



# **Washington County, Florida**

## **Financial Statements**

**September 30, 2021**

**WASHINGTON COUNTY, FLORIDA  
FINANCIAL STATEMENTS  
September 30, 2021**

**BOARD OF COUNTY COMMISSIONERS**

**District 1  
Alan Bush**

**District 2  
Charles Kent**

**District 3  
Tray Hawkins**

**District 4  
Todd Abbott**

**District 5  
Steve Joyner**

**CLERK OF THE CIRCUIT COURT  
Lora Bell**

**SHERIFF  
Kevin Crews**

**TAX COLLECTOR  
Ken Naker**

**PROPERTY APPRAISER  
Gil Carter**

**SUPERVISOR OF ELECTIONS  
Carol F. Rudd**

**COUNTY ATTORNEY  
Matthew Fuqua**

**AUDITOR  
Carr, Riggs & Ingram, LLC**



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**CONSTITUTIONAL OFFICER FINANCIAL STATEMENTS**

Clerk of the Circuit Court

Property Appraiser

Sheriff

Supervisor of Elections

Tax Collector

The page features a decorative design with horizontal bars at the top and bottom. The top bar is split into a dark blue segment on the left and a lighter blue segment on the right. The bottom bar is also split, with a lighter blue segment on the left and a dark blue segment on the right. A large, solid yellow rectangular area occupies the center of the page. On the left side of this yellow area, there are several overlapping, semi-transparent geometric shapes, including triangles and parallelograms, in various shades of yellow and orange. The word "REPORT" is printed in a bold, dark blue, sans-serif font on the right side of the yellow area.

**REPORT**

## INDEPENDENT AUDITORS' REPORT

To the Honorable Board of County Commissioners  
and Constitutional Officers of Washington County, Florida  
Chipley, Florida

### Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the respective budgetary comparisons for the general fund and the major special revenue funds of Washington County, Florida (the 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 the financial audits contained in *Governmental 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 auditors' 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 entity'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 entity'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 unmodified and qualified opinions.

The Honorable Board of County Commissioners  
and Constitutional Officers of Washington County, Florida  
Chipley, Florida

### **Basis for Qualified Opinion for Governmental Activities**

Because of inadequate accounting records, we were unable to form an opinion regarding the amounts at which property, plant, equipment, related depreciation and gain on sale of capital assets are recorded in the governmental activities. As more fully described in Note 1 to the financial statements, Washington County, Florida does not have adequate records to accurately record historical cost, gains and losses on disposition of capital assets, depreciation expense or accumulated depreciation on property, plant and equipment in its governmental activities as required by generally accepted accounting principles. The effect on the financial statements has not been determined.

### **Qualified Opinion**

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion for Governmental Activities” paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information for Washington County, Florida, as of September 30, 2021, and the respective changes in financial position thereof and respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis on pages 4.1 to 4.7 and other required supplementary information as listed in the table of contents be presented to supplement the basic 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 the 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 Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Washington County, Florida’s basic financial statements. The introductory section, combining and individual non-major financial statements are presented for purposes of

The Honorable Board of County Commissioners  
and Constitutional Officers of Washington County, Florida  
Chipley, Florida

additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards and State Financial Assistance is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* and Chapter 10.550, Rules of the Auditor General, and is also not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and the Schedule of Expenditures of Federal Awards and State Financial Assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic 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 non-major fund financial statements and Schedule of Expenditures of Federal Awards and State Financial Assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated November 21, 2022, on our consideration of Washington County, Florida'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 solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Washington County, Florida's 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.

*Cam, Riggs & Ingram, L.L.C.*

Marianna, Florida  
November 21, 2022



## **MANAGEMENTS DISCUSSION AND ANALYSIS**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

The management of Washington County, Florida has prepared the following discussion and analysis to (a) assist the reader in focusing on significant financial issues; (b) provide an overview and analysis of the County's financial activities; (c) identify changes in the County's financial position; (d) identify material deviations from the approved budget; and (e) highlight significant issues in individual funds.

Because the information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events, and conditions, it should be considered in conjunction with the County's financial statements and notes to financial statements.

### **FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2020-2021 fiscal year are as follows:

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$49,986,580.
- The County's total net position increased by \$21,722,717 which represents a 76.86% increase from the 2019-2020 fiscal year.
- As of the close of the current fiscal year, the County's governmental funds reported total fund balances of \$18,316,164, an increase of \$4,399,182.
- Non-restricted fund balance for all governmental funds total \$11,016,917 as of September 30, 2021 compared to total governmental fund balances of \$18,316,164 at the same date.
- Non-restricted Governmental Fund Balance of \$11,016,917, is different from the Unrestricted Net Position amount on the Statement of Net Position (deficit) of (\$7,955,171) due to reporting requirements regarding long-term liabilities and capital assets which are not included on the Governmental Fund Balance Sheet.
- During the current year, General Fund Revenues were less than Expenditures and Other Financing Sources (Uses) by \$432,914. This is primarily due to revenues exceeding the budget amount by \$1,382,158, expenditures being less than the budgeted expenditures by \$9,377,865 and transfers out exceeding transfers in by \$15,170,549.
- Long-term liabilities decreased by \$13,614,131. This decrease was primarily due to a decrease in the pension liability as discussed in Note 12 of the Financial Report.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements consist of three components:

- Government-wide Financial Statements
- Fund Financial Statements
- Notes to Financial Statements

In addition, this report presents certain required supplementary information.

### **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances in a manner similar to a private sector business and consist of the following two statements:

- The statement of net position provides information on all of the County's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the County is strengthening or weakening.
- The statement of activities presents information showing how the County's net position changed during the 2021 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 only result in cash flows in future fiscal periods (e.g., uncollected taxes earned, and earned but unused vacation leave).

Both of these financial statements present the functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the County include general government, public health and safety, physical environment, transportation, economic environment, human services, culture and recreation, and court related.

The government-wide financial statements include not only the County itself (known as the primary Government), but also the legally separate component unit of the Sunny Hills Units 12-15 Dependent District. Financial information for this component unit is reported separately from the financial information presented for the primary government itself. The Sunny Hills Units 12-15 Dependent District has separately issued financial reports which can be obtained by the individual District's office or the Washington County Board of County Commissioners. The primary government also includes a blended component unit, Northwest Florida Community Hospital District. Additional information concerning the component units is included in the Note 1 of the notes to the Financial Statements.



## **Fund Financial Statements**

Fund financial statements are one of the components of the basic financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and prudent fiscal management. Certain funds are established by law while others are created by legal agreements. Fund financial statements provide more detailed information about the County's financial activities, focusing on its most significant or "major" funds rather than fund types. This is in contrast to the entity-wide perspective contained in the government-wide statements. All of the County's funds may be classified in the broad category of Governmental Funds and Fiduciary (Agency) Funds as discussed below.

- **Governmental Funds** – These are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental funds utilize a spendable financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial statements. This financial resources measurement focus allows the governmental fund statements to provide information on near-term inflows and outflows of spendable resources as well as balances of spendable resources available at the end of the fiscal year. Consequently, the governmental fund statements provide a detailed short-term view that may be used to evaluate the County's near-term financing requirements. This short term view is useful when compared to the long-term view presented as governmental activities in the government-wide financial statements. To facilitate this comparison, both the governmental balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation of governmental funds to governmental activities.
- **Fiduciary (Custodial) Funds** – Fiduciary funds are used to report assets held in a trustee or fiduciary capacity for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide statements because the resources are not available to support the County's own programs. In its fiduciary capacity, the County is responsible for ensuring that the assets reported in these funds are used only for their intended purposes.

## **Infrastructure Assets**

While the County has implemented the major model portions of GASB #34, the County will defer implementing the infrastructure portion (related to general government activities until some future date to be determined). Historically, a government's largest group of assets (infrastructure-roads, bridges, traffic signals, and underground pipes) have not been reported nor depreciated in government financial statements. This statement requires that these assets be valued and reported within the governmental column of the government-wide statements. Additionally, the government must elect to either (a) depreciate these assets over their estimated useful life or (b) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. If the government develops the asset management system (the modified approach) which periodically (at least every third year), by category measures and demonstrates its maintenance of locally established levels of service standards, the government may record its maintenance of locally established levels of service standards, the Government may record its cost of maintenance in lieu of depreciation.

### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of a government's financial position. The following is a summary of the County's net position as of September 30, 2021 and September 30, 2020.

|                                      | Governmental Activities |                   | Governmental Activities |                   |
|--------------------------------------|-------------------------|-------------------|-------------------------|-------------------|
|                                      | September 30, 2021      |                   | September 30, 2020      |                   |
| Current and Other Assets             | \$                      | 29,412,369        | \$                      | 22,830,901        |
| Capital Assets                       |                         | 50,968,427        |                         | 35,039,789        |
| <b>Total Assets</b>                  |                         | <b>80,380,796</b> |                         | <b>57,870,690</b> |
| Deferred Outflows, Pensions and OPEB |                         | 4,100,115         |                         | 6,809,412         |
| Current Liabilities                  |                         | 11,096,204        |                         | 9,673,666         |
| Long Term Liabilities                |                         | 12,029,901        |                         | 25,644,032        |
| <b>Total Liabilities</b>             |                         | <b>23,126,105</b> |                         | <b>35,317,698</b> |
| Deferred Inflows, Pensions and OPEB  |                         | 11,368,226        |                         | 1,098,541         |
| <b>Net Position</b>                  |                         |                   |                         |                   |
| Net investment in capital assets     |                         | 48,781,511        |                         | 30,263,233        |
| Restricted                           |                         | 9,160,240         |                         | 7,921,297         |
| Unrestricted (deficit)               |                         | (7,955,171)       |                         | (9,920,667)       |
| <b>Total Net Position</b>            | \$                      | <b>49,986,580</b> | \$                      | <b>28,263,863</b> |

At September 30, 2021 the largest portion of the County's net position reflected investment in capital assets (e.g. land, buildings, infrastructure and equipment), less any related outstanding debt used to acquire those assets in the amount of \$48,781,511. The County uses these capital assets to provide services to citizens consequently; these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves can't be used to liquidate these liabilities. An additional portion of the County's net position represent resources that are dedicated or subject to restrictions on how they may be used in the amount of \$9,160,240. The remaining balance of non-restricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

## Statement of Activities

|                                    | Governmental Activities<br>September 30, 2021 | Governmental Activities<br>September 30, 2020 |
|------------------------------------|-----------------------------------------------|-----------------------------------------------|
| Revenues:                          |                                               |                                               |
| Program Revenues:                  |                                               |                                               |
| Charges for Service                | \$ 5,909,033                                  | \$ 5,455,393                                  |
| Operating Grants and Contributions | 33,276,551                                    | 10,515,561                                    |
| Capital Grants and Contributions   | 921,772                                       | 206,028                                       |
| General revenues:                  |                                               |                                               |
| Property Taxes                     | 8,562,273                                     | 8,040,218                                     |
| Local Option Taxes                 | 4,064,017                                     | 3,598,089                                     |
| Sales Tax and Other Taxes          | 1,020,972                                     | 1,044,055                                     |
| Intergovernmental and Shared       | 3,717,589                                     | 3,126,974                                     |
| Investment Earnings                | 9,564                                         | 28,334                                        |
| Miscellaneous                      | 1,183,928                                     | 1,055,026                                     |
| <b>Total Revenues</b>              | <b>58,665,699</b>                             | <b>33,069,678</b>                             |
| Expenses:                          |                                               |                                               |
| Program Activities:                |                                               |                                               |
| General Government                 | 7,010,002                                     | 8,602,215                                     |
| Public Safety                      | 9,864,554                                     | 11,179,486                                    |
| Physical Environment               | 379,917                                       | 360,059                                       |
| Transportation                     | 13,640,337                                    | 13,192,127                                    |
| Economic Development               | 2,934,663                                     | 1,193,143                                     |
| Human Services                     | 932,067                                       | 885,858                                       |
| Culture and Recreation             | 804,560                                       | 913,970                                       |
| Court Related                      | 1,189,283                                     | 1,222,898                                     |
| Interest on Long-Term Debt         | 187,599                                       | 152,074                                       |
| <b>Total Expenses</b>              | <b>36,942,982</b>                             | <b>37,701,830</b>                             |
| <b>Change in Net Position</b>      | <b>21,722,717</b>                             | <b>(4,632,152)</b>                            |
| <b>Net Position, Beginning</b>     | <b>28,263,863</b>                             | <b>32,896,015</b>                             |
| <b>Net Position, Ending</b>        | <b>\$ 49,986,580</b>                          | <b>\$ 28,263,863</b>                          |

Governmental activities increased the County's net position by \$21,722,717 or approximately 76.86%. Total revenues increased by \$25,596,021 from the prior year with a major factor being an increase in operating grants & contributions. Total expenses decreased by \$758,848 from the prior year largely due to a decrease in General Government expenses.

### **FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS**

This section provides an analysis of the balances and transactions of individual funds. The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### **MAJOR GOVERNMENT FUNDS**

The General Fund is the chief operating fund of the County. General operating funds of the Clerk of the Circuit Court, Property Appraiser, Sheriff, Tax Collector and Supervisor of Elections represent sub funds of the County's General Fund that are held and accounted for individually, but presented with the balance of the Board of County Commissioners' operating funds.

At the end of the current fiscal year, the total non-restricted General Fund balance was \$10,203,602 while the total fund balance was \$10,388,659. As a measure of the General Fund's liquidity, it may be useful to compare both the non-restricted fund balance and the total fund balance to total General Fund expenditures. Non-restricted fund balance represents 71.75% of the total general fund expenditures, while total fund balance represents 73.05% of the same amount. The non-restricted total governmental fund balance increased by \$4,487,959 during 2020-2021 fiscal year due primarily to revenues exceeding expenditures.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

During the course of the 2020-2021 fiscal year, the County amended its General Fund Budget one time to address a small increase in revenues and expenditures. Variances disclosed on the budget and actual statements are considered normal to the County's operations.

### **CAPITAL ASSETS**

The County's investment in capital assets for its governmental activities as of September 30, 2021 amounted to \$48,781,511 net of accumulated depreciation. This investment in capital assets includes land, buildings and fixed equipment, furniture, fixtures, and equipment. Costs for past road and other infrastructure have not been included, but will be reflected in a future report when the information is collected.

### **LONG-TERM DEBT**

At the end of fiscal year ended September 30, 2021, the County had long-term liabilities totaling \$12,029,901. Of this amount, inter-local agreement payables outstanding were \$148,500, Notes Payable were \$3,830,889, and Capital leases were 958,396. Also, there is \$720,348 to address compensated absences obligations, \$5,991,433 for pension liability (GASB 68), \$20,371 for landfill post closure costs and the remaining amount of \$359,964 for OPEB liabilities.

### **ECONOMIC FACTORS-WASHINGTON COUNTY, FLORIDA**

The unemployment rate for County was 4.7% at September 2021. The rate was also 4.7% at September 2020.

Population is estimated at 25,436 as of September 2021 and 24,896 as of September, 2020.

The taxable value for personal and real property in the County is \$998,353,059 for fiscal year ending September 30, 2021 and \$936,556,912 for the fiscal year ending September 30, 2020.

The general ad valorem tax mileage rate was 8.50 for the fiscal year ending September 30, 2021 and 8.7235 for the fiscal year ending September 30, 2020.

The budgeted expenditures for the fiscal year ending September 30, 2021 represents an increase of 66.62% over the September 30, 2020 budget.

### **REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of Washington County's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Washington County Board of County Commissioners, Washington County, Florida.



# **BASIC FINANCIAL STATEMENTS**



# Washington County, Florida

## Statement of Net Position

September 30, 2021

|                                             | Primary<br>Government<br>Governmental<br>Activities | Component<br>Unit   |
|---------------------------------------------|-----------------------------------------------------|---------------------|
| <b>Assets</b>                               |                                                     |                     |
| Cash and cash equivalents                   | \$ 11,815,712                                       | \$ 1,063            |
| Restricted cash and cash equivalents        | 9,160,240                                           | -                   |
| Accounts receivable, net                    | 255,610                                             | -                   |
| Due from agency funds                       | 3,247                                               | -                   |
| Due from other governments                  | 5,703,228                                           | -                   |
| Inventory                                   | 175,230                                             | -                   |
| Due from developer                          | -                                                   | 2,011               |
| Prepaid expenses                            | -                                                   | -                   |
| Notes receivable                            | 2,299,102                                           | -                   |
| Capital assets, net                         |                                                     |                     |
| Nondepreciable capital assets               | 5,931,333                                           | 1,770,313           |
| Depreciable capital assets, net             | 45,037,094                                          | -                   |
| <b>Total assets</b>                         | <b>80,380,796</b>                                   | <b>1,773,387</b>    |
| <b>Deferred outflows of resources</b>       |                                                     |                     |
| Other post-employment benefits              | 32,004                                              | -                   |
| Pension                                     | 4,068,111                                           | -                   |
| <b>Total deferred outflows of resources</b> | <b>4,100,115</b>                                    | <b>-</b>            |
| <b>Liabilities</b>                          |                                                     |                     |
| Accounts payable and accrued expenses       | 4,496,696                                           | 2,011               |
| Due to other governments                    | 144,107                                             | -                   |
| Due to agency funds                         | 6,726                                               | -                   |
| Unearned revenue                            | 6,448,675                                           | -                   |
| Long-term liabilities                       |                                                     |                     |
| Portion due or payable within one year      |                                                     |                     |
| Notes payable                               | 472,598                                             | -                   |
| Capital leases payable                      | 127,216                                             | -                   |
| Interlocal agreement payable                | 4,500                                               | -                   |
| Compensated absences                        | 280,750                                             | -                   |
| Landfill closure liability                  | 20,371                                              | -                   |
| Portion due or payable after one year       |                                                     |                     |
| Notes payable                               | 3,358,291                                           | -                   |
| Capital leases payable                      | 831,180                                             | -                   |
| Interlocal agreement payable                | 144,000                                             | -                   |
| Compensated absences                        | 439,598                                             | -                   |
| Pension Liability                           | 5,991,433                                           | -                   |
| Other post-employment benefits              | 359,964                                             | -                   |
| <b>Total liabilities</b>                    | <b>23,126,105</b>                                   | <b>2,011</b>        |
| <b>Deferred inflows of resources</b>        |                                                     |                     |
| Other post-employment benefits              | 81,841                                              | -                   |
| Pension                                     | 11,286,385                                          | -                   |
| <b>Total deferred inflows of resources</b>  | <b>11,368,226</b>                                   | <b>-</b>            |
| <b>Net position</b>                         |                                                     |                     |
| Net investment in capital assets            | 48,781,511                                          | 1,770,313           |
| Restricted                                  | 9,160,240                                           | -                   |
| Unrestricted (deficit)                      | (7,955,171)                                         | 1,063               |
| <b>Total net position</b>                   | <b>\$ 49,986,580</b>                                | <b>\$ 1,771,376</b> |

*The accompanying notes are an integral part of this financial statement.*

# Washington County, Florida

## Statement of Activities

For the year ended September 30, 2021

| Functions/Programs                   | Program Revenues |                      |                                    |                                  |                                 | Net (Expense) Revenue and Changes in Net Position |      |
|--------------------------------------|------------------|----------------------|------------------------------------|----------------------------------|---------------------------------|---------------------------------------------------|------|
|                                      | Expenses         | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Governmental Activities | Component                                         | Unit |
|                                      |                  |                      |                                    |                                  |                                 |                                                   |      |
| <b>Primary Government</b>            |                  |                      |                                    |                                  |                                 |                                                   |      |
| <b>Governmental activities</b>       |                  |                      |                                    |                                  |                                 |                                                   |      |
| General government                   | \$ 7,010,002     | \$ 1,480,575         | \$ 27,873,570                      | \$ -                             | \$ 22,344,143                   | \$ -                                              | -    |
| Public safety                        | 9,864,554        | 3,578,041            | 1,807,224                          | -                                | (4,479,289)                     | -                                                 | -    |
| Physical environment                 | 379,917          | -                    | 93,750                             | -                                | (286,167)                       | -                                                 | -    |
| Transportation                       | 13,640,337       | -                    | 2,247,378                          | 921,772                          | (10,471,187)                    | -                                                 | -    |
| Economic environment                 | 2,934,563        | -                    | 869,847                            | -                                | (2,064,816)                     | -                                                 | -    |
| Human services                       | 932,067          | -                    | 47,603                             | -                                | (884,464)                       | -                                                 | -    |
| Culture and recreation               | 804,560          | -                    | 233,889                            | -                                | (570,671)                       | -                                                 | -    |
| Court related                        | 1,189,283        | 850,417              | 103,290                            | -                                | (235,576)                       | -                                                 | -    |
| Interest on long-term debt           | 187,599          | -                    | -                                  | -                                | (187,599)                       | -                                                 | -    |
| Total governmental activities        | 36,942,982       | 5,909,033            | 33,276,551                         | 921,772                          | 3,164,374                       | -                                                 | -    |
| <b>Total primary government</b>      | \$ 36,942,982    | \$ 5,909,033         | \$ 33,276,551                      | \$ 921,772                       | \$ 3,164,374                    | -                                                 | -    |
| <b>Component Unit</b>                | \$ 24,332        | \$ -                 | \$ 24,332                          | \$ -                             | \$ -                            | -                                                 | -    |
| <b>General revenues</b>              |                  |                      |                                    |                                  |                                 |                                                   |      |
| Taxes                                |                  |                      |                                    |                                  |                                 |                                                   |      |
| Property taxes                       |                  |                      |                                    |                                  | 8,562,273                       | -                                                 | -    |
| Local option taxes                   |                  |                      |                                    |                                  | 4,064,017                       | -                                                 | -    |
| Sales tax and other taxes            |                  |                      |                                    |                                  | 1,020,972                       | -                                                 | -    |
| Intergovernmental and shared revenue |                  |                      |                                    |                                  | 3,717,589                       | -                                                 | -    |
| Investment earnings                  |                  |                      |                                    |                                  | 9,564                           | -                                                 | -    |
| Miscellaneous                        |                  |                      |                                    |                                  | 1,282,908                       | -                                                 | -    |
| Transfers out to State of Florida    |                  |                      |                                    |                                  | (98,980)                        | -                                                 | -    |
| Total general revenues and transfers |                  |                      |                                    |                                  | 18,558,343                      | -                                                 | -    |
| Change in net position               |                  |                      |                                    |                                  | 21,722,717                      | -                                                 | -    |
| <b>Net position, beginning</b>       |                  |                      |                                    |                                  | 28,263,863                      | 1,771,376                                         |      |
| <b>Net position, ending</b>          |                  |                      |                                    |                                  | \$ 49,986,580                   | \$ 1,771,376                                      |      |

The accompanying notes are an integral part of this financial statement.



# Washington County, Florida

## Balance Sheet

### Governmental Funds

September 30, 2021

|                                                                                                                                                | General<br>Fund      | Transportation<br>Trust | Local Housing<br>Assistance<br>Trust (SHIP) | Hurricane<br>Michael | American<br>Rescue<br>Act | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-------------------------|---------------------------------------------|----------------------|---------------------------|--------------------------------|--------------------------------|
| <b>Assets</b>                                                                                                                                  |                      |                         |                                             |                      |                           |                                |                                |
| Cash and cash equivalents                                                                                                                      | \$ 4,545,445         | \$ -                    | \$ -                                        | \$ 4,115,241         | \$ 2,473,916              | \$ 681,110                     | \$ 11,815,712                  |
| Restricted cash and cash equivalents                                                                                                           | 185,057              | 3,109,203               | 2,737,736                                   | -                    | -                         | 3,128,244                      | 9,160,240                      |
| Accounts receivable, net                                                                                                                       | -                    | -                       | -                                           | -                    | -                         | 255,610                        | 255,610                        |
| Due from agency funds                                                                                                                          | 3,247                | -                       | -                                           | -                    | -                         | -                              | 3,247                          |
| Due from other funds                                                                                                                           | 5,277,650            | 1,111,385               | -                                           | -                    | -                         | 793,894                        | 7,182,929                      |
| Due from other governmental units                                                                                                              | 1,332,217            | 1,170,687               | -                                           | -                    | -                         | 3,200,324                      | 5,703,228                      |
| Inventory                                                                                                                                      | -                    | 175,230                 | -                                           | -                    | -                         | -                              | 175,230                        |
| Note receivable                                                                                                                                | 2,299,102            | -                       | -                                           | -                    | -                         | -                              | 2,299,102                      |
| <b>Total assets</b>                                                                                                                            | <b>\$ 13,642,718</b> | <b>\$ 5,566,505</b>     | <b>\$ 2,737,736</b>                         | <b>\$ 4,115,241</b>  | <b>\$ 2,473,916</b>       | <b>\$ 8,059,182</b>            | <b>\$ 36,595,298</b>           |
| <b>Liabilities</b>                                                                                                                             |                      |                         |                                             |                      |                           |                                |                                |
| Accounts payable and accrued expenses                                                                                                          | \$ 1,175,802         | \$ 96,429               | \$ 1,756                                    | \$ 2,029,569         | \$ 16,705                 | \$ 1,176,435                   | \$ 4,496,696                   |
| Due to other funds                                                                                                                             | 2,071,530            | 90,872                  | 1,495                                       | 1,343,261            | -                         | 3,675,771                      | 7,182,929                      |
| Due to agency funds                                                                                                                            | 6,726                | -                       | -                                           | -                    | -                         | -                              | 6,726                          |
| Due to other governmental units                                                                                                                | -                    | -                       | -                                           | -                    | -                         | 144,107                        | 144,107                        |
| Unearned revenue                                                                                                                               | -                    | 19,778                  | 2,680,940                                   | 1,282,468            | 2,457,211                 | 8,278                          | 6,448,675                      |
| <b>Total liabilities</b>                                                                                                                       | <b>3,254,058</b>     | <b>207,079</b>          | <b>2,684,191</b>                            | <b>4,655,298</b>     | <b>2,473,916</b>          | <b>5,004,591</b>               | <b>18,279,133</b>              |
| <b>Fund balances</b>                                                                                                                           |                      |                         |                                             |                      |                           |                                |                                |
| Nonspendable                                                                                                                                   | 2,299,102            | 175,230                 | -                                           | -                    | -                         | -                              | 2,474,332                      |
| Restricted                                                                                                                                     | 185,057              | 5,184,196               | 53,545                                      | -                    | -                         | 1,876,449                      | 7,299,247                      |
| Committed                                                                                                                                      | -                    | -                       | -                                           | -                    | -                         | 1,280,843                      | 1,280,843                      |
| Assigned                                                                                                                                       | -                    | -                       | -                                           | -                    | -                         | 398,079                        | 398,079                        |
| Unassigned (deficit)                                                                                                                           | 7,904,501            | -                       | -                                           | (540,057)            | -                         | (500,780)                      | 6,863,664                      |
| <b>Total fund balances</b>                                                                                                                     | <b>10,388,660</b>    | <b>5,359,426</b>        | <b>53,545</b>                               | <b>(540,057)</b>     | <b>-</b>                  | <b>3,054,591</b>               | <b>18,316,165</b>              |
| <b>Total liabilities and fund balances</b>                                                                                                     | <b>\$ 13,642,718</b> | <b>\$ 5,566,505</b>     | <b>\$ 2,737,736</b>                         | <b>\$ 4,115,241</b>  | <b>\$ 2,473,916</b>       | <b>\$ 8,059,182</b>            |                                |
| 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 funds.                      |                      |                         |                                             |                      |                           |                                | 50,968,427                     |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.                             |                      |                         |                                             |                      |                           |                                | (12,029,901)                   |
| Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds. |                      |                         |                                             |                      |                           |                                |                                |
| Deferred outflows of resources - OPEB                                                                                                          |                      |                         |                                             |                      |                           |                                | 32,004                         |
| Deferred inflows of resources - OPEB                                                                                                           |                      |                         |                                             |                      |                           |                                | (81,841)                       |
| Deferred outflows of resources - pensions                                                                                                      |                      |                         |                                             |                      |                           |                                | 4,068,111                      |
| Deferred inflows of resources - pensions                                                                                                       |                      |                         |                                             |                      |                           |                                | (11,286,385)                   |
| <b>Net position of governmental activities</b>                                                                                                 |                      |                         |                                             |                      |                           |                                | <b>\$ 49,986,580</b>           |

*The accompanying notes are an integral part of this financial statement.*

# Washington County, Florida

## Statement of Revenues, Expenditures, and Changes in Fund Balances

### Governmental Funds

For the year ended September 30, 2021

|                                                           | General Fund         | Transportation Trust | Local Housing Assistance Trust (SHIP) | Hurricane Michael   | American Rescue Act | Other Governmental Funds | Total Governmental Funds |
|-----------------------------------------------------------|----------------------|----------------------|---------------------------------------|---------------------|---------------------|--------------------------|--------------------------|
| <b>Revenues</b>                                           |                      |                      |                                       |                     |                     |                          |                          |
| Taxes                                                     | \$ 11,087,413        | \$ 1,960,685         | \$ -                                  | \$ -                | \$ -                | \$ 599,164               | \$ 13,647,262            |
| Licenses and permits                                      | 1,373,397            | 14,282               | -                                     | -                   | -                   | 312,608                  | 1,700,287                |
| Intergovernmental                                         | 2,336,370            | 993,542              | -                                     | -                   | -                   | 387,677                  | 3,717,589                |
| Charges for services                                      | 1,480,575            | -                    | -                                     | -                   | -                   | 2,725,202                | 4,205,777                |
| Fines and forfeitures                                     | 2,969                | -                    | -                                     | -                   | -                   | -                        | 2,969                    |
| Grants                                                    | 500,102              | 498,856              | 853,142                               | 26,802,774          | 16,705              | 5,526,744                | 34,198,323               |
| Investment earnings                                       | 543                  | 4,070                | 4,599                                 | -                   | -                   | 352                      | 9,564                    |
| Other fees and miscellaneous revenue                      | 915,899              | 257,241              | -                                     | -                   | -                   | 113,387                  | 1,286,527                |
| <b>Total revenues</b>                                     | <b>17,697,268</b>    | <b>3,728,676</b>     | <b>857,741</b>                        | <b>26,802,774</b>   | <b>16,705</b>       | <b>9,665,134</b>         | <b>58,768,298</b>        |
| <b>Expenditures</b>                                       |                      |                      |                                       |                     |                     |                          |                          |
| Current                                                   |                      |                      |                                       |                     |                     |                          |                          |
| General government                                        | 6,965,436            | -                    | -                                     | -                   | -                   | 277,550                  | 7,242,986                |
| Public health and safety                                  | 4,622,084            | -                    | -                                     | 6,853               | -                   | 4,873,790                | 9,502,727                |
| Physical environment                                      | 213,213              | -                    | -                                     | -                   | -                   | 672,508                  | 885,721                  |
| Transportation                                            | -                    | 2,787,187            | -                                     | 8,141,907           | -                   | 1,052,944                | 11,982,038               |
| Economic environment                                      | 371,078              | -                    | 857,741                               | -                   | 16,705              | 1,646,884                | 2,892,408                |
| Human services                                            | 713,196              | -                    | -                                     | -                   | -                   | 56,490                   | 769,686                  |
| Culture and recreation                                    | 136,216              | -                    | -                                     | -                   | -                   | 657,652                  | 793,868                  |
| Court related                                             | 46,229               | -                    | -                                     | -                   | -                   | 1,111,123                | 1,157,352                |
| Capital outlay                                            | 1,012,652            | 2,319,912            | -                                     | 13,689,789          | -                   | 2,090,201                | 19,112,554               |
| Debt service                                              |                      |                      |                                       |                     |                     |                          |                          |
| Principal                                                 | 134,597              | 98,400               | -                                     | -                   | -                   | 463,699                  | 696,696                  |
| Interest and other charges                                | 5,989                | 55,105               | -                                     | -                   | -                   | 126,505                  | 187,599                  |
| <b>Total expenditures</b>                                 | <b>14,220,690</b>    | <b>5,260,604</b>     | <b>857,741</b>                        | <b>21,838,549</b>   | <b>16,705</b>       | <b>13,029,346</b>        | <b>55,223,635</b>        |
| Excess (deficiency) of revenues over (under) expenditures | 3,476,578            | (1,531,928)          | -                                     | 4,964,225           | -                   | (3,364,212)              | 3,544,663                |
| <b>Other financing sources (uses)</b>                     |                      |                      |                                       |                     |                     |                          |                          |
| Transfers in                                              | 2,157,800            | 422,729              | -                                     | -                   | -                   | 3,602,459                | 6,182,988                |
| Transfers out                                             | (6,067,291)          | -                    | -                                     | (40,000)            | -                   | (75,697)                 | (6,182,988)              |
| Installment loan proceeds                                 | -                    | 953,500              | -                                     | -                   | -                   | -                        | 953,500                  |
| Transfers out to State of Florida                         | -                    | -                    | -                                     | -                   | -                   | (98,980)                 | (98,980)                 |
| <b>Net other financing sources (uses)</b>                 | <b>(3,909,491)</b>   | <b>1,376,229</b>     | <b>-</b>                              | <b>(40,000)</b>     | <b>-</b>            | <b>3,427,782</b>         | <b>854,520</b>           |
| <b>Net changes in fund balances</b>                       | <b>(432,913)</b>     | <b>(155,699)</b>     | <b>-</b>                              | <b>4,924,225</b>    | <b>-</b>            | <b>63,570</b>            | <b>4,399,183</b>         |
| <b>Fund balances - beginning</b>                          | <b>10,821,573</b>    | <b>5,515,125</b>     | <b>53,545</b>                         | <b>(5,464,282)</b>  | <b>-</b>            | <b>2,991,021</b>         | <b>13,916,982</b>        |
| <b>Fund balances - ending</b>                             | <b>\$ 10,388,660</b> | <b>\$ 5,359,426</b>  | <b>\$ 53,545</b>                      | <b>\$ (540,057)</b> | <b>\$ -</b>         | <b>\$ 3,054,591</b>      | <b>\$ 18,316,165</b>     |

*The accompanying notes are an integral part of this financial statement.*

**Washington County, Florida**

**Reconciliation of the Statement of Revenues, Expenditures and Changes in  
Fund Balances of Governmental Funds to the Statement of Activities**

*For the year ended September 30, 2021*

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

|                                                                                                                                                                                                             |                      |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| Net change in fund balances - total governmental funds                                                                                                                                                      | \$ 4,399,183         |
| Capital outlay, reported as expenditures in governmental funds, are shown as capital assets in the statement of net position.                                                                               | 19,112,552           |
| Depreciation expense on governmental capital assets included in the governmental activities in the statement of net position.                                                                               | (2,928,040)          |
| Miscellaneous income reported in the governmental funds must be reduced by the basis of capital assets disposed in the statement of activities                                                              | (7,300)              |
| Repayment of long-term debt is reported as an expenditure in governmental funds but as a reduction of long-term liabilities in the statement of net assets.                                                 | 696,695              |
| The issuance of long-term debt (notes payable) provides current financial resources to governmental funds, while it has no effect on the statement of activities.                                           | (953,500)            |
| 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. These expenses include: |                      |
| Other post-employment benefits                                                                                                                                                                              | (11,086)             |
| Pension expenses                                                                                                                                                                                            | 1,416,001            |
| Compensated absences                                                                                                                                                                                        | (1,788)              |
| <b>Change in net position of governmental activities</b>                                                                                                                                                    | <b>\$ 21,722,717</b> |

*The accompanying notes are an integral part of this financial statement.*

**Washington County, Florida**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**General Fund**  
**Budget and Actual**

*For the year ended September 30, 2021*

|                                       | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actual</b>       | <b>Variance with<br/>Final Budget</b> |
|---------------------------------------|----------------------------|-------------------------|---------------------|---------------------------------------|
| <b>Revenues</b>                       |                            |                         |                     |                                       |
| Taxes                                 | \$ 9,222,144               | \$ 9,222,144            | \$ 11,087,413       | \$ 1,865,269                          |
| Licenses and permits                  | -                          | -                       | 1,373,397           | 1,373,397                             |
| Intergovernmental                     | 4,043,493                  | 4,043,493               | 2,336,370           | (1,707,123)                           |
| Charges for services                  | 2,254,273                  | 2,262,802               | 1,480,575           | (782,227)                             |
| Fines and forfeitures                 | 3,100                      | 3,100                   | 2,969               | (131)                                 |
| Grants                                | 77,090                     | 77,090                  | 500,102             | 423,012                               |
| Investment earnings                   | -                          | -                       | 543                 | 543                                   |
| Other fees and miscellaneous revenues | 664,909                    | 706,481                 | 915,899             | 209,418                               |
| <b>Total revenues</b>                 | <b>16,265,009</b>          | <b>16,315,110</b>       | <b>17,697,268</b>   | <b>1,382,158</b>                      |
| <b>Expenditures</b>                   |                            |                         |                     |                                       |
| Current                               |                            |                         |                     |                                       |
| General government                    | 7,868,104                  | 9,989,572               | 6,965,436           | 3,024,136                             |
| Public safety                         | 10,700,928                 | 11,370,428              | 4,622,084           | 6,748,344                             |
| Physical environment                  | 20,000                     | 20,000                  | 213,213             | (193,213)                             |
| Economic environment                  | 573,457                    | 579,292                 | 371,078             | 208,214                               |
| Human services                        | 776,982                    | 788,824                 | 713,196             | 75,628                                |
| Culture and recreation                | 162,629                    | 228,767                 | 136,216             | 92,551                                |
| Court related                         | 553,774                    | 554,482                 | 46,229              | 508,253                               |
| Capital outlay                        | 26,819                     | 67,191                  | 1,012,652           | (945,461)                             |
| Debt service                          | -                          | -                       | 140,586             | (140,586)                             |
| <b>Total expenditures</b>             | <b>20,682,693</b>          | <b>23,598,556</b>       | <b>14,220,690</b>   | <b>9,377,866</b>                      |
| Excess of revenues over expenditures  | (4,417,684)                | (7,283,446)             | 3,476,578           | 10,760,024                            |
| <b>Other financing sources (uses)</b> |                            |                         |                     |                                       |
| Transfers in                          | 6,196,728                  | 9,062,490               | 2,157,800           | (6,904,690)                           |
| Transfers out                         | 2,198,568                  | 2,198,568               | (6,067,291)         | (8,265,859)                           |
| Net other financing sources (uses)    | 8,395,296                  | 11,261,058              | (3,909,491)         | (15,170,549)                          |
| <b>Net change in fund balance</b>     | <b>\$ 3,977,612</b>        | <b>\$ 3,977,612</b>     | <b>\$ (432,913)</b> | <b>\$ (4,410,525)</b>                 |

*The accompanying notes are an integral part of this financial statement.*

**Washington County, Florida**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Transportation Trust Fund**  
**Budget and Actual**

*For the year ended September 30, 2021*

|                                                           | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actual</b>       | <b>Variance with<br/>Final Budget</b> |
|-----------------------------------------------------------|----------------------------|-------------------------|---------------------|---------------------------------------|
| <b>Revenues</b>                                           |                            |                         |                     |                                       |
| Taxes                                                     | \$ 1,711,242               | \$ 1,812,670            | \$ 1,960,685        | \$ 148,015                            |
| Licenses and permits                                      | 12,000                     | 12,000                  | 14,282              | 2,282                                 |
| Intergovernmental                                         | 838,597                    | 965,721                 | 993,542             | 27,821                                |
| Grants                                                    | -                          | 694,684                 | 498,856             | (195,828)                             |
| Investment earnings                                       | -                          | -                       | 4,070               | 4,070                                 |
| Other fees and miscellaneous revenues                     | 6,000                      | 187,723                 | 257,241             | 69,518                                |
| <b>Total revenues</b>                                     | <b>2,567,839</b>           | <b>3,672,798</b>        | <b>3,728,676</b>    | <b>55,878</b>                         |
| <b>Expenditures</b>                                       |                            |                         |                     |                                       |
| Current                                                   |                            |                         |                     |                                       |
| Transportation                                            | 3,474,904                  | 3,917,122               | 2,787,187           | 1,129,935                             |
| Capital Outlay                                            | 316,000                    | 1,223,197               | 2,319,912           | (1,096,715)                           |
| Debt Service - principal                                  | -                          | -                       | 98,400              | (98,400)                              |
| Debt Service - interest                                   | -                          | -                       | 55,105              | (55,105)                              |
| <b>Total expenditures</b>                                 | <b>3,790,904</b>           | <b>5,140,319</b>        | <b>5,260,604</b>    | <b>(120,285)</b>                      |
| Excess (deficiency) of revenues over (under) expenditures | (1,223,065)                | (1,467,521)             | (1,531,928)         | (64,407)                              |
| <b>Other financing sources (uses)</b>                     |                            |                         |                     |                                       |
| Transfers in                                              | 422,729                    | 422,729                 | 422,729             | -                                     |
| Installment loan proceeds                                 | -                          | -                       | 953,500             | 953,500                               |
| <b>Net other financing sources</b>                        | <b>422,729</b>             | <b>422,729</b>          | <b>1,376,229</b>    | <b>953,500</b>                        |
| <b>Net change in fund balance</b>                         | <b>\$ (800,336)</b>        | <b>\$ (1,044,792)</b>   | <b>\$ (155,699)</b> | <b>\$ 889,093</b>                     |

*The accompanying notes are an integral part of this financial statement.*

Washington County, Florida  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Local Housing Assistance Trust (SHIP)**  
**Budget and Actual**

*For the year ended September 30, 2021*

|                                                              | Original<br>Budget | Final<br>Budget | Actual     | Variance with<br>Final Budget |
|--------------------------------------------------------------|--------------------|-----------------|------------|-------------------------------|
| <b>Revenues</b>                                              |                    |                 |            |                               |
| Grants                                                       | \$ 2,850,000       | \$ 3,227,847    | \$ 853,142 | \$ (2,374,705)                |
| Investment earnings                                          | -                  | -               | 4,599      | 4,599                         |
| <b>Total revenues</b>                                        | 2,850,000          | 3,227,847       | 857,741    | (2,370,106)                   |
| <b>Expenditures</b>                                          |                    |                 |            |                               |
| Economic environment                                         | 2,850,000          | 3,227,847       | 857,741    | 2,370,106                     |
| <b>Total expenditures</b>                                    | 2,850,000          | 3,227,847       | 857,741    | 2,370,106                     |
| Excess (deficiency) of revenues over <under><br>expenditures | -                  | -               | -          | -                             |
| <b>Net change in fund balance</b>                            | \$ -               | \$ -            | \$ -       | \$ -                          |

*The accompanying notes are an integral part of this financial statement.*

**Washington County, Florida**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Hurricane Michael**  
**Budget and Actual**

*For the year ended September 30, 2021*

|                                           | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actual on a<br/>Budgetary<br/>Basis</b> | <b>Variance with<br/>Final Budget</b> |
|-------------------------------------------|----------------------------|-------------------------|--------------------------------------------|---------------------------------------|
| <b>Revenues</b>                           |                            |                         |                                            |                                       |
| Grants                                    | \$ 51,600,000              | \$ 51,600,000           | \$ 26,802,774                              | \$ (24,797,226)                       |
| <b>Total revenues</b>                     | 51,600,000                 | 51,600,000              | 26,802,774                                 | (24,797,226)                          |
| <b>Expenditures</b>                       |                            |                         |                                            |                                       |
| Current                                   |                            |                         |                                            |                                       |
| Transportation                            | 51,600,000                 | 51,600,122              | 8,141,907                                  | 43,458,215                            |
| Public Health and Safety                  | -                          | -                       | 6,853                                      | (6,853)                               |
| Capital Outlay                            | -                          | -                       | 13,689,789                                 | (13,689,789)                          |
| <b>Total expenditures</b>                 | 51,600,000                 | 51,600,122              | 21,838,549                                 | 29,761,573                            |
| Deficiency of revenues under expenditures | -                          | (122)                   | 4,964,225                                  | 4,964,103                             |
| <b>Other financing sources (uses)</b>     |                            |                         |                                            |                                       |
| Transfers out                             | -                          | -                       | (40,000)                                   | (40,000)                              |
| Net other financing sources               | -                          | -                       | (40,000)                                   | (40,000)                              |
| <b>Net change in fund balance</b>         | \$ -                       | \$ (122)                | \$ 4,924,225                               | \$ 4,924,103                          |

*The accompanying notes are an integral part of this financial statement.*

**Washington County, Florida**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**American Rescue Act**  
**Budget and Actual**

*For the year ended September 30, 2021*

|                                      | Original Budget |        | Final Budget |        | Actual on a Budgetary Basis |        | Variance with Final Budget |
|--------------------------------------|-----------------|--------|--------------|--------|-----------------------------|--------|----------------------------|
| <b>Revenues</b>                      |                 |        |              |        |                             |        |                            |
| Grants                               | \$              | 16,705 | \$           | 16,705 | \$                          | 16,705 | \$ -                       |
| <b>Total revenues</b>                |                 | 16,705 | 16,705       |        | 16,705                      |        | -                          |
| <b>Expenditures</b>                  |                 |        |              |        |                             |        |                            |
| Current                              |                 |        |              |        |                             |        |                            |
| Economic environment                 |                 | 16,705 |              | 16,705 |                             | 16,705 | -                          |
| <b>Total expenditures</b>            |                 | 16,705 | 16,705       |        | 16,705                      |        | -                          |
| Excess of revenues over expenditures |                 | -      | -            |        | -                           |        | -                          |
| <b>Net change in fund balance</b>    |                 | \$ -   | \$ -         |        | \$ -                        |        | \$ -                       |

*The accompanying notes are an integral part of this financial statement.*



**Washington County, Florida**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**

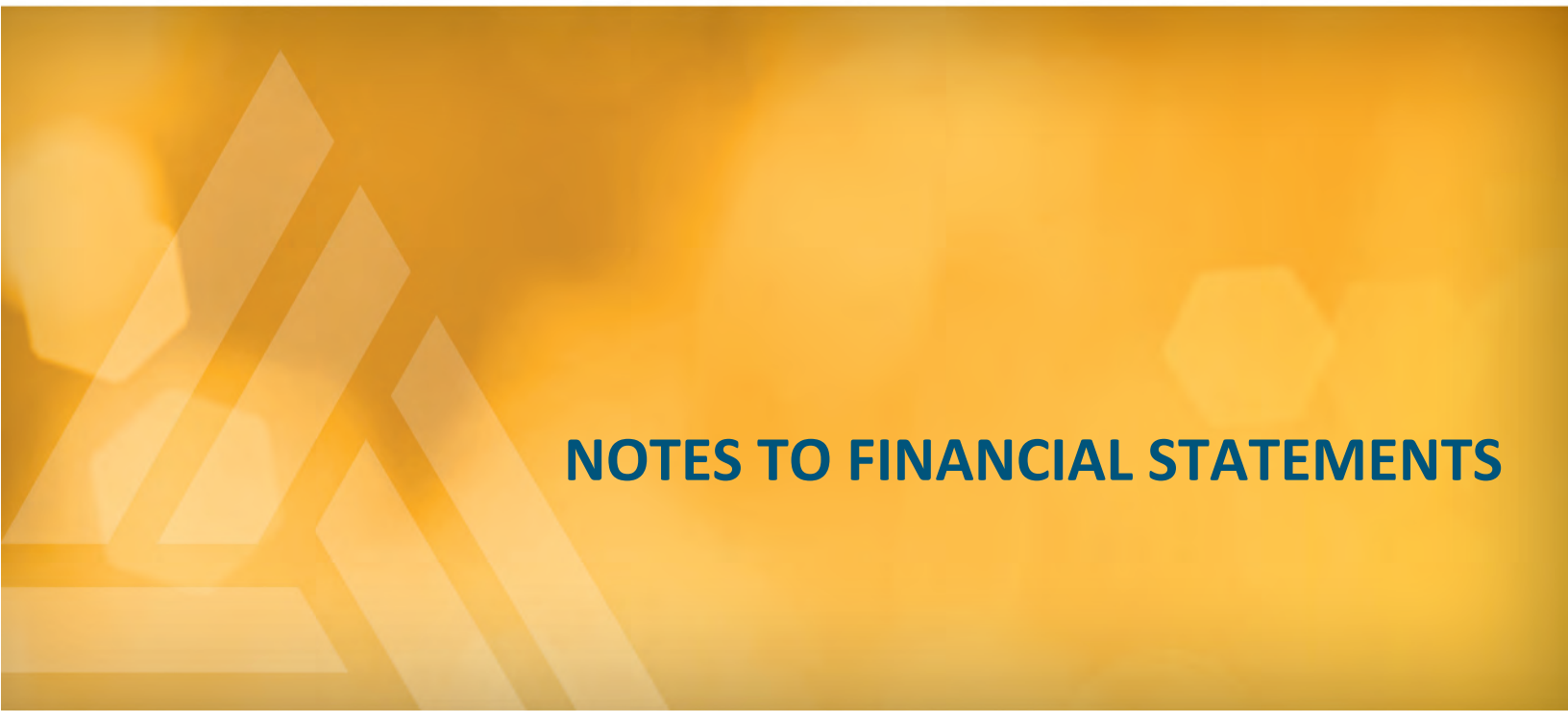
| <i>September 30, 2021</i> | <b>Custodial<br/>Funds</b> |
|---------------------------|----------------------------|
| <hr/>                     |                            |
| <b>Assets</b>             |                            |
| Cash                      | \$ 931,696                 |
| Due from other funds      | 6,726                      |
| Due from others           | 2,265                      |
| <hr/>                     |                            |
| <b>Total assets</b>       | <b>\$ 940,687</b>          |
| <hr/>                     |                            |
| <b>Liabilities</b>        |                            |
| Due to others             | \$ 937,440                 |
| Due to other funds        | 3,247                      |
| <hr/>                     |                            |
| <b>Total liabilities</b>  | <b>\$ 940,687</b>          |
| <hr/>                     |                            |

*The accompanying notes are an integral part of this financial statement.*

**Washington County, Florida**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**

| <i>For the year ended September 30, 2021</i>        | <b>Custodial<br/>Funds</b> |
|-----------------------------------------------------|----------------------------|
| <b>Additions:</b>                                   |                            |
| Collections for others                              | \$ 29,970,968              |
| Total additions                                     | 29,970,968                 |
| <b>Deductions:</b>                                  |                            |
| Payments to others                                  | 29,950,591                 |
| Increase in liabilities                             | 20,377                     |
| Total deductions                                    | 29,970,968                 |
| Net increase (deficiency) in fiduciary net position | -                          |
| <b>Fund balances - beginning, as restated</b>       | -                          |
| <b>Fund balances - ending</b>                       | \$ -                       |

*The accompanying notes are an integral part of this financial statement.*



# **NOTES TO FINANCIAL STATEMENTS**



**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Washington County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units in accordance with the Governmental Accounting Standards Board (GASB). The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following notes to the financial statements are an integral part of the County's basic financial statements.

