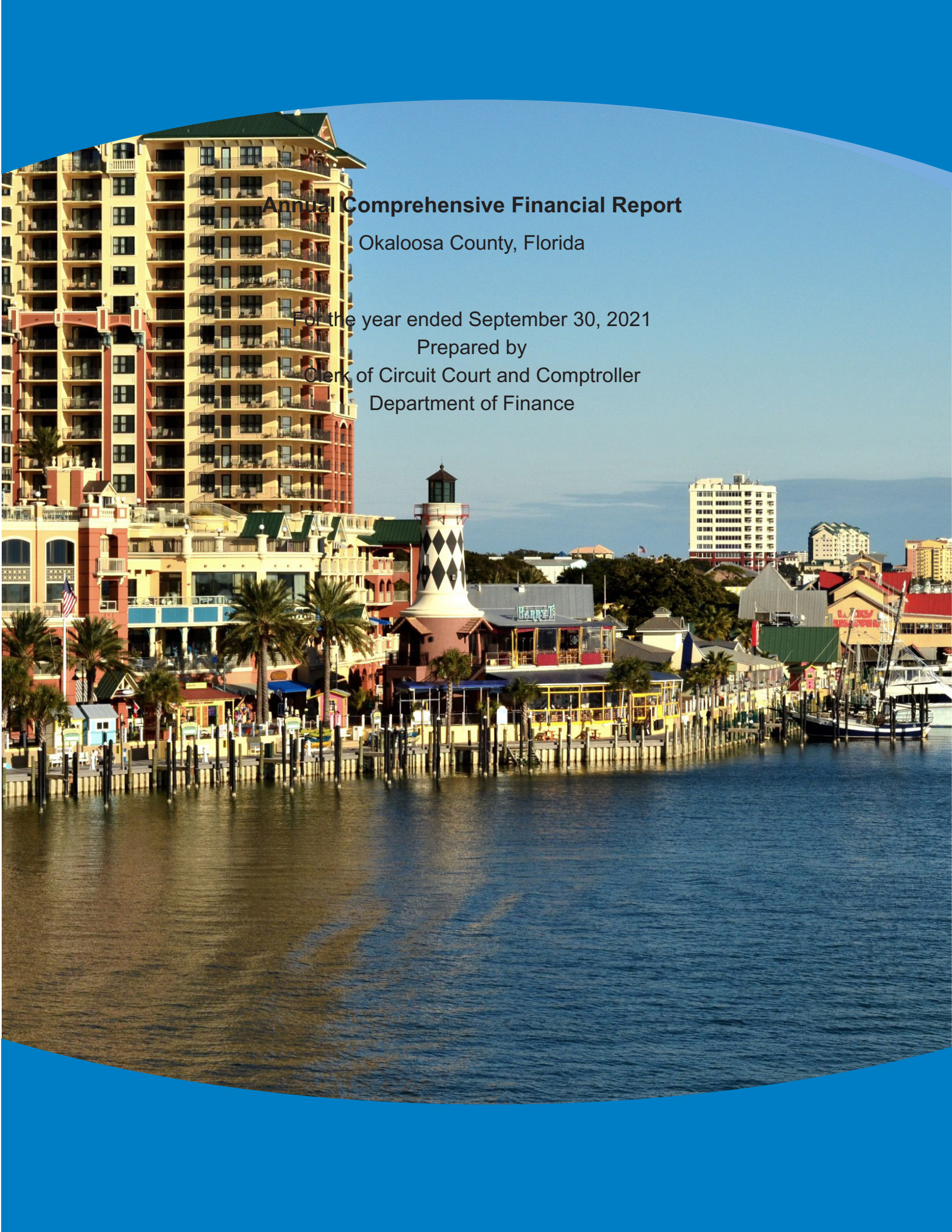


**FOR THE FISCAL
YEAR ENDED
SEPTEMBER 30,
2021**

**Okaloosa County,
Florida**



**ANNUAL
COMPREHENSIVE
FINANCIAL
REPORT**

A scenic view of a waterfront town, likely Okaloosa County, Florida. The foreground shows a body of water with a wooden pier and several boats. In the middle ground, there is a prominent lighthouse with a black and white diamond pattern. Behind the lighthouse, there are several buildings, including a large multi-story apartment or hotel building on the left. The background shows more buildings and a clear blue sky.

Annual Comprehensive Financial Report

Okaloosa County, Florida

For the year ended September 30, 2021

Prepared by

Clerk of Circuit Court and Comptroller

Department of Finance



Introductory Section

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JD PEACOCK II

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



April 13, 2022

To the Citizens of Okaloosa County:

We are pleased to present to you the Annual Comprehensive Financial Report of Okaloosa County, Florida (the County) for the fiscal year ended September 30, 2021. The Clerk of the Circuit Court and County Comptroller, by authority of the Constitution of the State of Florida, is responsible for both the accuracy of the presented data as well as the completeness and fairness of the presentation, including all disclosures. This report was prepared by the Finance Department under the supervision of the Clerk of Court & Comptroller. 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 (MD&A) - 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, 2021, 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, 2021, 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 over 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, is an Air Force Materiel Command base serving as the focal point for all Air Force Armaments. Eglin is responsible for development, acquisition, testing, deployment and sustainment of all air-delivered non-nuclear 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 a 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 7.5 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 101,172 and the unemployment rate at 3.2 percent as of September 2021. This compares favorably to Florida's rate of 4.9 percent and the national rate of 4.8 percent. Okaloosa County's cost of living is consistently below the national average and Florida has no state income tax. Property valuations increased again this year, continuing 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

The County has made significant progress in several areas on behalf of the citizens. The County has now broken ground on every phase of the Southwest Crestview Bypass, from phases I-IV along PJ Adams Parkway on the south side of I-10 to Phase V and the East-West Connector on the north side of I-10. Coupled with the interchange connection between Phase IV and V, soon to be under construction by the Florida Department of Transportation (FDOT), 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 has fully funded the project through a combination of half-cent discretionary infrastructure surtax, BP Oil spill restitution and FDOT funds, scheduled to be completed by the end of 2024. Another major initiative is the systematic stabilization of numerous dirt roads, with a combination of lime rock and chip seal treatment, which will reduce maintenance and improve surface water quality in several areas of north County.



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 impacts. 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. Infrastructure Surtax funding provided the opportunity to complete a Sheriff's Office Training Center improvement in West Crestview, and projects are in place and underway to improve the security of schools and improve emergency communications throughout the County. 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 was able to rehabilitate gravity sewers made of clay by using



cured-in place piping that reduces infiltration, exfiltration and root intrusion; thus, lessening the risk of blockages, backups, and sanitary sewer overflows. Additionally, Water & Sewer was able to improve and rehabilitate lift stations and water mains across the County. Construction began on the Okaloosa County/Niceville/Eglin Air Force Base reclaimed water project with a total cost of \$11 million for 11 miles of pipeline, which was partially funded with \$2.5 million awarded from the Florida Water Management District. Resiliency was a top priority and in addition to gravity sewer rehab and redundant alarm systems being added, numerous generators and bypass pumps were purchased, with many more in the planning stages. Clifford Street Lift Station – the largest and most vulnerable in the Fort Walton Beach area – underwent numerous upgrades. In-house staff completed the installation of water and sewer mains along Highway 90 East to Jericho Road with the help of Triumph Gulf Coast grant funding. This

project expands water and sewer availability to a portion of the County being primed for industrial and residential development in Crestview.

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 solutions. The solid waste contract services generated over \$12M in revenue and managed over 160,000 tons of waste for approximately 34,000 homes. 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, stormwater management and public safety in Okaloosa County is providing a new source of income for infrastructure improvements. In addition to the Southwest Crestview Bypass, the County recently completed a complete stormwater

retrofit project in Fort Walton Beach from Standish Court to Cinco Bayou and is underway with an even more ambitious retrofit project along 6th Street in the Port Dixie section of Shalimar from 9th Avenue to its outfall south of 3rd Avenue. The Destin-Fort Walton Beach Airport (VPS), along with the General Aviation Airports in Destin at the Destin Executive Airport (DTS) and in Crestview at the Bob Sikes Airport (CEW), continued to enhance all facets of aviation activity with significant growth throughout the year. Recent FDOT economic impact studies detail over \$2B in economic impact generated annually from Okaloosa County's three airport systems. The US Department of Transportation and FDOT helped fund projects at the County's airports related to facility expansions and safety improvements. At the Destin-Fort Walton Beach Airport, upgrades include a new Baggage Handling System and main terminal lobby expansion, additional ticket counters, circulation space and restrooms. A new five-gate Concourse C will be completed in advance of the 2022 summer season with additional TSA checkpoints and concessions. Improvements to the rental car facilities adding additional throughput capacity and the kick-off of design for an expanded baggage claim area with two additional carousels are underway. The Bob Sikes Airport celebrated the ribbon cutting of Foy Shaw Industrial Parkway, a direct connector road between U.S. Highway 90 and the airport and the Destin Executive Airport welcomed Atlantic Aviation as the new Fixed Base Operator owner.



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's "Destination Stewardship" program elevates the visitor experience and improves the economic impact of stays by engaging visitors and locals in unique locations and experiences of the Destin-Fort Walton Beach area to fulfill the destination's brand promise to get kids on the water, as well as to address core challenges of improving mobility and accessibility to adventures, friendliness and pride in place. 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 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 over 650,000 acres, funding is supplemented by grant funding which aids in management of Zika control initiatives.

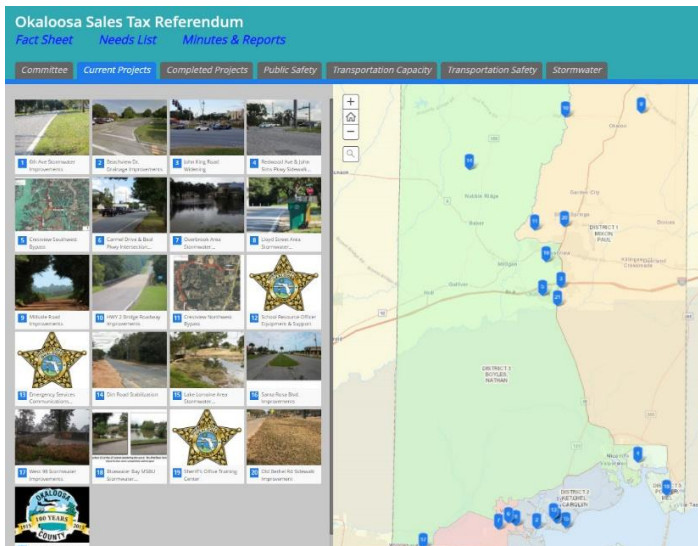
Culture/Recreation Initiatives

The Culture and Recreational activities are an important element of funding in this diverse County ranging from the beautiful beaches to parks throughout the County, especially in the rural areas of north county. A horse arena attracts equestrian enthusiasts for rodeos and other competitive events. The Countywide Library Cooperative and their support of the other Municipal libraries, as a part of that cooperative, continued to provide library services during the year as they introduced a digital library card. Tourist Development continues utilizing bed tax to protect and restore Okaloosa County’s natural resources, including artificial reef deployments, a fish aggregating device network, beach dune restoration, and a women’s veterans memorial.

Future Initiatives

The County was heavily impacted by the COVID-19 pandemic but saw a rebound, breaking records in

revenue and occupancy in 2021. Future planning initiatives include building up financial reserves, establishing a budget reserve policy, and allocating resources prudently. The half-cent discretionary infrastructure surtax has enabled the county to launch many projects which will benefit county residents. There are currently 23 projects in planning phases, including the North-western Crestview bypass. Revenue in this fund has exceeded expectations which has allowed for many 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 tourism. In an effort to create other opportunities, the County isrecently 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 was approved by voters on October 5, 2021, which will provide additional funding to address tourism-related issues such as mobility, accessibility, and public safety.

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 an 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, 2020.

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**

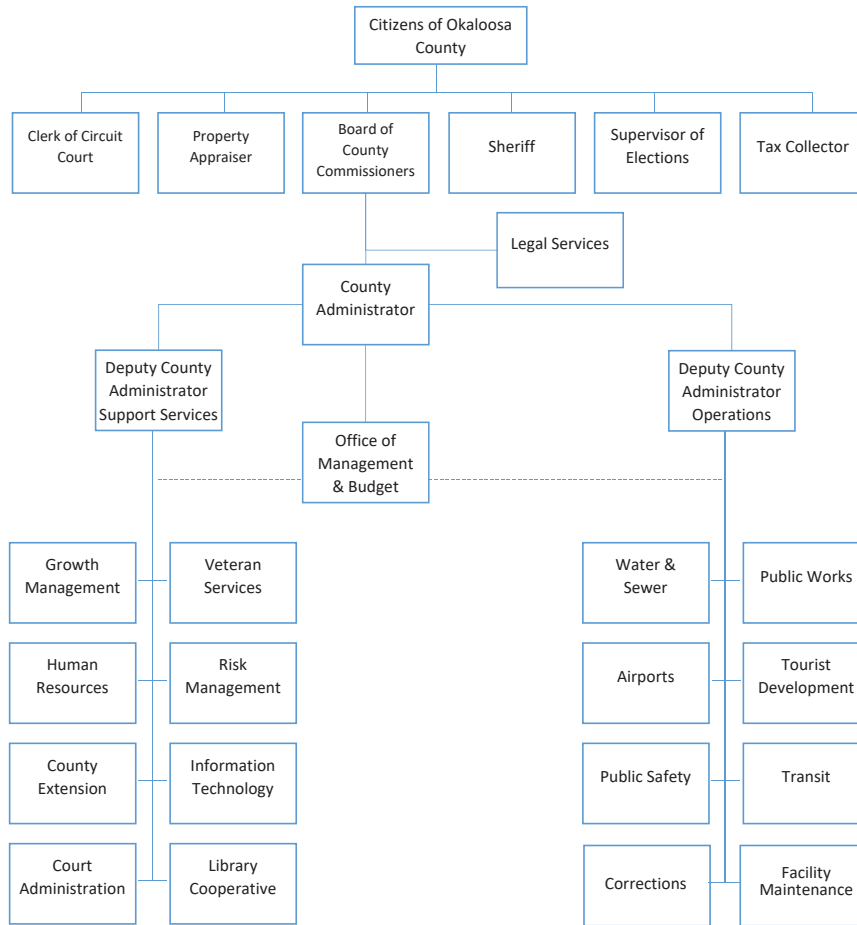
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morill

Executive Director/CEO

Organizational Chart



**COUNTY OFFICIALS
AS OF SEPTEMBER 30, 2021**

COUNTY COMMISSIONERS

Paul Mixon	_____	District I
Carolyn Ketchel	_____	District II
Nathaniel Boyles	_____	District III
Trey Goodwin	_____	District IV
Mel Ponder	_____	District V

OTHER ELECTED OFFICIALS

JD Peacock II	_____	Clerk of Court
Eric Aden	_____	Sheriff
Ben Anderson	_____	Tax Collector
Mack Busbee	_____	Property Appraiser
Paul Lux	_____	Supervisor of Elections

OTHER OFFICIALS

John Hofstad	_____	County Administrator
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Financial Section

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Okaloosa County, Florida, (hereinafter referred to as "County") as of and for the year ended September 30, 2021, 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, 2021, 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.

Change in Accounting Principle

As discussed in Note 20 to the financial statements, in 2021, the County adopted new accounting guidance, GASB Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the 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 financial statements, individual fund budgetary comparison 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 Horizons 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 financial statements and individual fund budgetary comparison 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 Horizons 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, the schedule of expenditures of passenger facility charges and the schedule of receipts and expenditures related to the Deepwater Horizons Oil Spill, 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 13, 2022, 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.



Fort Walton Beach, Florida
April 13, 2022

Okaloosa County, Florida

Management Discussion and Analysis

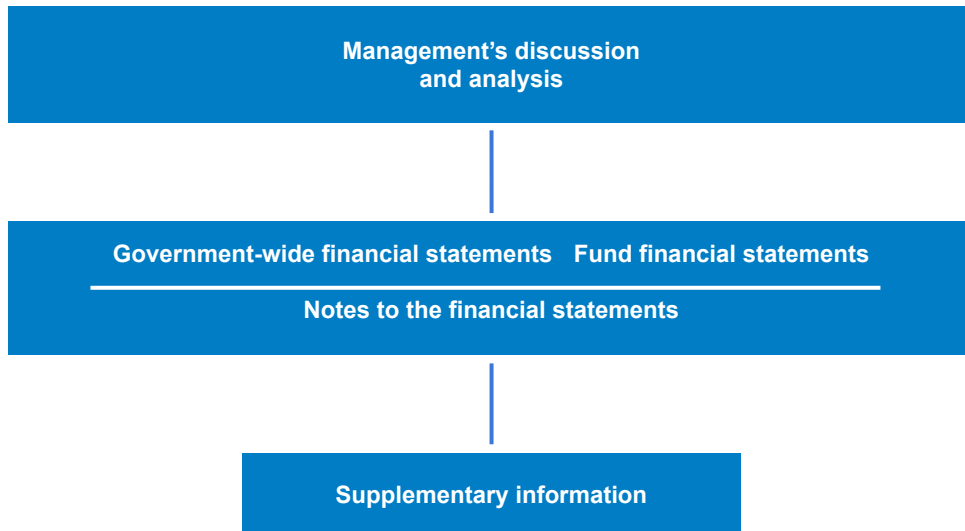
This discussion and analysis of Okaloosa County's (the County) financial statements is designed to introduce the basic financial statements and provide an analytical overview of the County's financial activities for the fiscal year ended September 30, 2021. This analysis, in conjunction with additional 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 a net position of \$666,920. Governmental and business-type assets exceeded its liabilities by \$282,679 and \$384,240, respectively.
- The County's total net position increased by \$98,040, or 17.2%, in comparison to the prior year.
- The County had \$4,252 of unrestricted net position surplus at the close of this year compared to \$(18,788) last year.
- Total revenues increased by \$57,694, or 18.2 percent, from \$317,645 to \$375,339.
- Total expenses increased by \$4,537, or 1.7 percent, from \$272,764 to \$277,300.
- The County's governmental activities reported a total net position of \$282,679, which is an increase of \$64,603, or 29.6%, in comparison to the prior year. A deficit in the unrestricted net asset position of \$(50,498) exists in the governmental activities.
- The County's business-type activities reported a total net position of \$384,240, which is an increase of \$33,435, or 9.5%, in comparison to prior year. Approximately 14.2% of the total, or \$54,750, is unrestricted, and thus available for spending at the County's discretion.
- At the end of the current fiscal year, the net pension liability decreased \$83,387,188 for governmental funds and \$23,882,203 for business-type activities for an ending net pension liability of \$46,529,615, an approximate decrease of 69.75% from the prior fiscal year end. These liabilities are actuarially determined and provided by the State of Florida Retirement System (FRS). The change in the actuarial liability primarily relates to the market performance of investments for outpacing projected investment growth. The County's actual contributions to FRS are located in the required supplementary information.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to 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 the budget but also the original adopted budget to the 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, custodial 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 budgets 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, 2021, the County's total net position or total assets less liabilities, was \$666,920. A significant portion of the County's net position, 77.2 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" is 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 \$514,831 increased by \$46,434 or 9.9% 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 \$147,837 (22.2 percent of total net position) increased by \$28,565 or 23.9% percent, in comparison to prior year, due to increased funds related to capital projects and transportation which offset declines experienced in public safety.

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 net position of \$4,252 which is an increase of \$23,040 from the prior year. This increase is primarily the result of the 70% reduction in the actuarially determined net pension liability provided by the State of Florida Retirement System (FRS) compared to the prior fiscal year. The Governmental Activities overall net position increased by \$64,603. 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 in addition to the change in pension liability. Net Position in the County's Business-type activities increased by \$33,435 due to increased charges for services and the impact of the change in pension liability. Unrestricted Net Position of \$54,750 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 2021 and 2020. The amounts for 2020 were reclassified to conform with current year presentation.

Okaloosa County, Florida Summary of Net Position September 30, 2021 and 2020

	Governmental		Business-type		Total	
	2021	2020	2021	2020	2021	2020
Current and Other Assets	\$ 233,331	\$ 171,460	\$ 124,095	\$ 116,275	\$ 357,426	\$ 287,735
Capital Assets	272,475	251,082	367,563	349,018	640,038	600,100
Total Assets	\$ 505,805	\$ 422,542	\$ 491,659	\$ 465,293	\$ 997,464	\$ 887,835
Total Deferred Outflows	\$ 20,432	\$ 36,743	\$ 8,542	\$ 13,186	\$ 28,974	\$ 49,929
		-		-		
Current and Other Liabilities	53,591	26,028	19,602	17,080	73,193	43,108
Noncurrent Liabilities	128,095	212,324	75,008	108,755	203,103	321,079
Total Liabilities	\$ 181,687	\$ 238,352	\$ 94,610	\$ 125,835	\$ 276,296	\$ 364,187
Total Deferred Inflows	\$ 61,782	\$ 2,857	\$ 2,355	\$ 1,839	\$ 64,137	\$ 4,696
Net Position:						
Net Investment in Capital Assets	\$ 205,802	\$ 187,707	\$ 309,029	\$ 280,690	\$ 514,831	\$ 468,397
Restricted for						
Debt Service	324	706	4,797	4,276	5,121	4,982
Capital Projects	36,951	26,198	-	-	36,951	26,198
Public Safety	232	2,760	-	-	232	2,760
Transportation	26,362	14,303	15,664	15,117	42,026	29,420
Eco Environment	18,023	11,850	-	-	18,023	11,850
Culture Recreation	42,416	41,821	-	-	42,416	41,821
Court-Related	3,067	2,241	-	-	3,067	2,241
Unrestricted	(50,498)	(69,511)	54,750	50,723	4,252	(18,788)
Total Net Position	\$ 282,679	\$ 218,076	\$ 384,240	\$ 350,805	\$ 666,920	\$ 568,881

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, 2021 and 2020

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues:						
Charges for Services	\$ 50,446	\$ 46,012	\$ 81,642	\$ 71,877	\$ 132,088	\$ 117,889
Operating Grants and Contributions	32,536	16,884	4,913	7,684	37,449	24,568
Capital Grants and Contributions	14,883	10,957	17,901	16,664	32,784	27,621
General Revenues:						
Taxes	137,729	114,110	1	668	137,730	114,778
State Shared Revenue	32,076	27,314	-	-	32,076	27,314
Grant and Contributions not Other	2,746	4,067	467	1,407	3,213	5,473
Total Revenues	<u>270,415</u>	<u>219,344</u>	<u>104,924</u>	<u>98,300</u>	<u>375,339</u>	<u>317,644</u>
Expenses:						
Program Activities:						
General Government	39,954	43,513	-	-	39,954	43,513
Public Safety	93,550	81,394	-	-	93,550	81,394
Physical Environment	2,303	2,221	-	-	2,303	2,221
Transportation	20,148	25,703	-	-	20,148	25,703
Economic Environment	19,043	10,772	-	-	19,043	10,772
Human Services	5,894	6,383	-	-	5,894	6,383
Culture and Recreation	15,109	20,679	-	-	15,109	20,679
Court-Related	9,442	9,625	-	-	9,442	9,625
Interest and Fiscal Charges	2,366	2,413	-	-	2,366	2,413
Business-type Activities:						
Water and Sewer	-	-	31,106	30,291	31,106	30,291
Airport	-	-	15,291	14,986	15,291	14,986
Solid Waste	-	-	11,818	10,971	11,818	10,971
Emergency Medical	-	-	9,260	11,611	9,260	11,611
Other	-	-	2,015	2,200	2,014	2,200
Total Expenses	<u>207,811</u>	<u>202,704</u>	<u>69,490</u>	<u>70,058</u>	<u>277,300</u>	<u>272,763</u>
Inc in Net Position Before Trf	62,604	16,640	35,434	28,241	98,039	44,881
Transfers	1,999	2,587	(1,999)	(2,587)	-	-
Inc/(Dec) in Net Position	64,603	19,227	33,435	25,654	98,039	44,881
Net Position October 1	218,076	198,849	350,805	325,151	568,881	524,000
Net Position September 30	<u>\$ 282,679</u>	<u>\$ 218,076</u>	<u>\$ 384,240</u>	<u>\$ 350,805</u>	<u>\$ 666,920</u>	<u>\$ 568,881</u>

Revenues increased by \$51,071 or 23.3% percent in Governmental activities, primarily due to an increase in operating grants and contributions and taxes. The tax increase was related to 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 \$6,624 or 6.7% percent from the prior year, mainly due to an increase in charges for services. Expenses increased by \$5,107 or 2.5% percent in Governmental activities, primarily due to Public Safety and Economic Environment increases related to the recovery of the COVID-19 pandemic. Expenses decreased by \$568 or 0.8% percent also in business-type expenses due mainly to the impact of the pension adjustment. Overall net position increased by 17.2% percent, from \$568,880 in 2020 to \$666,920 in 2021.

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, 2021, the County governmental funds reported combined fund balances of \$180,574, an increase of \$33,331 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.

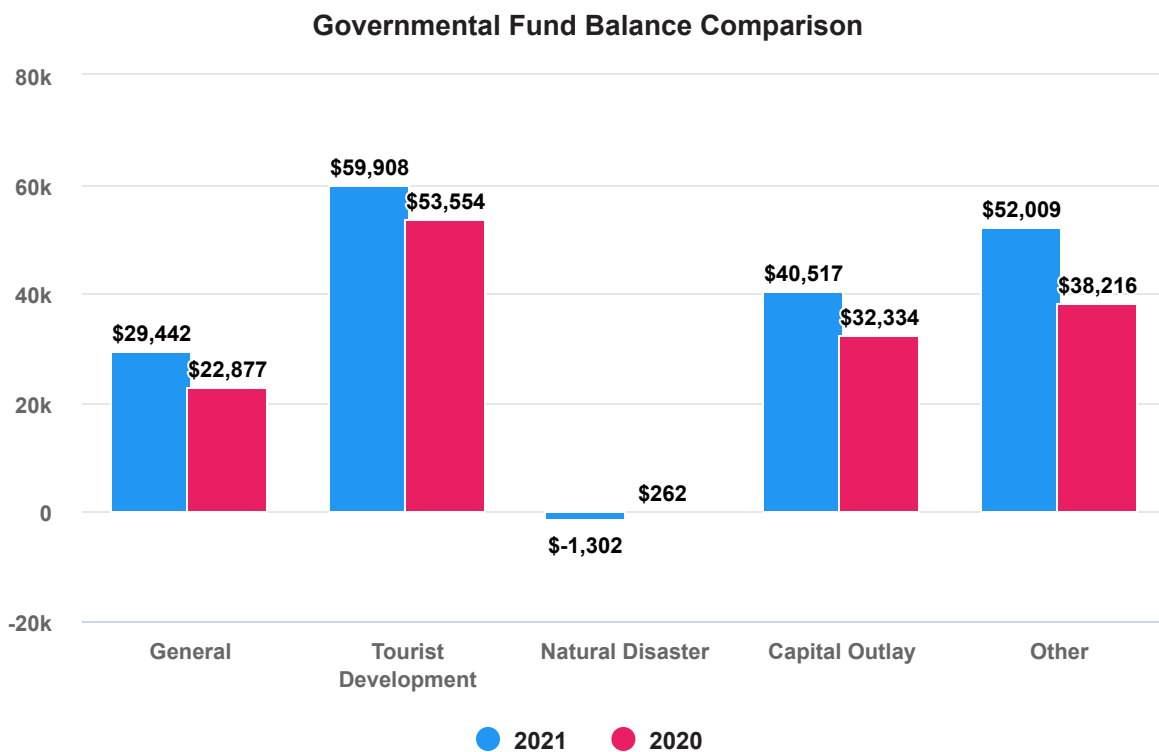
The General Fund is the chief operating fund of the County. As of September 30, 2021, total fund balance in the general fund was \$29,442 of which \$25,645 was unassigned. The general fund revenues for the fiscal year exceeded expenses by 13,387. The increase in the current fiscal year fund balance was mainly due to increased revenues across all categories with moderate expenditure growth.

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 increased over the prior year by \$6,354. The increase in fund balance is primarily due to tax revenues exceeding expenditures. The Tourist Development Special Revenue Fund experienced significant revenue increases while maintaining expenses in line from prior fiscal year.

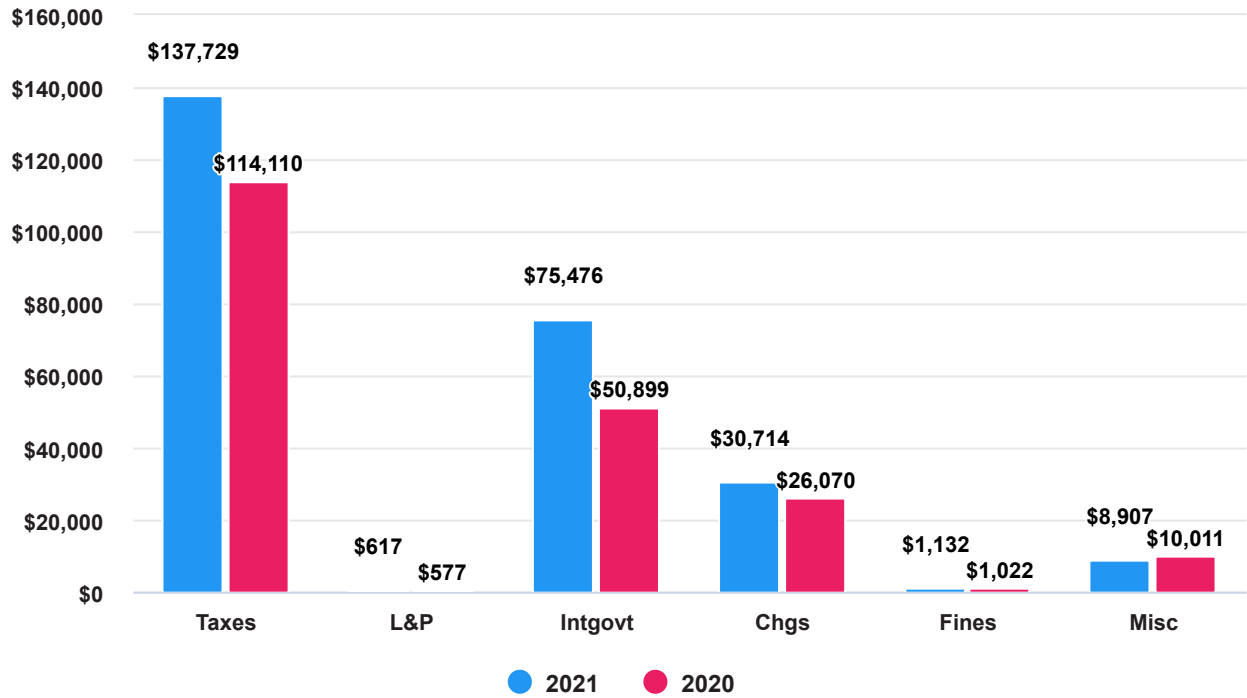
The Natural Disaster Fund is typically used to account for disaster funding and expenditures not considered normal recurring operating activity of the County. In 2021, the Natural Disaster Fund was also used to account for the governmental activities portion of the federal funds collected and disbursed pursuant to the Coronavirus Aid, Relief and Economic Security Act (the CARES Act). The fund balance decreased over the prior year by \$1,564 due primarily to the costs and related funding in response to the COVID-19 pandemic and denied FEMA claims relating to natural disasters.

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 increased over the prior year by \$8,183 due primarily to an \$8,000 contribution from the City of Crestview for the construction of the southwest Crestview bypass.

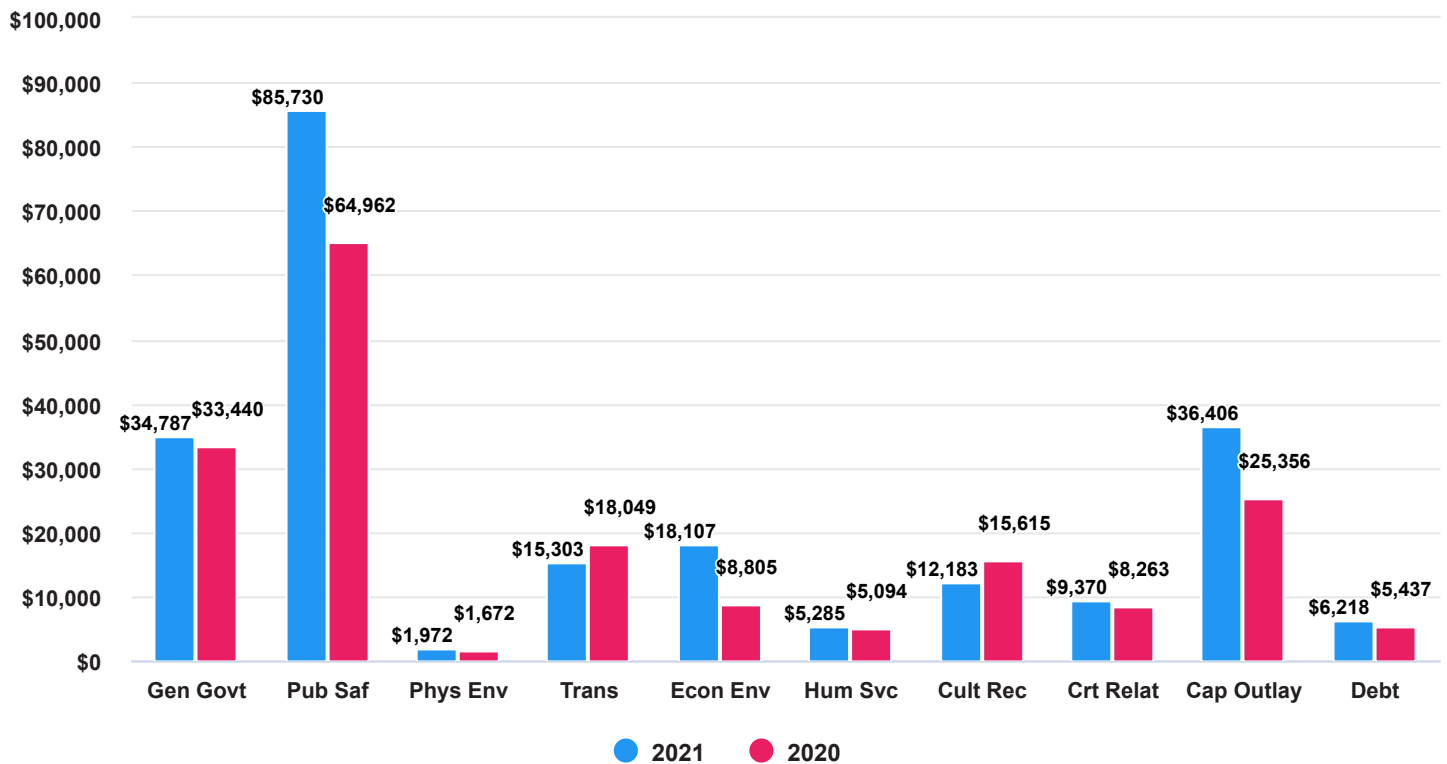
The following is a chart of all Governmental Fund Balances for the fiscal years 2021 and 2020.



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, 2021, total net position amounted to \$384,240 as compared to \$350,805 at September 30, 2020. 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 \$33,435 . Major components of this increase are as follows:

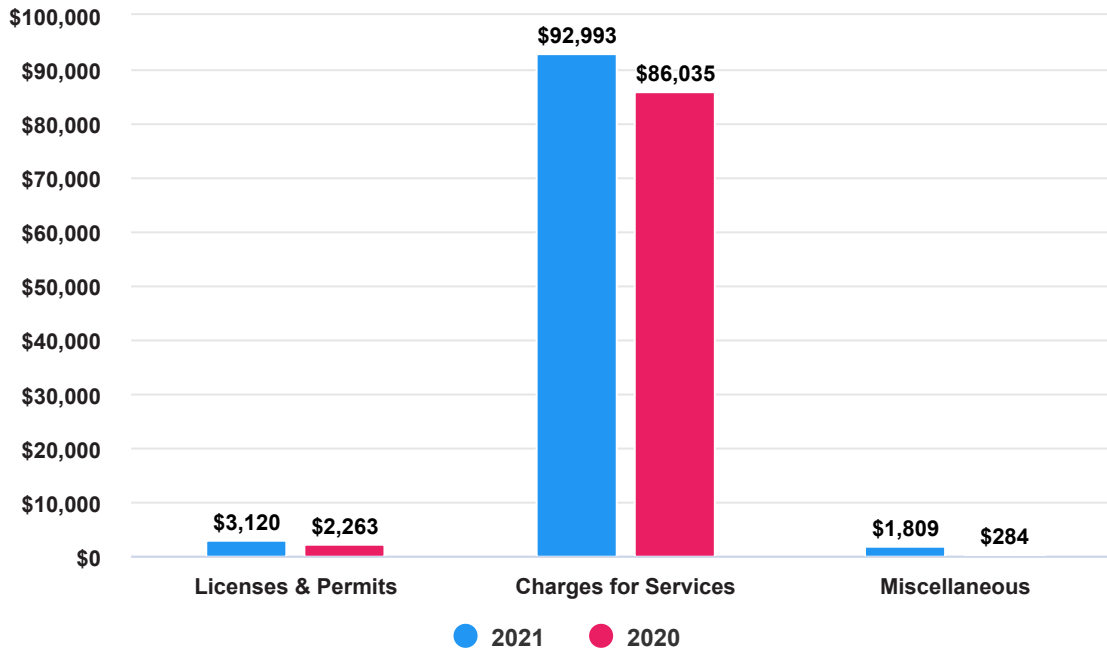
- The Water and Sewer Fund increased its net position by \$11,674, or 6.4% to \$192,801 . Net operating income was \$10,351 during the year which increased 2.3% more than last year primarily due to increases in charges for services coupled with a decline in personal services expenses due to the impact of the pension adjustment. 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 \$14,806, or 8.9% to \$180,904 . The Airport experienced an increase in operating revenues due to the pandemic recovery. The operating revenues increased \$4,267 or 34.4% more the prior year. Passenger and customer facility charges increased 55.2% from the prior year. These factors along with prior consecutive years of financial strength contributed to the overall change in net position.
- The Solid Waste Fund increased its net position by \$3,015 , or 156.0% to \$4,947. The Solid Waste had an increase in operating revenues of \$3,615, or 33.1% due to a refund of prior overpayments made from 2017 to 2021.
- The Emergency Medical Services Fund increased its net position by \$2,185, or 578.1% to \$1,807 . The most significant factor in this decrease was an expense decline as a result of FRS estimates and a slight decline in operating revenues related to charges for services.

The net operating income of the enterprise funds for fiscal years 2021 and 2020, is as follows:

Enterprise Net Operating Income (Loss)

	2021	2020
Water and Sewer	\$ 10,351	\$ 9,656
Airport	1,903	(1,941)
Solid Waste	2,724	126
Inspections	1,709	491
Emergency Medical Services	(1,381)	(2,930)
Tax Collector Building Maintenance	47	45
	<u>\$ 15,353</u>	<u>\$ 5,447</u>

Proprietary Fund Operating Revenue by Source Comparison



Budgetary Highlights

A Budget to actual statement is provided for the General Fund, along with each of the other major special revenue funds as part of the basic financial statements. A budget column for both the original budget adopted for fiscal year 2021 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 \$31,463 of which \$26,143 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 \$63,508 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 \$40,981 most significantly in the areas of transportation, public safety, and capital outlay related to anticipated grant activity and response to the COVID-19 pandemic.

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

- A variance in the General Fund of \$10,549 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 \$43,089 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 \$38,040 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 \$42,312 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 \$2,203 in the General Fund, other financing uses, related to transfers out and 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, 2021 amounts to \$640,038 (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 \$21,392 or 8.5% percent increase, which was mainly due to the construction in progress related to transportation and road improvements. The business-type activities capital assets increased to \$18,545, mainly due to the water and sewer infrastructure and airport baggage handling system.

