	98.1	(21.9)	-22.3%
Net position - Beginning	666.9	568.9	98.1	17.2%
Net position - Ending	743.1	666.9	76.2	11.4%

GENERAL FUND

The General Fund is the chief operating fund of the County. As of September 30, 2022, total fund balance in the General Fund was \$37.2 million of which \$32.0 million was unassigned. The General Fund expenditures for the fiscal year exceeded revenues by \$5.3 million. The increase in the current fiscal year fund balance was mainly due to increased property tax revenues.



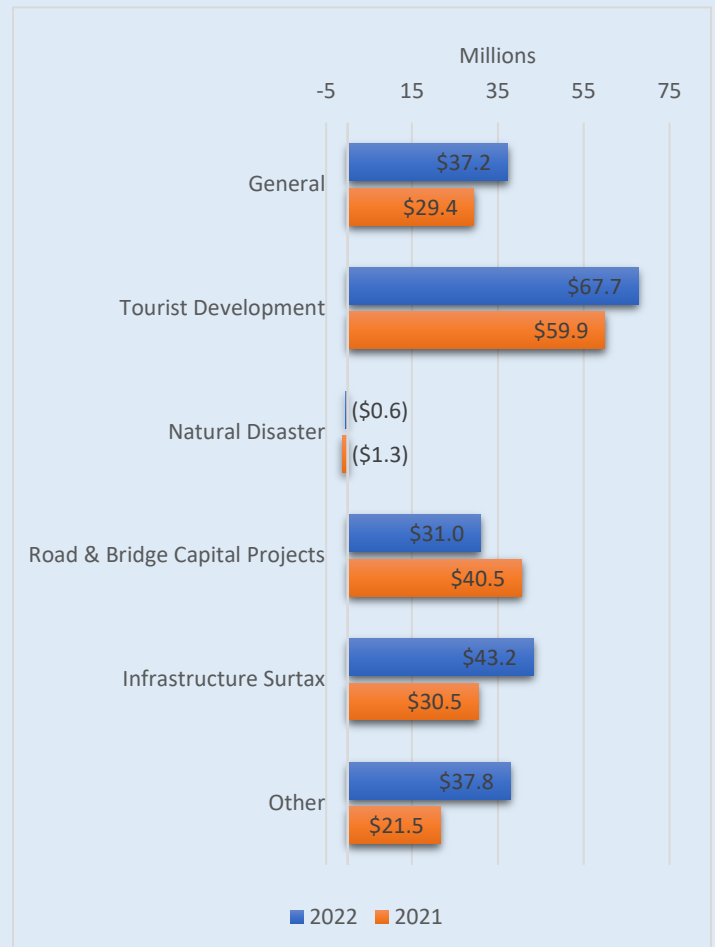
GOVERNMENT FUND BALANCE COMPARISON

The Tourist Development Special Revenue Fund is used to account for the revenues and expenditures collected on short-term rentals in Okaloosa County. The fund balance increased over the prior year by \$7.8 million primarily due to tax revenues exceeding expenditures.

The Natural Disaster Fund is used to account for disaster funding and expenditures not considered normal recurring operating activity of the County. The fund balance increased over the prior year by \$0.7 million due primarily to the recognition of FEMA funds.