The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this note. The remainder of the notes are organized to provide explanations, including required disclosures, of the County's financial activities for the fiscal year ended September 30, 2021.

***Reporting Entity***

Washington County, Florida (the "County") located in Northwest Florida, is a political subdivision of the State of Florida and provides services to approximately 23,000 residents in many areas including general government, public safety, physical environment, transportation, economic environment, human services, and culture and recreation. The County was established December 29, 1825, by the Territorial Legislative Council. It is governed by a five-member elected Board of County Commissioners (the "Board"), which derives its authority by Florida Statutes and regulations. In addition to the members of the Board, there are five elected constitutional officers: Clerk of the Circuit Court, Sheriff, Tax Collector, Property Appraiser and Supervisor of Elections.

The elected offices of the Clerk of the Circuit Court, Sheriff, Tax Collector, Property Appraiser, and Supervisor of Elections are operated as separate County agencies in accordance with applicable provisions of Florida Statutes. These constitutional officers operate on a budget system whereby County-appropriated funds are received from the Board with unexpended funds returned to the Board. The Tax Collector and Clerk of the Circuit Court also operate as a fee officer by retaining various fees collected by these offices. The Clerk of the Circuit Court also receives appropriated funds from the State of Florida to fund court-related activities. Separate accounting records and budgets are maintained by each individual office.

***Blended Component Unit***

***Northwest Florida Community Hospital District***

The Northwest Florida Community Hospital District is a dependent special district, which is a special purpose government entity as defined under Section 189.403 of the Florida Statutes. The enabling act for this entity is 1939 Laws of Florida, Chapter 19421. The Northwest Florida Community Hospital District is a blended presented component unit of Washington County, Florida and was formed to provide health care services to the residents of the Washington County, Florida area. Operations of the Northwest Florida Community Hospital District are supported by Washington County to the extent revenues are insufficient to cover costs.

## Washington County, Florida Notes to Financial Statements

### **Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Effective March 1, 2004, the County entered into an agreement to lease substantially all of the Northwest Florida Community Hospital District's real and personal property to a private firm, Northwest Florida Healthcare, Inc. Effective May 1, 2009, the County took over the EMS Division entirely with the Washington County Board of County Commissioners being responsible for oversight and the activity for the entire fiscal year and is included as a special revenue fund. There were no operations remaining in the special taxing district subsequent to this change.

#### ***Discretely Presented Component Unit***

The government-wide financial statements include the financial data of the County's component unit, Sunny Hills Units 12-15 Dependent District. It is included because if excluded, the County's financial statements would be misleading. The component unit is discretely presented in the government-wide financial statements to emphasize their legal separation from the County.

#### ***Sunny Hills Units 12-15 Dependent District***

The Sunny Hills Units 12-15 Dependent District was created on August 14, 2006 through Ordinance No. 2006-12 enacted by the County, pursuant to Chapter 189, Florida Statutes. The Sunny Hills Units 12-15 Dependent District is a discretely presented component unit that was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of a portion of the infrastructure necessary for community development within the District. The District is required to have their budget approved by the County on an annual basis. The District is governed by a separate three-member Board of Supervisors. Initially the County appointed the Board. Financial information for the District is presented in this annual financial report as a Component Unit. Complete financial statements for the Sunny Hills Units 12-15 Dependent District may be obtained at the District's finance office by writing to 12051 Corporate Blvd., Orlando, Florida, 32817.

The fiscal year end for the discretely presented component unit is September 30.

#### ***Government-wide and Fund Financial Statements***

The basic financial statements consist of the government-wide financial statements and fund financial statements. The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for Washington County, Florida, as a whole excluding fiduciary activities. For the most part, the effect of inter-fund activity has been removed from these statements. Individual funds are not displayed for the governmental activities, which normally are supported by taxes and intergovernmental revenues.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues are classified into three categories: charges for services, operating grants and contributions, and capital grants and contributions. Charges for services refer to direct recovery from customers for services rendered. Grants and contributions refer to revenues restricted for specific programs whose use may be restricted further to operational or capital items. The general revenues section displays revenue collected that helps support all functions of government and contributes to the change in the net position for the fiscal year.

The fund financial statements follow and report additional and detailed information about operations for major funds individually and nonmajor funds in the aggregate for governmental funds. A reconciliation is provided that converts the results of governmental fund accounting to the government-wide presentations.

***Measurement Focus, Basis of Accounting, and Financial Statement Presentation***

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period, considered to be sixty days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Major revenue sources susceptible to accrual include: sales and use taxes, various motor fuel taxes, property taxes, intergovernmental revenues, and investment income. In general, other revenues are recognized when cash is received.

The custodial fund has no measurement focus but utilizes the accrual basis of accounting for reporting assets and liabilities.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as needed.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The County reports the following major governmental funds:

**General Fund** - The general fund is the County's primary operating fund. It accounts for all resources traditionally associated with governments except those required to be accounted for in another fund.

**Transportation Trust Fund** - This fund accounts for the Board's local option and county gas tax revenue, motor fuel taxes and other shared revenue earmarked for general and administrative operations costs of the Public Works Department.

**Local Housing Assistance Trust** – This fund accounts for the grant revenues and expenses related to the State of Florida's State Housing Initiatives Partnership Program.

**Hurricane Michael** – This fund accounts for the expenses related reimbursements due to the destruction caused by Hurricane Michael.

**American Rescue Act** – This fund accounts for revenues and expenses related to this economic stimulus legislation.

The County reports one type of fiduciary fund, custodial funds which are used to account for the collection and disbursement of monies by the County on behalf of other governments and individuals.

Additionally, the County reports the following fund types:

*Special revenue funds* are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes other than capital projects.

*The debt service fund* is used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds.

***Budgets and Budgetary Accounting***

General governmental revenue and expenditures accounted for in budgetary funds are controlled by a budgetary accounting system in accordance with various legal requirements which govern the County's operations. Budgets are monitored at varying levels of classification detail; however, expenditures cannot legally exceed total appropriations at the individual fund level. All budget changes that affect the total of a fund's budget must be approved by the Board.

The budgetary information presented for the general fund and any major special revenue funds is prepared on the modified accrual basis. Encumbrances are not recorded. Unexpended items at year-end must be re-appropriated in the subsequent year.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Cash and Cash Equivalents***

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. Short-term investments also include amounts placed with the State Board of Administration for participation in the Local Government Surplus Funds Trust Fund investment pools created by Sections 218.405 and 218.417, Florida Statutes.

***Receivables***

Receivables are shown at their net realizable value. See Note 6 for allowance for doubtful accounts.

***Interfund Balances***

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds.”

***Inventories***

Inventory consists of fuel, parts, and supplies. Inventory is valued at lower of cost or net realizable value. The County accounts for inventory in governmental funds using the consumption method.

***Prepaid Expenses***

General fund expenditures for insurance and similar services extending over more than one accounting period are accounted for as expenditures in the period consumed rather than when purchased.

***Capital Assets***

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, right of ways, stormwater system, sidewalks, and similar items), are reported in the governmental column in the government-wide financial statements. Property and equipment with initial, individual costs that exceed \$5,000 and an estimated useful life in excess of one year are recorded as capital assets. Buildings, roads, bridges, and sidewalks are capitalized when their initial costs exceed \$25,000 and possess estimated useful lives of more than one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are expensed as incurred.

The County’s capital asset records lack significant detail to determine the accuracy of the balances and related depreciation and gain on sale of capital assets. The County’s infrastructure has not yet been reported but will be reported in a future year. Land and construction in progress are not depreciated.



**Washington County, Florida**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Capital Assets (continued)***

Other capital assets are depreciated using the straight-line method over the following estimated useful lives:

| <u>Assets</u>           | <u>Years</u> |
|-------------------------|--------------|
| Buildings               | 40           |
| Machinery and equipment | 3-20         |
| Infrastructure          | 15-30        |

***Unearned Revenues***

The unearned revenues will be recognized as revenue in the fiscal year they are earned in accordance with the accrual basis of accounting. Unearned revenues reported in governmental fund financial statements represent unearned revenues or revenues which are measurable but not available, and in accordance with the modified accrual basis of accounting, are reported as unearned revenues. Unearned revenues generally consist of unspent grant funds.

***Compensated Absences***

The County maintains a policy that permits employees to accumulate earned but unused vacation and sick pay benefits that will be paid to employees upon separation from County service if certain criteria are met.

These benefits, plus their related tax and retirement costs are classified as compensated absences. Employees may be paid for unused vacation hours accrued up to a maximum amount. Payment of unused sick leave, upon termination, is also provided for up to varying amounts.

The long-term portion of compensated absences are accrued and reported in the government-wide financial statements. No expenditure is reported in the government fund level statements for these amounts until payment is made. Compensated absences liability is based on current rates of pay. This is accounted for pursuant to GASB Statement No. 16, *Accounting for Compensated Absences*.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Long-Term Debt***

In the government-wide financial statements, outstanding debt is reported as liabilities.

The governmental fund financial statements recognize the proceeds of debt as other financial sources of the current period. Issuance costs are reported as expenditures.

***Governmental Fund Balances***

The County utilizes GASB Statement No. 54, *Fund Balance Reporting and Governmental Type Definitions* (GASB Statement No. 54) which clarifies governmental fund balance classifications and fund-type definitions. Fund balances are classified either as non-spendable or spendable. See Note 14.

***Encumbrances***

Encumbrances represent commitments in the form of purchase orders which are chargeable to an appropriation and for which a part of the appropriation is reserved. Encumbrances do not represent expenditures or liabilities. The County does not record encumbrances outstanding at year end.

***Pensions***

The County participates in The Florida Retirement System (the "System"). The System's financial statements are prepared using the economic resources measurement focus and accrual basis of accounting. Contributions are recognized as revenues when earned, pursuant to the plan requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Expenses are recognized when the corresponding liability is incurred regardless of when the payment is made. Investments are reported at fair value. Financial statements are prepared in accordance with requirements of the GASB. Under these requirements, the Plan is considered a component unit of the State of Florida and is included in the State's Comprehensive Annual Financial Report.

***Other Postemployment Benefits ("OPEB")***

In addition to the pension benefit noted above, the County offers certain OPEB. For purposes of measuring total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, the economic resources measurement focus and full accrual basis of accounting are utilized. Benefit payments are recognized when due and payable in accordance with the benefit terms.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Management Estimates and Assumptions***

The preparation of financial statements in conformity with general accepted accounting principles requires management to make use of estimates and assumptions that affect certain the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements, and the reported amount of revenues and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

***Net Position***

*Net position* on the government-wide financial statements is required to be classified for accounting and reporting purposes into the following net position categories:

*Net investment in capital assets* – Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. Any significant unspent proceeds at year-end related to capital assets are reported as restricted funds.

*Restricted* – Constraints imposed on net position by external creditors, grantors, contributors, laws or regulations of other governments, or law through constitutional provision or enabling legislation.

*Unrestricted* – Net position that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of the Board.

***Subsequent Events***

The County has evaluated subsequent events through the date of the Independent Auditors' Report, which is the date the financial statements were available to be issued, November 21, 2022, and determined there were no events that occurred that required disclosure.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County had deferred outflows at year end related to various actuarial assumption changes and valuations related to the County's portion of the Florida Retirement System Pension Plan and Retiree Health Insurance Subsidy Program annual valuations and retirement contribution payments made by the County after the valuation date of the Florida Retirement System's latest valuation but before the end of the County's fiscal year. In addition, the County had deferred outflows at year-end related to their other postemployment benefit plan (OPEB).

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The only such item at year end consists of various actuarial assumption changes and valuations related to the County's portion of the Florida Retirement System Pension Plan and Retiree Health Insurance Subsidy Program annual valuations. These amounts are recognized as inflows of resources in the period that they become available.

***Impact of Recently Issued Accounting Pronouncements***

In January 2017, the GASB issued Statement No. 84 (GASB 84), *Fiduciary Activities*. GASB 84 establishes specific criteria for identifying fiduciary activities and the requirements for financial statement reporting. The focus of the criteria is on whether a government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. GASB 84 describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. In addition, recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred which compels the government to disburse fiduciary resources should also be reported. GASB 84 was effective for the fiscal years beginning after December 15, 2019.

In August 2018, the GASB issued Statement No. 90 (GASB 90), *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. The primary objectives of GASB 90 are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Impact of Recently Issued Accounting Pronouncements (continued)***

governments and funds should measure the majority equity interest at fair value. The requirements of GASB 90 are effective for reporting periods beginning after December 15, 2019. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

***Accounting Pronouncements Recently Issued But Not Yet Effective***

In June 2017, the GASB issued Statement No. 87 (GASB 87), *Leases*. The objective of GASB 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. GASB 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB 87, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of GASB 87 are effective for reporting periods beginning after June 15, 2021.

In June 2018, the GASB issued Statement No. 89 (GASB 89), *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of GASB 89 are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of GASB 89 are effective for reporting periods beginning after December 15, 2020.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations* (GASB 91). The primary objectives of GASB 91 are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. GASB 91 achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of GASB 91 are effective for reporting periods beginning after December 15, 2021.

In January 2020, the GASB issued Statement No. 92 (GASB 92), *Omnibus 2020*. The objectives of GASB 92 are to enhance the comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of GASB 92 are effective for reporting periods beginning after June 15, 2021.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Accounting Pronouncements Recently Issued But Not Yet Effective (continued)***

In March 2020, the GASB issued Statement No. 93 (GASB 93), *Replacement of Interbank Offered Rates*. The purpose of GASB 93 is to address accounting and financial reporting implications that result from the replacement of interbank offered rate (IBOR) – most notably, the London Interbank Offered Rate (LIBOR). GASB 93 achieves this objective by (1) providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment, (2) clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate, (3) clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable, (4) removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap, (5) identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of the interest rate swap, and (6) clarifying the definition of reference rate, as it is used in Statement 53, as amended. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021.

In March 2020, the GASB issued Statement No. 94 (GASB 94), *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of GASB 94 is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in GASB 94, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in GASB 94 as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. GASB 94 also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in GASB 94, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. GASB 94 is effective for fiscal years beginning after June 15, 2022.

## Washington County, Florida Notes to Financial Statements

### Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***Accounting Pronouncements Recently Issued But Not Yet Effective (continued)***

In May 2020, the GASB issued Statement No. 96 (GASB 96), *Subscription-Based Information Technology Arrangements*. GASB 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. GASB 96 is effective for fiscal years beginning after June 15, 2022.

In June 2020, the GASB issued statement No. 97 (GASB 97), *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The primary objectives of GASB 97 are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension or OPEB plans as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. The requirements for GASB 97 are effective for reporting periods beginning after June 15, 2021.

In October 2021, the GASB issued GASB Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness. The requirements of this Statement are effective for fiscal years ending after December 15, 2021.

The County is evaluating the requirements of the above statements and the impact on reporting.

### Note 2: PROPERTY TAXES

Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the Property Appraiser and Tax Collector. The laws of the state regulating tax assessment are also designed to assure a consistent property valuation method statewide. Florida Statutes permit counties to levy property taxes at a rate of up to 10 mills for general operations. The 2021 millage rate assessed by the County was 8.500 mills.



## Washington County, Florida Notes to Financial Statements

### **Note 2: PROPERTY TAXES (Continued)**

The tax levy of the County is established by the Board prior to October 1, of each year and the Property Appraiser incorporates the County millage into the total tax levy, which includes the various municipalities, the county school board, and other taxing authorities.

All property is assessed according to its fair market value January 1, of each year. Each assessment roll is submitted to the Executive Director of the Florida Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of Florida Statutes.

All taxes become payable on November 1, of each year, or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January and 1% in the month of February. Taxes paid in March are without discount.

On or prior to June 1, following the tax year, tax certificates are sold for all delinquent taxes on real property. After sale, tax certificates bear interest of 18% per year or at any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of twenty-two months. Unsold tax certificates are held by the County.

### **Note 3: DEPOSITS AND INVESTMENTS**

At year end, the carrying amount of the County's deposits was \$21,907,648 and the bank balance was \$23,651,761. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

Florida Statutes authorize the County to invest in certificates of deposit, repurchase agreements and the State Treasurer's Investment Pool. In addition, the statutes allow the County to invest in bonds, notes or other obligations of the United States Government, certain bonds of any state or local government unit, and bonds issued by certain government agencies.



**Note 3: DEPOSITS AND INVESTMENTS (Continued)**

The County invested funds in the Florida State Board of Administration Local Governments Surplus Funds Investment Pool. At September 30, 2021, the net realizable value and the carrying value of these funds was \$12,160. The funds are carried as a cash equivalent on the balance sheet at September 30, 2021 (See Note 1 for definition of cash equivalents) and are included in carrying value and bank balance in the first paragraph of this note. Additional information and investment policies regarding the Local Government Surplus Funds Trust Fund may be obtained from the State Board of Administration at [www.sbafla.com/prime](http://www.sbafla.com/prime).

The State of Florida's Local Government Investment Pool (Florida PRIME) is administered by the Florida State Board of Administration (SBA), which provides regulatory oversight. The powers and duties of the SBA are defined in Florida Statute 218.409. In addition, Chapter 19-7 of the Florida Administrative Code identifies the rules and regulations governing the administration of the State Pool. These rules provide guidance and establish the general operating procedures for the administration of the pool. The SBA provides regulatory oversight for the Florida PRIME Fund. As a pool participant, the County owns a share of the respective pool, not the underlying securities.

The Florida PRIME is an external investment pool that has adopted operating procedures consistent with the requirements of GASB Statement No. 79 to measure its investments at amortized cost. Therefore, the County's investment in PRIME is at amortized cost.

***Credit Risk***

The credit risk of certain investments, such as investment pools managed by other governments, cannot be categorized as to credit risk because the County investments are not evidenced by specific, identifiable investment securities. As of September 30, 2021, the County's investment in the Florida PRIME is rated by Standard and Poors and the current rating is AAAm.

***Interest Rate Risk***

The dollar weighted average days to maturity (WAM) of the Florida PRIME at September 30, 2021, is 50 days. Next interest rate reset for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of Florida PRIME at September 30, 2021, is 69 days.

***Custodial Credit Risk***

At September 30, 2021, the County did not hold any deposits or investments that were considered to have a custodial credit risk.

**Washington County, Florida**  
**Notes to Financial Statements**

**Note 3: DEPOSITS AND INVESTMENTS (Continued)**

***Concentration of Credit Risk***

At September 30, 2021, the County did not hold any investments that were considered to have a concentration of credit risk.

***Foreign Currency Risk***

At September 30, 2021, the County did not hold any investments that were considered to have a foreign currency risk.

**Note 4: INTERFUND BALANCES**

Interfund balances are generally used to meet cash demands necessary to pay operating expenses. Amounts are generally repaid during the next fiscal year. Interfund balances at September 30, 2021 consisted of the following:

**Due to/from Other Funds:**

| <b>Receivable Fund</b>      | <b>Payable Fund</b>   |                     |
|-----------------------------|-----------------------|---------------------|
| General fund                | Transportation Trust  | \$ 90,872           |
|                             | Hurricane Michael     | 1,343,261           |
|                             | SHIP                  | 1,495               |
|                             | Other Special Revenue | 3,842,022           |
| Transportation Trust        | General Fund          | 1,111,385           |
| Nonmajor Funds              |                       |                     |
| Other Special Revenue Funds | General               | 793,894             |
| <b>Total</b>                |                       | <b>\$ 7,182,929</b> |

The balances resulted from the time lag between the dates that (a) interfund goods and services are provided or reimbursable expenditures occur, (b) transactions are recorded in the accounting system, and (c) payments between funds are made. Amounts are generally repaid during the next fiscal year.

**Washington County, Florida**  
**Notes to Financial Statements**

**Note 4: INTERFUND BALANCES (Continued)**

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

**Transfers to General Fund from:**

|                             |           |              |
|-----------------------------|-----------|--------------|
| Hurricane Michael Fund      | \$ 40,000 |              |
| Nonmajor Governmental funds | 2,117,800 |              |
| Total                       |           | \$ 2,157,800 |

**Transfers to Transportation Fund from:**

|              |         |         |
|--------------|---------|---------|
| General Fund | 422,729 |         |
| Total        |         | 422,729 |

**Transfers to Nonmajor Governmental Funds from:**

|                             |           |           |
|-----------------------------|-----------|-----------|
| General fund                | 3,602,459 |           |
| Nonmajor Governmental funds |           |           |
| Total                       |           | 3,602,459 |

|                           |              |
|---------------------------|--------------|
| Total interfund transfers | \$ 6,182,988 |
|---------------------------|--------------|

Transfers are used to (1) use unrestricted nonmajor governmental revenues to finance general operating activities and landfill closure costs, (2) use constitutional gas tax and other nonmajor revenues to cover public works operating expenses, (3) use unrestricted general fund revenues to fund debt service payments, (4) use unrestricted general funds and nonmajor governmental revenues to fund debt service, fire operations, emergency management service, library and operating expenses for other governmental activities that are accounted for in other funds.

The Board has elected to pay health insurance and workers compensation insurance costs from the General fund for all departments and constitutional officers except a few selected areas. Therefore, the General fund has a disproportionately large cost for these employee benefits.

The County pays salaries and related employment expenses for the Hospital under an agreement that allows certain employees to be eligible for County benefits. Such costs are reimbursed by the Hospital and there is no net effect recorded by the County.

## Washington County, Florida Notes to Financial Statements

### **Note 5: DUE FROM OTHER GOVERNMENTS**

Due from other governments consists of funds earned as of September 30, 2021, but not yet received by the County. The majority of these amounts were received in October and November 2021.

### **Note 6: ACCOUNTS RECEIVABLE**

Accounts receivables of the EMS are accounted for in a special revenue fund. Accounts receivable in the EMS total \$605,730 and are shown net of allowance for doubtful accounts and contractual adjustments totaling \$401,928. This allowance represents an uncollected billing ratio based on past history of collections and aged accounts receivable listings. Remaining receivables totaling \$51,808 consist of various amounts due from others.

### **Note 7: NOTE RECEIVABLE**

The Board of County Commissioners loaned Northwest Florida Healthcare, Inc (the Hospital) \$2,903,878 in December 2003. The agreement provides a non-interest bearing note with no payments due the first 10 years, and equal installments of \$95,796 thereafter for 30 years. An imputed interest rate for the note receivable was considered indeterminable by management. The Board forgave \$30,000 on the note due to the hospital's purchase of equipment in 2005. The balance outstanding at September 30, 2021, was \$2,299,102. See also Note 15.

**Washington County, Florida**  
**Notes to Financial Statements**

**Note 8: CAPITAL ASSETS**

The County's capital asset records lack significant detail to determine the accuracy of the balances and related depreciation and gain on sale of capital assets.

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

|                                              | BEGINNING<br>BALANCE | INCREASES     | DECREASES | ADJUSTMENT<br>NOTE 20 | ENDING<br>BALANCE |
|----------------------------------------------|----------------------|---------------|-----------|-----------------------|-------------------|
| <b>Governmental activities:</b>              |                      |               |           |                       |                   |
| Capital assets, not being depreciated:       |                      |               |           |                       |                   |
| Land                                         | \$ 4,163,979         | \$ 88,544     | \$ -      | \$ -                  | \$ 4,252,523      |
| Construction in progress                     | 655,954              | 1,022,856     | -         | -                     | 1,678,810         |
| Total capital assets, not being depreciated  | 4,819,933            | 1,111,400     | -         | -                     | 5,931,333         |
| Capital assets, being depreciated:           |                      |               |           |                       |                   |
| Buildings and improvements                   | 26,953,092           | 501,620       | -         | -                     | 27,454,712        |
| Furniture and equipment                      | 21,245,539           | 3,963,940     | 1,092,373 | (248,674)             | 23,868,432        |
| Roads                                        | 9,023,428            | 13,535,592    | -         | -                     | 22,559,020        |
| Infrastructure                               | 1,988,560            | -             | -         | -                     | 1,988,560         |
| Total capital assets, being depreciated      | 59,210,619           | 18,001,152    | 1,092,373 | (248,674)             | 75,870,724        |
| Less: Total accumulated depreciation         | 28,990,763           | 2,928,040     | 1,085,173 | -                     | 30,833,630        |
| Total capital assets, being depreciated, net | 30,219,856           | 15,073,112    | 7,200     | (248,674)             | 45,037,094        |
| Governmental activities capital assets, net  | \$ 35,039,789        | \$ 16,184,512 | \$ 7,200  | \$ (248,674)          | \$ 50,968,427     |

Capital asset additions for governmental activities does not agree to the capital outlay expense per the Statement of Revenues, Expenditures, and Changes in Fund Balances due to construction in progress projects completed and placed into service.

The discretely presented component unit Sunny Hills 12-15 Dependent District's capital assets consist of nondepreciable land totaling \$1,770,313. There were no purchases or disposals and conveyances during the current year.

**Washington County, Florida**  
**Notes to Financial Statements**

**Note 8: CAPITAL ASSETS (Continued)**

Depreciation expense was charged to governmental activities functions/programs of the primary government as follows:

**Governmental activities:**

|                        |              |
|------------------------|--------------|
| General government     | \$ 1,058,013 |
| Public safety          | 344,392      |
| Physical environment   | 41,240       |
| Transportation         | 1,211,416    |
| Economic environment   | 53,737       |
| Human services         | 162,381      |
| Culture and recreation | 30,930       |
| Court related          | 25,931       |

|                                                           |                     |
|-----------------------------------------------------------|---------------------|
| <b>Total depreciation expense-governmental activities</b> | <b>\$ 2,928,040</b> |
|-----------------------------------------------------------|---------------------|

**Note 9: LONG-TERM LIABILITIES**

Long-term liability activity for the year ended September 30, 2021, was as follows:

|                                                              | BEGINNING<br>BALANCE | ADDITIONS           | REDUCTIONS           | ADJUSTMENT<br>NOTE 20 | ENDING<br>BALANCE    |
|--------------------------------------------------------------|----------------------|---------------------|----------------------|-----------------------|----------------------|
| <b>Governmental activities:</b>                              |                      |                     |                      |                       |                      |
| Notes, lease and other payables:                             |                      |                     |                      |                       |                      |
| Interlocal agreement payable from direct borrowings          | \$ 153,000           | \$ -                | \$ 4,500             | \$ -                  | \$ 148,500           |
| Capital leases                                               | 421,168              | 953,500             | 167,598              | (248,674)             | 958,396              |
| Notes payable from direct borrowings                         | 4,355,486            | -                   | 524,597              | -                     | 3,830,889            |
| <b>Total bonds, notes, capital leases and other payables</b> | <b>4,929,654</b>     | <b>953,500</b>      | <b>696,695</b>       | <b>(248,674)</b>      | <b>4,937,785</b>     |
| <b>Other liabilities:</b>                                    |                      |                     |                      |                       |                      |
| Landfill closure and post-closure costs                      | 20,371               | -                   | -                    | -                     | 20,371               |
| Other post employment benefit obligations                    | 334,701              | 25,263              | -                    | -                     | 359,964              |
| Pension liability                                            | 20,400,591           |                     | 14,409,158           | -                     | 5,991,433            |
| Compensated absences                                         | 718,560              | 566,823             | 565,035              | -                     | 720,348              |
| <b>Total other liabilities</b>                               | <b>21,474,223</b>    | <b>592,086</b>      | <b>14,974,193</b>    | <b>-</b>              | <b>7,092,116</b>     |
| <b>Total governmental activities</b>                         | <b>\$ 26,403,877</b> | <b>\$ 1,545,586</b> | <b>\$ 15,670,888</b> | <b>\$ (248,674)</b>   | <b>\$ 12,029,901</b> |

**Washington County, Florida**  
**Notes to Financial Statements**

**Note 9: LONG-TERM LIABILITIES (Continued)**

Additions and reductions of notes payable and capital leases for governmental activities does not agree to the debt service principal expense and issuance of long-term debt per the Statement of Revenues, Expenditures, and Changes in Fund Balances due to net effect of noncash transactions. Payments on the notes, leases, and other payables that pertain to the County's governmental activities are made by the debt service funds. The compensated absences liability attributable to the governmental activities will be liquidated primarily by the General Fund.

The County's outstanding notes from direct borrowings related to governmental activities of \$5,185,408 contain provisions that in an event of default, outstanding amounts become immediately due if the County is unable to make payment.

Debt service requirements on long-term debt at September 30, 2021 are as follows:

| FISCAL YEAR ENDING<br>SEPTEMBER 30, | Governmental Activities                                |           |                                         |            |
|-------------------------------------|--------------------------------------------------------|-----------|-----------------------------------------|------------|
|                                     | INTERLOCAL AGREEMENT PAYABLE<br>FROM DIRECT BORROWINGS |           | NOTES PAYABLE<br>FROM DIRECT BORROWINGS |            |
|                                     | PRINCIPAL                                              | INTEREST  | PRINCIPAL                               | INTEREST   |
| 2022                                | \$ 4,500                                               | \$ 6,868  | \$ 437,968                              | \$ 104,363 |
| 2023                                | 5,000                                                  | 6,660     | 494,500                                 | 107,082    |
| 2024                                | 5,000                                                  | 6,429     | 513,100                                 | 91,116     |
| 2025                                | 5,500                                                  | 6,198     | 529,600                                 | 74,469     |
| 2026                                | 5,500                                                  | 5,943     | 567,123                                 | 57,331     |
| 2027-2031                           | 32,000                                                 | 25,600    | 1,233,598                               | 37,513     |
| 2032-2036                           | 37,000                                                 | 17,737    | 55,000                                  | 769        |
| 2037-2041                           | 44,000                                                 | 8,580     | -                                       | -          |
| 2042-2046                           | 10,000                                                 | 463       | -                                       | -          |
| Total                               | \$ 148,500                                             | \$ 84,478 | \$ 3,830,889                            | \$ 472,643 |

| FISCAL YEAR ENDING<br>SEPTEMBER 30, | Governmental Activities |            |              |
|-------------------------------------|-------------------------|------------|--------------|
|                                     | CAPITAL LEASES PAYABLE  |            | TOTAL        |
|                                     | PRINCIPAL               | INTEREST   |              |
| 2022                                | \$ 162,341              | \$ 44,188  | \$ 206,529   |
| 2023                                | 145,405                 | 36,916     | 182,321      |
| 2024                                | 209,110                 | 25,217     | 234,327      |
| 2025                                | 90,600                  | 21,012     | 111,612      |
| 2026                                | 350,940                 | 2,884      | 353,824      |
| Total                               | \$ 958,396              | \$ 130,217 | \$ 1,088,613 |

**Washington County, Florida**  
**Notes to Financial Statements**

**Note 9: LONG-TERM LIABILITIES (Continued)**

**Notes payable from direct borrowings**

|                                                                                                                                                                                                                           |                     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| \$934,000 Non-Ad Valorem Tax Revenue Promissory Note, Series 2016, Charter Bank, payable in annual installments ranging from \$39,000 to \$92,000, interest at 2.75% fixed, due 2032. Collateralized by pledged revenues. | \$ 708,000          |
| \$5,500,000 Sales Tax Promissory Note, Series 2015, SunTrust Bank, payable in monthly installments ranging from \$28,200 to \$43,000, interest at 3.28%, due 2028. Collateralized by pledged revenues.                    | 3,085,421           |
| \$174,088 Nationwide Capital, LLC, payable in annual installments of \$40,587, interest at 8.31%, due 2022. Collateralized by equipment with a net book value of \$37,719.                                                | 37,468              |
| <b>Total notes payable from direct borrowings</b>                                                                                                                                                                         | <b>\$ 3,830,889</b> |

**Capital Leases Payable**

|                                                                                                                                                                                                                                   |                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| \$756,000 Caterpillar Financial Services Corp., payable in monthly installments of \$9,214 and a final lease payment of \$344,610, interest at 4.9861%, due 2025. Collateralized by equipment with a net book value of \$756,000. | \$ 687,798        |
| \$197,500 Caterpillar Financial Services Corp., payable in monthly installments of \$3,578 and a final lease payment of \$93,240, interest at 5.44%, due 2023. Collateralized by equipment with a net book value of \$197,500.    | 167,302           |
| \$125,0007, BB&T Governmental Finance, payable in monthly installments of \$27,992, interest at 3.89%, due 2024. Collateralized by equipment with a net book value of \$75,000.                                                   | 77,842            |
| \$117,977, U.S. Bancorp Government Leasing and Finance, Inc., payable in monthly installments of \$2,086, interest at 2.548%, due 2022. Collateralized by equipment with a net book value of \$35,393.                            | 25,454            |
| <b>Total capital leases payable from direct borrowings</b>                                                                                                                                                                        | <b>\$ 958,396</b> |

**Interlocal Agreement Payable**

|                                                                                                                                                                                                                                                                                                                           |                     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| \$200,000, City of Chipley, Library Building. Payable in annual installments beginning 2004 including interest at 4.625%. The County agreed to pay half of the City of Chipley, Florida, Capital Improvement Revenue Bond, Series 2003 payment and interest charges each year until 2042 to the City of Chipley, Florida. | \$ 148,500          |
| <b>Total interlocal agreement payable from direct borrowings</b>                                                                                                                                                                                                                                                          | <b>\$ 148,500</b>   |
| <b>Total governmental activities (excluding landfill closure costs, other post employment benefit obligations, pension liability and compensated absences)</b>                                                                                                                                                            | <b>\$ 4,937,785</b> |



## Washington County, Florida Notes to Financial Statements

### Note 9: LONG-TERM LIABILITIES (Continued)

The County also has a Short Term General Obligation Note of up to \$6 million with First Federal Bank of Chipley Florida beginning December 10, 2020. The interest rate was 1.49% and it matures December 10, 2021. There was no balance due at September 30, 2021.

Long-term landfill closure and post-closure liability - The total estimated liability for post closure landfill costs totals \$20,371 as of September 30, 2021. This liability is estimated and the actual liability may be different due to inflation, deflation, changes in technology or changes in applicable laws and regulations. See also Note 16.

### Note 10: OPERATING LEASES

The County leases space to several governmental and not-for-profit organizations for zero or nominal rates, with leases expiring through 2041.

The County leases space to governmental and not-for-profit organizations with leases expiring through 2054. Due to the Board's capital assets records lack of significant detail, the original cost and the related accumulated depreciation value of the buildings leased cannot be determined. The future minimum lease payments due to the County are as follows, for the years ended September 30:

|            |    |         |
|------------|----|---------|
| 2022       | \$ | 60,315  |
| 2023       |    | 60,315  |
| 2024       |    | 60,315  |
| 2025       |    | 60,315  |
| 2026       |    | 60,315  |
| Thereafter |    | 178,724 |
| <hr/>      |    |         |
| Total      | \$ | 480,299 |

### Note 11: RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; injuries to employees and/or the public; or damage to property of others; and natural disasters for which the County carries commercial insurance. Insurance against losses are provided for the following types of risk:

- Workers' compensation and employer's liability
- General and automobile liability
- Real and personal property damage
- Public officials' liability
- Accidental death and dismemberment

**Note 11: RISK MANAGEMENT (Continued)**

The Sheriff participates in the Florida Sheriff Self-Insurance Fund, which is considered a public entity risk pool which purchases insurance policies on behalf of its members. The pool's members are not obligated for risk associated with such coverage. Coverage under these programs includes:

- General liability
- Automobiles
- Money and securities coverage

The Sheriff provides for workers' compensation coverage through the Board.

In addition, the Sheriff participates in the Florida Self-Insurance Fund for risks related to professional liability and public officials' coverage. The funding agreement provides that the liability fund will be self-sustaining through member premiums and that it will reinsure through commercial companies. Aggregate coverage provided by the liability fund is \$3,500,000 for professional liability and \$3,500,000 for public officials' coverage.

**Note 12: STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY**

***Defined Benefit Plans***

***Florida Retirement System Pension Plan***

Substantially all full-time County employees are participants in the System, a defined benefit, cost sharing, multiple employer public retirement system, which is controlled by the State Legislature and administered by the State of Florida, Department of Administration, Division of Retirement. The plan covers full time employees of various governmental units within the State of Florida.

The System's funding policy provides for monthly employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are adequate to accumulate sufficient assets to pay benefits when due (see rates below). Level percentages of payroll employer contribution rates established by state law are determined using the entry-age actuarial funding method.

The System provides for those employees hired prior to July 1, 2011 for vesting of benefits after six years of creditable service. Normal retirement benefits are available to employees who retire at or after age 62 with six or more years of service. Early retirement is available after six years of service with a 5% reduction of benefits for each year prior to the normal retirement age. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of creditable service. Normal retirement benefits are available to employees who retire at or after age 65 with eight or more years of service. Early retirement is available after eight years of service with a 5% reduction of benefits for each year prior to the normal retirement age. Retirement benefits are based upon age, average compensation, and years-of-service credit where average compensation is computed as the average of an individual's five highest years of earnings.

## Washington County, Florida Notes to Financial Statements

### Note 12: STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY (Continued)

Participating employer contributions are based upon state-wide rates established by the State of Florida. These rates are applied to employee salaries as follows: regular employees-10.82%, DROP Program-18.34%, special risk employees-25.89%, senior management-29.01% and elected officials-51.42%. The rate applied to employee salaries for employee contributions was 3.00% for all classifications with the exception of DROP program participants who do not make contributions.

The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

The County has no responsibility to the System other than to make the periodic payments required by State Statutes. The Florida Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing Florida Division of Retirement, P O Box 9000, Tallahassee, FL 32315-9000.

*Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions.* At September 30, 2021, the County reported a liability of \$2,799,697 for its proportionate share of the collective net pension liability for the System Pension Plan ("Pension Plan"). 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 June 30, 2021. The County's proportion of the collective net pension liability was based on the employers' shares of contributions to the Pension Plan relative to the total employer contributions of all participating employers. At June 30, 2021, the System's proportion of the Pension Plan was .0371%, which was a decrease of .0027% from its proportion measured as of June 30, 2020.

#### **Contributions**

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS. The employer's contribution rates as of September 30, 2021, were as follows:

| Class or Plan                   | FRS    | HIS   |
|---------------------------------|--------|-------|
| Florida Retirement System:      |        |       |
| Regular                         | 10.82% | 1.66% |
| County Elected Officers         | 51.42% | 1.66% |
| Senior Management Service Class | 29.01% | 1.66% |
| Special Risk                    | 25.89% | 1.66% |
| DROP                            | 18.34% | 1.66% |

The employer's contributions for the year ended September 30, 2021 were \$1,411,944 to the FRS and \$152,909 to the HIS.

**Note 12: STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY (Continued)**

***Pension Liabilities and Pension Expense***

In its financial statements for the year ended September 30, 2021, the County reported a liability for its proportionate share of the net pension liabilities. The net pension liabilities were measured as of June 30, 2021, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2021. The County's proportions of the net pension liabilities were based on the County's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

***Health Insurance Subsidy Program***

Chapter 112, Florida Statutes, established the HIS, a cost-sharing multiple-employer defined benefit pension plan to assist retired members of any State-administered retirement system in paying the costs of health insurance. Contributions to the HIS plan are included in contributions to the Pension Plan noted above. The Pension Plan contributes 1.66% of each covered employee's salary to the HIS Plan. The remainder is contributed to the Pension Plan, with the exception for 0.04% that is contributed to administrative expenses.

Eligible retirees and beneficiaries receive a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

The actuarial assumptions used in the actuarial valuation as of July 1, 2021 for the HIS Plan were based on the results of an investigation of the economic and demographic experience for the Florida Retirement System ("FRS") based upon participant data as of June 30, 2018.

Mortality rates for both plans were based on the Generational RP-2000 with Projected Scale BB.

The long-term expected rate of return for the HIS Plan investments was based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index.

*Discount rate.* The discount rate used to measure the total pension liability for the HIS Plan was 2.16%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion rate is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

**Washington County, Florida**  
**Notes to Financial Statements**

**Note 12: STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY (Continued)**

|                                        | FRS          | HIS          |
|----------------------------------------|--------------|--------------|
| Net Pension Liability at June 30, 2021 | \$ 2,799,697 | \$ 3,191,736 |
| Proportion at:                         |              |              |
| Current measurement date               | 0.000371%    | 0.000260%    |
| Prior measurement date                 | 0.000398%    | 0.000257%    |
| Pension expense (benefit)              | \$ (60,248)  | \$ 261,491   |

***Deferred Outflows/Inflows of Resources Related to Pensions***

At September 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| Description                                                                                                  | FRS                            |                               | HIS                            |                               |
|--------------------------------------------------------------------------------------------------------------|--------------------------------|-------------------------------|--------------------------------|-------------------------------|
|                                                                                                              | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience                                                           | \$ 479,873                     | \$ -                          | \$ 106,778                     | \$ (1,337)                    |
| Change of assumption                                                                                         | 1,915,691                      | -                             | 250,739                        | (131,476)                     |
| Net difference between projected and actual investment earnings                                              | -                              | (9,767,439)                   | 3,327                          | -                             |
| Changes in proportion and difference between employer contributions and proportionate share of contributions | 637,244                        | (1,298,253)                   | 231,106                        | (87,880)                      |
| County contributions subsequent to the measurement date                                                      | 403,054                        | -                             | 40,299                         | -                             |
| Total                                                                                                        | \$ 3,435,862                   | \$ (11,065,692)               | \$ 632,249                     | \$ (220,693)                  |

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2021. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

| <i>Fiscal Years Ending June 30,</i> | FRS            | HIS        |
|-------------------------------------|----------------|------------|
| 2022                                | \$ (1,391,198) | \$ 101,127 |
| 2023                                | (1,649,205)    | 52,306     |
| 2024                                | (2,155,938)    | 71,371     |
| 2025                                | (2,746,033)    | 82,478     |
| 2026                                | (90,510)       | 52,998     |
| Thereafter                          | -              | 10,977     |
| Total                               | \$ (8,032,884) | \$ 371,257 |

## Washington County, Florida Notes to Financial Statements

### Note 12: State Retirement Program and net pension liability (Continued)

#### **Actuarial Assumptions**

The total pension liability for each of the defined benefit plans, measured as of June 30, 2021, was determined by an actuarial valuation dated July 1, 2021, using the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

|                           | FRS   | HIS   |
|---------------------------|-------|-------|
| Inflation                 | 2.40% | 2.40% |
| Salary increases          | 3.25% | 3.25% |
| Investment rate of return | 6.80% | N/A   |
| Discount rate             | 6.80% | 2.21% |

The actuarial assumptions used in the actuarial valuation as of June 30, 2021 for the Pension Plan were based on the results of an investigation of the economic and demographic experience for the System based upon participant data as of June 30, 2018.

Mortality rates were based on the Generational RP-2000, projected generationally with Projection Scale BB.

The long-term expected rate of return for the 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 return for each major asset class are summarized in the following table:

| Asset Class            | Target<br>Allocation | Annual<br>Arithmetic<br>Return | Compound<br>Annual<br>(Geometric)<br>Return | Standard<br>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%                  |
| Total                  | 100.00%              |                                |                                             |                       |

## Washington County, Florida Notes to Financial Statements

### Note 12: STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY (Continued)

#### *Discount Rate*

The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.80%. FRS' 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 is essentially funded on a pay-as-you-go basis, a municipal bond rate of 2.16% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

#### *Sensitivity Analysis*

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the employer's proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

| FRS Net Pension Liability                                                |               |                        |                |
|--------------------------------------------------------------------------|---------------|------------------------|----------------|
|                                                                          | 1% Decrease   | Current                | 1% Increase    |
|                                                                          | 5.80%         | Discount Rate<br>6.80% | 7.80%          |
| Governmental Employer's proportionate share of the net pension liability | \$ 12,520,433 | \$ 2,799,697           | \$ (5,325,748) |

| HIS Net Pension Liability                                                |              |                        |              |
|--------------------------------------------------------------------------|--------------|------------------------|--------------|
|                                                                          | 1% Decrease  | Current                | 1% Increase  |
|                                                                          | 1.16%        | Discount Rate<br>2.16% | 3.16%        |
| Governmental Employer's proportionate share of the net pension liability | \$ 3,689,068 | \$ 3,191,736           | \$ 2,782,886 |

**Note 12: STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY (Continued)**

***Pension Plans' Fiduciary Net Position***

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued System Comprehensive Annual Financial Report for the fiscal year ended June 30, 2021. The supporting actuarial information is included in the GASB Statement No. 68 *Report for the System* prepared as of June 30, 2021. The auditor's report dated January 19, 2022 on the total pension liability, total deferred outflows of resources, total deferred inflows of resources, total pension expense for the sum of all participating entities as of June 30, 2021 along with supporting schedules is also available. The additional financial and actuarial information is available from the following website:

[http://www.dms.myflorida.com/workforce\\_operations/retirement/publications](http://www.dms.myflorida.com/workforce_operations/retirement/publications).

***Defined Contribution Plan***

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan, except for those who are in the DROP program. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2021, totaled \$35,099.

**Note 13: GRANTS**

The County participates in several state and federal grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The audits of these programs for or including the year ended September 30, 2021, have not yet been accepted/approved by the grantors. Accordingly, the final determination of the County's compliance with applicable grant requirements will be established at a future date. The amount, if any, of expenditures which may be disallowed by the grantor agencies cannot be determined, although the County expects such amounts, if any, to be immaterial except as described in the schedule of findings and questioned costs.



**Washington County, Florida**  
**Notes to Financial Statements**

**Note 14: FUND EQUITY**

Fund balances are classified based upon a hierarchy of the County's ability to control spending of these fund balances and can be classified in the following categories:

Nonspendable – Amounts that cannot be spent because they are either not spendable in form or they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for purposes stipulated by external parties, constitutional provision or enabling legislation.

Committed – Amounts constrained for a specific purpose by the Board of County Commissioners.

Assigned – For the general fund, amounts constrained for the intent to be used for a specific purpose by the Board of County Commissioners. For all governmental funds other than the general fund, any positive remaining amounts not classified as nonspendable, restricted or committed.

Unassigned – All amounts not included in other spendable classifications.

**Nonspendable Fund Balance:**

| <b>Fund</b>               | <b>Purpose</b>            |              |
|---------------------------|---------------------------|--------------|
| General fund              | Funding for:              |              |
|                           | Long-term note receivable | \$ 2,299,102 |
| Transportation trust fund | Funding for:              |              |
|                           | Inventory                 | 175,230      |
| <hr/>                     |                           |              |
|                           | Total                     | \$ 2,474,332 |
| <hr/>                     |                           |              |

**Washington County, Florida**  
**Notes to Financial Statements**

**Note 14: FUND EQUITY (Continued)**

**Restricted Fund Balance:**

| <b>Funds</b>                   | <b>Purpose</b>                  |                     |
|--------------------------------|---------------------------------|---------------------|
| General fund                   | Funding for:                    |                     |
|                                | Landfill closure                | \$ 58,447           |
|                                | Education and crime prevention  | 126,474             |
| Transportation trust fund      | Funding for:                    |                     |
|                                | Transportation                  | 5,184,196           |
| Local housing assistance trust | Funding for:                    |                     |
|                                | Local housing assistance        | 53,545              |
| Other governmental funds       | Funding for:                    |                     |
|                                | Court innovations               | 551,408             |
|                                | Emergency communications        | 48,241              |
|                                | Law enforcement                 | 372,243             |
|                                | Probation                       | 175,642             |
|                                | Emergency management            | 43,098              |
|                                | Road improvements               | 68,233              |
|                                | Economic development            | 89,724              |
|                                | Modernization of public records | 67,549              |
|                                | Crime prevention                | 95,447              |
|                                | Court-related technology        | 33,569              |
|                                | Public Health and Safety        | 331,431             |
| <b>Total</b>                   |                                 | <b>\$ 7,299,247</b> |

**Committed Fund Balance:**

| <b>Funds</b>             | <b>Purpose</b>                  |                     |
|--------------------------|---------------------------------|---------------------|
| Other governmental funds | Funding for:                    |                     |
|                          | Fire operations                 | \$ 517,816          |
|                          | Municipal service business unit | 312,725             |
|                          | Mosquito control                | 117,780             |
|                          | Boater improvement              | 82,579              |
|                          | Building department             | 235,934             |
|                          | Police education                | 14,009              |
| <b>Total</b>             |                                 | <b>\$ 1,280,843</b> |

**Washington County, Florida**  
**Notes to Financial Statements**

**Note 14: FUND EQUITY (Continued)**

**Assigned Fund Balance:**

| <b>Funds</b>             | <b>Purpose</b>       |                   |
|--------------------------|----------------------|-------------------|
| Other governmental funds | Funding for:         |                   |
|                          | Emergency management | \$ 344,591        |
|                          | Road Improvements    | 3,783             |
|                          | Choose Life Tags     | 1,867             |
|                          | Public Library Fund  | (9,044)           |
|                          | Transportation       | 56,882            |
|                          | <b>Total</b>         | <b>\$ 398,079</b> |

**Note 15: COMMITMENTS AND CONTINGENCIES**

The County is involved in various litigation arising from the ordinary course of business. In the opinion of management, after consultation with legal counsel, these matters will be resolved without a material adverse effect on the County's financial position.

As of September 30, 2021, the Board had contractual commitments for construction projects in excess of amounts recognized in the financial statements totaling approximately \$11.3 million.