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

Okaloosa County, Florida Capital Assets September 30, 2021 and 2020

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 17,299	\$ 14,382	\$ 14,765	\$ 14,765	\$ 32,064	\$ 29,147
Buildings	142,620	142,238	89,642	89,627	232,262	231,865
Improvements other than buildings	51,097	45,622	277	277	51,374	45,899
Intangibles	3,528	3,495	932	998	4,460	4,492
Mach/Equipment	68,509	64,244	26,864	24,547	95,374	88,791
Const in Progress	39,491	21,258	24,729	30,046	64,220	51,304
Infrastructure	174,374	173,005	435,156	399,493	609,530	572,497
Art	29	29	70	70	99	99
Total Capital Assets	496,947	464,272	592,436	559,822	1,089,382	1,024,093
Accum Deprec	(224,472)	(213,189)	(224,872)	(210,804)	(449,344)	(423,993)
Total	\$ 272,475	\$ 251,082	\$ 367,563	\$ 349,018	\$ 640,038	\$ 600,100

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 \$140,624. Of this amount, \$80,646 comprises governmental activities while the remaining \$59,978 is secured by revenue bonds and revolving loans in business-type activities.

Okaloosa County, Florida Outstanding Debt September 30, 2021 and 2020

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Capital Lease	\$ 68	\$ -	\$ -	\$ -	\$ 68	\$ -
Revenue Bonds	78,098	81,221	57,303	66,864	135,401	148,085
Revolv & Comm Loan	2,480	1,063	2,675	3,120	5,155	4,183
Total	\$ 80,646	\$ 82,284	\$ 59,978	\$ 69,984	\$ 140,624	\$ 152,268

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, 2021

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
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 increased from 96,058 to 98,426 as of December 2021, an increase of 2.5 percent. The increasing labor force coupled with the recovery of COVID-19 pandemic led to the County's unemployment rate to 2.2 percent in 2021 compared to 4.6 percent for 2020. The County's unemployment rate still remains extremely favorable compared to the state and national rates of 2.9 and 3.9 percent, respectively for 2021.
- The assessed value of real property located in the County after exemptions increased from \$18.898 billion to \$20.186 billion in 2021, while the total assessed value of the County increased from \$19.798 billion to \$21.104 billion in 2021. This represented an increase of \$1.306 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 1.5 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, 2021

	Primary Government		Total
	Government Activities	Business-type Activities	
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 19,403,508	\$ 7,058,738	\$ 26,462,246
Investments	174,915,768	68,801,183	243,716,951
Receivables, Net of Allowance for Uncollectibles	6,691,916	14,584,077	21,275,993
Internal Balances	1,130	(1,130)	-
Due from (to) Fiduciary Funds	251,503	-	251,503
Due from Other Governments	15,064,633	6,889,397	21,954,030
Inventories	706,748	2,285,444	2,992,192
Prepaid Expenses	2,321,948	1,924,334	4,246,282
Restricted Assets			
Cash and Cash Equivalents			
Customer Deposits	-	1,429,243	1,429,243
Other Deposits	-	1,589,282	1,589,282
Investments	13,973,387	19,534,761	33,508,148
Total Current Assets	<u>233,330,541</u>	<u>124,095,329</u>	<u>357,425,870</u>
Capital Assets			
Land	17,298,589	14,765,162	32,063,751
Buildings	142,620,124	89,641,750	232,261,874
Improvements Other Than Buildings	51,097,411	276,776	51,374,187
Intangibles	3,527,654	932,259	4,459,913
Machinery and Equipment	68,509,103	26,864,410	95,373,513
Construction in Progress	39,490,974	24,729,226	64,220,200
Infrastructure	174,373,683	435,156,290	609,529,973
Works of Art	29,195	69,865	99,060
Accumulated Depreciation	(224,471,973)	(224,872,318)	(449,344,291)
Total Noncurrent Assets	<u>272,474,760</u>	<u>367,563,420</u>	<u>640,038,180</u>
Total Assets	<u>\$ 505,805,301</u>	<u>\$ 491,658,749</u>	<u>\$ 997,464,050</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charges Related to Pensions	\$ 19,574,026	\$ 7,044,967	\$ 26,618,993
Deferred Charges on Refunding	-	1,444,298	1,444,298
Deferred Charges Related to OPEB	858,375	52,240	910,615
Total Deferred Outflows of Resources	<u>\$ 20,432,401</u>	<u>\$ 8,541,505</u>	<u>\$ 28,973,906</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 526,237,702</u>	<u>\$ 500,200,254</u>	<u>\$ 1,026,437,956</u>

Continued...

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

STATEMENT OF NET POSITION
September 30, 2021

	Primary Government		Total
	Government Activities	Business-type Activities	
LIABILITIES			
Current Liabilities			
Accounts Payable and Other Accrued Liabilities	\$ 13,397,870	\$ 9,718,598	\$ 23,116,468
Due to Other Governments	1,000,861	62,445	1,063,306
Unearned Revenue	30,013,424	2,674,901	32,688,325
Due to Depositors	141,653	-	141,653
Liabilities Payable from Restricted Assets			
Customer Deposits	-	1,429,413	1,429,413
Interest Payable	1,618,308	643,312	2,261,620
Current Portion of Long-term Obligations			
Compensated Absences	3,316,585	935,089	4,251,674
Closure Costs Payable	-	326,201	326,201
Claims and Judgments	1,683,720	-	1,683,720
Capital Leases	17,861	-	17,861
Notes Payable	135,000	456,777	591,777
Revenue Bonds Payable	2,266,000	3,354,999	5,620,999
Total Current Liabilities	<u>53,591,282</u>	<u>19,601,735</u>	<u>73,193,017</u>
Noncurrent Liabilities			
Noncurrent Portion of Long-term Obligations			
Compensated Absences	4,230,716	769,735	5,000,451
Closure Costs Payable	-	2,099,954	2,099,954
Claims and Judgments	3,969,000	-	3,969,000
Capital Leases	50,047	-	50,047
Notes Payable	2,345,000	-	2,345,000
Loans and Bonds Payable, Net of Unamortized Loan Costs	75,832,486	56,167,091	131,999,577
Other Post Employment Benefits	9,603,148	1,483,963	11,087,111
Net Pension Liability	32,064,906	14,464,709	46,529,615
Other Accrued Liabilities	-	22,575	22,575
Total Noncurrent Liabilities	<u>128,095,303</u>	<u>75,008,027</u>	<u>203,103,330</u>
Total Liabilities	<u>\$ 181,686,585</u>	<u>\$ 94,609,762</u>	<u>\$ 276,296,347</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Charges Related to Pensions	\$ 60,592,258	\$ 18,803,930	\$ 79,396,188
Deferred Charges Related to OPEB	1,189,527	191,035	1,380,562
Unearned Revenue	-	2,355,158	2,355,158
Total Deferred Inflows of Resources	<u>\$ 61,781,785</u>	<u>\$ 21,350,123</u>	<u>\$ 83,131,908</u>
NET POSITION			
Net Investment in Capital Assets	\$ 205,801,753	\$ 309,028,849	\$ 514,830,602
Restricted for			
Debt Service	323,769	4,797,318	5,121,087
Capital Outlay	36,951,025	-	36,951,025
Public Safety	232,032	-	232,032
Transportation	26,362,195	15,664,189	42,026,384
Economic Environment	18,023,414	-	18,023,414
Culture and Recreation	42,416,015	-	42,416,015
Court-Related	3,067,106	-	3,067,106
Unrestricted (Deficit)	<u>(50,497,977)</u>	<u>54,750,013</u>	<u>4,252,036</u>
Total Net Position (Deficit)	<u>\$ 282,679,332</u>	<u>\$ 384,240,369</u>	<u>\$ 666,919,701</u>
Total Liabilities, Deferred Inflow of Resources, and Net Position	<u>\$ 526,147,702</u>	<u>\$ 500,200,254</u>	<u>\$ 1,026,347,956</u>

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

STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2021

	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government					
Governmental Activities					
General Government	\$ 39,954,236	\$ 16,802,142	\$ 2,544,982	\$ -	\$ (20,607,112)
Public Safety	93,550,440	23,422,546	22,153,821	951,761	(47,022,312)
Physical Environment	2,303,418	15,665	18,661	8,000,000	5,730,908
Transportation	20,147,942	1,265,214	4,945,030	5,848,960	(8,088,738)
Economic Environment	19,043,308	-	1,727,861	-	(17,315,447)
Human Services	5,893,697	-	91,358	-	(5,802,339)
Culture and Recreation	15,109,423	817,921	172,998	82,203	(14,036,301)
Court-Related	9,442,483	8,122,170	881,120	-	(439,193)
Interest and Fiscal Charges	2,366,070	-	-	-	(2,366,070)
Total Governmental Activities	<u>207,811,017</u>	<u>50,445,658</u>	<u>32,535,831</u>	<u>14,882,924</u>	<u>(109,946,604)</u>
Business-type Activities					
Water & Sewer	31,106,122	38,783,588	2,604,960	1,209,257	11,491,683
Airport	15,291,418	16,666,773	83,562	15,990,411	17,449,328
Solid Waste	11,817,717	14,541,984	234,239	-	2,958,506
Emergency Medical Services	9,259,525	7,878,579	1,990,630	700,997	1,310,681
Inspection and Code Enforcement	2,015,378	3,724,541	-	-	1,709,163
Tax Collector Building Maintenance	-	46,580	-	-	46,580
Total Business-type Activities	<u>69,490,160</u>	<u>81,642,045</u>	<u>4,913,391</u>	<u>17,900,665</u>	<u>34,965,941</u>
Total Primary Government	<u>\$ 277,301,177</u>	<u>\$ 132,087,703</u>	<u>\$ 37,449,222</u>	<u>\$ 32,783,589</u>	<u>\$ (74,980,663)</u>

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

STATEMENT OF ACTIVITIES (CONTINUED)
For the Fiscal Year Ended September 30, 2021

	Primary Government		Total
	Governmental Activities	Business-type Activities	
Changes in Net Position			
Net (Expenses) Revenue	\$ (109,946,604)	\$ 34,965,941	\$ (74,980,663)
Unrestricted General Revenues			
Taxes			
Ad Valorem Tax	75,801,624	781	75,802,405
Tourist Development Tax	32,335,125	-	32,335,125
Local Option Fuel Tax	6,513,440	-	6,513,440
Communication Services Tax	1,413,169	-	1,413,169
Ninth-Cent Voted Fuel Tax	1,204,797	-	1,204,797
Local Business Tax	384,716	-	384,716
Infrastructure Surtax	20,076,386	-	20,076,386
State Revenue Sharing			
Miscellaneous Tax Revenue	6,171,961	-	6,171,961
Local Government Sales Tax	22,071,606	-	22,071,606
Gas Tax	3,832,118	-	3,832,118
Investment Earnings	379,951	68,544	448,495
Gain (Loss) on Disposal of Fixed Assets	(33,330)	325,586	292,256
Miscellaneous	2,398,996	73,313	2,472,309
Transfers - Internal Activities	1,999,098	(1,999,098)	-
Total Unrestricted-General Revenues and Transfers	<u>174,549,657</u>	<u>(1,530,874)</u>	<u>173,018,783</u>
Change in Net Position	64,603,053	33,435,067	98,038,120
Net Position - Beginning	<u>218,076,279</u>	<u>350,805,302</u>	<u>568,881,581</u>
Net Position - Ending	<u>\$ 282,679,332</u>	<u>\$ 384,240,369</u>	<u>\$ 666,919,701</u>

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

BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2021

	General Fund	Tourist Development Special Revenue Fund	Natural Disasters Fund	Road and Bridge Construction Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	\$ 5,745,318	\$ 629,618	\$ 109,307	\$ 44,071	\$ 6,626,923	\$ 13,155,237
Investments	23,097,446	57,546,791	23,818,431	35,393,002	46,280,454	186,136,124
Accounts Receivable	185,307	25,134	-	6,279,711	26,012	6,516,164
Due from Other Funds	105,012	-	-	-	1,470,000	1,575,012
Due from Other Elected Officials	3,803,143	-	-	-	235,280	4,038,423
Due from Other Governments	5,819,952	4,134,562	902,892	1,246,045	2,846,282	14,949,733
Inventory	85,701	344	4,607	181,093	269,625	541,370
Prepays	1,505,293	215,231	-	-	144,097	1,864,621
Total Assets	\$ 40,347,172	\$ 62,551,680	\$ 24,835,237	\$ 43,143,922	\$ 57,898,673	\$ 228,776,684
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES						
Liabilities						
Accounts Payable	\$ 1,121,287	\$ 882,869	\$ -	\$ 177,638	\$ 390,209	\$ 2,572,003
Contracts Payable	1,199,778	1,229,091	-	2,449,609	1,988,091	6,866,569
Other Accrued Liabilities	2,522,605	102,192	-	-	553,537	3,178,334
Due to Other Funds	491,291	-	-	-	123,850	615,141
Due to Other Elected Officials	3,653,629	155,233	-	-	9,232	3,818,094
Due to Other Governments	509,235	147,440	-	-	344,186	1,000,861
Due to Depositors	48,047	1,932	-	-	91,674	141,653
Unearned Revenue	1,358,952	125,019	26,137,486	-	2,389,243	30,010,700
Total Liabilities	10,904,824	2,643,776	26,137,486	2,627,247	5,890,022	48,203,355
Deferred Inflow of Resources						
Unavailable Revenue	250	-	-	-	-	250
Fund Balances						
Nonspendable	1,590,994	215,575	4,607	181,093	413,722	2,405,991
Restricted	-	59,692,329	-	40,335,582	42,627,888	142,655,799
Committed	190,777	-	-	-	716,840	907,617
Assigned	2,014,940	-	-	-	8,389,876	10,404,816
Unassigned	25,645,387	-	(1,306,856)	-	(139,675)	24,198,856
Total Fund Balances	29,442,098	59,907,904	(1,302,249)	40,516,675	52,008,651	180,573,079
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	\$ 40,347,172	\$ 62,551,680	\$ 24,835,237	\$ 43,143,922	\$ 57,898,673	\$ 228,776,684

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, 2021**

Fund balances - total governmental funds \$ 180,573,079

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	57,648,802
Governmental depreciable/amortizable assets	433,273,609
Less accumulated depreciation/amortization	<u>(219,116,782)</u>

271,805,629

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:

(6,721,721)

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

250

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

Deferred outflows of resources - Pensions	19,055,581
Deferred inflows of resources - Pensions	(59,230,762)
Deferred outflows of resources - OPEB	404,347
Deferred inflow of resources - OPEB	<u>(710,864)</u>

(40,481,698)

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

Balances at September 30, 2021 are:

Accrued interest on bonds	(1,618,308)
Revenue bonds payable	(78,098,486)
Notes payable	(2,480,000)
Capital leases	(67,908)
Compensated absences	(5,731,945)
Other Post Employment Benefits	(3,492,181)
Net Pension Liability, proportionate share	<u>(31,007,379)</u>
Total long-term liabilities	(122,496,207)

Net position of governmental activities

\$ 282,679,332

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, 2021

	General Fund	Tourist Development Special Revenue Fund	Natural Disasters Fund	Road and Bridge Construction Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 73,236,910	\$ 32,335,123	\$ -	\$ 2,287,035	\$ 29,870,189	\$ 137,729,257
Licenses and Permits	29,500	-	-	-	587,738	617,238
Intergovernmental	35,189,674	1,300,319	20,437,970	11,621,230	6,927,196	75,476,389
Charges for Services	22,914,983	572,971	-	-	7,226,395	30,714,349
Fines	20,251	-	-	-	1,111,355	1,131,606
Miscellaneous	3,603,134	83,765	-	3,985,697	1,234,315	8,906,911
Total Revenues	134,994,452	34,292,178	20,437,970	17,893,962	46,957,188	254,575,750
Expenditures						
Current						
General Government	33,743,905	-	-	-	1,043,362	34,787,267
Public Safety	64,546,125	-	20,059,469	-	1,124,143	85,729,737
Physical Environment	760,227	-	-	-	1,211,287	1,971,514
Transportation	4,167,348	-	-	2,395,619	8,740,180	15,303,147
Economic Environment	2,609,530	12,345,248	1,451,051	-	1,701,450	18,107,279
Human Services	4,619,291	-	-	-	665,381	5,284,672
Culture and Recreation	2,892,471	8,029,901	-	-	1,260,512	12,182,884
Court-Related	2,993,803	-	-	-	6,376,203	9,370,006
Capital Outlay	5,256,121	4,447,198	290,440	9,130,660	17,281,351	36,405,770
Debt Service						
Principal	18,455	-	-	-	2,788,000	2,806,455
Interest	-	-	-	-	3,312,572	3,312,572
Other Debt Service Costs	-	-	-	-	98,804	98,804
Total Expenditures	121,607,276	24,822,347	21,800,960	11,526,279	45,603,245	225,360,107
Excess (Deficiency) of Revenues Over (Under) Expenditures	13,387,176	9,469,831	(1,362,990)	6,367,683	1,353,943	29,215,643
Other Financing Sources (Uses)						
Transfers In	7,632,313	-	-	1,815,000	14,812,969	24,260,282
Transfers Out	(15,242,261)	(3,115,491)	-	-	(4,353,432)	(22,711,184)
Transfers Among Constitutional Officers	702,090	-	(201,618)	-	(500,472)	-
Increase in Lease Obligations Under Capital Lease	85,595	-	-	-	-	85,595
Proceeds of Debt Issuances	-	-	-	-	2,480,000	2,480,000
Total Other Financing Sources (Uses)	(6,822,263)	(3,115,491)	(201,618)	1,815,000	12,439,065	4,114,693
Net Change in Fund Balances	6,564,913	6,354,340	(1,564,608)	8,182,683	13,793,008	33,330,336
Fund Balances - Beginning	22,877,185	53,553,564	262,359	32,333,992	38,215,643	147,242,743
Fund Balances - Ending	\$ 29,442,098	\$ 59,907,904	\$ (1,302,249)	\$ 40,516,675	\$ 52,008,651	\$ 180,573,079

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, 2021

Net change in fund balances - total governmental funds \$ 33,330,336

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

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

Expenditures for capital assets	36,405,770	
Less current year depreciation/amortization	<u>(14,521,196)</u>	
		21,884,574

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. (565,620)

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. (71,456)

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 proceeds	(2,565,596)	
Debt principal payments	3,204,551	
Amortization of premiums/discounts	<u>998,992</u>	
Decrease in long-term liability to other governments		1,637,947

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	339,637	
Other Post Employment Benefits	(128,195)	
Changes in accrued interest on long term debt	<u>46,314</u>	
		257,756

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		7,978,774
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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. 150,742

Change in net position of governmental activities		<u>\$ 64,603,053</u>
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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, 2021

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final		Final Budget Positive (Negative)
Revenues				
Taxes	\$ 72,856,181	\$ 73,187,181	\$ 73,236,910	\$ 49,729
Licenses and Permits	18,000	29,500	29,500	-
Intergovernmental	19,825,102	45,967,697	35,189,674	(10,778,023)
Charges for Services	19,088,098	20,150,511	22,914,983	2,764,472
Fines	7,100	20,390	20,251	(139)
Miscellaneous	2,285,478	6,187,953	3,603,134	(2,584,819)
Total Revenues	114,079,959	145,543,232	134,994,452	(10,548,780)
Expenditures				
Current				
General Government	34,231,096	36,239,382	33,743,905	2,495,477
Public Safety	66,940,281	85,092,577	64,546,125	20,546,452
Physical Environment	806,589	889,059	760,227	128,832
Transportation	85,538	10,334,726	4,167,348	6,167,378
Economic Environment	2,614,115	2,678,039	2,609,530	68,509
Human Services	4,300,197	5,175,519	4,619,291	556,228
Culture and Recreation	2,574,159	4,552,153	2,892,471	1,659,682
Court-Related	2,982,502	3,664,111	2,993,803	670,308
Capital Outlay	4,131,862	11,021,946	5,256,121	5,765,825
Debt Service				
Principal	-	-	18,455	(18,455)
Total Expenditures	118,666,339	159,647,512	121,607,276	38,040,236
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,586,380)	(14,104,280)	13,387,176	27,491,456
Other Financing Sources (Uses)				
Transfers In	6,872,273	7,983,943	7,632,313	(351,630)
Transfers Out	(6,107,736)	(16,057,204)	(15,242,261)	814,943
Transfers Among Constitutional Officers	(7,030,037)	(952,384)	702,090	1,654,474
Increase in Lease Obligations Under Capital Lease	-	-	85,595	85,595
Total Other Financing Sources (Uses)	(6,265,500)	(9,025,645)	(6,822,263)	2,203,382
Net Change in Fund Balance	(10,851,880)	(23,129,925)	6,564,913	29,694,838
Fund Balance - Beginning	10,851,880	23,129,925	22,877,185	(252,740)
Fund Balance - Ending	\$ -	\$ -	\$ 29,442,098	\$ 29,442,098

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, 2021**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 21,791,510	\$ 21,791,510	\$ 32,335,123	\$ 10,543,613
Intergovernmental	-	2,853,566	1,300,319	(1,553,247)
Charges for Services	1,084,700	1,084,700	572,971	(511,729)
Miscellaneous	3,971,000	3,971,000	83,765	(3,887,235)
Total Revenues	<u>26,847,210</u>	<u>29,700,776</u>	<u>34,292,178</u>	<u>4,591,402</u>
Expenditures				
Current				
General Government	161,091	162,399	-	162,399
Physical Environment	2,397	2,397	-	2,397
Economic Environment	31,634,726	30,680,523	12,345,248	18,335,275
Culture and Recreation	29,317,314	37,022,292	8,029,901	28,992,391
Capital Outlay	7,868,410	12,031,965	4,447,198	7,584,767
Total Expenditures	<u>68,983,938</u>	<u>79,899,576</u>	<u>24,822,347</u>	<u>55,077,229</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(42,136,728)</u>	<u>(50,198,800)</u>	<u>9,469,831</u>	<u>59,668,631</u>
Other Financing Sources (Uses)				
Transfers In	(2,835,763)	(2,885,763)	-	2,885,763
Transfers Out	-	-	(3,115,491)	(3,115,491)
Transfers Among Constitutional Officers	(589,000)	(589,000)	-	589,000
Total Other Financing Sources (Uses)	<u>(3,424,763)</u>	<u>(3,474,763)</u>	<u>(3,115,491)</u>	<u>359,272</u>
Net Change in Fund Balance	<u>(45,561,491)</u>	<u>(53,673,563)</u>	<u>6,354,340</u>	<u>60,027,903</u>
Fund Balance - Beginning	<u>45,561,491</u>	<u>53,673,563</u>	<u>53,553,564</u>	<u>(119,999)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,907,904</u>	<u>\$ 59,907,904</u>

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

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
NATURAL DISASTER SPECIAL REVENUE FUND
For the Fiscal Year Ended September 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 63,508,189	\$ 20,437,970	\$ (43,070,219)
Miscellaneous	-	19,130	-	(19,130)
Total Revenues	-	63,527,319	20,437,970	(43,089,349)
Expenditures				
Current				
Public Safety	-	62,988,362	20,059,469	42,928,893
Economic Environment	-	832,990	1,451,051	(618,061)
Capital Outlay	-	291,722	290,440	1,282
Total Expenditures	-	64,113,074	21,800,960	42,312,114
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(585,755)	(1,362,990)	(777,235)
Other Financing Sources (Uses)				
Transfers In	-	914,940	-	(914,940)
Transfers Among Constitutional Officers	-	(329,185)	(201,618)	127,567
Total Other Financing Sources (Uses)	-	585,755	(201,618)	(787,373)
Net Change in Fund Balance	-	-	(1,564,608)	(1,564,608)
Fund Balance - Beginning	-	-	262,359	262,359
Fund Balance - Ending	\$ -	\$ -	\$ (1,302,249)	\$ (1,302,249)

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2021

	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	\$ 1,851,633	\$ 19,754	\$ 1,511,180	\$ 1,758,196
Investments	40,542,544	12,865,661	4,632,631	7,534,173
Receivables, Net of Allowance for Uncollectible	4,937,261	4,122,058	2,604,920	2,836,532
Due from Other Funds	-	-	221	-
Due from Other Elected Officials	-	-	-	1
Due from Other Governments	3,415,764	3,441,136	32,497	-
Inventory	2,063,371	73,180	-	148,893
Prepays	558,677	1,351,734	-	4,960
Restricted Assets				
Cash and Cash Equivalents				
Customer Deposits	1,400,735	-	28,508	-
Other Deposits	1,589,282	-	-	-
Investments	3,870,572	15,664,189	-	-
Total Restricted Assets	6,860,589	15,664,189	28,508	-
Total Current Assets	60,229,839	37,537,712	8,809,957	12,282,755
Capital Assets				
Land	8,180,380	6,451,481	133,301	-
Buildings	6,452,280	83,074,107	115,363	-
Improvements Other Than Buildings	-	-	276,776	-
Intangibles	759,284	100,400	-	30,150
Machinery and Equipment	15,259,018	2,209,422	3,430,909	5,565,132
Construction in Progress	10,558,045	14,171,181	-	-
Infrastructure	320,754,728	114,401,562	-	-
Works of Art	-	69,865	-	-
Less Accumulated				
Depreciation/Amortization	(152,022,236)	(65,022,618)	(3,168,977)	(4,290,465)
Total Capital Assets (Net of Accumulated Depreciation/Amortization)	209,941,499	155,455,400	787,372	1,304,817
Total Noncurrent Assets	209,941,499	155,455,400	787,372	1,304,817
Total Assets	\$ 270,171,338	\$ 192,993,112	\$ 9,597,329	\$ 13,587,572

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
\$ 1,917,975	\$ 7,058,738	\$ 6,248,271
3,226,174	68,801,183	2,753,031
83,306	14,584,077	175,752
-	221	321,211
-	1	1,221
-	6,889,397	114,900
-	2,285,444	165,378
8,963	1,924,334	457,327
-	1,429,243	-
-	1,589,282	-
-	19,534,761	-
-	22,553,286	-
5,236,418	124,096,681	10,237,091
-	14,765,162	316,861
-	89,641,750	900,466
-	276,776	-
42,425	932,259	-
399,929	26,864,410	4,549,650
-	24,729,226	-
-	435,156,290	257,345
-	69,865	-
(368,022)	(224,872,318)	(5,355,191)
74,332	367,563,420	669,131
74,332	367,563,420	669,131
\$ 5,310,750	\$ 491,660,101	\$ 10,906,222

Continued...

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

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2021**

	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	\$ 2,662,903	\$ 1,167,260	\$ 276,406	\$ 2,737,597
Deferred Charges on Refunding	1,444,298	-	-	-
Deferred Charges Related to OPEB	20,944	5,697	2,279	21,059
Total Deferred Outflows of Resources	\$ 4,128,145	\$ 1,172,957	\$ 278,685	\$ 2,758,656
Total Assets and Deferred Outflows of Resources	\$ 274,299,483	\$ 194,166,069	\$ 9,876,014	\$ 16,346,228
LIABILITIES				
Current Liabilities				
Accounts Payable	903,575	\$ 1,039,384	\$ 771,672	\$ 20,734
Contracts Payable	2,347,436	3,505,690	136,216	74,143
Accrued Liabilities	-	-	-	-
Compensated Absences	477,234	91,862	50,416	173,759
Closure Costs Payable	-	-	326,201	-
Claims and Judgments	-	-	-	-
Other Accrued Liabilities	345,991	178,548	32,333	297,230
Due to Other Funds	142	-	-	-
Due to Other Elected Officials	118	697	-	18
Due to Other Governments	222	37,425	89	965
Unearned Revenue	1,740,854	884,620	-	21,294
Notes Payable	456,777	-	-	-
Revenue Bonds Payable	3,354,999	-	-	-
Current Liabilities Payable from Restricted Assets				
Customer Deposits Payable	1,400,735	-	28,508	-
Interest Payable	643,311	-	-	-
Total Current Liabilities Payable from Restricted Assets	2,044,046	-	28,508	-
Total Current Liabilities	11,671,394	5,738,226	1,345,435	588,143

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
\$ 200,801	\$ 7,044,967	\$ 518,445
-	1,444,298	-
<u>2,261</u>	<u>52,240</u>	<u>454,028</u>
<u>\$ 203,062</u>	<u>\$ 8,541,505</u>	<u>\$ 972,473</u>
<u>\$ 5,513,812</u>	<u>\$ 500,201,606</u>	<u>\$ 11,878,695</u>
\$ 2,124	\$ 2,737,489	\$ 733,924
1,495	6,064,980	68,445
141,818	935,089	1,746,338
-	326,201	-
-	-	1,683,720
62,199	916,301	68,595
-	142	1,249,999
377	1,210	-
23,744	62,445	-
28,133	2,674,901	2,724
-	456,777	-
<u>-</u>	<u>3,354,999</u>	<u>-</u>
-	1,429,243	-
<u>-</u>	<u>643,311</u>	<u>-</u>
<u>-</u>	<u>2,072,554</u>	<u>-</u>
<u>259,890</u>	<u>19,603,088</u>	<u>5,553,745</u>

Continued...

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

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2021**

	Business-type Activities			
	Water and Sewer Enterprise Fund	Airport Enterprise Fund	Solid Waste Fund	Emergency Medical Services Enterprise Fund
Noncurrent Liabilities				
Compensated Absences	420,020	91,284	37,073	109,850
Closure Costs Payable	-	-	2,099,954	-
Claims and Judgments	-	-	-	-
Loan-State of Florida (Net of Unamortized Discounts)	2,218,679	-	-	-
Revenue Bonds Payable (Net of Unamortized Discounts and Premiums)	53,948,412	-	-	-
Other Post Employment Benefits	600,497	163,335	65,335	589,972
Other Accrued Liabilities	-	22,575	-	-
Net Pension Liability	5,356,615	2,747,136	500,003	5,574,902
Total Noncurrent Liabilities	<u>\$ 62,544,223</u>	<u>\$ 3,024,330</u>	<u>\$ 2,702,365</u>	<u>\$ 6,274,724</u>
Total Liabilities	<u>\$ 74,215,617</u>	<u>\$ 8,762,556</u>	<u>\$ 4,047,800</u>	<u>\$ 6,862,867</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Charges Related to Pensions	\$ 7,206,114	\$ 2,123,792	\$ 872,842	\$ 7,600,069
Deferred Charges Related to OPEB	77,130	20,979	8,394	76,207
Unearned Revenue	-	2,355,158	-	-
Total Deferred Inflows of Resources	<u>\$ 7,283,244</u>	<u>\$ 4,499,929</u>	<u>\$ 881,236</u>	<u>\$ 7,676,276</u>
NET POSITION				
Net Investment in Capital Assets	\$ 151,406,928	\$ 155,455,400	\$ 787,372	\$ 1,304,817
Restricted for Debt Service	4,797,318	-	-	-
Restricted for Passenger Facility Charges Program	-	10,402,640	-	-
Restricted for Customer Facility Charges Program	-	5,261,549	-	-
Unrestricted (Deficit)	36,596,376	9,783,996	4,159,606	502,268
Total Net Position (Deficit)	<u>\$ 192,800,622</u>	<u>\$ 180,903,585</u>	<u>\$ 4,946,978</u>	<u>\$ 1,807,085</u>
Total Liabilities, Deferred Inflows, and Net Position (Deficit)	<u>\$ 274,299,483</u>	<u>\$ 194,166,069</u>	<u>\$ 9,876,014</u>	<u>\$ 16,346,228</u>

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

- Enterprise Funds

Other Enterprise Funds	Total Enterprise Funds	Governmental Activities -- Internal Service Funds
111,508	769,735	69,017
-	2,099,954	-
-	-	3,969,000
-	2,218,679	-
-	53,948,412	-
64,824	1,483,963	6,110,968
-	22,575	-
<u>286,053</u>	<u>14,464,709</u>	<u>1,057,527</u>
<u>\$ 462,385</u>	<u>\$ 75,008,027</u>	<u>\$ 11,206,512</u>
<u>\$ 722,275</u>	<u>\$ 94,611,115</u>	<u>\$ 16,760,257</u>
\$ 1,001,113	\$ 18,803,930	\$ 1,361,496
8,325	191,035	478,663
-	2,355,158	-
<u>\$ 1,009,438</u>	<u>\$ 21,350,123</u>	<u>\$ 1,840,159</u>
\$ 74,332	\$ 309,028,849	\$ 669,131
-	4,797,318	-
-	10,402,640	-
-	5,261,549	-
<u>3,707,767</u>	<u>54,750,013</u>	<u>(7,390,852)</u>
<u>\$ 3,782,099</u>	<u>\$ 384,240,369</u>	<u>\$ (6,721,721)</u>
<u>\$ 5,513,812</u>	<u>\$ 500,201,606</u>	<u>\$ 11,878,695</u>

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

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

For the Fiscal Year Ended September 30, 2021

	Business-type Activities			
	Water and Sewer Enterprise Fund	Airport Enterprise Fund	Solid Waste Fund	Emergency Medical Services Enterprise Fund
Operating Revenues				
Charges for Services	\$ 38,782,762	\$ 16,666,773	\$ 12,892,950	\$ 7,878,579
Licenses and Permits	-	-	-	-
Miscellaneous	826	-	1,649,034	-
Total Operating Revenues	38,783,588	16,666,773	14,541,984	7,878,579
Operating Expenses				
Personal services	7,951,300	2,102,860	884,183	6,629,775
Contractual Services	3,401,260	4,008,280	9,990,034	484,117
Supplies	1,090,802	932,338	105,694	850,453
Insurance Premiums and Claims	-	-	-	-
Utilities	2,362,768	955,660	14,485	26,746
Other Operating Expenses	4,938,952	1,672,173	517,810	752,524
Depreciation/Amortization	8,687,460	5,092,254	305,511	515,910
Total Operating Expenses	28,432,542	14,763,565	11,817,717	9,259,525
Operating Income (Loss)	10,351,046	1,903,208	2,724,267	(1,380,946)
Non-operating Revenues (Expenses)				
Taxes	-	-	-	781
Intergovernmental	2,604,960	83,562	234,239	1,990,630
Investment Income (Loss)	45,418	8,976	2,416	12,159
Other Non-Operating Revenue	73,314	-	-	-
Interest Expenses	(2,673,280)	(168,053)	-	-
Other Debt Services Costs	(300)	(18,491)	-	-
Gain/(Loss) on Disposal of Capital Assets	63,418	(19,908)	53,589	228,486
Gain (Loss) on Defeasance of Debt	-	(341,309)	-	-
Total nonoperating Revenues (Expenses)	113,530	(455,223)	290,244	2,232,056
Income (Loss) Before Contributions and Transfers	10,464,576	1,447,985	3,014,511	851,110
Capital Contributions	1,209,257	9,608,048	-	700,997
Passenger and Customer Facility Charges	-	6,382,363	-	-
Transfers In	-	-	33	633,000
Transfers Out	-	(2,632,098)	-	(33)
Change in Net Position	11,673,833	14,806,298	3,014,544	2,185,074
Total Net Position (Deficit) - Beginning	181,126,789	166,097,286	1,932,434	(377,989)
Total Net Position (Deficit) - Ending	\$ 192,800,622	\$ 180,903,584	\$ 4,946,978	\$ 1,807,085

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
\$ 594,250	\$ 76,815,314	\$ 16,177,721
3,119,545	3,119,545	-
57,326	1,707,186	101,851
<u>3,771,121</u>	<u>81,642,045</u>	<u>16,279,572</u>
1,484,202	19,052,320	3,281,894
346,684	18,230,375	713,152
32,020	3,011,307	2,651,486
-	-	9,666,697
-	3,359,659	6,772
116,509	7,997,968	376,152
35,963	14,637,098	80,171
<u>2,015,378</u>	<u>66,288,727</u>	<u>16,776,324</u>
<u>1,755,743</u>	<u>15,353,318</u>	<u>(496,752)</u>
-	781	-
-	4,913,391	-
(425)	68,544	2,137
-	73,314	-
-	(2,841,333)	-
-	(18,791)	-
-	325,585	195,357
-	(341,309)	-
<u>(425)</u>	<u>2,180,182</u>	<u>197,494</u>
<u>1,755,318</u>	<u>17,533,500</u>	<u>(299,258)</u>
-	11,518,302	-
-	6,382,363	-
-	633,033	450,000
-	(2,632,131)	-
1,755,318	33,435,067	150,742
<u>2,026,781</u>	<u>350,805,301</u>	<u>(6,872,463)</u>
<u>\$ 3,782,099</u>	<u>\$ 384,240,368</u>	<u>\$ (6,721,721)</u>

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

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2021

	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	\$ 38,407,625	\$ 16,154,206	\$ 12,853,032	\$ 9,866,466
Payments to Suppliers	(11,425,042)	(6,893,318)	(10,838,065)	(1,996,825)
Payments to Employees	(8,352,170)	(9,720)	(1,014,292)	(7,604,252)
Payments for Other Revenues	73,314	56	-	-
Net Cash Provided (Used) by Operating Activities	<u>18,703,727</u>	<u>9,251,224</u>	<u>1,000,675</u>	<u>265,389</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Operating Subsidy - Intergovernmental Revenue	2,604,960	83,562	234,239	1,990,630
Transfers (Out) In	-	(2,632,098)	33	632,967
Net Interfund Activity	-	-	1,008	(1)
Net Cash Provided (Used) by Non-capital Financing Activities	<u>2,604,960</u>	<u>(2,548,536)</u>	<u>235,280</u>	<u>2,623,596</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of Capital Assets	(13,029,876)	(19,837,945)	(38,649)	(479,050)
Passenger and Customer Facility Charges	-	6,382,363	-	-
Proceeds from Disposal of Capital Assets	307,997	(355)	-	228,486
Net Borrowing (Repayments)				
Principal Paid on Capital Debt	(3,634,365)	(6,366,792)	-	-
Interest Paid on Capital Debt	(3,477,476)	(85,197)	-	-
Other Debt Service Costs	(300)	-	-	-
Capital Contributions	1,209,257	9,608,048	-	700,997
Net cash provided (used) by capital and related financing activities	<u>(18,624,763)</u>	<u>(10,299,878)</u>	<u>(38,649)</u>	<u>450,433</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from Sale and Maturities of Investments	1,767,481	1,360,255	-	(10,430)
Purchases of Investments	(3,000,000)	(546,944)	(1,000,000)	(4,000,000)
Interest Income	45,418	8,976	-	12,159
Net Cash Provided (Used) by Investing Activities	<u>(1,187,101)</u>	<u>822,287</u>	<u>(1,000,000)</u>	<u>(3,998,271)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,496,823	(2,774,903)	197,306	(658,853)
Cash and Cash Equivalents - Beginning of Year	<u>3,344,827</u>	<u>2,794,657</u>	<u>1,342,382</u>	<u>2,417,049</u>
Cash and Cash Equivalents - End of Year	<u>\$ 4,841,650</u>	<u>\$ 19,754</u>	<u>\$ 1,539,688</u>	<u>\$ 1,758,196</u>
Cash and Cash Equivalents at End of Year Consist of:				
Current assets	\$ 1,851,633	\$ 19,754	\$ 1,511,180	\$ 1,758,196
Restricted assets	2,990,017	-	28,508	-
Total	<u>\$ 4,841,650</u>	<u>\$ 19,754</u>	<u>\$ 1,539,688</u>	<u>\$ 1,758,196</u>

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

- Enterprise Funds

Other Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
\$ 3,757,461	\$ 81,038,790	\$ 17,006,421
(476,753)	(31,630,003)	(13,418,850)
(1,628,402)	(18,608,836)	(3,303,675)
-	73,370	-
<u>1,652,306</u>	<u>30,873,321</u>	<u>283,896</u>
-	4,913,391	-
-	(1,999,098)	450,000
-	1,007	322,140
-	<u>2,915,300</u>	<u>772,140</u>
(7,944)	(33,393,464)	(153,700)
-	6,382,363	-
-	536,128	195,357
-	(10,001,157)	-
-	(3,562,673)	-
-	(300)	-
-	11,518,302	-
<u>(7,944)</u>	<u>(28,520,801)</u>	<u>41,657</u>
-	3,117,306	-
(678,276)	(9,225,220)	(2,800)
(425)	66,128	2,138
<u>(678,701)</u>	<u>(6,041,786)</u>	<u>(662)</u>
965,661	(773,966)	1,097,031
<u>952,314</u>	<u>10,851,229</u>	<u>5,151,240</u>
<u>\$ 1,917,975</u>	<u>\$ 10,077,263</u>	<u>\$ 6,248,271</u>
\$ 1,917,975	\$ 7,058,738	\$ 6,248,271
-	3,018,525	-
<u>\$ 1,917,975</u>	<u>\$ 10,077,263</u>	<u>\$ 6,248,271</u>

Continued...