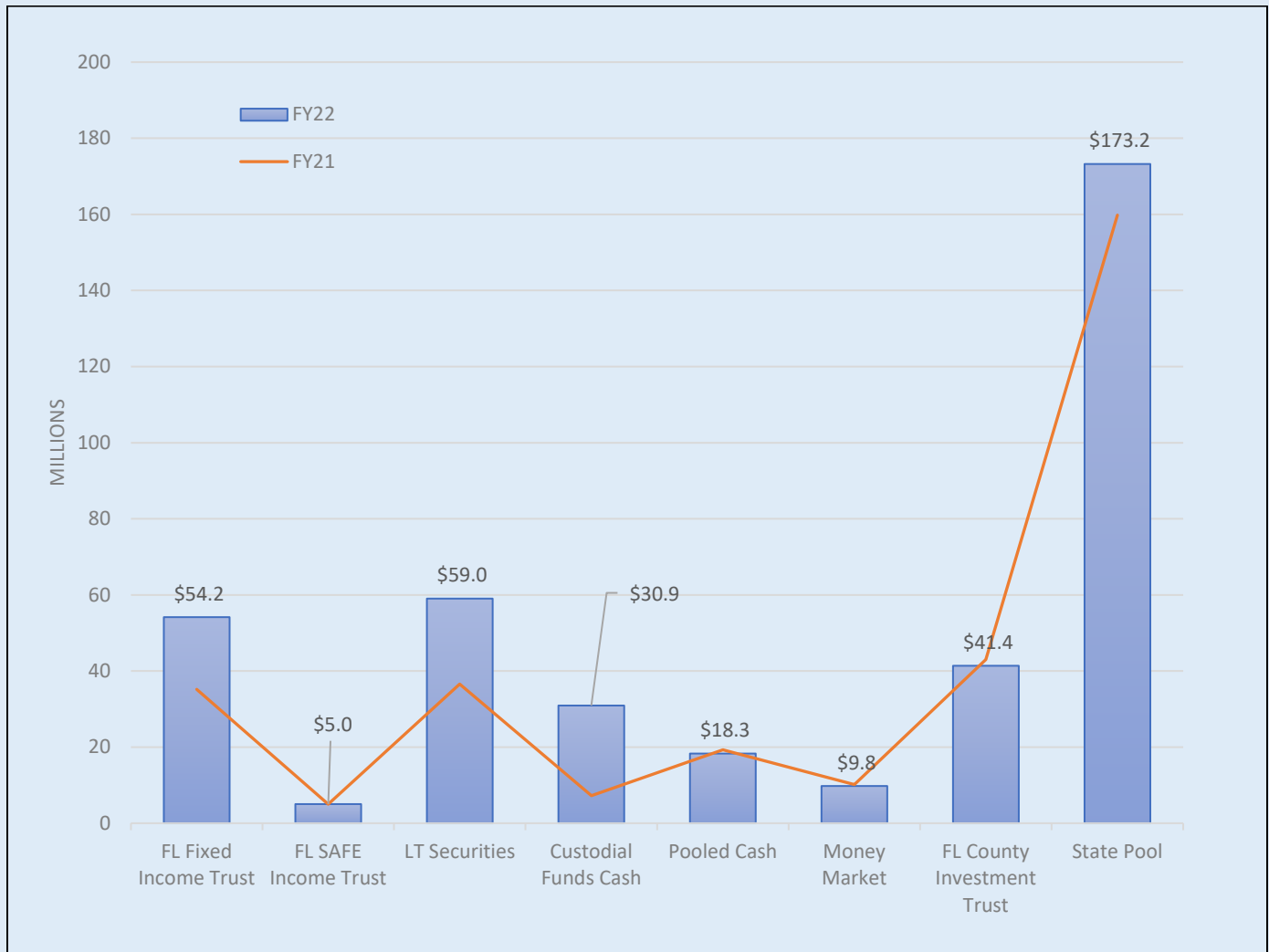
The Road and Bridge Construction Capital Projects Fund is the construction fund that is used to account for major governmental capital improvements. The fund balance decreased by \$9.6 million due to construction costs associated with the southwest Crestview bypass.

The Infrastructure Surtax Fund is the fund that is used to account for the funds received from the imposition of the one-half cent sales tax for the purpose of financing, planning, reconstructing, renovating and improving Okaloosa County’s infrastructure. The fund balance increased over the prior year by \$12.8 million due primarily to tax revenues exceeding expenditures.