The Board of County Commissioners entered into an agreement to lease substantially all of the Northwest Florida Community Hospital's real and personal property to a private firm (Northwest Florida Healthcare, Inc.) owned by the Hospital's CEO. The lease term is for a period of 40 years. This lease has been assigned to the Small Business Administration to serve as collateral for the Hospital's borrowing in 2007. Prior to the effective date of the lease, the Board loaned the Hospital \$2,903,878 to be used exclusively for capital improvements and physician recruitment. The repayment of this loan to the Board began in December 2015 with thirty equal annual installments of \$95,796 with the final annual installment in December 2044. This is a non-interest bearing note. Northwest Florida Healthcare, Inc. assumed the debt of \$945,400 associated with the USDA Hospital Revenue Bonds, however, the County is contingently liable for this debt. Northwest Florida Healthcare, Inc. also assumed other debt of \$976,084, however, the County is also contingently liable for this debt. This lease was extended through December 2053. The lease may also be renewed for one additional fifty year term upon approval by all parties.

**Note 16: LANDFILL CLOSURE/LONG-TERM CARE ESCROW**

The County maintains a landfill management escrow account, as required by law, to ensure the availability of financial resources for closing the landfill. The County records the landfill closure/long-term care escrow as a reserved portion of the general fund's fund balance. The escrow balance at September 30, 2021, was \$58,447 which is included in restricted cash for the General Fund. The financial resources are presented in the statement of net position as restricted cash and cash equivalents and a corresponding amount is included in net position restricted for other purposes.

## Washington County, Florida Notes to Financial Statements

### **Note 16: LANDFILL CLOSURE/LONG-TERM CARE ESCROW (Continued)**

State and federal laws and regulations require that the County place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for twenty years after closure. The estimated liability for landfill closure and postclosure care costs has a balance of \$20,371 as of September 30, 2021. The above estimate is based on current prices, actual costs may be higher due to inflation, changes in technology, or changes in regulations.

### **Note 17: RECLASSIFICATION**

Certain 2020 amounts have been reclassified to conform with 2021 classifications. Such reclassifications had no effect on reported net income.

### **Note 18: COOPERATIVE AGREEMENT**

The Clerk has a Cooperative Agreement with the Florida Department of Revenue. This agreement encompasses all the Clerk's child support functions. It allows for indirect cost reimbursement. The Clerk uses an established indirect cost rate to invoice the Department of Revenue each month. These amounts are federal funds received under ALN #93.563. The net amount received was \$103,290.

### **Note 19: OTHER POSTEMPLOYMENT BENEFITS**

The County's post-employment benefits other than pension activity are reported in the statement of net position in the County's financial statements.

**Plan Description** – The Washington County Board of County Commissioners (the "Board") administers a single-employer defined benefit healthcare plan (the "Plan"). In accordance with Section 112.0801 of the Florida Statutes, because Washington County provides a medical plan to active employees of the County and their eligible dependents, the County is also required to provide retirees with the opportunity to participate in this Plan. The Plan provides healthcare benefits including medical coverage and life insurance coverage to both active and eligible retired employees. The Plan does not issue a publicly available financial report.

Eligibility for participation in the Plan is limited to full-time employees of the Board and the Constitutional officers. For regular, senior management service and elected officials, participants are eligible for normal retirement upon attaining the earlier of 1) six years of service and age 62 or 2) 30 years of service regardless of age. For Special Risk, participants are eligible for normal retirement upon attaining the earlier of 1) six years of special risk service and age 55 or 2) 25 total years of service consisting both of special risk service and up to four years of military service and age 52 or 3) 25 total years of special risk service, regardless of age or 4) 30 years of any credible service, regardless of age.

## Washington County, Florida Notes to Financial Statements

### Note 19: OTHER POSTEMPLOYMENT BENEFITS (Continued)

**Benefits Provided** – The County provides post-employment healthcare and life insurance to its retirees. Health benefits are provided through the County’s healthcare provider, Blue Cross Blue Shield of Florida (BCBSFL). The benefit levels are the same as those afforded to active employees. Health benefits include inpatient and outpatient medical services and prescriptions. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the County’s plan becomes secondary.

**Membership** – At September 30, 2021, there were no terminated employees entitled to benefits but not yet receiving them. The membership of the Plan consisted of:

|                                                         |            |
|---------------------------------------------------------|------------|
| Active employees                                        | 233        |
| Retirees and beneficiaries currently receiving benefits | 3          |
| <b>Total Membership</b>                                 | <b>236</b> |
| <hr/>                                                   |            |
| Participating employers                                 | 1          |

**Contributions and Funding Policy** - A qualifying trust or agency fund has not been authorized by the Board. The Board negotiates the premium rates with BCBSFL. The required contribution is based on pay-as-you-go financing requirements. Retirees and beneficiaries currently receiving benefits are required to contribute 100% of their current premium costs, which for fiscal year 2021 was \$18,158. The Board contributes the remainder to cover the costs of providing the benefits to the retirees.

**OPEB Liabilities, OPEB Expense, and Deferred Outflows and Inflows of Resources Related to OPEB** - At September 30, 2021, the County reported a liability of \$359,964 for the net OPEB liability. The net OPEB liability was measured as of September 30, 2021, and was determined by an actuarial valuation as of October 1, 2021. Standard actuarial update procedures were used to roll forward to the measurement date from the actuarial valuation date. For the year ended September 30, 2021, the County recognized OPEB expense of \$34,264. At September 30, 2021, the County reported deferred outflows and inflows of resources related to OPEB from the following sources:

|                                                   | Deferred<br>Outflows of<br>Resources | Deferred Inflows<br>of Resources |
|---------------------------------------------------|--------------------------------------|----------------------------------|
| Difference between expected and actual experience | \$ 998                               | \$ 77,772                        |
| Changes of assumptions or other inputs            | 31,006                               | 4,069                            |
| <b>Total</b>                                      | <b>\$ 32,004</b>                     | <b>\$ 81,841</b>                 |

**Washington County, Florida**  
**Notes to Financial Statements**

**Note 19: OTHER POSTEMPLOYMENT BENEFITS (Continued)**

Amounts reported as Deferred Inflows of Resources related to OPEB will be recognized in OPEB expense as follows:

|                                          |           |                 |
|------------------------------------------|-----------|-----------------|
| <i>For the years ended September 30,</i> |           |                 |
| 2022                                     | \$        | (10,234)        |
| 2023                                     |           | (10,234)        |
| 2024                                     |           | (10,234)        |
| 2025                                     |           | (10,237)        |
| 2026                                     |           | (9,463)         |
| Thereafter                               |           | 565             |
| <b>Total</b>                             | <b>\$</b> | <b>(49,837)</b> |

The significant components of Other Postemployment Benefits follows:

|                                                                                                          | <b>Total OPEB<br/>Liability</b> | <b>Deferred<br/>Inflows</b> | <b>Deferred<br/>Outflows</b> | <b>OPEB Expense</b> |
|----------------------------------------------------------------------------------------------------------|---------------------------------|-----------------------------|------------------------------|---------------------|
| Balance at September 30, 2020                                                                            | \$ 334,701                      | \$ 98,413                   | \$ 34,399                    | \$ -                |
| Service Cost                                                                                             | 36,711                          | -                           | -                            | 36,711              |
| Interest Cost                                                                                            | 7,787                           | -                           | -                            | 7,787               |
| Changes in Benefit Terms                                                                                 | -                               | -                           | -                            | -                   |
| Differences between Expected and Actual Experience<br>with Regard to Economic or Demographic Assumptions | -                               | (15,555)                    | 250                          | (15,305)            |
| Current Year Amortization of Experience Difference                                                       | -                               | -                           | -                            | -                   |
| Change in Assumptions About Future Economic or<br>Demographic Factors or Other Inputs                    | 3,943                           | (1,017)                     | (2,645)                      | 5,071               |
| Current Year Amortization of Change in Assumptions                                                       | -                               | -                           | -                            | -                   |
| Benefit Payments                                                                                         | (23,178)                        | -                           | -                            | -                   |
| Balance as of fiscal year ended September 30, 2021                                                       | \$ 359,964                      | \$ 81,841                   | \$ 32,004                    | \$ 34,264           |

**Discount Rate** - Given the County's decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 2.19%. The high-quality municipal bond rate was based on the week closest but not later than the measurement date of the Bond Buyer 20-Bond Index as published by the Federal Reserve. The 20-Bond General Obligation Bond Index consists of 20 general obligation bonds that mature in 20 years.

**Washington County, Florida**  
**Notes to Financial Statements**

**Note 19: OTHER POSTEMPLOYMENT BENEFITS (Continued)**

**Actuarial Method and Assumptions** – The total OPEB liability in the October 1, 2020, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

|                                                 |                   |
|-------------------------------------------------|-------------------|
| Inflation Rate                                  | 2.50%             |
| Salary Increase Rate(s)                         | Varies by Service |
| Discount Rate                                   | 2.19%             |
| Rate of Growth in Real Income/GDP per capita    | 1.50%             |
| Extra Trend due to Technology and Other Factors | 1.10%             |
| Health Share of GDP Resistance Point            | 25%               |
| Year of Limiting Cost Growth to GDP Growth      | 2075              |

All mortality rates were based on the PUB-2010 base tables projected with fully generational MP-2020 Mortality Improvement Scale. There have been no changes in the plan since the prior valuation date.

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate** - The following presents the County's proportionate share of the net OPEB liability using a discount rate that is 1 percent lower (1.19%) or 1 percent point higher (3.19%) than the current discount rate:

|                    | 1% Decrease<br>(1.19%) | Current Discount<br>Rate (2.19%) | 1% increase<br>(3.19%) |
|--------------------|------------------------|----------------------------------|------------------------|
| Net OPEB Liability | \$ 377,648             | \$ 359,964                       | \$ 341,954             |

**Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate** - The following presents the County's proportionate share of the net OPEB liability if it were calculated using healthcare cost trend rates that are 1 percent lower (3.00%) or 1 percent point higher (5.00%) than the current healthcare cost trend rates:

|                    | 1% Decrease<br>(3.00%) | Current Medical<br>Trend (4.00%) | 1% increase<br>(5.00%) |
|--------------------|------------------------|----------------------------------|------------------------|
| Net OPEB Liability | \$ 313,638             | \$ 359,964                       | \$ 416,913             |

**Washington County, Florida**  
**Notes to Financial Statements**

**Note 20: ADJUSTMENT TO CAPITAL ASSETS AND LONG-TERM LIABILITIES**

Beginning Capital Assets and Long-Term Liabilities were both reduced by \$248,674 as a result of overstatement at September 30, 2020. The overstatement was the result of an unrecorded lease-purchase transaction whereby equipment was traded in and corresponding debt was reduced. This was corrected in the current year and had no net effect on fund balance or net position as of September 30, 2020.

**Note 21: BUDGET**

The Transportation Fund had expenditures that were in excess of the budgeted amount totaling \$120,285. This is a technical violation of Florida Statutes, Chapter 129.





## **REQUIRED SUPPLEMENTARY INFORMATION**

**Washington County, Florida**  
**Schedule of Proportionate Share of Net Pension Liability - FRS**  
**Last 8 Fiscal Years**

| As of and for the year ended June 30,                                                                        | 2021         | 2020          | 2019          | 2018          | 2017          | 2016         | 2015         | 2014         |
|--------------------------------------------------------------------------------------------------------------|--------------|---------------|---------------|---------------|---------------|--------------|--------------|--------------|
| County's proportion of the net pension liability (asset)                                                     | 0.037063113% | 0.039835893%  | 0.041003815%  | 0.039311830%  | 0.039421864%  | 0.037700000% | 0.035800000% | 0.034600000% |
| County's proportionate share of the net pension liability (asset)                                            | \$ 2,799,697 | \$ 17,265,847 | \$ 14,121,142 | \$ 11,840,927 | \$ 11,660,723 | \$ 9,508,368 | \$ 4,618,120 | \$ 2,113,210 |
| County's covered payroll                                                                                     | \$ 8,208,854 | \$ 9,315,632  | \$ 8,854,312  | \$ 8,297,505  | \$ 7,956,177  | \$ 7,837,732 | \$ 7,571,054 | \$ 7,380,629 |
| County's proportionate share of the net pension liability (asset) as a percentage of its own covered payroll | 34.11%       | 185.34%       | 159.48%       | 142.70%       | 146.56%       | 121.32%      | 61.00%       | 28.63%       |
| FRS 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%       |

*Note: Data was unavailable prior to 2013*

**Notes to schedules:**

The amounts presented for each fiscal year for the FRS and HIS were determined as of the measurement date, which was June 30<sup>th</sup> of the current fiscal year.

GASB Statement No. 68 was implemented in 2015. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

*See accompanying notes to required supplementary schedules and  
Accompanying Independent Auditors' Report*

**Washington County, Florida**  
**Schedule of Contributions - FRS**  
**Last 8 Fiscal Years**

| <b>As of and for the year ended September 30,</b>                    | <b>2021</b>  | <b>2020</b>  | <b>2019</b>  | <b>2018</b>  | <b>2017</b>  | <b>2016</b>  | <b>2015</b>  | <b>2014</b>  |
|----------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Contractually required contributions                                 | \$ 1,411,944 | \$ 1,323,520 | \$ 1,271,414 | \$ 1,120,355 | \$ 1,028,157 | \$ 918,321   | \$ 871,715   | \$ 758,641   |
| Contributions in relation to the contractually required contribution | (1,411,944)  | (1,323,520)  | (1,271,414)  | (1,120,355)  | (1,028,157)  | (918,321)    | (871,715)    | (758,641)    |
| Contribution deficiency (excess)                                     | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| County's covered payroll                                             | \$ 8,667,835 | \$ 9,254,293 | \$ 8,784,277 | \$ 8,251,801 | \$ 7,956,177 | \$ 7,837,732 | \$ 7,571,054 | \$ 7,380,629 |
| Contributions as a percentage of covered payroll                     | 16.29%       | 14.30%       | 14.47%       | 13.58%       | 12.92%       | 11.72%       | 11.51%       | 10.28%       |

**Notes to schedules:**

The amounts presented for each fiscal year for the FRS and HIS were determined as of the measurement date, which was June 30<sup>th</sup> of the current fiscal year.

GASB Statement No. 68 was implemented in 2015. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

**Washington County, Florida**  
**Schedule of Proportionate Share of Net Pension Liability - HIS**  
**Last 8 Fiscal Years**

| As of and for the year ended June 30,                                                                        | 2021         | 2020         | 2019         | 2018         | 2017         | 2016         | 2015         | 2014         |
|--------------------------------------------------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| County's proportion of the net pension liability (asset)                                                     | 0.026013672% | 0.025673922% | 0.025515740% | 0.024206707% | 0.024003295% | 0.024000000% | 0.023300000% | 0.012800000% |
| County's proportionate share of the net pension liability (asset)                                            | \$ 3,191,736 | \$ 3,134,744 | \$ 2,854,955 | \$ 2,562,065 | \$ 2,566,543 | \$ 2,792,437 | \$ 2,375,636 | \$ 2,212,590 |
| County's covered payroll                                                                                     | \$ 8,208,854 | \$ 9,254,293 | \$ 8,854,312 | \$ 8,297,505 | \$ 7,956,177 | \$ 7,837,732 | \$ 7,571,054 | \$ 7,380,629 |
| County's proportionate share of the net pension liability (asset) as a percentage of its own covered payroll | 38.88%       | 33.87%       | 32.24%       | 30.88%       | 32.26%       | 35.63%       | 31.38%       | 29.98%       |
| HIS 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%        |

*Note: Data was unavailable prior to 2013*

**Notes to schedules:**

The amounts presented for each fiscal year for the FRS and HIS were determined as of the measurement date, which was June 30<sup>th</sup> of the current fiscal year.

GASB Statement No. 68 was implemented in 2015. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

*See accompanying notes to required supplementary schedules and  
Accompanying Independent Auditors' Report*

**Washington County, Florida**  
**Schedule of Contributions - HIS**  
**Last 8 Fiscal Years**

| <b>As of and for the year ended September 30,</b>                    | <b>2021</b>  | <b>2020</b>  | <b>2019</b>  | <b>2018</b>  | <b>2017</b>  | <b>2016</b>  | <b>2015</b>  | <b>2014</b>  |
|----------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Contractually required contributions                                 | \$ 152,909   | \$ 147,947   | \$ 141,686   | \$ 131,274   | \$ 125,880   | \$ 122,810   | \$ 89,045    | \$ 81,063    |
| Contributions in relation to the contractually required contribution | (152,909)    | (147,947)    | (141,686)    | (131,274)    | (125,880)    | (122,810)    | (89,045)     | (81,063)     |
| Contribution deficiency (excess)                                     | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| County's covered payroll                                             | \$ 8,667,835 | \$ 9,254,293 | \$ 8,784,277 | \$ 8,251,801 | \$ 7,956,177 | \$ 7,837,732 | \$ 7,571,054 | \$ 7,380,629 |
| Contributions as a percentage of covered payroll                     | 1.76%        | 1.60%        | 1.61%        | 1.59%        | 1.58%        | 1.57%        | 1.18%        | 1.10%        |

**Notes to schedules:**

The amounts presented for each fiscal year for the FRS and HIS were determined as of the measurement date, which was June 30<sup>th</sup> of the current fiscal year.

GASB Statement No. 68 was implemented in 2015. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

*See accompanying notes to required supplementary schedules and  
Accompanying Independent Auditors' Report*

# Washington County, Florida

## Schedule of Changes in the Sponsor's Total OPEB Liability and Related Ratios

Last four fiscal years\*

| Reporting Period<br>Measurement Period                                  | 9/30/2021<br>10/1/2020 | 9/30/2020<br>10/1/2019 | 9/30/2019<br>10/1/2018 | 9/30/2018<br>10/1/2017 |
|-------------------------------------------------------------------------|------------------------|------------------------|------------------------|------------------------|
| <b>Total OPEB Liability</b>                                             |                        |                        |                        |                        |
| Service Cost                                                            | \$ 36,711              | \$ 32,409              | \$ 26,655              | \$ 26,894              |
| Interest                                                                | 7,787                  | 11,143                 | 14,444                 | 13,497                 |
| Changes of Benefit Terms                                                | -                      | -                      | -                      | -                      |
| Differences Between Expected and Actual Experience                      | -                      | (108,882)              | -                      | 1,998                  |
| Changes of Assumptions                                                  | 3,943                  | 13,911                 | 28,303                 | (8,137)                |
| Benefit Payments                                                        | (23,178)               | (38,176)               | (44,493)               | (39,002)               |
| Net Change in Total OPEB Liability                                      | 25,263                 | (89,595)               | 24,909                 | (4,750)                |
| Total OPEB Liability - Beginning                                        | 334,701                | 424,296                | 399,387                | 404,137                |
| Total OPEB Liability - Ending                                           | \$ 359,964             | \$ 334,701             | \$ 424,296             | \$ 399,387             |
| <b>Plan Fiduciary Net Position</b>                                      |                        |                        |                        |                        |
| Contributions - employer                                                | \$ 23,178              | \$ 38,176              | \$ 44,493              | \$ 39,002              |
| Benefit payments                                                        | (23,178)               | (38,176)               | (44,493)               | (39,002)               |
| Net change in plan fiduciary net position                               | -                      | -                      | -                      | -                      |
| Plan fiduciary net position - beginning                                 | -                      | -                      | -                      | -                      |
| Plan fiduciary net position - ending (b)                                | -                      | -                      | -                      | -                      |
| Net OPEB liability - ending (a) - (b)                                   | \$ 359,964             | \$ 334,701             | \$ 424,296             | \$ 399,387             |
| Plan fiduciary net position as a percentage of the total OPEB liability | 0.00%                  | 0.00%                  | 0.00%                  | 0.00%                  |
| Covered-employee payroll                                                | \$ 8,667,835           | \$ 9,254,293           | \$ 8,784,277           | \$ 8,251,801           |
| Net OPEB liability as a percentage of covered-employee payroll          | 4.15%                  | 3.59%                  | 4.83%                  | 4.84%                  |
| Contributions as a percentage of covered-employee payroll               | 0.27%                  | 0.40%                  | 0.50%                  | 0.47%                  |

\*This schedule is included to show information for 10 years. Additional years will be displayed as they become available.

*See accompanying notes to required supplementary schedules and  
Accompanying Independent Auditors' Report*



# **COMBINING FINANCIAL STATEMENTS**

**Page 1 of 7**  
**Washington County, Florida**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**

September 30, 2021

| Special Revenue Funds                      |                           |                                 |                  |                                |                                    |              |                 |                      |  |       |
|--------------------------------------------|---------------------------|---------------------------------|------------------|--------------------------------|------------------------------------|--------------|-----------------|----------------------|--|-------|
|                                            | Public<br>Library<br>Fund | Small<br>Counties<br>Grant Fund | Buckhorn<br>Road | Fines &<br>Forfeitures<br>Fund | Thirty<br>Dollar<br>Surcharge Fund | CARES<br>Act | EMPG-S<br>Grant | Agriculture<br>Grant |  |       |
| <b>Assets</b>                              |                           |                                 |                  |                                |                                    |              |                 |                      |  |       |
| Cash and cash equivalents                  | \$ 4,425                  | \$ 81,352                       | \$ -             | \$ -                           | \$ -                               | \$ -         | \$ -            | \$ -                 |  |       |
| Restricted cash and cash equivalents       | -                         | -                               | -                | 257,641                        | 254,748                            | -            | -               | -                    |  |       |
| Accounts receivable, net                   | 2,584                     | -                               | -                | 20,938                         | 6,581                              | -            | -               | -                    |  |       |
| Due from other funds                       | 93,225                    | -                               | -                | 46,469                         | 25                                 | 19,711       | -               | -                    |  |       |
| Due from other governmental units          | -                         | 50,338                          | 523,068          | -                              | -                                  | -            | -               | -                    |  | 9,482 |
| <b>Total assets</b>                        | \$ 100,234                | \$ 131,690                      | \$ 523,068       | \$ 325,048                     | \$ 261,354                         | \$ 19,711    | \$ -            | \$ -                 |  | 9,482 |
| <b>Liabilities</b>                         |                           |                                 |                  |                                |                                    |              |                 |                      |  |       |
| Accounts payable and accrued expenses      | \$ 28,889                 | \$ 3,233                        | \$ 334,553       | \$ 31,147                      | \$ -                               | \$ -         | \$ -            | \$ -                 |  |       |
| Due to other funds                         | 80,389                    | 71,575                          | 188,515          | 166,640                        | 1,653                              | -            | -               | -                    |  | 9,482 |
| Due to agency funds                        | -                         | -                               | -                | -                              | -                                  | -            | -               | -                    |  |       |
| Due to other governmental units            | -                         | -                               | -                | 99,006                         | -                                  | -            | -               | -                    |  |       |
| Unearned revenue                           | -                         | -                               | -                | -                              | -                                  | -            | -               | -                    |  |       |
| <b>Total liabilities</b>                   | 109,278                   | 74,808                          | 523,068          | 296,793                        | 1,653                              | -            | -               | -                    |  | 9,482 |
| <b>Fund balances</b>                       |                           |                                 |                  |                                |                                    |              |                 |                      |  |       |
| Restricted                                 | -                         | -                               | -                | 28,255                         | 259,701                            | -            | -               | -                    |  |       |
| Committed                                  | -                         | -                               | -                | -                              | -                                  | -            | -               | -                    |  |       |
| Assigned                                   | (9,044)                   | 56,882                          | -                | -                              | -                                  | 19,711       | -               | -                    |  |       |
| Unassigned                                 | -                         | -                               | -                | -                              | -                                  | -            | -               | -                    |  |       |
| <b>Total fund balances</b>                 | (9,044)                   | 56,882                          | -                | 28,255                         | 259,701                            | 19,711       | -               | -                    |  |       |
| <b>Total liabilities and fund balances</b> | \$ 100,234                | \$ 131,690                      | \$ 523,068       | \$ 325,048                     | \$ 261,354                         | \$ 19,711    | \$ -            | \$ -                 |  | 9,482 |

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Washington County, Florida  
Combining Balance Sheet  
Nonmajor Governmental Funds

September 30, 2021

| Special Revenue Funds                      |                              |                                       |                           |                       |                   |                                             |                                      |                                 |  |        |
|--------------------------------------------|------------------------------|---------------------------------------|---------------------------|-----------------------|-------------------|---------------------------------------------|--------------------------------------|---------------------------------|--|--------|
|                                            | Emergency<br>Medical Service | Municipal<br>Service<br>Business Unit | Fire<br>Operation<br>Fund | Communication<br>Fund | Radio<br>Fund     | Comprehensive<br>Plan & Land<br>Development | Law<br>Enforcement<br>Trust Fund III | Special<br>Projects -<br>Impact |  |        |
| <b>Assets</b>                              |                              |                                       |                           |                       |                   |                                             |                                      |                                 |  |        |
| Cash and cash equivalents                  | \$ 67,221                    | \$ -                                  | \$ 87,484                 | \$ -                  | \$ -              | \$ -                                        | \$ -                                 | \$ -                            |  |        |
| Restricted cash and cash equivalents       | -                            | 309,795                               | -                         | 45,756                | -                 | -                                           | 45,904                               | -                               |  |        |
| Accounts receivable, net                   | 204,228                      | 4,289                                 | -                         | 2,483                 | -                 | -                                           | -                                    | -                               |  | 57,843 |
| Due from other funds                       | -                            | 3,147                                 | 485,717                   | -                     | -                 | -                                           | -                                    | -                               |  | 10,390 |
| Due from other governmental units          | -                            | -                                     | -                         | -                     | -                 | 155,483                                     | -                                    | -                               |  | -      |
| <b>Total assets</b>                        | <b>\$ 271,449</b>            | <b>\$ 317,231</b>                     | <b>\$ 573,201</b>         | <b>\$ 48,239</b>      | <b>\$ 155,483</b> | <b>\$ 45,904</b>                            | <b>\$ 68,233</b>                     |                                 |  |        |
| <b>Liabilities</b>                         |                              |                                       |                           |                       |                   |                                             |                                      |                                 |  |        |
| Accounts payable and accrued expenses      | \$ 14,624                    | \$ 461                                | \$ 22,557                 | \$ -                  | \$ -              | \$ -                                        | \$ -                                 | \$ -                            |  |        |
| Due to other funds                         | -                            | 4,045                                 | 32,827                    | -                     | -                 | 155,483                                     | -                                    | -                               |  |        |
| Due to agency funds                        | -                            | -                                     | -                         | -                     | -                 | -                                           | -                                    | -                               |  |        |
| Due to other governmental units            | 39,927                       | -                                     | -                         | -                     | -                 | -                                           | -                                    | -                               |  |        |
| Unearned revenue                           | -                            | -                                     | -                         | -                     | -                 | -                                           | -                                    | -                               |  |        |
| <b>Total liabilities</b>                   | <b>54,551</b>                | <b>4,506</b>                          | <b>55,384</b>             | <b>-</b>              | <b>155,483</b>    | <b>-</b>                                    | <b>-</b>                             | <b>-</b>                        |  |        |
| <b>Fund balances</b>                       |                              |                                       |                           |                       |                   |                                             |                                      |                                 |  |        |
| Restricted                                 | -                            | -                                     | -                         | 48,239                | -                 | -                                           | 45,904                               | 68,233                          |  |        |
| Committed                                  | -                            | 312,725                               | 517,817                   | -                     | -                 | -                                           | -                                    | -                               |  |        |
| Assigned                                   | 216,898                      | -                                     | -                         | -                     | -                 | -                                           | -                                    | -                               |  |        |
| Unassigned                                 | -                            | -                                     | -                         | -                     | -                 | -                                           | -                                    | -                               |  |        |
| <b>Total fund balances</b>                 | <b>216,898</b>               | <b>312,725</b>                        | <b>517,817</b>            | <b>48,239</b>         | <b>-</b>          | <b>45,904</b>                               | <b>68,233</b>                        |                                 |  |        |
| <b>Total liabilities and fund balances</b> | <b>\$ 271,449</b>            | <b>\$ 317,231</b>                     | <b>\$ 573,201</b>         | <b>\$ 48,239</b>      | <b>\$ 155,483</b> | <b>\$ 45,904</b>                            | <b>\$ 68,233</b>                     |                                 |  |        |

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Washington County, Florida  
Combining Balance Sheet  
Nonmajor Governmental Funds

September 30, 2021

| Special Revenue Funds                      |                                 |              |                           |                         |             |            |                |        |  |        |
|--------------------------------------------|---------------------------------|--------------|---------------------------|-------------------------|-------------|------------|----------------|--------|--|--------|
|                                            | Law Enforcement<br>Trust Fund I | Cope<br>Road | Arthropod<br>Control Fund | Choose Life<br>Tag Fund | Alford Road | E911       | Education Fund | Police |  |        |
| <b>Assets</b>                              |                                 |              |                           |                         |             |            |                |        |  |        |
| Cash and cash equivalents                  | \$ 421                          | \$ -         | \$ 122,301                | \$ 1,867                | \$ -        | \$ -       | \$ -           | \$ -   |  | -      |
| Restricted cash and cash equivalents       | -                               | -            | -                         | -                       | -           | -          | 50,170         | 13,603 |  | 406    |
| Accounts receivable, net                   | -                               | -            | -                         | -                       | -           | -          | -              | -      |  | -      |
| Due from other funds                       | -                               | -            | -                         | -                       | -           | -          | 32,908         | -      |  | -      |
| Due from other governmental units          | -                               | -            | 9,239                     | -                       | 699,946     | 57,339     | -              | -      |  | -      |
| <b>Total assets</b>                        | \$ 421                          | \$ -         | \$ 131,540                | \$ 1,867                | \$ 699,946  | \$ 140,417 | \$ 14,009      |        |  |        |
| <b>Liabilities</b>                         |                                 |              |                           |                         |             |            |                |        |  |        |
| Accounts payable and accrued expenses      | \$ -                            | \$ -         | \$ 762                    | \$ -                    | \$ 406,916  | \$ 9,624   | \$ -           |        |  | -      |
| Due to other funds                         | -                               | -            | 4,720                     | -                       | 293,030     | 6,674      | -              |        |  | -      |
| Due to other governmental units            | -                               | -            | -                         | -                       | -           | -          | -              |        |  | -      |
| Unearned revenue                           | -                               | -            | 8,278                     | -                       | -           | -          | -              |        |  | -      |
| <b>Total liabilities</b>                   | -                               | -            | \$ 13,760                 | -                       | \$ 699,946  | \$ 16,298  |                |        |  | -      |
| <b>Fund balances</b>                       |                                 |              |                           |                         |             |            |                |        |  |        |
| Restricted                                 | 421                             | -            | -                         | -                       | -           | -          | -              |        |  | -      |
| Committed                                  | -                               | -            | 117,780                   | -                       | -           | -          | -              |        |  | 14,009 |
| Assigned                                   | -                               | -            | -                         | 1,867                   | -           | 124,119    | -              |        |  | -      |
| Unassigned                                 | -                               | -            | -                         | -                       | -           | -          | -              |        |  | -      |
| <b>Total fund balances</b>                 | 421                             | -            | \$ 117,780                | \$ 1,867                | -           | \$ 124,119 | \$ 14,009      |        |  |        |
| <b>Total liabilities and fund balances</b> | \$ 421                          | \$ -         | \$ 131,540                | \$ 1,867                | \$ 699,946  | \$ 140,417 | \$ 14,009      |        |  |        |

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Washington County, Florida  
Combining Balance Sheet  
Nonmajor Governmental Funds

September 30, 2021

| Special Revenue Funds                      |                                |                            |                                        |            |                            |               |           |                     |  |
|--------------------------------------------|--------------------------------|----------------------------|----------------------------------------|------------|----------------------------|---------------|-----------|---------------------|--|
|                                            | Brickyard<br>Road<br>Resurface | Tourist<br>Development Tax | Emergency<br>Management<br>Enhancement | EMPG Grant | Criminal<br>Education Fund | Incarceration | Cost of   | Crime<br>Prevention |  |
| <b>Assets</b>                              |                                |                            |                                        |            |                            |               |           |                     |  |
| Cash and cash equivalents                  | \$ -                           | \$ -                       | \$ -                                   | \$ -       | \$ -                       | \$ -          | \$ -      | \$ -                |  |
| Restricted cash and cash equivalents       | -                              | 63,995                     | 38,057                                 | -          | 17,932                     | 26,500        | 50,040    | 50,040              |  |
| Accounts receivable, net                   | -                              | -                          | -                                      | -          | 537                        | -             | 438       | 438                 |  |
| Due from other funds                       | -                              | 19,734                     | -                                      | -          | -                          | -             | -         | -                   |  |
| Due from other governmental units          | 6,427                          | 11,697                     | -                                      | 17,227     | -                          | -             | -         | -                   |  |
| <b>Total assets</b>                        | \$ 6,427                       | \$ 95,426                  | \$ 38,057                              | \$ 17,227  | \$ 18,469                  | \$ 26,500     | \$ 50,478 | 50,478              |  |
| <b>Liabilities</b>                         |                                |                            |                                        |            |                            |               |           |                     |  |
| Accounts payable and accrued expenses      | \$ -                           | \$ 1,123                   | \$ 2,395                               | \$ -       | \$ -                       | \$ -          | \$ -      | \$ -                |  |
| Due to other funds                         | 6,427                          | 4,581                      | 5,744                                  | 17,227     | -                          | -             | -         | -                   |  |
| Due to agency funds                        | -                              | -                          | -                                      | -          | -                          | -             | -         | -                   |  |
| Due to other governmental units            | -                              | -                          | -                                      | -          | -                          | -             | -         | -                   |  |
| Unearned revenue                           | -                              | -                          | -                                      | -          | -                          | -             | -         | -                   |  |
| <b>Total liabilities</b>                   | 6,427                          | 5,704                      | 8,139                                  | 17,227     | -                          | -             | -         | -                   |  |
| <b>Fund balances</b>                       |                                |                            |                                        |            |                            |               |           |                     |  |
| Restricted                                 | -                              | 89,722                     | 29,918                                 | -          | 18,469                     | 26,500        | 50,478    | 50,478              |  |
| Committed                                  | -                              | -                          | -                                      | -          | -                          | -             | -         | -                   |  |
| Assigned                                   | -                              | -                          | -                                      | -          | -                          | -             | -         | -                   |  |
| Unassigned                                 | -                              | -                          | -                                      | -          | -                          | -             | -         | -                   |  |
| <b>Total fund balances</b>                 | -                              | 89,722                     | 29,918                                 | -          | 18,469                     | 26,500        | 50,478    | 50,478              |  |
| <b>Total liabilities and fund balances</b> | \$ 6,427                       | \$ 95,426                  | \$ 38,057                              | \$ 17,227  | \$ 18,469                  | \$ 26,500     | \$ 50,478 | 50,478              |  |

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Washington County, Florida  
Combining Balance Sheet  
Nonmajor Governmental Funds

September 30, 2021

| Special Revenue Funds                      |                         |                                |            |            |                  |                        |                   |                    |                      |           |
|--------------------------------------------|-------------------------|--------------------------------|------------|------------|------------------|------------------------|-------------------|--------------------|----------------------|-----------|
|                                            | Article V<br>Technology | Sixty-Five<br>Dollar Surcharge | EMPA Grant | Probation  | Kirkland<br>Road | Fire<br>Impact<br>Fees | Boat Ramp<br>Fund | Wilderness<br>Road | Culpepper<br>Landing |           |
| <b>Assets</b>                              |                         |                                |            |            |                  |                        |                   |                    |                      |           |
| Cash and cash equivalents                  | \$ -                    | \$ -                           | -          | \$ -       | -                | \$ -                   | 81,571            | \$ -               | -                    | -         |
| Restricted cash and cash equivalents       | 58,357                  | 294,784                        | -          | 175,816    | -                | 2,628                  | -                 | -                  | -                    | -         |
| Accounts receivable, net                   | 4,290                   | 975                            | -          | 4,116      | -                | -                      | 1,008             | -                  | -                    | -         |
| Due from other funds                       | -                       | -                              | -          | -          | -                | 1,155                  | -                 | -                  | -                    | -         |
| Due from other governmental units          | -                       | -                              | 24,044     | -          | -                | -                      | -                 | -                  | -                    | 13,754    |
| <b>Total assets</b>                        | \$ 62,647               | \$ 295,759                     | \$ 24,044  | \$ 179,932 | \$ -             | \$ 3,783               | \$ 82,579         | \$ -               | \$ -                 | \$ 13,754 |
| <b>Liabilities</b>                         |                         |                                |            |            |                  |                        |                   |                    |                      |           |
| Accounts payable and accrued expenses      | \$ 88                   | \$ 1,172                       | \$ 2,193   | \$ 935     | \$ -             | \$ -                   | \$ -              | \$ -               | \$ -                 | -         |
| Due to other funds                         | 28,989                  | -                              | 21,852     | 3,353      | -                | -                      | -                 | -                  | -                    | 13,754    |
| Due to agency funds                        | -                       | -                              | -          | -          | -                | -                      | -                 | -                  | -                    | -         |
| Due to other governmental units            | -                       | -                              | -          | -          | -                | -                      | -                 | -                  | -                    | -         |
| Unearned revenue                           | -                       | -                              | -          | -          | -                | -                      | -                 | -                  | -                    | -         |
| <b>Total liabilities</b>                   | 29,077                  | 1,172                          | 24,045     | 4,288      | -                | -                      | -                 | -                  | -                    | 13,754    |
| <b>Fund balances</b>                       |                         |                                |            |            |                  |                        |                   |                    |                      |           |
| Restricted                                 | 33,570                  | 294,587                        | -          | 175,644    | -                | -                      | -                 | -                  | -                    | -         |
| Committed                                  | -                       | -                              | (1)        | -          | -                | -                      | 82,579            | -                  | -                    | -         |
| Assigned                                   | -                       | -                              | -          | -          | -                | 3,783                  | -                 | -                  | -                    | -         |
| Unassigned                                 | -                       | -                              | -          | -          | -                | -                      | -                 | -                  | -                    | -         |
| <b>Total fund balances</b>                 | 33,570                  | 294,587                        | (1)        | 175,644    | -                | 3,783                  | 82,579            | -                  | -                    | -         |
| <b>Total liabilities and fund balances</b> | \$ 62,647               | \$ 295,759                     | \$ 24,044  | \$ 179,932 | \$ -             | \$ 3,783               | \$ 82,579         | \$ -               | \$ -                 | \$ 13,754 |

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Washington County, Florida  
Combining Balance Sheet  
Nonmajor Governmental Funds

September 30, 2021

| Special Revenue Funds                      |    |                        |                           |                    |                             |                    |                        |                                               |  |         |
|--------------------------------------------|----|------------------------|---------------------------|--------------------|-----------------------------|--------------------|------------------------|-----------------------------------------------|--|---------|
|                                            |    | Building<br>Department | Inmate<br>Welfare<br>Fund | EMS<br>Impact Fees | Orange Hill &<br>South Blvd | Hurricane<br>Sally | Tropical<br>Storm Fred | Public Records<br>Modernization<br>Trust Fund |  |         |
| <b>Assets</b>                              |    |                        |                           |                    |                             |                    |                        |                                               |  |         |
| Cash and cash equivalents                  | \$ | 214,625                | \$ -                      | \$ -               | \$ -                        | 19,843             | \$ -                   | \$ -                                          |  |         |
| Restricted cash and cash equivalents       |    | -                      | 304,809                   | 11,072             | -                           | -                  | -                      | 68,014                                        |  |         |
| Accounts receivable, net                   |    | 2,737                  | -                         | -                  | -                           | -                  | -                      | -                                             |  |         |
| Due from other funds                       |    | 46,837                 | -                         | 2,100              | -                           | -                  | -                      | 32,476                                        |  |         |
| Due from other governmental units          |    | -                      | -                         | -                  | 23,056                      | 521,354            | -                      | -                                             |  |         |
| <b>Total assets</b>                        | \$ | 264,199                | \$ 304,809                | \$ 13,172          | \$ 23,056                   | \$ 541,197         | \$ -                   | \$ -                                          |  | 100,490 |
| <b>Liabilities</b>                         |    |                        |                           |                    |                             |                    |                        |                                               |  |         |
| Accounts payable and accrued expenses      | \$ | 8,300                  | \$ 50,492                 | \$ -               | \$ -                        | 1,650              | \$ 1,125               | \$ -                                          |  |         |
| Due to other funds                         |    | 19,965                 | -                         | -                  | 23,056                      | 912,812            | 126,390                | 32,941                                        |  |         |
| Due to agency funds                        |    | -                      | -                         | -                  | -                           | -                  | -                      | -                                             |  |         |
| Due to other governmental units            |    | -                      | 920                       | -                  | -                           | -                  | -                      | -                                             |  |         |
| Unearned revenue                           |    | -                      | -                         | -                  | -                           | -                  | -                      | -                                             |  |         |
| <b>Total liabilities</b>                   |    | 28,265                 | 51,412                    | -                  | 23,056                      | 914,462            | 127,515                | 32,941                                        |  |         |
| <b>Fund balances</b>                       |    |                        |                           |                    |                             |                    |                        |                                               |  |         |
| Restricted                                 |    | -                      | 253,397                   | 13,172             | -                           | -                  | -                      | 67,549                                        |  |         |
| Committed                                  |    | 235,934                | -                         | -                  | -                           | -                  | -                      | -                                             |  |         |
| Assigned                                   |    | -                      | -                         | -                  | -                           | -                  | -                      | -                                             |  |         |
| Unassigned                                 |    | -                      | -                         | -                  | -                           | (373,265)          | (127,515)              | -                                             |  |         |
| <b>Total fund balances</b>                 |    | 235,934                | 253,397                   | 13,172             | -                           | (373,265)          | (127,515)              | 67,549                                        |  |         |
| <b>Total liabilities and fund balances</b> | \$ | 264,199                | \$ 304,809                | \$ 13,172          | \$ 23,056                   | \$ 541,197         | \$ -                   | \$ 100,490                                    |  |         |

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Washington County, Florida  
Combining Balance Sheet  
Nonmajor Governmental Funds

September 30, 2021

|                                            | Special Revenue Funds         |                     |                  |            |                |                | Total     |
|--------------------------------------------|-------------------------------|---------------------|------------------|------------|----------------|----------------|-----------|
|                                            | Law Enforcement Trust Fund II | Highway 79 Corridor | Old Bonifay Road | COVID 19   | FFCRA COVID 19 | Hurricane Irma |           |
| <b>Assets</b>                              |                               |                     |                  |            |                |                |           |
| Cash and cash equivalents                  | \$ -                          | \$ -                | \$ -             | \$ -       | \$ -           | \$ -           | 681,110   |
| Restricted cash and cash equivalents       | 84,810                        | 100,000             | -                | 795,970    | -              | -              | 3,128,244 |
| Accounts receivable, net                   | -                             | -                   | -                | -          | -              | -              | 255,610   |
| Due from other funds                       | -                             | -                   | -                | -          | -              | -              | 793,894   |
| Due from other governmental units          | -                             | 1,037,358           | 40,512           | -          | -              | -              | 3,200,324 |
| <b>Total assets</b>                        | \$ 84,810                     | \$ 1,137,358        | \$ 40,512        | \$ 795,970 | \$ -           | \$ -           | 8,059,182 |
| <b>Liabilities</b>                         |                               |                     |                  |            |                |                |           |
| Accounts payable and accrued expenses      | \$ -                          | \$ 250,371          | \$ -             | \$ 3,825   | \$ -           | \$ -           | 1,176,435 |
| Due to other funds                         | -                             | 928,597             | 42,453           | 456,460    | 16,137         | -              | 3,675,771 |
| Due to other governmental units            | -                             | -                   | -                | 4,254      | -              | -              | 144,107   |
| Unearned revenue                           | -                             | -                   | -                | -          | -              | -              | 8,278     |
| <b>Total liabilities</b>                   | -                             | 1,178,968           | 42,453           | 464,539    | 16,137         | -              | 5,004,591 |
| <b>Fund balances</b>                       |                               |                     |                  |            |                |                |           |
| Restricted                                 | 84,810                        | (41,610)            | (1,941)          | 331,431    | -              | -              | 1,876,449 |
| Committed                                  | -                             | -                   | -                | -          | -              | -              | 1,280,843 |
| Assigned                                   | -                             | -                   | -                | -          | (16,137)       | -              | 398,079   |
| Unassigned                                 | -                             | -                   | -                | -          | -              | -              | (500,780) |
| <b>Total fund balances</b>                 | 84,810                        | (41,610)            | (1,941)          | 331,431    | (16,137)       | -              | 3,054,591 |
| <b>Total liabilities and fund balances</b> | \$ 84,810                     | \$ 1,137,358        | \$ 40,512        | \$ 795,970 | \$ -           | \$ -           | 8,059,182 |

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# Washington County, Florida

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

### Nonmajor Governmental Funds

For the year ended September 30, 2021

| Special Revenue Funds                                     |                           |                               |                  |                               |                |                  |              |                 |                      |      |
|-----------------------------------------------------------|---------------------------|-------------------------------|------------------|-------------------------------|----------------|------------------|--------------|-----------------|----------------------|------|
|                                                           | Public<br>Library<br>Fund | Small<br>County<br>Grant Fund | Buckhorn<br>Road | Fines &<br>Forfeiture<br>Fund | Surcharge Fund | Thirty<br>Dollar | CARES<br>Act | EMPG-S<br>Grant | Agriculture<br>Grant |      |
| <b>Revenues</b>                                           |                           |                               |                  |                               |                |                  |              |                 |                      |      |
| Taxes                                                     | \$ -                      | \$ -                          | \$ -             | \$ -                          | \$ -           | \$ -             | \$ -         | \$ -            | \$ -                 | -    |
| Licenses and permits                                      | -                         | -                             | -                | -                             | -              | -                | -            | -               | -                    | -    |
| Intergovernmental                                         | -                         | -                             | -                | 374,572                       | -              | -                | -            | -               | -                    | -    |
| Charges for services                                      | -                         | -                             | -                | 531,730                       | 83,484         | -                | -            | -               | -                    | -    |
| Fines and forfeitures                                     | -                         | -                             | -                | -                             | -              | -                | -            | -               | -                    | -    |
| Grants                                                    | 233,889                   | 93,750                        | 523,067          | 103,290                       | -              | -                | 1,204,900    | 576             | 148,732              | -    |
| Investment earnings                                       | -                         | -                             | -                | -                             | -              | -                | -            | -               | -                    | -    |
| Other fees and miscellaneous revenues                     | 13,864                    | 38,325                        | -                | 798                           | 55             | -                | -            | -               | -                    | -    |
| <b>Total revenue</b>                                      | 247,753                   | 132,075                       | 523,067          | 1,010,390                     | 83,539         | -                | 1,204,900    | 576             | 148,732              | -    |
| <b>Expenditures</b>                                       |                           |                               |                  |                               |                |                  |              |                 |                      |      |
| Current                                                   |                           |                               |                  |                               |                |                  |              |                 |                      |      |
| General government                                        | -                         | -                             | -                | -                             | -              | -                | -            | -               | -                    | -    |
| Public health and safety                                  | -                         | -                             | -                | -                             | -              | -                | 1,499,905    | 576             | -                    | -    |
| Physical environment                                      | -                         | 125,464                       | -                | -                             | -              | -                | -            | -               | -                    | -    |
| Transportation                                            | -                         | -                             | 211              | -                             | -              | -                | -            | -               | -                    | -    |
| Economic environment                                      | -                         | -                             | -                | -                             | -              | -                | -            | -               | -                    | -    |
| Human services                                            | -                         | -                             | -                | -                             | -              | -                | -            | -               | -                    | -    |
| Culture and recreation                                    | 643,898                   | -                             | -                | -                             | -              | -                | -            | -               | -                    | -    |
| Court related                                             | -                         | -                             | -                | 883,155                       | 89,347         | -                | -            | -               | -                    | -    |
| Capital outlay                                            | -                         | -                             | 522,856          | -                             | -              | -                | 1,165,270    | -               | 148,732              | -    |
| Debt service                                              |                           |                               |                  |                               |                |                  |              |                 |                      |      |
| Principal                                                 | 4,500                     | -                             | -                | -                             | -              | -                | -            | -               | -                    | -    |
| Interest and other charges                                | 7,076                     | -                             | -                | -                             | -              | -                | -            | -               | -                    | -    |
| <b>Total expenditures</b>                                 | 655,474                   | 125,464                       | 523,067          | 883,155                       | 89,347         | -                | 2,665,175    | 576             | 148,732              | -    |
| Excess (deficiency) of revenues over (under) expenditures | (407,721)                 | 6,611                         | -                | 127,235                       | (5,808)        | -                | (1,460,275)  | -               | -                    | -    |
| <b>Other financing sources (uses)</b>                     |                           |                               |                  |                               |                |                  |              |                 |                      |      |
| Transfers in                                              | 397,752                   | -                             | -                | -                             | -              | -                | 1,523,909    | -               | -                    | -    |
| Transfers out                                             | -                         | -                             | -                | -                             | -              | -                | -            | -               | -                    | -    |
| Installment loan proceeds                                 | -                         | -                             | -                | -                             | -              | -                | -            | -               | -                    | -    |
| Transfer to State of Florida                              | -                         | -                             | -                | (98,980)                      | -              | -                | -            | -               | -                    | -    |
| <b>Net other financing sources (uses)</b>                 | 397,752                   | -                             | -                | (98,980)                      | -              | -                | 1,523,909    | -               | -                    | -    |
| <b>Net change in fund balances</b>                        | (9,969)                   | 6,611                         | -                | 28,255                        | (5,808)        | -                | 63,634       | -               | -                    | -    |
| <b>Fund balances - beginning</b>                          | 925                       | 50,271                        | -                | -                             | 265,509        | -                | (43,923)     | -               | -                    | -    |
| <b>Fund balances - ending</b>                             | (9,044)                   | 56,882                        | \$ -             | \$ -                          | \$ -           | \$ -             | \$ -         | \$ -            | \$ -                 | \$ - |

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# Washington County, Florida