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

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2021

	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)	\$ 10,351,046	\$ 1,903,209	\$ 2,724,267	\$ (1,380,946)
Adjustments to Reconcile Operating Income to Net Cash Provided				
(Used) by Operating Activities				
Depreciation/Amortization	8,687,460	5,092,254	305,511	515,910
Other revenue	73,314	-	-	781
Decrease (Increase) in Assets				
Accounts Receivable	(539,457)	(2,445,572)	(1,707,880)	1,968,154
Due from Other Governments	(891,486)	1,478,710	(9,580)	-
Due from Other Funds	-	88	-	-
Inventories	109,235	(12,066)	-	(16,397)
Prepaid Expenses	(429,926)	24,834	-	4,190
Deferred Outflows	2,278,562	476,952	202,714	1,752,822
Increase (Decrease) in Liabilities				
Accounts Payable	(943,525)	813,823	727,055	(65,188)
Service Contracts Payable	1,606,389	(175,455)	(605,537)	20,995
Due to Other Funds	115	(32)	-	-
Due to Other Elected Officials	118	697	-	(100)
Due to Other Governments	(84)	16,847	(92)	(4,366)
Compensated Absences Payable	(138,839)	(12,731)	(23,995)	(57,928)
Closure Cost Payable	-	-	(333,024)	-
Other Accrued Liabilities	26,418	6,453	1,556	177,881
Deposits	30,283	3,000	28,508	-
Unearned Revenue	1,024,697	451,294	-	18,952
Other Post Employment Benefits	35,172	9,567	3,826	34,557
Net Pension Liability	(9,173,924)	(2,621,122)	(1,113,977)	(9,632,620)
Deferred Inflows	6,598,159	4,240,474	801,323	6,928,692
Total Adjustments	<u>8,352,681</u>	<u>7,348,015</u>	<u>(1,723,592)</u>	<u>1,646,335</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 18,703,727</u>	<u>\$ 9,251,224</u>	<u>\$ 1,000,675</u>	<u>\$ 265,389</u>

SUPPLEMENTAL DISCLOSURES OF NON CASH
TRANSACTIONS:

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
\$ 1,755,743	\$ 15,353,319	\$ (496,752)
35,963	14,637,098	80,171
-	74,095	-
(22,224)	(2,746,979)	135,648
-	577,644	(17,831)
-	88	488,196
-	80,772	24,876
2,926	(397,976)	(54,477)
238,517	4,949,567	343,900
(422)	531,743	634,427
37	846,429	(47,450)
-	83	-
377	1,092	-
2,978	15,283	(243)
(18,871)	(252,364)	81,310
-	(333,024)	-
-	-	(572,686)
12,564	224,872	10,962
170	61,961	2,401
8,394	1,503,337	2,724
3,798	86,920	167,626
(1,310,562)	(23,852,205)	(1,703,728)
942,918	19,511,566	1,204,822
(103,437)	15,520,002	780,648
<u>\$ 1,652,306</u>	<u>\$ 30,873,321</u>	<u>\$ 283,896</u>

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

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
September 30, 2021**

	Custodial Funds
ASSETS	
Cash and Cash Equivalents	\$ 7,277,478
Investments	2,308,999
Accounts Receivable	21,780
Total Assets	\$ 9,608,257
LIABILITIES	
Accounts Payable	\$ 13,895
Due to Other Funds	31,162
Due to Other Elected Officials	220,341
Due to Other Governments	1,508,231
Due to Depositors	151,749
Taxes Collected in Advance for Other Governments	2,700,907
Total Liabilities	\$ 4,626,285
NET POSITION	
Restricted for Individuals, Organizations. or Other Governments	4,981,972
Total Net Positions	\$ 4,981,972

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

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Fiscal Year Ended September 30, 2021

	<u>Custodial Funds</u>
ADDITIONS	
Collections from Individuals	\$ 1,120
Fines and Forfeitures and Fees Collected	5,043,075
Witness Advanced Funding	897
Tax Deeds and Fees Collected	881,051
Child Support Collected	1,383,630
Registry of the Court and Fees Collected	10,265,733
Recording Fees Collected	715,282
Documentary Stamps and Intangible Tax Collected	57,832,105
Restitution and Escrow Funds Collected	458,965
Juvenile Restitution Collected	10,625
Online Foreclosure Funds Collected	2,371,540
Cash Bonds Collected	511,007
County Related Taxes and Fees	351,531,221
State Related Licenses and Fees	34,523,630
Other	793,612
Total Additions	<u>466,323,493</u>
DEDUCTIONS	
Distributions to Individuals	24,550
Fines and Forfeitures and Fees Collected	5,043,075
Witness Advanced Funding	897
Tax Deeds and Fees Collected	914,830
Child Support Collected	1,383,630
Registry of the Court and Fees Collected	10,387,257
Recording Fees Collected	715,282
Documentary Stamps and Intangible Tax Collected	57,832,105
Restitution and Escrow Funds Collected	432,674
Juvenile Restitution Collected	10,625
Online Foreclosure Funds Collected	2,083,354
Cash Bonds Collected	370,654
County Related Taxes and Fees	351,529,940
State Related Licenses and Fees	34,523,630
Other	782,750
Total Deductions	<u>466,035,253</u>
Net Increase (Decrease) in Fiduciary Net Position	288,240
Total Net Position - Beginning	-
Change in Accounting Practices	4,693,732
Total Net Position - Beginning, As Restated	<u>4,693,732</u>
Total Net Position - Ending	<u>\$ 4,981,972</u>

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 its 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 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 a 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 units. 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 expenses 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 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 custodial funds of the County. Custodial 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 custodial 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 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 contributions 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 subsidies, 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.

Custodial 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 Emergency Medical Services Enterprise Fund, Airport Enterprise Fund, and Water and Sewer Enterprise Fund are the only funds of the 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 2021 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 Custodial Fund of the Tax Collector.

The following is the current property tax calendar:

Lien Date January 1, 2021	January 1, 2021
Levy Date November 1, 2021	November 1, 2021
Due Date November 1, 2021	November 1, 2021
Delinquent Date April 1, 2022	April 1, 2022

Discounts of 1% for each month taxes are paid prior to March 2022 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 \$5,000 on tangible personal property and \$5,000 on buildings, improvements other than buildings and infrastructure. The Sheriff maintains a tangible personal property inventory and implemented a \$5,000 capitalization level during the fiscal year. 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**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 \$1,444,298 of deferred outflows on Water and Sewer, Series 2015 bonds, and \$27,529,608 of deferred outflows for pension and OPEB as of September 30, 2021. Amortization expense of the deferred outflow related to the Water and Sewer, Series 2015 bonds totaled \$304,651 for the year ended September 30, 2021, 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 \$83,131,908 of deferred inflows for pension, OPEB, and unavailable revenue as of September 30, 2021.

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 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 \$307,854,708 representing a 69% 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 Natural Disasters Fund reported a deficit fund balance of \$1,302,249. This is a result of denied FEMA grant claims during the year ended September 30, 2021 and as such expenditures exceeded revenues recognized. If resolution of the claims is not reached a transfer will be made from the General Fund to alleviate the deficit fund balance.

The Self Insurance Internal Service Fund reported a deficit net position of \$1,255,398. 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 \$2,304,968. 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 \$3,261,354. 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, 2021.

NOTE 3 – DEPOSITS AND INVESTMENTS**Deposits**

At September 30, 2021, the County's carrying value of cash and cash equivalents totaled \$36,758,249, which is presented as \$29,480,771 in the statement of net position and \$7,277,478 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, 2021, 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, 2021, 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, 2021, 13.1% of the County’s investments are in the Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Federal National Mortgage Association Pooled, and Fresh Multi-Family Mortgage Pass Thrus. These investments are 1.8%, 1.8%, 1.9%, 3.6%, 2.3%, 0.1% and 1.6% 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	\$ 36,533,412	0.382	AA+	13.10%

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, 2021:

- 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, 2021, Okaloosa County had the following recurring fair value measurements:

	Fair Value	Level 1	Level 2	Level 3
Federal Farm Credit Bank	\$ 4,979,050	\$ -	\$ 4,979,050	\$ -
Federal Home Loan Bank	4,970,100	-	4,970,100	-
Federal Home Loan Mortgage Corporation	5,440,178	-	5,440,178	-
Federal National Mortgage Association	10,086,379	-	10,086,379	-
Federal National Mortgage Association Pooled	6,318,384	-	6,318,384	-
Governmental National Mortgage Association	158,007	-	158,007	-
Fresb Multifamily Mortgage	2,975,778	-	2,975,778	-
Fresb Multifamily Mortgage TR	1,180,326	-	1,180,326	-
Fresb Multifamily Mortgage Pass Thru	425,211	-	425,211	-
	<u>\$ 36,533,412</u>	<u>\$ -</u>	<u>\$ 36,533,412</u>	<u>\$ -</u>
Investments measured at the net asset value (NAV)				
FL Safe	5,000,863			
Florida Fixed Income Trust	35,152,760			
Florida Local Government Investment Trust - Investment Pool	<u>43,041,524</u>			
Total investments measured at fair value	119,728,559			
Total investments measured at amortized cost	159,805,539			
Total investments at September 30, 2021	<u>\$ 279,534,098</u>			

NOTE 5 – RECEIVABLES / UNEARNED AND UNAVAILABLE REVENUE

Receivables as of September 30, 2021 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, 2021
General	\$ 185,307	\$ 5,819,952	\$ 6,005,259	\$ -	\$ 6,005,259
Tourist Development	25,134	4,134,562	4,159,696	-	4,159,696
Natural Disasters	-	902,892	902,892	-	902,892
Road and Bridge Construction	6,279,711	1,246,045	7,525,756	-	7,525,756
Water and Sewer	5,245,464	3,415,764	8,661,228	(308,203)	8,353,025
Airport	4,533,713	3,441,136	7,974,849	(411,655)	7,563,194
Solid Waste	2,604,920	32,497	2,637,417	-	2,637,417
EMS	5,438,865	-	5,438,865	(2,602,333)	2,836,532
Nonmajor and Other Funds	306,850	2,961,182	3,268,032	-	3,268,032
Total	<u>\$ 24,619,964</u>	<u>\$ 21,954,030</u>	<u>\$ 46,573,994</u>	<u>\$ (3,322,191)</u>	<u>\$ 43,251,803</u>

NOTE 5 - RECEIVABLES / UNEARNED AND UNAVAILABLE REVENUE - CONTINUED

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, 2021 for the government’s individual major funds and nonmajor internal service, and fiduciary funds in the aggregate are as follows:

Funds	Unavailable	Unearned
General	\$ 250	\$ 1,358,952
Tourist Development	-	125,019
Natural Disasters	-	26,137,486
Water and Sewer	-	1,740,854
Airport	-	884,620
Emergency Medical Services	-	21,294
Nonmajor and Other Funds	-	2,420,100
Total	<u>\$ 250</u>	<u>\$ 32,688,325</u>

Unearned revenue in the Natural Disaster grant fund represents federal grant proceeds received in advance of meeting eligibility requirements related to the American Rescue Plan (ARP) and other grant funds related emergency rental assistance available as a result of the COVID pandemic.

In 2019, the County entered into a reimbursement agreement and space lease with a commercial air carrier. The agreement stipulates the air carrier will fund the construction costs of a concourse expansion project in exchange for lease credits. These lease credits will be applied toward lease payments due once the project is completed. Management has evaluated this transaction and determined it represents an acquisition of net position by the Airport Enterprise Fund that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. As of September 30, 2021, the Airport is reporting \$2,355,158 of deferred inflows of resources related to unearned revenue on the statement of net position.

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Transfers and Adjustments	Ending Balance
Governmental Activities					
Capital assets, not being depreciated/amortized:					
Land	\$ 14,381,844	\$ 2,916,745	\$ -	\$ -	\$ 17,298,589
Intangibles	1,146,905	-	-	-	1,146,905
Construction in progress	21,258,174	22,452,055	(89,516)	(4,129,739)	39,490,974
Works of art	29,195	-	-	-	29,195
Total capital assets not being depreciated/amortized	<u>36,816,118</u>	<u>25,368,800</u>	<u>(89,516)</u>	<u>(4,129,739)</u>	<u>57,965,663</u>
Capital assets, being depreciated/amortized:					
Buildings	142,237,925	382,199	-	-	142,620,124
Improvement other than buildings	45,621,544	2,555,116	-	2,920,751	51,097,411
Intangibles	2,347,742	33,007	-	-	2,380,749
Machinery and equipment	64,243,688	6,624,737	(3,814,773)	1,455,451	68,509,103
Infrastructure	173,004,511	1,242,213	-	126,959	174,373,683
Total capital assets being depreciated/amortized	<u>427,455,410</u>	<u>10,837,272</u>	<u>(3,814,773)</u>	<u>4,503,161</u>	<u>438,981,070</u>
Less accumulated depreciation/amortization for:					
Buildings	(47,586,980)	(3,787,276)	-	-	(51,374,256)
Improvement other than buildings	(17,020,526)	(1,998,897)	-	-	(19,019,423)
Intangibles	(2,259,917)	(62,327)	-	-	(2,322,244)
Machinery and equipment	(49,158,185)	(5,569,456)	3,744,365	(474,436)	(51,457,712)
Infrastructure	(97,163,642)	(3,134,696)	-	-	(100,298,338)
Total accumulated depreciated/amortized	<u>(213,189,250)</u>	<u>(14,552,652)</u>	<u>3,744,365</u>	<u>(474,436)</u>	<u>(224,471,973)</u>
Total capital assets, being depreciated/amortized, net	<u>214,266,160</u>	<u>(3,715,380)</u>	<u>(70,408)</u>	<u>4,028,725</u>	<u>214,509,097</u>
Governmental Activities capital assets, net	<u>\$ 251,082,278</u>	<u>\$ 21,653,420</u>	<u>\$ (159,924)</u>	<u>\$ (101,014)</u>	<u>\$ 272,474,760</u>

Depreciation expense was charged to functions/programs as follows:

Governmental Activities	Depreciation	Amortization
General government	\$ 3,494,115	\$ 41,496
Public safety	3,736,515	-
Physical environment	246,043	-
Transportation, incl. depreciation of general infrastructure assets	4,139,821	18,085
Economic environmental	77,418	-
Human services	351,441	-
Culture and recreation	2,322,766	2,746
Court related	42,035	-
Capital assets held by the governments internal service funds are charged to the various functions based on their usage of the assets	<u>80,171</u>	<u>-</u>
Total depreciation expense - governmental activities	<u>\$ 14,490,325</u>	<u>\$ 62,327</u>

NOTE 6 - CAPITAL ASSETS - CONTINUED

	Beginning Balance	Increases	Decreases	Transfers and Adjustments	Ending Balance
Business-type Activities					
Capital assets, not being depreciated/amortized:					
Land	\$ 14,765,162	\$ -	\$ -	\$ -	\$ 14,765,162
Construction in progress	30,045,846	18,053,381	(851,097)	(22,518,904)	24,729,226
Works of art	69,865	-	-	-	69,865
Total capital assets not being depreciated/amortized	<u>44,880,873</u>	<u>18,053,381</u>	<u>(851,097)</u>	<u>(22,518,904)</u>	<u>39,564,253</u>
Capital assets, being depreciated/amortized:					
Buildings	89,627,172	3,187	-	11,391	89,641,750
Improvement other than buildings	276,776	-	-	-	276,776
Intangibles	997,815	5,000	(70,556)	-	932,259
Machinery and equipment	24,546,595	2,838,780	(147,543)	(373,422)	26,864,410
Infrastructure	399,492,519	13,156,258	-	22,507,513	435,156,290
Total capital assets being depreciated/amortized	<u>514,940,877</u>	<u>16,003,225</u>	<u>(218,099)</u>	<u>22,145,482</u>	<u>552,871,485</u>
Less accumulated depreciation/amortization for:					
Buildings	(29,495,445)	(2,544,837)	-	-	(32,040,282)
Improvement other than buildings	(219,895)	(9,226)	-	-	(229,121)
Intangibles	(960,527)	(14,669)	70,556	-	(904,640)
Machinery and equipment	(17,918,018)	(2,299,287)	23,941	474,436	(19,718,928)
Infrastructure	(162,210,268)	(9,769,079)	-	-	(171,979,347)
Total accumulated depreciated/amortized	<u>(210,804,153)</u>	<u>(14,637,098)</u>	<u>94,497</u>	<u>474,436</u>	<u>(224,872,318)</u>
Total capital assets, being depreciated/amortized, net	<u>304,136,724</u>	<u>1,366,127</u>	<u>(123,602)</u>	<u>22,619,918</u>	<u>327,999,167</u>
Business-type Activities capital assets, net	<u>\$ 349,017,597</u>	<u>\$ 19,419,508</u>	<u>\$ (974,699)</u>	<u>\$ 101,014</u>	<u>\$ 367,563,420</u>

Depreciation expense was charged to enterprise funds as follows:

Business-type Activities	Depreciation	Amortization
Water and sewer	\$ 8,673,991	\$ 13,469
Airport	5,091,054	1,200
Solid Waste	305,511	-
Emergency Management Services	515,910	-
Other enterprise funds	35,963	-
Total depreciation expense - business-type activities	<u>\$ 14,622,429</u>	<u>\$ 14,669</u>

Construction Commitments

Southwest Crestview Bypass Road Construction

The Southwest Crestview Bypass construction is ongoing for Phases I - IV, the widening from SR 85 to Crab Apple Avenue. The total project cost is estimated at approximately \$222,600,000 pending final design and bids; this includes design and construction of the interchange with I-10 by FDOT. Based on the fiscal year 2022 capital budget, total expenditures will approximate \$86,500,000.

Water and Sewer Expansion and Renovation

The Water and Sewer System is continuing capital projects in FY2022 related to expansion, aging infrastructure replacement/rehabilitation, and the environment. Based on the fiscal year 2022 capital budget, total expenditures will approximate \$22,873,602 on projects, which include \$2,872,127 in new equipment; \$6,500,000 for continuation of the Arbennie Waste Reclamation Facility expansion; \$2,400,000 in State Department of Transportation Projects; \$1,850,000 for Okaloosa Island booster station replacement; \$1,046,127 to continue pump/panel replacements; and multiple smaller projects.

NOTE 7 – COMPENSATED ABSENCES

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

Board of County Commissioners and Supervisor of Elections

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

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

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

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

Compensatory Time

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

Clerk of the Circuit Court

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

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

NOTE 7 – COMPENSATED ABSENCES - CONTINUED

Sheriff

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

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

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

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

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

Tax Collector

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

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

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

Property Appraiser

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

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

NOTE 7 – COMPENSATED ABSENCES - CONTINUED

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

The total amounts of accumulated annual leave and other compensated absences for all elected officials as of September 30, 2021 are as follows:

Elected Official	Current Portion	Long -Term Portion	Totals
Board of County Commissioners	\$ 2,305,236	\$ 1,703,543	\$ 4,008,779
Clerk of the Circuit Court	123,803	132,198	256,001
Sheriff	1,665,028	2,775,046	4,440,074
Tax Collector	94,566	209,591	304,157
Property Appraiser	-	108,350	108,350
Supervisor of Elections	63,041	71,724	134,764
Totals	<u>\$ 4,251,674</u>	<u>\$ 5,000,452</u>	<u>\$ 9,252,125</u>

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

NOTE 8 – LANDFILL POST CLOSURE CARE COSTS

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

The Board is required by state and federal laws and regulations to develop its estimates using rates normal to commercial contracting firms and is based on the amount of the landfill capacity used to date, which is at 100% capacity as of September 30, 2021. 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 \$333,026. The estimated liability for post closure care costs has a balance of \$2,426,154 as of September 30, 2021.

NOTE 9 – INTERFUND BALANCES AND ACTIVITY

The composition of interfund balances as of September 30, 2021 is as follows:

	Receivable from Other Funds	Payable to Other Funds
Major Fund		
General Fund	\$ 105,012	\$ 491,291
Water and Sewer	-	142
Solid Waste Fund	221	-
Non-major Funds		
Special Revenue Funds	1,470,000	123,850
Internal Service Funds	321,211	1,249,999
Fiduciary Funds	-	31,162
	<u>\$ 1,896,444</u>	<u>\$ 1,896,444</u>

NOTE 9 – INTERFUND BALANCES AND ACTIVITY - CONTINUED

The composition of interfund balances with other elected officials as of September 30, 2021 is as follows:

	Receivable from Other Elected Funds	Payable to Other Elected Official
Major Fund		
General Fund	\$ 3,803,143	\$ 3,653,629
Tourist Development Special Revenue Fund	-	155,233
Water and Sewer Enterprise Fund	-	118
Airport Enterprise Fund	-	697
Emergency Medical Services	1	18
Non-major Funds		
Governmental Funds	235,280	9,232
Proprietary Funds	-	377
Internal Service Funds	1,221	-
Fiduciary Funds	-	220,341
	<u>\$ 4,039,645</u>	<u>\$ 4,039,645</u>

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

Interfund transfers activity for the year ended September 30, 2021 consisted of the following:

	Transfers In	Transfers Out
Major Fund		
General	\$ 7,632,313	\$ 15,242,261
Tourist Development	-	3,115,491
Road and Bridge	1,815,000	-
Airport Enterprise	-	2,632,098
Solid Waste	33	
Emergency Medical Services Enterprise	633,000	33
Non-major Funds		
Governmental	14,812,969	4,353,432
Internal Service	450,000	-
	<u>\$ 25,343,315</u>	<u>\$ 25,343,315</u>

The County’s tourist development fund made transfers to multiple funds of the Board to fund activities allowed by Florida Statute to include parks maintenance, parks capital projects, beach safety and beach restoration projects in the amount of \$3,115,491. The E-911 operations special revenue fund (nonmajor governmental fund) provided approximately \$1,829,777 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 \$706,395. The county transportation trust special revenue fund (nonmajor governmental fund) received approximately \$1.4 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 \$3,470,009 has been recorded as of September 30, 2021. 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 \$74,524 has been recorded as of September 30, 2021. 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 2054.

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 \$2,134,764 has been recorded as of September 30, 2021. 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 \$2,134,764 has been recorded as of September 30, 2021. The 6 month lease expired in July 2021 and was renewed with a new lease that expires in July of 2026. Rental fees are \$3,102 per month and will increase 3% annually beginning August 2022.

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, 2021 was \$99,483. Future minimum rents to be earned under the terms of the lease agreements are \$134,223.

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

<u>Fiscal Year Ended September 30</u>	
2022	\$ 7,441,861
2023	7,228,024
2024	7,087,688
2025	6,966,416
2026	6,884,025
Thereafter	23,088,513
	<u>\$ 58,696,527</u>

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

The Board leases the land, approximately 130 acres, on which airport facilities are located from the United States Government under a long-term lease agreement expiring in July 2063. The lease was renegotiated in April 2018. The amended agreement extends the expiration from December 9, 2038 to July 30, 2063 and removes a 3% annual escalation factor, which was replaced with an annual CPI adjustment. As part of the renegotiation, the Board agreed to a lump-sum \$1,200,000 payment in April 2018, which will be amortized over the remaining forty-five year life of the lease. The future minimum lease payments total \$18,218,587. Lease expense for fiscal year 2021 was \$478,680, which includes \$26,177 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 \$7,993,096 over the lifetime of the lease. Lease expense for fiscal year 2021 was \$420,422.

The Board of County Commissioners leases 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 \$178,200. Lease expense for fiscal year 2021 was \$118,800.

The Board of County Commissioners leased 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 lease was renewed to lease four (4) vehicles used by the Airport, one (1) Chevrolet Malibu and three (3) Ford F-250s for a period of two (2) years for a total of \$1,614 per month through December 2022. The future minimum lease payments total \$24,210. Lease expense for fiscal year 2021 was \$23,038.

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 \$39,260 through November 2022. Total lease expenditures for the fiscal year ended September 30, 2021 were \$36,514.

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 \$424 per month effective through 3/31/2024. Future minimum lease payments for the equipment leases total \$14,405 through March 2024. Total lease expenditures for fiscal year ended September 30, 2021 were \$5,084.

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, 2021 amounted to \$1,294,457. Future minimum lease payments for these leases are as follows:

<u>Fiscal Year Ended September 30</u>	
2022	\$ 1,234,950
2023	1,136,380
2024	944,103
2025	909,427
2026	897,956
2027-2031	4,632,803
2032-2036	4,889,250
2037-2041	2,746,030
2042-2046	2,168,879
2047-2051	2,168,879
2052-2056	2,168,879
2057-2061	2,168,879
2062-2063	867,552
	<u>\$ 26,933,967</u>

NOTE 11 – LONG-TERM DEBT

Primary Government

The following debt issues are outstanding for September 30, 2021:

Governmental Activities:

REVENUE BONDS

<p>\$3,600,000 Capital improvement Revenue Bond, Series 2011, serial bonds with stated interest rate of 3.72 percent compounded semi-annually through October 1, 2030; issued in denominations of \$5,000 maturity value due in annual installments of \$133,000 to \$259,000 from October 1, 2012 through October 1, 2030. General governmental revenues are pledged for the payment of the bonds. Proceeds of the bonds have been used to finance the purchase of the Newman C. Brackin Building to be used for office space. This issue is subject to federal arbitrage regulations.</p>	<p>2,206,000</p>
<p>\$22,165,000 Sales Tax Revenue Bonds, Series 2014, serial and term bonds with stated interest rates ranging from 3.0 percent to 5.0 percent compounded semi-annually through October 1, 2034; issued in denominations of \$5,000 maturity value due in annual installments of \$760,000 to \$1,720,000 from October 1, 2016 through October 1, 2034 and interest only payments October 1, 2015 - September 30, 2016. Sales tax revenues were pledged for payment of the bonds. Proceeds of the bonds will be used to finance the construction of Crestview courthouse, Administration building and refunding the Sales Tax Revenue Bond Anticipation Note, Series 2014. The issue is subject to federal arbitrage regulations.</p>	<p>18,085,000</p>
<p>\$12,960,000 Sales Tax Revenue Bonds, Series 2016, serial and term bonds with stated interest rates ranging from 3.0 percent to 5.0 percent compounded semi-annually through October 1, 2046; issued in dominations of \$5,000 maturity value due in annual installments of \$235,000 to \$715,000 from October 1,2017 through October 1, 2046. Sales tax revenues were used for payment of the bonds. Proceeds of the bonds will be used to finance the acquisition and construction of improvements to County facilities, including additional improvements to the Crestview courthouse. The issue is subject to federal arbitrage regulations.</p>	<p>11,985,000</p>
<p>\$38,300,000 Sales Tax Refunding and Improvement Revenue Bonds, Series 2019, serial and term bonds with a stated interest rate of 4.0 percent compounded semi-annually through 2040; issued in denominations of \$5,000 maturity value due in annual installments of \$810,000 to \$2,130,000 from October 1, 2020 through October 1, 2040. Sales tax revenues were pledged for payment of the bonds. Proceeds of the bonds will be used to refund a portion of the County's outstanding Taxable Sales Tax Revenue Bonds Series 2009B and finance certain capital improvements in and for the County. The issue is subject to federal arbitrage regulations.</p>	<p><u>37,490,000</u></p>
<p>Total Governmental Activities Revenue Bonds</p>	<p><u>\$ 69,766,000</u></p>

NOTE 11 – LONG-TERM DEBT - CONTINUED

Primary Government - Continued

Governmental Activities - Continued

LOANS AND NOTES - DIRECT BORROWINGS

\$2,480,000 Private Bank Loan from Truist Bank with fixed rate of interest of 2.49% through December 1, 2035; interest on the Note shall be payable on each June 1 and December 1, commencing June 1, 2021 and at maturity of the Note, principal shall be paid each December 1, commencing December 1, 2021, in the amounts as set forth in the Note with the final payment due at maturity. The loan finances the acquisition of land along the Shoal River Ranch and appurtenant improvements or such other capital improvement as established by resolution of the Board and is secured by a lien upon and pledge of the County to annually appropriate in its budget from non-ad valorem revenues lawfully available in each fiscal year until the loan is paid in full. In the event of default, the lender may sue to protect and enforce any and all rights existing under the laws of the State of Florida, of the United States of America, or granted and contained in the agreement. The agreement does not contain any subjective acceleration clauses.

\$ 2,480,000

Business-type Activities:

REVENUE BONDS

Airport

\$8,920,000 Taxable Airport Revenue Refunding Bonds, Series 2014, due in annual installments of \$360,000 to \$740,000 through October 1, 2028; interest rate of 3.15 percent per annum. Proceeds from the bond were used to refund Airport Revenue Bonds, Series 2003 and Commercial Paper Loan. In November 2020, the County defeased certain revenue bonds by placing \$5,755,877 of 0.09% - 0.20% U.S. Treasury SLGS in a trust account with Bank of New York Mellon, the escrow agent for the defeasance. The SLGS have been irrevocably pledged to the payment of the outstanding bonds. The escrow agent has not been authorized to substitute assets that are not essentially risk-free in the trust portfolio. The estimated cash flows after September 30, 2021, in the escrow account for the defeasance is \$26,885. Principal and interest from the SLGS have been deemed sufficient to retire the principal and interest on the \$5,335,000 outstanding balance of the Airport Taxable Revenue Bonds, Series 2014, issued to refund Airport Revenue Bonds, Series 2003 and Commercial Paper Loan. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. At September 30, 2021, \$5,335,000 of the Series 2014 bond remains outstanding and are considered defeased. This issue is not subject to federal arbitrage regulations.

\$ -

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.

50,470,000

Total Business-type Revenue Bonds

\$ 50,470,000

NOTE 11 – LONG-TERM DEBT - CONTINUED

Primary Government - Continued

Business-type Activities - Continued

LOANS - STATE OF FLORIDA - DIRECT BORROWING

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

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

\$ 2,675,456

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, 2021:

	Balance Due October 1, 2020	Increases	Decreases	Balance Due September 30, 2021	Due Within One Year
Governmental Activities:					
Revenue Bonds					
Sales Tax Revenue Bonds,					
Series 2011	\$ 2,385,000	\$ -	\$ (179,000)	\$ 2,206,000	\$ 186,000
Series 2014	18,965,000	-	(880,000)	18,085,000	925,000
Series 2016	12,240,000	-	(255,000)	11,985,000	265,000
Series 2019	38,300,000	-	(810,000)	37,490,000	890,000
Less deferred amounts					
For issuance discounts/premiums	9,331,478	-	(998,992)	8,332,486	-
Total Revenue Bonds	<u>81,221,478</u>	<u>-</u>	<u>(3,122,992)</u>	<u>78,098,486</u>	<u>2,266,000</u>
Notes from direct borrowings					
Private bank note	664,000	-	(664,000)	-	-
Private bank note, 2020	-	2,480,000	-	2,480,000	135,000
Total direct borrowings	<u>664,000</u>	<u>2,480,000</u>	<u>(664,000)</u>	<u>2,480,000</u>	<u>135,000</u>
Other Payable					
Other Payable	398,863	-	(398,863)	-	-
Total Notes and Payables	<u>\$ 1,062,863</u>	<u>\$ 2,480,000</u>	<u>\$ (1,062,863)</u>	<u>\$ 2,480,000</u>	<u>\$ 135,000</u>

NOTE 11 – LONG-TERM DEBT - CONTINUED

Primary Government - Continued

	Balance Due October 1			Balance Due September 30	
	2020	Increases	Decreases	2021	Due Within One Year
Accrued compensated absences	\$ 7,805,628	\$ 1,814,382	\$ (2,072,709)	\$ 7,547,301	\$ 3,316,585
Estimated claims payable	5,415,401	10,409,907	(10,172,588)	5,652,720	1,683,720
Capital leases	-	85,596	(17,688)	67,908	17,861
Total Governmental Activities	<u>\$ 95,505,370</u>	<u>\$ 14,789,885</u>	<u>\$ (16,448,841)</u>	<u>\$ 93,846,414</u>	<u>\$ 7,419,166</u>
Business-type Activities:					
Revenue Bonds					
Airport Taxable Revenue Bonds,					
Series 2014	\$ 5,915,000	\$ -	\$ (5,915,000)	\$ -	\$ -
Water and Sewer Revenue,					
Series 2015	53,660,000	-	(3,190,000)	50,470,000	3,355,000
Bond discounts/premiums	7,288,975	-	(455,562)	6,833,413	-
Total Revenue Bonds	<u>66,863,975</u>	<u>-</u>	<u>(9,560,562)</u>	<u>57,303,413</u>	<u>3,355,000</u>
Loans and Notes - Direct Borrowings					
State of Florida Revolving Loan					
Fund, beginning June 15, 2007					
through December 15, 2023	3,119,818	-	(444,362)	2,675,456	456,777
Total Loans and Notes	<u>3,119,818</u>	<u>-</u>	<u>(444,362)</u>	<u>2,675,456</u>	<u>456,777</u>
Accrued compensated absences	1,957,188	4,612	(256,976)	1,704,824	935,089
Estimated closure costs payable	2,759,180	-	(333,025)	2,426,155	326,201
Total Business-type Activities	<u>\$ 74,700,161</u>	<u>\$ 4,612</u>	<u>\$ (10,594,925)</u>	<u>\$ 64,109,848</u>	<u>\$ 5,073,067</u>

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, \$1,815,355 of internal service funds compensated absences and \$5,652,720 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, 2021 are as follows:

Year Ending September 30,	Governmental Activities			
	Revenue Bonds		Loans, Notes, and Leases	
	Principal	Interest	Principal	Interest
2022	2,266,000	721,998	135,000	60,071
2023	2,373,000	689,281	142,000	56,623
2024	2,490,000	653,577	145,000	53,049
2025	2,612,000	616,211	149,000	49,389
2026	2,730,000	577,059	153,000	45,629
2027-2031	15,845,000	2,228,318	825,000	168,262
2032-2036	16,675,000	1,095,007	931,000	59,075
2037-2041	11,405,000	581,766	-	-
2042-2046	7,995,000	324,638	-	-
2047-2051	5,375,000	17,875	-	-
	<u>\$ 69,766,000</u>	<u>\$ 7,505,729</u>	<u>\$ 2,480,000</u>	<u>\$ 492,099</u>

Year Ending September 30,	Business-type Activities					
	Revenue Bonds		Loans and Notes		Landfill Closure Costs	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	3,355,000	2,474,250	456,777	71,099	326,200	-
2023	3,515,000	2,306,500	469,539	58,337	326,200	-
2024	3,690,000	2,130,750	482,659	45,217	326,200	-
2025	3,880,000	1,946,250	496,146	31,730	326,200	-
2026	4,075,000	1,752,250	510,010	17,865	326,200	-
2027-2031	14,040,000	6,407,250	260,325	3,613	795,155	-
2032-2036	17,915,000	2,528,250				-
2037-2041						-
	<u>\$ 50,470,000</u>	<u>\$ 19,545,500</u>	<u>\$ 2,675,456</u>	<u>\$ 227,861</u>	<u>\$ 2,426,155</u>	<u>\$ -</u>

NOTE 12 – CONDUIT DEBT

Since 1984, Okaloosa County has authorized three industrial development revenue bond issues that are still outstanding. The original issues totaled \$23,304,025 and as of September 30, 2021, \$12,767,330 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, 2021 is provided below:

	Major Funds					Total
	General Fund	Tourist Development	Natural Disaster	Road and Bridge	Other	
Fund Balances:						
Nonspendable:						
Inventory	\$ 85,701	\$ 344	\$ 4,607	\$ 181,093	\$ 269,625	\$ 541,370
Prepays	1,505,293	215,231	-	-	144,097	1,864,621
Restricted for:						
Tourist Development 1st Cent	-	14,566,664	-	-	-	14,566,664
Tourist Development 2nd Cent	-	10,087,860	-	-	-	10,087,860
Tourist Development 3rd Cent	-	12,474,777	-	-	-	12,474,777
Tourist Development 4th Cent	-	14,979,621	-	-	-	14,979,621
Tourist Development 5th Cent	-	7,583,407	-	-	-	7,583,407
Florida Boating Improvements	-	-	-	-	394,953	394,953
Capital Projects	-	-	-	-	3,332,630	3,332,630
Emergency and Disaster Relief	-	-	-	-	-	-
Housing and Urban Development	-	-	-	-	352,147	352,147
E-911 Operations	-	-	-	-	915,553	915,553
Radio Communications	-	-	-	-	355,809	355,809
Law Enforcement Trust Fund	-	-	-	-	152,387	152,387
Police Academy	-	-	-	-	115,139	115,139
Park and Stormwater Projects	-	-	-	-	3,137,442	3,137,442
Prisoner Benefit Fund	-	-	-	-	1,025,867	1,025,867
Judicial Innovations	-	-	-	-	438,977	438,977
Drug Abuse Trust Fund	-	-	-	-	117,347	117,347
Domestic Violence Trust Fund	-	-	-	-	5,712	5,712
Public Records	-	-	-	-	1,303,844	1,303,844
Traffic Education	-	-	-	-	175,359	175,359
Debt Service	-	-	-	-	323,769	323,769
Transportation Projects	-	-	-	40,335,582	-	40,335,582
Infrastructure Projects	-	-	-	-	30,480,953	30,480,953
Committed to:						
Planning Projects	190,777	-	-	-	-	190,777
Municipal Benefits Service Units	-	-	-	-	716,840	716,840
Assigned to:						
Capital Projects	2,014,940	-	-	-	5,256,144	7,271,084
Transportation Projects	-	-	-	-	-	-
Fiber Optic Cable	-	-	-	-	2,887,923	2,887,923
Health Department	-	-	-	-	245,809	245,809
Unassigned:						
Unassigned	25,645,387	-	(1,306,856)	-	(139,675)	24,198,856
Total Fund Balances	<u>\$ 29,442,098</u>	<u>\$ 59,907,904</u>	<u>\$ (1,302,249)</u>	<u>\$ 40,516,675</u>	<u>\$ 52,008,651</u>	<u>\$ 180,573,079</u>

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, 2021.

Fund	Amount	Purpose
Airport Enterprise Fund	\$ 10,402,640	Passenger Facility Charges Program
Airport Enterprise Fund	5,261,549	Customer Facility Charges Program
Total Net Position Restricted for Other Purposes	<u>\$ 15,664,189</u>	

NOTE 14 – ENCUMBRANCES

The amount of encumbrances outstanding as of September 30, 2021, is as follows:

	Amount
Governmental Funds	
General Fund	\$ 278,267
Tourist Development	1,632,637
Natural Disasters	0
Capital Outlay	662,161
Other Governmental	889,474
Total	\$ 3,462,539

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 (ACFR) 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 ACFR 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 2020 and 2021 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, 2021 and two preceding FRS fiscal years are as follows:

	September 30, 2021	June 30, 2021	June 30, 2020	June 30, 2019
Regular Class	10.82%	10.00%	8.47%	8.26%
Senior Management	29.01%	27.29%	25.41%	24.06%
Elected Officials	51.42%	49.18%	48.82%	48.70%
Deferred Retirement Option Program	18.34%	16.98%	14.60%	14.03%
Special Risk Regular	25.89%	24.45%	25.48%	24.50%
Special Risk Administrative Support	37.76%	35.84%	38.59%	34.98%

NOTE 15 – PENSION PLAN – CONTINUED

For the years ending September 30, 2021, 2020, 2019, the County contributed \$13,628,113, \$12,339,863, and \$11,380,819 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 \$46,529,615 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, 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, 2021, the County's change in proportion was an increase from its proportion measured as of June 30, 2020.

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, 2021	\$ 20,835,800	\$ 25,693,815	\$ 46,529,615
County's proportion at June 30, 2021	0.00275829719	0.00209463239	
County's proportion at June 30, 2020	0.00296386603	0.00207543174	
Change in proportion during current year	<u>-0.00020556884</u>	<u>0.00001920065</u>	

For the fiscal year ended September 30, 2021, the County recognized pension income of \$10,474,132.