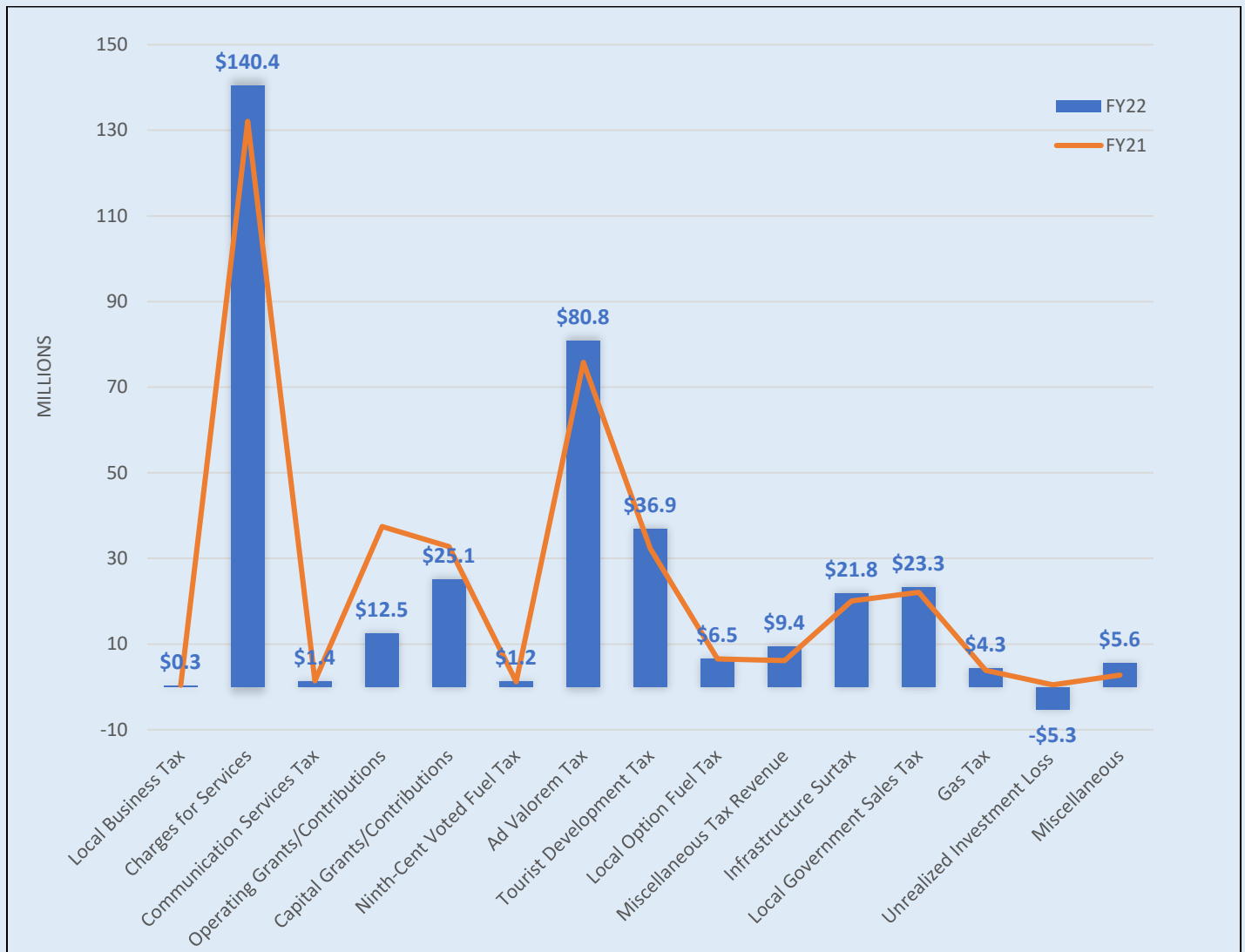
OKALOOSA COUNTY CASH & INVESTMENTS

The Clerk manages the County's Investment Portfolio utilizing the objectives commonly found in governmental investments and adopting the acronym of SLY (Safety, Liquidity and Yield) in that order. The investments are allowed under Florida State Statutes of 218.415, along with the County's adopted investment policy authorized by Ordinances 2016-21, 2017-04 and 2018-02. As of September 30, 2022, the County's cash and investments exceeded \$390 million, allocated as described below.