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

### Nonmajor Governmental Funds

For the year ended September 30, 2021

| Special Revenue Funds                                     |                                      |                                       |                           |                       |               |                                             |                                      |                                 |
|-----------------------------------------------------------|--------------------------------------|---------------------------------------|---------------------------|-----------------------|---------------|---------------------------------------------|--------------------------------------|---------------------------------|
|                                                           | Emergency<br>Medical Service<br>Fund | Municipal<br>Service<br>Business Unit | Fire<br>Operation<br>Fund | Communication<br>Fund | Radio<br>Fund | Comprehensive<br>Plan & Land<br>Development | Law<br>Enforcement<br>Trust Fund III | Special<br>Projects -<br>Impact |
| Revenues                                                  |                                      |                                       |                           |                       |               |                                             |                                      |                                 |
| Taxes                                                     | \$ -                                 | \$ 469,520                            | \$ -                      | \$ -                  | -             | \$ -                                        | -                                    | \$ -                            |
| Licenses and permits                                      | -                                    | -                                     | -                         | -                     | -             | -                                           | -                                    | 30,188                          |
| Intergovernmental                                         | -                                    | -                                     | -                         | -                     | -             | -                                           | -                                    | -                               |
| Charges for services                                      | 1,461,672                            | -                                     | -                         | -                     | 30,395        | -                                           | -                                    | -                               |
| Grants                                                    | -                                    | -                                     | 5,668                     | -                     | -             | 162,483                                     | -                                    | -                               |
| Investment earnings                                       | -                                    | -                                     | -                         | -                     | -             | -                                           | -                                    | -                               |
| Other fees and miscellaneous revenues                     | -                                    | -                                     | 25,020                    | -                     | -             | -                                           | -                                    | 3,614                           |
| Total revenue                                             | 1,461,672                            | 469,520                               | 30,688                    | 30,395                | 30,395        | 162,483                                     | -                                    | 33,802                          |
| Expenditures                                              |                                      |                                       |                           |                       |               |                                             |                                      |                                 |
| Current                                                   |                                      |                                       |                           |                       |               |                                             |                                      |                                 |
| General government                                        | -                                    | -                                     | -                         | -                     | -             | 162,483                                     | -                                    | -                               |
| Public health and safety                                  | 2,055,960                            | -                                     | 333,731                   | -                     | 10,362        | -                                           | -                                    | -                               |
| Physical environment                                      | -                                    | -                                     | -                         | -                     | -             | -                                           | -                                    | -                               |
| Transportation                                            | -                                    | -                                     | -                         | -                     | -             | -                                           | -                                    | -                               |
| Economic environment                                      | -                                    | 230,199                               | -                         | -                     | -             | -                                           | -                                    | 3,614                           |
| Human services                                            | -                                    | -                                     | -                         | -                     | -             | -                                           | -                                    | -                               |
| Culture and recreation                                    | -                                    | -                                     | -                         | -                     | -             | -                                           | -                                    | -                               |
| Court related                                             | -                                    | -                                     | -                         | -                     | -             | -                                           | -                                    | -                               |
| Capital outlay                                            | -                                    | -                                     | 11,950                    | -                     | -             | -                                           | -                                    | -                               |
| Debt service                                              | 22,041                               | -                                     | 47,158                    | -                     | -             | -                                           | -                                    | -                               |
| Principal                                                 | 906                                  | -                                     | 8,826                     | -                     | -             | -                                           | -                                    | -                               |
| Interest and other charges                                | -                                    | -                                     | -                         | -                     | -             | -                                           | -                                    | -                               |
| Total expenditures                                        | 2,078,907                            | 230,199                               | 401,665                   | 10,362                | 10,362        | 162,483                                     | -                                    | 3,614                           |
| Excess (deficiency) of revenues over (under) expenditures | (617,235)                            | 239,321                               | (370,977)                 | 20,033                | 20,033        | -                                           | -                                    | 30,188                          |
| Other financing sources (uses)                            |                                      |                                       |                           |                       |               |                                             |                                      |                                 |
| Transfers in                                              | 633,243                              | -                                     | 468,267                   | -                     | -             | -                                           | -                                    | -                               |
| Transfers out                                             | (14,903)                             | -                                     | -                         | -                     | -             | -                                           | -                                    | -                               |
| Installment loan proceeds                                 | -                                    | -                                     | -                         | -                     | -             | -                                           | -                                    | -                               |
| Transfer to State of Florida                              | -                                    | -                                     | -                         | -                     | -             | -                                           | -                                    | -                               |
| Net other financing sources (uses)                        | 618,340                              | -                                     | 468,267                   | -                     | -             | -                                           | -                                    | -                               |
| Net change in fund balances                               | 1,105                                | 239,321                               | 97,290                    | 20,033                | 20,033        | -                                           | -                                    | 30,188                          |
| Fund balances - beginning                                 | 215,793                              | 73,404                                | 420,527                   | 28,206                | 28,206        | -                                           | 45,904                               | 38,045                          |
| Fund balances - ending                                    | \$ 216,898                           | \$ 312,725                            | \$ 517,817                | \$ 48,239             | \$ 48,239     | \$ -                                        | \$ 45,904                            | \$ 68,233                       |

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# Washington County, Florida

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

### Nonmajor Governmental Funds

For the year ended September 30, 2021

| Special Revenue Funds                                     |                           |              |                           |                         |             |            |                          |
|-----------------------------------------------------------|---------------------------|--------------|---------------------------|-------------------------|-------------|------------|--------------------------|
|                                                           | Law Enforcement<br>Fund I | Cope<br>Road | Arthropod<br>Control Fund | Choose Life<br>Tag Fund | Alford Road | E911       | Police<br>Education Fund |
| Revenues                                                  |                           |              |                           |                         |             |            |                          |
| Taxes                                                     | \$ -                      | \$ -         | \$ -                      | \$ -                    | \$ -        | \$ -       | -                        |
| Licenses and permits                                      | -                         | -            | -                         | -                       | -           | -          | -                        |
| Intergovernmental                                         | -                         | -            | 13,105                    | -                       | -           | -          | -                        |
| Charges for services                                      | -                         | -            | -                         | -                       | -           | 158,415    | 4,884                    |
| Grants                                                    | -                         | 198,228      | 47,603                    | -                       | 699,946     | 12,492     | -                        |
| Investment earnings                                       | -                         | -            | -                         | -                       | -           | -          | -                        |
| Other fees and miscellaneous revenues                     | -                         | -            | -                         | -                       | -           | 18,169     | -                        |
| Total revenue                                             | -                         | 198,228      | 60,708                    | -                       | 699,946     | 189,076    | 4,884                    |
| Expenditures                                              |                           |              |                           |                         |             |            |                          |
| Current                                                   |                           |              |                           |                         |             |            |                          |
| General government                                        | -                         | -            | -                         | -                       | -           | -          | -                        |
| Public health and safety                                  | -                         | -            | -                         | -                       | -           | 186,911    | -                        |
| Physical environment                                      | -                         | -            | -                         | -                       | -           | -          | -                        |
| Transportation                                            | -                         | 198,228      | -                         | -                       | 699,946     | -          | -                        |
| Economic environment                                      | -                         | -            | -                         | -                       | -           | -          | -                        |
| Human services                                            | -                         | -            | 56,490                    | -                       | -           | -          | -                        |
| Culture and recreation                                    | -                         | -            | -                         | -                       | -           | -          | -                        |
| Court related                                             | -                         | -            | -                         | -                       | -           | -          | -                        |
| Capital outlay                                            | -                         | -            | -                         | -                       | -           | -          | -                        |
| Debt service                                              | -                         | -            | -                         | -                       | -           | -          | -                        |
| Principal                                                 | -                         | -            | -                         | -                       | -           | -          | -                        |
| Interest and other charges                                | -                         | -            | -                         | -                       | -           | -          | -                        |
| Total expenditures                                        | -                         | 198,228      | 56,490                    | -                       | 699,946     | 186,911    | -                        |
| Excess (deficiency) of revenues over (under) expenditures | -                         | -            | 4,218                     | -                       | -           | 2,165      | 4,884                    |
| Other financing sources (uses)                            |                           |              |                           |                         |             |            |                          |
| Transfers in                                              | -                         | -            | -                         | -                       | -           | 17,916     | -                        |
| Transfers out                                             | -                         | -            | -                         | -                       | -           | (6,000)    | -                        |
| Installment loan proceeds                                 | -                         | -            | -                         | -                       | -           | -          | -                        |
| Transfer to State of Florida                              | -                         | -            | -                         | -                       | -           | -          | -                        |
| Net other financing sources (uses)                        | -                         | -            | -                         | -                       | -           | 11,916     | -                        |
| Net change in fund balances                               | -                         | -            | 4,218                     | -                       | -           | 14,081     | 4,884                    |
| Fund balances - beginning                                 | 421                       | -            | 113,562                   | 1,867                   | -           | 110,038    | 9,125                    |
| Fund balances - ending                                    | \$ 421                    | \$ -         | \$ 117,780                | \$ 1,867                | \$ -        | \$ 124,119 | \$ 14,009                |

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# Washington County, Florida

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

### Nonmajor Governmental Funds

For the year ended September 30, 2021

|                                                           | Special Revenue Funds          |                            |                                        |            |                            |                          |                     |
|-----------------------------------------------------------|--------------------------------|----------------------------|----------------------------------------|------------|----------------------------|--------------------------|---------------------|
|                                                           | Brickyard<br>Road<br>Resurface | Tourist<br>Development Tax | Emergency<br>Management<br>Enhancement | EMPG Grant | Criminal<br>Education Fund | Cost of<br>Incarceration | Crime<br>Prevention |
| <b>Revenues</b>                                           |                                |                            |                                        |            |                            |                          |                     |
| Taxes                                                     | \$ -                           | \$ 129,644                 | \$ -                                   | \$ -       | \$ -                       | \$ -                     | -                   |
| Licenses and permits                                      | -                              | -                          | -                                      | -          | -                          | -                        | -                   |
| Intergovernmental                                         | -                              | -                          | -                                      | -          | -                          | -                        | -                   |
| Charges for services                                      | -                              | -                          | -                                      | -          | 6,733                      | 2,490                    | 10,595              |
| Grants                                                    | 6,427                          | -                          | -                                      | 45,826     | -                          | -                        | -                   |
| Investment earnings                                       | -                              | -                          | -                                      | -          | -                          | -                        | -                   |
| Other fees and miscellaneous revenues                     | -                              | -                          | -                                      | -          | 1                          | -                        | 1                   |
| <b>Total revenue</b>                                      | 6,427                          | 129,644                    | -                                      | 45,826     | 6,734                      | 2,490                    | 10,596              |
| <b>Expenditures</b>                                       |                                |                            |                                        |            |                            |                          |                     |
| Current                                                   |                                |                            |                                        |            |                            |                          |                     |
| General government                                        | -                              | -                          | -                                      | -          | -                          | -                        | -                   |
| Public health and safety                                  | -                              | -                          | 75,353                                 | -          | -                          | -                        | -                   |
| Physical environment                                      | -                              | -                          | -                                      | -          | -                          | -                        | -                   |
| Transportation                                            | 6,427                          | -                          | -                                      | -          | -                          | -                        | -                   |
| Economic environment                                      | -                              | 117,013                    | -                                      | 45,826     | -                          | -                        | -                   |
| Human services                                            | -                              | -                          | -                                      | -          | -                          | -                        | -                   |
| Culture and recreation                                    | -                              | -                          | -                                      | -          | -                          | -                        | -                   |
| Court related                                             | -                              | -                          | -                                      | -          | -                          | -                        | -                   |
| Capital outlay                                            | -                              | -                          | -                                      | -          | -                          | -                        | -                   |
| Debt service                                              | -                              | -                          | -                                      | -          | -                          | -                        | -                   |
| Principal                                                 | -                              | -                          | -                                      | -          | -                          | -                        | -                   |
| Interest and other charges                                | -                              | -                          | -                                      | -          | -                          | -                        | -                   |
| <b>Total expenditures</b>                                 | 6,427                          | 117,013                    | 75,353                                 | 45,826     | -                          | -                        | -                   |
| Excess (deficiency) of revenues over (under) expenditures | -                              | 12,631                     | (75,353)                               | -          | 6,734                      | 2,490                    | 10,596              |
| <b>Other financing sources (uses)</b>                     |                                |                            |                                        |            |                            |                          |                     |
| Transfers in                                              | -                              | -                          | 61,675                                 | -          | -                          | -                        | -                   |
| Transfers out                                             | -                              | -                          | -                                      | -          | -                          | -                        | -                   |
| Installment loan proceeds                                 | -                              | -                          | -                                      | -          | -                          | -                        | -                   |
| Transfer to State of Florida                              | -                              | -                          | -                                      | -          | -                          | -                        | -                   |
| <b>Net other financing sources (uses)</b>                 | -                              | -                          | 61,675                                 | -          | -                          | -                        | -                   |
| <b>Net change in fund balances</b>                        | -                              | 12,631                     | (13,678)                               | -          | 6,734                      | 2,490                    | 10,596              |
| <b>Fund balances - beginning</b>                          | -                              | 77,091                     | 43,596                                 | -          | 11,735                     | 24,010                   | 39,882              |
| <b>Fund balances - ending</b>                             | \$ -                           | \$ 89,722                  | \$ 29,918                              | \$ -       | \$ 18,469                  | \$ 26,500                | \$ 50,478           |

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# Washington County, Florida

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

### Nonmajor Governmental Funds

For the year ended September 30, 2021

| Special Revenue Funds                                     |                         |                                |            |            |                  |                        |                   |                    |                      |        |
|-----------------------------------------------------------|-------------------------|--------------------------------|------------|------------|------------------|------------------------|-------------------|--------------------|----------------------|--------|
|                                                           | Article V<br>Technology | Sixty-Five<br>Dollar Surcharge | EMPA Grant | Probation  | Kirkland<br>Road | Fire<br>Impact<br>Fees | Boat Ramp<br>Fund | Wilderness<br>Road | Culpepper<br>Landing |        |
| <b>Revenues</b>                                           |                         |                                |            |            |                  |                        |                   |                    |                      |        |
| Taxes                                                     | \$                      | - \$                           | - \$       | - \$       | - \$             | - \$                   | - \$              | - \$               | - \$                 | -      |
| Licenses and permits                                      | -                       | -                              | -          | -          | -                | 3,082                  | -                 | -                  | -                    | -      |
| Intergovernmental                                         | -                       | -                              | -          | -          | -                | -                      | -                 | -                  | -                    | -      |
| Charges for services                                      | 46,086                  | 24,002                         | -          | 92,234     | -                | -                      | -                 | -                  | -                    | -      |
| Grants                                                    | -                       | -                              | 110,761    | -          | -                | -                      | -                 | -                  | -                    | 13,754 |
| Investment earnings                                       | -                       | -                              | -          | -          | -                | -                      | -                 | -                  | -                    | -      |
| Other fees and miscellaneous revenues                     | -                       | -                              | -          | -          | -                | -                      | 7,517             | -                  | -                    | -      |
| <b>Total revenue</b>                                      | 46,086                  | 24,002                         | 110,761    | 92,234     | -                | 3,082                  | 7,517             | -                  | -                    | 13,754 |
| <b>Expenditures</b>                                       |                         |                                |            |            |                  |                        |                   |                    |                      |        |
| Current                                                   |                         |                                |            |            |                  |                        |                   |                    |                      |        |
| General government                                        | -                       | -                              | 110,761    | -          | -                | -                      | -                 | -                  | -                    | -      |
| Public health and safety                                  | -                       | -                              | -          | -          | -                | -                      | -                 | -                  | -                    | -      |
| Physical environment                                      | -                       | -                              | -          | -          | -                | -                      | -                 | -                  | -                    | -      |
| Transportation                                            | -                       | 6,001                          | -          | -          | 98               | -                      | -                 | -                  | -                    | -      |
| Economic environment                                      | -                       | -                              | -          | -          | -                | -                      | -                 | -                  | -                    | -      |
| Human services                                            | -                       | -                              | -          | -          | -                | -                      | -                 | -                  | -                    | -      |
| Culture and recreation                                    | -                       | -                              | -          | -          | -                | -                      | -                 | -                  | -                    | -      |
| Court related                                             | 15,683                  | -                              | -          | 94,708     | -                | -                      | -                 | -                  | -                    | 13,754 |
| Capital outlay                                            | -                       | -                              | -          | -          | -                | -                      | -                 | -                  | -                    | -      |
| Debt service                                              | -                       | -                              | -          | -          | -                | -                      | -                 | -                  | -                    | -      |
| Principal                                                 | -                       | -                              | -          | -          | -                | -                      | -                 | -                  | -                    | -      |
| Interest and other charges                                | -                       | -                              | -          | -          | -                | -                      | -                 | -                  | -                    | -      |
| <b>Total expenditures</b>                                 | 15,683                  | 6,001                          | 110,761    | 94,708     | 98               | -                      | -                 | 1                  | -                    | 13,754 |
| Excess (deficiency) of revenues over (under) expenditures | 30,403                  | 18,001                         | -          | (2,474)    | (98)             | 3,082                  | 7,517             | (1)                | -                    | -      |
| <b>Other financing sources (uses)</b>                     |                         |                                |            |            |                  |                        |                   |                    |                      |        |
| Transfers in                                              | -                       | -                              | -          | -          | -                | -                      | -                 | -                  | -                    | -      |
| Transfers out                                             | (28,989)                | -                              | -          | -          | -                | -                      | -                 | -                  | -                    | -      |
| Installment loan proceeds                                 | -                       | -                              | -          | -          | -                | -                      | -                 | -                  | -                    | -      |
| Transfer to State of Florida                              | -                       | -                              | -          | -          | -                | -                      | -                 | -                  | -                    | -      |
| <b>Net other financing sources (uses)</b>                 | (28,989)                | -                              | -          | -          | -                | -                      | -                 | -                  | -                    | -      |
| <b>Net change in fund balances</b>                        | 1,414                   | 18,001                         | -          | (2,474)    | (98)             | 3,082                  | 7,517             | (1)                | -                    | -      |
| <b>Fund balances - beginning</b>                          | 32,156                  | 276,586                        | (1)        | 178,118    | 98               | 701                    | 75,062            | 1                  | -                    | -      |
| <b>Fund balances - ending</b>                             | \$ 33,570               | \$ 294,587                     | \$ (1)     | \$ 175,644 | \$ -             | \$ 3,783               | \$ 82,579         | \$ -               | \$ -                 | \$ -   |

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# Washington County, Florida

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

### Nonmajor Governmental Funds

For the year ended September 30, 2021

| Special Revenue Funds                                     |                     |                     |                  |              |                          |                     |                     |                              |            |
|-----------------------------------------------------------|---------------------|---------------------|------------------|--------------|--------------------------|---------------------|---------------------|------------------------------|------------|
|                                                           | Building Department | Inmate Welfare Fund | Impact Fees      | EMS          | Orange Hill & South Blvd | Hurricane Sally     | Tropical Storm Fred | Public Records Modernization | Trust Fund |
| <b>Revenues</b>                                           |                     |                     |                  |              |                          |                     |                     |                              |            |
| Taxes                                                     | \$ -                | \$ -                | \$ -             | \$ -         | \$ -                     | \$ -                | \$ -                | \$ -                         | -          |
| Licenses and permits                                      | 273,735             | -                   | -                | 5,603        | -                        | -                   | -                   | -                            | -          |
| Intergovernmental                                         | -                   | -                   | -                | -            | -                        | -                   | -                   | -                            | -          |
| Charges for services                                      | -                   | 215,655             | -                | -            | -                        | -                   | -                   | -                            | 56,827     |
| Grants                                                    | -                   | -                   | -                | -            | 23,056                   | 236,423             | -                   | -                            | -          |
| Investment earnings                                       | -                   | 352                 | -                | -            | -                        | -                   | -                   | -                            | -          |
| Other fees and miscellaneous revenues                     | 2,525               | 3,498               | -                | -            | -                        | -                   | -                   | -                            | -          |
| <b>Total revenue</b>                                      | <b>276,260</b>      | <b>219,505</b>      | <b>5,603</b>     | <b>5,603</b> | <b>23,056</b>            | <b>236,423</b>      | <b>-</b>            | <b>56,827</b>                |            |
| <b>Expenditures</b>                                       |                     |                     |                  |              |                          |                     |                     |                              |            |
| Current                                                   |                     |                     |                  |              |                          |                     |                     |                              |            |
| General government                                        | -                   | -                   | -                | -            | -                        | -                   | -                   | -                            | 4,306      |
| Public health and safety                                  | 212,953             | 86,785              | -                | -            | -                        | -                   | -                   | -                            | -          |
| Physical environment                                      | -                   | -                   | -                | -            | -                        | 547,044             | -                   | -                            | -          |
| Transportation                                            | -                   | -                   | -                | -            | 23,056                   | -                   | 113,423             | -                            | -          |
| Economic environment                                      | -                   | -                   | -                | -            | -                        | -                   | -                   | -                            | -          |
| Human services                                            | -                   | -                   | -                | -            | -                        | -                   | -                   | -                            | -          |
| Culture and recreation                                    | -                   | -                   | -                | -            | -                        | -                   | -                   | -                            | -          |
| Court related                                             | -                   | -                   | -                | -            | -                        | -                   | -                   | -                            | 28,229     |
| Capital outlay                                            | -                   | 34,100              | -                | -            | -                        | 62,644              | 14,092              | -                            | -          |
| Debt service                                              | -                   | -                   | -                | -            | -                        | -                   | -                   | -                            | -          |
| Principal                                                 | -                   | -                   | -                | -            | -                        | -                   | -                   | -                            | -          |
| Interest and other charges                                | -                   | -                   | -                | -            | -                        | -                   | -                   | -                            | -          |
| <b>Total expenditures</b>                                 | <b>212,953</b>      | <b>120,885</b>      | <b>-</b>         | <b>-</b>     | <b>23,056</b>            | <b>609,688</b>      | <b>127,515</b>      | <b>32,535</b>                |            |
| Excess (deficiency) of revenues over (under) expenditures | 63,307              | 98,620              | 5,603            | -            | -                        | (373,265)           | (127,515)           | 24,292                       |            |
| <b>Other financing sources (uses)</b>                     |                     |                     |                  |              |                          |                     |                     |                              |            |
| Transfers in                                              | -                   | -                   | -                | -            | -                        | -                   | -                   | -                            | -          |
| Transfers out                                             | -                   | (9,169)             | -                | -            | -                        | -                   | -                   | -                            | -          |
| Installment loan proceeds                                 | -                   | -                   | -                | -            | -                        | -                   | -                   | -                            | -          |
| Transfer to State of Florida                              | -                   | -                   | -                | -            | -                        | -                   | -                   | -                            | -          |
| <b>Net other financing sources (uses)</b>                 | <b>-</b>            | <b>(9,169)</b>      | <b>-</b>         | <b>-</b>     | <b>-</b>                 | <b>-</b>            | <b>-</b>            | <b>-</b>                     | <b>-</b>   |
| <b>Net change in fund balances</b>                        | <b>63,307</b>       | <b>89,451</b>       | <b>5,603</b>     | <b>-</b>     | <b>-</b>                 | <b>(373,265)</b>    | <b>(127,515)</b>    | <b>24,292</b>                |            |
| <b>Fund balances - beginning</b>                          | <b>172,627</b>      | <b>163,946</b>      | <b>7,569</b>     | <b>-</b>     | <b>-</b>                 | <b>-</b>            | <b>-</b>            | <b>43,257</b>                |            |
| <b>Fund balances - ending</b>                             | <b>\$ 235,934</b>   | <b>\$ 253,397</b>   | <b>\$ 13,172</b> | <b>\$ -</b>  | <b>\$ -</b>              | <b>\$ (373,265)</b> | <b>\$ (127,515)</b> | <b>\$ 67,549</b>             |            |

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# Washington County, Florida

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

### Nonmajor Governmental Funds

For the year ended September 30, 2021

|                                                           | Special Revenue Funds         |                     |                  |            |                | Debt Service Funds |                                |           |                   | Total Nonmajor Governmental Funds |
|-----------------------------------------------------------|-------------------------------|---------------------|------------------|------------|----------------|--------------------|--------------------------------|-----------|-------------------|-----------------------------------|
|                                                           | Law Enforcement Trust Fund II | Highway 79 Corridor | Old Bonifay Road | COVID 19   | FFCRA COVID 19 | Hurricane Irma     | Series 2009 A & B Debt Service | Loan Fund | Debt Service Fund |                                   |
| <b>Revenues</b>                                           |                               |                     |                  |            |                |                    |                                |           |                   |                                   |
| Taxes                                                     | \$ -                          | \$ -                | \$ -             | \$ -       | \$ -           | -                  | -                              | -         | \$ -              | 599,164                           |
| Licenses and permits                                      | -                             | -                   | -                | -          | -              | -                  | -                              | -         | -                 | 312,608                           |
| Intergovernmental                                         | -                             | -                   | -                | -          | -              | -                  | -                              | -         | -                 | 387,677                           |
| Charges for services                                      | -                             | -                   | -                | -          | -              | -                  | -                              | -         | -                 | 2,725,202                         |
| Grants                                                    | -                             | 1,212,236           | -                | 427,001    | -              | 16,636             | -                              | -         | -                 | 5,526,744                         |
| Investment earnings                                       | -                             | -                   | -                | -          | -              | -                  | -                              | -         | -                 | 352                               |
| Other fees and miscellaneous revenues                     | -                             | -                   | -                | -          | -              | -                  | -                              | -         | -                 | 113,387                           |
| <b>Total revenue</b>                                      | -                             | 1,212,236           | -                | 427,001    | -              | 16,636             | -                              | -         | -                 | 9,665,134                         |
| <b>Expenditures</b>                                       |                               |                     |                  |            |                |                    |                                |           |                   |                                   |
| <b>Current</b>                                            |                               |                     |                  |            |                |                    |                                |           |                   |                                   |
| General government                                        | -                             | -                   | -                | -          | -              | -                  | -                              | -         | -                 | 277,550                           |
| Public health and safety                                  | -                             | -                   | -                | 411,254    | -              | -                  | -                              | -         | -                 | 4,873,790                         |
| Physical environment                                      | -                             | -                   | -                | -          | -              | -                  | -                              | -         | -                 | 672,508                           |
| Transportation                                            | -                             | -                   | 1,941            | -          | -              | -                  | -                              | -         | -                 | 1,052,945                         |
| Economic environment                                      | -                             | 1,253,846           | -                | -          | -              | -                  | -                              | -         | -                 | 1,646,884                         |
| Human services                                            | -                             | -                   | -                | -          | -              | -                  | -                              | -         | -                 | 56,490                            |
| Culture and recreation                                    | -                             | -                   | -                | -          | -              | -                  | -                              | -         | -                 | 657,652                           |
| Court related                                             | -                             | -                   | -                | -          | -              | -                  | -                              | -         | -                 | 1,111,122                         |
| Capital outlay                                            | -                             | -                   | -                | 130,556    | -              | -                  | -                              | -         | -                 | 2,090,201                         |
| Debt service                                              | -                             | -                   | -                | -          | -              | -                  | -                              | -         | -                 | 463,699                           |
| Principal                                                 | -                             | -                   | -                | -          | -              | -                  | 390,000                        | -         | -                 | 126,505                           |
| Interest and other charges                                | -                             | -                   | -                | -          | -              | -                  | 109,697                        | -         | -                 | -                                 |
| <b>Total expenditures</b>                                 | -                             | 1,253,846           | 1,941            | 541,810    | -              | -                  | 499,697                        | -         | -                 | 13,029,346                        |
| Excess (deficiency) of revenues over (under) expenditures | -                             | (41,610)            | (1,941)          | (114,809)  | -              | 16,636             | (499,697)                      | -         | -                 | (3,364,212)                       |
| <b>Other financing sources (uses)</b>                     |                               |                     |                  |            |                |                    |                                |           |                   |                                   |
| Transfers in                                              | -                             | -                   | -                | -          | -              | -                  | 499,697                        | -         | -                 | 3,602,459                         |
| Transfers out                                             | -                             | -                   | -                | -          | -              | (16,636)           | -                              | -         | -                 | (75,697)                          |
| Installment loan proceeds                                 | -                             | -                   | -                | -          | -              | -                  | -                              | -         | -                 | -                                 |
| Transfer to State of Florida                              | -                             | -                   | -                | -          | -              | -                  | -                              | -         | -                 | (98,980)                          |
| <b>Net other financing sources (uses)</b>                 | -                             | -                   | -                | -          | -              | (16,636)           | 499,697                        | -         | -                 | 3,427,782                         |
| <b>Net change in fund balances</b>                        | -                             | (41,610)            | (1,941)          | (114,809)  | -              | -                  | -                              | -         | -                 | 63,570                            |
| <b>Fund balances - beginning</b>                          | 84,810                        | -                   | -                | 446,240    | (16,137)       | -                  | -                              | -         | -                 | 2,991,021                         |
| <b>Fund balances - ending</b>                             | \$ 84,810                     | \$ (41,610)         | \$ (1,941)       | \$ 331,431 | \$ (16,137)    | \$ -               | \$ -                           | \$ -      | \$ -              | \$ 3,054,591                      |

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**Washington County, Florida**  
**Combining Statement of Fiduciary Net Position**  
**Custodial Funds**

September 30, 2021

| Clerk of the Circuit Court |    |                  |                  |                     |              |               |                      |
|----------------------------|----|------------------|------------------|---------------------|--------------|---------------|----------------------|
|                            |    | General<br>Trust | Child<br>Support | Jury and<br>Witness | Tax<br>Deeds | Cash<br>Bonds | Registry<br>of Court |
| Assets                     |    |                  |                  |                     |              |               |                      |
| Cash                       | \$ | 148,114          | \$ 5,202         | \$ 4,185            | \$ 321,778   | \$ 18,542     | \$ 159,608           |
| Due from other funds       |    | 1,620            | 1,610            | 480                 | 70           | -             | 2,946                |
| Due from others            |    | -                | -                | -                   | -            | -             | -                    |
|                            |    |                  |                  |                     |              |               |                      |
| Total assets               | \$ | 149,734          | \$ 6,812         | \$ 4,665            | \$ 321,848   | \$ 18,542     | \$ 162,554           |
|                            |    |                  |                  |                     |              |               |                      |
| Liabilities                |    |                  |                  |                     |              |               |                      |
| Due to others              | \$ | 149,365          | \$ 4,256         | \$ 4,665            | \$ 321,848   | \$ 18,500     | \$ 162,274           |
| Due to other funds         |    | 369              | 2,556            | -                   | -            | 42            | 280                  |
|                            |    |                  |                  |                     |              |               |                      |
| Total liabilities          | \$ | 149,734          | \$ 6,812         | \$ 4,665            | \$ 321,848   | \$ 18,542     | \$ 162,554           |

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Washington County, Florida  
Combining Statement of Fiduciary Net Position  
Custodial Funds

September 30, 2021

|                          | Clerk                   |   | Sheriff                 |            | Tax Collector |           |            |
|--------------------------|-------------------------|---|-------------------------|------------|---------------|-----------|------------|
|                          | Dependency<br>Mediation |   | Inmate<br>Welfare Trust | Escrow     | Tag           | Tax       | Total      |
| <b>Assets</b>            |                         |   |                         |            |               |           |            |
| Cash                     | \$                      | - | \$ 69,965               | \$ 177,641 | \$ 1,429      | \$ 25,232 | \$ 931,696 |
| Due from other funds     |                         | - | -                       | -          | -             | -         | 6,726      |
| Due from others          |                         | - | -                       | -          | 1,972         | 293       | 2,265      |
| <b>Total assets</b>      | \$                      | - | \$ 69,965               | \$ 177,641 | \$ 3,401      | \$ 25,525 | \$ 940,687 |
| <b>Liabilities</b>       |                         |   |                         |            |               |           |            |
| Due to others            | \$                      | - | \$ 69,965               | \$ 177,641 | \$ 3,401      | \$ 25,525 | \$ 937,440 |
| Due to other funds       |                         | - | -                       | -          | -             | -         | 3,247      |
| <b>Total liabilities</b> | \$                      | - | \$ 69,965               | \$ 177,641 | \$ 3,401      | \$ 25,525 | \$ 940,687 |

See Independent Auditors' Report

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Washington County, Florida

Combining Statement of Changes in Fiduciary Net Position

Custodial Funds

September 30, 2021

|                                                     | <i>Clerk of the Circuit Court</i> |                  |                     |              |               |                      |
|-----------------------------------------------------|-----------------------------------|------------------|---------------------|--------------|---------------|----------------------|
|                                                     | General<br>Trust                  | Child<br>Support | Jury and<br>Witness | Tax<br>Deeds | Cash<br>Bonds | Registry<br>of Court |
| <b>Additions:</b>                                   |                                   |                  |                     |              |               |                      |
| Collections for others                              | \$ 4,829,815                      | \$ 68,219        | \$ 1,876            | \$ 793,362   | \$ 106,620    | \$ 980,547           |
| Total additions                                     | 4,829,815                         | 68,219           | 1,876               | 793,362      | 106,620       | 980,547              |
| <b>Deductions:</b>                                  |                                   |                  |                     |              |               |                      |
| Payments to others                                  | 4,829,815                         | 68,219           | 1,876               | 793,362      | 106,620       | 980,547              |
| Increase in liabilities                             | -                                 | -                | -                   | -            | -             | -                    |
| Total deductions                                    | 4,829,815                         | 68,219           | 1,876               | 793,362      | 106,620       | 980,547              |
| Net increase (deficiency) in fiduciary net position | -                                 | -                | -                   | -            | -             | -                    |
| <b>Fund balances - beginning, as restated</b>       | -                                 | -                | -                   | -            | -             | -                    |
| <b>Fund balances - ending</b>                       | \$ -                              | \$ -             | \$ -                | \$ -         | \$ -          | \$ -                 |

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Washington County, Florida

Combining Statement of Changes in Fiduciary Net Position

Custodial Funds

September 30, 2021

|                                                     | Clerk<br>Dependency<br>Mediation | Sheriff<br>Inmate<br>Welfare Trust | Tax Collector |              |               |               |
|-----------------------------------------------------|----------------------------------|------------------------------------|---------------|--------------|---------------|---------------|
|                                                     |                                  |                                    | Escrow        | Tag          | Tax           | Total         |
| <b>Additions:</b>                                   |                                  |                                    |               |              |               |               |
| Collections for others                              | \$ 1,700                         | \$ 323,955                         | \$ 277,419    | \$ 4,520,830 | \$ 18,066,625 | \$ 29,970,968 |
| Total additions                                     | 1,700                            | 323,955                            | 277,419       | 4,520,830    | 18,066,625    | 29,970,968    |
| <b>Deductions:</b>                                  |                                  |                                    |               |              |               |               |
| Payments to others                                  | 1,700                            | 303,578                            | 277,419       | 4,520,830    | 18,066,625    | 29,950,591    |
| Increase in liabilities                             | -                                | 20,377                             | -             | -            | -             | 20,377        |
| Total deductions                                    | 1,700                            | 323,955                            | 277,419       | 4,520,830    | 18,066,625    | 29,970,968    |
| Net increase (deficiency) in fiduciary net position | -                                | -                                  | -             | -            | -             | -             |
| <b>Fund balances - beginning, as restated</b>       | -                                | -                                  | -             | -            | -             | -             |
| <b>Fund balances - ending</b>                       | \$ -                             | \$ -                               | - \$          | - \$         | - \$          | -             |

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## COMPLIANCE SECTION

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

To the Honorable Board of County Commissioners  
and Constitutional Officers of Washington County, Florida  
Chipley, 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 of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Washington County, Florida (the "County") as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise Washington County, Florida's basic financial statements, and have issued our report thereon dated November 21, 2022.

In our report on the financial statements, our opinion was qualified because, as described in the "Basis for Qualified Opinion on Governmental Activities" section in the report on the financial statements, we were unable to form an opinion regarding the amounts at which property, plant, equipment, related depreciation and gain on sale of capital assets are recorded in the governmental activities, as the County does not have adequate records to accurately record historical cost, gains and losses on disposition of capital assets, depreciation expense or accumulated depreciation on property, plant and equipment in its governmental activities as required by generally accepted accounting principles. The effect on the financial statements has not been determined.

#### **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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

To the Honorable Board of County Commissioners  
and Constitutional Officers of Washington County, Florida  
Chipley, Florida

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items BCC 2021-001, BCC 2021-002, SH 2021-001, SH 2021-002, SOE 2021-001, SOE 2021-002, CLERK 2021-001, BCC 1997-001, and SOE 2019-001 to be material weaknesses.

A *significant deficiency* is a deficiency, or a 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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items PA 2003-003, SOE 2003-003, and TC 2003-003 to be significant deficiencies.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item BCC 2021-004.

We also noted certain other matters that we reported to the management of the County in a separate letter dated November 21, 2022.

### **Washington County, Florida's Response to Findings**

The County's response to the findings identified in our audit is described in the accompanying management response letters. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control 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 control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Cary Riggs & Ingram, L.L.C.*

Marianna, Florida  
November 21, 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 FLORIDA AUDITOR GENERAL**

To the Honorable Board of County Commissioners  
and Constitutional Officers of Washington County, Florida  
Chipley, Florida

**Report on Compliance for Each Major Federal Program and State Project**

We have audited Washington County, Florida's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the *State of Florida, Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of the County's major federal programs and state projects for the year ended September 30, 2021. The County's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the County's major federal programs and state projects based on our audit of 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 of Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Florida Auditor General for Local Government Entity Audits* (Rules of the Auditor General). Those standards, the Uniform Guidance, and the 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 major 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 federal program and state project. However, our audit does not provide a legal determination of the County's compliance.

To the Honorable Board of County Commissioners  
and Constitutional Officers of Washington County, Florida  
Chipley, Florida

***Opinion on Each Major Federal Program and State Project***

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and major state projects for the 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 the types of requirements that could have a direct and material effect on each major federal program and major state project 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 and major state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and the Rules of the Auditor General, 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 or state project 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 or state project 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 of federal program or state project 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 the internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items BCC 2021-003 and BCC 2021-005 that we consider to be significant deficiencies.

To the Honorable Board of County Commissioners  
and Constitutional Officers of Washington County, Florida  
Chipley, Florida

The County's response to the internal control over compliance finding identified in our audit is described in the accompanying management response letters. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 and the Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

*Cam, Riggs & Ingram, L.L.C.*

Marianna, Florida  
November 21, 2022

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**Washington County, Florida**  
**Schedule of Expenditures of Federal Awards**  
**and State Financial Assistance**

for the year ended September 30, 2021

| Federal Agency                                             | Pass through entity                                                                | Federal Program                                                                      | ALN    | Contract/Grant Number                        | Total Expenditures | Passed to Subrecipients |
|------------------------------------------------------------|------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|--------|----------------------------------------------|--------------------|-------------------------|
| <b>United States Department of Treasury</b>                |                                                                                    |                                                                                      |        |                                              |                    |                         |
|                                                            | Passed through Florida Division of Emergency Management                            |                                                                                      |        |                                              |                    |                         |
|                                                            |                                                                                    | COVID-19: Coronavirus Relief Fund                                                    | 21.019 | 101-2020                                     | \$ 58,003          | \$ -                    |
|                                                            |                                                                                    | COVID-19: Coronavirus Relief Fund                                                    | 21.019 | Y2302                                        | 1,182,412          | 91,397                  |
| <b>Total United States Department of Treasury</b>          |                                                                                    |                                                                                      |        |                                              | <b>1,240,415</b>   | <b>91,397</b>           |
| <b>United States Department of Homeland Security</b>       |                                                                                    |                                                                                      |        |                                              |                    |                         |
|                                                            | Passed through Florida Division of Emergency Management                            |                                                                                      |        |                                              |                    |                         |
|                                                            |                                                                                    | Emergency Management Performance Grants (EMPG)                                       | 97.042 | G0227                                        | 17,227             | -                       |
|                                                            |                                                                                    | Emergency Management Performance Grants (EMPG)                                       | 97.042 | G0217                                        | 16,705             | -                       |
|                                                            |                                                                                    | <b>Total Emergency Management Performance Grants (EMPG)</b>                          |        |                                              | <b>33,932</b>      | <b>-</b>                |
|                                                            |                                                                                    | Homeland Security Grant Program                                                      | 97.067 | G0176                                        | 28,598             | -                       |
|                                                            |                                                                                    | Homeland Security Grant Program                                                      | 97.067 | G0149                                        | 576                | -                       |
|                                                            |                                                                                    | <b>Total Homeland Security Grant Program</b>                                         |        |                                              | <b>29,174</b>      | <b>-</b>                |
|                                                            |                                                                                    | Disaster Grants - Public Assistance (Presidentially Declared Disasters)              |        |                                              |                    |                         |
|                                                            |                                                                                    | DR-4399 - Hurricane Michael                                                          | 97.036 | Z0843                                        | 21,659,653         | -                       |
|                                                            |                                                                                    | DR-4564 - Hurricane Sally                                                            | 97.036 | Z2595                                        | 468,711            | -                       |
|                                                            |                                                                                    | DR-4337 - Hurricane Irma                                                             | 97.036 | Z1268                                        | 16,636             | -                       |
|                                                            |                                                                                    |                                                                                      |        | DEM-14-FS-8Q-02-77-02-                       |                    |                         |
|                                                            |                                                                                    | DR-4138 - Severe Storms and Flooding                                                 | 97.036 | 502                                          | 969,727            | -                       |
|                                                            |                                                                                    | COVID-19: DR-4399 - COVID-19                                                         | 97.036 | Z2029                                        | 338,164            | -                       |
|                                                            |                                                                                    | <b>Total Disaster Grants - Public Assistance (Presidentially Declared Disasters)</b> |        |                                              | <b>23,452,891</b>  | <b>-</b>                |
| <b>Total United States Department of Homeland Security</b> |                                                                                    |                                                                                      |        |                                              | <b>23,515,997</b>  | <b>-</b>                |
| <b>United States Department of Justice</b>                 |                                                                                    |                                                                                      |        |                                              |                    |                         |
|                                                            | Adam Walsh Grant                                                                   |                                                                                      | 16.750 | 2020-AW-BX-0044                              | 32,113             | -                       |
|                                                            | Passed through Florida Department of Legal Affairs, Office of the Attorney General |                                                                                      |        |                                              |                    |                         |
|                                                            |                                                                                    | Crime Victim Assistance                                                              | 16.575 | VOCA-2020-Washington<br>County Sheriff-00759 | 35,431             | -                       |
|                                                            | Passed through Florida Department of Law Enforcement                               |                                                                                      |        |                                              |                    |                         |
|                                                            |                                                                                    | Edward Byrne Memorial Justice Assistance Grants                                      | 16.738 | 2021-JAGC-WASH-1-B-089                       | 26,060             | -                       |
| <b>Total United States Department of Justice</b>           |                                                                                    |                                                                                      |        |                                              | <b>93,604</b>      | <b>-</b>                |

*See Independent Auditors' Report and  
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance*



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**Washington County, Florida**

**Schedule of Expenditures of Federal Awards**

**and State Financial Assistance**

*For the year ended September 30, 2021*

| <b>Federal Agency</b>                                              |            |  |                       |                      |                      |
|--------------------------------------------------------------------|------------|--|-----------------------|----------------------|----------------------|
| <b>Pass through entity</b>                                         |            |  | <b>Contract/Grant</b> | <b>Total</b>         | <b>Passed to</b>     |
| <b>Federal Program</b>                                             | <b>ALN</b> |  | <b>Number</b>         | <b>Expenditures</b>  | <b>Subrecipients</b> |
| <b>United States Department of Transportation</b>                  |            |  |                       |                      |                      |
| Passed through Florida Department of Transportation                |            |  |                       |                      |                      |
| Highway Safety Cluster                                             |            |  |                       |                      |                      |
| State and Community Highway Safety                                 | 20.600     |  | G1R55                 | 55,083               | -                    |
| Highway Planning and Construction Cluster                          |            |  |                       |                      |                      |
| Highway Planning and Construction (Federal-Aid Highway Program)    | 20.205     |  | G1L17                 | 433,406              | -                    |
| Passed through Florida Department of Management Services           |            |  |                       |                      |                      |
| E-911 Grant Program                                                | 20.615     |  | 20-04-35              | 249,973              | -                    |
| <b>Total United States Department of Transportation</b>            |            |  |                       | <b>738,462</b>       | <b>-</b>             |
| <b>United States Department of Health and Human Services</b>       |            |  |                       |                      |                      |
| Passed through Florida Department of Revenue                       |            |  |                       |                      |                      |
| Child Support Enforcement                                          | 93.563     |  | COC67                 | 103,290              | -                    |
| <b>Total United States Department of Health and Human Services</b> |            |  |                       | <b>103,290</b>       | <b>-</b>             |
| <b>United States Election Assistance Commission</b>                |            |  |                       |                      |                      |
| Passed through Florida Department of State, Division of Elections  |            |  |                       |                      |                      |
| Help America Vote Act Requirements Payments                        | 90.401     |  | MOA-2018-2019-001     | 619                  | -                    |
| COVID-19: HAVA Election Security Grants                            | 90.404     |  | 20.e.cs.000.067       | 22,488               | -                    |
| <b>Total United States Election Assistance Commission</b>          |            |  |                       | <b>23,107</b>        | <b>-</b>             |
| <b>Total Expenditures of Federal Awards</b>                        |            |  |                       | <b>\$ 25,714,875</b> | <b>\$ 91,397</b>     |

*See Independent Auditors' Report and*

*Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance*

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**Washington County, Florida**  
**Schedule of Expenditures of Federal Awards**  
**and State Financial Assistance**

*For the year ended September 30, 2021*

| State Agency<br>State Project                                      | CSFA   | Contract/Grant<br>Number | Expenditures     | Passed to<br>Subrecipients |
|--------------------------------------------------------------------|--------|--------------------------|------------------|----------------------------|
| <b>Florida Department of Transportation</b>                        |        |                          |                  |                            |
| Small County Road Assistance Program (SCRAP)                       |        |                          |                  |                            |
| Orange Hill & South Blvd                                           | 55.016 | G1J52                    | \$ 23,056        | \$ -                       |
| Cope Road                                                          | 55.016 | G1F35                    | 198,228          | -                          |
| Brickyard Road                                                     | 55.016 | G1U63                    | 6,427            | -                          |
| Total Small County Road Assistance Program (SCRAP)                 |        |                          | 227,711          | -                          |
| Small County Outreach Program (SCOP)                               |        |                          |                  |                            |
| Clayton Road                                                       | 55.009 | G1T86                    | 136,796          | -                          |
| Alford Road                                                        | 55.009 | G1L17                    | 266,539          | -                          |
| Buckhorn Road                                                      | 55.009 | G1F38                    | 523,067          | -                          |
| Total Small County Outreach Program (SCOP)                         |        |                          | 926,402          | -                          |
| <b>Total Florida Department of Transportation</b>                  |        |                          | <b>1,154,113</b> | <b>-</b>                   |
| <b>Florida Executive Office of the Governor</b>                    |        |                          |                  |                            |
| Emergency Management Program                                       | 31.063 | A0121                    | 89,460           | -                          |
| Emergency Management Program                                       | 31.063 | A0171                    | 21,301           | -                          |
| <b>Total Executive Office of the Governor</b>                      |        |                          | <b>110,761</b>   | <b>-</b>                   |
| <b>Florida Housing Finance Corporation</b>                         |        |                          |                  |                            |
| State Housing Initiatives Partnership Program (SHIP)               | 40.901 | N/A                      | 421,891          | -                          |
| Hurricane Housing Recovery Program (HHRP)                          | 40.902 | 858-2020                 | 377,847          | -                          |
| <b>Total Florida Housing Finance Corporation</b>                   |        |                          | <b>799,738</b>   | <b>-</b>                   |
| <b>Florida Department of Environmental Protection</b>              |        |                          |                  |                            |
| Small County Consolidated Grants                                   | 37.012 | SC132                    | 93,750           | -                          |
| <b>Total Florida Department of Environmental Protection</b>        |        |                          | <b>93,750</b>    | <b>-</b>                   |
| <b>Florida Department of State and Secretary of State</b>          |        |                          |                  |                            |
| State Aid to Libraries                                             | 45.030 | 21-ST-90                 | 223,921          | -                          |
| <b>Total Florida Department of State and Secretary of State</b>    |        |                          | <b>223,921</b>   | <b>-</b>                   |
| <b>Florida Department of Management Services</b>                   |        |                          |                  |                            |
| Wireless 911 Emergency Telephone System Rural County Grant Program | 72.001 | 19-02-27                 | 6,695            | -                          |
| Wireless 911 Emergency Telephone System Rural County Grant Program | 72.001 | 20-04-33                 | 5,797            | -                          |
| <b>Total Florida Department of Management Services</b>             |        |                          | <b>12,492</b>    | <b>-</b>                   |

*See Independent Auditors' Report and  
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance*  
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**Washington County, Florida**

**Schedule of Expenditures of Federal Awards**

**and State Financial Assistance**

*For the year ended September 30, 2021*

| State Agency<br>State Project                                              | CSFA   | Contract/Grant<br>Number | Expenditures         | Passed to<br>Subrecipients |
|----------------------------------------------------------------------------|--------|--------------------------|----------------------|----------------------------|
| <b>Florida Department of Agriculture and Consumer Services</b>             |        |                          |                      |                            |
| Mosquito Control                                                           | 42.003 | 26499                    | 47,603               | -                          |
| Agriculture Education and Promotion Facility                               | 42.047 | 23902                    | 148,732              | -                          |
| <b>Total Florida Department of Agriculture and Consumer Services</b>       |        |                          | <b>196,335</b>       | <b>-</b>                   |
| <b>Florida Department of Economic Opportunity</b>                          |        |                          |                      |                            |
| Growth Management Implementation                                           | 40.024 | P0382                    | 35,000               | -                          |
| Division of Housing and Community Development                              | 40.038 | DL003                    | 64,375               | -                          |
| Regional Rural Development and Infrastructure Fund                         | 40.042 | D0164                    | 162,483              | -                          |
| Economic Development Tax Refund, Tax Credit, and Grant Program             | 40.043 | G0006                    | 1,177,236            | 1,177,236                  |
| <b>Total Florida Department of Economic Opportunity</b>                    |        |                          | <b>1,439,094</b>     | <b>1,177,236</b>           |
| <b>Florida Fish and Wildlife Conservation Commission</b>                   |        |                          |                      |                            |
| Florida Boating Improvement Program                                        | 77.006 | 17210                    | 13,754               | -                          |
| <b>Total Florida Fish and Wildlife Conservation Commission</b>             |        |                          | <b>13,754</b>        | <b>-</b>                   |
| <b>Florida Department of Financial Services</b>                            |        |                          |                      |                            |
| Fire Decontamination Equipment Grant Project                               | 43.013 | FM592                    | 5,668                | -                          |
| <b>Total Florida Department of Financial Services</b>                      |        |                          | <b>5,668</b>         | <b>-</b>                   |
| <b>Total Expenditures of State Financial Assistance</b>                    |        |                          | <b>4,049,626</b>     | <b>1,177,236</b>           |
| <b>Total Expenditures of Federal Awards and State Financial Assistance</b> |        |                          | <b>\$ 29,764,501</b> | <b>\$ 1,268,633</b>        |

*See Independent Auditors' Report and  
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance*

**Washington County, Florida**  
**Notes to Schedule of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**For the year ended September 30, 2021**

**Note 1: BASIS OF ACCOUNTING**

The supplementary schedule of expenditures of federal award and state financial assistance includes the grant activity of Washington County, Florida (the County). Federal and state expenditures are presented on the modified accrual basis of accounting. The information in these schedules is presented in accordance with the requirement of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance) and Chapter 10.550, *Rules of the Florida Auditor General*. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position or changes in net position or fund balance of the County.