At September 30, 2021, 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	\$ 3,571,289	-	\$ 849,018	-	\$ 4,420,307
Changes in assumptions	14,256,888	-	960,308	-	\$ 15,217,196
Net difference between projected and actual earnings on pension plan investments	-	72,690,870	26,785	-	- \$ (72,664,085)
Changes in proportion and differences between County contributions and proportionate share of contributions	2,281,803	6,194,477	1,213,595	510,841	\$ (3,209,920)
County contributions subsequent to the measurement date	3,120,192	-	339,115	-	3,459,307
	<u>\$ 23,230,172</u>	<u>\$ 78,885,347</u>	<u>\$ 3,388,821</u>	<u>\$ 510,841</u>	<u>\$ (52,777,195)</u>

NOTE 15 – PENSION PLAN – CONTINUED

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

Reporting year Ending June 30,	FRS	HIS	County Total Deferred Outflow (Deferred Inflow)
2022	\$ (10,495,183)	\$ 635,866	\$ (9,859,317)
2023	(12,100,084)	291,251	(11,808,833)
2024	(15,757,718)	462,557	(15,295,161)
2025	(19,958,127)	571,379	(19,386,748)
2026	(714,001)	460,136	(253,865)
Thereafter	249,746	117,676	367,422
Totals	\$ (58,775,367)	\$ 2,538,865	\$ (56,236,502)

The total FRS pension liability in the June 30, 2021 actuarial valuation was determined based on the discount rate using the following actuarial assumptions, applied to all periods included in the measurement. The total pension liability is calculated using the Individual Entry Age Normal cost allocation method, which differs from the Ultimate Entry Age Normal cost allocation method used in the funding valuation for the system.

FRS actuarial methods and assumptions are:

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

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

HIS actuarial methods and assumptions are:

Actuarial Assumptions:	
Discount rate	2.16%
Long Term expected rate of return, net of investment expense, including inflation	N/A
Municipal bond rate	2.16%
Inflation	2.40%
Salary increases including inflation	3.25%

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

NOTE 15 – PENSION PLAN – CONTINUED

The Actuarial assumptions that determined the total pension liability as of June 30, 2021 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 2.16% 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%	2.1%	2.1%	1.1%
Fixed income	20.0%	3.8%	3.7%	3.3%
Global equity	54.2%	8.2%	6.7%	17.8%
Real estate (property)	10.3%	7.1%	6.2%	13.8%
Private equity	10.8%	11.7%	8.5%	26.4%
Strategic investments	3.7%	5.7%	5.4%	8.4%
	100.0%			
Assumed Inflation - Mean			2.4%	1.2%

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

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

FRS Net Pension Liability			HIS Net Pension Liability		
1% Decrease	Current Discount Rate	1% Increase	1% Decrease	Current Discount Rate	1% Increase
5.80%	6.80%	7.80%	1.16%	2.16%	3.16%
\$93,179,095	\$20,835,800	-\$39,635,083	\$29,704,539	\$25,693,815	\$22,407,924

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, 2020. 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, 2021 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 2.75% as of the previous measurement date to 2.41% 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%.
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)		
	Plan		
	Net OPEB Liabilty (a)	Fiduciary Net Position (b)	Net OPEB Liabilty (a) - (b)
Balances at September 30, 2020	\$ 4,694,201	\$ -	\$ 4,694,201
Changes for the year:			
Service cost	335,118	-	335,118
Interest	136,081	-	136,081
Difference in expected and actual experience of the Total OPEB Liability	-	-	-
Changes of assumptions	(17,276)	-	(17,276)
Contributions	-	161,860	(161,860)
Benefit payments	(161,860)	(161,860)	-
Net changes	292,063	-	292,063
Balances at September 30, 2021	<u>\$ 4,986,264</u>	<u>\$ -</u>	<u>\$ 4,986,264</u>

NOTE 16 - POSTEMPLOYMENT BENEFITS - CONTINUED

Board of County Commissioners - Continued

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

	1% Decrease 1.41%	Current Discount Rate 2.41%	1% Increase 3.41%
Net OPEB Liability	\$5,666,892	\$4,986,264	\$4,417,290

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	\$4,570,041	\$4,986,264	\$5,492,609

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
 For the year ended September 30, 2021, the Board recognized OPEB expense of \$376,847. On September 30 2021, 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	\$ -	\$ 615,674
Changes in assumptions	248,828	273,597
Contributions subsequent to the measurement date	173,913	-
	<u>\$ 422,741</u>	<u>\$ 889,271</u>

Deferred outflows of resources related to OPEB of \$173,913 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:	
2022	\$ (94,352)
2023	(94,352)
2024	(94,352)
2025	(94,352)
2026	(94,352)
Thereafter	(168,683)
Total	<u>\$ (640,443)</u>

NOTE 16 - POSTEMPLOYMENT BENEFITS - CONTINUED

Sheriff

Plan Description

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

Plan Membership

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

Contributions and Funding Policy

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

Total OPEB Liability

The total OPEB liability was actuarially determined based on several actuarial assumptions, using the actuarial measurement date of September 30, 2020. 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.

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	2.41%
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%.
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)		
	Plan		
	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liabilty (a) - (b)
Balances at September 30, 2019	\$ 5,842,590	\$ -	\$ 5,842,590
Changes for the year:			
Service cost	290,317	-	290,317
Interest	164,982	-	164,982
Difference in expected and actual experience of the Total OPEB Liability	-	-	-
Changes of assumptions	(27,539)	-	(27,539)
Contributions	-	266,413	(266,413)
Benefit payments	(266,413)	(266,413)	-
Net changes	\$ 161,347	\$ -	\$ 161,347
Balances at September 30, 2020	\$ 6,003,937	\$ -	\$ 6,003,937

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

	1%	Current	1%
	Decrease	Discount Rate	Increase
	1.41%	2.41%	3.41%
Net OPEB Liability	\$ 6,685,798	\$ 6,003,947	\$ 5,427,360

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

	1%	Healthcare	1%
	Decrease	Cost	Increase
	1%	Trend Rates	3%
Net OPEB Liability	\$5,106,228	\$6,003,947	\$7,151,421

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, 2021, the OCSO recognized OPEB expense of \$425,762. On September 30 2021, the OCSO reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Diference between expected and actual experience	\$ 199,154	\$ -
Changes in assumptions	-	464,918
Contributions subsequent to the measurement date	251,142	-
	<u>\$ 450,296</u>	<u>\$ 464,918</u>

Deferred outflows of resources related to OPEB of \$251,142 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:		
2022	\$	(29,547)
2023		(29,547)
2024		(29,547)
2025		(29,547)
2026		(29,547)
Thereafter		(118,029)
	<u>\$</u>	<u>(265,764)</u>

Tax Collector

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

As of September 30, 2021, the Tax Collector’s OPEB plan reports a net OPEB liability of \$96,900, deferred outflows of resources of \$37,578 and deferred inflows of resources of \$26,373 as of September 30, 2021. For the year ended September 30, 2021, the Tax Collector’s OPEB plan recognized OPEB expense of \$4,581. 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 3% 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, 2021, the amount of these liabilities was \$393,720. 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, 2021. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors.

Reconciliation of Claims Liabilities for Medical Benefits	As of September 30, 2021	As of September 30, 2020
Unpaid claims and adjustment expenses at beginning of year	\$ 361,136	\$ 590,384
Incurred claims and claim adjustment expenses		
A) Provision for insured events of current fiscal year	8,369,172	8,223,909
B) Increases (decreases) in provision for insured events of prior fiscal years	-	-
Total incurred claims and claim adjustment expense	<u>8,730,308</u>	<u>8,814,293</u>
Payments		
A) Claims and claim adjustment expenses attributable to insured events of current fiscal year	7,997,953	7,398,408
B) Claims and claim adjustment expenses attributable to insured events of prior fiscal year	338,635	1,054,749
Total payments	<u>8,336,588</u>	<u>8,453,157</u>
Unpaid claims and claim adjustment expenses at end of year	<u>\$ 393,720</u>	<u>\$ 361,136</u>

Special Risk Policies

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

B. Claim Liabilities for Retained Risk

Claim liabilities for workers' compensation, general liabilities (including errors and omissions), and auto liability (both bodily injury and property damage) have been determined based on an actuarial evaluation of all claims reported and all claims incurred but not reported (IBNR) as of September 30, 2021. 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, 2021 were as follows:

	<u>Current</u>	<u>Long-term</u>	<u>Total</u>
Workers' compensation	\$ 897,000	\$ 3,360,000	\$ 4,257,000
General liability	222,000	476,000	\$ 698,000
Automobile liability	126,000	118,000	\$ 244,000
Property	45,000	15,000	\$ 60,000
Total claims liability recognized	<u>\$ 1,290,000</u>	<u>\$ 3,969,000</u>	<u>\$ 5,259,000</u>

C. Funding of Claims Liabilities

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

NOTE 17 - RISK MANAGEMENT - CONTINUED

D. Reconciliation of Claims Liabilities

	As of September 30, 2021					As of September 30, 2020				
	Workers' Compensation	General Liability	Automobile	Property	Total	Workers' Compensation	General Liability	Automobile	Property	Total
Unpaid claims and adjustment expenses at beginning 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
Incurred claims and claim adjustment expenses										
A) Provision for insured events of current fiscal year	1,973,000	347,000	67,000	60,000	2,447,000	1,785,954	556,560	154,123	31,519	2,528,156
B) Increases (decreases) in provision for insured events of prior fiscal years	(501,000)	78,000	37,000	(381,000)	(767,000)	(416,750)	255,778	132,625	178,360	150,013
Total incurred claims and claim adjustment expenses	<u>1,472,000</u>	<u>425,000</u>	<u>104,000</u>	<u>(321,000)</u>	<u>1,680,000</u>	<u>1,369,204</u>	<u>812,338</u>	<u>286,748</u>	<u>209,879</u>	<u>2,678,169</u>
Payments										
A) Claims and claim adjustment expenses attributable to insured events of current fiscal year	(935,645)	(148,313)	(7,055)	(4,387)	(1,095,400)	(326,804)	(151,649)	(39,304)	(25,945)	(543,702)
B) Claims and claim adjustment expenses attributable to insured events of prior fiscal year	(696,000)	(358,000)	(61,000)	374,000	(741,000)	(673,004)	(200,897)	(103,570)	(180,184)	(1,157,655)
Total payments	<u>(1,631,645)</u>	<u>(506,313)</u>	<u>(68,055)</u>	<u>369,613</u>	<u>(1,836,400)</u>	<u>(999,808)</u>	<u>(352,546)</u>	<u>(142,874)</u>	<u>(206,129)</u>	<u>(1,701,357)</u>
Unpaid claims and claim adjustment expenses at end of year	<u>\$ 4,257,000</u>	<u>\$ 698,000</u>	<u>\$ 244,000</u>	<u>\$ 60,000</u>	<u>\$ 5,259,000</u>	<u>\$ 4,416,645</u>	<u>\$ 779,313</u>	<u>\$ 208,055</u>	<u>\$ 11,387</u>	<u>\$ 5,415,400</u>

NOTE 18 - COMMITMENTS AND CONTINGENCIES**Wastewater Service Interlocal Agreement with Fort Walton Beach**

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

The City is to be billed monthly at a rate equal to \$2.46 per each 1,000 gallons of wastewater flow. Additionally, the City pays to the County the Sewer Readiness to Serve Fee, which is equal to \$3,750 per month. Beginning March 2011, and each year thereafter, the Readiness to Serve Fee increases by 3% annually. Service to the City began March 2010. Fees of \$3,359,721 paid by the City during 2021 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
2022	\$ 63,223
2023	65,120
2024	67,074
2025	69,086
2026	71,159
2027-2031	389,130
2032-2036	451,112
2037-2039	304,460
Total	<u>\$ 1,480,364</u>

Grants

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

Lawsuits

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

Inmate Health Services Agreement

The County has in place an Inmate Health Service Agreement for which a contractor has assumed the responsibilities of the provision for certain health care services to be delivered to individuals in the custody and control of the County. The annual compensation is based on an average daily population of the inmates served; however there is an annual limited exposure of \$2,902,500 in the contract. Health service expenses above these amounts are the responsibility of the County. During the year ended September 30, 2021 the County incurred additional expenses of \$413,865 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 in January 2021 and shall end or be renewed December 2021. The Okaloosa County Board of County Commissioners’ contribution to the library cooperative for the year ended September 30, 2021 was \$759,404. In addition, approximately \$100,477 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, 2021. The future commitment to the library cooperative in 2022 is \$753,943.

NOTE 20 - CHANGE IN ACCOUNTING PRINCIPLE

The County has implemented GASB Statement 84, “Fiduciary Activities.” This statement requires fiduciary activities to be reported in the basic financial statements because (a) their related assets are controlled by the government or (b) fiduciary component units have been identified through the component unit evaluation. This statement clarifies the definitions of the three existing fiduciary fund categories associated with trusts that meet specific criteria, and establishes a new custodial fund category for all other fiduciary activity not required to be reported within a trust fund. The County’s previously reported Agency Funds have been eliminated and are now reported in the custodial fund financial statements because 1) the assets associated with the activity are controlled by the County, 2) the assets associated with the activity are not derived from the County’s own-source revenues, and 3) the assets are for the benefit of individuals and the County does not have administrative involvement with the assets or direct financial involvement with the assets.

Liabilities, under GASB Statement 84, are recognized differently for custodial funds. Liabilities are recognized when an event occurs that compels the government to disburse the resources held in a fiduciary capacity in the custodial funds. If further action, authorization, or condition is required to compel the County to disburse the funds at year-end, the amounts are reported as net position. This change in accounting principle is required to be applied retroactively and therefore, the County restated the beginning net position of the Custodial Funds in the statement of changes in fiduciary net position as follows:

Agency Funds, net position, as of October 1, 2020	\$	-
Restatement due to change in accounting principle		4,693,732
Custodial Funds, net position, as restated as of October 1, 2020	<u>\$</u>	<u>4,693,732</u>

NOTE 21 – SUBSEQUENT EVENTS

The County has evaluated events and transactions that occurred between September 30, 2021, 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:

In October 2021 voters approved enlarging the existing bed tax district to encompass all of Okaloosa County, Florida. The expanded district includes the cities of Niceville, Valparaiso, Crestview, Shalimar, Laurel Hill, parts of Fort Walton Beach, Mary Esther, and other unincorporated areas. The County will start charging and collecting bed tax in the district’s expansion area on March 1, 2022. The Board of County Commissioners also approved the Okaloosa County Clerk of Circuit Court and Comptroller to collect the bed tax revenue beginning January 1, 2022. Such functions were previously performed by the State of Florida Department of Revenue.

No other subsequent events have been recognized or disclosed.

The graphic features a large, light blue curved shape at the top and a solid blue curved shape at the bottom. A white circle with a blue border is centered in the middle, containing the text. The background is a gradient of light blue and white.

**Required
Supplementary
Information**

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

Last 10 years (1)

Reporting Year Ended September 30, ⁽²⁾	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service cost	\$ 335,118	\$ 292,775	\$ 301,261	\$ 315,544
Interest	136,081	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)	(17,276)	312,630	(190,963)	(228,803)
Benefit payments	<u>(161,860)</u>	<u>(212,688)</u>	<u>(228,144)</u>	<u>(263,492)</u>
Net change in total OPEB liability	292,063	(186,741)	57,525	(20,880)
Total OPEB liability – beginning	<u>4,694,201</u>	<u>4,880,942</u>	<u>4,823,417</u>	<u>4,844,297</u>
Total OPEB liability – ending	<u>\$ 4,986,264</u>	<u>\$ 4,694,201</u>	<u>\$ 4,880,942</u>	<u>\$ 4,823,417</u>
 Covered Payroll	 \$42,462,696	 \$41,026,759	 \$46,908,840	 \$39,785,614
Total OPEB liability as a percentage of covered payroll	11.74%	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⁾	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service cost	\$ 290,317	\$ 286,196	\$ 289,638	\$ 299,973
Interest	164,982	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)	(27,539)	(130,119)	(204,160)	(253,549)
Benefit payments	<u>(266,413)</u>	<u>(222,307)</u>	<u>(226,832)</u>	<u>(237,985)</u>
Net change in total OPEB liability	161,347	385,845	53,913	(17,908)
Total OPEB liability – beginning	<u>5,842,590</u>	<u>5,456,745</u>	<u>5,402,832</u>	<u>5,420,740</u>
Total OPEB liability – ending	<u>\$ 6,003,937</u>	<u>\$ 5,842,590</u>	<u>\$ 5,456,745</u>	<u>\$ 5,402,832</u>
 Covered Payroll	 \$ 24,956,664	 \$ 19,281,684	 \$ 21,725,682	 \$ 15,887,651
 Total OPEB liability as a percentage of covered payroll	 24.06%	 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							
	2021	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset)	0.275829719%	0.296386603%	0.293695540%	0.290145586%	0.283869579%	0.283557756%	0.269702499%	0.265150180%
County's proportionate share of the net pension liability (asset)	\$ 20,835,800	\$ 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	\$ 89,370,064	\$ 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	23.31%	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	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%
	Health Insurance Subsidy							
	2021	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset)	0.209463239%	0.207543174%	0.207070154%	0.203838365%	0.198655761%	0.197456901%	0.196252961%	0.195263644%
County's proportionate share of the net pension liability (asset)	\$ 25,693,815	\$ 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	\$ 89,370,064	\$ 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	28.75%	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	3.56%	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							
	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 10,507,921	\$ 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	<u>\$(10,507,921)</u>	<u>\$(9,847,613)</u>	<u>\$(9,106,681)</u>	<u>\$(8,268,916)</u>	<u>\$(7,389,824)</u>	<u>\$(6,915,008)</u>	<u>\$(6,575,576)</u>	<u>\$(5,859,714)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 89,370,064	\$ 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	11.76%	11.98%	10.28%	9.99%	9.72%	9.15%	8.94%	8.29%
	Health Insurance Subsidy							
	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 1,231,227	\$ 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	<u>\$(1,231,227)</u>	<u>\$(1,195,974)</u>	<u>\$(1,149,840)</u>	<u>\$(1,105,421)</u>	<u>\$(1,051,344)</u>	<u>\$(1,012,092)</u>	<u>\$(750,201)</u>	<u>\$(668,908)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 89,370,064	\$ 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	1.38%	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 2021:

PENSION RELATED NOTES TO SCHEDULE:

FRS: The Mortality assumption was changed from Generational RP-2000 with Projection Scale BB to PUB-2010 base table projected generationally with Scale MP-2018. The inflation rate assumption remained at 2.40%. Payroll growth, including inflation remained at 3.25%. The long-term expected rate of return remained at 6.8%, and the active member mortality assumption was updated.

HIS: The municipal rate used to determine total pension liability was decreased from 2.21% to 2.16%.


OPEB RELATED NOTES TO SCHEDULE:

Changes of Benefit Terms: There were no benefit changes during the year.

Changes in Assumptions: Changes in assumptions and other inputs include the change in the discount rate from 2.75% to 2.41% as of September 30,2021. The following are the discount rates used in each period:

2021	2.41%
2020	2.75%
2019	3.83%
2018	3.50%
2017	3.10%

Healthcare Cost Trend Rates: Based on the Getzen Model, with trending starting at 6.5% (0.0% for premiums to reflect actual increase) and gradually decreasing to an ultimate trend rate of 3.99%.



**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.

2nd Dollar Fund

This fund is used to account for revenues restricted from local County moving violation tickets and is expended to support law enforcement education.

Range Fund

This fund is used to capture all of the revenue and expenditures related to surtax projects. It began as a Range Fund and has evolved into the Special Projects Fund as there are now six separate surtax projects.

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, 2021

	County Transportation Trust Special Revenue Fund	Local Housing Assistance Trust Fund	E-911 Operations Special Revenue Fund
ASSETS			
Cash and Cash Equivalents	\$ 1,296,671	\$ 319,993	\$ 199,676
Investments	2,030,128	2,589,723	625,293
Accounts Receivable	881	23,394	-
Due from Other Funds	1,300,000	-	-
Due from Other Elected Officials	44	-	-
Due from Other Governments	989,410	-	90,584
Inventory	268,847	-	-
Prepays	3,872	-	-
Total Assets	\$ 5,889,853	\$ 2,933,110	\$ 915,553
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ 89,637	\$ -	\$ -
Contracts Payable	28,539	189,411	-
Other Accrued Liabilities	229,027	-	-
Due to Other Funds	-	-	-
Due to Other Elected Officials	245	2,309	-
Due to Other Governments	252	-	-
Due to Depositors	13,290	-	-
Unearned Revenue	-	2,389,243	-
Total Liabilities	360,990	2,580,963	-
Fund Balances			
Nonspendable	272,719	-	-
Restricted	-	352,147	915,553
Committed	-	-	-
Assigned	5,256,144	-	-
Unassigned	-	-	-
Total Fund Balances	5,528,863	352,147	915,553
Total Liabilities and Fund Balances	\$ 5,889,853	\$ 2,933,110	\$ 915,553

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
\$ 250,911	\$ 28,885	\$ 77,663	\$ 255,218	\$ 229,382
99,000	123,502	35,624	40,695	579,213
-	-	-	-	-
-	-	-	-	-
5,898	-	1,852	34	642
-	-	-	-	1,204
-	-	-	-	-
-	-	-	-	-
<u>\$ 355,809</u>	<u>\$ 152,387</u>	<u>\$ 115,139</u>	<u>\$ 295,947</u>	<u>\$ 810,441</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,845
-	-	-	50,138	17,906
-	-	-	-	-
-	-	-	-	73,850
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	50,138	93,601
-	-	-	-	-
355,809	152,387	115,139	-	-
-	-	-	-	716,840
-	-	-	245,809	-
-	-	-	-	-
<u>355,809</u>	<u>152,387</u>	<u>115,139</u>	<u>245,809</u>	<u>716,840</u>
<u>\$ 355,809</u>	<u>\$ 152,387</u>	<u>\$ 115,139</u>	<u>\$ 295,947</u>	<u>\$ 810,441</u>

Continued...

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2021**

	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	\$ 75,108	\$ 211,557	\$ 68,439	\$ 65,662
Investments	3,103,791	1,094,983	369,107	51,553
Accounts Receivable	737	1,000	-	-
Due from Other Funds	-	-	-	-
Due from Other Elected Officials	4,511	-	113,417	300
Due from Other Governments	-	-	9,471	-
Inventory	778	-	-	-
Prepays	-	-	-	-
Total Assets	\$ 3,184,925	\$ 1,307,540	\$ 560,434	\$ 117,515
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ 22,096	\$ 154,764	\$ 59,368	\$ 168
Contracts Payable	8,074	38,126	51,698	-
Other Accrued Liabilities	16,345	10,399	10,391	-
Due to Other Funds	-	-	-	-
Due to Other Elected Officials	-	-	-	-
Due to Other Governments	190	-	-	-
Due to Depositors	-	78,384	-	-
Unearned Revenue	-	-	-	-
Total Liabilities	46,705	281,673	121,457	168
Fund Balances				
Nonspendable	778	-	-	-
Restricted	3,137,442	1,025,867	438,977	117,347
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	3,138,220	1,025,867	438,977	117,347
Total Liabilities and Fund Balances	\$ 3,184,925	\$ 1,307,540	\$ 560,434	\$ 117,515

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
\$ 80	\$ 15,710	\$ 8,899	\$ 896,501	\$ -	\$ 380,136	\$ 371,954	\$ 819,270
1,420	154,835	657	2,001,097	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	170,000
4,212	4,814	-	-	-	340	-	-
-	-	44,966	-	-	102,343	-	-
-	-	-	-	-	-	-	-
-	-	-	550	-	139,675	-	-
<u>\$ 5,712</u>	<u>\$ 175,359</u>	<u>\$ 54,522</u>	<u>\$ 2,898,148</u>	<u>\$ -</u>	<u>\$ 622,494</u>	<u>\$ 371,954</u>	<u>\$ 989,270</u>
\$ -	\$ -	\$ 304	\$ 447	\$ -	\$ 2,893	\$ 20,083	\$ 37,297
-	-	-	9,228	-	-	-	-
-	-	4,218	-	-	275,857	-	-
-	-	50,000	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	343,744	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	54,522	9,675	-	622,494	20,083	37,297
-	-	-	550	-	139,675	-	-
5,712	175,359	-	-	-	-	351,871	951,973
-	-	-	-	-	-	-	-
-	-	-	2,887,923	-	-	-	-
-	-	-	-	-	(139,675)	-	-
<u>5,712</u>	<u>175,359</u>	<u>-</u>	<u>2,888,473</u>	<u>-</u>	<u>-</u>	<u>351,871</u>	<u>951,973</u>
<u>\$ 5,712</u>	<u>\$ 175,359</u>	<u>\$ 54,522</u>	<u>\$ 2,898,148</u>	<u>\$ -</u>	<u>\$ 622,494</u>	<u>\$ 371,954</u>	<u>\$ 989,270</u>

Continued...

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**

September 30, 2021

	Federal Law Enforcement Trust Special Revenue Fund	Teen Driver Challenge Special Revenue Fund	2nd Dollar 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	\$ -	\$ -	\$ -	\$ 188,220	\$ 588,707	\$ 278,281	\$ 6,626,923
Investments	-	-	-	136,349	3,093,839	30,149,645	46,280,454
Accounts Receivable	-	-	-	-	-	-	26,012
Due from Other Funds	-	-	-	-	-	-	1,470,000
Due from Other Elected Officials	-	-	-	-	99,216	-	235,280
Due from Other Governments	-	-	-	-	-	1,608,304	2,846,282
Inventory	-	-	-	-	-	-	269,625
Prepays	-	-	-	-	-	-	144,097
Total Assets	\$ -	\$ -	\$ -	\$ 324,569	\$ 3,781,762	\$ 32,036,230	\$ 57,898,673
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts Payable	\$ -	\$ -	\$ -	\$ 800	\$ 507	\$ -	\$ 390,209
Contracts Payable	-	-	-	-	53,645	1,541,326	1,988,091
Other Accrued Liabilities	-	-	-	-	-	7,300	553,537
Due to Other Funds	-	-	-	-	-	-	123,850
Due to Other Elected Officials	-	-	-	-	27	6,651	9,232
Due to Other Governments	-	-	-	-	-	-	344,186
Due to Depositors	-	-	-	-	-	-	91,674
Unearned Revenue	-	-	-	-	-	-	2,389,243
Total Liabilities	-	-	-	800	54,179	1,555,277	5,890,022
Fund Balances							
Nonspendable	-	-	-	-	-	-	413,722
Restricted	-	-	-	323,769	3,727,583	30,480,953	42,627,888
Committed	-	-	-	-	-	-	716,840
Assigned	-	-	-	-	-	-	8,389,876
Unassigned	-	-	-	-	-	-	(139,675)
Total Fund Balances	-	-	-	323,769	3,727,583	30,480,953	52,008,651
Total Liabilities and Fund Balances	\$ -	\$ -	\$ -	\$ 324,569	\$ 3,781,762	\$ 32,036,230	\$ 57,898,673

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2021**

	County Transportation Trust Special Revenue Fund	Local Housing Assistance Trust Fund	E-911 Operations Special Revenue Fund
Revenues			
Taxes	\$ 6,494,005	\$ -	\$ -
Licenses and Permits	-	-	-
Intergovernmental	2,611,049	1,726,570	1,560,011
Charges for Services	591,943	-	-
Fines	-	-	-
Miscellaneous	20,265	490,468	1,292
Total Revenues	<u>9,717,262</u>	<u>2,217,038</u>	<u>1,561,303</u>
Expenditures			
Current			
General Government	-	470,567	-
Public Safety	-	-	78,862
Physical Environment	1,037,444	-	-
Transportation	8,037,990	-	-
Economic Environment	-	1,701,450	-
Human Services	-	-	-
Culture and Recreation	-	-	-
Court-Related	-	-	-
Capital Outlay	908,468	-	-
Debt Service			
Principal	-	-	-
Interest	-	-	-
Other Debt Service Costs	-	-	-
Total Expenditures	<u>9,983,902</u>	<u>2,172,017</u>	<u>78,862</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(266,640)</u>	<u>45,021</u>	<u>1,482,441</u>
Other Financing Sources (Uses)			
Transfers In	1,440,040	-	-
Transfers Out	-	-	(1,829,777)
Transfers Among Constitutional Officers	-	-	(539,850)
Proceeds from Refunding Bonds	-	-	-
Total Other Financing Sources (Uses)	<u>1,440,040</u>	<u>-</u>	<u>(2,369,627)</u>
Net Change in Fund Balances	1,173,400	45,021	(887,186)
Fund Balances - Beginning	<u>4,355,463</u>	<u>307,126</u>	<u>1,802,739</u>
Fund Balances - Ending	<u>\$ 5,528,863</u>	<u>\$ 352,147</u>	<u>\$ 915,553</u>

Radio Communications Special Revenue Fund	Law Enforcement Trust Special Revenue Fund	Police Academy Special Revenue Fund	County Public Health Special Revenue Fund	Municipal Services Benefit Unit Special Revenue Fund
\$ -	\$ -	\$ -	\$ 597,649	\$ -
-	-	-	-	587,738
-	-	-	-	-
-	-	24,887	-	-
81,142	37,416	-	-	-
165	100	62	338,538	48,624
<u>81,307</u>	<u>37,516</u>	<u>24,949</u>	<u>936,187</u>	<u>636,362</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	529,131
-	-	-	-	-
-	-	-	665,381	-
-	-	-	-	-
-	-	-	-	-
-	-	-	336,970	62,120
-	-	-	-	-
-	-	-	-	7,067
-	-	-	-	-
-	-	-	1,002,351	598,318
<u>81,307</u>	<u>37,516</u>	<u>24,949</u>	<u>(66,164)</u>	<u>38,044</u>
-	-	-	304,000	-
-	-	-	-	-
-	(40,075)	(16,805)	-	641
-	-	-	-	-
-	<u>(40,075)</u>	<u>(16,805)</u>	<u>304,000</u>	<u>641</u>
81,307	(2,559)	8,144	237,836	38,685
<u>274,502</u>	<u>154,946</u>	<u>106,995</u>	<u>7,973</u>	<u>678,155</u>
<u>\$ 355,809</u>	<u>\$ 152,387</u>	<u>\$ 115,139</u>	<u>\$ 245,809</u>	<u>\$ 716,840</u>

Continued...

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2021**

	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	\$ 1,608,750	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	16,109	1,105,179	1,527,922	-
Fines	-	-	-	6,012
Miscellaneous	32,622	798	88,105	62
Total Revenues	<u>1,657,481</u>	<u>1,105,977</u>	<u>1,616,027</u>	<u>6,074</u>
Expenditures				
Current				
General Government	-	-	-	-
Public Safety	-	953,194	-	-
Physical Environment	-	-	-	-
Transportation	-	-	-	-
Economic Environment	-	-	-	-
Human Services	-	-	-	-
Culture and Recreation	1,073,297	-	-	-
Court-Related	-	-	1,689,201	2,077
Capital Outlay	583,822	159,995	-	-
Debt Service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Other Debt Service Costs	-	-	-	-
Total Expenditures	<u>1,657,119</u>	<u>1,113,189</u>	<u>1,689,201</u>	<u>2,077</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>362</u>	<u>(7,212)</u>	<u>(73,174)</u>	<u>3,997</u>
Other Financing Sources (Uses)				
Transfers In	-	-	520,931	-
Transfers Out	-	-	(454,869)	-
Transfers Among Constitutional Officers	4,446	-	-	-
Proceeds from Refunding Bonds	-	-	-	-
Total Other Financing Sources (Uses)	<u>4,446</u>	<u>-</u>	<u>66,062</u>	<u>-</u>
Net Change in Fund Balances	4,808	(7,212)	(7,112)	3,997
Fund Balances - Beginning	<u>3,133,412</u>	<u>1,033,079</u>	<u>446,089</u>	<u>113,350</u>
Fund Balances - Ending	<u>\$ 3,138,220</u>	<u>\$ 1,025,867</u>	<u>\$ 438,977</u>	<u>\$ 117,347</u>

Domestic Violence Trust Special Revenue Fund	Traffic Education Special Revenue Fund	Choctaw Bay Estuary Fund	Fiber Optic Cable Fund	Range Fund	Courts Special Revenue Fund	Public Records Modernization Trust Special Revenue Fund	Public Records Courts Special Revenue Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	174,794	-	-	309,118	-	-
35,705	68,824	-	45,955	-	3,018,068	216,814	679,518
-	188	631	(3,436)	-	882,256	-	-
<u>35,705</u>	<u>69,012</u>	<u>175,425</u>	<u>42,519</u>	<u>-</u>	<u>4,209,442</u>	<u>216,814</u>	<u>679,518</u>
-	-	-	367,418	-	-	14,627	-
-	-	-	-	9,920	-	-	-
-	-	173,843	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	154,296	-	-	-	4,209,442	-	321,187
-	-	1,582	24,666	-	-	11,608	21,558
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>154,296</u>	<u>175,425</u>	<u>392,084</u>	<u>9,920</u>	<u>4,209,442</u>	<u>26,235</u>	<u>342,745</u>
<u>35,705</u>	<u>(85,284)</u>	<u>-</u>	<u>(349,565)</u>	<u>(9,920)</u>	<u>-</u>	<u>190,579</u>	<u>336,773</u>
-	-	-	2,749,999	-	-	-	-
(35,705)	-	-	-	-	-	-	-
-	(10,976)	-	-	9,920	-	-	-
<u>(35,705)</u>	<u>(10,976)</u>	<u>-</u>	<u>2,749,999</u>	<u>9,920</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	(96,260)	-	2,400,434	-	-	190,579	336,773
<u>5,712</u>	<u>271,619</u>	<u>-</u>	<u>488,039</u>	<u>-</u>	<u>-</u>	<u>161,292</u>	<u>615,200</u>
<u>\$ 5,712</u>	<u>\$ 175,359</u>	<u>\$ -</u>	<u>\$ 2,888,473</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 351,871</u>	<u>\$ 951,973</u>

Continued...

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2021**

	Federal Law Enforcement Trust Special Revenue Fund	Teen Driver Challenge Special Revenue Fund	2nd Dollar Special Revenue Fund	Okaloosa Debt Service Fund	Capital Outlay Construction Trust Capital Projects Fund	Infrastructure Surtax Fund	Total Nonmajor Governmental Funds
Revenues							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,093,398	\$ 20,076,386	\$ 29,870,188
Licenses and Permits	-	-	-	-	-	-	587,738
Intergovernmental	-	-	-	446,500	99,154	-	6,927,196
Charges for Services	-	-	-	-	-	-	7,226,395
Fines	-	-	-	-	-	-	1,111,355
Miscellaneous	-	-	-	196,163	2,065	17,603	1,234,315
Total Revenues	-	-	-	642,663	1,194,617	20,093,989	46,957,187
Expenditures							
Current							
General Government	-	-	-	190,750	-	-	1,043,362
Public Safety	54,386	10,976	16,805	-	-	-	1,124,143
Physical Environment	-	-	-	-	-	-	1,211,287
Transportation	-	-	-	-	-	173,058	8,740,179
Economic Environment	-	-	-	-	-	-	1,701,450
Human Services	-	-	-	-	-	-	665,381
Culture and Recreation	-	-	-	-	187,215	-	1,260,512
Court-Related	-	-	-	-	-	-	6,376,203
Capital Outlay	19,980	-	-	-	4,452,105	10,698,477	17,281,351
Debt Service							
Principal	-	-	-	2,788,000	-	-	2,788,000
Interest	-	-	-	3,305,505	-	-	3,312,572
Other Debt Service Costs	-	-	-	53,304	45,500	-	98,804
Total Expenditures	74,366	10,976	16,805	6,337,559	4,684,820	10,871,535	45,603,244
Excess (Deficiency) of Revenues Over (Under) Expenditures	(74,366)	(10,976)	(16,805)	(5,694,896)	(3,490,203)	9,222,454	1,353,943
Other Financing Sources (Uses)							
Transfers In	-	-	-	6,083,664	3,714,335	-	14,812,969
Transfers Out	-	-	-	(771,395)	(4,794)	(1,256,892)	(4,353,432)
Transfers Among Constitutional Officers	74,366	10,976	16,805	-	-	(9,920)	(500,472)
Proceeds from Refunding Bonds	-	-	-	-	2,480,000	-	2,480,000
Total Other Financing Sources (Uses)	74,366	10,976	16,805	5,312,269	6,189,541	(1,266,812)	12,439,065
Net Change in Fund Balances	-	-	-	(382,627)	2,699,338	7,955,642	13,793,008
Fund Balances (Deficit) - Beginning	-	-	-	706,396	1,028,245	22,525,311	38,215,643
Fund Balances - Ending	\$ -	\$ -	\$ -	\$ 323,769	\$ 3,727,583	\$ 30,480,953	\$ 52,008,651

**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, 2021**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 1,943,288	\$ 1,943,288	\$ 2,287,035	\$ 343,747
Intergovernmental	1,970,420	18,942,429	11,621,230	(7,321,199)
Miscellaneous	340,000	60,884,710	3,985,697	(56,899,013)
Total Revenues	4,253,708	81,770,427	17,893,962	(63,876,465)
Expenditures				
Current				
Transportation	5,502,798	8,707,368	2,395,619	6,311,749
Capital Outlay	31,574,175	106,092,879	9,130,660	96,962,219
Total Expenditures	37,076,973	114,800,247	11,526,279	103,273,968
Excess (Deficiency) of Revenues Over (Under) Expenditures	(32,823,265)	(33,029,820)	6,367,683	39,397,503
Other Financing Sources (Uses)				
Transfers In	750,000	1,815,000	1,815,000	-
Bond Proceeds	24,185,770	-	-	-
Total Other Financing Sources (Uses)	24,935,770	1,815,000	1,815,000	-
Net Change in Fund Balance	(7,887,495)	(31,214,820)	8,182,683	39,397,503
Fund Balance - Beginning	7,887,495	31,214,820	32,333,992	1,119,172
Fund Balance - Ending	\$ -	\$ -	\$ 40,516,675	\$ 40,516,675

**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, 2021**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 5,825,431	\$ 6,859,041	\$ 6,494,005	\$ (365,036)
Intergovernmental	1,769,113	4,542,237	2,611,049	(1,931,188)
Charges for Services	670,622	681,062	591,943	(89,119)
Miscellaneous	23,000	42,870	20,265	(22,605)
Total Revenues	<u>8,288,166</u>	<u>12,125,210</u>	<u>9,717,262</u>	<u>(2,407,948)</u>
Expenditures				
Current				
Physical Environment	1,752,079	2,101,116	1,037,444	1,063,672
Transportation	9,757,328	12,370,837	8,037,990	4,332,847
Capital Outlay	777,885	3,448,182	908,468	2,539,714
Total Expenditures	<u>12,287,292</u>	<u>17,920,135</u>	<u>9,983,902</u>	<u>7,936,233</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,999,126)</u>	<u>(5,794,925)</u>	<u>(266,640)</u>	<u>5,528,285</u>
Other Financing Sources (Uses)				
Transfers In	1,382,043	1,440,043	1,440,040	(3)
Total Other Financing Sources (Uses)	<u>1,382,043</u>	<u>1,440,043</u>	<u>1,440,040</u>	<u>(3)</u>
Net Change in Fund Balance	(2,617,083)	(4,354,882)	1,173,400	5,528,282
Fund Balance - Beginning	<u>2,617,083</u>	<u>4,354,882</u>	<u>4,355,463</u>	<u>581</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,528,863</u>	<u>\$ 5,528,863</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
LOCAL HOUSING ASSISTANCE TRUST FUND
For the Fiscal Year Ended September 30, 2021**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ -	\$ 9,404,539	\$ 1,726,570	\$ (7,677,969)
Miscellaneous	69,742	918,716	490,468	(428,248)
Total Revenues	<u>69,742</u>	<u>10,323,255</u>	<u>2,217,038</u>	<u>(8,106,217)</u>
Expenditures				
Current				
General Government	66,242	9,177,718	470,567	8,707,151
Economic Environment	285,800	2,551,175	1,701,450	849,725
Total Expenditures	<u>352,042</u>	<u>11,728,893</u>	<u>2,172,017</u>	<u>9,556,876</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(282,300)</u>	<u>(1,405,638)</u>	<u>45,021</u>	<u>1,450,659</u>
Net Change in Fund Balance	(282,300)	(1,405,638)	45,021	1,450,659
Fund Balance - Beginning	<u>282,300</u>	<u>1,405,638</u>	<u>307,126</u>	<u>(1,098,512)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 352,147</u>	<u>\$ 352,147</u>