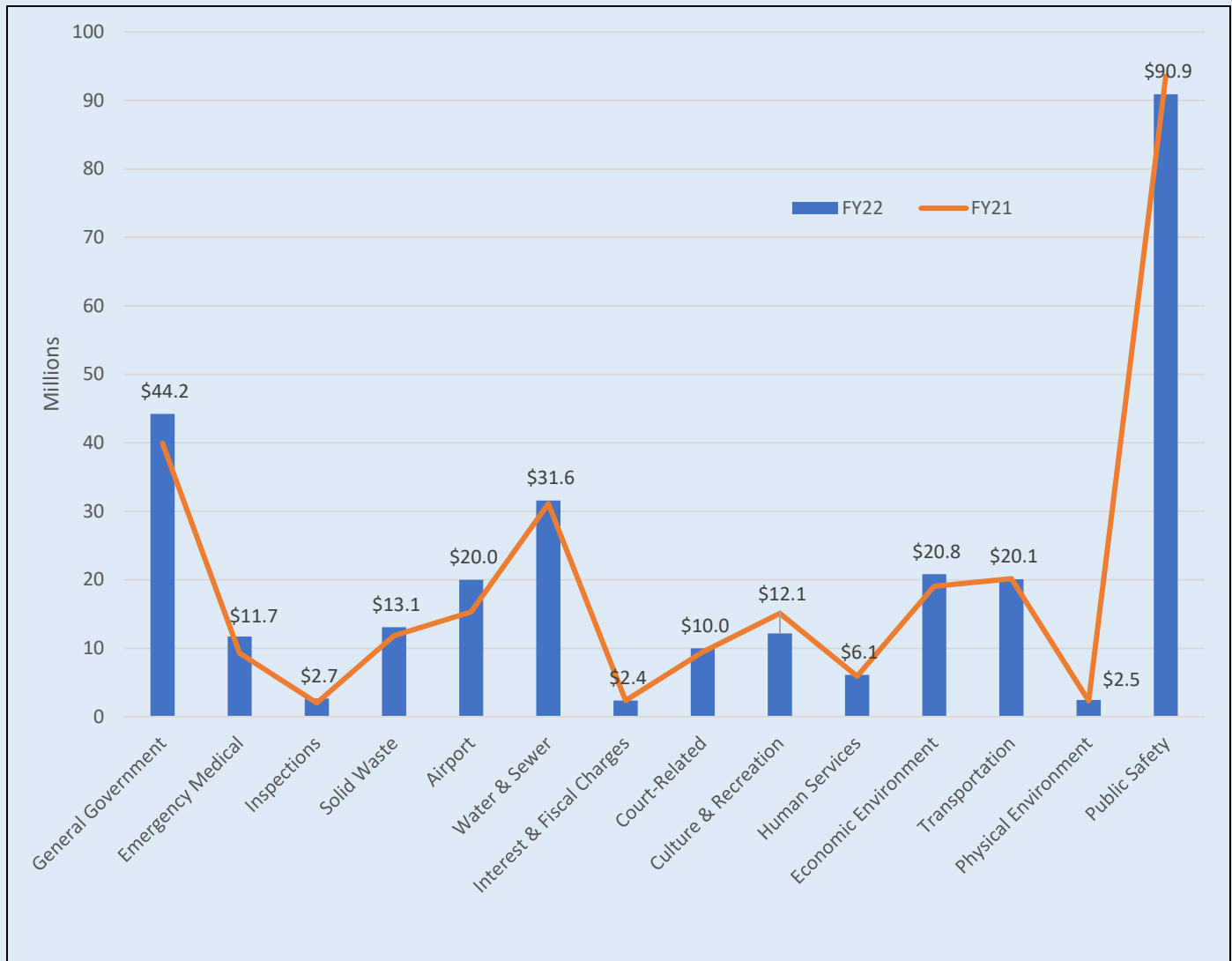
REVENUES

The revenues decreased by 3.4% percent in governmental activities, primarily due to a decrease in operating and capital grant activity and a decline in unrealized investment loss. The decrease in operating grants and contributions is directly related to the funding received in 2021 from the federal government through the Coronavirus Aid, Relief, and Economic Security (CARES) Act, while the unrealized losses on investments can be attributed to the economic environment that existed as of September 30, 2022. Similarly, the revenues in business-type activity decreased by 2.0%.