**Note 2: REPORTING ENTITY**

The County for purposes of the supplementary schedule of expenditures of federal award and state financial assistance includes all the funds of the primary government as defined by GASB 14, *The Financial Reporting Entity*.

**Note 3: PASS-THROUGH AWARDS**

The County receives certain federal awards from pass-through awards of the State. The total amount of such pass-through awards is included on the supplementary schedule of expenditures of federal award and state financial assistance.

**Note 4: INDIRECT COST RATE**

The County has not elected to use the 10% *de minimis* indirect cost rate allowed under the Uniform Guidance.

**NOTE 5: OTHER TYPES OF FINANCIAL ASSISTANCE**

The County did not receive any other type of financial assistance to be included in the schedule of expenditures of federal awards and state financial assistance, such as endowments, insurance in effect, or noncash assistance such as food commodities, donated property (including donated surplus property) or free rent.

**Washington County, Florida**  
**Schedule of Findings and Questioned Costs**  
**For the year ended September 30, 2021**

**SECTION I – SUMMARY OF AUDITORS’ RESULTS**

*Financial Statements:*

- |                                                              |           |
|--------------------------------------------------------------|-----------|
| 1. Type of auditors’ report issued                           | Qualified |
| 2. Internal control over financial reporting:                |           |
| a. Material weaknesses identified?                           | Yes       |
| b. Significant deficiencies identified?                      | Yes       |
| c. Noncompliance material to the financial statements noted? | Yes       |

*Federal Awards:*

- |                                                                                                              |            |
|--------------------------------------------------------------------------------------------------------------|------------|
| 1. Type of auditors’ report issued on compliance for major programs                                          | Unmodified |
| 2. Internal control over major programs:                                                                     |            |
| a. Material weaknesses identified?                                                                           | No         |
| b. Significant deficiencies identified?                                                                      | Yes        |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a)? | Yes        |
| 4. Identification of major programs:                                                                         |            |

| Assistance Listing Number | Federal Program                                                         |
|---------------------------|-------------------------------------------------------------------------|
| 21.019                    | COVID-19: Coronavirus Relief Fund                                       |
| 97.036                    | Disaster Grants – Public Assistance (Presidentially Declared Disasters) |

- |                                                                             |           |
|-----------------------------------------------------------------------------|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$771,446 |
| 6. Auditee qualified as low-risk auditee under 2 CFR 200.520?               | No        |

*State Financial Assistance:*

- |                                                                     |            |
|---------------------------------------------------------------------|------------|
| 1. Type of auditors’ report issued on compliance for major projects | Unmodified |
| 2. Internal control over major projects:                            |            |
| a. Material weaknesses identified?                                  | No         |
| b. Significant deficiencies identified?                             | None noted |

**Washington County, Florida**  
**Schedule of Findings and Questioned Costs**  
**For the year ended September 30, 2021**

**SECTION I – SUMMARY OF AUDITORS’ RESULTS (Continued)**

3. Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550, Rules of the Auditor General? None noted

4. Identification of major projects:

| <u>CSFA Number</u> | <u>State Project</u>                                              |
|--------------------|-------------------------------------------------------------------|
| 55.009             | Small County Outreach Program (SCOP)                              |
| 40.902             | Hurricane Housing Recovery Program (HHRP)                         |
| 40.043             | Economic Development Tax Refund, Tax Credit,<br>and Grant Program |

5. Dollar threshold used to distinguish between type A and type B projects: \$750,000

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**CAPITAL EXPENDITURES, BCC 2021-001**

**CRITERIA:** Internal control activities and accounting procedures should be structured and monitored to provide accurate financial reporting.

**CONDITION:** Existing control activities and procedures did not detect material errors in reporting of capital expenditures and related lease purchase liabilities.

**CAUSE:** Accounting staff needs additional training and resources to properly classify and report this volume of transactions, particularly nonrecurring or unusual transactions.

**EFFECT:** Capital outlay expenditures were mistakenly charged to other accounts such as professional fees and contractual services. A lease-purchase of equipment and related payments were not properly recorded in the correct accounts.

**RECOMMENDATION:** We recommend that accounting staff request assistance in recording nonrecurring or unusual transactions, particularly related to leases or construction of county owned assets to improve accuracy of reporting capital expenditures.

**VIEW OF RESPONSIBLE OFFICIALS:** See Management’s Response and Corrective Action Plan beginning on page 104.

**Washington County, Florida**  
**Schedule of Findings and Questioned Costs**  
**For the year ended September 30, 2021**

**SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)**

**FINANCIAL REPORTING, BCC 2021-002**

**CRITERIA:** Internal control activities and accounting procedures should be structured and monitored to provide accurate financial reporting.

**CONDITION:** Existing control activities and procedures did not detect material errors in multiple account balances and classifications.

**CAUSE:** Accounting staff needs additional training and resources to properly classify and report this volume of transactions, particularly nonrecurring or unusual transactions.

**EFFECT:** Various accounts including accounts receivable, accounts payable, accrued expenses, interfund balances, fund balances and related income and expenses were materially incorrect.

**RECOMMENDATION:** We recommend that all material accounts be carefully reviewed to provide for timely detection and correction of potential errors.

**VIEW OF RESPONSIBLE OFFICIALS:** See Management’s Response and Corrective Action Plan beginning on page 104.

**TIMELINESS OF AUDIT, BCC 2021-004**

**CRITERIA:** 2 CFR 200.512 of the Uniform Guidance requires that the audit must be completed and the data collection form and reporting package must be submitted to the Federal Audit Clearinghouse within the earlier of 30 calendar days after receipt of the auditors’ report, or nine months after the end of the audit period.

**CONDITION:** The September 30, 2021 audit was due to the Federal Audit Clearinghouse by June 30 2022 and was not filed until after that date.

**CAUSE:** Due to the tremendous increase in the volume of grant activity for the County in fiscal year 2021, there were significant additional demands placed on existing staff. It was not possible to complete the documentation for reporting prior to the filing deadline as a result of this.

**EFFECT:** Due to the above condition, the September 30, 2021 audit package was submitted late resulting in noncompliance.

**RECOMMENDATION:** We recommend that the audit process begin as early as possible and for County staff to work closely with the various agencies and funding sources to allow submission of the reports in a timely manner in the coming year.

**VIEW OF RESPONSIBLE OFFICIALS:** See Management’s Response and Corrective Action Plan beginning on page 104.

**Washington County, Florida**  
**Schedule of Findings and Questioned Costs**  
**For the year ended September 30, 2021**

**FINANCIAL STATEMENT FINDINGS (Continued)**

**FINANCIAL REPORTING, SH 2021-001**

**CRITERIA:** Internal control activities and procedures should be structured and monitored to provide accurate financial reporting.

**CONDITION:** Existing control activities and procedures did not detect errors in various account balances.

**CAUSE:** Accounting staff did not detect errors in the financial reports or individual account balances.

**EFFECT:** Various accounts including insurance revenues, inter-fund payables and grant income required corrections.

**RECOMMENDATION:** We recommend that all balance sheet accounts and related expenses be reviewed and reconciled to supporting documentation.

**VIEW OF RESPONSIBLE OFFICIALS:** See Management's Response and Corrective Action Plan beginning on page 104.

**GRANTS, SH 2021-002**

**CRITERIA:** Internal control activities and procedures should be structured to provide for grant compliance, including timely reimbursement for grant expenditures.

**CONDITION:** Existing control activities and procedures did not include all the steps required to obtain timely reimbursement under the Adam Walsh Grant. This reimbursement was delayed for seven months before being noted as a result of grantor monitoring.

**CAUSE:** Staff was not fully trained in the reimbursement process for this grant. Accounting staff was not monitoring the collection status of recorded accounts receivable.

**EFFECT:** Delays in reimbursement can create cash flow issues and lack of training related to grant procedures could result in noncompliance which might affect grant funding.

**RECOMMENDATION:** We recommend that staff responsible for grants obtain adequate knowledge and understanding of all grant requirements to insure compliance. We recommend that accounting staff periodically review outstanding balances for receivables to provide for proper follow up and collection in a timely manner.

**VIEW OF RESPONSIBLE OFFICIALS:** See Management's Response and Corrective Action Plan beginning on page 104.



**Washington County, Florida**  
**Schedule of Findings and Questioned Costs**  
**For the year ended September 30, 2021**

**SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)**

**FINANCIAL REPORTING, CLERK 2021-001**

**CRITERIA:** Internal control activities and procedures should be structured and monitored to provide accurate financial reporting.

**CONDITION:** Existing control activities and procedures did not detect errors in various account balances.

**CAUSE:** Accounting staff did not detect errors in the financial reports or individual account balances.

**EFFECT:** Various accounts including fund balance, deferred revenue, and related income and expenses were materially incorrect.

**RECOMMENDATION:** We recommend that all balance sheet accounts and related expenses be reviewed and reconciled to supporting documentation

**VIEW OF RESPONSIBLE OFFICIALS:** See Management's Response and Corrective Action Plan beginning on page 104.

**REVIEW OF BANK RECONCILIATIONS, SOE 2021-001**

**CRITERIA:** Internal control activities and procedures should include a timely review of monthly bank statements and reconciliations by management to detect potential errors or unauthorized activity.

**CONDITION:** Existing control activities and procedures did not indicate review of the monthly bank reconciliations or statements by the Supervisor of Elections.

**CAUSE:** Lack of understanding of the importance of this procedure resulted in failure to perform this control activity.

**EFFECT:** Bank statements and transactions were not reviewed by the Supervisor of Elections.

**RECOMMENDATION:** We recommend that all monthly bank statements and related reconciliations be reviewed by the Supervisor of Elections on a timely basis and notation of performance for this procedure be provided on the documents reviewed.

**VIEW OF RESPONSIBLE OFFICIALS:** See Management's Response and Corrective Action Plan beginning on page 104.

**Washington County, Florida**  
**Schedule of Findings and Questioned Costs**  
**For the year ended September 30, 2021**

**SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)**

**ACCOUNTS PAYABLE MANAGEMENT, SOE 2021-002**

**CRITERIA:** Internal control activities and procedures should be structured and monitored to provide timely payment of obligations using available funds.

**CONDITION:** Numerous transactions were noted with descriptions referencing 'past due' or 'late' and the payroll account was overdrawn in August 2021, resulting in bank transfers from the operating account to cover the shortfall.

**CAUSE:** Errors in data entry and payroll fund transfer timing contributed to the results described above.

**EFFECT:** Vendors will reflect a slow payment history, service charges and fees may be incurred as a result of late payments or overdrafts.

**RECOMMENDATION:** We recommend that cash flow and spending be managed and monitored to provide for timely payment of all expenses incurred and overdrafts in any account be avoided.

**VIEW OF RESPONSIBLE OFFICIALS:** See Management's Response and Corrective Action Plan beginning on page 104.

**Washington County, Florida**  
**Schedule of Findings and Questioned Costs**  
**For the year ended September 30, 2021**

**SECTION III – FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE FINDINGS**

**BCC 2021-003 – SUBRECIPIENT MONITORING – CONTROLS**

**FEDERAL AGENCY: U.S. DEPARTMENT OF TREASURY**

**PASS-THROUGH ENTITY: FLORIDA EXECUTIVE OFFICE OF GOVERNOR, DIVISION OF EMERGENCY MANAGEMENT**

**PROGRAM: COVID-19: CORONAVIRUS RELIEF FUND, ALN 21.019**

**AWARD YEAR: 2020**

**FINDING TYPE: SIGNIFICANT DEFICIENCY**

**QUESTIONED COST: NONE**

**CRITERIA:** Under 2 CFR 200.332(f), pass-through entities must verify that every subrecipient is audited as required by 2 CFR Part 200 Subpart F when it is expected that the subrecipient's federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in 2 CFR 200.501.

**CONDITION:** The County did not verify that its subrecipient for this program had a single audit performed, and does not have a policy or control in place to review subrecipient audit reports.

**CAUSE:** Lack of knowledge of the requirement due to the County not historically having subrecipients.

**EFFECT:** Without policies and controls in place there is a possibility that the subrecipient did not have a single audit performed when one was required, or that the subrecipient had single audit findings for this program that the County should have followed up on. However, the subrecipient's audit reports were reviewed during the audit and it was determined that the subrecipient did have a single audit performed as required, with no findings.

**RECOMMENDATION:** We recommend the County establish a policy and controls for subrecipient monitoring in accordance with Uniform Guidance and other federal and/or state requirements, including reviewing subrecipient audit reports.

**VIEWS OF RESPONSIBLE OFFICIALS:** See Management's Response and Corrective Action Plan beginning page 104.

**Washington County, Florida**  
**Schedule of Findings and Questioned Costs**  
**For the year ended September 30, 2021**

**SECTION III – FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE FINDINGS (Continued)**

**BCC 2021-005 – REPORTING – CONTROLS**

**FEDERAL AGENCY:** U.S. DEPARTMENT OF HOMELAND SECURITY, FEDERAL EMERGENCY MANAGEMENT AGENCY

**PASS-THROUGH ENTITY:** FLORIDA EXECUTIVE OFFICE OF GOVERNOR, DIVISION OF EMERGENCY MANAGEMENT

**PROGRAM:** COVID-19: DISASTER GRANTS-PUBLIC ASSISTANCE (PRESIDENTIALLY DECLARED DISASTERS), ALN 97.036

**AWARD YEAR:** DR 4486 - 2020

**FINDING TYPE:** SIGNIFICANT DEFICIENCY

**QUESTIONED COST:** NONE

**CRITERIA:** Per the County's grant agreements with Florida Division of Emergency Management (FDEM), quarterly reports are required to be submitted through FloridaPA.com that include project costs and expenditures for each large project. Amounts in the quarterly reports should reconcile to the County's accounting records and represent actual expenditures.

**CONDITION:** For the large project under COVID-19 disaster 4486 tested for compliance with this requirement (the only project under this grant), including all quarterly reports submitted during the 2021 fiscal year, the reported expenditures were unable to be reconciled to actual quarterly expenditures per the invoices and other supporting documentation in the County's files.

**CAUSE:** Estimated expenditures for this large project in the quarterly reports as the County was still working on identifying all expenditures to be claimed for this project, and through date of the audit this identification of expenditures is still in process.

**EFFECT:** Incorrect project expenditures were reported to FDEM in quarterly reports, which can affect project cost tracking. Under the terms of the grant agreement, submission of inaccurate or incomplete reports could result in FDEM ceasing disbursements to the County, termination of the agreements, or other remedies. However, it is believed this only affects this single large project as it was an expedited project which was paid up front, rather than a cost-reimbursement project.

**RECOMMENDATION:** We recommend staff handling quarterly reports ensure that only actual expenditures are reported for all projects, and a specific review of quarterly report information by a higher level prior to submission to ensure accurate reporting of project costs.

**VIEWS OF RESPONSIBLE OFFICIALS:** See Management's Response and Corrective Action Plan beginning page 104.

**Washington County, Florida**  
**Summary Schedule of Prior Audit Findings**  
**For the year ended September 30, 2021**

**SECTION IV – SUMMARY OF PRIOR YEAR AUDIT FINDINGS**

**CAPITAL ASSETS RECORDS, BCC 1997-001**

**CRITERIA:** Generally Accepted Accounting Principles require recordkeeping and recording of all material capital assets and related depreciation.

**CONDITION:** A complete and accurate listing of all property, equipment, and infrastructure has not been maintained or reconciled to the depreciation schedules and recorded balances. As a result, the recorded capital asset balances and related depreciation amounts are not in agreement with available supporting documentation.

**CAUSE:** Historical records for all property, equipment, and infrastructure have not been sufficiently maintained in the past.

**EFFECT:** The lack of supporting documentation for the recorded capital asset balances and related depreciation amounts as reported on the government-wide Statement of net Position does not allow for an unmodified opinion.

**RECOMMENDATION:** The County should undertake a project to ensure all assets are recorded on the capital asset listing at cost or estimated historical cost, establish a depreciation schedule and reconcile these to the recorded balances on the general ledger. A formal policy should be established regarding acquisition and disposition of all assets and a physical inventory be taken at least annually.

**STATUS:** The County is currently addressing this recommendation and great improvement has been made with regards to the asset inventory. This is a process that will take place over a period of time.

**VIEW OF RESPONSIBLE OFFICIALS:** See Management's Response and Corrective Action Plan beginning on page 104.

**Washington County, Florida**  
**Summary Schedule of Prior Audit Findings**  
**For the year ended September 30, 2021**

**SECTION IV – SUMMARY OF PRIOR YEAR AUDIT FINDINGS (Continued)**

**FINANCIAL REPORTING, SOE 2019-001**

**CRITERIA:** Internal control activities and procedures should be structured and monitored to provide accurate financial reporting.

**CONDITION:** Existing control activities and procedures did not detect errors in various account balances.

**CAUSE:** Accounting staff did not detect errors in the financial reports or individual account balances due to lack of understanding of accrual accounting practices.

**EFFECT:** Various accounts including fund balance, unearned revenue, and related income and expenses were materially incorrect.

**RECOMMENDATION:** We recommend that all balance sheet accounts and related expenses be reviewed and reconciled to supporting documentation.

**STATUS:** This condition continues to exist and has not been corrected. This resulted in over spending of budgeted amounts for 2020.

**VIEW OF RESPONSIBLE OFFICIALS:** See Management’s Response and Corrective Action Plan beginning on page 104.

**NEED FOR SEGREGATION OF DUTIES, PA 2003-003**

**CRITERIA:** The internal control environment should include proper segregation of duties and responsibilities over accounting functions.

**CONDITION:** There is a lack of segregation of duties between employees who have recordkeeping responsibility and employees who have custody of the Property Appraiser’s assets.

**CAUSE:** The Property Appraiser has limited personnel in the accounting department.

**EFFECT:** The possibility exists that unintentional or intentional errors or irregularities could occur and not be promptly detected.

**RECOMMENDATION:** We realize that due to the size of the Property Appraiser’s administrative staff, it is difficult to achieve ideal separation of duties. However, the Property Appraiser should remain very active and involved in the day-to-day operations. Controls should be implemented to help compensate for these weaknesses and to provide checks and balances.

**Washington County, Florida**  
**Summary Schedule of Prior Audit Findings**  
**For the year ended September 30, 2021**

**SECTION IV – SUMMARY OF PRIOR YEAR AUDIT FINDINGS (Continued)**

**NEED FOR SEGREGATION OF DUTIES, PA 2003-003 (continued)**

**STATUS:** This condition continues to exist.

**VIEW OF RESPONSIBLE OFFICIALS:** See Management's Response and Corrective Action Plan beginning on page 104.

**NEED FOR SEGREGATION OF DUTIES, SOE 2003-003**

**CRITERIA:** The internal control environment should include proper segregation of duties and responsibilities over accounting functions.

**CONDITION:** There is a lack of segregation of duties between employees who have recordkeeping responsibility and employees who have custody of the Supervisor of Elections' assets.

**CAUSE:** The Supervisor of Elections has limited personnel in the accounting department.

**EFFECT:** The possibility exists that unintentional or intentional errors or irregularities could occur and not be promptly detected.

**RECOMMENDATION:** We realize that due to the size of the Supervisor of Elections' administrative staff, it is difficult to achieve ideal separation of duties. However, the Supervisor of Elections should remain very active and involved in the day-to-day operations. Controls should be implemented to help compensate for these weaknesses and to provide checks and balances.

**STATUS:** This condition continues to exist.

**VIEW OF RESPONSIBLE OFFICIALS:** See Management's Response and Corrective Action Plan beginning on page 104.

**NEED FOR SEGREGATION OF DUTIES, TC 2003-003**

**CRITERIA:** The internal control environment should include proper segregation of duties and responsibilities over accounting functions.

**CONDITION:** There is a lack of segregation of duties between employees who have recordkeeping responsibility and employees who have custody of the Tax Collector's assets.

**CAUSE:** The Tax Collector has limited personnel in the accounting department.

**Washington County, Florida**  
**Summary Schedule of Prior Audit Findings**  
**For the year ended September 30, 2021**

**SECTION IV – SUMMARY OF PRIOR YEAR AUDIT FINDINGS (Continued)**

**NEED FOR SEGREGATION OF DUTIES, TC 2003-003 (continued)**

**EFFECT:** The possibility exists that unintentional or intentional errors or irregularities could occur and not be promptly detected.

**RECOMMENDATION:** We realize that due to the size of the Tax Collector's administrative staff, it is difficult to achieve ideal separation of duties. However, the Tax Collector should remain very active and involved in the day-to-day operations. Controls should be implemented to help compensate for these weaknesses and to provide checks and balances.

**STATUS:** This condition continues to exist.

**VIEW OF RESPONSIBLE OFFICIALS:** See Management's Response and Corrective Action Plan beginning on page 104.

**NEED FOR SEGREGATION OF DUTIES, SH 2003-001 - RESOLVED**

**CRITERIA:** The internal control environment should include proper segregation of duties and responsibilities over accounting functions.

**CONDITION:** There is a lack of segregation of duties between employees who have recordkeeping responsibility and employees who have custody of the Sheriff's assets.

**CAUSE:** The Sheriff has limited personnel in the accounting department.

**EFFECT:** The possibility exists that unintentional or intentional errors or irregularities could occur and not be promptly detected.

**RECOMMENDATION:** We realize that due to the size of the Sheriff's administrative staff, it is difficult to achieve ideal separation of duties. However, the Sheriff should remain very active and involved in the day-to-day operations. Controls should be implemented to help compensate for these weaknesses and to provide checks and balances.

**STATUS:** This condition has been resolved.

**FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE FINDINGS**

None.



## **INDEPENDENT AUDITORS' MANAGEMENT LETTER**

To the Honorable Board of County Commissioners  
and Constitutional Officers of Washington County, Florida  
Chipley, Florida

### **Report on the Financial Statements**

We have audited the financial statements of Washington County, Florida (the "County") as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated November 21, 2022. That report has a modified opinion, as more fully explained in Note 1 to the financial statements.

### **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 of Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

### **Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control Over Financial Reporting and on 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 on Internal Control over Compliance Required By Uniform Guidance and Chapter 10.550 Rules of the Florida Auditor General; Schedule of Findings and Questioned Costs; Independent Accountants' Report on an examination conducted in accordance with *AICPA Profession Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated November 21, 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 financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report except as noted under the heading "Schedule of Findings and Questioned Costs."

To the Honorable Board of County Commissioners  
and Constitutional Officers of Washington County, Florida  
Chipley, Florida

### **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 the management letter, unless disclosed in the notes to the financial statements. This information is disclosed in the notes to the financial statements.

### **Financial Condition and Management**

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the County has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that the County 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 the County. It is management's responsibility to monitor the County'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 communicate any recommendations to improve financial management. In connection with our audit, we didn't have any such recommendations.

### **Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate 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 charges with governance. No such instances were noted.

To the Honorable Board of County Commissioners  
and Constitutional Officers of Washington County, Florida  
Chipley, Florida

**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, the Board of County Commissioners and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*Cam, Riggs & Ingram, L.L.C.*

Marianna, Florida  
November 21, 2022



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**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH  
SECTION 218.415, FLORIDA STATUTES, *LOCAL GOVERNMENT  
INVESTMENT POLICIES***

To the Honorable Board of County Commissioners  
and Constitutional Officers of Washington County, Florida  
Chipley, Florida

We have examined Washington County, Florida's (the "County") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2021. Management is responsible for the Washington County, Florida's compliance with those requirements. Our responsibility is to express an opinion on the Washington County, Florida'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 County's compliance with specified requirements.

In our opinion, the County complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2021.

This report is intended solely for the information and use of management, the Board of County Commissioners and the State of Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

*Carr, Riggs & Ingram, LLC*

Marianna, Florida  
November 21, 2022



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**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH  
SECTIONS 365.172(10) AND 365.173(2)(d), FLORIDA STATUTES,  
DISTRIBUTION AND USE OF E911 FUNDS**

To the Honorable Board of County Commissioners  
of Washington County, Florida  
Chipley, Florida

We have examined Washington County, Florida's (the County) compliance with the requirements of Section 365.172(10), Florida Statutes, *Authorized Expenditures of E911 Fee*, and Section 365.173(2)(d), Florida Statutes, *Distribution and Use of (E911) Funds*, during the year ended September 30, 2021. 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 County's compliance with specified requirements.

In our opinion, the County complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2021.

This report is intended solely for the information and use of management, the Board of County Commissioners and the State of Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

*Carr, Riggs & Ingram, L.L.C.*

Marianna, Florida  
November 21, 2022

## Washington County, Florida Management's Response



Clerk of Court and Comptroller  
Washington County, Florida | Fourteenth Judicial Circuit

November 22, 2022

To whom it may concern:

I am in receipt of the audit report for the Washington County, Florida, Board of County Commissioners, for the fiscal year ending September 30, 2021, and offer my response to the audit findings noted in the Independent Auditors' Reports on Internal Control over Financial Reporting and Schedule of Findings and Questioned Costs. Accordingly, the following comments are provided.

### Capital Assets Records, BCC 1997-001

The County has designated an employee to take an inventory of all County-owned property and much progress has been made in this area. Establishing such records, while not impossible, is a very significant undertaking for a small rural County with limited resources. Compiling a list of infrastructure assets owned by the County, and determining a cost or estimated historical cost, has required much time and effort. Nonetheless, we are committed to seeing this project to its completion. It should be noted that this finding is not expected to be present in subsequent audits.

### Capital Expenditures, BCC 2021-001

This finding resulted from the failure to recognize certain transactions made during the year that required capitalization. In one instance, the County hastily constructed a Covid vaccination site using a variety of local vendors. The total of these expenditures, taken in the aggregate, did meet the threshold for capitalization but they were inadvertently recorded as contractual services. In another instance, significant repairs were made to the County's AG Center that required capitalization but they were inadvertently recorded as repairs. Lastly, The County entered into an equipment leasing arrangement that required capitalization but the finance office was not provided adequate documentation to determine this. As such, the lease payments were misclassified.

The County has been in the process of developing a Capital Asset Policy to address these type transactions for some time and such a policy has been adopted by the Board of Commissioners with an effective date of June 1, 2022. Staff training relating to these type transactions has already begun and is expected to continue on an as needed basis. This finding is not expected to be present in subsequent audits.

### Financial Reporting, BCC 2021-002

*A Public Office is a Public Trust*



## Washington County, Florida Management's Response

During the fiscal year ending September 30, 2021, the County had a large volume of financial transactions that are considered nonrecurring or unusual in nature. These were the result of receiving significant State and Federal Grant funds related to Covid, the Cares Act, Hurricane Michael, and numerous others. Some of these transactions involved other local governments and Constitutional Offices and the proper recording was of a more complex nature than the accounting staff was accustomed to. As a result, some transactions were misclassified when they were originally recorded and numerous adjustments were required during the audit process.

While much of this issue is considered isolated in nature, additional training has been provided for the accounting staff and this finding is not expected to be present in subsequent audits.

### Sub-Recipient Monitoring - Controls, BCC 2021-003

This issue of Non-Compliance is considered isolated in nature and is not expected to be present in subsequent audits. The County routinely participates in Grant funding from various sources and has designated personnel assigned to monitor Grant activities. The Grant in question was associated with COVID-19 funding to local communities and contained pass-through provisions that the County staff were not accustomed to. The County is in the process of establishing policies to strengthen controls over the monitoring of Grant compliance requirements.

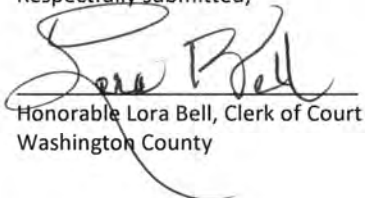
### Timeliness of Audit, BCC 2021-004

While the information provided in the Auditors' finding is not disputed, it should also be noted that the audit firm did not begin their work in a timely manner which was a contributing factor in the late filing of this report. It is fully expected that future audit reports will be filed within the time period prescribed by law.

### Reporting - Controls, BCC 2021-005

The County contracted with outside consultants to manage all aspects of this Grant program, including the preparation and submission of all required reports. This program was expedited as a means of providing a COVID-19 vaccine site. Grant funding was obligated based on estimated program expenditures and quarterly reports have been submitted, as required, using the best available information. A final reconciliation of all actual costs allowable under this Grant is due by December 31, 2022. This reconciliation is in process now and it is anticipated that all expenditures under this program will be supported by actual invoices and other documentation.

Respectfully submitted,



Honorable Lora Bell, Clerk of Court  
Washington County

## Washington County, Florida Management's Response



Clerk of Court and Comptroller  
Washington County, Florida | Fourteenth Judicial Circuit

July 28, 2022

To whom it may concern:

I am in receipt of the audit report for the Washington County, Florida, Clerk of the Circuit Court, for the fiscal year ending September 30, 2021, and offer my response to the audit findings noted in the Independent Auditors' Reports on Internal Control and Compliance. Accordingly, the following comments are provided.

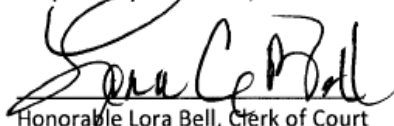
### **CC 2022-001 - FINANCIAL REPORTING**

This finding is considered to be an isolated incident and not an indication of a systemic weakness in internal control activities or procedures. We do, however, recognize the need for increased oversight in this area and have taken necessary steps to accomplish this. We have retained an outside accounting professional to assist in monitoring individual account balances throughout the year which will enable us to recognize the possibility of errors in our financial records and also ensure that proper reconciliation is provided prior to the annual audit. This finding is not expected to be present in subsequent audits.

### **COMPLIANCE WITH SECTION 61.181, FLORIDA STATUTES, DEPOSITORY FOR FEES**

The auditor's findings on page 31 of this report, reflect delayed payment of fees. This was an accounting oversight that we have recognized, in part, to be a result of our employees sharing time between home and office due to COVID-19 restrictions. The problem occurred in the previous fiscal year and carried over into the first two months of the current fiscal year. This matter has been corrected as of November, 2020, and no further instances of non-compliance have occurred since that time.

Respectfully submitted,

  
Honorable Lora Bell, Clerk of Court  
Washington County

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**Washington County, Florida  
Management's Response**



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**GIL CARTER, CFA  
WASHINGTON COUNTY PROPERTY APPRAISER**

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February 14, 2022

Carr, Riggs & Ingram  
4267 Lafayette St  
Marianna, FL 32446

To Whom it May Concern:

We are in receipt of the Washington County Property Appraiser's audit report for the fiscal year ended September 30, 2021. In response to the internal control and compliance the following applies:

Segregation of Duties – I will continue to remain active in the day-to-day operations of the Property Appraiser's Office. This is a small office with employees who have overlapping duties. I will continue to ensure there are checks and balances in the daily work and the ledger is balanced on a monthly basis.

If I can be of further assistance please contact me at 850-638-6205.

Sincerely,

A handwritten signature in blue ink that reads "Gil Carter".

Gil Carter, CFA  
Washington County Property Appraiser

Washington County, Florida  
Management's Response



**KEVIN CREWS, Sheriff** WASHINGTON COUNTY

711 THIRD STREET • P.O. BOX 626 • CHIPLEY, FLORIDA 32428  
PHONE (850) 638-6111 • FAX (850) 638-6184 • [www.wcso.us](http://www.wcso.us)

August 30, 2022

Florida Auditor General  
111 W Madison St. #G74  
Tallahassee, FL 32399

Dear Sirs/Madam:

Please accept this letter in response to the Independent Auditor's Report to management included in the audit report for the Washington County Sheriff's Office for the fiscal year September 30, 2021.

Financial Reporting, SH2021-001

These reports will be reviewed in further detail prior to close of books at year end. The agency's finance clerk/benefits administrator position was staffed with different personnel during 2020/2021 fiscal year end. Staff understands the issue and this will not be an issue in the future.

Grants, SH2021-002

Due to the new staffing in our finance and grant management department there was a lack of training on the reimbursement process. There was a delay in requesting reimbursement of expenses with the Adam Walsh grant due to staff not fully understanding the different steps and processes of requesting reimbursement. This was a newly awarded grant with an entirely different, two-step process for requesting reimbursements. This issue has since been resolved and staff is trained and aware of the reimbursement process for the Adam Walsh grant.

Should further information be required please contact me at (850) 638-6124.

Sincerely,

A handwritten signature in blue ink that reads "Kevin Crews".

Kevin Crews  
Sheriff, Washington County

## Washington County, Florida Management's Response



**Carol Finch Rudd**  
Supervisor of Elections  
Washington County

**Mailing Address:**  
1424 Jackson Ave., Suite C  
Chipley, FL 32428

**Telephone No.**  
850-638-6230

**Fax No.**  
850-638-6238

To Whom It May Concern:

Subject: Washington County, Florida Supervisor of Elections – Management Response

We are in receipt of audit report for the Washington County Supervisor of Elections office for fiscal year ending September 2021. I have reviewed the letter regarding compliance and internal control schedule of findings and questioned costs and the management letter.

This is a small office with employees who have overlapping job duties. I will continue to ensure there are checks and balances in the daily work and the ledger is fully balanced on a monthly basis. There have been some questions that we have reached out to the accountant for assistance with. We will continue to lean on them at any point in which we are not fully confident in our answers. Their office has been of great assistance in assisting in making corrections. This could be avoided initially if we had a more common interaction with the CPA. Keeping properly maintained records is of most importance to my office.

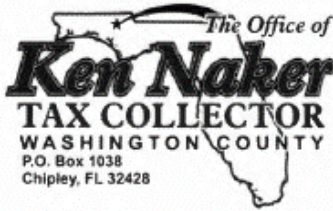
If I may be of further service, please do not hesitate to contact our office.

Sincerely,

A handwritten signature in black ink that reads "Carol F. Rudd". The signature is written in a cursive, flowing style.

Carol F. Rudd, MFCEP  
Supervisor of Elections  
Washington Co., FL

## Washington County, Florida Management's Response



### Main Office Hours

Monday - Friday 8:00am - 4:00pm

Ph: (850) 638-6275

Fx: (850) 638-6067

### Drivers License Hours

Monday - Friday 8:00am - 4:00pm

Ph: (850) 638-6284

March 3, 2022

To Whom It May Concern:

I am in receipt of the audit report for the Washington County, Florida, Tax Collector for the fiscal year ending September 30, 2021. I have reviewed the letter regarding compliance and internal control, the schedule of findings and questioned costs and the management letter. Concerning the items noted, the following apply:

1. Segregation of Duties: I will continue to remain active in the day-to-day operations of the Tax Collector's Office. This is a small office with employees who have overlapping duties. I will continue to ensure there are checks and balances in the daily work and the ledger is balanced on monthly basis.

If I can be of any further assistance, please let me know.

Sincerely,

Ken Naker, CFC  
Tax Collector





**CONSTITUTIONAL OFFICER  
FINANCIAL STATEMENTS**





**Washington County, Florida  
Clerk of the Circuit Court**

**FINANCIAL STATEMENTS**

**September 30, 2021**



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The page features a decorative design with horizontal bars at the top and bottom. The top bar is split into a dark blue segment on the left and a lighter blue segment on the right. The bottom bar is also split, with a lighter blue segment on the left and a dark blue segment on the right. A large, solid yellow rectangular area occupies the center of the page. On the left side of this yellow area, there are several overlapping, semi-transparent geometric shapes, including triangles and parallelograms, in various shades of yellow and orange. The word "REPORT" is printed in a bold, dark blue, sans-serif font on the right side of the yellow area.

**REPORT**





Carr, Riggs & Ingram, LLC  
4267 Lafayette Street  
Marianna, FL 32446

Mailing Address:  
P.O. Box 1606  
Marianna, FL 32447

(850) 526-3207  
(850) 526-5322 (fax)  
[www.cricpa.com](http://www.cricpa.com)

## INDEPENDENT AUDITORS' REPORT

Honorable Lora C. Bell  
Clerk of the Circuit Court  
Washington County, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Washington County, Florida, Clerk of the Circuit Court (the "Clerk") as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Clerk's 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 statement 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 auditors' 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 entity'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 Clerk'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.

Honorable Lora C. Bell  
Clerk of the Circuit Court  
Washington County, Florida

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the remaining aggregate fund information of the Clerk as of September 30, 2021, and the respective changes in financial position thereof and respective budgetary comparison for the General Fund, Fine and Forfeiture Fund and Public Records Modernization Trust Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position, where applicable, of each major fund, and the aggregate remaining fund information, only for that portion of each major fund, and the aggregate remaining fund information, of Washington County, Florida that is attributable to the Clerk. They do not purport to, and do not, present fairly the financial position of Washington County, Florida, as of September 30, 2021, and the changes in its financial position, where applicable, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to these matters.

As discussed in Note 11, the Clerk implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, which is a change in accounting principle that addresses accounting and financial reporting for fiduciary activities. This affects the comparability of amounts reported for the year ended September 30, 2021 with amounts reported for the year ended September 30, 2021. Our opinion is not modified with respect to this matter.

## **Other Matters**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk's basic financial statements. The combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic 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 fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

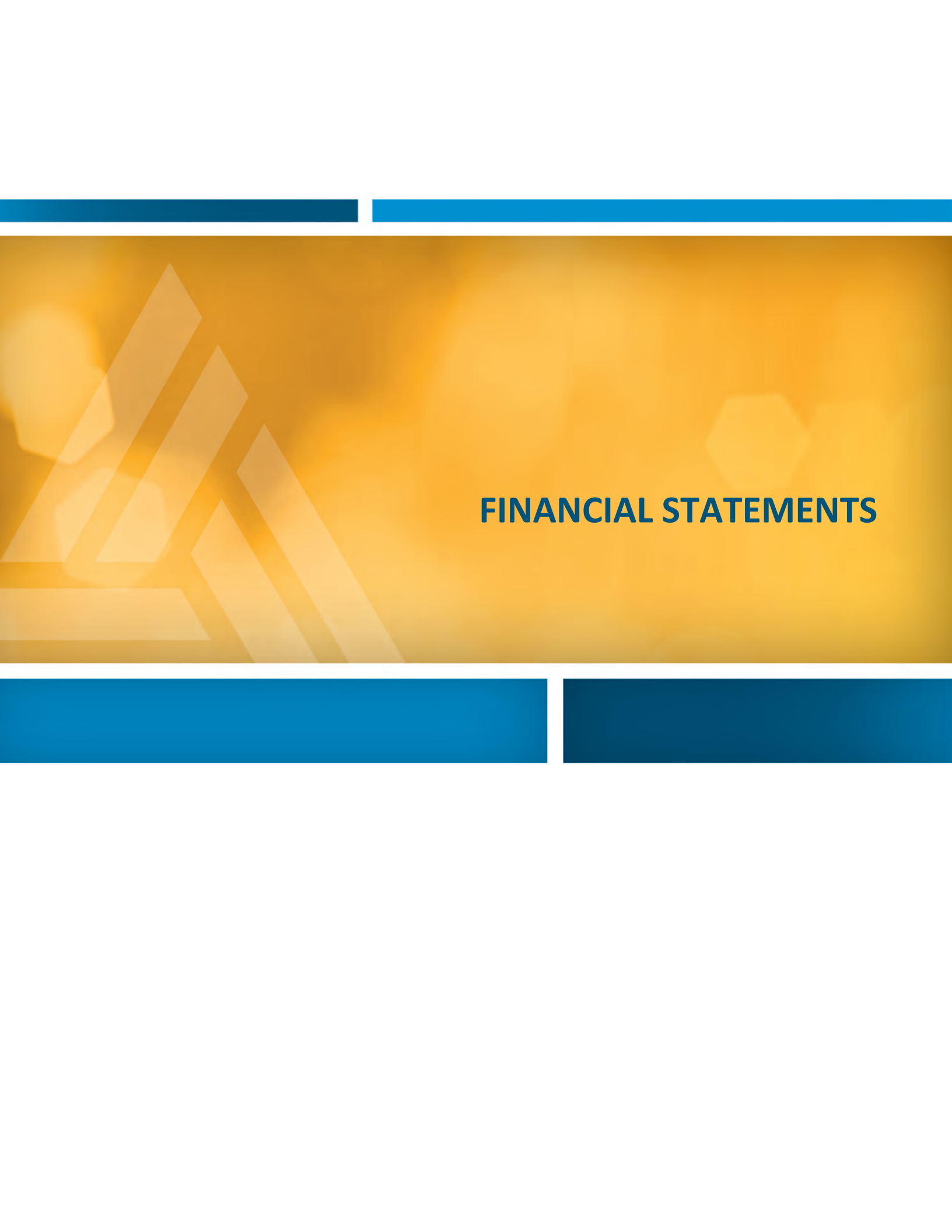
Honorable Lora C. Bell  
Clerk of the Circuit Court  
Washington County, Florida

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 12, 2022, on our consideration of the Clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk's internal control over financial reporting and compliance.

*Caru, Riggs & Ingram, L.L.C.*

Marianna, Florida  
July 12, 2022



# FINANCIAL STATEMENTS

**Washington County, Florida**  
**Clerk of the Circuit Court**  
**Balance Sheet**  
**Governmental Funds**

| <i>September 30, 2021</i>                  | <b>General<br/>Fund</b> | <b>Fine and<br/>Forfeiture Fund</b> | <b>Public Records<br/>Modernization<br/>Trust Fund</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|--------------------------------------------|-------------------------|-------------------------------------|--------------------------------------------------------|-----------------------------------------|
| <b>Assets</b>                              |                         |                                     |                                                        |                                         |
| Cash and cash equivalents                  | \$ 30,066               | \$ 257,641                          | \$ -                                                   | \$ 287,707                              |
| Restricted cash and cash equivalents       | -                       | -                                   | 68,014                                                 | 68,014                                  |
| Accounts receivable                        | -                       | 20,938                              | -                                                      | 20,938                                  |
| Due from Board of County Commission        | 14,910                  | -                                   | -                                                      | 14,910                                  |
| Due from other funds                       | 33,879                  | 46,469                              | 32,476                                                 | 112,824                                 |
| Prepaid expenses                           | 8                       | -                                   | -                                                      | 8                                       |
| <b>Total assets</b>                        | <b>\$ 78,863</b>        | <b>\$ 325,048</b>                   | <b>\$ 100,490</b>                                      | <b>\$ 504,401</b>                       |
| <b>Liabilities</b>                         |                         |                                     |                                                        |                                         |
| Accounts payable and accrued expenses      | \$ 24,766               | \$ 31,147                           | \$ -                                                   | \$ 55,913                               |
| Due to the Board of County Commissioner:   | 4,718                   | 136,911                             | -                                                      | 141,629                                 |
| Due to other governmental units            | -                       | 99,006                              | -                                                      | 99,006                                  |
| Due to other funds                         | 49,379                  | 29,729                              | 32,941                                                 | 112,049                                 |
| <b>Total liabilities</b>                   | <b>78,863</b>           | <b>296,793</b>                      | <b>32,941</b>                                          | <b>408,597</b>                          |
| <b>Fund balances</b>                       |                         |                                     |                                                        |                                         |
| Restricted                                 | -                       | 28,255                              | 67,549                                                 | 95,804                                  |
| <b>Total fund balances</b>                 | <b>-</b>                | <b>28,255</b>                       | <b>67,549</b>                                          | <b>95,804</b>                           |
| <b>Total liabilities and fund balances</b> | <b>\$ 78,863</b>        | <b>\$ 325,048</b>                   | <b>\$ 100,490</b>                                      | <b>\$ 504,401</b>                       |

*The accompanying notes are an integral part of this financial statement.*

**Washington County, Florida**  
**Clerk of the Circuit Court**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balance – Governmental Funds**

|                                                           | General<br>Fund | Fine and<br>Forfeiture Fund | Public Records<br>Modernization<br>Trust Fund | Total<br>Governmental<br>Funds |
|-----------------------------------------------------------|-----------------|-----------------------------|-----------------------------------------------|--------------------------------|
| <i>For the year ended September 30, 2021</i>              |                 |                             |                                               |                                |
| <b>Revenues</b>                                           |                 |                             |                                               |                                |
| Grants                                                    | \$ -            | \$ 103,290                  | \$ -                                          | \$ 103,290                     |
| Intergovernmental                                         | -               | 374,572                     | -                                             | 374,572                        |
| Charges for services                                      | 150,396         | 531,730                     | 56,827                                        | 738,953                        |
| Investment earnings                                       | 322             | -                           | -                                             | 322                            |
| Other fees and miscellaneous revenues                     | 612             | 798                         | -                                             | 1,410                          |
| Total revenues                                            | 151,330         | 1,010,390                   | 56,827                                        | 1,218,547                      |
| <b>Expenditures</b>                                       |                 |                             |                                               |                                |
| Current                                                   |                 |                             |                                               |                                |
| General government                                        | 650,988         | -                           | 4,306                                         | 655,294                        |
| Court-related                                             | -               | 883,155                     | 28,229                                        | 911,384                        |
| Total expenditures                                        | 650,988         | 883,155                     | 32,535                                        | 1,566,678                      |
| Excess (deficiency) of revenues over (under) expenditures | (499,658)       | 127,235                     | 24,292                                        | (348,131)                      |
| <b>Other financing sources (uses)</b>                     |                 |                             |                                               |                                |
| Transfers in                                              | 504,376         | -                           | -                                             | 504,376                        |
| Transfers out                                             | (4,718)         | -                           | -                                             | (4,718)                        |
| Transfers to State of Florida                             | -               | (98,980)                    | -                                             | (98,980)                       |
| Net other financing sources                               | 499,658         | (98,980)                    | -                                             | 400,678                        |
| Net change in fund balances                               | -               | 28,255                      | 24,292                                        | 52,547                         |
| Fund balance - beginning                                  | -               | -                           | 43,257                                        | 43,257                         |
| Fund balance - ending                                     | \$ -            | \$ 28,255                   | \$ 67,549                                     | \$ 95,804                      |

*The accompanying notes are an integral part of this financial statement.*

**Washington County, Florida**  
**Clerk of the Circuit Court**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balance – Budget and Actual**  
**General Fund**

|                                                           |    |                    |    |                 |    | Variance with<br>Final Budget<br>Favorable<br>(Unfavorable) |    |          |   |
|-----------------------------------------------------------|----|--------------------|----|-----------------|----|-------------------------------------------------------------|----|----------|---|
|                                                           |    | Original<br>Budget |    | Final<br>Budget |    | Actual<br>Amounts                                           |    |          |   |
| For the year ended September 30, 2021                     |    |                    |    |                 |    |                                                             |    |          |   |
| Revenues                                                  |    |                    |    |                 |    |                                                             |    |          |   |
| Charges for services                                      | \$ | 145,000            | \$ | 151,236         | \$ | 150,396                                                     | \$ | (840)    |   |
| Investment earnings                                       |    | -                  |    | -               |    | 322                                                         |    | 322      |   |
| Other fees and miscellaneous revenues                     |    | -                  |    | -               |    | 612                                                         |    | 612      |   |
| Total revenues                                            |    | 145,000            |    | 151,236         |    | 151,330                                                     |    | 94       |   |
| Expenditures                                              |    |                    |    |                 |    |                                                             |    |          |   |
| Current                                                   |    |                    |    |                 |    |                                                             |    |          |   |
| General government                                        |    | 614,376            |    | 655,612         |    | 650,988                                                     |    | 4,624    |   |
| Total expenditures                                        |    | 614,376            |    | 655,612         |    | 650,988                                                     |    | 4,624    |   |
| Excess (deficiency) of revenues over (under) expenditures |    | (469,376)          |    | (504,376)       |    | (499,658)                                                   |    | 4,718    |   |
| Other financing sources (uses)                            |    |                    |    |                 |    |                                                             |    |          |   |
| Transfers in                                              |    | 469,376            |    | 525,423         |    | 504,376                                                     |    | (21,047) |   |
| Transfers out                                             |    | -                  |    | (21,047)        |    | (4,718)                                                     |    | 16,329   |   |
| Net other financing sources                               |    | 469,376            |    | 504,376         |    | 499,658                                                     |    | (4,718)  |   |
| Net change in fund balance                                |    | \$                 | -  | \$              | -  | \$                                                          | -  | \$       | - |

*The accompanying notes are an integral part of this financial statement.*

**Washington County, Florida**  
**Clerk of the Circuit Court**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balance – Budget and Actual**  
**Fine and Forfeiture Funds**

|                                                           |    | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actual<br/>Amounts</b> | <b>Variance with<br/>Final Budget<br/>Favorable<br/>(Unfavorable)</b> |
|-----------------------------------------------------------|----|----------------------------|-------------------------|---------------------------|-----------------------------------------------------------------------|
| <i>For the year ended September 30, 2021</i>              |    |                            |                         |                           |                                                                       |
| <b>Revenues</b>                                           |    |                            |                         |                           |                                                                       |
| Grants                                                    | \$ | 95,007                     | \$ 103,290              | \$ 103,290                | \$ -                                                                  |
| Intergovernmental                                         |    | 377,255                    | 374,572                 | 374,572                   | -                                                                     |
| Charges for services                                      |    | 401,963                    | 532,529                 | 531,730                   | (799)                                                                 |
| Other fees and miscellaneous revenues                     |    | -                          | -                       | 798                       | 798                                                                   |
| Total revenues                                            |    | 874,225                    | 1,010,391               | 1,010,390                 | (1)                                                                   |
| <b>Expenditures</b>                                       |    |                            |                         |                           |                                                                       |
| Current                                                   |    |                            |                         |                           |                                                                       |
| Court-related                                             |    | 874,225                    | 1,010,391               | 883,155                   | 127,236                                                               |
| Total expenditures                                        |    | 874,225                    | 1,010,391               | 883,155                   | 127,236                                                               |
| Excess (deficiency) of revenues over (under) expenditures |    | -                          | -                       | 127,235                   | 127,235                                                               |
| <b>Other financing sources (uses)</b>                     |    |                            |                         |                           |                                                                       |
| Transfers out                                             |    | -                          | (127,234)               | (98,980)                  | 28,254                                                                |
| Net other financing sources                               |    | -                          | (127,234)               | (98,980)                  | 28,254                                                                |
| <b>Net change in fund balance</b>                         | \$ | -                          | \$ -                    | \$ 28,255                 | \$ 28,255                                                             |

*The accompanying notes are an integral part of this financial statement.*



**Washington County, Florida**  
**Clerk of the Circuit Court**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balance – Budget and Actual**  
**Public Records Modernization Trust Fund**

|                                                           |    | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actual<br/>Amounts</b> | <b>Variance with<br/>Final Budget<br/>Favorable<br/>(Unfavorable)</b> |
|-----------------------------------------------------------|----|----------------------------|-------------------------|---------------------------|-----------------------------------------------------------------------|
| <i>For the year ended September 30, 2021</i>              |    |                            |                         |                           |                                                                       |
| <b>Revenues</b>                                           |    |                            |                         |                           |                                                                       |
| Charges for services                                      | \$ | 56,826                     | \$ 56,826               | \$ 56,827                 | \$ 1                                                                  |
| Total revenues                                            |    | 56,826                     | 56,826                  | 56,827                    | 1                                                                     |
| <b>Expenditures</b>                                       |    |                            |                         |                           |                                                                       |
| Current                                                   |    |                            |                         |                           |                                                                       |
| General government                                        |    | 32,534                     | 32,534                  | 4,306                     | 28,228                                                                |
| Court-related                                             |    | -                          | -                       | 28,229                    | (28,229)                                                              |
| Total expenditures                                        |    | 32,534                     | 32,534                  | 32,535                    | (1)                                                                   |
| Excess (deficiency) of revenues over (under) expenditures |    | 24,292                     | 24,292                  | 24,292                    | -                                                                     |
| <b>Other financing sources (uses)</b>                     |    |                            |                         |                           |                                                                       |
| Transfers out                                             |    | -                          | -                       | -                         | -                                                                     |
| Net other financing sources                               |    | -                          | -                       | -                         | -                                                                     |
| <b>Net change in fund balance</b>                         | \$ | 24,292                     | \$ 24,292               | \$ 24,292                 | \$ -                                                                  |

*The accompanying notes are an integral part of this financial statement.*

**Washington County, Florida**  
**Clerk of the Circuit Court**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**

| <i>September 30, 2021</i> | <b>Custodial<br/>Funds</b> |
|---------------------------|----------------------------|
| <b>Assets</b>             |                            |
| Cash and cash equivalents | \$ 657,428                 |
| Due from other funds      | 6,726                      |
| <b>Total assets</b>       | <b>\$ 664,154</b>          |
| <b>Liabilities</b>        |                            |
| Due to other funds        | \$ 3,247                   |
| Due to others             | 660,890                    |
| <b>Total liabilities</b>  | <b>664,154</b>             |
| <b>Net Position</b>       |                            |
| Restricted net position   | -                          |
| <b>Total net position</b> | <b>\$ -</b>                |

*The accompanying notes are an integral part of this financial statement.*

**Washington County, Florida**  
**Clerk of the Circuit Court**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**

| <i>For the year ended September 30, 2021</i>           | <b>Custodial<br/>Funds</b> |
|--------------------------------------------------------|----------------------------|
| <hr/>                                                  |                            |
| <b>Additions:</b>                                      |                            |
| Collections for other governments                      | \$ 6,782,139               |
| <b>Deductions:</b>                                     |                            |
| Payments for other governments                         | 6,782,139                  |
| <hr/>                                                  |                            |
| Net increase (deficiency) in<br>fiduciary net position | -                          |
| <hr/>                                                  |                            |
| Net position - beginning of year                       | -                          |
| <hr/>                                                  |                            |
| Net position - end of year                             | \$ -                       |
| <hr/>                                                  |                            |

*The accompanying notes are an integral part of this financial statement.*

**Washington County, Florida**  
**Clerk of the Circuit Court**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and the presentation of these financial statements have been designed to conform to generally accepted accounting principles as applicable to governmental units in accordance with the Governmental Accounting Standards Board. The following is a summary of significant accounting principles and policies used in the preparation of these financial statements.