**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, 2021**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 1,043,000	\$ 1,582,850	\$ 1,560,011	\$ (22,839)
Charges for Services	2,500	2,500	-	(2,500)
Miscellaneous	10,000	10,000	1,292	(8,708)
Total Revenues	<u>1,055,500</u>	<u>1,595,350</u>	<u>1,561,303</u>	<u>(34,047)</u>
Expenditures				
Current				
Public Safety	1,392,202	1,139,413	78,862	1,060,551
Capital Outlay	111,000	129,500	-	129,500
Total Expenditures	<u>1,503,202</u>	<u>1,268,913</u>	<u>78,862</u>	<u>1,190,051</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(447,702)</u>	<u>326,437</u>	<u>1,482,441</u>	<u>1,156,004</u>
Other Financing Sources (Uses)				
Transfers Out	-	-	(1,829,777)	(1,829,777)
Transfers Among Constitutional Officers	(829,298)	(2,129,176)	(539,850)	1,589,326
Total Other Financing Sources (Uses)	<u>(829,298)</u>	<u>(2,129,176)</u>	<u>(2,369,627)</u>	<u>(240,451)</u>
Net Change in Fund Balance	(1,277,000)	(1,802,739)	(887,186)	915,553
Fund Balance - Beginning	<u>1,277,000</u>	<u>1,802,739</u>	<u>1,802,739</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 915,553</u>	<u>\$ 915,553</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
RADIO COMMUNICATIONS SPECIAL REVENUE FUND
For the Fiscal Year Ended September 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines	\$ 78,000	\$ 78,000	\$ 81,142	\$ 3,142
Miscellaneous	2,500	2,500	165	(2,335)
Total Revenues	<u>80,500</u>	<u>80,500</u>	<u>81,307</u>	<u>807</u>
Expenditures				
Current				
Public Safety	72,000	72,000	-	72,000
Capital Outlay	167,500	283,002	-	283,002
Total Expenditures	<u>239,500</u>	<u>355,002</u>	<u>-</u>	<u>355,002</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(159,000)</u>	<u>(274,502)</u>	<u>81,307</u>	<u>355,809</u>
Net Change in Fund Balance	(159,000)	(274,502)	81,307	355,809
Fund Balance - Beginning	<u>159,000</u>	<u>274,502</u>	<u>274,502</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 355,809</u>	<u>\$ 355,809</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
LAW ENFORCEMENT TRUST FUND SPEACIAL REVENUE FUND
For the Fiscal Year Ended September 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines	\$ -	\$ 37,416	\$ 37,416	\$ -
Miscellaneous	<u>2,800</u>	<u>2,800</u>	<u>100</u>	<u>(2,700)</u>
Total Revenues	<u>2,800</u>	<u>40,216</u>	<u>37,516</u>	<u>(2,700)</u>
Expenditures				
Current				
Public Safety	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,800</u>	<u>40,216</u>	<u>37,516</u>	<u>(2,700)</u>
Other Financing Sources (Uses)				
Transfers Among Constitutional Officers	<u>(176,500)</u>	<u>(195,162)</u>	<u>(40,075)</u>	<u>155,087</u>
Total Other Financing Sources (Uses)	<u>(176,500)</u>	<u>(195,162)</u>	<u>(40,075)</u>	<u>155,087</u>
Net Change in Fund Balance	<u>(173,700)</u>	<u>(154,946)</u>	<u>(2,559)</u>	<u>152,387</u>
Fund Balance - Beginning	<u>173,700</u>	<u>154,946</u>	<u>154,946</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 152,387</u>	<u>\$ 152,387</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
POLICE ACADEMY SPECIAL REVENUE FUND
For the Fiscal Year Ended September 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$ 25,500	\$ 25,500	\$ 24,887	\$ (613)
Miscellaneous	1,200	1,200	62	(1,138)
Total Revenues	26,700	26,700	24,949	(1,751)
Expenditures				
Current				
Public Safety	10,200	11,588	-	11,588
Total Expenditures	10,200	11,588	-	11,588
Excess (Deficiency) of Revenues Over (Under) Expenditures	16,500	15,112	24,949	9,837
Other Financing Sources (Uses)				
Transfers Among Constitutional Officers	(87,200)	(122,106)	(16,805)	105,301
Total Other Financing Sources (Uses)	(87,200)	(122,106)	(16,805)	105,301
Net Change in Fund Balance	(70,700)	(106,994)	8,144	115,138
Fund Balance - Beginning	70,700	106,994	106,995	1
Fund Balance - Ending	\$ -	\$ -	\$ 115,139	\$ 115,139

**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, 2021**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 595,361	\$ 595,361	\$ 597,649	\$ 2,288
Miscellaneous	2,300	2,300	338,538	336,238
Total Revenues	597,661	597,661	936,187	338,526
Expenditures				
Current				
Human Services	601,661	901,661	665,381	236,280
Capital Outlay	-	-	336,970	(336,970)
Total Expenditures	601,661	901,661	1,002,351	(100,690)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,000)	(304,000)	(66,164)	237,836
Other Financing Sources (Uses)				
Transfers In	4,000	304,000	304,000	-
Total Other Financing Sources (Uses)	4,000	304,000	304,000	-
Net Change in Fund Balance	-	-	237,836	237,836
Fund Balance - Beginning	-	-	7,973	7,973
Fund Balance - Ending	\$ -	\$ -	\$ 245,809	\$ 245,809

**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, 2021**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Licenses and Permits	\$ 563,764	\$ 563,764	\$ 587,738	\$ 23,974
Intergovernmental	-	255,304	-	(255,304)
Miscellaneous	10,500	10,500	48,624	38,124
Total Revenues	<u>574,264</u>	<u>829,568</u>	<u>636,362</u>	<u>(193,206)</u>
Expenditures				
Current				
Transportation	1,022,040	1,131,580	529,131	602,449
Capital Outlay	15,408	381,172	62,120	319,052
Principal	2,500	2,500	-	2,500
Interest	5,046	5,046	7,067	(2,021)
Total Expenditures	<u>1,044,994</u>	<u>1,520,298</u>	<u>598,318</u>	<u>921,980</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(470,730)</u>	<u>(690,730)</u>	<u>38,044</u>	<u>728,774</u>
Other Financing Sources (Uses)				
Transfers In	-	48,340	-	(48,340)
Transfers Among Constitutional Officers	-	-	641	641
Total Other Financing Sources (Uses)	<u>-</u>	<u>48,340</u>	<u>641</u>	<u>(47,699)</u>
Net Change in Fund Balance	<u>(470,730)</u>	<u>(642,390)</u>	<u>38,685</u>	<u>681,075</u>
Fund Balance - Beginning	<u>470,730</u>	<u>642,390</u>	<u>678,155</u>	<u>35,765</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 716,840</u>	<u>\$ 716,840</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
UNINCORPORATED MUNICIPAL SERVICES TAXING UNIT FUND
For the Fiscal Year Ended September 30, 2021**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 1,602,213	\$ 1,602,213	\$ 1,608,750	\$ 6,537
Intergovernmental	-	20,000	-	(20,000)
Charges for Services	15,200	15,200	16,109	909
Miscellaneous	64,000	64,000	32,622	(31,378)
Total Revenues	<u>1,681,413</u>	<u>1,701,413</u>	<u>1,657,481</u>	<u>(43,932)</u>
Expenditures				
Current				
Culture and Recreation	3,671,960	2,850,717	1,073,297	1,777,420
Capital Outlay	1,738,411	1,985,411	583,822	1,401,589
Total Expenditures	<u>5,410,371</u>	<u>4,836,128</u>	<u>1,657,119</u>	<u>3,179,009</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,728,958)</u>	<u>(3,134,715)</u>	<u>362</u>	<u>3,135,077</u>
Other Financing Sources (Uses)				
Transfers Among Constitutional Officers	-	-	4,446	4,446
Total Transfers Among Sources (Uses)	<u>-</u>	<u>-</u>	<u>4,446</u>	<u>4,446</u>
Net Change in Fund Balance	(3,728,958)	(3,134,715)	4,808	3,139,523
Fund Balance - Beginning	<u>3,728,958</u>	<u>3,134,715</u>	<u>3,133,412</u>	<u>(1,303)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,138,220</u>	<u>\$ 3,138,220</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
PRISONER BENEFIT SPECIAL REVENUE FUND
For the Fiscal Year Ended September 30, 2021**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$ 600,000	\$ 1,109,728	\$ 1,105,179	\$ (4,549)
Miscellaneous	23,000	23,000	798	(22,202)
Total Revenues	<u>623,000</u>	<u>1,132,728</u>	<u>1,105,977</u>	<u>(26,751)</u>
Expenditures				
Current				
Public Safety	1,399,500	1,991,806	953,194	1,038,612
Capital Outlay	174,000	174,000	159,995	14,005
Total Expenditures	<u>1,573,500</u>	<u>2,165,806</u>	<u>1,113,189</u>	<u>1,052,617</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(950,500)</u>	<u>(1,033,078)</u>	<u>(7,212)</u>	<u>1,025,866</u>
Net Change in Fund Balance	(950,500)	(1,033,078)	(7,212)	1,025,866
Fund Balance - Beginning	<u>950,500</u>	<u>1,033,078</u>	<u>1,033,079</u>	<u>1</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,025,867</u>	<u>\$ 1,025,867</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
ADDITIONAL COURT COST SPECIAL REVENUE FUND
For the Fiscal Year Ended September 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$ 1,111,686	\$ 1,111,686	\$ 1,527,922	\$ 416,236
Miscellaneous	38,500	38,500	88,105	49,605
Total Revenues	<u>1,150,186</u>	<u>1,150,186</u>	<u>1,616,027</u>	<u>465,841</u>
Expenditures				
Current				
Court-Related	1,429,933	1,577,126	1,689,201	(112,075)
Capital Outlay	23,500	123,500	-	123,500
Total Expenditures	<u>1,453,433</u>	<u>1,700,626</u>	<u>1,689,201</u>	<u>11,425</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(303,247)</u>	<u>(550,440)</u>	<u>(73,174)</u>	<u>477,266</u>
Other Financing Sources (Uses)				
Transfers In	273,738	520,931	520,931	-
Transfers Out	(365,000)	(365,000)	(454,869)	(89,869)
Total Other Financing Sources (Uses)	<u>(91,262)</u>	<u>155,931</u>	<u>66,062</u>	<u>(89,869)</u>
Net Change in Fund Balance	<u>(394,509)</u>	<u>(394,509)</u>	<u>(7,112)</u>	<u>387,397</u>
Fund Balance - Beginning	<u>394,509</u>	<u>394,509</u>	<u>446,089</u>	<u>51,580</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 438,977</u>	<u>\$ 438,977</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DRUG ABUSE TRUST SPECIAL REVENUE FUND
For the Fiscal Year Ended September 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines	\$ 14,500	\$ 14,500	\$ 6,012	\$ (8,488)
Miscellaneous	1,100	1,100	62	(1,038)
Total Revenues	<u>15,600</u>	<u>15,600</u>	<u>6,074</u>	<u>(9,526)</u>
Expenditures				
Current				
Court-Related	109,865	128,950	2,077	126,873
Total Expenditures	<u>109,865</u>	<u>128,950</u>	<u>2,077</u>	<u>126,873</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(94,265)</u>	<u>(113,350)</u>	<u>3,997</u>	<u>117,347</u>
Net Change in Fund Balance	(94,265)	(113,350)	3,997	117,347
Fund Balance - Beginning	<u>94,265</u>	<u>113,350</u>	<u>113,350</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 117,347</u>	<u>\$ 117,347</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DOMESTIC VIOLENCE TRUST SPECIAL REVENUE FUND
For the Fiscal Year Ended September 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines	\$ 23,500	\$ 23,500	\$ 35,705	\$ 12,205
Miscellaneous	150	150	-	(150)
Total Revenues	<u>23,650</u>	<u>23,650</u>	<u>35,705</u>	<u>12,055</u>
Expenditures				
Current				
Court-Related	<u>5,115</u>	<u>5,883</u>	<u>-</u>	<u>5,883</u>
Total Expenditures	<u>5,115</u>	<u>5,883</u>	<u>-</u>	<u>5,883</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>18,535</u>	<u>17,767</u>	<u>35,705</u>	<u>17,938</u>
Other Financing Sources (Uses)				
Transfers Out	<u>(23,240)</u>	<u>(23,479)</u>	<u>(35,705)</u>	<u>(12,226)</u>
Total Other Financing Sources (Uses)	<u>(23,240)</u>	<u>(23,479)</u>	<u>(35,705)</u>	<u>(12,226)</u>
Net Change in Fund Balance	<u>(4,705)</u>	<u>(5,712)</u>	<u>-</u>	<u>5,712</u>
Fund Balance - Beginning	<u>4,705</u>	<u>5,712</u>	<u>5,712</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,712</u>	<u>\$ 5,712</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
TRAFFIC EDUCATION SPECIAL REVENUE FUND
For the Fiscal Year Ended September 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines	\$ 55,000	\$ 55,000	\$ 68,824	\$ 13,824
Miscellaneous	2,300	2,300	188	(2,112)
Total Revenues	<u>57,300</u>	<u>57,300</u>	<u>69,012</u>	<u>11,712</u>
Expenditures				
Current				
Court-Related	185,000	185,000	154,296	30,704
Total Expenditures	<u>185,000</u>	<u>185,000</u>	<u>154,296</u>	<u>30,704</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(127,700)</u>	<u>(127,700)</u>	<u>(85,284)</u>	<u>42,416</u>
Other Financing Sources (Uses)				
Transfers Among Constitutional Officers	(60,100)	(144,718)	(10,976)	133,742
Total Other Financing Sources (Uses)	<u>(60,100)</u>	<u>(144,718)</u>	<u>(10,976)</u>	<u>133,742</u>
Net Change in Fund Balance	(187,800)	(272,418)	(96,260)	176,158
Fund Balance - Beginning	187,800	272,418	271,619	(799)
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 175,359</u>	<u>\$ 175,359</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CHOCTAW BAY ESTUARY FUND
For the Fiscal Year Ended September 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	-	-	174,794	174,794
Charges for Services	18,000	49,926	-	(49,926)
Miscellaneous	-	-	631	631
Total Revenues	<u>18,000</u>	<u>49,926</u>	<u>175,425</u>	<u>125,499</u>
Expenditures				
Current				
General Government	53,705	513,464	-	513,464
Physical Environment	-	-	173,843	(173,843)
Capital Outlay	<u>19,500</u>	<u>2,774,500</u>	<u>1,582</u>	<u>2,772,918</u>
Total Expenditures	<u>73,205</u>	<u>3,287,964</u>	<u>175,425</u>	<u>3,112,539</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(55,205)</u>	<u>(3,238,038)</u>	<u>-</u>	<u>3,238,038</u>
Other Financing Sources (Uses)				
Transfers In	-	2,750,000	-	(2,750,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>2,750,000</u>	<u>-</u>	<u>(2,750,000)</u>
Net Change in Fund Balance	(55,205)	(488,038)	-	488,038
Fund Balance - Beginning	<u>55,205</u>	<u>488,038</u>	<u>-</u>	<u>(488,038)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FIBER OPTIC CABLE FUND
For the Fiscal Year Ended September 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	18,000	49,926	45,955	(3,971)
Miscellaneous	-	-	(3,437)	(3,437)
Total Revenues	18,000	49,926	42,518	(7,408)
Expenditures				
Current				
General Government	53,705	513,464	367,418	146,046
Capital Outlay	19,500	2,774,500	24,666	2,749,834
Total Expenditures	73,205	3,287,964	392,084	2,895,880
Excess (Deficiency) of Revenues Over (Under) Expenditures	(55,205)	(3,238,038)	(349,566)	2,888,472
Other Financing Sources (Uses)				
Transfers In	-	2,750,000	2,749,999	(1)
Total Other Financing Sources (Uses)	-	2,750,000	2,749,999	(1)
Net Change in Fund Balance	(55,205)	(488,038)	2,400,433	2,888,471
Fund Balance - Beginning	55,205	488,038	488,040	2
Fund Balance - Ending	\$ -	\$ -	\$ 2,888,473	\$ 2,888,473

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

For the Fiscal Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Expenditures				
Current				
Public Safety	9,920	9,920	9,920	-
Capital Outlay	-	-	-	-
Total Expenditures	9,920	9,920	9,920	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,920)	(9,920)	(9,920)	-
Other Financing Sources (Uses)				
Transfers Among Constitutional Officers	9,920	9,920	9,920	-
Total Other Financing Sources (Uses)	9,920	9,920	9,920	-
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, 2021**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 366,991	\$ 366,991	\$ 309,118	\$ (57,873)
Charges for Services	2,713,000	2,713,000	3,018,068	305,068
Fines	773,000	773,000	882,256	109,256
Total Revenues	<u>3,852,991</u>	<u>3,852,991</u>	<u>4,209,442</u>	<u>356,451</u>
Expenditures				
Current				
Court-Related	3,852,991	3,852,991	4,209,442	(356,451)
Total Expenditures	<u>3,852,991</u>	<u>3,852,991</u>	<u>4,209,442</u>	<u>(356,451)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
PUBLIC RECORDS MODERNIZATION TRUST SPECIAL REVENUE FUND
For the Fiscal Year Ended September 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$ 165,000	\$ 165,000	\$ 216,814	\$ 51,814
Fines	100,000	100,000	-	(100,000)
Total Revenues	<u>265,000</u>	<u>265,000</u>	<u>216,814</u>	<u>(48,186)</u>
Expenditures				
Current				
General Government	265,000	265,000	14,627	250,373
Capital Outlay	-	-	11,608	(11,608)
Total Expenditures	<u>265,000</u>	<u>265,000</u>	<u>26,235</u>	<u>238,765</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	190,579	190,579
Other Financing Sources (Uses)				
Net Change in Fund Balance	-	-	190,579	190,579
Fund Balance - Beginning	-	-	161,292	161,292
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 351,871</u>	<u>\$ 351,871</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
PUBLIC RECORDS COURTS SPECIAL REVENUE FUND
For the Fiscal Year Ended September 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$ 511,000	\$ 511,000	\$ 679,518	\$ 168,518
Miscellaneous	503,000	503,000	-	(503,000)
Total Revenues	<u>1,014,000</u>	<u>1,014,000</u>	<u>679,518</u>	<u>(334,482)</u>
Expenditures				
Current				
Court-Related	1,014,000	1,014,000	321,187	692,813
Capital Outlay	-	-	21,558	(21,558)
Total Expenditures	<u>1,014,000</u>	<u>1,014,000</u>	<u>342,745</u>	<u>671,255</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>336,773</u>	<u>336,773</u>
Other Financing Sources (Uses)				
Net Change in Fund Balance	-	-	336,773	336,773
Fund Balance - Beginning	-	-	615,200	615,200
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 951,973</u>	<u>\$ 951,973</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FEDERAL LAW ENFORCEMENT TRUST FUND
For the Fiscal Year Ended September 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 34,291	\$ 34,291	\$ -	\$ (34,291)
Total Revenues	<u>34,291</u>	<u>34,291</u>	<u>-</u>	<u>(34,291)</u>
Expenditures				
Current				
Public Safety	74,366	74,366	54,386	19,980
Capital Outlay	<u>-</u>	<u>-</u>	<u>19,980</u>	<u>(19,980)</u>
Total Expenditures	<u>74,366</u>	<u>74,366</u>	<u>74,366</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(40,075)</u>	<u>(40,075)</u>	<u>(74,366)</u>	<u>(34,291)</u>
Other Financing Sources (Uses)				
Transfers Among Constitutional Officers	40,075	40,075	74,366	34,291
Total Other Financing Sources (Uses)	<u>40,075</u>	<u>40,075</u>	<u>74,366</u>	<u>34,291</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
TEEN DRIVER CHALLENGE FUND
For the Fiscal Year Ended September 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Expenditures				
Current				
Public Safety	45,902	45,902	10,976	34,926
Total Expenditures	45,902	45,902	10,976	34,926
Excess (Deficiency) of Revenues Over (Under) Expenditures	(45,902)	(45,902)	(10,976)	34,926
Other Financing Sources (Uses)				
Transfers Among Constitutional Officers	-	-	10,976	10,976
Total Other Financing Sources (Uses)	-	-	10,976	10,976
Net Change in Fund Balance	(45,902)	(45,902)	-	45,902
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	\$ (45,902)	\$ (45,902)	\$ -	\$ 45,902

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
2ND DOLLAR FUND
For the Fiscal Year Ended September 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Expenditures				
Current				
Public Safety	-	-	16,805	(16,805)
Total Expenditures	-	-	16,805	(16,805)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(16,805)	(16,805)
Other Financing Sources (Uses)				
Transfers Among Constitutional Officers	-	-	16,805	16,805
Total Other Financing Sources (Uses)	-	-	16,805	16,805
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, 2021**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 446,500	\$ 446,500	\$ 446,500	\$ -
Miscellaneous	-	-	196,163	196,163
Total Revenues	<u>446,500</u>	<u>446,500</u>	<u>642,663</u>	<u>196,163</u>
Expenditures				
Current				
General Government	190,750	190,750	190,750	-
Debt Service				
Principal	2,913,000	2,913,000	2,788,000	125,000
Interest	3,271,542	3,271,542	3,305,505	(33,963)
Other Debt Service Costs	-	-	53,304	(53,304)
Total Expenditures	<u>6,375,292</u>	<u>6,375,292</u>	<u>6,337,559</u>	<u>37,733</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,928,792)</u>	<u>(5,928,792)</u>	<u>(5,694,896)</u>	<u>233,896</u>
Other Financing Sources (Uses)				
Transfers In	5,993,792	5,993,792	6,083,664	89,872
Transfers Out	<u>(665,000)</u>	<u>(771,395)</u>	<u>(771,395)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>5,328,792</u>	<u>5,222,397</u>	<u>5,312,269</u>	<u>89,872</u>
Net Change in Fund Balance	(600,000)	(706,395)	(382,627)	323,768
Fund Balance - Beginning	<u>600,000</u>	<u>706,395</u>	<u>706,396</u>	<u>1</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 323,769</u>	<u>\$ 323,769</u>

**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, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 1,088,732	\$ 1,088,732	\$ 1,093,398	\$ 4,666
Intergovernmental	125,000	125,000	99,154	(25,846)
Miscellaneous	20,000	20,000	2,065	(17,935)
Total Revenues	<u>1,233,732</u>	<u>1,233,732</u>	<u>1,194,617</u>	<u>(39,115)</u>
Expenditures				
Current				
Culture and Recreation	258,315	308,315	187,215	121,100
Capital Outlay	2,487,017	5,663,204	4,452,105	1,211,099
Other Debt Service Costs	-	-	45,500	(45,500)
Total Expenditures	<u>2,745,332</u>	<u>5,971,519</u>	<u>4,684,820</u>	<u>1,286,699</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,511,600)</u>	<u>(4,737,787)</u>	<u>(3,490,203)</u>	<u>1,247,584</u>
Other Financing Sources (Uses)				
Transfers In	-	3,714,335	3,714,335	-
Transfers Out	-	(4,794)	(4,794)	-
Proceeds from Refunding Bonds	-	-	2,480,000	2,480,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>3,709,541</u>	<u>6,189,541</u>	<u>2,480,000</u>
Net Change in Fund Balance	<u>(1,511,600)</u>	<u>(1,028,246)</u>	<u>2,699,338</u>	<u>3,727,584</u>
Fund Balance - Beginning	<u>1,511,600</u>	<u>1,028,246</u>	<u>1,028,245</u>	<u>(1)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,727,583</u>	<u>\$ 3,727,583</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
INFRASTRUCTURE SURTAX FUND
For the Fiscal Year Ended September 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 12,990,140	\$ 18,468,090	\$ 20,076,386	\$ 1,608,296
Miscellaneous	100,000	100,000	17,603	(82,397)
Total Revenues	<u>13,090,140</u>	<u>18,568,090</u>	<u>20,093,989</u>	<u>1,525,899</u>
Expenditures				
Current				
Transportation	10,848,303	23,560,008	173,058	23,386,950
Capital Outlay	8,798,943	14,970,193	10,698,477	4,271,716
Total Expenditures	<u>19,647,246</u>	<u>38,530,201</u>	<u>10,871,535</u>	<u>27,658,666</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,557,106)</u>	<u>(19,962,111)</u>	<u>9,222,454</u>	<u>29,184,565</u>
Other Financing Sources (Uses)				
Transfers Out	(1,256,894)	(1,256,894)	(1,256,892)	2
Transfers Among Constitutional Officers	-	(1,693,606)	(9,920)	1,683,686
Total Other Financing Sources (Uses)	<u>(1,256,894)</u>	<u>(2,950,500)</u>	<u>(1,266,812)</u>	<u>1,683,688</u>
Net Change in Fund Balance	(7,814,000)	(22,912,611)	7,955,642	30,868,253
Fund Balance - Beginning	<u>7,814,000</u>	<u>22,912,611</u>	<u>22,525,311</u>	<u>(387,300)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,480,953</u>	<u>\$ 30,480,953</u>

NONMAJOR ENTERPRISE FUNDS

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

Board of County Commissioners

Inspection and Code Enforcement Fund

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

Tax Collector

Building Maintenance Fund

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

**COMBINING STATEMENT ON NET POSITION
NONMAJOR ENTERPRISE FUNDS
PROPRIETARY FUNDS
September 30, 2021**

	Business-type Activities		
	Inspection and Code Enforcement	Tax Collector Building Maintenance	Total Nonmajor Enterprise Funds
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 1,641,578	\$ 276,397	\$ 1,917,975
Investments	3,226,174	-	3,226,174
Receivables, Net of Allowance for Uncollectible	83,306	-	83,306
Prepays	8,963	-	8,963
Total Current Assets	4,960,021	276,397	5,236,418
Capital Assets			
Intangible	42,425	-	42,425
Machinery and Equipment	399,929	-	399,929
Less Accumulated Depreciation/Amortization	(368,022)	-	(368,022)
Total Capital Assets (Net of Accumulated Depreciation/Amortization)	74,332	-	74,332
Total Noncurrent Assets	74,332	-	74,332
Total Assets	\$ 5,034,353	\$ 276,397	\$ 5,310,750
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charges Related to Pensions	\$ 200,801	\$ -	\$ 200,801
Deferred Charges Related to OPEB	2,261	-	2,261
Total Deferred Outflows of Resources	\$ 203,062	\$ -	\$ 203,062
Total Assets and Deferred Outflows of Resources	\$ 5,237,415	\$ 276,397	\$ 5,513,812

Continued...

**COMBINING STATEMENT ON NET POSITION
NONMAJOR ENTERPRISE FUNDS
PROPRIETARY FUNDS
September 30, 2021**

		Business-type Activities		
		Inspection and Code Enforcement	Tax Collector Building Maintenance	Total Nonmajor Enterprise Funds
LIABILITIES				
Liabilities				
Current Liabilities				
Accounts Payable	\$	2,124	\$ -	\$ 2,124
Contracts Payable		1,495	-	1,495
Compensated Absences		141,818	-	141,818
Other Accrued Liabilities		62,199	-	62,199
Due to Other Elected Officials		377	-	377
Due to Other Governments		23,744	-	23,744
Unearned Revenue		<u>28,133</u>	-	<u>28,133</u>
Total Current Liabilities		<u>259,890</u>	-	<u>259,890</u>
Noncurrent Liabilities				
Compensated Absences		111,508	-	111,508
Other Post Employment Benefits		64,824	-	64,824
Net Pension Liability		<u>286,053</u>	-	<u>286,053</u>
Total Noncurrent Liabilities		<u>462,385</u>	-	<u>462,385</u>
Total Liabilities	\$	<u>722,275</u>	\$ -	<u>722,275</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Charges Related to Pensions	\$	1,001,113	\$ -	\$ 1,001,113
Deferred Charges Related to OPEB		<u>8,325</u>	-	<u>8,325</u>
Total Deferred Inflows of Resources	\$	<u>1,009,438</u>	\$ -	<u>1,009,438</u>
NET POSITION				
Net Investment in Capital Assets	\$	74,332	\$ -	\$ 74,332
Unrestricted (Deficit)		<u>3,431,370</u>	<u>276,397</u>	<u>3,707,767</u>
Total Net Position (Deficit)		<u>3,505,702</u>	<u>276,397</u>	<u>3,782,099</u>
Total Liabilities, Deferred Inflows, and Net Position (Deficit)	\$	<u>5,237,415</u>	\$ <u>276,397</u>	<u>5,513,812</u>

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

For the Fiscal Year Ended September 30, 2021

	Business-type Activities		
	Inspection and Code Enforcement	Tax Collector Building Maintenance	Total Nonmajor Enterprise Funds
Operating Revenues			
Licenses and Permits	\$ 594,250	\$ -	\$ 594,250
Charges for Services	3,119,545	-	3,119,545
Miscellaneous	10,746	46,580	57,326
Total Operating Revenues	<u>3,724,541</u>	<u>46,580</u>	<u>3,771,121</u>
Operating Expenses			
Personal services	1,484,202	-	1,484,202
Contractual Services	346,684	-	346,684
Supplies	32,020	-	32,020
Other Operating Expenses	116,509	-	116,509
Depreciation/Amortization	35,963	-	35,963
Total Operating Expenses	<u>2,015,378</u>	<u>-</u>	<u>2,015,378</u>
Operating Income (Loss)	<u>1,709,163</u>	<u>46,580</u>	<u>1,755,743</u>
Nonoperating Revenues (Expenses)			
Investment Income (loss)	(425)	-	(425)
Total Nonoperating Revenues (Expenses)	<u>(425)</u>	<u>-</u>	<u>(425)</u>
Income (Loss) Before Contributions and Transfers	<u>1,708,738</u>	<u>46,580</u>	<u>1,755,318</u>
Change in Net Position	1,708,738	46,580	1,755,318
Total Net Position (Deficit) - Beginning	<u>1,796,964</u>	<u>229,817</u>	<u>2,026,781</u>
Total Net Position (Deficit) - Ending	<u>\$ 3,505,702</u>	<u>\$ 276,397</u>	<u>\$ 3,782,099</u>

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended September 30, 2021

	Business-type Activities		
	Inspection and Code Enforcement	Tax Collector Building Maintenance	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 3,710,881	\$ 46,580	\$ 3,757,461
Payments to Suppliers	(476,753)	-	(476,753)
Payments to Employees	(1,628,402)	-	(1,628,402)
Net Cash Provided (Used) by Operating Activities	<u>1,605,726</u>	<u>46,580</u>	<u>1,652,306</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of Capital Assets	(7,944)	-	(7,944)
Net cash provided (used) by capital and related financing activities	<u>(7,944)</u>	<u>-</u>	<u>(7,944)</u>
NET CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Investments	(678,276)	-	(678,276)
Interest Income (loss)	(425)	-	(425)
Net Cash Provided (Used) by Investing Activities	<u>(678,701)</u>	<u>-</u>	<u>(678,701)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	919,081	46,580	965,661
Cash and Cash Equivalents - Beginning of Year	<u>722,497</u>	<u>229,817</u>	<u>952,314</u>
Cash and Cash Equivalents - End of Year	<u>\$ 1,641,578</u>	<u>\$ 276,397</u>	<u>\$ 1,917,975</u>

Continued...

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended September 30, 2021

	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	1,641,578	276,397	1,917,975
Total	<u>\$ 1,641,578</u>	<u>\$ 276,397</u>	<u>\$ 1,917,975</u>
Reconciliation of Operating Income (Loss) to Net			
Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	\$ 1,709,163	\$ 46,580	\$ 1,755,743
Adjustments to Reconcile Operating Income to Net			
Cash Provided (Used) by Operating Activities			
Depreciation/Amortization	35,963	-	35,963
Decrease (Increase) in Assets			
Accounts Receivables	(22,224)	-	(22,224)
Prepaid Expenses	2,926	-	2,926
Deferred Outflows	238,517	-	238,517
Increase (Decrease) in Liabilities			
Accounts Payable	(422)	-	(422)
Service Contracts Payable	37	-	37
Due to Other Elected Officials	377	-	377
Due to Other Governments	2,978	-	2,978
Compensated Absences Payable	(18,871)	-	(18,871)
Other Accrued Liabilities	12,564	-	12,564
Deposits	170	-	170
Unearned Revenue	8,394	-	8,394
Other Post Employment Benefits	3,798	-	3,798
Net Pension Liability	(1,310,562)	-	(1,310,562)
Deferred Inflows	942,918	-	942,918
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,605,726</u>	<u>\$ 46,580</u>	<u>\$ 1,652,306</u>

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.

Tax Collector

FSEBT Fund

This fund accounts for the collection of self funded health insurance costs for the Tax Collector. The payments to the plan provider are also accounted for in this fund.

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
September 30, 2021**

	Governmental Activities					Total Internal Service Funds
	Self- Insurance	Garage Services	Tax Collector FSEBT	Sheriff Compensated Absences	Sheriff Health Benefits Self Insurance	
ASSETS						
Current Assets						
Cash and Cash Equivalents	\$ 1,105,114	\$ 46,388	\$ 100,000	\$ 1,549,317	\$ 3,447,452	\$ 6,248,271
Investments	2,753,031	-	-	-	-	2,753,031
Receivables, Net of Allowance for Uncollectible	29,392	95,910	-	-	50,450	175,752
Due from Other Funds	-	-	-	115,711	205,500	321,211
Due from Other Elected Officials	-	1,221	-	-	-	1,221
Due from Other Governments	-	114,900	-	-	-	114,900
Inventory	-	165,378	-	-	-	165,378
Prepays	457,327	-	-	-	-	457,327
Total Current Assets	4,344,864	423,797	100,000	1,665,028	3,703,402	10,237,091
Noncurrent Assets						
Capital Assets						
Land	-	316,861	-	-	-	316,861
Buildings	-	900,466	-	-	-	900,466
Machinery and Equipment	20,889	4,528,761	-	-	-	4,549,650
Infrastructure	-	257,345	-	-	-	257,345
Depreciation/Amortization	(20,361)	(5,334,830)	-	-	-	(5,355,191)
Total Capital Assets (Net of Accumulated Depreciation/ Amortization)	528	668,603	-	-	-	669,131
Total Assets	\$ 4,345,392	\$ 1,092,400	\$ 100,000	\$ 1,665,028	\$ 3,703,402	\$ 10,906,222
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Charges Related to Pensions	\$ 37,356	\$ 481,089	\$ -	\$ -	\$ -	\$ 518,445
Deferred Charges Related to OPEB	506	3,226	-	-	450,296	454,028
Total Deferred Outflows of Resources	\$ 37,862	\$ 484,315	\$ -	\$ -	\$ 450,296	\$ 972,473
Total Assets and Deferred Outflows of Resources	\$ 4,383,254	\$ 1,576,715	\$ 100,000	\$ 1,665,028	\$ 4,153,698	\$ 11,878,695

Continued...

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
September 30, 2021**

	Governmental Activities					
	Self- Insurance	Garage Services	Tax Collector FSEBT	Sheriff Compensated Absences	Sheriff Health Benefits Self Insurance	Total Internal Service Funds
LIABILITIES						
Liabilities						
Current Liabilities						
Accounts Payable	\$ 7,796	\$ 173,661	\$ -	\$ -	\$ 552,467	\$ 733,924
Contracts Payable	17,225	51,220	-	-	-	68,445
Compensated Absences	9,932	71,379	-	1,665,028	-	1,746,339
Claims and Judgments	1,290,000	-	-	-	393,720	1,683,720
Other Accrued Liabilities	16,259	52,336	-	-	-	68,595
Due to Other Funds	-	1,249,999	-	-	-	1,249,999
Deferred Revenue	2,724	-	-	-	-	2,724
Total Current Liabilities	1,343,936	1,598,595	-	1,665,028	946,187	5,553,746
Noncurrent Liabilities						
Compensated Absences	1,382	67,635	-	-	-	69,017
Claims and Judgments	3,969,000	-	-	-	-	3,969,000
Other Post Employment Benefits	14,519	92,501	-	-	6,003,947	6,110,967
Net Pension Liability	11,743	1,045,784	-	-	-	1,057,527
Total Noncurrent Liabilities	3,996,644	1,205,920	-	-	6,003,947	11,206,511
Total Liabilities	\$ 5,340,580	\$ 2,804,515	\$ -	\$ 1,665,028	\$ 6,950,134	\$ 16,760,257
DEFERRED INFLOWS OF RESOURCES						
Deferred Charges Related to Pensions						
Deferred Charges Related to Pensions	\$ 296,207	\$ 1,065,289	\$ -	\$ -	\$ -	\$ 1,361,496
Deferred Charges Related to OPEB						
Deferred Charges Related to OPEB	1,865	11,880	-	-	464,918	478,663
Total Deferred Inflows of Resources	\$ 298,072	\$ 1,077,169	\$ -	\$ -	\$ 464,918	\$ 1,840,159
NET POSITION						
Net Investment in Capital Assets	\$ 528	\$ 668,603	\$ -	\$ -	\$ -	\$ 669,131
Unrestricted (Deficit)	(1,255,926)	(2,973,572)	100,000	-	(3,261,354)	(7,390,852)
Total Net Position (Deficit)	(1,255,398)	(2,304,969)	100,000	-	(3,261,354)	(6,721,721)
Total Liabilities, Deferred Inflows, and Net Position (Deficit)	\$ 4,383,254	\$ 1,576,715	\$ 100,000	\$ 1,665,028	\$ 4,153,698	\$ 11,878,695

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended September 30, 2021**

	Governmental Activities					Total Internal Service Funds
	Self-Insurance	Garage Services	Tax Collector FSEBT	Sheriff Compensated Absences	Sheriff Health Benefits Self Insurance	
Operating Revenues						
Charges for Services	\$ 4,474,069	\$ 3,679,946	\$ -	\$ -	\$ 8,023,707	\$ 16,177,722
Miscellaneous	101,850	-	-	-	-	101,850
Total Operating Revenues	4,575,919	3,679,946	-	-	8,023,707	16,279,572
Operating Expenses						
Personal Services	1,827,015	1,280,259	-	-	174,620	3,281,894
Contractual Services	262,603	15,906	-	-	434,643	713,152
Supplies	6,973	2,644,513	-	-	-	2,651,486
Insurance Premiums and Claims	2,090,853	-	-	-	7,575,844	9,666,697
Utilities	-	6,772	-	-	-	6,772
Other Operating Expenses	10,438	365,714	-	-	-	376,152
Depreciation/Amortization	333	79,838	-	-	-	80,171
Total Operating Expenses	4,198,215	4,393,002	-	-	8,185,107	16,776,324
Operating Income (Loss)	377,704	(713,056)	-	-	(161,400)	(496,752)
Nonoperating Revenues (Expenses)						
Investment Income (Loss)	2,999	(862)	-	-	-	2,137
Gain/Loss on Disposal of Capital Assets	-	195,357	-	-	-	195,357
Total Nonoperating Revenues (Expenses)	2,999	194,495	-	-	-	197,494
Income (Loss) Before Contributions and Transfers	380,703	(518,561)	-	-	(161,400)	(299,258)
Operating Transfers In	350,000	-	100,000	-	-	450,000
Change in Net Position	730,703	(518,561)	100,000	-	(161,400)	150,742
Total Net Position - Beginning	(1,986,101)	(1,786,408)	-	-	(3,099,954)	(6,872,463)
Total Net Position (Deficit)- Ending	\$ (1,255,398)	\$ (2,304,969)	\$ 100,000	\$ -	\$ (3,261,354)	\$ (6,721,721)

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended September 30, 2021**

	Governmental			Activities		
	Self- Insurance	Garage Services	Tax Collector FSEBT	Sheriff Compensated Absences	Sheriff Health Benefits Self Insurance	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from Customers	\$ 4,857,557	\$ 3,565,016	\$ -	\$ 259,963	\$ 8,323,885	\$17,006,421
Receipts from Interfund Services Provided	(2,635,499)	(2,909,046)	-	-	(7,874,305)	(13,418,850)
Payments to Suppliers	(1,867,285)	(1,436,390)	-	-	-	(3,303,675)
Net Cash Provided (Used) by Operating Activities	354,773	(780,420)	-	259,963	449,580	283,896
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES						
Transfers In	350,000	-	100,000	-	-	450,000
Net Interfund Activity	-	322,140	-	-	-	322,140
Net Cash Provided (Used) by Non-capital Financing Activities	350,000	322,140	100,000	-	-	772,140
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchase of Capital Assets	-	(153,700)	-	-	-	(153,700)
Proceeds from Disposal of Capital Assets	-	195,357	-	-	-	195,357
Net Cash Provided (Used) by Capital and Related Financing Activities	-	41,657	-	-	-	41,657
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchases on Investments	(2,800)	-	-	-	-	(2,800)
Interest Income (loss)	3,000	(862)	-	-	-	2,138
Net Cash Provided (Used) by Investing Activities	200	(862)	-	-	-	(662)
Net Increase (Decrease) in Cash and Cash Equivalents	704,973	(417,485)	100,000	259,963	449,580	1,097,031
Cash and Cash Equivalents - Beginning of Year	400,141	463,873	-	1,289,354	2,997,872	5,151,240
Cash and Cash Equivalents - End of Year	<u>\$ 1,105,114</u>	<u>\$ 46,388</u>	<u>\$ 100,000</u>	<u>\$ 1,549,317</u>	<u>\$ 3,447,452</u>	<u>\$ 6,248,271</u>

Continued...