DISBURSEMENTS

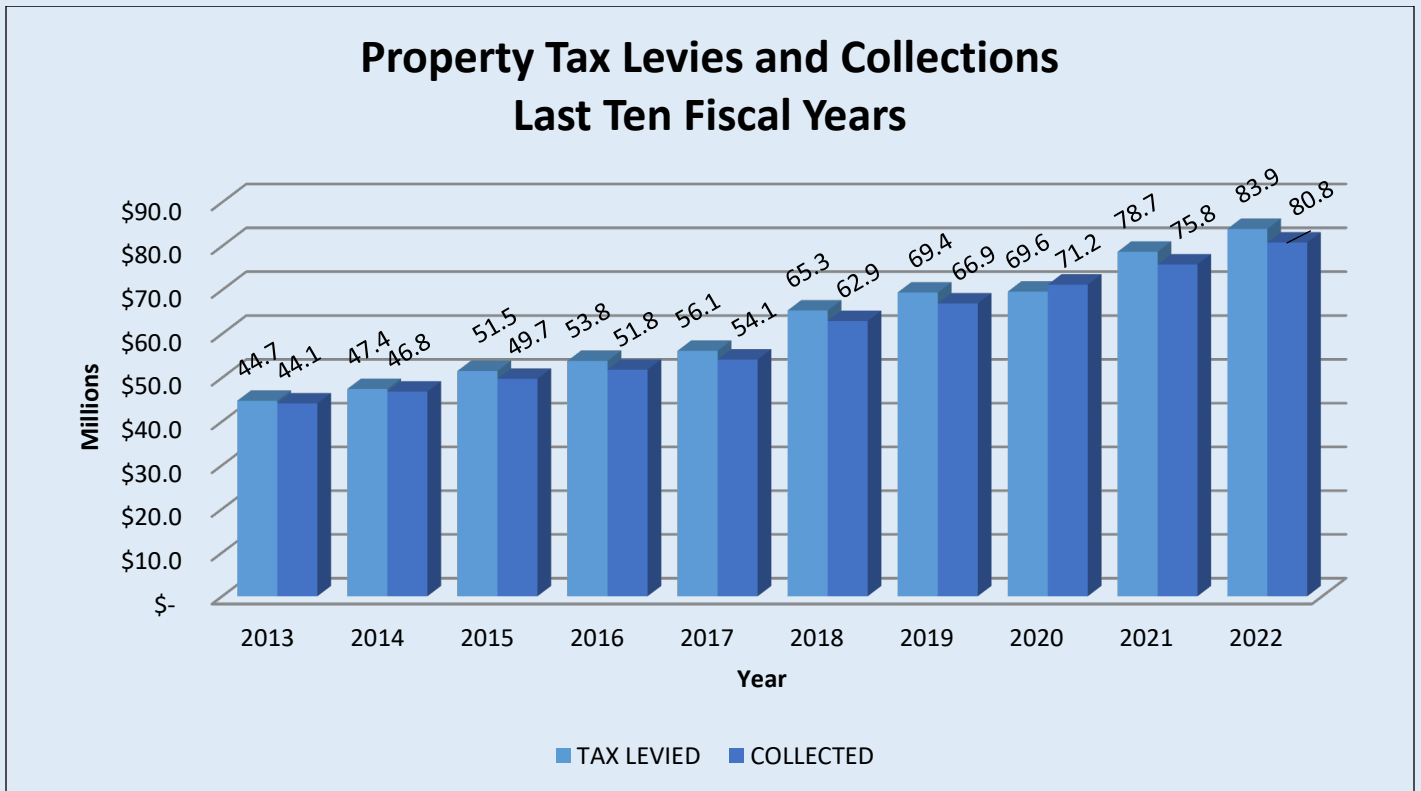
Expenses increased by 0.6% in governmental activities, due to increased general government expenses as the economy continues to its recovery from the impact of the COVID-19 pandemic. This increase was offset by a decrease in public safety expenses related to the CARES Act. The business-type expenses increased by 13.7% mainly due to increased personnel costs and associated costs of the required employer contribution to the Florida Retirement System.



PRINCIPAL TAXPAYERS

Principal Property Taxpayers	Taxable Assessed Value	% of Total Taxable Assessed Value
Florida Power & Light	\$122,112,444	0.51%
Florida Gas Transmission Co	\$63,494,057	0.26%
Choctawhatchee Electric Co	\$40,419,127	0.17%
Lurin Real Estate Holdings VI	\$25,079,807	0.10%
Embarq Corp	\$14,209,914	0.06%
Fort Walton Beach Medical Center	\$17,112,518	0.07%
Uniti Fiber Holdings Inc	\$14,801,102	0.06%
JRW Investments LLC	\$9,536,055	0.04%
Gulf Coast Solar Center LLC	\$9,393,667	0.04%
Prime Storage Crestview LLC	\$8,746,294	0.04%

PROPERTY TAX LEVIED AND COLLECTED





Fort Walton Beach

1940 Lewis Turner Blvd
Fort Walton Beach, FL 32547
(850) 651-7200



Crestview

101 E James Lee Blvd, Suite 108
Crestview, FL 32536
(850) 689-5000