***Reporting Entity***

The Washington County, Florida Clerk of Circuit Court (Clerk) is an integral part of Washington County, Florida and is an elected Constitutional Officer who is governed by state statutes and regulations. The financial statements of the Clerk are included in Washington County, Florida's basic financial statements. The Clerk operates on a fee and budgetary system. Under the fee system, the officer retains fees, commissions, and other revenue to pay all operating expenditures, including statutory compensation. Under the budgetary system, appropriated funds are received from the Board of County Commissioners and any unexpended appropriations are remitted to the Board of County Commissioners after the end of the fiscal year. The receipts from the Board are recorded as other financing sources on the Clerk's financial statements and as other financing uses on the Board's financial statements. Effective June 1, 2013, the Clerk was authorized to retain funds collected for court-related fines, fees and service charges. The Clerk will also receive a monthly appropriation from the State of Florida Clerk of Court Trust Fund for any shortage of revenues up to the approved budget. The receipts from the State are recorded as intergovernmental revenue on the Clerk's financial statements. As specified in Florida Senate Bill 1512, spending authority will continue to be provided by the State and will follow the county fiscal year (October 1 to September 30). The Clerk's financial statements do not purport to reflect the financial position or the results of operations of Washington County, Florida taken as a whole.

Entity status for financial reporting purposes is governed by Statement No. 14 of the Governmental Accounting Standards Board (GASB). Although the Clerk's office is operationally autonomous from the Board of County Commissioners (the "Board"), it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, the Clerk is reported as part of the primary government of Washington County, Florida.

These financial statements are not intended to be a complete presentation of the financial position and results of operations of Washington County, Florida taken as a whole. As permitted by Chapter 10.556(4), Rules of the Auditor General State of Florida, the financial statements consist of only the *fund level* financial statements as defined in GASB No. 34, and do not include presentations of *government-wide* financial statements of the Clerk.

**Washington County, Florida**  
**Clerk of the Circuit Court**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Basis of Presentation***

The Clerk's financial statements have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the "Rules"). These financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund statements do not constitute a complete presentation because, in conformity with the Rules, the Clerk has not presented reconciliations to the government-wide financial statements, management's discussion and analysis, or the pension or the other post-employment benefit related required supplementary information. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County's countywide financial statements. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, and the aggregate remaining fund information, only for that portion of each major fund, and the aggregate remaining fund information, of Washington County, Florida, that is attributable to the Clerk. They do not purport to, and do not, present fairly the financial position of Washington County, Florida, as of September 30, 2021, and the changes in its financial position, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

In preparing these financial statements the following are reported as major governmental funds:

**General Fund** - The general fund is the general operating fund of the Clerk. It is used to account for all financial resources, except for those required to be accounted for in another fund.

**Fine and Forfeiture Fund** - This fund is primarily used to account for and report court-related revenues and associated expenditures used exclusively to fund the Office's court functions.

**Public Records Modernization Trust Fund** - The modernization trust fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

The Clerk also reported the following fund type:

**Custodial Funds** - Custodial funds are custodial in nature and account for assets held in a trust capacity or as agent for individuals, other governmental units and/or other funds. Custodial funds only report assets and liabilities and do not measure results of operations.

***Measurement Focus***

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of "available spendable resources" during a period.

**Washington County, Florida**  
**Clerk of the Circuit Court**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Basis of Accounting***

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. The major modifications to the accrual basis are: (a) revenues are recorded in the accounting period in which they become available and measurable (available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty days for all revenue) and (b) expenditures are recorded in the accounting period in which the liability is incurred, except for accumulated sick and vacation pay, which are not recorded until paid. Charges for services and investment revenue are recorded as earned.

The fiduciary fund statements are prepared using the economic resources measurement focus and the accrual basis of accounting.

When both restricted and unrestricted resources are available for use, it is the Clerk's policy to use restricted resources first, then unrestricted resources as needed.

***Fund Balance Reporting and Governmental Fund – Type Definitions***

The Clerk adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Type Definitions* (GASB Statement No. 54) effective October 1, 2010. This GASB Statement clarifies governmental fund balance classifications and fund-type definitions. Funds balances are classified either as non-spendable or spendable. See Note 9.

***Cash and Cash Equivalents***

Cash and cash equivalents include amounts in demand deposits as well as short term investments with a maturity date within three months of the date acquired by the government.

***Capital Assets and Depreciation***

Tangible personal property is recorded as expenditures in the governmental fund types at the time an asset is acquired. Assets acquired by the Clerk are capitalized at cost in the capital asset accounts of the County. The Clerk's assets are reported in the statement of net assets in the County's financial statements. The Clerk maintains custodial responsibility for the capital assets used by her office.

Estimated useful lives, in years, for depreciable assets are as follows:

Furniture, machinery, and equipment

3-30 years

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Accumulated Compensated Absences***

Permanent full-time employees of the Clerk are entitled to accrue sick leave hours based on pay periods worked, with a limit on total hours accrued being 240 hours. Vacation time is earned depending on the length of employment. Upon separation from employment, employees can be paid for unused sick leave and annual leave in accordance with personnel policy.

The Clerk's accumulated compensated absences are reported in the statement of net position in the County's financial statements.

***Budgetary Requirements***

Florida Statutes, Chapter 218.35 and 195.087, details the preparation, adoption and administration of the Clerk's annual budget. The Clerk establishes an annual balanced budget for her office which displays the revenues available to the office and the functions for which the money is to be expended. The budgeted revenues and expenditures in the accompanying financial statements reflect all amendments approved by the Department of Revenue and the Board of County Commissioners. The budget is prepared on a basis consistent with generally accepted accounting principles.

***Due to Others***

This account is used to account for assets held by the Clerk in a trustee capacity for other governmental agencies or individuals.

***Risk Management and Insurance***

The Clerk is covered under the Board of County Commissioners insurance policies. The Board insures itself against losses from casualty, accident and dishonesty by purchasing insurance through a local insurance agency. The Board believes the level of insurance purchased is adequate to protect against material loss. No significant changes in coverage or claims have been made in the last year.

***Management Estimates and Assumptions***

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

***Subsequent Events***

The Clerk has evaluated subsequent events through the date of the Independent Auditors' Report, which is the date the financial statements were available to be issued, July 12, 2022, and determined there were no events that occurred that required disclosure.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Prepaid Expenses***

General fund and fine and forfeiture fund expenditures for dues and hosting services extending over more than one accounting period are accounted for as expenditures in the period services are used.

***Unearned Revenues***

The unearned revenues will be recognized as revenue in the fiscal year they are earned in accordance with the accrual basis of accounting. Unearned revenues reported in governmental fund financial statements represent unearned revenues or revenues which are measurable but not available, and in accordance with the modified accrual basis of accounting, are reported as unearned revenues.

***Interfund Loans and Transfers***

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

***Recently Issued and Implemented Accounting Pronouncements***

In January 2017, the GASB issued Statement No. 84, Fiduciary Activities. This Statement seeks to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB 84 is effective for the fiscal years beginning after December 15, 2019. Additional information on changes to the financial statements related to the implementation of this statement can be found on page 22 note 10. The implementation of this statement had no impact on the financial statements.

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

In June 2017, the GASB issued Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

Under this Statement, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.



**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued and Implemented Accounting Pronouncements (Continued)***

In June 2018, the GASB issued Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

In May 2019, the GASB issued Statement No. 91, Conduit Debt Obligations. The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

In January 2020, the GASB issued Statement No. 92, Omnibus 2020. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019- 3, *Leases*, for interim financial reports,
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan,
- The applicability of Statements No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits,
- The applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements,

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued and Implemented Accounting Pronouncements (Continued)***

- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition,
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers,
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature, and
- Terminology used to refer to derivative instruments.

The requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.
- The requirements related to the measurement of liabilities (and assets, if any) associated with asset retirement obligations in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

In May 2020, the GASB issued Statement No. 93, Replacement of Interbank Offered Rates. The objectives of this Statement are to address financial reporting issues that result from the replacement of an Interbank Offered Rate (IBOR) by providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment and clarification of the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; replacing LIBOR as an appropriate benchmark interest rate for the evaluation of the effectiveness of an interest rate swap with a Secured Overnight Financing Rate or the Effective Federal Funds Rate; and providing exceptions to the lease modifications guidance in Statement 87 for lease contracts that are amended solely to replace an IBOR used to determine variable payments.

**Washington County, Florida**  
**Clerk of the Circuit Court**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued and Implemented Accounting Pronouncements (Continued)***

The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2022. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

In March 2020, the GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

In May 2020, the GASB issued GASB Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement.

**Washington County, Florida**  
**Clerk of the Circuit Court**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued and Implemented Accounting Pronouncements (Continued)***

In June 2020, the GASB issued GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021.

In October 2021, the GASB issued GASB Statement No. 98, The Annual Comprehensive Financial Report. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness. The requirements of this Statement are effective for fiscal years ending after December 15, 2021.

The Clerk is evaluating the requirements of the above statements and the impact on reporting.

**Washington County, Florida  
Clerk of the Circuit Court  
Notes to Financial Statements**

**Note 2: DEPOSITS AND INVESTMENTS**

At September 30, 2021, the carrying amount of the Clerk's deposits was \$1,013,149 and the bank balance was \$1,126,086. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

Florida Statutes authorize the Clerk to invest in certificates of deposit, repurchase agreements and the State Treasurer's Investment Pool. In addition, the statutes allow the Clerk to invest in bonds, notes or other obligations of the United States Government, certain bonds of any state or local government unit, and bonds issued by certain government agencies.

**CREDIT RISK**

The credit risk of certain investments, such as investment pools managed by other governments, cannot be categorized as to credit risk because the Clerk's investments are not evidenced by specific, identifiable investment securities.

**INTEREST RATE RISK**

At September 30, 2021, the Clerk did not hold any investments that were considered to have interest rate risk.

**CUSTODIAL CREDIT RISK**

As of September 30, 2021, the Clerk did not hold any deposits or investments that were considered to have custodial credit risk.

**CONCENTRATION OF CREDIT RISK**

At September 30, 2021, the Clerk did not hold any investments that were considered to have concentration of credit risk.

**Washington County, Florida**  
**Clerk of the Circuit Court**  
**Notes to Financial Statements**

**Note 3: EMPLOYEE PENSION PLAN**

The Clerk participates in the Florida Retirement System (FRS), a cost-sharing, multiple employer defined benefit public retirement system administered by the State of Florida Department of Administration, Division of Retirement, to provide retirement and survivor benefits to participating public employees. FRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State of Florida Division of Retirement, Tallahassee, Florida, 32399-1560, or by accessing their internet site at [www.frs.state.fl.us/frs/public/annual](http://www.frs.state.fl.us/frs/public/annual).

For those employees hired prior to July 1, 2011, FRS provides vesting of benefits after six years of creditable service. Members are eligible for normal retirement after six years of service and attaining age 62, or 30 years of service regardless of age. Early retirement may be taken any time after completing six years of service; however, there is a 5% benefit reduction for each year prior to normal retirement. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of creditable service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service with a 5% reduction of benefits for each year prior to normal retirement. FRS also provides death and disability benefits and cost-of-living adjustments. Generally, membership is compulsory for all full-time and part-time employees. Prior to July 1, 2011, retirement coverage was employee noncontributory.

Effective July 1, 2011 the Florida Legislature mandated all employees contribute 3% to their retirement coverage with immediate vesting of their contributions.

The funding methods and the determination of benefits payable are provided in various acts of the Florida Legislature. These acts provide that employers and employees pay contributions at rates determined each year by the legislature. The employer rates, as a percentage of gross earnings, are as follows:

|                                 | <b>10/01/20<br/>Through<br/><u>06/30/21</u></b> | <b>07/01/21<br/>Through<br/><u>09/30/21</u></b> |
|---------------------------------|-------------------------------------------------|-------------------------------------------------|
| Regular employees               | 10.00%                                          | 10.82%                                          |
| Senior management               | 27.29%                                          | 29.01%                                          |
| Elected county officials' class | 49.18%                                          | 51.42%                                          |

Chapter 121, Florida Statutes establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. For the year October 01, 2020 through September 30, 2021, the total payroll for all covered employees by the System was \$1,067,384. The retirement contributions for all employees covered by the System for the years ended September 30, 2021, 2020 and 2019 were \$163,434, \$148,425, and \$138,699 respectively, which were the required contributions. For the year ended September 30, 2021, retirement contributions represented 15.32% of covered payroll.

**Note 3: EMPLOYEE PENSION PLAN (Continued)**

GASB Statement No. 68 establishes standards of accounting and financial reporting, but not funding or budgetary standards, for defined benefit pensions and defined contribution pensions provided to the employees of state and local governmental employers through pension plans that are administered through trusts or equivalent arrangements. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans within the scope of the Statement.

The requirements of Statement No. 68 apply to the financial statements of all state and local governmental employers whose employees (or volunteers that provide services to state and local governments) are provided with pensions through pension plans that are administered through trusts or equivalent arrangements, and to the financial statements of state and local governmental nonemployer contributing entities that have a legal obligation to make contributions directly to such pension plans. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures related to pensions. Note disclosure and RSI requirements about pensions also are addressed. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

The adoption of Statement No. 68 has no impact on the Washington County, Florida Clerk's governmental fund financial statements, which continue to report expenditures in the amount of the actuarially determined contributions, as required by State law. The calculation of pension contributions is unaffected by the change.

**Note 4: POST EMPLOYMENT BENEFITS OTHER THAN PENSION**

In addition to the retirement plan in Note 3, the County, in accordance with Section 112.0801, Florida Statutes, provides post-retirement health care benefits to all retired employees who participated in the group health plan while employed. Employees of the Clerk are covered under the County's plan. The County is required to measure and recognize the annual cost of the future benefits and calculate the annual employer funding requirements and, to the extent funding is not made by the County recognize another post-employment benefit (OPEB) liability on the balance sheet of the County. These amounts, if any, are recorded in the County's government-wide financial statements.

**Washington County, Florida**  
**Clerk of the Circuit Court**  
**Notes to Financial Statements**

**Note 5: COURT RELATED FEES**

Based on the legal opinion provided by the Clerks of Court Operations Corporation general counsel of the provisions of Section 28.37(3), F.S., which was adopted as policy by the CCOC Finance and Budget Committee, all excess court-related funds have been included in a fund liability, Due to Other Governmental Units. As of September 30, 2021, excess court-related funds were \$99,006.

**Note 6: COOPERATIVE AGREEMENT**

The Clerk has a Cooperative Agreement with the Florida Department of Revenue. This agreement encompasses all the Clerk's child support functions. It allows for indirect cost reimbursement. The Clerk uses an established indirect cost rate to invoice the Department of Revenue each month. These amounts are federal funds received under CFDA #93.563. The net amount received was \$103,290.

**Note 7: EXCESS REVENUE**

Pursuant to Section 218.36(2), Florida Statutes, each County Officer shall pay into the county general fund all money in excess of the sum to which he or she is entitled under the provisions of Chapter 145. For the year ended September 30, 2021, excess revenues over expenditures of \$4,718 are accrued and reported as a transfer out.

**Note 8: BALANCES DUE TO/FROM OTHER FUNDS**

Balances due to/from other funds at September 30, 2021, consist of the following:

| <b>Receivable Fund</b>          | <b>Payable Fund</b> | <b>Amount</b>     |
|---------------------------------|---------------------|-------------------|
| <b>Governmental Funds</b>       |                     |                   |
| Fine & Forfeiture               | General fund        | \$ 15,278         |
| Fine and Forfeiture             | Agency funds        | 2,556             |
| Fine and Forfeiture             | PRMTF               | 28,635            |
| General fund                    | Fine and Forfeiture | 29,249            |
| General fund                    | Agency funds        | 382               |
| General fund                    | PRMTF               | 4,248             |
| PRMTF                           | General fund        | 32,476            |
| Agency Funds                    | Fine & Forfeiture   | 1,610             |
| Agency Funds                    | Fine & Forfeiture   | 480               |
| <b>Total governmental funds</b> |                     | <b>\$ 114,914</b> |



**Note 8: BALANCES DUE TO/FROM OTHER FUNDS (Continued)**

Balances due are for general operating activity. All amounts will be repaid within one year. The remaining balances were generally used to meet cash demands on allowable Clerk expenditures that will be repaid within one year.

**Note 9: FUND BALANCES**

Non-spendable fund balances include amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. The Clerk had no non-spendable fund balances at September 30, 2021.

Spendable fund balances are classified based on a hierarchy of the Clerk's ability to control the spending of these fund balances and are reported in the following categories: restricted, committed, assigned and unassigned. For the year ended September 30, 2021, the Clerk reports fund balance as committed and restricted. Restricted net assets have externally imposed constraints placed on the use of resources by creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Unassigned fund balances have not been restricted, committed or assigned to specific purposes within the general fund. For the year ended September 30, 2021, the Clerk reported \$67,549 and \$28,255 in restricted fund balance for the modernization of public records and court-related technology and fine and forfeitures respectively.

**Note 10: LITIGATION AND CONTINGENT LIABILITIES**

The Clerk is involved in various litigation arising from the ordinary course of business. In the opinion of management, after consultation with legal counsel, these matters will be resolved without a material adverse impact on the Clerk's financial position.

**Note 11: EMPHASIS OF MATTER**

*Governmental Accounting Standards Board Statement No. 84*

The Clerk implemented GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying and reporting fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. The Clerk considers its Agency funds to meet the criteria for reporting as fiduciary activities in the custodial funds. The beginning net position of the custodial funds was not affected by the implementation of this statement. There was no effect on the beginning net position as a result of this statement.



## **SUPPLEMENTARY INFORMATION**



Washington County, Florida  
Clerk of the Circuit Court  
**Combining Statement of Fiduciary Net Position**  
Agency Funds

| For the year ended September 30, 2021 |    | General | Child    | Jury and | Tax        | Cash      | Registry   | Dependency | Total      |
|---------------------------------------|----|---------|----------|----------|------------|-----------|------------|------------|------------|
|                                       |    | Trust   | Support  | Witness  | Deeds      | Bonds     | of Court   | Mediation  |            |
| <b>Assets</b>                         |    |         |          |          |            |           |            |            |            |
| Cash and cash equivalents             | \$ | 148,114 | \$ 5,202 | \$ 4,184 | \$ 321,778 | \$ 18,542 | \$ 159,608 | \$ -       | \$ 657,428 |
| Due from other funds                  |    | 1,620   | 1,610    | 480      | 70         | -         | 2,946      | -          | 6,726      |
| Total assets                          | \$ | 149,734 | \$ 6,812 | \$ 4,664 | \$ 321,848 | \$ 18,542 | \$ 162,554 | \$ -       | \$ 664,154 |
| <b>Liabilities</b>                    |    |         |          |          |            |           |            |            |            |
| Due to other funds                    | \$ | 369     | \$ 2,556 | -        | \$ -       | 42        | \$ 280     | \$ -       | 3,247      |
| Due to others                         |    | 149,348 | 4,256    | 4,664    | 321,848    | 18,500    | 162,274    | -          | 660,890    |
| Total liabilities                     |    | 149,734 | 6,812    | 4,664    | 321,848    | 18,542    | 162,554    | -          | 664,154    |
| <b>Net Position</b>                   |    |         |          |          |            |           |            |            |            |
| Restricted net position               |    | -       | -        | -        | -          | -         | -          | -          | -          |
| Total net position                    | \$ | -       | \$ -     | \$ -     | \$ -       | \$ -      | \$ -       | \$ -       | \$ -       |

See Independent Auditors' Report

Washington County, Florida  
Clerk of the Circuit Court  
**Combining Statement of Changes in Fiduciary Net Position**  
**Agency Funds**

*For the year ended September 30, 2021*

|                                                        | General<br>Trust | Child<br>Support | Jury and<br>Witness | Tax Deeds  | Cash Bonds | Registry of<br>Court | Dependency<br>Mediation | Total Custodial<br>Funds |
|--------------------------------------------------------|------------------|------------------|---------------------|------------|------------|----------------------|-------------------------|--------------------------|
| <b>Additions:</b>                                      |                  |                  |                     |            |            |                      |                         |                          |
| Contributions:                                         |                  |                  |                     |            |            |                      |                         |                          |
| Collections for other governments                      | \$ 4,829,815     | \$ 68,219        | \$ 1,876            | \$ 793,362 | \$ 106,620 | \$ 980,547           | \$ 1,700                | \$ 6,782,139             |
| <b>Deductions:</b>                                     |                  |                  |                     |            |            |                      |                         |                          |
| Payments for other governments                         | 4,829,815        | 68,219           | 1,876               | 793,362    | 106,620    | 980,547              | 1,700                   | 6,782,139                |
| Net increase (deficiency) in<br>fiduciary net position | -                | -                | -                   | -          | -          | -                    | -                       | -                        |
| Net position - beginning of year                       | -                | -                | -                   | -          | -          | -                    | -                       | -                        |
| Net position - end of year                             | \$ -             | \$ -             | \$ -                | \$ -       | \$ -       | \$ -                 | \$ -                    | \$ -                     |

*See Independent Auditors' Report*

The page features a decorative design with horizontal bars at the top and bottom. The top bar is split into a dark blue segment on the left and a medium blue segment on the right. The bottom bar is split into a medium blue segment on the left and a dark blue segment on the right. A large, solid yellow rectangular area occupies the center of the page. On the left side of this yellow area, there is a faint, stylized geometric pattern consisting of overlapping triangles and lines in a lighter yellow shade.

## 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***

Honorable Lora C. Bell  
Clerk of the Circuit Court  
Washington 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 of each major fund and the aggregate remaining fund information of the Washington County, Florida, Clerk of the Circuit Court (the "Clerk") as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements and have issued our report thereon dated July 12, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Clerk'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 Clerk's internal control. Accordingly, we do not express an opinion on the effectiveness of the Clerk'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 a 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 or significant deficiencies. However, material weaknesses or significant deficiencies may exist that have not been identified.

Honorable Lora C. Bell  
Clerk of the Circuit Court  
Washington County, Florida

#### **Financial Reporting, CLERK OF THE COURT 2022-001**

CRITERIA: Internal control activities and procedures should be structured and monitored to provide accurate financial reporting.

CONDITION: Existing control activities and procedures did not detect errors in various account balances.

CAUSE: Accounting staff did not detect errors in the financial reports or individual account balances.

EFFECT: Various accounts including fund balance, deferred revenue, and related income and expenses were materially incorrect.

RECOMMENDATION: We recommend that all balance sheet accounts and related expenses be reviewed and reconciled to supporting documentation.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Clerk's financial statements are free from material misstatement, we performed tests of its 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 control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Clerk'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 control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Carr, Riggs & Ingram, L.L.C.*

Marianna, Florida  
July 12, 2022

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION  
218.415, FLORIDA STATUTES, *LOCAL GOVERNMENT INVESTMENT POLICIES***

Honorable Lora C. Bell  
Clerk of the Circuit Court  
Washington County, Florida

We have examined the office of the Washington County, Florida, Clerk of the Circuit Court's (the "Clerk") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2021. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk'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 Clerk complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Clerk 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 Clerk's compliance with specified requirements.

In our opinion, the Clerk did comply, in all material respects, with the aforementioned requirements for the year ended September 30, 2021.

This report is intended solely for the information and use of management, the Clerk and the State of Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

*Carr, Riggs & Ingram, L.L.C.*

Marianna, Florida  
July 12, 2022



**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION  
28.35, FLORIDA STATUTES, *FLORIDA CLERKS OF COURT OPERATIONS*  
CORPORATION, AND SECTION 28.36, FLORIDA STATUTES, *BUDGET PROCEDURE***

Honorable Lora C. Bell  
Clerk of the Circuit Court  
Washington County, Florida

We have examined the office of the Washington County, Florida, Clerk of Circuit Court's (the "Clerk") compliance with the requirements of Section 28.35, Florida Statutes, *Florida Clerks of Court Operations Corporation*, and Section 28.36, Florida Statutes, *Budget Procedure*, during the year ended September 30, 2021. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk'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 Clerk complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Clerk 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 Clerk's compliance with specified requirements.

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2021.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

*Carr, Riggs & Ingram, L.L.C.*

Marianna, Florida  
July 12, 2022

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION  
61.181, FLORIDA STATUTES, *DEPOSITORY FOR ALIMONY TRANSACTIONS,  
SUPPORT, MAINTENANCE AND SUPPORT PAYMENTS; FEES***

Honorable Lora C. Bell  
Clerk of the Circuit Court  
Washington County, Florida

We have examined the office of the Washington County, Florida, Clerk of Circuit Court's (the "Clerk") compliance with the requirements of Section 61.181, Florida Statutes, *Depository for Alimony Transactions, Support, Maintenance and Support Payments; Fees* during the year ended September 30, 2021. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk'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 Clerk complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Clerk 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 Clerk's compliance with specified requirements.

In our opinion, the Clerk did not comply, in all material respects, with the aforementioned requirements for the year ended September 30, 2021. The specified fees collected were not remitted timely for two of the twelve months tested. These exceptions occurred prior to completion of the 2020 audit when the Clerk was made aware of this concern, no further exceptions were noted afterwards.

This report is intended solely for the information and use of management, the Clerk and the State of Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

*Carr, Riggs & Ingram, L.L.C.*

Marianna, Florida  
July 12, 2022



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## INDEPENDENT AUDITORS' MANAGEMENT LETTER

Honorable Lora C. Bell  
Clerk of the Circuit Court  
Washington County, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of the Washington County, Florida Clerk of the Circuit Court (the "Clerk"), as of and for the year ended September 30, 2021, and have issued our report thereon dated July 12, 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; and Chapter 10.550, Rules of the Auditor General.

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated July 12, 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. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

Honorable Lora C. Bell  
Clerk of the Circuit Court  
Washington County, Florida

### **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 the management letter, unless disclosed in the notes to the financial statements. The Washington County, Florida, Clerk of the Circuit Court was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Washington County, Florida, Clerk of the Circuit Court.

### **Financial Condition and Management**

Section 10.554(1)(i)2, Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

### **Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate 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 the Washington County, Florida, Clerk and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*Carr, Riggs & Ingram, L.L.C.*

Marianna, Florida  
July 12, 2022

Washington County, Florida  
Clerk of the Circuit Court  
Management's Response



Clerk of Court and Comptroller  
Washington County, Florida | Fourteenth Judicial Circuit

July 28, 2022

To whom it may concern:

I am in receipt of the audit report for the Washington County, Florida, Clerk of the Circuit Court, for the fiscal year ending September 30, 2021, and offer my response to the audit findings noted in the Independent Auditors' Reports on Internal Control and Compliance. Accordingly, the following comments are provided.

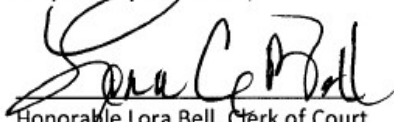
**CC 2022-001 - FINANCIAL REPORTING**

This finding is considered to be an isolated incident and not an indication of a systemic weakness in internal control activities or procedures. We do, however, recognize the need for increased oversight in this area and have taken necessary steps to accomplish this. We have retained an outside accounting professional to assist in monitoring individual account balances throughout the year which will enable us to recognize the possibility of errors in our financial records and also ensure that proper reconciliation is provided prior to the annual audit. This finding is not expected to be present in subsequent audits.

**COMPLIANCE WITH SECTION 61.181, FLORIDA STATUTES, DEPOSITORY FOR FEES**

The auditor's findings on page 31 of this report, reflect delayed payment of fees. This was an accounting oversight that we have recognized, in part, to be a result of our employees sharing time between home and office due to COVID-19 restrictions. The problem occurred in the previous fiscal year and carried over into the first two months of the current fiscal year. This matter has been corrected as of November, 2020, and no further instances of non-compliance have occurred since that time.

Respectfully submitted,

  
Honorable Lora Bell, Clerk of Court  
Washington County

*A Public Office is a Public Trust*



**Washington County, Florida  
Property Appraiser**

**FINANCIAL STATEMENTS**

**September 30, 2021**

**Washington County, Florida**  
**Property Appraiser**  
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**September 30, 2021**

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**FINANCIAL SECTION**



## INDEPENDENT AUDITORS' REPORT

Honorable Gil Carter  
Property Appraiser  
Washington County, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of the major fund of the Washington County, Florida, Property Appraiser (the "Property Appraiser") as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Property Appraiser's 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 opinion 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 auditors' 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 entity'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 Property Appraiser'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 opinion.

Honorable Gil Carter  
Property Appraiser  
Washington County, Florida

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund of the Property Appraiser as of September 30, 2021, and the respective changes in financial position, where applicable, and the respective budgetary comparison for the General Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position, where applicable, of the major fund, only for that portion of the major fund, of Washington County, Florida, that is attributable to the Property Appraiser. They do not purport to, and do not, present fairly the financial position of Washington County, Florida, as of September 30, 2021, and the changes in its financial position, where applicable, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 11, 2022 on our consideration of the Property Appraiser's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Property Appraiser's internal control over financial reporting and compliance.

*Carr, Riggs & Ingram, L.L.C.*

Marianna, Florida  
February 11, 2022

**Washington County, Florida**  
**Property Appraiser**  
**Balance Sheet**  
**Governmental Funds**

| <i>September 30, 2021</i>             | <b>General<br/>Fund</b> |
|---------------------------------------|-------------------------|
| <hr/>                                 |                         |
| <b>Assets</b>                         |                         |
| Cash                                  | \$ 81,391               |
| Due from County                       | 44                      |
| <hr/>                                 |                         |
| Total assets                          | \$ 81,435               |
| <hr/>                                 |                         |
| <b>Liabilities</b>                    |                         |
| Accounts payable and accrued expenses | \$ 41,549               |
| Due to Board of County Commissioners  | 39,886                  |
| <hr/>                                 |                         |
| Total liabilities                     | 81,435                  |
| <hr/>                                 |                         |
| <b>Fund balance</b>                   | -                       |
| <hr/>                                 |                         |
| Total liabilities and fund balance    | \$ 81,435               |
| <hr/>                                 |                         |

*The accompanying notes are an integral part of this financial statement.*

Washington County, Florida  
Property Appraiser

**Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Funds**

| <i>For the year ended September 30, 2021</i>              | <b>General<br/>Fund</b> |
|-----------------------------------------------------------|-------------------------|
| <b>Revenues</b>                                           |                         |
| Other fees and miscellaneous revenues                     | \$ 312                  |
| Total revenues                                            | 312                     |
| <b>Expenditures</b>                                       |                         |
| Current                                                   |                         |
| General government                                        | 539,408                 |
| Capital outlay                                            | 90,733                  |
| Total expenditures                                        | 630,141                 |
| Excess (deficiency) of revenues over (under) expenditures | (629,829)               |
| <b>Other financing sources (uses)</b>                     |                         |
| Transfers in                                              | 669,715                 |
| Transfers out                                             | (39,886)                |
| Net other financing sources (uses)                        | 629,829                 |
| Net change in fund balance                                | -                       |
| Fund balance, beginning of year                           | -                       |
| Fund balance, end of year                                 | \$ -                    |

*The accompanying notes are an integral part of this financial statement.*

**Washington County, Florida**  
**Property Appraiser**

**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**

| <i>For the year ended September 30, 2021</i>              | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actual<br/>Amounts<br/>(Budgetary<br/>Basis)</b> | <b>Variance with<br/>Final Budget -<br/>Favorable<br/>(Unfavorable)</b> |
|-----------------------------------------------------------|----------------------------|-------------------------|-----------------------------------------------------|-------------------------------------------------------------------------|
| <b>Revenues</b>                                           |                            |                         |                                                     |                                                                         |
| Charges for services                                      | \$ -                       | \$ -                    | \$ -                                                | \$ -                                                                    |
| Other fees and miscellaneous revenues                     | -                          | -                       | 312                                                 | 312                                                                     |
| <b>Total revenues</b>                                     | -                          | -                       | 312                                                 | 312                                                                     |
| <b>Expenditures</b>                                       |                            |                         |                                                     |                                                                         |
| Current                                                   |                            |                         |                                                     |                                                                         |
| General government                                        | 569,517                    | 569,517                 | 539,408                                             | 30,109                                                                  |
| Capital outlay                                            | 92,498                     | 92,498                  | 90,733                                              | 1,765                                                                   |
| Reserve for contingencies                                 | 7,700                      | 7,700                   | -                                                   | 7,700                                                                   |
| <b>Total expenditures</b>                                 | 669,715                    | 669,715                 | 630,141                                             | 39,574                                                                  |
| Excess (deficiency) of revenues over (under) expenditures | (669,715)                  | (669,715)               | (629,829)                                           | 39,886                                                                  |
| <b>Other financing sources (uses)</b>                     |                            |                         |                                                     |                                                                         |
| Transfers in                                              | 669,715                    | 669,715                 | 669,715                                             | -                                                                       |
| Transfers out                                             | -                          | -                       | (39,886)                                            | (39,886)                                                                |
| <b>Net other financing sources (uses)</b>                 | 669,715                    | 669,715                 | 629,829                                             | (39,886)                                                                |
| <b>Net change in fund balance</b>                         | \$ -                       | \$ -                    | \$ -                                                | \$ -                                                                    |

*The accompanying notes are an integral part of this financial statement.*

**Washington County, Florida**  
**Property Appraiser**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and the presentation of these financial statements have been designed to conform to generally accepted accounting principles as applicable to governmental units in accordance with the Governmental Accounting Standards Board. The following is a summary of significant accounting principles and policies used in the preparation of these financial statements.

***Reporting Entity***

The Washington County Property Appraiser's office is an agency of Washington County, which is a political subdivision of the State of Florida. The County was established on December 29, 1825, by the Territorial Legislative Council. Washington County is governed by an elected Board of County Commissioners ("Board"), which derives its authority by the County Charter, Florida State Statutes and regulations. In addition to the members of the Board, there are five elected Constitutional Officers: Clerk of Courts, Sheriff, Tax Collector, Property Appraiser and Supervisor of Elections. The Constitutional Officers maintain separate accounting records and budgets.

The accompanying financial statements present the financial position and results of operations of the various fund types for all the funds controlled by the Washington County Property Appraiser's Office.

The Washington County, Florida Property Appraiser (the "Property Appraiser") is a separately elected County official established pursuant to the Constitution of the State of Florida. The Property Appraiser's financial statements do not purport to reflect the financial position or the results of operations of Washington County, Florida taken as a whole.

Entity status for financial reporting purposes is governed by Statement No. 14 of the Governmental Accounting Standards Board (GASB). Although the Property Appraiser's office is operationally autonomous from the Board of County Commissioners (The "Board"), it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, the Property Appraiser is reported as part of the primary government of Washington County, Florida.

These financial statements are not intended to be a complete presentation of the financial position and results of operations of Washington County, Florida taken as a whole. As permitted by Chapter 10.556(4), Rules of the Auditor General State of Florida, the financial statements consist of only the *fund level* financial statements as defined in GASB No. 34, and do not include presentations of *government-wide* financial statements of the Property Appraiser.

The operations of the Property Appraiser are funded by the Board. The receipts from the Board are recorded as other financing sources on the Property Appraiser's financial statements and as other financing uses on the Board's financial statements. Any excess of revenues and other financing sources received over expenditures are remitted to the Board at year end.

**Washington County, Florida**  
**Property Appraiser**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Basis of Presentation***

The Property Appraiser's financial statements have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the "Rules"). These financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund statements do not constitute a complete presentation because, in conformity with the Rules, the Property Appraiser has not presented reconciliations to the government-wide financial statements, the government-wide financial statements, management's discussion and analysis, or the pension or the other post-employment benefit related required supplementary information. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County's countywide financial statements. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position, where applicable, of the major fund, only for that portion of the major fund, of Washington County, Florida, that is attributable to the Property Appraiser. They do not purport to, and do not, present fairly the financial position of Washington County, Florida, as of September 30, 2021, and the changes in its financial position, where applicable, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

In preparing these financial statements, the following is reported as a major governmental fund:

**General Fund** - The general fund is the general operating fund of the Property Appraiser. It is used to account for all financial resources, except those required to be accounted for in another fund.

***Measurement Focus***

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. The general fund is accounted for on a spending or "financial flow" measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. General fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of "available spendable resources" during a period.

**Washington County, Florida**  
**Property Appraiser**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Basis of Accounting***

Basis of accounting refers to the point at which revenues and expenditures are recognized in the accounts and reported in the general fund financial statements and refers to the timing of the measurements made, regardless of the measurement focus applied.

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. The major modifications to the accrual basis are: (a) revenues are recorded in the accounting period in which they become available and measurable (available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty days for all revenue) (b) expenditures are recorded in the accounting period in which the liability is incurred, except for accumulated sick and vacation pay, which are not recorded until paid. Charges for services and investment revenue are recorded as earned.

When both restricted and unrestricted resources are available for use, it is the Property Appraiser's policy to use restricted resources first, then unrestricted resources as needed.

***Cash and Cash Equivalents***

Cash includes amounts in demand deposits as well as short term investments with a maturity date within three months of the date acquired by the government.

***Capital Assets and Depreciation***

Tangible personal property is recorded as expenditures in the governmental fund at the time an asset is acquired. Assets acquired by the Property Appraiser are capitalized at cost in the capital asset accounts of the County. The Property Appraiser's assets are reported in the statement of net assets in the County's financial statements. The Property Appraiser maintains custodial responsibility for the capital assets used by his office.

Estimated useful lives, in years, for depreciable assets are as follows:

|                                     |            |
|-------------------------------------|------------|
| Furniture, machinery, and equipment | 3-30 years |
|-------------------------------------|------------|

***Accumulated Compensated Absences***

A liability exists for accrued annual and sick leave, which will be taken by employees. The Property Appraiser does not pay employees for unused sick leave upon termination. Vacation time is earned depending on the length of employment and up to 240 hours may be carried forward to future years.

The Property Appraiser's accumulated compensated absences are reported in the statement of net position in the County's financial statements.



**Washington County, Florida**  
**Property Appraiser**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Budgetary Requirements***

Expenditures are controlled by appropriations in accordance with the budget requirements set forth in Florida Statutes Chapter 195.087. The budgeted revenues and expenditures in the accompanying financial statements reflect all amendments, approved by the Florida Department of Revenue and Board of County Commissioners. On or before June 1 of each year, the Property Appraiser shall submit to the Department of Revenue a budget for the operation of his office for the ensuing fiscal year. The Department of Revenue and Board of County Commissioners must approve the final budget.

***Risk Management and Insurance***

The Property Appraiser is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; injuries to employees and/or the public; or damage to property of others. The Property Appraiser participates in the risk management program through the Washington County Board of County Commissioners which uses commercial insurance to cover certain risks from loss.

The Board obtained commercial insurance against losses for the following types of risk:

- Real and Personal Property Damage
- Public Employees' Bond
- Workers' Compensation
- General and Automobile Liability

***Management Estimates and Assumptions***

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

***Subsequent Events***

The Property Appraiser has evaluated subsequent events through the date of the Independent Auditors' Report which is the date the financial statements were available to be issued February 11, 2022, and determined there were no events that occurred that required disclosure.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued and Implemented Accounting Pronouncements***

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This Statement seeks to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB 84 is effective for the fiscal years beginning after December 15, 2019. The implementation of this statement had no impact on the financial statements.

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

Under this Statement, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued and Implemented Accounting Pronouncements (Continued)***

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports,
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan,
- The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits,
- The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements,
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition,
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers,
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature, and
- Terminology used to refer to derivative instruments.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued and Implemented Accounting Pronouncements (Continued)***

The requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.
- The requirements related to the measurement of liabilities (and assets, if any) associated with asset retirement obligations in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

In May 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objectives of this Statement are to address financial reporting issues that result from the replacement of an Interbank Offered Rate (IBOR) by providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment and clarification of the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; replacing LIBOR as an appropriate benchmark interest rate for the evaluation of the effectiveness of an interest rate swap with a Secured Overnight Financing Rate or the Effective Federal Funds Rate; and providing exceptions to the lease modifications guidance in Statement 87 for lease contracts that are amended solely to replace an IBOR used to determine variable payments.

The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2022. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued and Implemented Accounting Pronouncements (Continued)***

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued and Implemented Accounting Pronouncements (Continued)***

In June 2020, the GASB issued GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021.

In October 2021, the GASB issued GASB Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness. The requirements of this Statement are effective for fiscal years ending after December 15, 2021.

The Property Appraiser is evaluating the requirements of the above statements and the impact on reporting.

**Note 2: DEPOSITS AND INVESTMENTS**

At September 30, 2021, the carrying amount of the Property Appraiser's cash and cash equivalents was \$81,391 and the bank balance was \$124,962. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

Florida Statutes authorize the Property Appraiser to invest in certificates of deposit, repurchase agreements and the State Treasurer's Investment Pool. In addition, the statutes allow the Property Appraiser to invest in bonds, notes or other obligations of the United States Government, certain bonds of any state or local government unit, and bonds issued by certain government agencies.

**CREDIT RISK**

At September 30, 2021, the Property Appraiser did not hold any deposits or investments that were considered to have credit risk.

**INTEREST RATE RISK**

At September 30, 2021, the Property Appraiser did not hold any investments that were considered to have interest rate risk.

**CUSTODIAL CREDIT RISK**

At September 30, 2021, the Property Appraiser did not hold any deposits or investments that were considered to have custodial credit risk.

**CONCENTRATION OF CREDIT RISK**

At September 30, 2021, the Property Appraiser did not hold any investments that were considered to have concentration of credit risk.

**Note 3: EMPLOYEES PENSION PLAN**

The Property Appraiser participates in the Florida Retirement System (FRS), a cost-sharing, multiple employer defined benefit public retirement system administered by the State of Florida Department of Administration, Division of Retirement, to provide retirement and survivor benefits to participating public employees. FRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State of Florida Division of Retirement, Tallahassee, Florida, 32399-1560, or by accessing their internet site at [www.frs.state.fl.us/frs/public/annual](http://www.frs.state.fl.us/frs/public/annual).



**Washington County, Florida**  
**Property Appraiser**  
**Notes to Financial Statements**

**Note 3: EMPLOYEES PENSION PLAN (Continued)**

For those employees hired prior to July 1, 2011, FRS provides vesting of benefits after six years of creditable service. Members are eligible for normal retirement after six years of service and attaining age 62, or 30 years of service regardless of age. Early retirement may be taken any time after completing six years of service; however, there is a 5% benefit reduction for each year prior to normal retirement. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of creditable service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service with a 5% reduction of benefits for each year prior to normal retirement. FRS also provides death and disability benefits and cost-of-living adjustments. Generally, membership is compulsory for all full-time and part-time employees. Prior to July 1, 2011, retirement coverage was employee noncontributory. Effective July 1, 2011 the Florida Legislature mandated all employees contribute 3% to their retirement coverage with immediate vesting of their contributions.

The funding methods and the determination of benefits payable are provided in various acts of the Florida Legislature. These acts provide that employers and employees pay contributions at rates determined each year by the legislature. The employer rates, as a percentage of gross earnings, are as follows:

|                                 | <b>10/01/20<br/>Through<br/>06/30/21</b> | <b>07/01/21<br/>Through<br/>09/30/21</b> |
|---------------------------------|------------------------------------------|------------------------------------------|
| Regular employees               | 10.00%                                   | 10.82%                                   |
| Senior management               | 27.29%                                   | 29.01%                                   |
| Elected county officials' class | 49.18%                                   | 50.42%                                   |

Chapter 121, Florida Statutes established the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. For the year October 1, 2020 through September 30, 2021, total payroll for the Property Appraiser employees covered by the Florida Retirement System was \$381,133. The Property Appraiser's contribution to the plan for the years ended September 30, 2021, 2020, and 2019 was \$46,770, \$39,077, and \$33,478, respectively, which were the required contributions. For the year ended September 30, 2021 retirement contributions represent 12.27% of covered payroll.

The Property Appraiser has no responsibility to the System other than to make the periodic payments required by State Statutes. The Florida Division of Retirement issues a publically available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing Florida Division of Retirement, P.O. Box 9000, Tallahassee, FL 32315-9000 or at the Division's website at [dms.myflorida.com](http://dms.myflorida.com).

GASB Statement No. 68 establishes standards of accounting and financial reporting, but not funding or budgetary standards, for defined benefit pensions and defined contribution pensions provided to the employees of state and local governmental employers through pension plans that are administered through trusts or equivalent arrangements. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans within the scope of the Statement.



**Note 3: EMPLOYEES PENSION PLAN (Continued)**

The requirements of Statement No. 68 apply to the financial statements of all state and local governmental employers whose employees (or volunteers that provide services to state and local governments) are provided with pensions through pension plans that are administered through trusts or equivalent arrangements, and to the financial statements of state and local governmental nonemployer contributing entities that have a legal obligation to make contributions directly to such pension plans. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures related to pensions. Note disclosure and RSI requirements about pensions also are addressed. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

The adoption of Statement No. 68 has no impact on the Washington County Property Appraiser's governmental fund financial statements, which continue to report expenditures in the amount of the actuarially determined contributions, as required by State law. The calculation of pension contributions is unaffected by the change.