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended September 30, 2021**

	Governmental Activities					
	Self- Insurance	Garage Services	Tax Collector FSEBT	Sheriff Compensated Absences	Sheriff Health Benefits Self Insurance	Total Internal Service Funds
Cash and Cash Equivalents at End of Year Consist of:						
Current assets	\$ 1,105,114	\$ 46,388	\$ 100,000	\$ 1,549,317	\$ 3,447,452	\$ 6,248,271
Total	<u>\$ 1,105,114</u>	<u>\$ 46,388</u>	<u>\$ 100,000</u>	<u>\$ 1,549,317</u>	<u>\$ 3,447,452</u>	<u>\$ 6,248,271</u>
Reconciliation of Operating Income (Loss) to						
Net Cash Provided (Used) by Operating Activities						
Operating Income (Loss)	\$ 377,704	\$ (713,056)	\$ -	\$ -	\$ (161,400)	\$ (496,752)
Adjustments to Reconcile Operating Income						
to Net Cash Provided (Used) by Operating Activities						
Depreciation/Amortization	333	79,838	-	-	-	80,171
Decrease (Increase) in Assets						
Accounts Receivable	275,324	(95,910)	-	-	(43,766)	135,648
Due from Other Governments	1,189	(19,020)	-	-	-	(17,831)
Due from Other Funds	-	-	-	144,252	343,944	488,196
Inventories	-	24,876	-	-	-	24,876
Prepaid Expenses	(54,477)	-	-	-	-	(54,477)
Deferred Outflows	71,567	238,450	-	-	33,883	343,900
Increase (Decrease) in Liabilities						
Accounts Payable	(37,672)	119,632	-	-	552,467	634,427
Service Contracts Payable	(18,727)	(28,723)	-	-	-	(47,450)
Due to Other Governments	-	(243)	-	-	-	(243)
Compensated Absences Payable	(2,472)	(31,929)	-	115,711	-	81,310
Claims and Judgments Payable	(156,401)	-	-	-	(416,285)	(572,686)
Other Accrued Liabilities	2,645	8,317	-	-	-	10,962
Unearned Revenue	2,724	-	-	-	-	2,724
Other Post Employment Benefits	851	5,418	-	-	161,357	167,626
Customer Deposits	2,401	-	-	-	-	2,401
Net Pension Liability	(393,168)	(1,310,560)	-	-	-	(1,703,728)
Deferred Inflows	282,952	942,490	-	-	(20,620)	1,204,822
	<u>(22,931)</u>	<u>(67,364)</u>	<u>-</u>	<u>259,963</u>	<u>610,980</u>	<u>780,648</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 354,773</u>	<u>\$ (780,420)</u>	<u>\$ -</u>	<u>\$ 259,963</u>	<u>\$ 449,580</u>	<u>\$ 283,896</u>

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
September 30, 2021**

	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	\$ 99,489	\$ 29,282	\$ 589,065	\$ 82,089	\$ 2,111,421	\$ 58,668	\$ 412,648	\$ -
Investments	285,000	-	710,000	-	-	-	430,000	-
Accounts Receivable	-	-	-	7,025	-	-	-	-
Total Assets	384,489	29,282	1,299,065	89,114	2,111,421	58,668	842,648	-
LIABILITIES								
Accounts Payable	-	-	13,128	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-	-
Due to Other Elected Officials	92,024	-	-	-	-	58,668	-	-
Due to Other Governments	292,465	5	3,878	460	262,364	-	842,648	-
Due to Depositors	-	29,277	-	88,654	-	-	-	-
Taxes Collected in Advance for Other Governments	-	-	-	-	-	-	-	-
Total Liabilities	384,489	29,282	17,006	89,114	262,364	58,668	842,648	-
NET POSITION								
Restricted for Individuals, Organizations, and Other Governments	-	-	1,282,059	-	1,849,057	-	-	-
Total Net Position	\$ -	\$ -	\$ 1,282,059	\$ -	\$ 1,849,057	\$ -	\$ -	\$ -

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
September 30, 2021**

	Escrow Trust	Juvenile Trust	Foreclosure Escrow Trust	Cash Bond Trust	Individual Depositors	Suspense (Levies)	Disbursements	Total Custodial Funds
ASSETS								
Cash and Cash Equivalents	\$ 26,522	\$ 1,515	\$ 599,856	\$ 379,060	\$ 4,270	\$ 2,347	\$ 2,881,246	\$ 7,277,478
Investments	149,999	-	459,000	275,000	-	-	-	2,308,999
Accounts Receivable	-	-	-	-	-	-	14,755	21,780
Total Assets	176,521	1,515	1,058,856	654,060	4,270	2,347	2,896,001	9,608,257
LIABILITIES								
Accounts Payable	767	-	-	-	-	-	-	13,895
Due to Other Funds	-	-	-	-	-	-	31,162	31,162
Due to Other Elected Officials	-	-	-	-	-	-	69,649	220,341
Due to Other Governments	9,059	1,515	-	49,818	-	-	46,019	1,508,231
Due to Depositors	-	-	-	-	-	-	33,818	151,749
Taxes Collected in Advance for Other Governments	-	-	-	-	-	-	2,700,907	2,700,907
Total Liabilities	9,826	1,515	-	49,818	-	-	2,881,555	4,626,285
NET POSITION								
Restricted for Individuals, Organizations, and Other Governments	166,695	-	1,058,856	604,242	4,270	2,347	14,446	4,981,972
Total Net Position	\$ 166,695	\$ -	\$ 1,058,856	\$ 604,242	\$ 4,270	\$ 2,347	\$ 14,446	\$ 4,981,972

**COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

For the Year Ended September 30, 2021

	Fine and Forfeiture	Jury and Witness	Tax Deed	Support	Registry of Court	BCC Trust	State Trust
ADDITIONS							
Collections from Individuals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and Forfeitures and Fees Collected	5,043,075	-	-	-	-	-	-
Witness Advanced Funding	-	897	-	-	-	-	-
Tax Deeds and Fees Collected	-	-	881,051	-	-	-	-
Child Support Collected	-	-	-	1,383,630	-	-	-
Registry of the Court and Fees Collected	-	-	-	-	10,265,733	-	-
Recording Fees Collected	-	-	-	-	-	715,282	-
Documentary Stamps and Intangible Tax Collected	-	-	-	-	-	-	57,832,105
Restitution and Escrow Funds Collected	-	-	-	-	-	-	-
Juvenile Restitution Collected	-	-	-	-	-	-	-
Online Foreclosure Funds Collected	-	-	-	-	-	-	-
Cash Bonds Collected	-	-	-	-	-	-	-
Court Related Taxes and Fees	-	-	-	-	-	-	-
State Related Licenses and Fees	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total Additions	5,043,075	897	881,051	1,383,630	10,265,733	715,282	57,832,105
DEDUCTIONS							
Distributions to Individuals	-	-	-	-	-	-	-
Fines and Forfeitures and Fees Collected	5,043,075	-	-	-	-	-	-
Witness Advanced Funding	-	897	-	-	-	-	-
Tax Deeds and Fees Collected	-	-	914,830	-	-	-	-
Child Support Collected	-	-	-	1,383,630	-	-	-
Registry of the Court and Fees Collected	-	-	-	-	10,387,257	-	-
Recording Fees Collected	-	-	-	-	-	715,282	-
Documentary Stamps and Intangible Tax Collected	-	-	-	-	-	-	57,832,105
Restitution and Escrow Funds Collected	-	-	-	-	-	-	-
Juvenile Restitution Collected	-	-	-	-	-	-	-
Online Foreclosure Funds Collected	-	-	-	-	-	-	-
Cash Bonds Collected	-	-	-	-	-	-	-
Court Related Taxes and Fees	-	-	-	-	-	-	-
State Related Licenses and Fees	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total Deductions	5,043,075	897	914,830	1,383,630	10,387,257	715,282	57,832,105
Net Increase (Decrease) in Fiduciary Net Position	-	-	(33,779)	-	(121,524)	-	-
Total Net Position - Beginning	-	-	-	-	-	-	-
Change in Accounting Practices	-	-	1,315,838	-	1,970,581	-	-
Total Net Position - Beginning, As Restated	-	-	1,315,838	-	1,970,581	-	-
Total Net Position - Ending	\$ -	\$ -	\$ 1,282,059	\$ -	\$ 1,849,057	\$ -	\$ -

Continued...

**COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

For the Year Ended September 30, 2021

	Probation Fee Trust	Escrow Trust	Juvenile Trust	Foreclosure Escrow Trust	Cash Bond Trust	Individual Depositors	Suspense (Levies)	Disbursements	Total
ADDITIONS									
Collections from Individuals	\$ -	\$ -	\$ -	\$ -	\$ -	1,120	\$ -	\$ -	\$ 1,120
Fines and Forfeitures and Fees Collected	-	-	-	-	-	-	-	-	5,043,075
Witness Advanced Funding	-	-	-	-	-	-	-	-	897
Tax Deeds and Fees Collected	-	-	-	-	-	-	-	-	881,051
Child Support Collected	-	-	-	-	-	-	-	-	1,383,630
Registry of the Court and Fees Collected	-	-	-	-	-	-	-	-	10,265,733
Recording Fees Collected	-	-	-	-	-	-	-	-	715,282
Documentary Stamps and Intangible Tax Collected	-	-	-	-	-	-	-	-	57,832,105
Restitution and Escrow Funds Collected	-	458,965	-	-	-	-	-	-	458,965
Juvenile Restitution Collected	-	-	10,625	-	-	-	-	-	10,625
Online Foreclosure Funds Collected	-	-	-	2,371,540	-	-	-	-	2,371,540
Cash Bonds Collected	-	-	-	-	511,007	-	-	-	511,007
Court Related Taxes and Fees	-	-	-	-	-	-	-	351,531,221	351,531,221
State Related Licenses and Fees	-	-	-	-	-	-	-	34,523,630	34,523,630
Other	-	-	-	-	-	-	-	793,612	793,612
Total Assets	-	458,965	10,625	2,371,540	511,007	1,120	-	386,848,463	466,323,493
DEDUCTIONS									
Distributions to Individuals	-	-	-	-	-	-	24,550	-	24,550
Fines and Forfeitures and Fees Collected	-	-	-	-	-	-	-	-	5,043,075
Witness Advanced Funding	-	-	-	-	-	-	-	-	897
Tax Deeds and Fees Collected	-	-	-	-	-	-	-	-	914,830
Child Support Collected	-	-	-	-	-	-	-	-	1,383,630
Registry of the Court and Fees Collected	-	-	-	-	-	-	-	-	10,387,257
Recording Fees Collected	-	-	-	-	-	-	-	-	715,282
Documentary Stamps and Intangible Tax Collected	-	-	-	-	-	-	-	-	57,832,105
Restitution and Escrow Funds Collected	-	432,674	-	-	-	-	-	-	432,674
Juvenile Restitution Collected	-	-	10,625	-	-	-	-	-	10,625
Online Foreclosure Funds Collected	-	-	-	2,083,354	-	-	-	-	2,083,354
Cash Bonds Collected	-	-	-	-	370,654	-	-	-	370,654
Court Related Taxes and Fees	-	-	-	-	-	-	-	351,529,940	351,529,940
State Related Licenses and Fees	-	-	-	-	-	-	-	34,523,630	34,523,630
Other	-	-	-	-	-	-	-	782,750	782,750
Total Liabilities	-	432,674	10,625	2,083,354	370,654	-	24,550	386,836,320	466,035,253
Net Increase (Decrease) in Fiduciary Net Position	-	26,291	-	288,186	140,353	1,120	(24,550)	12,143	288,240
Total Net Position - Beginning	-	-	-	-	-	-	-	-	-
Change in Accounting Practices	-	140,404	-	770,670	463,889	3,150	26,897	2,303	4,693,732
Total Net Position - Beginning, As Restated	-	140,404	-	770,670	463,889	3,150	26,897	2,303	4,661,382
Total Net Position - Ending	\$ -	\$ 166,695	\$ -	\$ 1,058,856	\$ 604,242	\$ 4,270	\$ 2,347	\$ 14,446	\$ 4,981,972

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

**Statistical
Section**

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

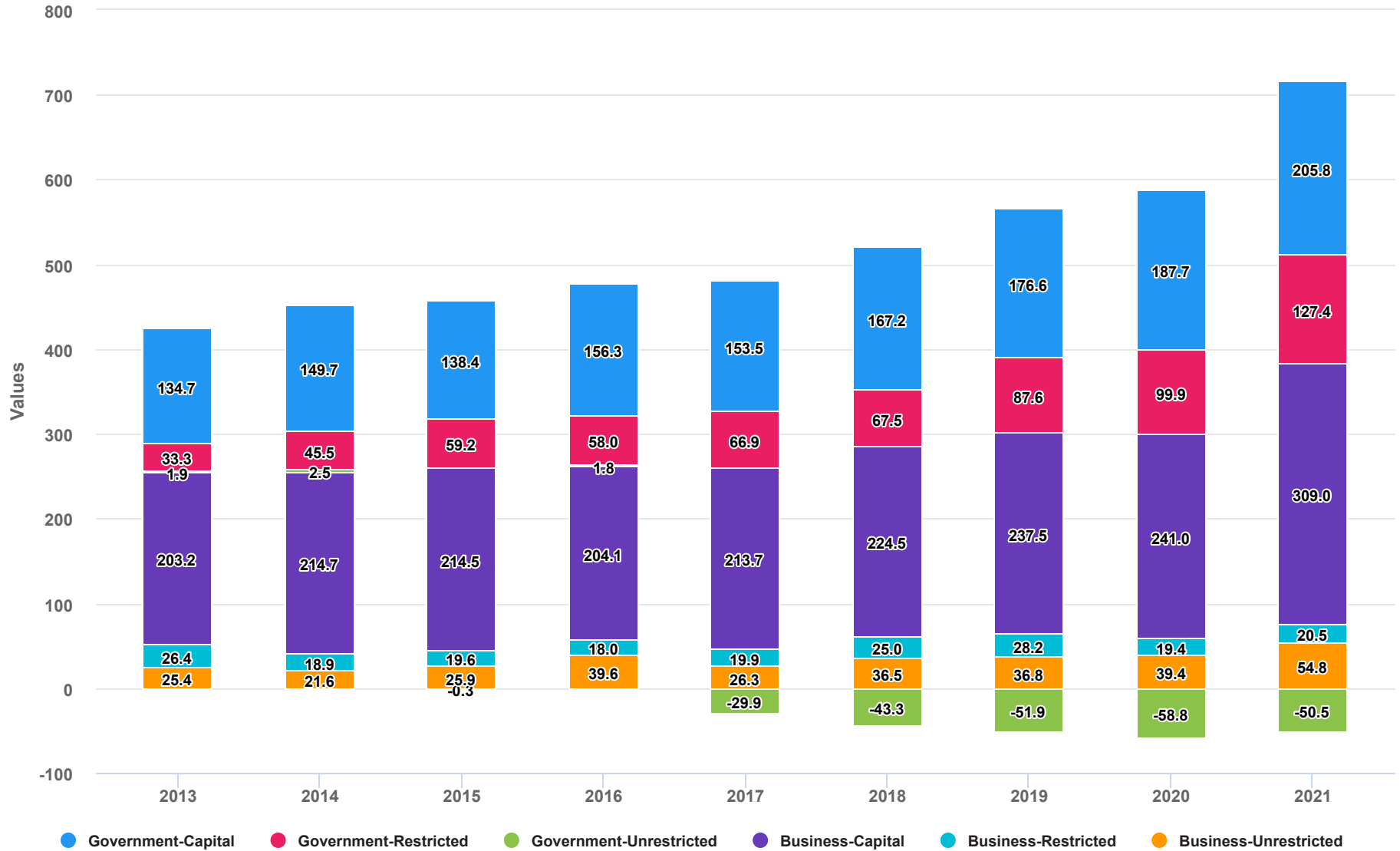
UNAUDITED

SCHEDULE 1

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

(amounts in thousands)	2013	2014	2015	2016	2017	2018	2019	2020	2021
GOVERNMENTAL ACTIVITIES:									
NET INVESTMENT IN CAPITAL ASSETS	\$ 134,735	\$ 149,700	\$ 138,402	\$ 156,262	\$ 153,520	\$ 167,159	\$ 176,565	\$ 187,707	\$ 205,802
RESTRICTED:									
DEBT SERVICE	463	504	1,039	-	435	467	563	706	324
OTHER PURPOSES	32,871	45,004	58,132	57,959	66,498	67,034	86,997	99,174	127,051
UNRESTRICTED (DEFICIT)	(265)	1,846	(29,906)	(43,267)	(51,926)	(58,761)	(65,276)	(69,511)	(50,498)
TOTAL GOVERNMENTAL ACTIVITIES NET POSITION	167,804	197,054	167,667	170,954	168,527	175,899	198,849	218,076	282,679
BUSINESS-TYPE ACTIVITIES									
NET INVESTMENT IN CAPITAL ASSETS	214,514	204,110	213,694	224,457	237,458	241,039	256,056	280,690	309,029
RESTRICTED:									
DEBT SERVICE	9,496	9,964	8,643	5,837	5,150	4,156	4,200	4,276	4,797
OTHER PURPOSES	16,888	8,956	10,969	12,194	14,778	20,843	24,019	15,117	15,664
UNRESTRICTED	25,916	39,603	26,319	36,495	36,799	39,410	40,876	50,723	54,750
TOTAL BUSINESS-TYPE ACTIVITIES NET POSITION	266,814	262,633	259,625	278,983	294,185	305,449	325,151	350,806	384,240
PRIMARY GOVERNMENT									
NET INVESTMENT IN CAPITAL ASSETS	349,249	353,810	352,096	380,719	390,978	408,199	432,621	468,397	514,831
RESTRICTED:									
DEBT SERVICE	9,959	10,468	9,682	5,837	5,585	4,623	4,764	4,982	5,121
OTHER PURPOSES	49,759	53,960	69,101	70,153	81,276	87,876	111,015	114,291	142,715
UNRESTRICTED	25,651	41,449	(3,587)	(6,772)	(15,127)	(19,350)	(24,400)	(18,788)	4,252
TOTAL PRIMARY GOVERNMENT NET POSITION	\$ 434,618	\$ 459,687	\$ 427,292	\$ 449,937	\$ 462,712	\$ 481,348	\$ 524,000	\$ 568,882	\$ 666,919

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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021
EXPENSES									
GOVERNMENTAL ACTIVITIES:									
GENERAL GOVERNMENT	\$ 28,715	\$ 29,543	\$ 30,449	\$ 33,975	\$ 33,691	\$ 33,716	\$ 35,902	\$ 43,513	\$ 39,954
PUBLIC SAFETY	45,296	47,804	49,096	52,621	59,924	62,277	68,591	81,394	93,551
PHYSICAL ENVIRONMENT	1,502	1,178	1,139	1,376	1,864	1,993	2,176	2,221	2,303
TRANSPORTATION	14,632	13,712	14,349	17,224	17,788	17,752	18,747	25,703	20,148
ECONOMIC ENVIRONMENT	4,983	6,174	6,432	8,501	10,730	10,333	7,616	10,772	19,043
HUMAN SERVICES	4,500	4,277	4,535	4,931	5,325	5,011	5,318	6,383	5,894
CULTURE AND RECREATION	11,997	7,521	7,317	8,238	9,480	10,488	16,834	20,679	15,109
COURT-RELATED	7,589	7,406	8,154	8,147	9,135	9,405	9,242	9,625	9,443
INTEREST AND FISCAL CHARGES	1,745	1,526	2,659	2,471	2,595	2,716	2,786	2,414	2,366
TOTAL GOVERNMENTAL EXPENSES	\$ 120,959	\$ 119,141	\$ 124,130	\$ 137,484	\$ 150,532	\$ 153,691	\$ 167,212	\$ 202,704	\$ 207,811
BUSINESS-TYPE ACTIVITIES:									
WATER AND SEWER	\$ 27,657	\$ 25,122	\$ 26,444	\$ 26,004	\$ 26,832	\$ 29,224	\$ 29,359	\$ 30,291	\$ 31,106
AIRPORT	12,450	13,223	12,415	13,966	13,134	14,618	15,775	14,986	15,291
SOLID WASTE	7,684	8,566	7,155	7,913	9,053	9,907	10,417	10,971	11,818
INSPECTIONS	1,588	1,541	1,678	1,671	1,975	1,917	2,032	2,199	9,260
EMERGENCY MEDICAL SERVICES	7,234	7,587	7,440	8,553	9,292	10,876	11,513	11,611	2,015
CONFERENCE CENTER	3,153	-	-	-	-	-	-	-	-
TAX COLLECTOR BUILDING	-	-	-	-	-	-	-	-	-
MAINTENANCE	-	-	-	-	-	-	-	-	-
TOTAL BUSINESS-TYPE EXPENSES	\$ 59,766	\$ 56,039	\$ 55,132	\$ 58,107	\$ 60,286	\$ 66,542	\$ 69,096	\$ 70,058	\$ 69,490
TOTAL PRIMARY GOVERNMENT EXPENSES	\$ 180,725	\$ 175,180	\$ 179,262	\$ 195,591	\$ 210,818	\$ 220,233	\$ 236,308	\$ 272,762	\$ 277,301
PROGRAM REVENUES - GOVERNMENTAL ACTIVITIES:									
CHARGES FOR SERVICES									
GENERAL GOVERNMENTAL	\$ 11,378	\$ 11,482	\$ 12,538	\$ 12,124	\$ 22,252	\$ 19,914	\$ 13,405	\$ 21,976	\$ 16,802
OTHER	14,090	11,829	13,423	13,338	3,874	5,897	15,788	24,035	33,644
OPERATING GRANTS AND CONTRIBUTIONS	5,845	7,379	6,738	8,959	15,761	9,173	7,738	16,884	32,536
CAPITAL GRANTS AND CONTRIBUTIONS	1,249	1,716	1,393	984	1,047	3,288	9,969	10,957	14,883
TOTAL GOVERNMENT PROGRAM REVENUE	\$ 32,562	\$ 32,406	\$ 34,092	\$ 35,405	\$ 42,934	\$ 38,272	\$ 46,899	\$ 73,852	\$ 97,865

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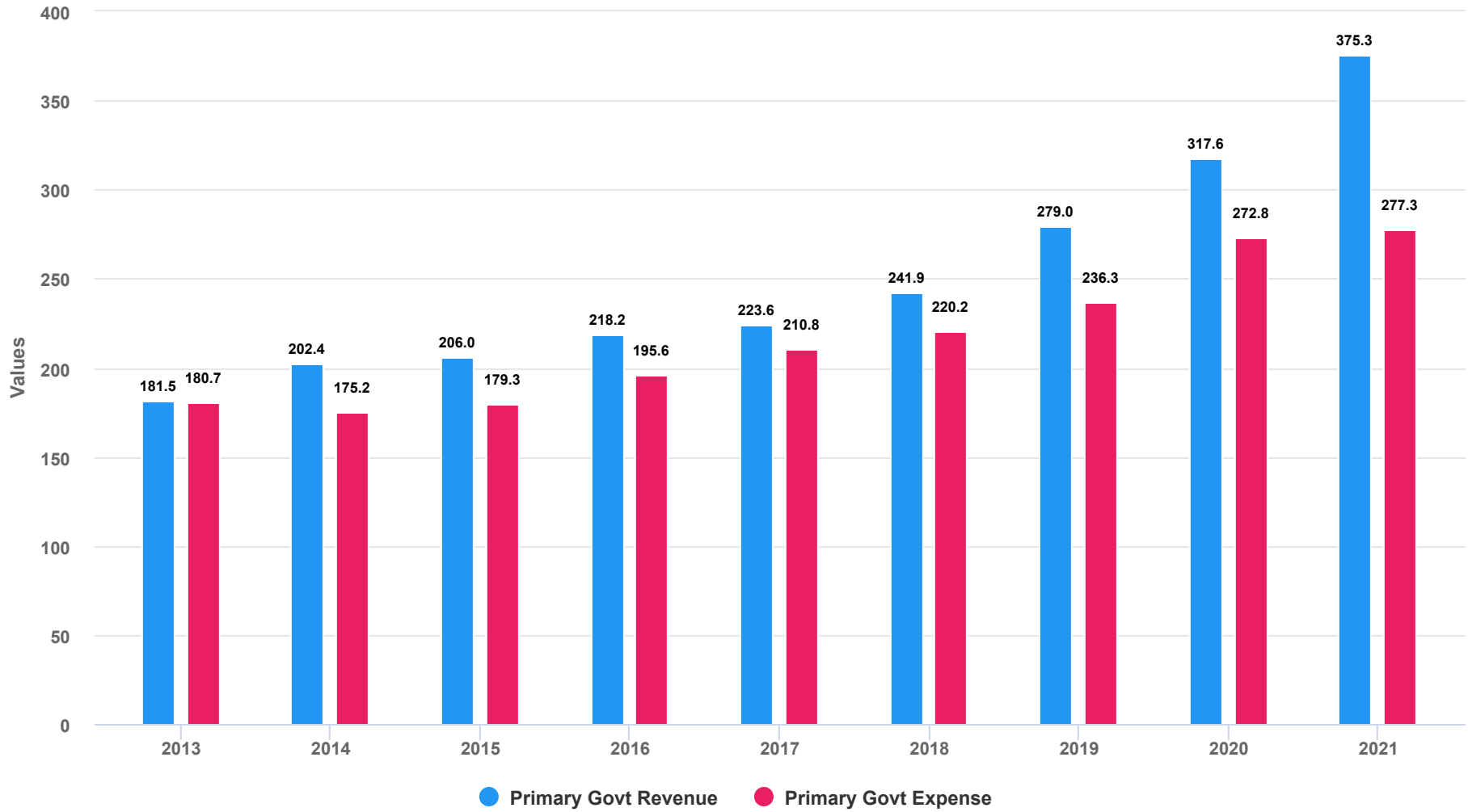
UNAUDITED

SCHEDULE 2

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

(amounts in thousands)	2013	2014	2015	2016	2017	2018	2019	2020	2021
BUSINESS-TYPE ACTIVITIES:									
CHARGES FOR SERVICES									
WATER & SEWER	\$ 26,778	\$ 28,746	\$ 28,239	\$ 33,038	\$ 34,063	\$ 33,819	\$ 37,015	\$ 37,134	\$ 38,784
OTHER	29,176	25,461	25,255	29,401	30,898	36,678	38,252	34,743	42,858
OPERATING GRANTS AND CONTRIBUTIONS	528	264	272	455	893	628	408	7,684	4,913
CAPITAL GRANTS AND CONTRIBUTIONS	4,720	18,962	10,860	11,697	9,059	7,737	11,299	16,664	17,901
TOTAL BUSINESS-TYPE PROGRAM REVENUE	\$ 61,202	\$ 73,433	\$ 64,626	\$ 74,591	\$ 74,913	\$ 78,862	\$ 86,974	\$ 96,225	\$ 104,456
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	\$ 93,764	\$ 105,839	\$ 98,718	\$ 109,996	\$ 117,847	\$ 117,134	\$ 133,872	\$ 170,077	\$ 202,321
NET (EXPENSE)/REVENUE									
GOVERNMENT ACTIVITIES	\$ (88,397)	\$ (86,735)	\$ (90,038)	\$ (102,079)	\$ (107,598)	\$ (115,419)	\$ (120,313)	\$ (128,852)	\$ (109,946)
BUSINESS-TYPE ACTIVITIES	1,436	17,394	9,494	16,484	14,627	12,320	17,877	26,167	34,966
TOTAL PRIMARY GOVERNMENT NET EXPENSE	(86,961)	(69,341)	(80,544)	(85,595)	(92,971)	(103,099)	(102,436)	(102,685)	(74,980)
GENERAL REVENUES									
GOVERNMENTAL ACTIVITIES:									
TAXES	58,010	68,740	73,101	77,192	82,104	92,802	107,468	114,110	137,729
STATE SHARED REVENUE	17,801	22,673	23,228	24,643	17,977	25,795	28,978	27,314	32,076
GRANT AND CONTRIBUTIONS NOT RESTRICTED	124	146	3	3	-	-	-	-	-
OTHER	4,785	2,951	5,831	3,527	5,090	6,378	6,817	6,654	4,745
TOTAL GOVERNMENTAL ACTIVITIES	80,720	94,510	102,163	105,365	105,171	124,975	143,263	148,078	174,550
BUSINESS-TYPE ACTIVITIES:									
TAXES	6,709	1,111	1,504	1,122	2	1	1,247	668	-
STATE SHARED REVENUE	-	-	-	-	-	-	-	-	-
GRANT AND CONTRIBUTIONS NOT RESTRICTED	-	-	-	-	-	-	-	-	-
OTHER	287	927	3,641	1,752	572	(209)	578	(1,180)	(1,532)
TOTAL BUSINESS-TYPE ACTIVITIES	6,996	2,038	5,145	2,874	574	(208)	1,825	(512)	(1,532)
CHANGES IN NET POSITION									
GOVERNMENTAL ACTIVITIES	(7,677)	7,775	12,125	3,286	(2,427)	9,556	22,950	19,226	64,604
BUSINESS-TYPE ACTIVITIES	8,432	19,432	14,639	19,358	15,201	12,112	19,702	25,655	33,434
TOTAL PRIMARY GOVERNMENT	\$ 755	\$ 27,207	\$ 26,764	\$ 22,644	\$ 12,774	\$ 21,668	\$ 42,652	\$ 44,881	\$ 98,038

Changes in Net Position Last Nine Fiscal Years



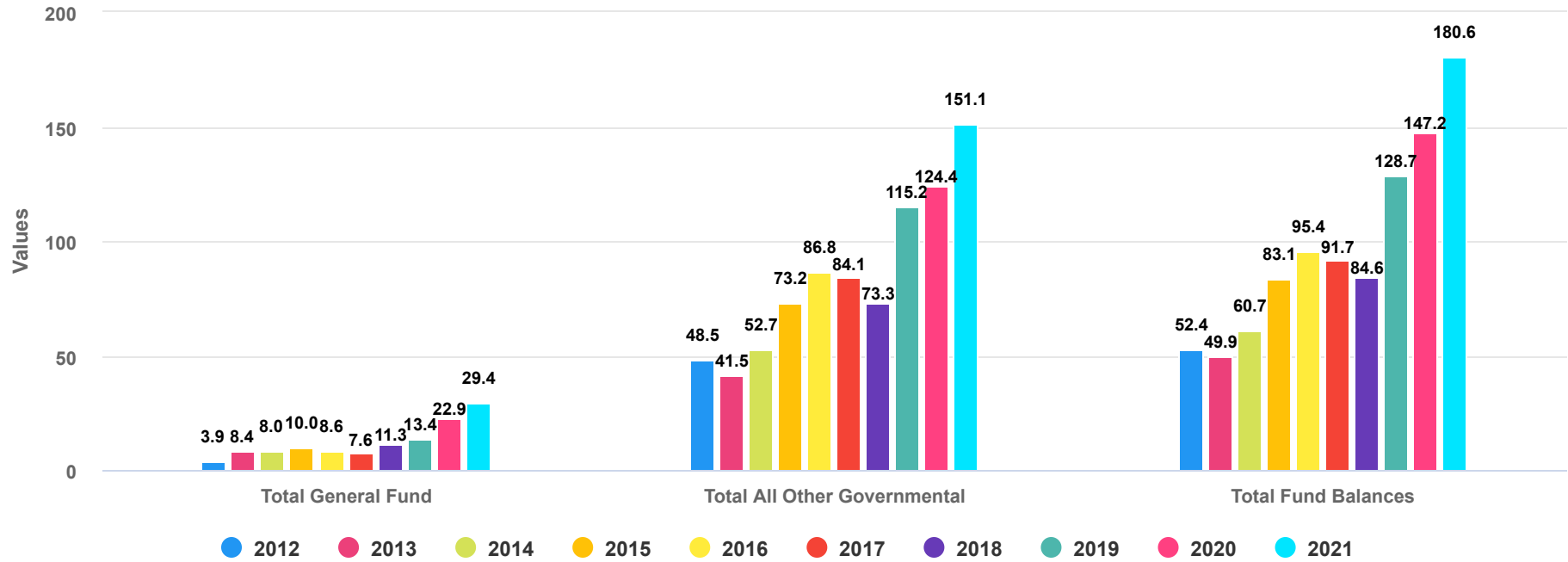
UNAUDITED

SCHEDULE 3

FUND BALANCES - GOVERNMENTAL FUNDS - LAST TEN FISCAL YEARS

	FISCAL YEAR									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
GENERAL FUND										
NONSPENDABLE	\$ 347,376	\$ 284,264	\$ 288,101	\$ 380,834	\$ 439,248	\$ 244,992	\$ 684,298	\$ 670,484	\$ 693,021	\$ 1,590,994
RESTRICTED	-	-	-	-	-	-	-	-	174,672	-
COMMITTED	26,833	26,808	28,271	32,811	32,229	35,829	33,732	35,455	135,455	190,777
ASSIGNED	-	-	-	4,269,298	3,739,233	1,074,730	-	-	8,100,000	2,014,940
UNASSIGNED	3,562,434	8,112,239	7,700,502	5,309,928	4,404,725	6,268,994	10,577,270	12,731,814	13,774,037	25,645,387
TOTAL GENERAL FUND	<u>3,936,643</u>	<u>8,423,311</u>	<u>8,016,874</u>	<u>9,992,871</u>	<u>8,615,435</u>	<u>7,624,545</u>	<u>11,295,300</u>	<u>13,437,753</u>	<u>22,877,185</u>	<u>29,442,098</u>
ALL OTHER GOVERNMENTAL FUNDS										
NONSPENDABLE	1,064,068	644,538	50,299	63,714	150,989	123,806	823,802	713,878	555,052	814,997
RESTRICTED	38,051,645	35,934,149	49,600,151	69,362,485	85,406,990	79,617,856	69,574,098	111,202,709	118,614,646	142,655,799
COMMITTED	542,977	579,899	519,514	556,145	584,502	525,437	486,014	548,332	678,155	716,840
ASSIGNED	9,861,148	4,992,479	3,378,819	3,238,048	3,421,017	3,923,588	2,398,598	2,761,043	4,541,200	8,389,876
UNASSIGNED	(1,064,068)	(630,376)	(833,541)	(63,714)	(2,794,019)	(123,806)	-	(5,678)	(23,496)	(1,446,531)
TOTAL ALL OTHER GOVERNMENTAL FUNDS	<u>48,455,770</u>	<u>41,520,689</u>	<u>52,715,242</u>	<u>73,156,678</u>	<u>86,769,479</u>	<u>84,066,881</u>	<u>73,282,512</u>	<u>115,220,284</u>	<u>124,365,557</u>	<u>151,130,981</u>
TOTAL FUND BALANCES	<u>\$ 52,392,413</u>	<u>\$ 49,944,000</u>	<u>\$ 60,732,116</u>	<u>\$ 83,149,549</u>	<u>\$ 95,384,914</u>	<u>\$ 91,691,426</u>	<u>\$ 84,577,812</u>	<u>\$ 128,658,037</u>	<u>\$ 147,242,742</u>	<u>\$ 180,573,079</u>

Fund Balances - Governmental Funds Last Ten Fiscal Years



UNAUDITED

SCHEDULE 4

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
REVENUES										
TAXES	\$ 58,009,904	\$ 68,739,375	\$ 73,100,840	\$ 77,192,003	\$ 82,103,975	\$ 91,202,391	\$ 109,068,378	\$ 109,068,378	\$ 114,110,263	\$ 137,729,257
LICENSES & PERMITS	816,294	822,400	848,363	865,485	462,139	514,511	561,794	561,794	577,186	617,238
INTERGOVERNMENTAL	30,863,164	30,120,655	31,928,295	33,791,368	34,785,503	38,255,522	40,162,037	40,162,037	50,899,401	75,476,389
CHARGES FOR SERVICES	18,655,266	21,372,281	23,045,957	23,862,806	24,412,780	24,257,996	26,016,319	26,016,319	26,069,683	30,714,349
FINES & FORFEITURES	476,561	1,164,801	1,384,872	1,431,519	1,251,298	1,038,282	1,183,846	1,183,846	1,022,234	1,131,606
MISCELLANEOUS	3,307,732	4,307,247	7,076,827	3,616,291	4,282,219	4,634,083	6,858,396	6,858,396	10,011,406	8,906,911
TOTAL REVENUES	112,128,921	126,526,759	137,385,154	140,759,472	147,297,914	159,902,785	183,850,770	183,850,770	202,690,173	254,575,750
EXPENDITURES										
GENERAL GOVERNMENT SERVICES	26,836,490	28,079,338	29,330,828	30,551,262	29,095,006	29,395,459	30,973,435	30,973,435	33,440,415	34,787,267
PUBLIC SAFETY	44,072,056	46,091,455	47,208,844	48,955,445	53,315,581	56,403,035	60,761,166	60,761,166	64,961,692	85,729,737
PHYSICAL ENVIRONMENT	1,052,328	1,121,652	1,065,957	1,211,921	1,640,119	1,750,746	1,866,941	1,866,941	1,671,771	1,971,514
TRANSPORTATION	11,660,285	11,423,718	11,610,886	13,847,394	13,487,051	13,524,697	13,873,338	13,873,338	18,048,733	15,303,147
ECONOMIC ENVIRONMENT	4,941,758	6,336,515	6,408,961	8,466,893	9,948,113	9,800,565	6,985,903	6,985,903	8,805,421	18,107,279
HUMAN SERVICES	4,185,618	4,051,161	4,213,371	4,639,176	4,684,444	4,495,950	4,669,920	4,669,920	5,093,565	5,284,672
CULTURE AND RECREATION	11,418,463	6,603,579	6,311,704	6,914,218	7,649,712	8,575,412	14,257,158	14,257,158	15,614,532	12,182,884
COURT RELATED	7,158,838	7,400,259	8,111,902	7,808,128	8,057,760	8,296,348	8,474,981	8,474,981	8,262,750	9,370,006
CAPITAL OUTLAY	5,427,895	11,282,675	23,602,553	13,705,605	20,824,074	31,018,577	17,733,232	17,733,232	25,356,469	36,405,770
PRINCIPAL RETIREMENT	713,000	1,329,000	3,094,789	3,938,378	790,899	3,207,112	3,222,444	3,222,444	2,914,818	2,806,455
INTEREST	1,626,624	1,648,372	2,032,150	4,131,798	1,654,726	3,051,861	3,600,263	3,600,263	2,521,716	3,312,572
OTHER CHARGES	41,210	13,101	212,836	150,124	3,622	1,305	185,877	185,877	500	98,804
TOTAL EXPENDITURES	119,134,565	125,380,825	143,204,781	144,320,342	151,151,107	169,521,067	166,604,658	166,604,658	186,692,382	225,360,107
EXCESS OF REVENUES										
OVER(UNDER) EXPENDITURES	(7,005,644)	1,145,934	(5,819,627)	(3,560,870)	(3,853,193)	(9,618,282)	17,246,112	17,246,112	15,997,791	29,215,643