**Note 4: EXCESS REVENUE**

Pursuant to Section 218.36(2), Florida Statutes, each County Officer shall pay into the county general fund all money in excess of the sum to which he or she is entitled under the provisions of Chapter 145. For the year ended September 30, 2021, excess revenues over expenditures of \$39,886 are accrued and reported as transfers out.

**Note 5: LITIGATION AND CONTINGENT LIABILITIES**

The Property Appraiser is involved in various litigation arising from the ordinary course of business. In the opinion of management, after consultation with legal counsel, these matters will be resolved without a material adverse effect on the Property Appraiser's financial position.

**Note 6: POST EMPLOYMENT BENEFITS OTHER THAN PENSION**

In addition to the retirement plan in Note 3, the County, in accordance with Section 112.0801, Florida Statutes, provides post-retirement health care benefits to all retired employees who participated in the group health plan while employed. Employees of the Property Appraiser are covered under the County's plan. The County is required to measure and recognize the annual cost of the future benefits and calculate the annual employer funding requirements and, to the extent funding is not made by the County recognize another post-employment benefit (OPEB) liability on the balance sheet of the County. These amounts, if any, are recorded in the County's government-wide financial statements.

**Washington County, Florida**  
**Property Appraiser**  
**Notes to Financial Statements**

**Note 7: UNCERTAINTIES**

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the Sheriff. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.

**Note 8: COMMITMENTS**

In April 2021 the Property Appraiser entered a contract with GSA to pay equal quarterly payments of \$15,336 starting October 1<sup>st</sup>, 2021 for new software. These payments will continue until July 1<sup>st</sup>, 2024 when the last payment is due.



**REPORTS ON INTERNAL CONTROL  
AND COMPLIANCE MATTERS**

**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***

Honorable Gil Carter  
Property Appraiser  
Washington 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 of the major fund of the Washington County, Florida, Property Appraiser (the "Property Appraiser") as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Property Appraiser's basic financial statements and have issued our report thereon dated February 11, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Property Appraiser'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Property Appraiser's internal control. Accordingly, we do not express an opinion on the effectiveness of the Property Appraiser'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 a 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described below as finding No. PA2003-003 that we consider to be a significant deficiency.

Honorable Gil Carter  
Property Appraiser  
Washington County, Florida

## **PRIOR YEAR FINDINGS AND RECOMMENDATION**

### **Need for Segregation of Duties, PA2003-003**

CRITERIA: The internal control environment should include proper segregation of duties and responsibilities over accounting functions.

CONDITION: There is a lack of segregation of duties between employees who have recordkeeping responsibility and employees who have custody of Property Appraiser's assets.

CAUSE: The Property Appraiser has limited personnel in the accounting department.

EFFECT: The possibility exists that unintentional or intentional errors or irregularities could occur and not be promptly detected.

RECOMMENDATION: We realize that due to the size of the Property Appraiser's administrative staff, it is difficult to achieve ideal separation of duties. However, the Property Appraiser should remain very active and involved in the day-to-day operations. Controls should be implemented to help compensate for these weaknesses and to provide checks and balances.

STATUS: This condition continues to exist.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Property Appraiser's financial statements are free from material misstatement, we performed tests of its 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*.

## **Property Appraiser's Response to Findings**

The Property Appraiser's response to the findings identified in our audit is described in the accompanying letter. The Property Appraiser's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Honorable Gil Carter  
Property Appraiser  
Washington County, Florida

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Property Appraiser'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 control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Carr, Riggs & Ingram, L.L.C.*

Marianna, Florida  
February 11, 2022



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**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION  
218.415, FLORIDA STATUTES, *LOCAL GOVERNMENT INVESTMENT POLICIES***

Honorable Gil Carter  
Property Appraiser  
Washington County, Florida

We have examined Washington County, Florida, Property Appraiser's (the "Property Appraiser") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2021. Management is responsible for the Property Appraiser's compliance with those requirements. Our responsibility is to express an opinion on the Property Appraiser'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 Property Appraiser complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Property Appraiser 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 Property Appraiser's compliance with specified requirements.

In our opinion, the Property Appraiser complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2021.

This report is intended solely for the information and use of management, the Property Appraiser and the State of Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

*Carr, Riggs & Ingram, LLC*

Marianna, Florida  
February 11, 2022



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## INDEPENDENT AUDITORS' MANAGEMENT LETTER

Honorable Gil Carter  
Property Appraiser  
Washington County, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of the Washington County, Florida Property Appraiser (the "Property Appraiser"), as of and for the year ended September 30, 2021, and have issued our report thereon dated February 11, 2022.

### Auditor's 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; and Chapter 10.550, Rules of the Auditor General.

### Other Reporting Requirements

We have issued our Independent Auditor's 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*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated February 11, 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 financial audit report. Finding PA2003-003 found in the Independent Auditor's 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* has not been corrected.



Honorable Gil Carter  
Property Appraiser  
Washington County, Florida

### **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 the management letter, unless disclosed in the notes to the financial statements. The Washington County, Florida, Property Appraiser was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Washington County, Florida, Property Appraiser.

### **Financial Condition and Management**

Section 10.554(1)(i)2, Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

### **Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate 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 the Washington County Property Appraiser and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*Carr, Riggs & Ingram, L.L.C.*

Marianna, Florida  
February 11, 2022

**Washington County, Florida  
Property Appraiser  
Management's Response**



Phone: (850) 638-6205

**GIL CARTER, CFA  
WASHINGTON COUNTY PROPERTY APPRAISER**

1331 South Blvd., Suite 300  
P. O. Box 695  
Chipley, FL 32428



Email: [gil.carter@washcofl.com](mailto:gil.carter@washcofl.com)  
Website: [www.gpublic.net/fl/washington](http://www.gpublic.net/fl/washington)

February 14, 2022

Carr, Riggs & Ingram  
4267 Lafayette St  
Marianna, FL 32446

To Whom it May Concern:

We are in receipt of the Washington County Property Appraiser's audit report for the fiscal year ended September 30, 2021. In response to the internal control and compliance the following applies:

Segregation of Duties – I will continue to remain active in the day-to-day operations of the Property Appraiser's Office. This is a small office with employees who have overlapping duties. I will continue to ensure there are checks and balances in the daily work and the ledger is balanced on a monthly basis.

If I can be of further assistance please contact me at 850-638-6205.

Sincerely,

A handwritten signature in blue ink that reads "Gil Carter".

Gil Carter, CFA  
Washington County Property Appraiser



# **Washington County, Florida Sheriff**

## **Financial Statements**

**September 30, 2021**



**Washington County, Florida**  
**Sheriff**  
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**September 30, 2021**



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**REPORT**





Carr, Riggs & Ingram, LLC  
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## INDEPENDENT AUDITORS' REPORT

Honorable Kevin Crews  
Sheriff  
Washington County, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Washington County, Florida, Sheriff (the "Sheriff") as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Sheriff'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 auditors' 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 entity'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 Sheriff'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 each major fund and aggregate remaining fund information of the Sheriff as of September 30, 2021, and the respective changes in financial position, thereof, and the respective budgetary comparisons for the General Fund, Emergency Medical Services Fund and Inmate Welfare Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position, where applicable, of each major fund, and the aggregate remaining fund information, only for that portion of each major fund, and the aggregate remaining fund information, of Washington County, Florida that is attributable to the Sheriff. They do not purport to, and do not, present fairly the financial position of Washington County, Florida, as of September 30, 2021, and the changes in its financial position, where applicable, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to these matters.

## *Change in Accounting Principle*

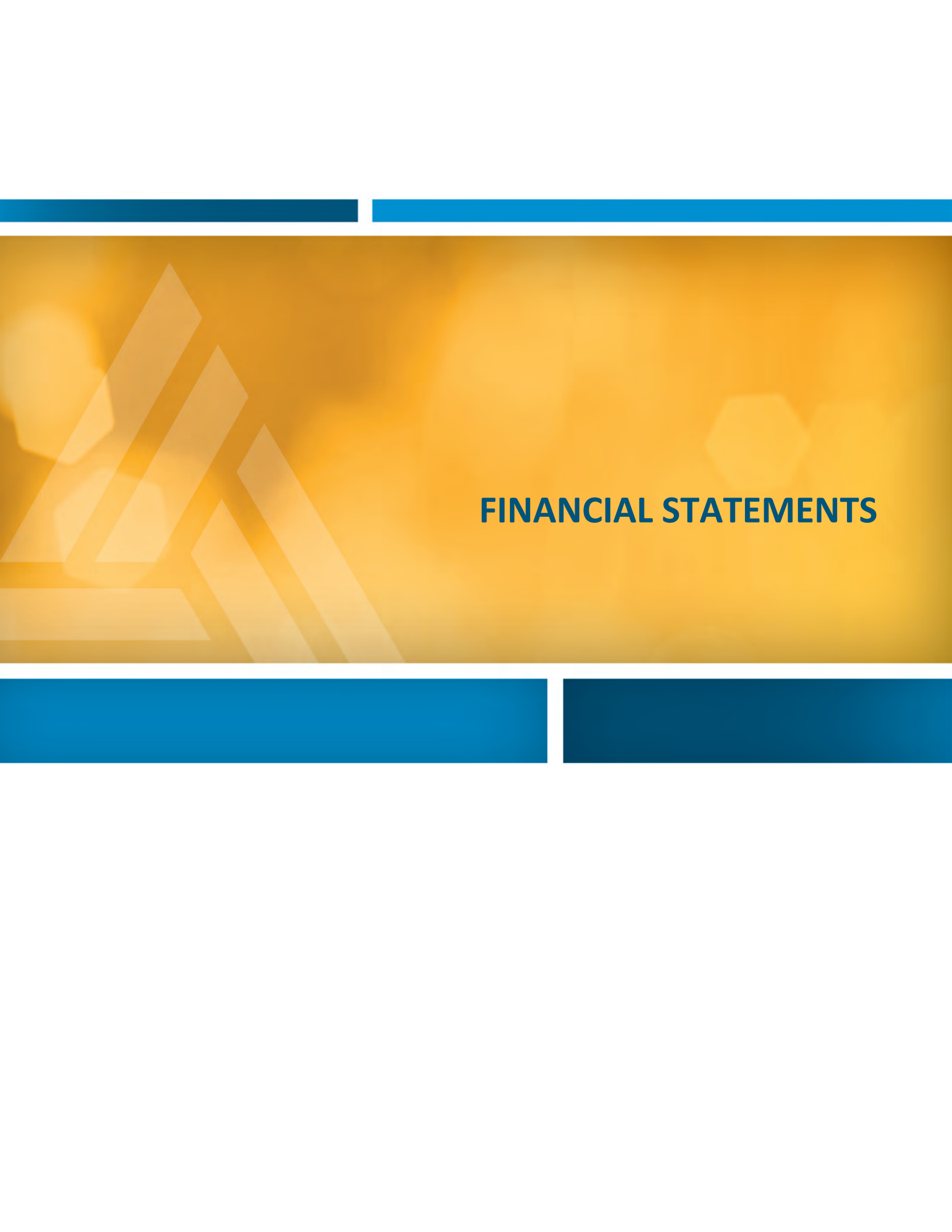
As discussed in Note 1, the Sheriff implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, which is a change in the accounting principle that addresses accounting and financial reporting for fiduciary activities. This affects the comparability of amounts reported for the year ended September 30, 2021 with amounts reported for the year ended September 30, 2020. Our opinion is not modified with respect to this matter.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 2022 on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.

*Cam, Riggs & Ingram, L.L.C.*

Marianna, Florida  
August 30, 2022



# FINANCIAL STATEMENTS



**Washington County, Florida  
Sheriff  
Balance Sheet  
Governmental Funds**

|                                            | Major funds       |                                       |                           |                       | Total               |
|--------------------------------------------|-------------------|---------------------------------------|---------------------------|-----------------------|---------------------|
|                                            | General<br>Fund   | Emergency<br>Medical<br>Services Fund | Inmate<br>Welfare<br>Fund | Governmental<br>Funds |                     |
| <i>September 30, 2021</i>                  |                   |                                       |                           |                       |                     |
| <b>Assets</b>                              |                   |                                       |                           |                       |                     |
| Cash and cash equivalents                  | \$ 434,515        | \$ 67,221                             | \$ -                      | \$ -                  | \$ 501,736          |
| Restricted cash and cash equivalents       | 126,571           | -                                     | 304,809                   | -                     | 431,380             |
| Due from other governmental units          | 210,649           | -                                     | -                         | -                     | 210,649             |
| Accounts receivable, net                   | 15,921            | 204,229                               | -                         | -                     | 220,150             |
| Due from Board of County Commission        | 84,610            | -                                     | -                         | -                     | 84,610              |
| <b>Total assets</b>                        | <b>\$ 872,266</b> | <b>\$ 271,450</b>                     | <b>\$ 304,809</b>         | <b>\$ -</b>           | <b>\$ 1,448,525</b> |
| <b>Liabilities</b>                         |                   |                                       |                           |                       |                     |
| Accounts payable and accrued expenses      | \$ 582,900        | \$ 14,624                             | \$ 50,491                 | \$ -                  | \$ 648,015          |
| Due to other governmental units            | -                 | 39,927                                | 920                       | -                     | 40,847              |
| Due to Board of County Commissioners       | 162,795           | -                                     | -                         | -                     | 162,795             |
| <b>Total liabilities</b>                   | <b>745,695</b>    | <b>54,551</b>                         | <b>51,411</b>             | <b>-</b>              | <b>851,657</b>      |
| <b>Fund balance</b>                        |                   |                                       |                           |                       |                     |
| Unrestricted                               | -                 | 216,899                               | -                         | -                     | 216,899             |
| Restricted                                 | 126,571           | -                                     | 253,398                   | -                     | 379,969             |
| <b>Total fund balance</b>                  | <b>126,571</b>    | <b>216,899</b>                        | <b>253,398</b>            | <b>-</b>              | <b>596,868</b>      |
| <b>Total liabilities and fund balances</b> | <b>\$ 872,266</b> | <b>\$ 271,450</b>                     | <b>\$ 304,809</b>         | <b>\$ -</b>           | <b>\$ 1,448,525</b> |

*The accompanying notes are an integral part of this financial statement.*

**Washington County, Florida  
Sheriff**

**Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Governmental Funds**

*For the year ended September 30, 2021*

|                                                           | Major Funds     |                                       |                           | Total<br>Governmental<br>Funds |
|-----------------------------------------------------------|-----------------|---------------------------------------|---------------------------|--------------------------------|
|                                                           | General<br>Fund | Emergency<br>Medical<br>Services Fund | Inmate<br>Welfare<br>Fund |                                |
| <b>Revenues</b>                                           |                 |                                       |                           |                                |
| Intergovernmental                                         | \$ 309,629      | \$ -                                  | \$ -                      | \$ 309,629                     |
| Charges for services                                      | 532,108         | 1,461,672                             | 215,655                   | 2,209,435                      |
| Grants                                                    | 249,510         | -                                     | -                         | 249,510                        |
| Investment earnings                                       | -               | -                                     | 352                       | 352                            |
| Other fees and miscellaneous revenues                     | 88,670          | -                                     | 3,498                     | 92,168                         |
| Total revenues                                            | 1,179,917       | 1,461,672                             | 219,505                   | 2,861,094                      |
| <b>Expenditures</b>                                       |                 |                                       |                           |                                |
| Current                                                   |                 |                                       |                           |                                |
| Public safety and health                                  | 5,332,707       | 2,055,959                             | 86,785                    | 7,475,451                      |
| Capital outlay                                            | 540,795         | -                                     | 34,100                    | 574,895                        |
| Debt service                                              |                 |                                       |                           |                                |
| Principal                                                 | -               | 22,041                                | -                         | 22,041                         |
| Interest                                                  | -               | 906                                   | -                         | 906                            |
| Total expenditures                                        | 5,873,502       | 2,078,906                             | 120,885                   | 8,073,293                      |
| Excess (deficiency) of revenues over (under) expenditures | (4,693,585)     | (617,234)                             | 98,620                    | (5,212,199)                    |
| <b>Other financing sources (uses)</b>                     |                 |                                       |                           |                                |
| Transfers in                                              | 4,830,721       | 633,243                               | -                         | 5,463,964                      |
| Transfers out                                             | (89,935)        | (14,903)                              | (9,169)                   | (114,007)                      |
| Net other financing sources (uses)                        | 4,740,786       | 618,340                               | (9,169)                   | 5,349,957                      |
| <b>Net change in fund balance</b>                         | 47,201          | 1,106                                 | 89,451                    | 137,758                        |
| <b>Fund balance - beginning</b>                           | 79,370          | 215,793                               | 163,947                   | 459,110                        |
| <b>Fund balance - ending</b>                              | \$ 126,571      | \$ 216,899                            | \$ 253,398                | \$ 596,868                     |

*The accompanying notes are an integral part of this financial statement.*

**Washington County, Florida**  
**Sheriff**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance – Budget and Actual**  
**General Fund**

| <i>For the year ended September 30, 2021</i>                     | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actual<br/>Amounts</b> | <b>Variance with<br/>Final Budget<br/>Favorable<br/>(Unfavorable)</b> |
|------------------------------------------------------------------|----------------------------|-------------------------|---------------------------|-----------------------------------------------------------------------|
| <b>Revenues</b>                                                  |                            |                         |                           |                                                                       |
| Intergovernmental                                                | \$ 301,875                 | \$ 309,629              | \$ 309,629                | \$ -                                                                  |
| Charges for services                                             | 47,229                     | 249,510                 | 532,108                   | 282,598                                                               |
| Grants                                                           | 206,978                    | 523,803                 | 249,510                   | (274,293)                                                             |
| Other fees and miscellaneous revenues                            | -                          | 85,601                  | 88,670                    | 3,069                                                                 |
| <b>Total revenues</b>                                            | <b>556,082</b>             | <b>1,168,543</b>        | <b>1,179,917</b>          | <b>11,374</b>                                                         |
| <b>Expenditures</b>                                              |                            |                         |                           |                                                                       |
| Current:                                                         |                            |                         |                           |                                                                       |
| Public safety and health                                         | 5,213,027                  | 5,791,736               | 5,332,707                 | 459,029                                                               |
| Capital outlay                                                   | -                          | -                       | 540,795                   | (540,795)                                                             |
| <b>Total expenditures</b>                                        | <b>5,213,027</b>           | <b>5,791,736</b>        | <b>5,873,502</b>          | <b>(81,766)</b>                                                       |
| <b>Excess (deficiency) of revenues over (under) expenditures</b> | <b>(4,656,945)</b>         | <b>(4,623,193)</b>      | <b>(4,693,585)</b>        | <b>(70,392)</b>                                                       |
| <b>Other financing sources (uses)</b>                            |                            |                         |                           |                                                                       |
| Transfers in                                                     | 4,623,193                  | 4,623,193               | 4,830,721                 | 207,528                                                               |
| Transfers out                                                    | -                          | (19,816)                | (89,935)                  | (70,119)                                                              |
| <b>Total other financing sources</b>                             | <b>4,623,193</b>           | <b>4,603,377</b>        | <b>4,740,786</b>          | <b>137,409</b>                                                        |
| <b>Net change in fund balance</b>                                | <b>\$ (33,752)</b>         | <b>\$ (19,816)</b>      | <b>\$ 47,201</b>          | <b>\$ 67,017</b>                                                      |

*The accompanying notes are an integral part of this financial statement.*

**Washington County, Florida**  
**Sheriff**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance – Budget and Actual**  
**Emergency Medical Services Fund**

| <i>For the year ended September 30, 2021</i>              | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actual<br/>Amounts on a<br/>Budgetary<br/>Basis</b> | <b>Variance with<br/>Final Budget<br/>Favorable<br/>(Unfavorable)</b> |
|-----------------------------------------------------------|----------------------------|-------------------------|--------------------------------------------------------|-----------------------------------------------------------------------|
| <b>Revenues</b>                                           |                            |                         |                                                        |                                                                       |
| Charges for services                                      | \$ 1,048,256               | \$ 1,048,256            | \$ 1,461,672                                           | \$ 413,416                                                            |
| Total revenues                                            | 1,048,256                  | 1,048,256               | 1,461,672                                              | 413,416                                                               |
| <b>Expenditures</b>                                       |                            |                         |                                                        |                                                                       |
| Current:                                                  |                            |                         |                                                        |                                                                       |
| Public safety and health                                  | 1,674,352                  | 1,674,352               | 1,631,682                                              | 42,670                                                                |
| Debt service                                              |                            |                         |                                                        |                                                                       |
| Principal                                                 | -                          | -                       | 22,041                                                 | (22,041)                                                              |
| Interest                                                  | -                          | -                       | 906                                                    | (906)                                                                 |
| Total expenditures                                        | 1,674,352                  | 1,674,352               | 1,654,629                                              | 19,723                                                                |
| Excess (deficiency) of revenues over (under) expenditures | (626,096)                  | (626,096)               | (192,957)                                              | 433,139                                                               |
| <b>Other financing sources (uses)</b>                     |                            |                         |                                                        |                                                                       |
| Transfers in                                              | 626,096                    | 626,096                 | 633,243                                                | 7,147                                                                 |
| Transfers out                                             | -                          | -                       | (14,903)                                               | (14,903)                                                              |
| Total other financing sources                             | 626,096                    | 626,096                 | 618,340                                                | (7,756)                                                               |
| <b>Net change in fund balance</b>                         | \$ -                       | \$ -                    | \$ 425,383                                             | \$ 425,383                                                            |

*The accompanying notes are an integral part of this financial statement.*

**Washington County, Florida**  
**Sheriff**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance – Budget and Actual**  
**Inmate Welfare Fund**

| <i>For the year ended September 30, 2021</i>                     | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actual<br/>Amounts</b> | <b>Variance with<br/>Final Budget<br/>Favorable<br/>(Unfavorable)</b> |
|------------------------------------------------------------------|----------------------------|-------------------------|---------------------------|-----------------------------------------------------------------------|
| <b>Revenues</b>                                                  |                            |                         |                           |                                                                       |
| Charges for services                                             | \$ 135,200                 | \$ 135,200              | \$ 215,655                | \$ 80,455                                                             |
| Investment earnings                                              | -                          | -                       | 352                       | 352                                                                   |
| Other fees and miscellaneous revenues                            | -                          | -                       | 3,498                     | 3,498                                                                 |
| <b>Total revenues</b>                                            | <b>135,200</b>             | <b>135,200</b>          | <b>219,505</b>            | <b>84,305</b>                                                         |
| <b>Expenditures</b>                                              |                            |                         |                           |                                                                       |
| Current:                                                         |                            |                         |                           |                                                                       |
| Public safety and health                                         | 126,000                    | 126,000                 | 86,785                    | 39,215                                                                |
| Capital outlay                                                   | -                          | -                       | 34,100                    | (34,100)                                                              |
| <b>Total expenditures</b>                                        | <b>126,000</b>             | <b>126,000</b>          | <b>120,885</b>            | <b>5,115</b>                                                          |
| <b>Excess (deficiency) of revenues over (under) expenditures</b> | <b>9,200</b>               | <b>9,200</b>            | <b>98,620</b>             | <b>89,420</b>                                                         |
| <b>Other financing sources (uses)</b>                            |                            |                         |                           |                                                                       |
| Transfers out                                                    | (9,200)                    | (9,200)                 | (9,169)                   | 31                                                                    |
| <b>Total other financing sources</b>                             | <b>(9,200)</b>             | <b>(9,200)</b>          | <b>(9,169)</b>            | <b>31</b>                                                             |
| <b>Net change in fund balance</b>                                | <b>\$ -</b>                | <b>\$ -</b>             | <b>\$ 89,451</b>          | <b>\$ 89,451</b>                                                      |

*The accompanying notes are an integral part of this financial statement.*

Washington County, Florida  
 Sheriff  
 Statement of Fiduciary Net Position  
 Fiduciary Funds

| <i>September 30, 2021</i> | <b>Custodial<br/>Funds</b> |
|---------------------------|----------------------------|
| <hr/>                     |                            |
| <b>Assets</b>             |                            |
| Cash                      | \$ 69,965                  |
| <hr/>                     |                            |
| Total assets              | \$ 69,965                  |
| <hr/>                     |                            |
| <b>Net Position</b>       |                            |
| Due to others             | \$ 69,965                  |
| <hr/>                     |                            |
| Total liabilities         | \$ 69,965                  |
| <hr/>                     |                            |

*The accompanying notes are an integral part of this financial statement.*

Washington County, Florida  
Sheriff  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds

| <i>For the year ended September 30, 2021</i>        | <b>Custodial<br/>Funds</b> |
|-----------------------------------------------------|----------------------------|
| <hr/>                                               |                            |
| <b>Additions:</b>                                   |                            |
| Collections for others                              | \$ 323,955                 |
| <hr/>                                               |                            |
| Total additions                                     | 323,955                    |
| <hr/>                                               |                            |
| <b>Deductions:</b>                                  |                            |
| Payments to others                                  | 303,578                    |
| Increase in liabilities                             | 20,377                     |
| <hr/>                                               |                            |
| Total deductions                                    | 323,955                    |
| <hr/>                                               |                            |
| Net increase (deficiency) in fiduciary net position | -                          |
| <hr/>                                               |                            |
| <b>Fund balances - beginning, as restated</b>       | -                          |
| <hr/>                                               |                            |
| <b>Fund balances - ending</b>                       | \$ -                       |
| <hr/>                                               |                            |

*The accompanying notes are an integral part of this financial statement.*

**Washington County, Florida**  
**Sheriff**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and the presentation of these financial statements have been designed to conform to generally accepted accounting principles as applicable to governmental units in accordance with the Governmental Accounting Standards Board. The following is a summary of significant accounting principles and policies used in the preparation of these financial statements.

***Reporting Entity***

The Washington County Sheriff's office is an agency of Washington County, which is a political subdivision of the State of Florida. The County was established on December 29, 1825, by the Territorial Legislative Council. Washington County is governed by an elected Board of County Commissioners ("Board"), which derives its authority by the County Charter, Florida State Statutes and regulations. In addition to the members of the Board, there are five elected Constitutional Officers: Clerk of Courts, Sheriff, Tax Collector, Property Appraiser and Supervisor of Elections. The Constitutional Officers maintain separate accounting records and budgets.

The accompanying financial statements present the financial position and results of operations of the various fund types for all the funds controlled by the Washington County Sheriff's Office.

The Washington County, Florida Sheriff (the "Sheriff") is a separately elected County official established pursuant to the Constitution of the State of Florida. The Sheriff's financial statements do not purport to reflect the financial position or the results of operations of Washington County, Florida taken as a whole.

Entity status for financial reporting is governed by Statement No. 14 of the Governmental Accounting Standards Board (GASB). Although the Sheriff's office is operationally autonomous from the Board of County Commissioners ("the Board"), it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, the Sheriff is reported as part of the primary government of Washington County, Florida.

These financial statements are not intended to be a complete presentation of the financial position and results of operations of Washington County, Florida taken as a whole. As permitted by Chapter 10.556(4), *Rules of the Auditor General* State of Florida, the financial statements consist of only the *fund level* financial statements as defined in GASB No. 34, and do not include presentations of *government-wide* financial statements of the Sheriff.

The operations of the Sheriff are primarily funded by the Board. The receipts from the Board are recorded as other financing sources on the Sheriff's financial statements and as other financing uses on the Board's financial statements. Any excess of revenues and other financing sources received over expenditures are remitted to the Board at year-end.



**Washington County, Florida**  
**Sheriff**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Basis of Presentation***

The Sheriff's financial statements have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the "Rules"). These financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund statements do not constitute a complete presentation because the Sheriff has not presented reconciliations to the government-wide financial statements, management's discussion and analysis, pension or the other post-employment benefits information which represent required supplementary information under the Rules. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County's countywide financial statements. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, and the aggregate remaining fund information, only for that portion of each major fund, and the aggregate remaining fund information, of Washington County, Florida, that is attributable to the Sheriff. They do not purport to, and do not, present fairly the financial position of Washington County, Florida, as of September 30, 2021, and the changes in its financial position, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

In preparing these financial statements the following are reported as major governmental funds:

**General Fund** - The General Fund is used to account for all revenue and expenditures applicable to the general operations of the Sheriff that are not required either legally or by generally accepted accounting principles to be accounted for in another fund.

**Emergency Medical Services Fund (EMS)** – The EMS fund is used to account for all revenue and expenditures applicable to the operations of the County's ambulance service.

**Inmate Welfare Fund** - Accounts for the activities related to operation of the inmate commissary.

The Sheriff also reported the following fund type:

**Fiduciary Funds** - The fiduciary funds are used to account for assets held by the Sheriff as an agent for individuals, private organizations, and other governments. These funds are custodial in nature and do not involve measurement of changes in financial position.

**Washington County, Florida**  
**Sheriff**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Measurement Focus***

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of “available spendable resources” during a period.

***Basis of Accounting***

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting refers to the timing of the measurements made, regardless of the measurement focus applied.

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. The major modifications to the accrual basis are: (a) revenues are recorded in the accounting period in which they become available and measurable (available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty days for all revenue) (b) expenditures are recorded in the accounting period in which the liability is incurred, except for accumulated sick and vacation pay, which are not recorded until paid. Charges for services and investment revenue are recorded as earned.

The fiduciary fund statements are prepared using the economic resources measurement focus and the accrual basis of accounting.

When both restricted and unrestricted resources are available for use, it is the Sheriff’s policy to use restricted resources first, then unrestricted resources as needed.

***Cash and Cash Equivalents***

Cash includes amounts in demand deposits as well as short term investments with a maturity date within three months of the date acquired by the government.

***Receivables***

Receivables are shown at their net realizable value. See Note 10 for allowance for doubtful accounts.

***Capital Assets and Depreciation***

Tangible personal property is recorded as expenditures in the governmental fund types at the time an asset is acquired. Assets acquired by the Sheriff are capitalized at cost in the capital asset accounts of the County. The Sheriff’s assets are reported in the statement of net assets in the County’s financial statements. The Sheriff maintains custodial responsibility for the capital assets used by his office.

**Washington County, Florida**  
**Sheriff**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Capital Assets and Depreciation (continued)***

Estimated useful lives, in years, for depreciable assets are as follows:

Furniture, machinery, equipment, and building improvements 3-39 years

***Accumulated Compensated Absences***

Permanent full-time employees of the Sheriff are entitled to earn vacation and sick time depending on the length of employment. Upon separation of employment, employees can be paid up to 240 hours vacation time and a portion of unused sick time, with the payment of unused sick time being subject to various criteria.

The Sheriff's accumulated compensated absences are reported in the statement of net position in the County's financial statements.

***Budgetary Requirements***

Florida Statutes, Chapter 30.49 and 129.03(2), details the preparation, adoption and administration of the Sheriff's annual budget. The Sheriff establishes an annual balanced budget for his office which displays the revenues available to the office and the functions for which the money is to be expended. All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized amendments of the annual budget for the year. Budgets are prepared on the modified accrual basis of accounting.

The Sheriff's annual budgets are monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total annual budget appropriations at the individual fund level. All appropriations lapse at year end.

The actual results of operations in the Statements of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual – Emergency Medical Services are presented on a budgetary basis for budgetary accounting purposes. The Sheriff does not budget for bad debt expense. Adjustments to convert the results of operation of the emergency medical service fund at the end of the year from budgetary basis of accounting to the GAAP basis of accounting are as follows:

|                            | <b>Total<br/>Expenditures</b> |
|----------------------------|-------------------------------|
| GAAP basis                 | \$ 2,078,906                  |
| Non-budgeted expenditures: |                               |
| Bad debt expense           | (424,277)                     |
| Budgetary basis            | \$ 1,654,629                  |

**Washington County, Florida**  
**Sheriff**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Due to Others***

This account is used to account for assets held by the Sheriff in a trustee capacity for other governmental agencies or individuals.

***Risk Management and Insurance***

The Sheriff participates in the Florida Sheriff Self-Insurance Fund, which is considered a public entity risk pool which purchases insurance policies on behalf of its members. The pool's members are not obligated for risk associated with such coverage. Coverage under these programs includes:

General Liability  
Automobiles  
Money and Securities Coverage

The Sheriff provides for workers' compensation coverage through the Board.

In addition, the Sheriff participates in the Florida Self-Insurance Fund for risks related to professional liability and public officials' coverage. The funding agreement provides that the liability fund will be self-sustaining through member premiums and that it will reinsure through commercial companies. Aggregate coverage provided by the liability fund is \$3,500,000 for professional liability and \$3,500,000 for public officials' coverage.

***Management Estimates and Assumptions***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from estimates.

***Fund Balance Reporting and Governmental Fund-Type Definitions***

The Sheriff adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Type Definitions* (GASB Statement No. 54) effective October 1, 2010. This GASB Statement clarifies governmental fund balance classifications and fund-type definitions. Fund balances are classified either as non-spendable or spendable. See Note 9.

**Washington County, Florida**  
**Sheriff**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Subsequent Events***

The Sheriff has evaluated subsequent events through the date of the Independent Auditors' Report, which is the date the financial statements were available to be issued, August 30, 2022, and determined there were no events that occurred that required disclosure.

***Impact of Recently Issued Accounting Pronouncements***

In November 2016, the GASB issued Statement No. 83 (GASB 83), Certain Asset Retirement Obligations. GASB 83 establishes standards of accounting and financial reporting requirements for legally enforceable liabilities associated with the retirement of certain tangible capital assets. State and local governments that have legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the regulation of GASB 83. The requirements of GASB 83 are effective for reporting periods beginning after June 15, 2019. GASB 83 had no impact on the Sheriff's financial statements.

In March 2018, the GASB issued Statement No. 88 (GASB 88), Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements. GASB 88 requires that additional essential information related to debt be disclosed in the notes to the financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, GASB 88 also requires that existing and additional information be provided for direct borrowings and direct placement of debt separately from other debt.

In May 2020, the GASB issued Statement No. 95 (GASB 95), Postponement of the Effective Date of Certain Authoritative Guidance. GASB 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. GASB 95 had no impact on the Sheriff's financial statements.

In January 2017, the GASB issued Statement No. 84 (GASB 84), Fiduciary Activities. GASB 84 establishes specific criteria for identifying fiduciary activities and the requirements for financial statement reporting. The focus of the criteria is on whether a government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. GASB 84 describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Additionally, recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred compelling the government to disburse fiduciary resources should also be recorded.

**Washington County, Florida**  
**Sheriff**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Impact of Recently Issued Accounting Pronouncements (continued)***

GASB 84 will be effective for the fiscal years beginning after December 15, 2019. GASB 84 requires that the statement of changes in fiduciary net position be added to the financial statements.

***Pronouncements Issued But Not Yet Effective***

In June 2017, the GASB issued Statement No. 87 (GASB 87), *Leases*. The objective of GASB 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. GASB 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB 87, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of GASB 87 are effective for reporting periods beginning after June 15, 2021.

In June 2018, the GASB issued Statement No. 89 (GASB 89), *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of GASB 89 are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of GASB 89 are effective for reporting periods beginning after December 15, 2020.

In August 2018, the GASB issued Statement No. 90 (GASB 90), *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. The primary objectives of GASB 90 are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The requirements of GASB 90 are effective for reporting periods beginning after December 15, 2019. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

**Washington County, Florida**  
**Sheriff**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Pronouncements Issued But Not Yet Effective (continued)***

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations* (GASB 91). The primary objectives of GASB 91 are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. GASB 91 achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of GASB 91 are effective for reporting periods beginning after December 15, 2021.

In January 2020, the GASB issued Statement No. 92 (GASB 92), *Omnibus 2020*. The objectives of GASB 92 are to enhance the comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of GASB 92 are effective for reporting periods beginning after June 15, 2021.

In March 2020, the GASB issued Statement No. 93 (GASB 93), *Replacement of Interbank Offered Rates*. The purpose of GASB 93 is to address accounting and financial reporting implications that result from the replacement of interbank offered rate (IBOR) – most notably, the London Interbank Offered Rate (LIBOR). GASB 93 achieves this objective by (1) providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment, (2) clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate, (3) clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable, (4) removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap, (5) identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of the interest rate swap, and (6) clarifying the definition of reference rate, as it is used in Statement 53, as amended. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021.

In March 2020, the GASB issued Statement No. 94 (GASB 94), *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of GASB 94 is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in GASB 94, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like



**Washington County, Florida**  
**Sheriff**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Pronouncements Issued But Not Yet Effective (continued)***

transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in GASB 94 as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. GASB 94 also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in GASB 94, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. GASB 94 is effective for fiscal years beginning after June 15, 2022.

In May 2020, the GASB issued Statement No. 96 (GASB 96), *Subscription-Based Information Technology Arrangements*. GASB 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. GASB 96 is effective for fiscal years beginning after June 15, 2022.

In June 2020, the GASB issued statement No. 97 (GASB 97), *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The primary objectives of GASB 97 are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension or OPEB plans as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. The requirements for GASB 97 are effective for reporting periods beginning after June 15, 2021.

**Note 2: DEPOSITS AND INVESTMENTS**

At September 30, 2021, the carrying amount of the Sheriff's cash and cash equivalents and restricted cash was \$1,003,081 and the bank balance was \$1,165,387. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of



**Washington County, Florida**  
**Sheriff**  
**Notes to Financial Statements**

**Note 2: DEPOSITS AND INVESTMENTS (Continued)**

Florida's Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

Florida Statutes authorize the Sheriff to invest in certificates of deposit, repurchase agreements and the State Treasurer's Investment Pool. In addition, the statutes allow the Sheriff to invest in bonds, notes or other obligations of the United States Government, certain bonds of any state or local government unit, and bonds issued by certain government agencies.

***Credit Risk***

At September 30, 2021, the Sheriff did not hold any deposits or investments that were considered to have credit risk.

***Interest Rate Risk***

At September 30, 2021, the Sheriff did not hold any investments that were considered to have interest rate risk.

***Custodial Credit Risk***

At September 30, 2021, the Sheriff did not hold any deposits or investments that were considered to have custodial credit risk.

***Concentration of Credit Risk***

At September 30, 2021, the Sheriff did not hold any investments that were considered to have concentration of credit risk.

**Note 3: DUE FROM OTHER GOVERNMENTS**

Due from other governments at September 30, 2021 consisted of amounts due from State of Florida for inmate housing in addition to other miscellaneous revenues earned but not received as of September 30, 2021.

**Washington County, Florida**  
**Sheriff**  
**Notes to Financial Statements**

**Note 4: EMPLOYEE PENSION PLAN**

The Sheriff participates in the Florida Retirement System (FRS), a cost-sharing, multiple employer defined benefit public retirement system administered by the State of Florida Department of Administration, Division of Retirement, to provide retirement and survivor benefits to participating public employees. FRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State of Florida Division of Retirement, Tallahassee, Florida, 32399-1560, or by accessing their internet site at [www.frs.state.fl.us/frs/public/annual](http://www.frs.state.fl.us/frs/public/annual).

For those employees hired prior to July 1, 2011, FRS provides vesting of benefits after six years of creditable service. Members are eligible for normal retirement after six years of service and attaining age 62, or 30 years of service regardless of age. Early retirement may be taken any time after completing six years of service; however, there is a 5% benefit reduction for each year prior to normal retirement. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of creditable service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service with a 5% reduction of benefits for each year prior to normal retirement. FRS also provides death and disability benefits and cost-of-living adjustments. Generally, membership is compulsory for all full-time and part-time employees. Prior to July 1, 2011, retirement coverage was employee noncontributory. Effective July 1, 2011 the Florida Legislature mandated all employees contribute 3% to their retirement coverage with immediate vesting of their contributions.

The funding methods and the determination of benefits payable are provided in various acts of the Florida Legislature. These acts provide that employers pay all contributions at rates determined each year by the legislature. The rates, as a percentage of gross earnings, are as follows:

|                                                     | <b>10/1/2020<br/>Through<br/>6/30/2021</b> | <b>7/1/2021<br/>Through<br/>9/30/2021</b> |
|-----------------------------------------------------|--------------------------------------------|-------------------------------------------|
| <i><u>For the year ended September 30, 2021</u></i> |                                            |                                           |
| Regular employees                                   | 10.00%                                     | 10.82%                                    |
| Senior management                                   | 27.29%                                     | 29.01%                                    |
| Elected county officials                            | 49.18%                                     | 40.91%                                    |
| Special risk employees                              | 24.45%                                     | 25.89%                                    |
| DROP participants                                   | 16.98%                                     | 18.34%                                    |

Chapter 121, Florida Statutes establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. For the period October 1, 2020 through September 30, 2021, the total payroll for all employees was \$3,914,451. The retirement contributions for all employees covered by the System for the years ended September 30, 2021, 2020 and 2019 were \$929,685, \$939,444, and \$908,196 which were the required contributions. For the year ended September 30, 2021 retirement contributions represented 23.75% of covered payroll.

**Washington County, Florida**  
**Sheriff**  
**Notes to Financial Statements**

**Note 4: EMPLOYEE PENSION PLAN (Continued)**

GASB Statement No. 68 establishes standards of accounting and financial reporting, but not funding or budgetary standards, for defined benefit pensions and defined contribution pensions provided to the employees of state and local governmental employers through pension plans that are administered through trusts or equivalent arrangements. This Statement replaces the Sheriff's governmental fund financial statements, which continue to report expenditures in the amount of the actuarially determined contributions, as required by State law. The calculation of pension contributions is unaffected by the change.

GASB Statement No. 68 establishes standards of accounting and financial reporting, but not funding or budgetary standards, for defined benefit pensions and defined contribution pensions provided to the employees of state and local governmental employers through pension plans that are administered through trusts or equivalent arrangements. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans within the scope of the Statement.

The requirements of Statement No. 68 apply to the financial statements of all state and local governmental employers whose employees (or volunteers that provide services to state and local governments) are provided with pensions through pension plans that are administered through trusts or equivalent arrangements, and to the financial statements of state and local governmental nonemployer contributing entities that have a legal obligation to make contributions directly to such pension plans. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures related to pensions. Note disclosure and RSI requirements about pensions also are addressed. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

The adoption of Statement No. 68 has no impact on the Washington County, Florida Sheriff's governmental fund financial statements, which continue to report expenditures in the amount of the actuarially determined contributions, as required by State law. The calculation of pension contributions is unaffected by the change. These amounts, if any, are recorded in the County's government-wide financial statements.

**Note 5: EXCESS REVENUE**

Pursuant to Section 218.36(2), Florida Statutes, each County Officer shall pay into the county general fund all money in excess of the sum to which he or she is entitled under the provisions of Chapter 145. Excess revenues over expenditures returned to the Board of County Commissioners as required by Florida Statutes are accrued and reported as a transfer out. The Sheriff's general fund had excess budget appropriations totaling \$88,505 at year end.

**Washington County, Florida**  
**Sheriff**  
**Notes to Financial Statements**

**Note 6: INTERFUND TRANSFERS**

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

**Transfers to General Fund from:**

|                           |           |
|---------------------------|-----------|
| Emergency Management      | \$ 14,903 |
| Inmate Welfare            | 9,169     |
| <hr/>                     |           |
| Total interfund transfers | \$ 24,072 |

The Sheriff's transfers include transfers to (a) other funds based on budgetary requirements and (b) funds that are required by statute or budgetary authority to expend revenues from another fund that by statute or budgetary authority must collect revenues.

**Note 7: GRANTS**

The Sheriff participates in several state and federal grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The audits of these programs for or including the year ended September 30, 2021, as well as prior years, have not yet been accepted/approved by the grantors. Accordingly, the final determination of the Sheriff's compliance with applicable grant requirements will be established at a future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined, although the Sheriff expects such amounts, if any, to be immaterial.

**Note 8: LITIGATION AND CONTINGENT LIABILITIES**

The Sheriff is involved in various litigation arising from the ordinary course of business. In the opinion of management, after consultation with legal counsel, these matters will be resolved without a material adverse effect on the Sheriff's financial position.

**Note 9: FUND BALANCES**

Non-spendable fund balances include amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. The Sheriff had no non-spendable net assets at September 30, 2021.

Spendable fund balances are classified based on a hierarchy of the Sheriff's ability to control the spending of these fund balances and are reported in the following categories: restricted, committed, assigned and unassigned. For the year ended September 30, 2021, the Sheriff reports net assets as restricted for the purpose of drug enforcement. Restricted net assets have externally imposed

**Washington County, Florida**  
**Sheriff**  
**Notes to Financial Statements**

**Note 9: FUND BALANCES (Continued)**

constraints placed on the use of resources by creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Assigned fund balances have constraints placed on the use of resources by the Sheriff's intent to use the resources for specific purposes. Unassigned fund balances have not been restricted, committed or assigned to specific purposes within the general fund.

Components of restricted fund balance at September 30, 2021 are as follows:

|                                | General Fund |         | Inmate Welfare Fund |         | Total      |
|--------------------------------|--------------|---------|---------------------|---------|------------|
| Restricted for:                |              |         |                     |         |            |
| Education and crime prevention | \$           | 126,571 | \$                  | -       | \$ 126,571 |
| Crime prevention               |              | -       |                     | 253,398 | 253,398    |
| Total fund balances            | \$           | 126,571 | \$                  | 253,398 | \$ 379,969 |

**Note 10: ACCOUNTS RECEIVABLE**

Accounts receivable of the EMS are accounted for in a special revenue fund. Accounts receivable in the EMS total \$605,730 and are shown net of allowance for doubtful accounts and contractual adjustments totaling \$401,928. This allowance represents an uncollected billing ratio based on past history of collections and aged accounts receivable listings.

**Note 11: POST EMPLOYMENT BENEFITS OTHER THAN PENSION**

In addition to the retirement plan in Note 4, the County, in accordance with Section 112.0801, Florida Statutes, provides post-retirement health care benefits to all retired employees who participated in the group health plan while employed. Employees of the Sheriff are covered under the County's plan. The County is required to measure and recognize the annual cost of the future benefits and calculate the annual employer funding requirements and, to the extent funding is not made by the County recognize another post-employment benefit (OPEB) liability on the balance sheet of the County. These amounts, if any, are recorded in the County's government wide financial statements.

**Washington County, Florida**  
**Sheriff**  
**Notes to Financial Statements**

**Note 12: SUBSEQUENT EVENTS**

Management evaluated all events or transactions that occurred after September 30, 2021 through August 30, 2022, the date the current year's financial statements were available to be issued. The following events occurred:

Subsequent to September 30, 2021, the Board assumed the remaining principle and interest payments related to the EMS ambulance capital lease from the Sheriff.

**Note 13: BUDGET**

The Sheriff had expenditures that were in excess of the budgeted amount in the following fund:

| <b>Fund</b>  | <b>Amount</b> |
|--------------|---------------|
| General fund | \$ 81,766     |

This is a technical violation of Florida Statutes, Chapter 129.

The page features a decorative design with horizontal bars at the top and bottom. The top bar is split into a dark blue segment on the left and a lighter blue segment on the right. The bottom bar is split into a lighter blue segment on the left and a dark blue segment on the right. A large yellow rectangular area occupies the center of the page, containing the text 'COMPLIANCE SECTION'. On the left side of this yellow area, there is a faint, stylized graphic of overlapping geometric shapes, including triangles and parallelograms, in a light yellow color.

## 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***

Honorable Kevin Crews  
Sheriff  
Washington 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 of the major fund and the aggregate remaining fund information of the Washington County, Florida, Sheriff (the "Sheriff") as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements and have issued our report thereon dated August 30, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Sheriff'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 Sheriff's internal control. Accordingly, we do not express an opinion on the effectiveness of the Sheriff'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 a 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described below as findings SH2021-001 and SH2021-002 that we consider to be significant deficiencies.



## **CURRENT YEAR FINDINGS AND RECOMMENDATIONS**

### **Financial Reporting, SH2021-001**

CRITERIA: Internal control activities and procedures should be structured and monitored to provide accurate financial reporting.

CONDITION: Existing control activities and procedures did not detect errors in various account balances.

CAUSE: Accounting staff did not detect errors in the financial reports or individual account balances.

EFFECT: Various accounts including insurance revenues, inter-fund payables and grant income required corrections.

RECOMMENDATION: We recommend that all balance sheet accounts and related expenses be reviewed and reconciled to supporting documentation.

### **Grants, SH2021-002**

CRITERIA: Internal control activities and procedures should be structured to provide for grant compliance, including timely reimbursement for grant expenditures.

CONDITION: Existing control activities and procedures did not include all the steps required to obtain timely reimbursement under the Adam Walsh Grant. This reimbursement was delayed for seven months before being noted as a result of grantor monitoring.

CAUSE: Staff was not fully trained in the reimbursement process for this grant. Accounting staff was not monitoring the collection status of recorded accounts receivable.

EFFECT: Delays in reimbursement can create cash flow issues and lack of training related to grant procedures could result in noncompliance which might affect grant funding.

RECOMMENDATION: We recommend that staff responsible for grants obtain adequate knowledge and understanding of all grant requirements to insure compliance. We recommend that accounting staff periodically review outstanding balances for receivables to provide for proper follow up and collection in a timely manner.

## **PRIOR YEAR FINDINGS AND RECOMMENDATIONS**

### **Need for Segregation of Duties, Need for Segregation of Duties, SH2003-001 - RESOLVED**

CRITERIA: The internal control environment should include proper segregation of duties and responsibilities over accounting functions.

CONDITION: There is a lack of segregation of duties between employees who have recordkeeping responsibility and employees who have custody of Sheriff's assets.

CAUSE: The Sheriff has limited personnel in the accounting department.

EFFECT: The possibility exists that unintentional or intentional errors or irregularities could occur and not be promptly detected.

RECOMMENDATION: We realize that due to the size of the Sheriff's administrative staff, it is difficult to achieve ideal separation of duties. However, the Sheriff should remain very active and involved in the day-to-day operations. Controls should be implemented to help compensate for these weaknesses and to provide checks and balances.

STATUS: This condition has been resolved.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Sheriff's financial statements are free from material misstatement, we performed tests of its 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*.