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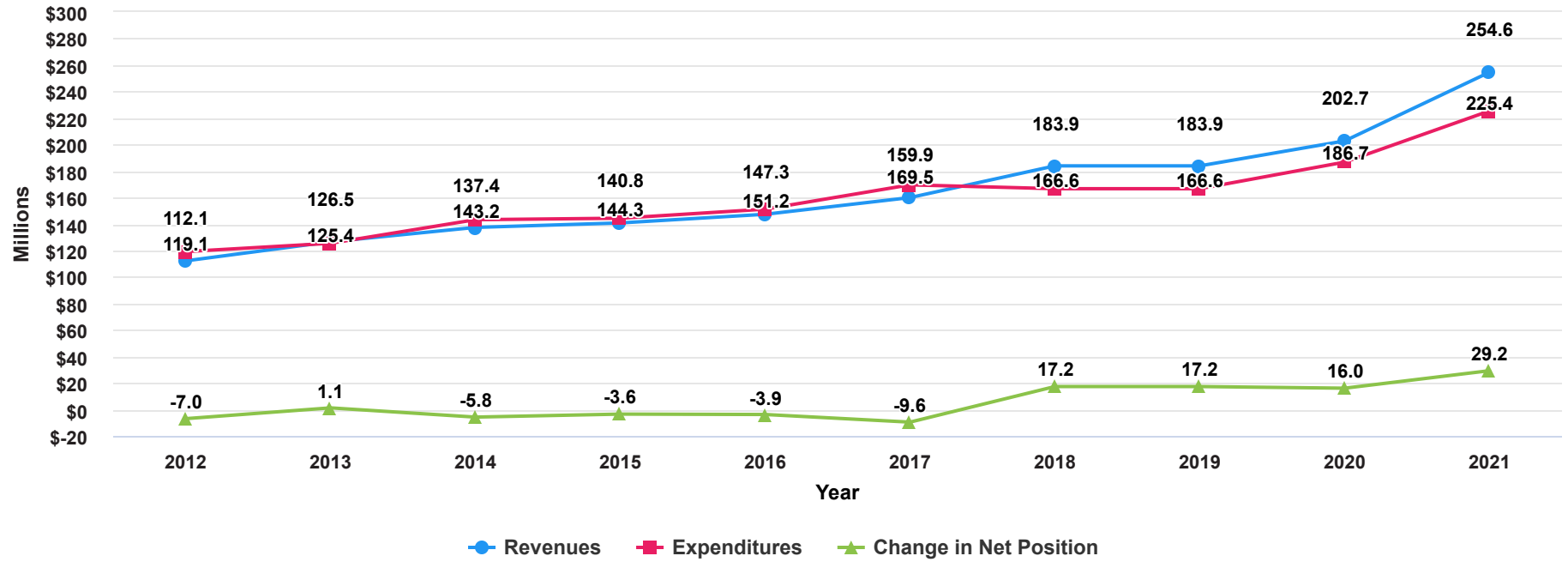
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SCHEDULE 4

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

	2013	2014	2015	2016	2017	2018	2019	2019	2020	2020
OTHER FINANCING SOURCES (USES)										
TRANSFERS IN	6,333,962	16,598,302	9,263,264	8,841,151	7,920,212	8,726,549	10,727,023	10,727,023	13,105,904	24,260,282
TRANSFERS OUT	(5,938,836)	(7,820,602)	(8,499,093)	(7,829,475)	(7,210,946)	(6,771,442)	(9,077,752)	(9,077,752)	(10,518,990)	(22,711,184)
BUDGET TRANSFERS AMOUNG										
CONSTITUTIONAL OFFICERS	-	825,000	-	-	-	-	-	-	-	-
ISSUANCE OF DEBT	5,000,000	1,650,000	27,472,889	13,584,438	-	-	17,160,000	17,160,000	-	2,565,595
ORIGINAL ISSUE PREMIUM	-	-	-	1,200,121	-	-	8,024,842	8,024,842	-	-
TOTAL OTHER FINANCING SOURCES (USES)	5,395,126	11,252,700	28,237,060	15,796,235	709,266	1,955,107	26,834,113	26,834,113	2,586,914	4,114,693
NET CHANGE IN FUND BALANCES	\$ (1,610,518)	\$ 12,398,634	\$ 22,417,433	\$ 12,235,365	\$ (3,143,927)	\$ (7,663,175)	\$ 44,080,225	\$ 42,831,904	\$ 18,584,705	\$ 33,330,336
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	2.62%	4.46%	6.29%	1.88%	4.52%	4.71%	4.71%	3.37%	3.37%	3.29%

Changes in Fund Balances - Governmental Funds Last Ten Fiscal Years

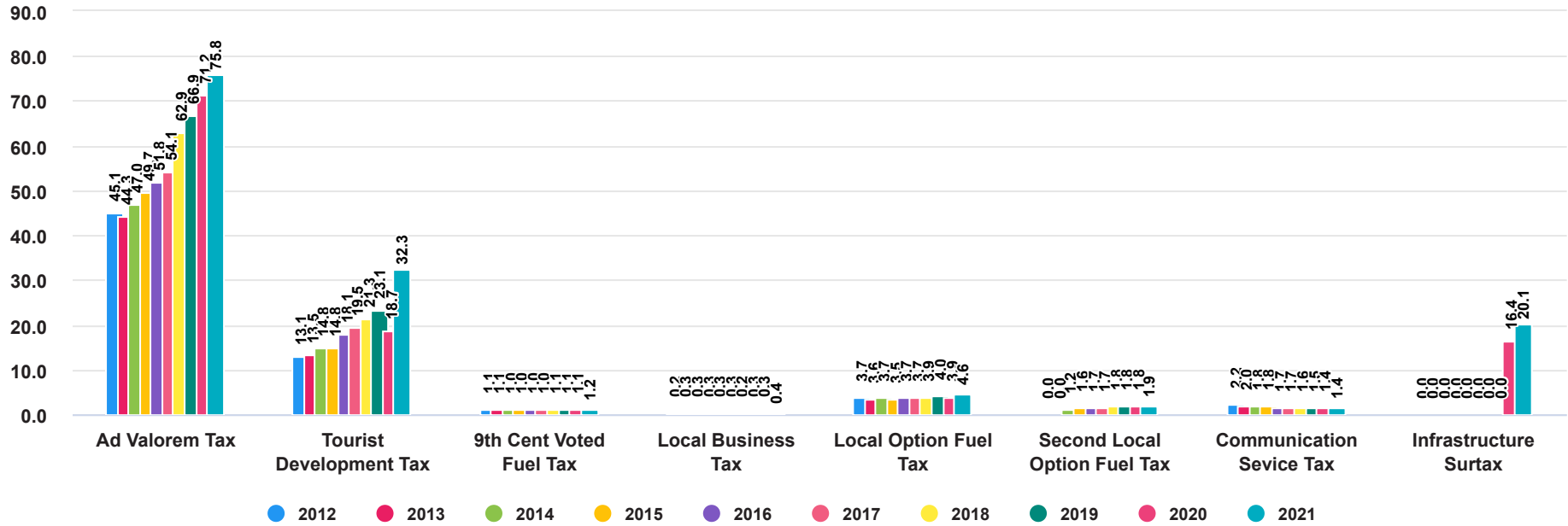


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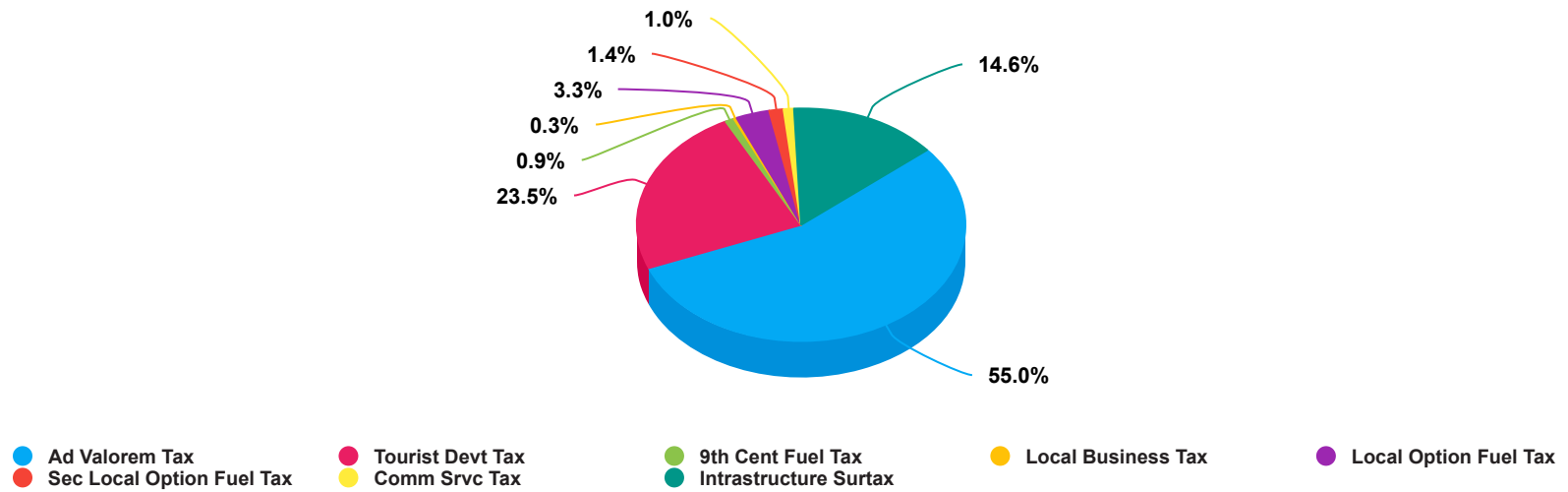
SCHEDULE 5

GOVERNMENTAL TAX REVENUES BY SOURCE - LAST TEN FISCAL YEARS

FISCAL YEAR	AD VALOREM TAX	TOURIST DEVELOPMENT TAX	9TH CENT VOTED FUEL TAX	LOCAL BUSINESS TAX	LOCAL OPTION FUEL TAX	SECOND LOCAL OPTION FUEL TAX	COMMUNICATION SERVICE TAX	INFRA-STRUCTURE SURTAX	TOTAL TAXES
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
2021	\$ 75,802,408	\$ 32,335,123	\$ 1,204,797	\$ 385,145	\$ 4,574,070	\$ 1,939,370	\$ 1,413,169	\$ 20,076,386	\$ 137,730,468



Governmental Tax Revenues by Source
Fiscal Year 2021



UNAUDITED

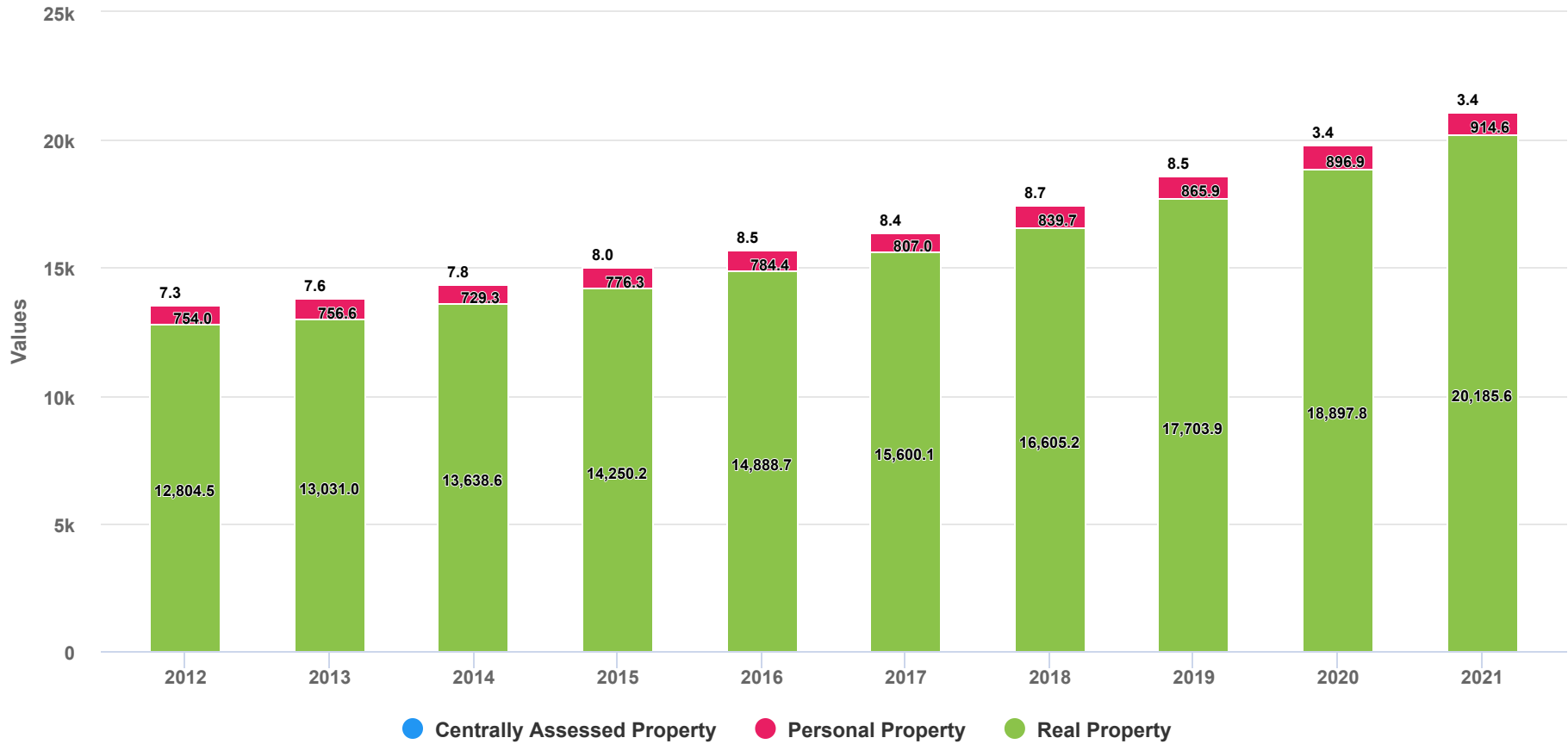
SCHEDULE 6

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				
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%
2021	20,185,607,358	914,560,720	3,445,853	21,103,613,931	10.1022	24,827,781,095	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

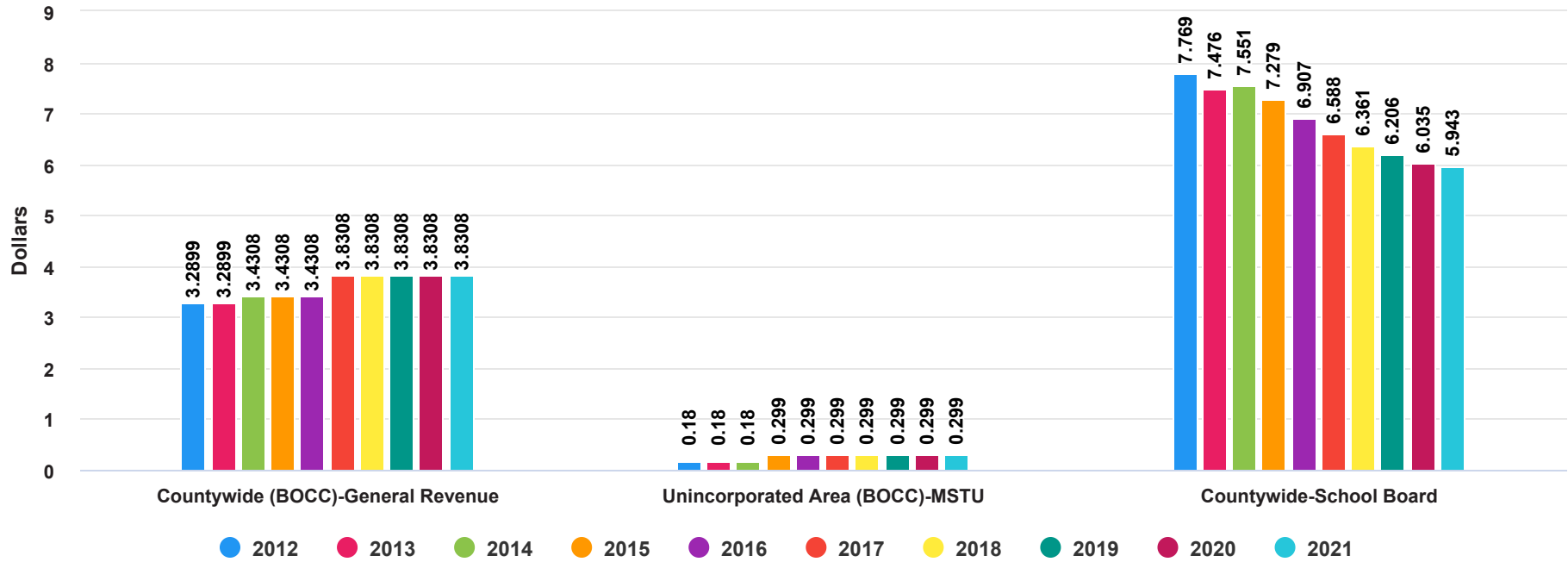
SCHEDULE 7

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

	FISCAL YEAR									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
COUNTYWIDE (BOCC)										
GENERAL REVENUE	3.2899	3.2899	3.4308	3.4308	3.4308	3.8308	3.8308	3.8308	3.8308	3.8308
UNINCORPORATED AREA (BOCC)										
MUNICIPAL SERVICE TAXING UNIT (MSTU)	0.1800	0.1800	0.1800	0.2990	0.2990	0.2990	0.2990	0.2990	0.2990	0.2990
COUNTYWIDE (OTHER)										
SCHOOL BOARD	7.7690	7.4760	7.5510	7.2790	6.9070	6.5880	6.3610	6.2060	6.0350	5.9430
TOTAL MILLAGES	11.2389	10.9459	11.1618	11.0088	10.6368	10.7178	10.4908	10.3358	10.1648	10.0728
MUNICIPALITIES										
CINCO BAYOU	2.3000	2.3500	2.3500	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000
CRESTVIEW	5.5966	5.5966	5.8466	6.9466	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	1.6150
FORT WALTON BEACH	4.5383	4.5383	5.7697	5.7697	5.7697	5.7697	5.7697	5.6395	5.3293	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	3.5000	3.8880	4.2347	4.2347	5.0261	5.0261	5.0261
NICEVILLE	3.6500	3.7000	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	1.8000	1.8000
VALPARAISO	4.0644	4.5240	4.5240	5.0240	5.0240	5.0240	5.0240	5.0240	5.0240	5.0240
SPECIAL DISTRICTS										
NW FLORIDA WATER MANAGEMENT	0.0400	0.0400	0.0400	0.0378	0.0366	0.0353	0.0338	0.0327	0.0311	0.0294
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	2.3700	2.3700	2.3700	2.7000	3.0176	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	1.5000	1.7500	2.2500
NORTH BAY FIRE	2.3500	2.3500	2.3500	2.3500	2.3500	2.3500	2.3500	2.3500	2.3500	2.2700
OCEAN CITY-WRIGHT FIRE	2.0000	2.0000	2.2500	2.4000	2.5800	2.5800	2.7500	2.7500	2.7500	2.7500
OKALOOSA ISLAND FIRE	2.9950	3.1154	3.5550	3.4500	3.3699	3.6000	3.4308	3.2033	3.0498	3.7000
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



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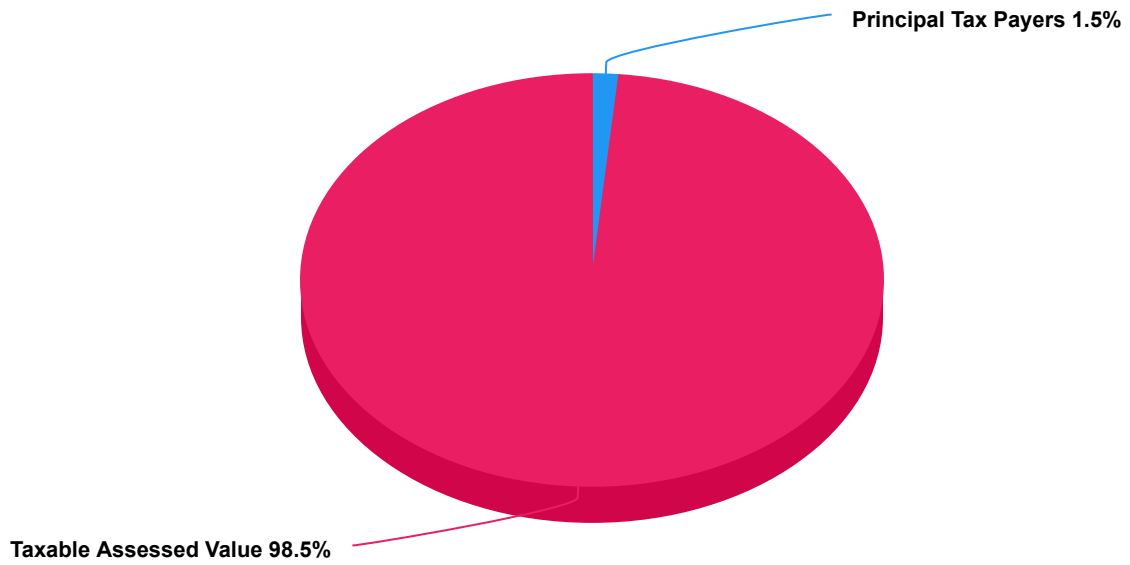
SCHEDULE 8

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

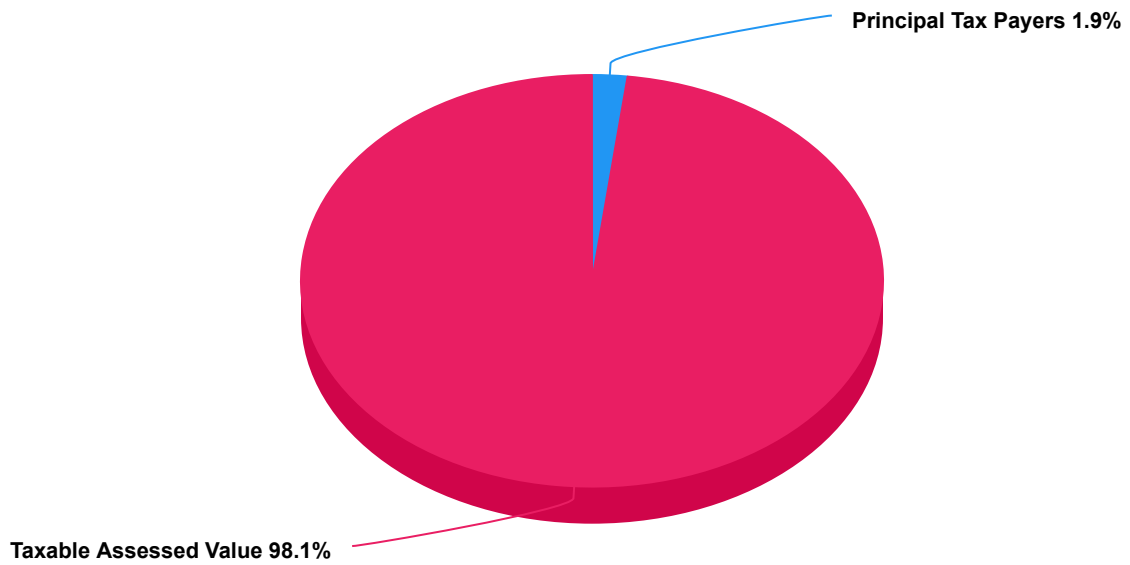
TAXPAYER	2021		2012	
	TAXABLE ASSESSED VALUE	PERCENTAGE OF TOTAL TAXABLE ASSESSED VALUE	TAXABLE ASSESSED VALUE	PERCENTAGE OF TOTAL TAXABLE ASSESSED VALUE
FLORIDA POWER & LIGHT CO	\$ 116,933,232	0.55%	\$ 75,038,501	0.56%
FLORIDA GAS TRANSMISSION CO	66,187,437	0.31%	76,022,588	0.57%
CHOCTAWHATCHEE ELECTRIC CO	38,997,764	0.18%	30,962,013	0.23%
LURIN REAL ESTATE HOLDINGS VI	23,448,442	0.11%		
EMBARQ CORP	16,413,335	0.08%	23,411,896	0.18%
FORT WALTON BEACH MEDICAL CENTER	15,262,976	0.07%	\$ 13,375,327	0.10%
UNITI FIBER HOLDINGS INC	12,460,422	0.06%		
JRW INVESTMENTS LLC	9,223,481	0.04%		
GULF COAST SOLAR CENTER I LLC	9,006,708	0.04%		
AT&T FLORIDA	8,672,942	0.04%		
FT WALTON DEFENSE HOUSING LTD			14,708,950	0.11%
L-3 COMMUNICATIONS CRESTVIEW			9,491,478	0.07%
COX COM INC			7,901,291	0.06%
L-3 COMMUNICATIONS INTEGRATED			6,806,242	0.05%
POWERSOUTH ENERGY COOPERATIVE			6,489,041	0.05%
TOTAL PRINCIPAL TAXPAYER VALUE	316,606,739	1.50%	264,207,327	1.95%
TOTAL OTHER TAXPAYER VALUE	20,787,007,192	98.50%	13,301,534,610	98.05%
TOTAL TAXABLE ASSESSED VALUE	<u>\$ 21,103,613,931</u>	<u>100.00%</u>	<u>\$ 13,565,741,937</u>	<u>100.00%</u>

SOURCE:OKALOOSA COUNTY PROPERTY APPRAISER

Principal Property Tax Payers Current Year 2021



Principal Property Tax Payers Year 2012



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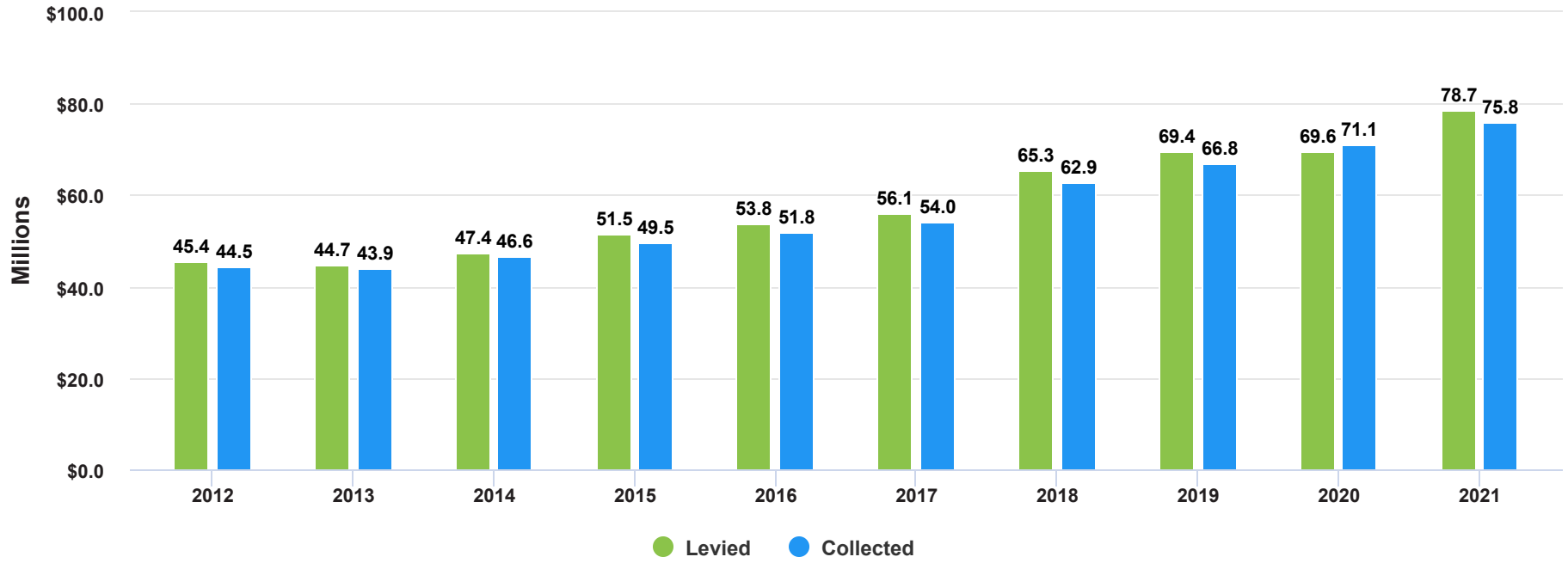
SCHEDULE 9

PROPERTY TAX LEVIES AND COLLECTIONS - LAST TEN FISCAL YEARS

FISCAL YEAR	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE		COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS TO DATE	
		FISCAL YEAR OF THE LEVY	PERCENTAGE OF LEVY		AMOUNT	PERCENTAGE OF LEVY
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%
2021	\$ 78,715,123	\$ 75,724,523	96.2%	\$ 77,886	\$ 75,802,408	96.3%

SOURCE: OKALOOSA COUNTY TAX COLLECTOR RECAPITULATION OF THE TAX ROLL

Property Tax Levies and Collections Last Ten Fiscal Years



UNAUDITED

SCHEDULE 10

RATIOS OF OUTSTANDING DEBT BY TYPE - LAST TEN FISCAL YEARS

FISCAL YEAR	GOVERNMENTAL ACTIVITIES				BUSINESS-TYPE ACTIVITIES						TOTAL PRIMARY	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	SPECIAL OBLIGATION	REVENUE	CAPITAL	COMMERCIAL PAPER, NOTES AND LOANS	WATER BONDS, NOTES, AND LOANS	AIRPORT BONDS, NOTES, AND LOANS	SOLID WASTE	CONFERENCE CENTER	CAPITAL				
2012	\$ -	\$ 19,153,198	\$ -	\$ -	\$ 95,984,441	\$ 23,995,407	\$ -	\$ 1,685,000	\$ -	\$ -	\$ 151,569,848	2.03%	\$ 663
2013	\$ -	\$ 28,510,203	\$ -	\$ 4,973,393	\$ 84,863,512	\$ 22,235,623	\$ -	\$ 155,000	\$ -	\$ -	\$ 137,070,512	1.83%	\$ 772
2014	\$ -	\$ 28,290,659	\$ -	\$ 6,059,000	\$ 88,566,870	\$ 20,249,582	\$ -	\$ -	\$ -	\$ -	\$ 143,166,111	1.92%	\$ 732
2015	\$ -	\$ 52,719,870	\$ -	\$ 6,022,211	\$ 81,984,312	\$ 19,235,035	\$ -	\$ -	\$ -	\$ -	\$ 159,961,428	1.77%	\$ 771
2016	\$ -	\$ 63,899,514	\$ 416,292	\$ 4,490,979	\$ 79,094,314	\$ 19,515,143	\$ -	\$ -	\$ -	\$ -	\$ 167,416,242	1.86%	\$ 697
2017	\$ -	\$ 63,368,537	\$ 208,146	\$ 4,340,756	\$ 75,459,990	\$ 18,698,323	\$ -	\$ -	\$ -	\$ -	\$ 162,075,753	1.64%	\$ 728
2018	\$ -	\$ 61,187,380	\$ -	\$ 1,957,000	\$ 71,789,364	\$ 17,839,765	\$ -	\$ -	\$ -	\$ -	\$ 152,773,509	1.49%	\$ 796
2019	\$ -	\$ 73,867,000	\$ -	\$ 2,222,403	\$ 67,991,638	\$ 13,439,518	\$ -	\$ -	\$ -	\$ -	\$ 157,520,559	1.35%	\$ 822
2020	\$ -	\$ 71,890,000	\$ -	\$ 1,148,506	\$ 64,068,792	\$ 5,915,000	\$ -	\$ -	\$ -	\$ -	\$ 143,022,298	1.19%	\$ 722
2021	\$ -	\$ 69,766,000	\$ -	\$ 2,480,000	\$ 59,978,869	\$ 5,335,000	\$ -	\$ -	\$ -	\$ -	\$ 137,559,869	1.15%	\$ 645

⁽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 and Capital Improvement Revenue Note, Series 2020

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

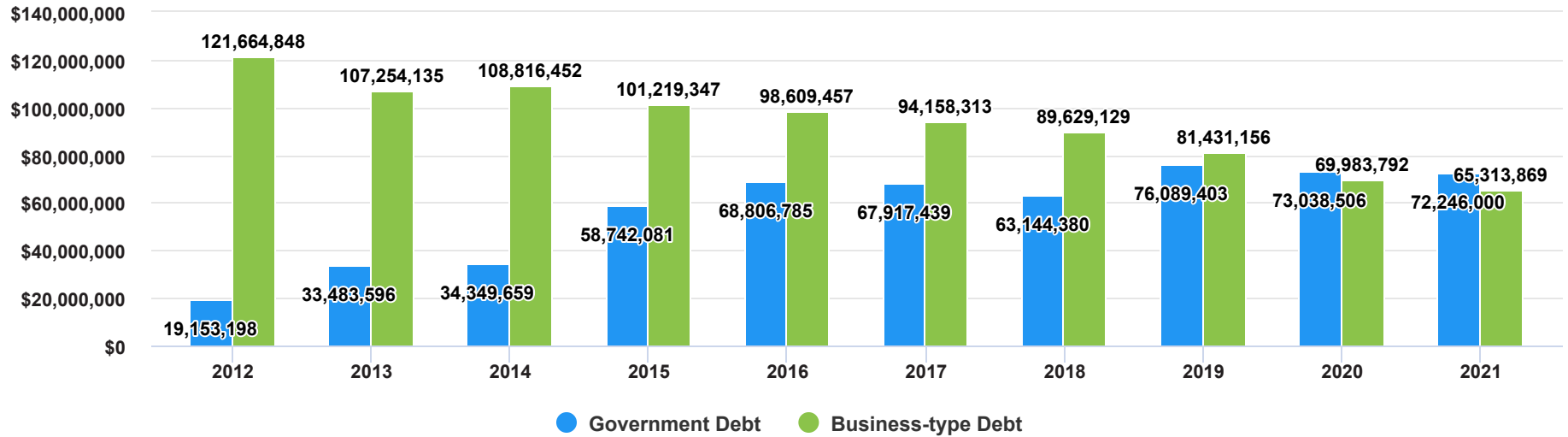
⁽⁶⁾ Includes Revenue Bonds 2007 (Net issuance discount) and 2014, State Infrastructure Bank Loans, and 2015 Commercial Paper Loan

⁽⁷⁾ Includes Capital Improvement Bonds, 1991

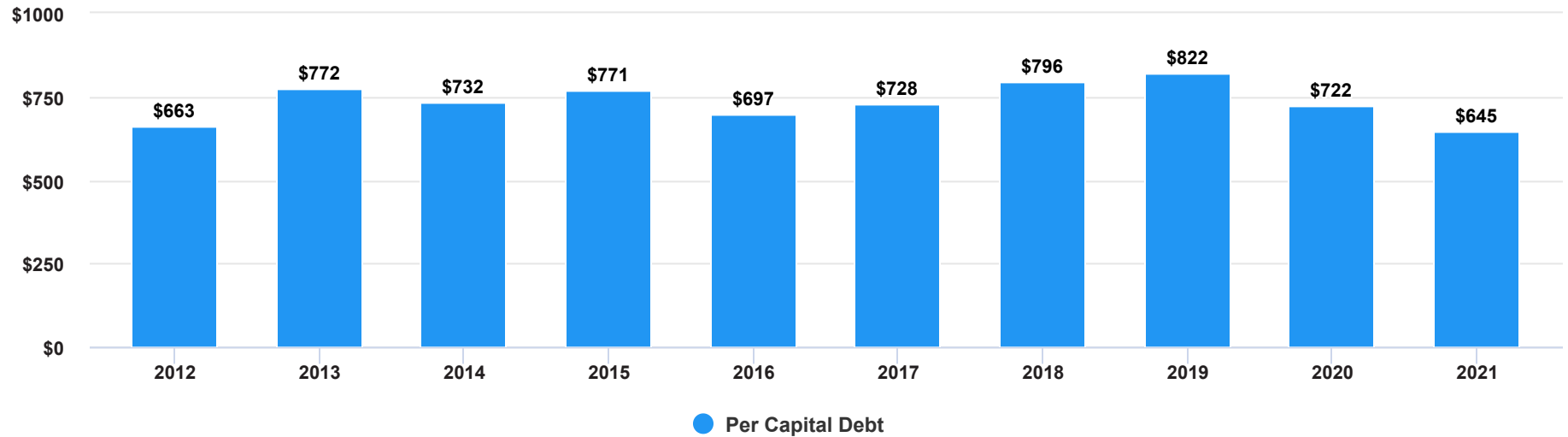
⁽⁸⁾ Includes Fourth Cent Tourist Development Tax Revenue Bonds, 2000

⁽⁹⁾ At September 30, 2021 this issue is considered defeased. See note 11 of the financial statements.

Debt by Type Last Ten Fiscal Years



Per Capita Debt Last Ten Fiscal Years



UNAUDITED

SCHEDULE 11

PLEGDED-REVENUE BOND COVERAGE

FISCAL YEAR	Gross Operating Revenue	Direct Operating Expense	Net Revenue Avail-Debt Serv	WATER REVENUE BONDS AND NOTES (PRINCIPAL + INTEREST)							TOTAL	COVERAGE
				1985	1992	2004	2006	2012	2015			
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	
2021	\$38,829,006	\$19,745,082	\$ 19,083,924	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,829,250	\$ 5,829,250	3.27	

Continued

UNAUDITED

SCHEDULE 11

PLEGDED-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
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
2021 ⁽¹⁾	\$16,675,750	\$3,822,857	\$9,671,311	\$ 10,827,296	\$ -	\$ 100	\$ 748,053	\$ 748,153	14.47

(1) Defeased as of Septemeber 30,2021

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	\$ 69,766,000	100%
OKALOOSA COUNTY - PRIVATE BANK NOTES	\$ 2,480,000	100%
OKALOOSA COUNTY - CAPITAL LEASE	\$ 67,908	100%

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

UNAUDITED

SCHEDULE 13

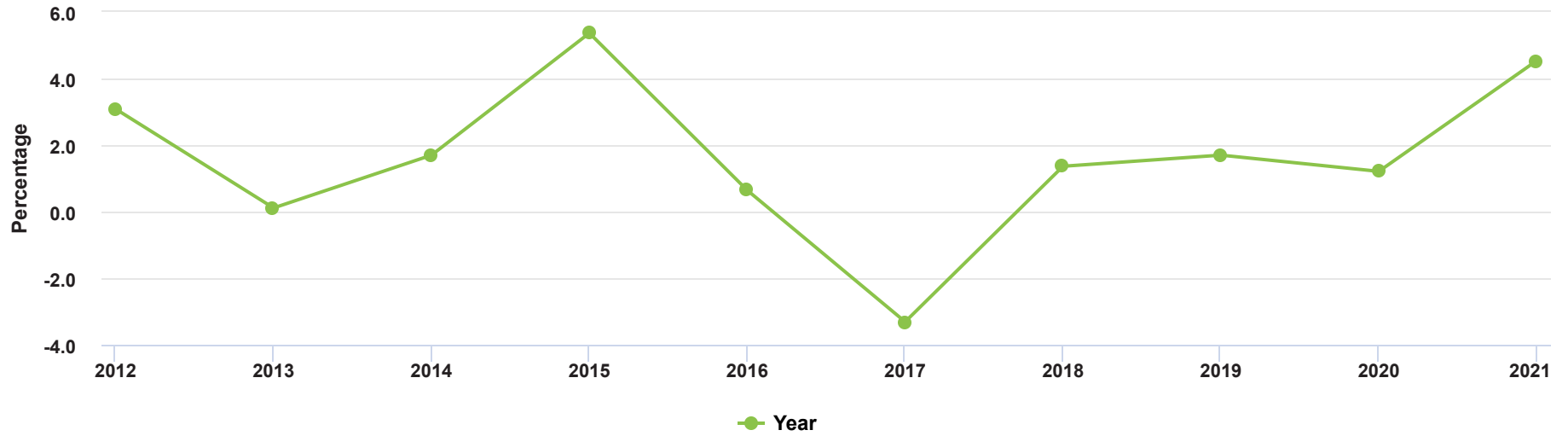
DEMOGRAPHIC AND ECONOMIC STATISTICS - LAST TEN YEARS

YEAR	POPULATION	PERCENT +/-	PERSONAL INCOME IN THOUSANDS	PERCENT +/-	PER CAPITA PERSONAL INCOME	PERCENT +/-	UNEMPLOYMENT RATE
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%	\$ 11,626,309	13.4%	\$ 54,630	11.1%	4.10%
2021	213,204	4.5%	\$ 12,111,879 ⁽¹⁾	4.2%	\$ 55,920 ⁽¹⁾	2.4%	2.80%

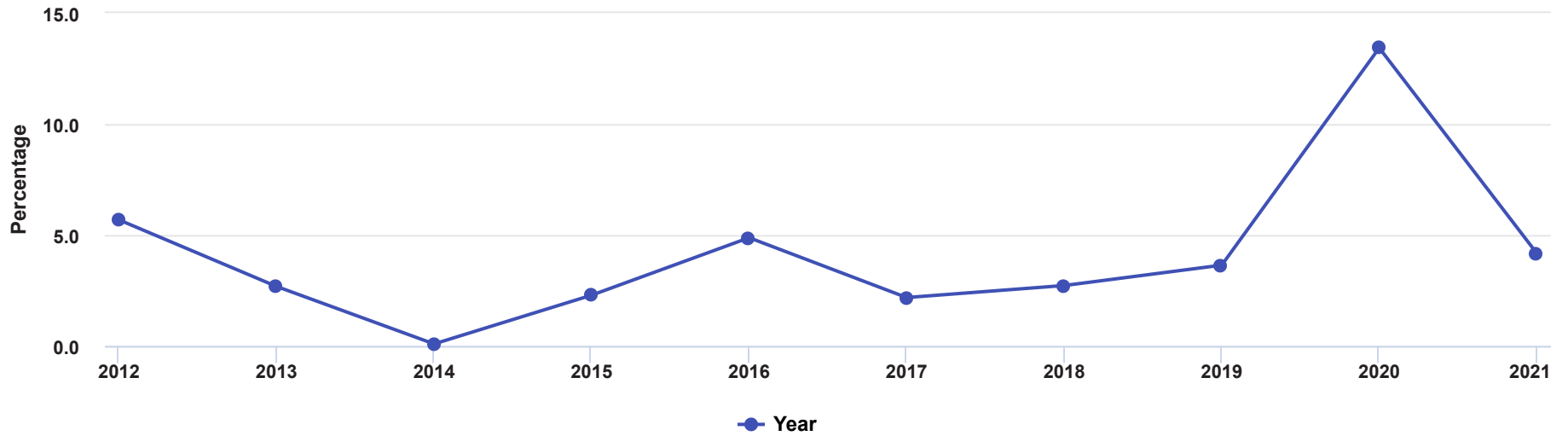
⁽¹⁾ Estimated income figures based upon average percent in prior years.

SOURCE: FLORIDA RESEARCH AND ECONOMIC DATABASE

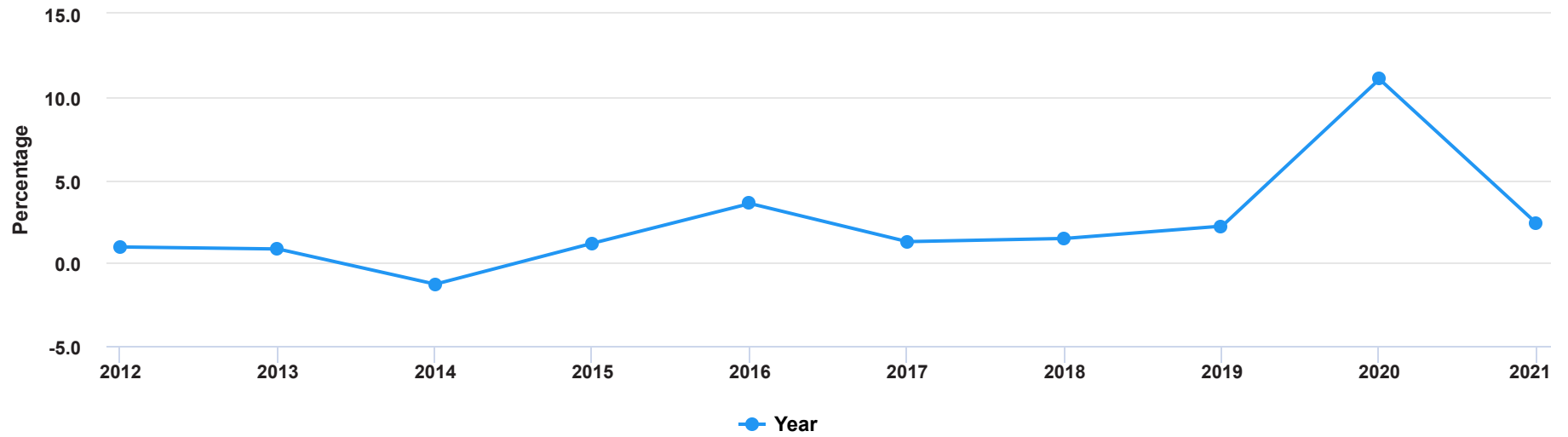
Population Last Ten Fiscal Years



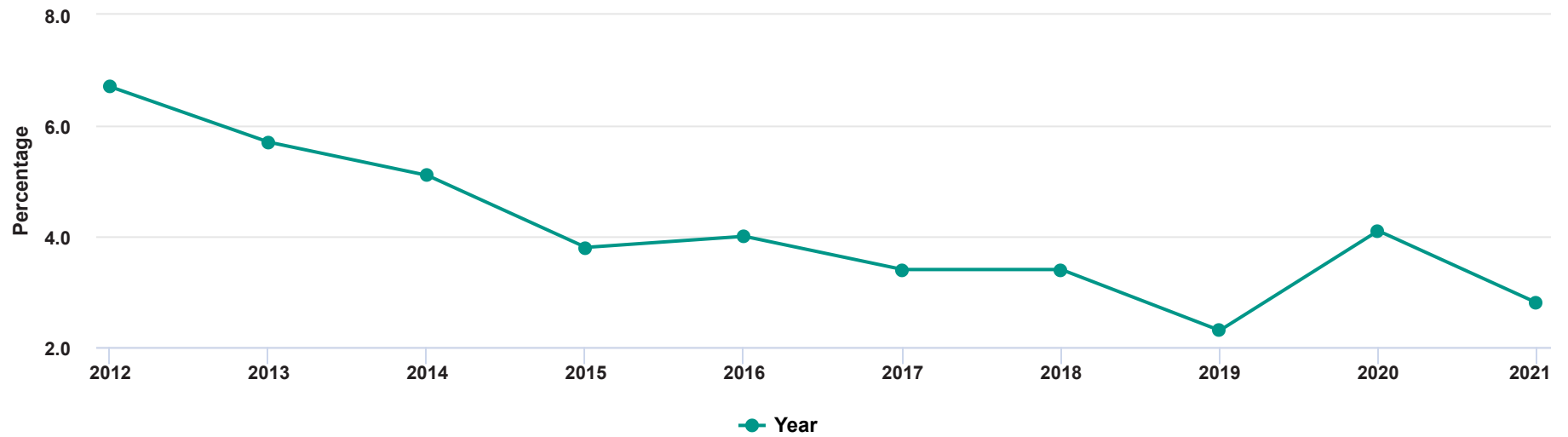
Personal Income Last Ten Fiscal Years



Per Capita Income Last Ten Fiscal Years



Unemployment Rate Last Ten Fiscal Years



UNAUDITED

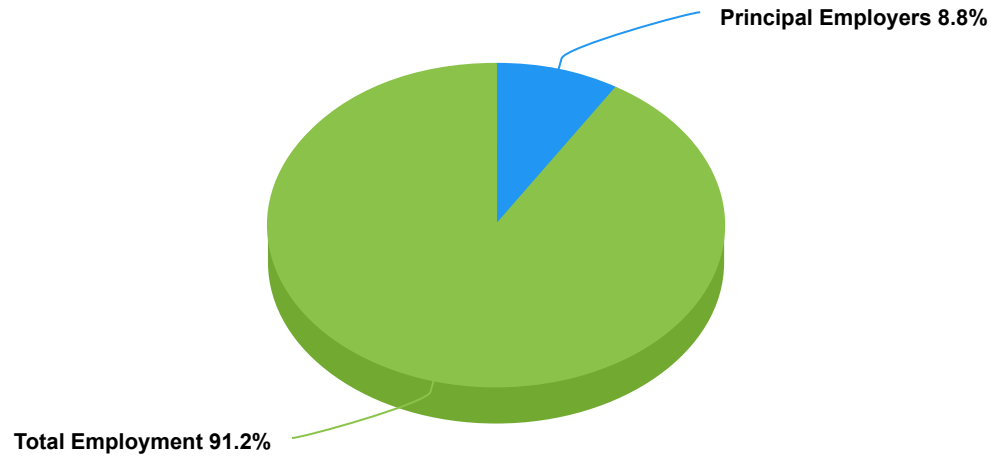
SCHEDULE 14

PRINCIPAL EMPLOYERS - CURRENT YEAR AND NINE YEARS AGO

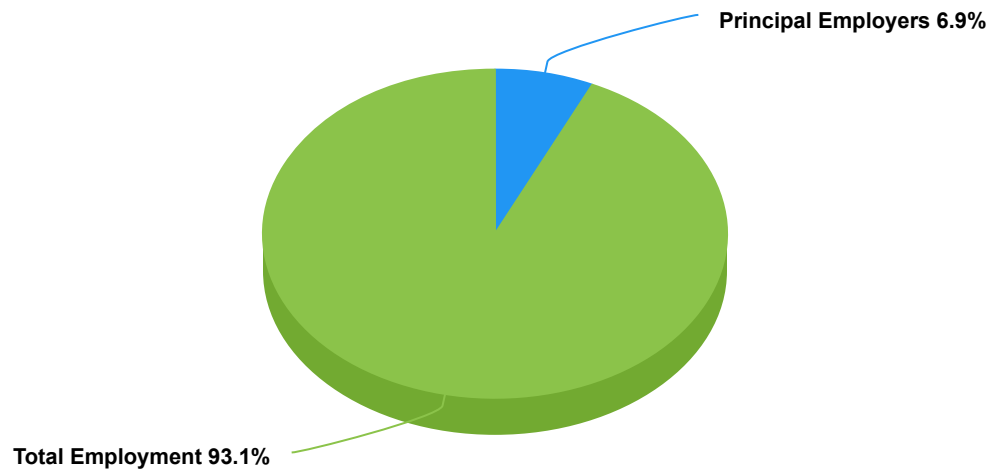
EMPLOYER	2022		2012	
	EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT	EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT
UNITED STATES DEPT OF AIR FORCE	5,528	5.68%		
UNITED STATES DEPT OF ARMY	705	0.72%		
OKALOOSA COUNTY SCHOOL DISTRICT	309	0.32%		
LOCKHEED MARTIN CORPORATION	430	0.44%	827	0.85%
NORTHWEST FLORIDA STATE COLLEGE	316	0.32%		
WAL-MART INC	294	0.30%		
JACOBS ENGINEERING GROUP INC	269	0.28%		
BOEING	263	0.27%		
UNITED STATES DEPT OF DEFENSE	230	0.24%		
UNITED STATES DEPT OF NAVY	221	0.23%		
FT WALTON BEACH MEDICAL CENTER			1,097	1.12%
L-3 CRESTVIEW AEROSPACE			956	0.98%
DRS TRAINING & CONTROL SYSTEMS			439	0.45%
INDYNE, INC			800	0.82%
NORTH OKALOOSA MEDICAL CENTER			698	0.71%
RESORT QUEST			463	0.47%
JACOBS TEAS			566	0.58%
BAE SYSTEMS TECHNICAL SERVICES			435	0.44%
NATIONAL ELECTRONICS WARRANTY			466	0.48%
TOTAL	8,565	8.80%	6,747	6.90%
TOTAL COUNTY EMPLOYMENT	97,277		97,841	

SOURCE: Office of Economic Development and Engagement of UWF

Principal Employers Current Year 2021



Principal Employers Nine Years Ago 2012



UNAUDITED

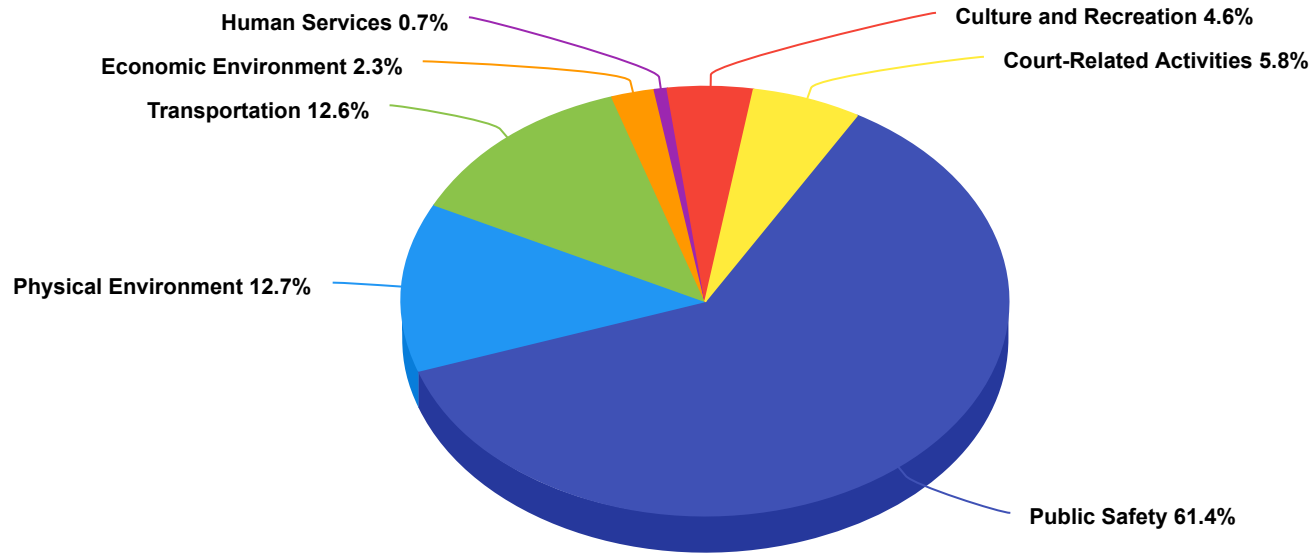
SCHEDULE 15

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

FUNCTION	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
GENERAL GOVERNMENT	303	309	314	315	325	308	355	355	325	321
PUBLIC SAFETY	629	649	649	669	701	706	745	773	809	808
PHYSICAL ENVIRONMENT	147	144	146	151	164	155	145	147	156	167
TRANSPORTATION	146	156	166	167	162	138	157	163	159	166
ECONOMIC ENVIRONMENT	14	14	14	14	15	15	22	26	31	30
HUMAN SERVICES	8	8	8	8	8	8	8	7	9	9
CULTURE AND RECREATION	42	42	47	53	54	44	59	60	66	60
COURT-RELATED ACTIVITIES	86	86	85	89	78	76	74	70	64	76
TOTAL	1,375	1,408	1,429	1,465	1,507	1,450	1,565	1,601	1,619	1,637

SOURCE: BUDGET OFFICE

FTE by Function Fiscal Year 2021



UNAUDITED

SCHEDULE 16

OPERATING INDICATORS BY FUNCTION/PROGRAM - LAST TEN FISCAL YEARS

FUNCTION/PROGRAM	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
TRANSIT										
TOTAL ROUTE MILES	168	215	215	215	220	220	220	220	220	227
PASSENGERS	179,946	182,584	161,878	139,389	137,644	123,473	119,761	119,658	64,385	53,071
LIBRARY										
CIRCULATION	699,532	696,234	736,264	739,882	762,052	764,595	768,370	787,847	601,970	662,561
REGISTERED BORROWERS	72,730	70,908	70,739	71,322	72,555	73,401	73,883	72,711	63,491	29,430
PUBLIC WORKS										
ASPHALT OVERLAY (SQUARE YARDS)	24,547	42,280	61,219	57,523	78,044	90,624	218,500	218,496	153,915	231,673
BRIDGES REPAIRED/REPLACED	7	1	0	1	15	1	10	5	4	1
WATER										
NEW CONNECTIONS	757	140	119	169	189	179	182	190	338	280
WATER MAINS REPAIRED	55	63	124	32	36	28	24	34	56	77
ANNUAL WATER UNITS BILLED	442,834	444,340	451,427	456,066	423,601	469,014	476,239	480,260	484,186	488,731
SEWER										
ANNUAL SEWER UNITS BILLED	407,625	414,612	414,188	418,921	424,767	432,917	438,480	443,196	446,085	449,060
AIRPORTS										
ENPLANEMENTS	385,165	374,431	373,143	385,109	436,410	566,212	680,151	820,940	523,624	908,631
DEPLANEMENTS	387,574	379,194	372,268	385,936	437,957	567,997	681,597	826,290	525,456	909,042
GROWTH MANAGEMENT										
DEVELOPMENT PERMITS ISSUED	842	908	837	965	998	1,105	1,053	1,158	1,196	1,409
HOME OCCUPATIONS	379	463	440	456	521	515	476	447	349	269
REFUSE COLLECTION										
TRANSFER STATION TONNAGE	121,443	125,755	118,022	117,689	132,475	142,104	150,105	147,917	155,517	179,983
RECYCLING TONNAGE	8,139	6,196	7,278	8,700	8,922	9,391	12,567	13,681	14,353	15,252
PUBLIC SAFETY										
EMERGENCY CALLS (EMS)	23,591	23,986	25,105	25,973	27,139	29,127	31,101	32,301	30,659	33,857
SYSTEM CALLS (9-1-1)	129,530	131,147	103,320	101,451	188,631	130,395	209,675	393,408	100,812	138,099

SOURCE: COUNTY ADMINISTRATOR'S OFFICE

UNAUDITED

SCHEDULE 17

CAPITAL INDICATORS BY FUNCTION/PROGRAM - LAST TEN FISCAL YEARS

FUNCTION/PROGRAM	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
PARKS AND RECREATION										
COUNTY PARKS	18	18	19	19	19	19	18	18	18	18
UNINCORPORATED PARKS	34	33	35	35	36	37	38	39	39	40
PARK ACERAGE										
TRANSIT										
BUSES/PASSENGER VAN	17	17	11	11	11	13	14	14	17	17
LIBRARY										
COLLECTION	311,899	310,302	309,368	320,095	316,684	327,913	331,790	330,790	325,474	307,744
PUBLIC WORKS										
PAVED ROADS MAINTAINED (MILES)	666	670	674	670	678	682	682	705	713	805
DIRT ROADS MAINTAINED (MILES)	201	199	198	199	196	196	185	171	171	200
COLD MIX ROADS MAINTAINED (MILES)	74	72	70	74	71	67	60	53	45	32
TRAFFIC SIGNALS	13	13	13	13	10	10	11	11	12	12
WATER										
WATER MAINS (MILES)	767	726	741	466	513	486	493	501	518	518
FIRE HYDRANTS	5,519	5,546	5,777	3,980	4,138	3,332	3,232	2,930	2,463	2,496
MAXIMUM DAILY CAPACITY (THOUSANDS OF GALLONS)	17,200	17,200	17,200	17,200	10,620	10,620	10,620	10,620	10,620	10,620
SEWER										
SANITARY SEWERS (MILES)	558	561	593	448	521	499	479	473	483	445
MAXIMUM DAILY TREATMENT CAPACITY (THOUSANDS OF GALLONS)	13,206	13,206	13,206	11,980	11,980	11,980	16,980	16,980	16,980	16,980

SOURCE: COUNTY ADMINISTRATOR'S OFFICE



**Compliance
Section**

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements (hereinafter referred to as "financial statements") of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Okaloosa County, Florida (the County) as of and for the year ended September 30, 2021, which collectively comprise the County's basic financial statements and have issued our report thereon dated April 13, 2022.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



Fort Walton Beach, Florida

April 13, 2022

**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, 2021:

- (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, 2021.

Warren Averett, LLC

Fort Walton Beach, Florida
April 13, 2022

Okaloosa County, Florida
SCHEDULE OF RECEIPTS AND EXPENDITURES OF
FUNDS RELATED TO THE DEEPWATER HORIZONS OIL SPILL
For the Fiscal Year Ended September 30, 2021

<u>Source</u>	<u>Amount Received in Fiscal Year 2021</u>	<u>Amount Expended in Fiscal Year 2021</u>
U.S. Department of Treasury		
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States (RDCGR 180120-01-01)	\$ -	\$ 74,787
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States (RDCGR 180127-01-00)	420,432	420,432
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States (RDCGR 180121-01-00)	<u>1,233,566</u>	<u>1,233,566</u>
Total U.S. Department of Treasury	<u>1,653,998</u>	<u>1,728,785</u>
Gulf Coast Ecosystem Restoration Council		
Passed Through Gulf Consortium, Inc.		
RESTORE Council Oil Spill Impact Program (200090033)	111,167	152,479
RESTORE Council Oil Spill Impact Program (200088034)	<u>61,103</u>	<u>81,215</u>
Total Gulf Consortium, Inc.	<u>172,270</u>	<u>233,694</u>
Triumph Gulf Coast, Inc.		
Okaloosa County - Crestview Bypass / Project #46	33,369	499,650
Okaloosa County - Water & Sewer Mains Extension	<u>-</u>	<u>126,497</u>
Total Triumph Gulf Coast, Inc.	<u>33,369</u>	<u>626,147</u>
TOTAL	<u>\$ 1,859,637</u>	<u>\$ 2,588,626</u>

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 Assistance Listing Number 21.015.

The Gulf Coast Ecosystem Restoration Council funds relate to the Deepwater Horizons Oil Spill and are considered Federal awards, which are reported on the Schedule of Expenditures of Federal Awards and State Financial Assistance under Assistance Listing Number 87.052.

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

MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of Okaloosa County, Florida (hereinafter referred to as "County") as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, and have issued our report thereon dated April 13, 2022.

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 13, 2022, 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, 2021, 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 for Okaloosa County, Florida. It is management's responsibility to monitor Okaloosa County, Florida's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

Additional Matters

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

Purpose of this Letter

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

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



Fort Walton Beach, Florida
April 13, 2022

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, 2021. The County's major federal programs and state projects are identified in the summary of auditor results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

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

In our opinion, the County complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs, state projects and passenger facility charge program for the fiscal year ended September 30, 2021.

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 13, 2022

Okaloosa County, Florida
Airports Enterprise Fund
SCHEDULE OF EXPENDITURES OF PASSENGER FACILITY CHARGES
Fiscal Year Ended September 30, 2021

	Date Approved	Amount Approved For Use	Cumulative Total - September 30, 2020	Quarter Ended December 31, 2020	March 31, 2021	June 30, 2021	September 30, 2021	Year Ended September 30, 2021	Cumulative Total - September 30, 2021
Revenues									
Passenger facility charge revenues received			\$ 32,633,752	\$ 382,716	\$ 967,045	\$ 1,480,056	\$ 992,979	\$ 3,822,796	\$ 36,456,548
Interest earned			2,422,510	14,706	10,061	6,756	6,019	37,542	2,460,052
Total passenger facility charge revenue received			\$ 35,056,262	\$ 397,422	\$ 977,106	\$ 1,486,812	\$ 998,998	\$ 3,860,338	\$ 38,916,600
Expenditures									
Application 00-01-C-01-VPS	October 2000	\$ 16,080,970	\$ 10,606,737	\$ 470,089	\$ 3,213	\$ 67,517	\$ 9,239	\$ 550,058	\$ 11,156,795
Application 03-02-C-00-VPS	July 2003	1,349,009	892,354	40,267	275	5,784	791	47,117	939,471
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	5,398,994	-	-	-	-	-	5,398,994
Application 19-07-C-00-VPS	August 2019	19,116,456	3,579,966	385,380	1,108,741	2,261,736	1,420,476	5,176,333	8,756,299
Total passenger facility charge revenue expended		\$ 44,211,218	\$ 22,743,840	\$ 895,736	\$ 1,112,229	\$ 2,335,037	\$ 1,430,506	\$ 5,773,508	\$ 28,517,348

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

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Passenger Facility Charges Collected and Expended includes all the PFCs and the interest earnings thereon collected by the County from January 1, 2001 (original date of approval) through September 30, 2021. 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, 2021

Federal / State Agency Pass-through Entity Federal Program/State Project	Assistance Listing Number	Contract or Grant Number	Expenditures	Passed Through to Subrecipients
<u>FEDERAL AWARDS</u>				
<u>U.S. Department of Agriculture</u>				
Passed Through Florida Department of Agriculture & Consumer Services				
Child Nutrition Cluster				
School Breakfast Program	10.553	01-0303	\$ 1,113	\$ -
National School Lunch Program	10.555	01-0303	1,361	-
Total Child Nutrition Cluster			<u>2,474</u>	<u>-</u>
Passed Through Florida Department of Financial Services				
Forest Service Schools and Roads Cluster				
Schools and Roads - Grants to States	10.665	N/A	110	-
Total U.S. Department of Agriculture			<u>2,584</u>	<u>-</u>
<u>National Oceanic and Atmospheric Administration</u>				
Passed Through National Fish and Wildlife Foundation				
Office for Coastal Management	11.473	0318.19.066930	6,753	-
<u>U.S. Department of Housing and Urban Development</u>				
Passed Through Florida Department of Economic Opportunity				
Community Development Block Grants	14.228	10DB-4X-01-56-01-F18	445,961	-
Community Development Block Grants	14.228	10DB-4X-01-56-01-F18	24,605	-
Total U.S. Department of Housing and Urban Development			<u>470,566</u>	<u>-</u>
<u>U.S. Department of the Interior</u>				
Passed Through Florida Fish and Wildlife Conservation Commission				
Sport Fish Restoration Program	15.605	FWC18104	64,000	32,000
Direct Program				
Payments in Lieu of Taxes	15.226	N/A	11,173	-
<u>U.S. Department of Justice</u>				
Direct Programs				
Justice Systems Response to Families	16.021	2016-FJ-AX-0016	114,915	114,332
COVID-19 - Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-1649	12,495	-
Equitable Sharing Program	16.922	N/A	34,291	-
Passed Through Florida Department of Law Enforcement				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-DJ-BX-0806	137	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-DJ-BX-0768	13,545	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-JAGC-OKAL-5-SR-045	13,519	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-JAGC-OKAL-6-SR-054	10,748	-
Total U.S. Department of Justice			<u>199,650</u>	<u>114,332</u>
<u>U.S. Department of Transportation</u>				
Direct Programs				
<u>Federal Aviation Administration</u>				
Airport Improvement Program	20.106	3-12-0081-030-2019	1,039,642	-
Airport Improvement Program	20.106	3-12-0081-031-2020	2,535,642	-
COVID-19 Airport Improvement Program	20.106	3-12-0014-027-2021	13,000	-
COVID-19 Airport Improvement Program	20.106	3-12-0020-021-2021	70,562	-

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, 2021

Federal / State Agency Pass-through Entity Federal Program/State Project	Assistance Listing Number	Contract or Grant Number	Expenditures	Passed Through to Subrecipients
<u>FEDERAL AWARDS (continued)</u>				
<u>U.S. Department of Transportation (continued)</u>				
Federal Transit Cluster				
Direct Programs				
<u>Federal Transit Administration</u>				
Federal Transit Formula Grants	20.507	FL-90-X761-00	\$ 21,080	\$ -
Federal Transit Formula Grants	20.507	FL-90-X795-00	5,833	-
Federal Transit Formula Grants	20.507	FL-90-X815-00	4,792	-
Federal Transit Formula Grants	20.507	FL-2017-064-00	157,764	-
Federal Transit Formula Grants	20.507	FL-2019-017-00	3,392	-
Federal Transit Formula Grants	20.507	FL-2019-021-00	150,896	-
Federal Transit Formula Grants	20.507	FL-2020-058-00	4,598	-
COVID-19 - Federal Transit Formula Grants	20.507	FL-2020-073-00	2,646,581	-
Federal Transit Formula Grants	20.507	FL-90-X867-00	5,746	-
Federal Transit Formula Grants	20.507	FL-2018-093-00	122,076	-
Federal Transit Formula Grants	20.507	FL-90-X716-00	366,057	-
Passed Through Florida Department of Transportation				
COVID-19 - Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526	43925539416	97,611	-
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526	439255-3-94-17	99,253	-
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526	42392553-94-15	88,323	-
Total Federal Transit Cluster			<u>3,774,002</u>	-
Passed Through Florida Department of Transportation				
Highway Planning and Construction Cluster				
Highway Planning and Construction	20.205	G0N75, 421997-7-58-01, 421997-7-68-01	554,757	-
Highway Planning and Construction	20.205	G0Z29, 442260-1-38-01	13,847	-
Highway Planning and Construction	20.205	G1892, 421997-8-A8-01	492,939	-
Highway Planning and Construction	20.205	G1C78; 445004-1-1-38-01	10,797	-
Total Highway Planning and Construction Cluster			<u>1,072,340</u>	-
COVID-19 - Formula Grants for Rural Areas	20.509	G1M18; 44749918401	464,556	-
State and Community Highway Safety	20.600	SC-2021-00217; G1T64	28,670	-
Passed Through Florida Department of Management Services				
E-911 Grant Program	20.615	S18-21-05-10	100,298	-
Total U.S. Department of Transportation			<u>9,098,712</u>	-
<u>U.S. Department of Treasury</u>				
Direct Programs				
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	21.015	RDCGR180094-01-01	518,482	378,169
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	21.015	RDCGR180127-01-00	420,432	-
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	21.015	RDCGR180121-01-00	1,233,566	-
COVID-19 - Emergency Rental Assistance Program	21.023	ERAP1	543,664	-
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	SLT-0786	184,638	-
Passed Through Florida Housing Finance Corporation				
COVID-19 - Coronavirus Relief Fund	21.019	080-2020	816,278	-
Passed Through Florida Division of Emergency Management				
COVID-19 - Coronavirus Relief Fund	21.019	Y2276	22,517,563	13,060,536
Total U.S. Department of Treasury			<u>26,234,623</u>	<u>13,438,705</u>

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, 2021

Federal / State Agency Pass-through Entity Federal Program/State Project	Assistance Listing Number	Contract or Grant Number	Expenditures	Passed Through to Subrecipients
<u>FEDERAL AWARDS (continued)</u>				
<u>National Endowment for the Humanities</u>				
Passed Through the Institute of Museum and Library Services				
Grants to States	45.310	20-LSTA-B-15	\$ 15,450	\$ -
<u>Consumer Product Safety Commission</u>				
Passed Through Gulf Consortium, Inc				
Gulf Coast Ecosystem Restoration Council Oil Spill Impact Program	87.052	200090033	156,133	-
Gulf Coast Ecosystem Restoration Council Oil Spill Impact Program	87.052	200088034	81,214	-
Total Consumer Product Safety Commission			<u>237,347</u>	<u>-</u>
<u>Election Assistance Commission</u>				
Passed Through Florida Department of State				
Help America Vote Act Requirements Payments	90.401	2017-2018-0001-OKA HAVA	14,052	-
Help America Vote Act Requirements Payments	90.401	2018-2019-0003-OKA HAVA	21,082	-
HAVA Election Security Grants	90.404	21.e.es.000.059	3,465	-
COVID-19 - HAVA Election Security Grants	90.404	2020-001	101,045	-
Total Election Assistance Commission			<u>139,644</u>	<u>-</u>
<u>U.S. Department of Health & Human Services</u>				
Direct Programs				
COVID-19 - Coronavirus Provider Relief Fund	93.498	CARES Act EMS Phase 3	700,997	-
Passed Through Florida Department of Revenue				
Child Support Enforcement	93.563	N/A	6,241	-
Child Support Enforcement	93.563	CSU46	3,630	-
Total U.S. Department of Health and Human Services			<u>710,868</u>	<u>-</u>
<u>U.S. Department of Homeland Security</u>				
Direct Programs				
Law Enforcement Officer Reimbursement Program	97.U01	70T02021T6114N272	98,280	-
Law Enforcement Officer Reimbursement Program	97.U.02	HSTS02-16-H-SLR794	14,820	-
Passed Through Florida Division of Emergency Management				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Z0863	1,291	-
Hazard Mitigation Grant	97.039	18HM-H4-01-56-01-388; 4177-06-A	(6,144)	-
Emergency Management Performance Grants	97.042	G0171	81,660	-
Homeland Security Grant Program	97.067	19-DS-06-01-56-01-285	138,910	-
Homeland Security Grant Program	97.067	R0037	14,685	-
Total U.S. Department of Homeland Security			<u>343,502</u>	<u>-</u>
TOTAL FEDERAL AWARDS			<u>\$ 37,534,872</u>	<u>\$ 13,585,037</u>
<u>STATE FINANCIAL ASSISTANCE</u>				
<u>Executive Office of the Governor</u>				
Direct Projects				
<u>Florida Division of Emergency Management</u>				
Emergency Management Programs	31.063	A0022	\$ (25,008)	\$ -
Emergency Management Programs	31.063	A0118	50,270	-
Emergency Management Programs	31.063	A0168	26,755	-
Emergency Management Projects	31.067	T0094	12,444	-
Emergency Management Projects	31.067	T0159	2,824	-
Total Executive Office of the Governor			<u>67,285</u>	<u>-</u>

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, 2021

Federal / State Agency Pass-through Entity Federal Program/State Project	Assistance Listing Number	Contract or Grant Number	Expenditures	Passed Through to Subrecipients
STATE FINANCIAL ASSISTANCE (continued)				
Florida Department of Environmental Protection				
Direct Projects				
Cooperative Collection Center Grant	37.007	HW105	\$ 181,741	\$ -
Cooperative Collection Center Grant	37.007	HW205	32,497	-
Statewide Surface Water Restoration and Wastewater Projects	37.039	LP46043	42,247	-
Statewide Surface Water Restoration and Wastewater Projects	37.039	LP46041	428,680	-
Alternative Water Supply	37.100	20-023	2,267,549	-
Total Florida Department of Environmental Protection			2,952,714	-
Florida Housing Finance Corporation				
Direct Projects				
State Housing Initiative Partnership (SHIP)	40.901	2018/2019	349,462	-
State Housing Initiative Partnership (SHIP)	40.901	2019/2020	28,846	-
State Housing Initiative Partnership (SHIP)	40.901	2020/2021	142	-
Total Florida Housing Finance Corporation			378,450	-
Florida Department of Agriculture and Consumer Services				
Direct Projects				
Mosquito Control - FY 19	42.003	025511	31,472	-
Mosquito Control - FY 20	42.003	026491	34,496	-
Mosquito Control - FY 21	42.003	027454	603	-
Total Florida Department of Agriculture and Consumer Services			66,571	-
Florida Department of State				
Direct Projects				
State Aid to Libraries	45.030	17-ST-45	23,908	-
State Aid to Libraries	45.030	18-ST-45	89,090	-
Total Florida Department of State			112,998	-
Florida Department of Transportation				
Direct Projects				
Computerized Traffic Signal System	55.U01	ASI26; 409797-3-88-01	135,154	-
Traffic Management Control Project	55.U02	220239-4-88-01	207,229	-
Advanced Transportation Management System SR30 (US98) Miracle Strip Parkway Expansion Project	55.U03	439966-1-58-01	106,050	-
Commission for the Transportation Disadvantaged Trip and Equipment Grant Program	55.001	G1Y01	102,311	-
Commission for the Transportation Disadvantaged Trip and Equipment Grant Program	55.001	G1O20; 43202718401/43202818401	371,090	-
Aviation Development Grant	55.004	G1800; 42561449401	2,037	-
Aviation Development Grant	55.004	AR859; 42561729401	1,793,097	-
Aviation Development Grant	55.004	ARQ65; 42230339401	61,659	-
Aviation Development Grant	55.004	G0604; 41819339401	147,220	-
Aviation Development Grant	55.004	GOL13; 42561539401	982,559	-
Aviation Development Grant	55.004	G1798; 42230389401	4,027	-
Aviation Development Grant	55.004	G1799; 425618-6-94-01	70,967	-
Aviation Development Grant	55.004	G1972; 42230379401	117,578	-
Aviation Development Grant	55.004	G1H42; 42561659401	144,623	-
Aviation Development Grant	55.004	G1H77; 425616-4-94-01	220,414	-
Aviation Development Grant	55.004	G1K03; 42561729401	496,979	-
Aviation Development Grant	55.004	G1J21; 42561889401	475,288	-
Aviation Development Grant	55.004	G1J22; 42230349401	1,516,318	-
Transit Corridor Program	55.013	G1F74; 42225618402	4,623	-
Transit Corridor Program	55.013	G1U45; 42225618403	145,620	-
Transportation Regional Incentive Program (TRIP)	55.026	G0J40; 42199735801	257,791	-
Transportation Regional Incentive Program (TRIP)	55.026	G1H69; 438189-1-24-01	147,743	-
Total Florida Department of Transportation			7,510,377	-

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, 2021

Federal / State Agency Pass-through Entity Federal Program/State Project	Assistance Listing Number	Contract or Grant Number	Expenditures	Passed Through to Subrecipients
<u>STATE FINANCIAL ASSISTANCE (continued)</u>				
<u>Florida Department of Children and Families</u>				
Direct Projects				
Substance Abuse and Mental Health - Community Services	60.153	A0280	\$ 405,428	\$ -
SAMH ME State Funded Federal Excluded Services	60.190	AH105	<u>168,532</u>	<u>-</u>
Total Florida Department of Children and Families			<u>573,960</u>	<u>-</u>
<u>Florida Department of Health</u>				
Direct Projects				
County Grant Awards	64.005	C8046	2,268	-
Domestic Mosquito Control for Zika Virus	64.N/A	SOW 19-127 / SOW20-282	<u>15,546</u>	<u>-</u>
Total Florida Department of Health			<u>17,814</u>	<u>-</u>
<u>Florida Department of Management Services</u>				
Direct Projects				
E911 State Grant Program	72.002	FWC19043	<u>539,850</u>	<u>539,850</u>
TOTAL STATE FINANCIAL ASSISTANCE			<u>\$ 12,220,019</u>	<u>\$ 539,850</u>
TOTAL FEDERAL AND STATE FINANCIAL ASSISTANCE			<u>\$ 49,754,891</u>	<u>\$ 14,124,887</u>

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, 2021

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, 2021. 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.

NOTE 4. PROVIDER RELIEF FUND

The amounts presented on the SEFA for Assistance Listing 93.498, COVID-19 Provider Relief Fund (PRF), are based on Period 1 PRF report submission to the PRF reporting portal. Amounts included in the Period 1 submission represent amounts received between April 10, 2020 and June 30, 2020.

Okaloosa County, Florida
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended September 30, 2021

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:

Assistance Listing Number	Name of Federal Program or Cluster
20.507 20.526	Federal Transit Cluster
21.015	Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States
21.019	Coronavirus Relief Fund

Okaloosa County, Florida
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED
For the Fiscal Year Ended September 30, 2021

1. SUMMARY OF AUDITOR RESULTS (CONTINUED)

Federal Awards and State Projects (continued)

Identification of Major Programs/Projects (continued):

State:

<u>CSFA #</u>	<u>Name of State Project</u>
37.100	Alternative Water Supply
55.004	Aviation Development Grant

Dollar threshold used to distinguish between Type A and B programs for Federal Awards: \$1,126,046

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

Auditee qualified as low-risk auditee? X Yes 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*.