## **Sheriff's Response to Findings**

The Sheriff's response to the findings identified in our audit is described in the accompanying letter. The Sheriff's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Honorable Kevin Crews  
Sheriff  
Washington County, Florida  
Page 4

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Sheriff'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 control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Cam, Riggs & Ingram, L.L.C.*

Marianna, Florida  
August 30, 2022



Carr, Riggs & Ingram, LLC  
4267 Lafayette Street  
Marianna, FL 32446

Mailing Address:  
P.O. Box 1606  
Marianna, FL 32447

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION  
218.415, FLORIDA STATUTES, *LOCAL GOVERNMENT INVESTMENT POLICIES***

(850) 526-3207  
(850) 526-5322 (fax)  
[www.cricpa.com](http://www.cricpa.com)

Honorable Kevin Crews  
Sheriff  
Washington County, Florida

We have examined Washington County, Florida, Sheriff (the "Sheriff") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2021. Management is responsible for the Sheriff's compliance with those requirements. Our responsibility is to express an opinion on the Sheriff's compliance with the specified requirements 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 Sheriff complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Sheriff 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 Sheriff's compliance with specified requirements.

In our opinion, the Sheriff complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2021.

This report is intended solely for the information and use of management, the Sheriff and the State of Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

*Carr, Riggs & Ingram, LLC*

Marianna, Florida  
August 30, 2022



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## INDEPENDENT AUDITORS' MANAGEMENT LETTER

Honorable Kevin Crews  
Sheriff  
Washington County, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of the Washington County, Florida, Sheriff (the "Sheriff"), as of and for the year ended September 30, 2021, and have issued our report thereon dated August 30, 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; and Chapter 10.550, Rules of the Auditor General.

### Other Reports Requirements

We have issued our Independent Auditor's 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 Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated August 30, 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 financial audit report. Finding SH2003-001 found in the Independent Auditors' Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* has not been corrected.

### 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 the management letter, unless disclosed in the notes to the financial statements. The Washington County, Florida, Sheriff was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Washington County, Florida Sheriff.

Honorable Kevin Crews  
Sheriff  
Washington County, Florida  
Page 2

### **Financial Management**

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we had no such recommendations.

### **Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate 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 the Washington County, Florida Sheriff and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*Carr, Riggs & Ingram, L.L.C.*

Marianna, Florida  
August 30, 2022

Washington County, Florida  
Sheriff  
Management's Response



**KEVIN CREWS, Sheriff** WASHINGTON COUNTY

711 THIRD STREET • P.O. BOX 626 • CHIPLEY, FLORIDA 32428  
PHONE (850) 638-6111 • FAX (850) 638-6184 • [www.wcs0.us](http://www.wcs0.us)

August 30, 2022

Florida Auditor General  
111 W Madison St, #G74  
Tallahassee, FL 32399

Dear Sirs/Madam:

Please accept this letter in response to the Independent Auditor's Report to management included in the audit report for the Washington County Sheriff's Office for the fiscal year September 30, 2021.

Financial Reporting, SH2021-001

These reports will be reviewed in further detail prior to close of books at year end. The agency's finance clerk/benefits administrator position was staffed with different personnel during 2020/2021 fiscal year end. Staff understands the issue and this will not be an issue in the future.

Grants, SH2021-002

Due to the new staffing in our finance and grant management department there was a lack of training on the reimbursement process. There was a delay in requesting reimbursement of expenses with the Adam Walsh grant due to staff not fully understanding the different steps and processes of requesting reimbursement. This was a newly awarded grant with an entirely different, two-step process for requesting reimbursements. This issue has since been resolved and staff is trained and aware of the reimbursement process for the Adam Walsh grant.

Should further information be required please contact me at (850) 638-6124.

Sincerely,

A handwritten signature in blue ink that reads "Kevin Crews".

Kevin Crews  
Sheriff, Washington County



# **Washington County, Florida Supervisor of Elections**

## **Financial Statements**

**September 30, 2021**







Carr, Riggs & Ingram, LLC  
4267 Lafayette Street  
Marianna, FL 32446

Mailing Address:  
P.O. Box 1606  
Marianna, FL 32447

(850) 526-3207  
(850) 526-5322 (fax)  
[www.cricpa.com](http://www.cricpa.com)

June 20, 2022

Honorable Carol Finch Rudd  
Supervisor of Elections

We are pleased to present the results of our audit of the September 30, 2021 financial statements of Washington County, Florida Supervisor of Elections (the "Supervisor of Elections").

This report to the Supervisor of Elections and management summarizes our audit, the report issued and various analyses and observations related to the Supervisor of Elections' accounting and reporting. The document also contains the communications required by our professional standards.

Our GAAP audit was designed, primarily, to express an opinion on the Supervisor of Elections' September 30, 2021 financial statements. We considered the Supervisor of Elections' current and emerging business needs, along with an assessment of risks that could materially affect the financial statements, and aligned our audit procedures accordingly. We conducted the audit with the objectivity and independence that you expect. We received the full support and assistance of the Supervisor of Elections' personnel.

At Carr, Riggs & Ingram, LLC (CRI), we are continually evaluating the quality of our professionals' work in order to deliver audit services of the highest quality that will meet or exceed your expectations. We encourage you to provide any feedback you believe is appropriate to ensure that we do not overlook a single detail as it relates to the quality of our services.

This report is intended solely for the information and use of the Supervisor of Elections, management and others within Washington County, Florida and should not be used by anyone other than these specified parties.

We appreciate this opportunity to work with you. If you have any questions or comments, please contact me at 850-526-3207 or [sapplewhite@cricpa.com](mailto:sapplewhite@cricpa.com).

Very truly yours,

A handwritten signature in black ink that reads "Sara Applewhite Hughes". The signature is fluid and cursive.

Sara Applewhite Hughes, CPA  
Partner

Washington County, Florida  
Supervisor of Elections  
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September 30, 2021



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**REPORT**

## INDEPENDENT AUDITORS' REPORT

Honorable Carol Finch Rudd  
Supervisor of Elections  
Washington County, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of each major fund of the office of the Washington County, Florida Supervisor of Elections (the "Supervisor of Elections") as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' 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 auditors' 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 entity'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 Supervisor of Elections' 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.

Honorable Carol Finch Rudd  
Supervisor of Elections  
Washington County, Florida

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 each major fund and the aggregate remaining fund information of the Supervisor of Elections as of September 30, 2021, and the respective changes in financial position thereof and respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

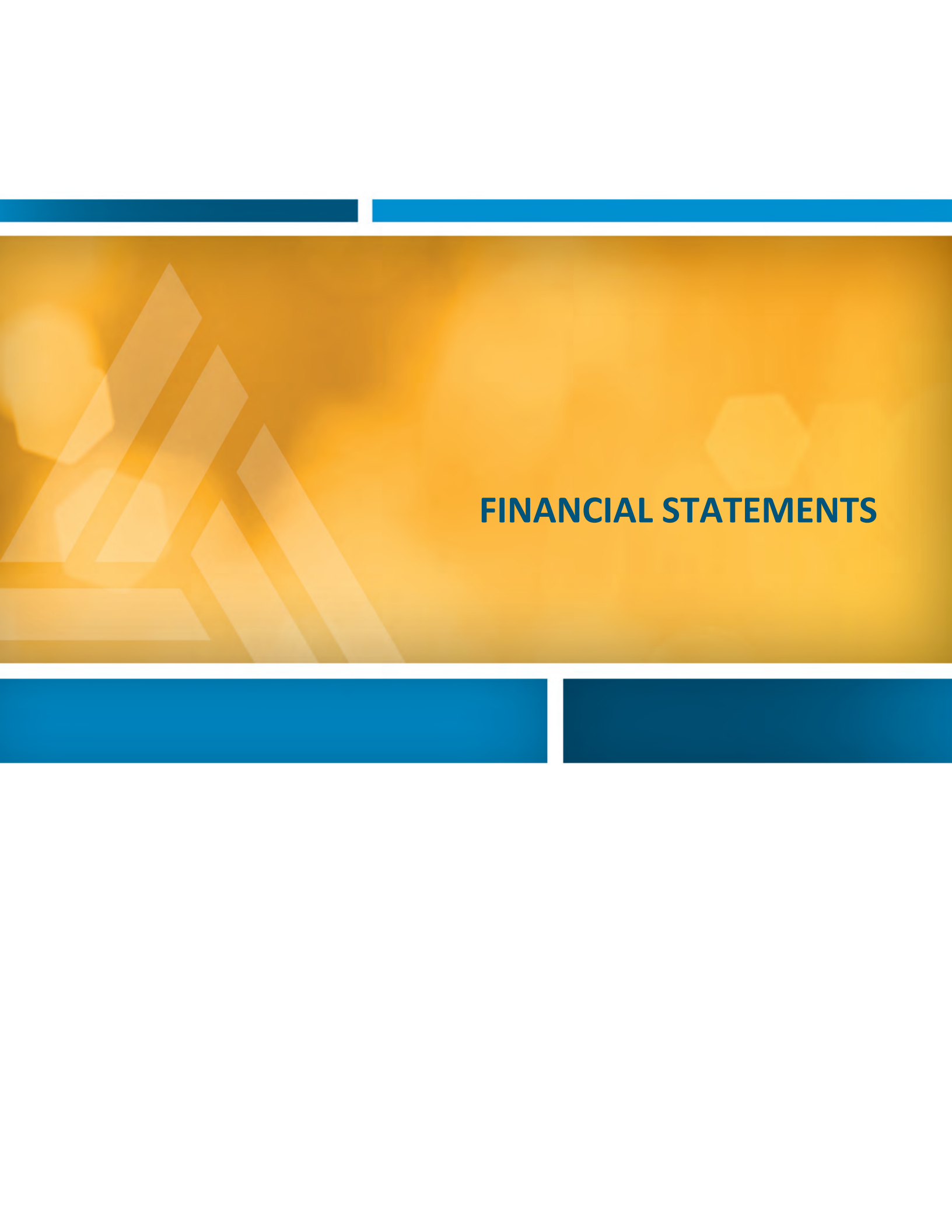
As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position, where applicable, of the major fund, and the aggregate remaining fund information, only for that portion of the major fund, and the aggregate remaining fund information, of Washington County, Florida that is attributable to the Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of Washington County, Florida, as of September 30, 2021, and the changes in its financial position, where applicable, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to these matters.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated June 20, 2022 on our consideration of the Supervisor of Elections' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Supervisor of Elections' internal control over financial reporting and compliance.

*Carri Riggs & Ingram, L.L.C.*

Marianna, Florida  
June 20, 2022



# FINANCIAL STATEMENTS

**Washington County, Florida**  
**Supervisor of Elections**  
**Balance Sheet**  
**Governmental Funds**

| <i>September 30, 2021</i>              | <b>General<br/>Fund</b> |
|----------------------------------------|-------------------------|
| <hr/>                                  |                         |
| <b>Assets</b>                          |                         |
| Cash                                   | \$ 28,857               |
| Due from Board of County Commissioners | 2,382                   |
| <hr/>                                  |                         |
| Total assets                           | \$ 31,239               |
| <hr/>                                  |                         |
| <b>Liabilities</b>                     |                         |
| Accounts payable and accrued expenses  | \$ 31,239               |
| Unearned revenue                       | -                       |
| <hr/>                                  |                         |
| Total liabilities                      | 31,239                  |
| <hr/>                                  |                         |
| <b>Fund balance</b>                    |                         |
| Restricted                             | -                       |
| <hr/>                                  |                         |
| Total liabilities and fund balance     | \$ 31,239               |
| <hr/>                                  |                         |

*The accompanying notes are an integral part of this financial statement.*

**Washington County, Florida**  
**Supervisor of Elections**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**Governmental Funds**

| <i>For the year ended September 30, 2021</i>              | <b>General<br/>Fund</b> |
|-----------------------------------------------------------|-------------------------|
| <b>Revenues</b>                                           |                         |
| Grants                                                    | \$ 619                  |
| Miscellaneous income                                      | 302                     |
| <b>Total revenues</b>                                     | <b>921</b>              |
| <b>Expenditures</b>                                       |                         |
| Current                                                   |                         |
| General government                                        | 442,394                 |
| Debt service                                              |                         |
| Principal                                                 | 34,597                  |
| Interest                                                  | 5,989                   |
| <b>Total expenditures</b>                                 | <b>482,980</b>          |
| Excess (deficiency) of revenues over (under) expenditures | (482,059)               |
| <b>Other financing sources</b>                            |                         |
| Transfers in                                              | 509,962                 |
| Transfers out                                             | (27,903)                |
| <b>Net other financing sources</b>                        | <b>482,059</b>          |
| <b>Net change in fund balances</b>                        | <b>-</b>                |
| <b>Fund balance - beginning</b>                           | <b>-</b>                |
| <b>Fund balance - ending</b>                              | <b>\$ -</b>             |

*The accompanying notes are an integral part of this financial statement.*



**Washington County, Florida**  
**Supervisor of Elections**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance – Budget and Actual**  
**General Fund**

| <i>For the year ended September 30, 2021</i> | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actual<br/>Amounts<br/>(Budgetary<br/>Basis)</b> | <b>Variance with<br/>Fund Budget<br/>Favorable<br/>(Unfavorable)</b> |
|----------------------------------------------|----------------------------|-------------------------|-----------------------------------------------------|----------------------------------------------------------------------|
| <b>Revenues</b>                              |                            |                         |                                                     |                                                                      |
| Grants                                       | \$ -                       | \$ -                    | \$ 619                                              | \$ 619                                                               |
| Miscellaneous revenues                       | -                          | -                       | 302                                                 | 302                                                                  |
| <b>Total revenues</b>                        | <b>-</b>                   | <b>-</b>                | <b>921</b>                                          | <b>921</b>                                                           |
| <b>Expenditures</b>                          |                            |                         |                                                     |                                                                      |
| Current                                      |                            |                         |                                                     |                                                                      |
| General government                           | 418,462                    | 487,475                 | 442,394                                             | 45,081                                                               |
| Debt Service                                 |                            |                         |                                                     |                                                                      |
| Principal                                    | -                          | -                       | 34,597                                              | (34,597)                                                             |
| Interest                                     | -                          | -                       | 5,989                                               | (5,989)                                                              |
| <b>Total expenditures</b>                    | <b>418,462</b>             | <b>487,475</b>          | <b>482,980</b>                                      | <b>4,495</b>                                                         |
| Deficiency of revenues under expenditures    | (418,462)                  | (487,475)               | (482,059)                                           | 5,416                                                                |
| <b>Other financing sources (uses)</b>        |                            |                         |                                                     |                                                                      |
| Transfers in                                 | 418,462                    | 487,475                 | 509,962                                             | 22,487                                                               |
| Transfers out                                | -                          | -                       | (27,903)                                            | (27,903)                                                             |
| <b>Net other financing sources (uses)</b>    | <b>418,462</b>             | <b>487,475</b>          | <b>482,059</b>                                      | <b>(5,416)</b>                                                       |
| <b>Net change in fund balance</b>            | <b>\$ -</b>                | <b>\$ -</b>             | <b>\$ -</b>                                         | <b>\$ -</b>                                                          |

*The accompanying notes are an integral part of this financial statement.*

**Washington County, Florida**  
**Supervisor of Elections**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and the presentation of these financial statements have been designed to conform to generally accepted accounting principles as applicable to governmental units in accordance with the Governmental Accounting Standards Board. The following is a summary of significant accounting principles and policies used in the preparation of these financial statements.

***Reporting Entity***

The Washington County Supervisor of Elections' office is an agency of Washington County, which is a political subdivision of the State of Florida. The County was established on December 29, 1825, by the Territorial Legislative Council. Washington County is governed by an elected Board of County Commissioners ("Board"), which derives its authority by the County Charter, Florida State Statutes and regulations. In addition to the members of the Board, there are five elected Constitutional Officers: Clerk of Courts, Sheriff, Tax Collector, Property Appraiser and Supervisor of Elections. The Constitutional Officers maintain separate accounting records and budgets.

The accompanying financial statements present the financial position and results of operations of the various fund types for all the funds controlled by the Washington County Supervisor of Elections Office.

The Washington County, Florida Supervisor of Elections (the "Supervisor of Elections") is a separately elected County official established pursuant to the Constitution of the State of Florida. The Supervisor of Elections' financial statements do not purport to reflect the financial position or the results of operations of Washington County, Florida taken as a whole.

Entity status for financial reporting purposes is governed by Statement No. 14 of the Governmental Accounting Standards Board (GASB). Although the Supervisor of Elections' office is operationally autonomous from the Board of County Commissioners ("the Board"), it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, the Supervisor of Elections is reported as part of the primary government of Washington County, Florida.

These financial statements are not intended to be a complete presentation of the financial position and results of operations of Washington County, Florida taken as a whole. As permitted by Chapter 10.556(4), Rules of the Auditor General State of Florida, the financial statements consist of only the *fund level* financial statements as defined in GASB No. 34, and do not include presentations of *government-wide* financial statements of the Supervisor of Elections.

The operations of the Supervisor of Elections are funded by the Board. The receipts from the Board are recorded as other financing sources on the Supervisor of Elections' financial statements and as other financing uses on the Board's financial statements. Any excess of revenues and other financing sources received over expenditures are remitted to the Board at year end.

**Washington County, Florida**  
**Supervisor of Elections**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Basis of Presentation***

The Supervisor of Elections' financial statements have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the "Rules"). These financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund statements do not constitute a complete presentation because, in conformity with the Rules, the Supervisor of Elections' has not presented reconciliations to the government-wide financial statements, management's discussion and analysis, or the pension or the other post-employment benefit related required supplementary information. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County's countywide financial statements. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, and the aggregate remaining fund information, only for that portion of the major fund, and the aggregate remaining fund information, of Washington County, Florida, that is attributable to the Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of Washington County, Florida, as of September 30, 2021, and the changes in its financial position, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

In preparing these financial statements, the following is reported as a major governmental fund:

**General Fund** - The general fund is the general operating fund of the Supervisor of Elections. It is used to account for all financial resources, except those required to be accounted for in another fund.

***Measurement Focus***

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. The general fund is accounted for on a spending or "financial flow" measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. General fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of "available spendable resources" during a period.

**Washington County, Florida**  
**Supervisor of Elections**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Basis of Accounting***

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the general fund financial statements and refers to the timing of the measurement made, regardless of the measurement focus applied.

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. The major modifications to the accrual basis are: (a) revenues are recorded in the accounting period in which they become available and measurable (available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty days for all revenue) (b) expenditures are recorded in the accounting period in which the liability is incurred, except for accumulated sick and vacation pay, which are not recorded until paid. Charges for services and investment revenue are recorded as earned.

When both restricted and unrestricted resources are available for use, it is the Supervisor of Elections' policy to use restricted resources first, then unrestricted resources as needed.

***Cash and Cash Equivalents***

Cash and cash equivalents include amounts in demand deposits as well as short term investments with a maturity date within three months of the date acquired by the government.

***Capital Assets and Depreciation***

Tangible personal property is recorded as expenditures in the governmental fund at the time an asset is acquired. Assets acquired by the Supervisor of Elections are capitalized at cost in the capital asset accounts of the County. The Supervisor of Elections assets are reported in the statement of net assets in the County's financial statements. The Supervisor of Elections maintains custodial responsibility for the capital assets used by her office.

Estimated useful lives, in years, for depreciable assets are as follows:

|                                     |           |
|-------------------------------------|-----------|
| Furniture, machinery, and equipment | 3-5 years |
|-------------------------------------|-----------|

***Accumulated Compensated Absences***

The total accrued leave at September 30, 2021, of the Supervisor of Elections is not recorded as it is not material in relation to the financial statements taken as a whole.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Fund Balance Reporting and Governmental Fund-Type Definitions***

The Supervisor of Elections adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Type Definitions* (GASB Statement No. 54) effective October 1, 2010. This GASB Statement clarifies governmental fund balance classifications and fund-type definitions. Fund balances are classified either as non-spendable or spendable. See Note 4.

***Budgetary Requirements***

General governmental revenue and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget is prepared by the Supervisor of Elections and adopted by the Board for the general fund.

The Supervisor of Elections' annual budget is monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total annual budget appropriations at the individual fund level. All appropriations lapse at year-end.

Budget to actual comparisons are provided in the financial statements for the general fund. All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized amendments of the annual budget for the year. Budgets are prepared on the modified accrual basis of accounting.

***Risk Management and Insurance***

The Supervisor of Elections is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; injuries to employees and/or the public; or damage to property of others. The Supervisor of Elections participates in the risk management program through the Washington County Board of County Commissioners which uses commercial insurance to cover certain risks from loss.

The Board obtained commercial insurance against losses for the following types of risk:

- Real and Personal Property Damage
- Public Employees' Bond
- Workers' Compensation
- General and Automobile Liability

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Unearned Revenues***

The unearned revenues will be recognized as revenue in the fiscal year they are earned in accordance with the accrual basis of accounting. Unearned revenues reported in governmental fund financial statements represent unearned revenues or revenues which are measurable but not available, and in accordance with the modified accrual basis of accounting, are reported as unearned revenues.

***Management Estimates and Assumptions***

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

***Subsequent Events***

The Supervisor of Elections has evaluated subsequent events through the date of the Independent Auditors' Report which is the date the financial statements were available to be issued, June 20, 2022 and determined there were no events that occurred that required disclosure.

***Recently Issued and Implemented Accounting Pronouncements***

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This Statement seeks to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB 84 is effective for the fiscal years beginning after December 15, 2019. The implementation of this statement had no impact on the financial statements.

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued and Implemented Accounting Pronouncements (Continued)***

Under this Statement, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports,
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan,

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued and Implemented Accounting Pronouncements (Continued)***

- The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits,
- The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements,
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition,
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers,
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature, and
- Terminology used to refer to derivative instruments.

The requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.
- The requirements related to the measurement of liabilities (and assets, if any) associated with asset retirement obligations in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.



**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued and Implemented Accounting Pronouncements (Continued)***

In May 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objectives of this Statement are to address financial reporting issues that result from the replacement of an Interbank Offered Rate (IBOR) by providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment and clarification of the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; replacing LIBOR as an appropriate benchmark interest rate for the evaluation of the effectiveness of an interest rate swap with a Secured Overnight Financing Rate or the Effective Federal Funds Rate; and providing exceptions to the lease modifications guidance in Statement 87 for lease contracts that are amended solely to replace an IBOR used to determine variable payments.

The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2022. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued and Implemented Accounting Pronouncements (Continued)***

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement.

In June 2020, the GASB issued GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021.

**Washington County, Florida  
Supervisor of Elections  
Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued and Implemented Accounting Pronouncements (Continued)***

In October 2021, the GASB issued GASB Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness. The requirements of this Statement are effective for fiscal years ending after December 15, 2021.

The Supervisor of Elections is evaluating the requirements of the above statements and the impact on reporting.

**Note 2: DEPOSITS AND INVESTMENTS**

At September 30, 2021, the carrying amount of the Supervisor of Elections' cash and cash equivalents was \$28,857 and the bank balance was \$31,870. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

Florida Statutes authorize the Supervisor of Elections to invest in certificates of deposit, repurchase agreements and the State Treasurer's Investment Pool. In addition, the statutes allow the Supervisor of Elections to invest in bonds, notes or other obligations of the United States Government, certain bonds of any state or local government unit, and bonds issued by certain government agencies.

CREDIT RISK

At September 30, 2021, the Supervisor of Elections did not hold any deposits or investments that were considered to have credit risk.

INTEREST RATE RISK

At September 30, 2021, the Supervisor of Elections did not hold any investments that were considered to have interest rate risk.

**Washington County, Florida**  
**Supervisor of Elections**  
**Notes to Financial Statements**

**Note 2: DEPOSITS AND INVESTMENTS (Continued)**

CUSTODIAL CREDIT RISK

At September 30, 2021, the Supervisor of Elections did not hold any deposits or investments that were considered to have custodial credit risk.

CONCENTRATION OF CREDIT RISK

At September 30, 2021, the Supervisor of Elections did not hold any investments that were considered to have concentration of credit risk.

**Note 3: EMPLOYEES PENSION PLAN**

The Supervisor of Election participates in the Florida Retirement System (FRS), a cost-sharing, multiple employer defined benefit public retirement system administered by the State of Florida Department of Administration, Division of Retirement, to provide retirement and survivor benefits to participating public employees. Chapter 121, Florida Statutes, establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. FRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State of Florida Division of Retirement, Tallahassee, Florida, 32399-1560, or by accessing their internet site at [www.frs.state.fl.us/frs/public/annual](http://www.frs.state.fl.us/frs/public/annual).

For those employees hired prior to July 1, 2011, FRS provides vesting of benefits after six years of creditable service. Members are eligible for normal retirement after six years of service and attaining age 62, or 30 years of service regardless of age. Early retirement may be taken any time after completing six years of service; however, there is a 5% benefit reduction for each year prior to normal retirement. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of creditable service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service with a 5% reduction of benefits for each year prior to normal retirement. FRS also provides death and disability benefits and cost-of-living adjustments. Generally, membership is compulsory for all full-time and part-time employees. Prior to July 1, 2011, retirement coverage was employee noncontributory. Effective July 1, 2011 the Florida Legislature mandated all employees contribute 3% to their retirement coverage with immediate vesting of their contributions.

The funding methods and the determination of benefits payable are provided in various acts of the Florida Legislature. These acts provide that both the employer and employee pay contributions at rates determined each year by the legislature. The employer rates, as a percentage of gross earnings, are as follows:

|                          | <b>10/1/2020<br/>Through<br/>6/30/2021</b> | <b>7/1/2021<br/>Through<br/>9/30/2021</b> |
|--------------------------|--------------------------------------------|-------------------------------------------|
| Regular employees        | 10.00%                                     | 10.82%                                    |
| Elected county officials | 49.18%                                     | 51.42%                                    |

**Washington County, Florida**  
**Supervisor of Elections**  
**Notes to Financial Statements**

**Note 3: EMPLOYEES PENSION PLAN (Continued)**

Chapter 121, Florida Statutes establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. For the year October 1, 2020 through September 30, 2021, the total payroll for all covered employees was \$188,094. The Supervisor of Elections' contribution to the plan for the years ended September 30, 2021, 2020 and 2019 were \$57,315, \$56,692 and \$57,222. The contributions for the current year represented 30.47% of covered payroll.

GASB Statement No. 68 establishes standards of accounting and financial reporting, but not funding or budgetary standards, for defined benefit pensions and defined contribution pensions provided to the employees of state and local governmental employers through pension plans that are administered through trusts or equivalent arrangements. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans within the scope of the Statement.

The requirements of Statement No. 68 apply to the financial statements of all state and local governmental employers whose employees (or volunteers that provide services to state and local governments) are provided with pensions through pension plans that are administered through trusts or equivalent arrangements, and to the financial statements of state and local governmental nonemployer contributing entities that have a legal obligation to make contributions directly to such pension plans. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures related to pensions. Note disclosure and RSI requirements about pensions also are addressed. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

The adoption of Statement No. 68 has no impact on the Washington County Supervisor of Election's governmental fund financial statements, which continue to report expenditures in the amount of the actuarially determined contributions, as required by State law. The calculation of pension contributions is unaffected by the change.

**Note 4: FUND EQUITY**

Non-spendable fund balances include amounts that cannot be spent because they are not in dependable form or are legally or contractually required to be maintained intact. The Supervisor of Elections had no non-spendable net assets at September 30, 2021.

**Washington County, Florida**  
**Supervisor of Elections**  
**Notes to Financial Statements**

**Note 4: FUND EQUITY (Continued)**

Spendable fund balances are classified based on a hierarchy of the Supervisor of Election's ability to control the spending of these fund balances and are reported in the following categories: restricted, committed, assigned and unassigned. For the year ended September 30, 2021, the Supervisor reports net assets as restricted. Restricted net assets have externally imposed constraints placed on the use of resources by creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Unassigned fund balances have not been restricted, committed or assigned to specific purposes within the general fund.

**Note 5: POST EMPLOYMENT BENEFITS OTHER THAN PENSION**

In addition to the retirement plan in Note 3, the County, in accordance with Section 112.0801, Florida Statutes, provides post-retirement health care benefits to all retired employees who participated in the group health plan while employed. Employees of the Supervisor of Elections are covered under the County's plan. The County is required to measure and recognize the annual cost of the future benefits and calculate the annual employer funding requirements and, to the extent funding is not made by the County recognize another post-employment benefit (OPEB) liability on the balance sheet of the County. These amounts, if any, are recorded in the County's government wide financial statements.



## 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**

Honorable Carol Finch Rudd  
Supervisor of Elections  
Washington 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 of the major fund and the aggregate remaining fund information of the Washington County, Florida, Supervisor of Elections (the "Supervisor of Elections") as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' basic financial statements and have issued our report thereon dated June 20, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Supervisor of Elections' 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 Supervisor of Elections' internal control. Accordingly, we do not express an opinion on the effectiveness of the Supervisor of Elections' 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 Supervisor of Election's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did identify deficiencies in internal control, described below as finding SUPERVISOR OF ELECTION 2019-001 that we consider to be material weaknesses. We did identify a certain deficiencies in internal control, described below as findings SUPERVISOR OF ELECTION 2003-003, SUPERVISOR OF ELECTION 2021-01, and SUPERVISOR OF ELECTION 2021-02, that we consider to be significant deficiencies.



Honorable Carol Finch Rudd  
Supervisor of Elections  
Washington County, Florida

## **CURRENT YEAR FINDINGS AND RECOMMENDATIONS**

### **Review of Bank Reconciliations, SUPERVISOR OF ELECTION 2021-001**

CRITERIA: Internal control activities and procedures should include a timely review of monthly bank statements and reconciliations by management to detect potential errors or unauthorized activity.

CONDITION: Existing control activities and procedures did not indicate review of the monthly bank reconciliations or statements by the Supervisor of Elections.

CAUSE: Lack of understanding of the importance of this procedure resulted in failure to perform this control activity.

EFFECT: Bank statements and transactions were not reviewed by the Supervisor of Elections.

RECOMMENDATION: We recommend that all monthly bank statements and related reconciliations be reviewed by the Supervisor of Elections on a timely basis and notation of performance for this procedure be provided on the documents reviewed.

### **Accounts Payable Management, SUPERVISOR OF ELECTION 2021-002**

CRITERIA: Internal control activities and procedures should be structured and monitored to provide timely payment of obligations using available funds.

CONDITION: Numerous transactions were noted with descriptions referencing 'past due' or 'late' and the payroll account was overdrawn in August 2021, resulting in bank transfers from the operating account to cover the shortfall.

CAUSE: Errors in data entry and payroll fund transfer timing contributed to the results described above.

EFFECT: Vendors will reflect a slow payment history, service charges and fees may be incurred as a result of late payments or overdrafts.

RECOMMENDATION: We recommend that cash flow and spending be managed and monitored to provide for timely payment of all expenses incurred and overdrafts in any account be avoided.

Honorable Carol Finch Rudd  
Supervisor of Elections  
Washington County, Florida

## **PRIOR YEAR FINDINGS AND RECOMMENDATIONS**

### **Need for Segregation of Duties, SUPERVISOR OF ELECTION 2003-003**

CRITERIA: The internal control environment should include proper segregation of duties and responsibilities over accounting functions.

CONDITION: There is a lack of segregation of duties between employees who have recordkeeping responsibility and employees who have custody of Supervisor of Elections' assets.

CAUSE: The Supervisor of Elections has limited personnel in the accounting department.

EFFECT: The possibility exists that unintentional or intentional errors or irregularities could occur and not be promptly detected.

RECOMMENDATION: We realize that due to the size of the Supervisor of Elections' administrative staff, it is difficult to achieve ideal separation of duties. However, the Supervisor of Elections should remain very active and involved in the day-to-day operations. Controls should be implemented to help compensate for these weaknesses and to provide checks and balances.

STATUS: This condition continues to exist.

### **Financial Reporting, SUPERVISOR OF ELECTION 2019-001**

CRITERIA: Internal control activities and procedures should be structured and monitored to provide accurate financial reporting.

CONDITION: Existing control activities and procedures did not detect errors in various account balances.

CAUSE: Accounting staff did not detect errors in the financial reports or individual account balances.

EFFECT: Various accounts including fund balance, deferred revenue, and related income and expenses were materially incorrect.

RECOMMENDATION: We recommend that all balance sheet accounts and related expenses be reviewed and reconciled to supporting documentation.

STATUS: This condition continues to exist and has not been corrected.

Honorable Carol Finch Rudd  
Supervisor of Elections  
Washington County, Florida

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Supervisor of Election's financial statements are free from material misstatement, we performed tests of its 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*.

### **Supervisor of Elections' Response to Finding**

The Supervisor of Elections' response to the finding identified in our audit is described in the accompanying letter. The Supervisor of Elections' response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Supervisor of Elections' 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 control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Car, Riggs & Ingram, L.L.C.*

Marianna, Florida  
June 20, 2022



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**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION  
218.415, FLORIDA STATUTES, *LOCAL GOVERNMENT INVESTMENT POLICIES***

Honorable Carol Finch Rudd  
Supervisor of Elections  
Washington County, Florida

We have examined Washington County, Florida, Supervisor of Elections (the "Supervisor of Elections") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2021. Management is responsible for the Supervisor of Election's compliance with those requirements. Our responsibility is to express an opinion on the Supervisor of Elections' 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 Supervisor of Elections complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Supervisor of Elections 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 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 Supervisor of Elections' compliance with specified requirements.

In our opinion, the Supervisor of Elections complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2021.

This report is intended solely for the information and use of management, the Supervisor of Elections and the State of Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

*Carr, Riggs & Ingram, LLC*

Marianna, Florida  
June 20, 2022



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## INDEPENDENT AUDITORS' MANAGEMENT LETTER

Honorable Carol Finch Rudd  
Supervisor of Elections  
Washington County, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of the Washington County, Florida Supervisor of Elections (the "Supervisor of Elections"), as of and for the year ended September 30, 2021, and have issued our report thereon dated June 20, 2022.

### Auditor's 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; and Chapter 10.550, Rules of the Auditor General.

### Other Reporting Requirements

We have issued our Independent Auditor's 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 Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 20, 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. Finding SUPERVISOR OF ELECTION 2019-001 and 2003-003 found in the Independent Auditor's 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* have not been corrected.

Honorable Carol Finch Rudd  
Supervisor of Elections  
Washington County, Florida

### **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 the management letter, unless disclosed in the notes to the financial statements. The Washington County, Florida, Supervisor of Elections was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Washington County, Florida, Supervisor of Elections.

### **Financial Condition and Management**

Section 10.554(1)(i)2, Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

### **Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate 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 the Washington County Supervisor of Elections and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*Carri Riggs & Ingram, L.L.C.*

Marianna, Florida  
June 20, 2022

**Washington County, Florida  
Supervisor of Elections  
Management's Response**



**Carol Finch Rudd**  
Supervisor of Elections  
Washington County

**Mailing Address:**  
1424 Jackson Ave., Suite C  
Chipley, FL 32428

**Telephone No.**  
850-638-6230

**Fax No.**  
850-638-6238

To Whom It May Concern:

Subject: Washington County, Florida Supervisor of Elections – Management Response

We are in receipt of audit report for the Washington County Supervisor of Elections office for fiscal year ending September 2021. I have reviewed the letter regarding compliance and internal control schedule of findings and questioned costs and the management letter.

This is a small office with employees who have overlapping job duties. I will continue to ensure there are checks and balances in the daily work and the ledger is fully balanced on a monthly basis. There have been some questions that we have reached out to the accountant for assistance with. We will continue to lean on them at any point in which we are not fully confident in our answers. Their office has been of great assistance in assisting in making corrections. This could be avoided initially if we had a more common interaction with the CPA. Keeping properly maintained records is of most importance to my office.

If I may be of further service, please do not hesitate to contact our office.

Sincerely,

A handwritten signature in black ink that reads "Carol F. Rudd". The signature is written in a cursive, flowing style.

Carol F. Rudd, MFCEP  
Supervisor of Elections  
Washington Co., FL



**Washington County, Florida  
Tax Collector**

**FINANCIAL STATEMENTS**

**September 30, 2021**





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## FINANCIAL SECTION





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## INDEPENDENT AUDITORS' REPORT

Honorable Ken Naker  
Tax Collector  
Washington County, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of the major fund and the aggregate remaining fund information of the Washington County, Florida, Tax Collector (the "Tax Collector") as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Tax Collector's 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 an opinion 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 auditors' 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 entity'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 entity'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 opinion.

Honorable Ken Naker  
Tax Collector  
Washington County, Florida

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and aggregate remaining fund information of the Tax Collector as of September 30, 2021, and the respective changes in financial position, thereof, and the budgetary comparison for the General Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position, where applicable, of the major fund, and the aggregate remaining fund information, only for that portion of the major fund, and the aggregate remaining fund information, of Washington County, Florida that is attributable to the Tax Collector. They do not purport to, and do not, present fairly the financial position of Washington County, Florida, as of September 30, 2021, and the changes in its financial position, where applicable, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

As discussed in Note 2, the Tax Collector implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, which is a change in accounting principle that addresses accounting and financial reporting for fiduciary activities. This affects the comparability of amounts reported for the year ended September 30, 2021 with amounts reported for the year ended September 30, 2021. Additional information on changes to the financial statements related to the implementation of this statement can be found on page 22, Note 8. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Tax Collector's basic financial statements. The combining and individual agency fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual agency fund financial statements are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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

Honorable Ken Naker  
Tax Collector  
Washington County, Florida

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 agency fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2022, on our consideration of the Tax Collector'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Tax Collector's 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 Tax Collector's internal control over financial reporting and compliance.

*Carly Riggs & Ingram, L.L.C.*

Marianna, Florida  
February 23, 2022



## **BASIC FINANCIAL STATEMENTS**

**Washington County, Florida**  
**Tax Collector**  
**Balance Sheet**  
**Governmental Fund**

| <i>September 30, 2021</i>            | <b>General<br/>Fund</b> |
|--------------------------------------|-------------------------|
| <hr/>                                |                         |
| <b>Assets</b>                        |                         |
| Cash and cash equivalents            | \$ 35,092               |
| <hr/>                                |                         |
| Total assets                         | \$ 35,092               |
| <hr/>                                |                         |
| <b>Liabilities</b>                   |                         |
| Accounts payable                     | \$ 19,746               |
| Due to Board of County Commissioners | 15,346                  |
| <hr/>                                |                         |
| Total liabilities                    | 35,092                  |
| <hr/>                                |                         |
| <b>Fund balance</b>                  | -                       |
| <hr/>                                |                         |
| Total liabilities and fund balance   | \$ 35,092               |
| <hr/>                                |                         |

*The accompanying notes are an integral part of this financial statement.*

**Washington County, Florida**  
**Tax Collector**

**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Fund**

| <i>For the year ended September 30, 2021</i>              | <b>General<br/>Fund</b> |
|-----------------------------------------------------------|-------------------------|
| <hr/>                                                     |                         |
| <b>Revenues</b>                                           |                         |
| Charges for services                                      | \$ 726,424              |
| Total revenues                                            | 726,424                 |
| <hr/>                                                     |                         |
| <b>Expenditures</b>                                       |                         |
| Current                                                   |                         |
| General government                                        | 795,729                 |
| Total expenditures                                        | 795,729                 |
| <hr/>                                                     |                         |
| Excess (deficiency) of revenues over (under) expenditures | (69,305)                |
| <hr/>                                                     |                         |
| <b>Other financing sources (uses)</b>                     |                         |
| Transfers in                                              | 84,651                  |
| Transfers out                                             | (15,346)                |
| Net other financing sources (uses)                        | 69,305                  |
| <hr/>                                                     |                         |
| <b>Net change in fund balance</b>                         | -                       |
| <b>Fund balance - beginning</b>                           | -                       |
| <hr/>                                                     |                         |
| <b>Fund balance - ending</b>                              | \$ -                    |
| <hr/>                                                     |                         |

*The accompanying notes are an integral part of this financial statement.*



**Washington County, Florida**  
**Tax Collector**

**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**

| <i>For the year ended September 30, 2021</i>              | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actual<br/>Amounts</b> | <b>Variance with<br/>Final Budget<br/>Favorable<br/>(Unfavorable)</b> |
|-----------------------------------------------------------|----------------------------|-------------------------|---------------------------|-----------------------------------------------------------------------|
| <b>Revenues</b>                                           |                            |                         |                           |                                                                       |
| Charges for services                                      | \$ 791,410                 | \$ 791,410              | \$ 726,424                | \$ (64,986)                                                           |
| Total revenues                                            | 791,410                    | 791,410                 | 726,424                   | (64,986)                                                              |
| <b>Expenditures</b>                                       |                            |                         |                           |                                                                       |
| Current                                                   |                            |                         |                           |                                                                       |
| General government                                        | 873,800                    | 873,800                 | 795,729                   | 78,071                                                                |
| Capital outlay                                            | 2,261                      | 2,261                   | -                         | 2,261                                                                 |
| Total expenditures                                        | 876,061                    | 876,061                 | 795,729                   | 80,332                                                                |
| Excess (deficiency) of revenues over (under) expenditures | (84,651)                   | (84,651)                | (69,305)                  | 15,346                                                                |
| <b>Other financing sources (uses)</b>                     |                            |                         |                           |                                                                       |
| Transfers in                                              | 84,651                     | 84,651                  | 84,651                    | -                                                                     |
| Transfers out                                             | -                          | -                       | (15,346)                  | (15,346)                                                              |
| Net other financing sources (uses)                        | 84,651                     | 84,651                  | 69,305                    | (15,346)                                                              |
| <b>Net change in fund balance</b>                         | \$ -                       | \$ -                    | \$ -                      | \$ -                                                                  |

*The accompanying notes are an integral part of this financial statement.*

**Washington County, Florida**  
**Tax Collector**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**

| <i>September 30, 2021</i> | <b>Custodial<br/>Funds</b> |
|---------------------------|----------------------------|
| <hr/>                     |                            |
| <b>Assets</b>             |                            |
| Cash                      | \$ 204,301                 |
| Due from others           | 1,480                      |
| <hr/>                     |                            |
| Total assets              | 205,781                    |
| <hr/>                     |                            |
| <b>Liabilities</b>        |                            |
| Due to others             | 205,781                    |
| <hr/>                     |                            |
| Total liabilities         | 205,781                    |
| <hr/>                     |                            |
| <b>Net position</b>       |                            |
| Restricted net position   | -                          |
| <hr/>                     |                            |
| Total net position        | \$ -                       |
| <hr/>                     |                            |

*The accompanying notes are an integral part of this financial statement.*

Washington County, Florida  
Tax Collector  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**

| <i>For the year ended September 30, 2021</i>         | <b>Custodial<br/>Funds</b> |
|------------------------------------------------------|----------------------------|
| <hr/>                                                |                            |
| <b>Additions:</b>                                    |                            |
| Contributions:                                       |                            |
| Collections for other governments                    | \$ 22,814,874              |
| <hr/>                                                |                            |
| <b>Deductions:</b>                                   |                            |
| Collections for other governments                    | 22,814,874                 |
| <hr/>                                                |                            |
| Net increase (decrease) in<br>fiduciary net position | -                          |
| <hr/>                                                |                            |
| Net position - beginning of year                     | -                          |
| <hr/>                                                |                            |
| Net position - end of year                           | \$ -                       |
| <hr/>                                                |                            |

*The accompanying notes are an integral part of this financial statement.*

**Washington County, Florida**  
**Tax Collector**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and the presentation of these financial statements have been designed to conform to generally accepted accounting principles as applicable to governmental units in accordance with the Governmental Accounting Standards Board. The following is a summary of significant accounting principles and policies used in the preparation of these financial statements.

***Reporting Entity***

The Washington County Tax Collector's office is an agency of Washington County, which is a political subdivision of the State of Florida. The County was established on December 29, 1825, by the Territorial Legislative Council. Washington County is governed by an elected Board of County Commissioners ("Board"), which derives its authority by the County Charter, Florida State Statutes and regulations. In addition to the members of the Board, there are five elected Constitutional Officers: Clerk of Courts, Sheriff, Tax Collector, Property Appraiser and Supervisor of Elections. The Constitutional Officers maintain separate accounting records and budgets.

The accompanying financial statements present the financial position and results of operations of the various fund types for all the funds controlled by the Washington County Tax Collector's Office.

The Washington County, Florida Tax Collector (the "Tax Collector") is a separately elected County official established pursuant to the Constitution of the State of Florida. The Tax Collector's financial statements do not purport to reflect the financial position or the results of operations of Washington County, Florida taken as a whole.

Entity status for financial reporting purposes is governed by Statement No. 14 of the Governmental Accounting Standards Board (GASB). Although the Tax Collector's office is operationally autonomous from the Board of County Commissioners (the "Board"), it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, the Tax Collector is reported as part of the primary government of Washington County, Florida.

These financial statements are not intended to be a complete presentation of the financial position and results of operations of Washington County, Florida taken as a whole. As permitted by Chapter 10.556(4), Rules of the Auditor General State of Florida, the financial statements consist of only the *fund level* financial statements as defined in GASB No. 34, and do not include presentations of *government-wide* financial statements of the Tax Collector.

The operations of the Tax Collector are funded by fees and the Board. The receipts from the Board are recorded as other financing sources on the Tax Collector's financial statements and as other financing uses on the Board's financial statements. Any excess of revenue and other financial sources received over expenditures are remitted to the Board at year end.

**Washington County, Florida**  
**Tax Collector**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Basis of Presentation***

The Tax Collector's financial statements have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the "Rules"). These financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund statements do not constitute a complete presentation because, in conformity with the Rules, the Tax Collector has not presented reconciliations to the government-wide financial statements, management's discussion and analysis, or the pension or the other post-employment benefit related required supplementary information. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County's countywide financial statements. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, and the aggregate remaining fund information, only for that portion of the major fund, and the aggregate remaining fund information, of Washington County, Florida, that is attributable to the Tax Collector. They do not purport to, and do not, present fairly the financial position of Washington County, Florida, as of September 30, 2021, and the changes in its financial position, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

In preparing these financial statements the following is reported as a major governmental fund:

**General Fund** - The general fund is the general operating fund of the Tax Collector. It is used to account for all financial resources, except those required to be accounted for in another fund.

The Tax Collector also reported the following fund type:

**Agency Funds** - The agency funds are used to account for assets held by the Tax Collector as an agent for individuals, private organizations, and other governments. Agency funds are custodial in nature and do not measure results of operations. The Tax Collector reports the Escrow, Tag and Tax transactions as agency funds.

***Measurement Focus***

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of "available spendable resources" during a period.

***Basis of Accounting***

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statement and to the timing of the measurements made, regardless of the measurement focus applied.

**Washington County, Florida**  
**Tax Collector**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Basis of Accounting (continued)***

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. The major modifications to the accrual basis are: (a) revenues are recorded in the accounting period in which they become available and measurable (available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty days for all revenue) (b) expenditures are recorded in the accounting period in which the liability is incurred, except for accumulated sick and vacation pay, which are not recorded until paid. Charges for services and investment revenue are recorded as earned.

The fiduciary fund statements are prepared using the economic resources measurement focus and the accrual basis of accounting.

When both restricted and unrestricted resources are available for use, it is the Tax Collector's policy to use restricted resources first, then unrestricted resources as needed.

***Cash and Cash Equivalents***

Cash and cash equivalents include amounts in demand deposits as well as short term investments with a maturity date within three months of the date acquired by the government.

***Capital Assets and Depreciation***

Tangible personal property is recorded as expenditures in the governmental fund at the time an asset is acquired. Assets acquired by the Tax Collector are capitalized at cost in capital asset accounts of the County. The Tax Collector's assets are reported in the statement of net assets in the County's financial statements. The Tax Collector maintains custodial responsibility for the capital assets used by his office.

Estimated useful lives, in years, for depreciable assets are as follows:

|                                     |            |
|-------------------------------------|------------|
| Furniture, machinery, and equipment | 3-30 years |
|-------------------------------------|------------|

***Accumulated Compensated Absences***

A liability exists for accrued annual and sick leave, which will be taken by employees. The Tax Collector does not pay employees for unused sick leave upon termination. Vacation time is earned depending on the length of employment and up to 240 hours may be carried forward to future years.

The Tax Collector's accumulated compensated absences are reported in the statement of net position in the County's financial statements.

**Washington County, Florida**  
**Tax Collector**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Budgetary Requirements***

Florida Statutes, Chapter 218.35 and 195.087, details the preparation, adoption and administration of the Tax Collectors' annual budget. The Tax Collector establishes an annual balanced budget for her office which displays the revenues available to the office and the functions for which the money is to be expended. The budgeted revenues and expenditures in the accompanying financial statements reflect all amendments approved by the Department of Revenue and the Board of County Commissioners. The budget is prepared on a basis consistent with generally accepted accounting principles.

***Due to/from Others***

This account is used to account for assets held by or due to the Tax Collector in a trustee capacity for other governmental agencies or individuals.

***Property Tax Collections***

Chapter 197, Florida Statutes, governs property tax collections.

**Current Taxes**

All property taxes become due and payable on November 1, and are delinquent on April 1 of the following year. Discounts of 4%, 3%, 2% and 1% are allowed for early payment in November through February, respectively.

**Unpaid Taxes - Sale of Tax Certificates**

The Tax Collector advertises, as required by Florida Statutes, and then sells tax certificates on all real property for unpaid taxes. Certificates not purchased are issued to the County. Any person owning real property upon which a tax certificate has been sold may reacquire the real property by paying the Tax Collector the face amount of the tax certificate plus interest and other costs.

**Tax Deeds**

The owner of a tax certificate may, after two years when the taxes have been delinquent (after April 1), file an application for tax deed sale. The County, as a certificate owner, may exercise similar procedures two years after taxes have been delinquent (after April 1). Tax deeds are issued to the highest bidder for the property, which is sold at public auction. The Clerk of the Court administers these sales.

**Washington County, Florida**  
**Tax Collector**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Risk Management and Insurance***

The Tax Collector is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; injuries to employees and/or the public; or damage to property of others. The Tax Collector participates in the risk management program through the Washington County Board of County Commissioners which uses commercial insurance to cover certain risks from loss.

The Board obtained commercial insurance against losses for the following types of risk:

- Real and Personal Property Damage
- Public Employees' Bond
- Workers' Compensation
- General and Automobile Liability

***Management Estimates and Assumptions***

The preparation of financial statements in conformity with generally accepted accounting procedures requires management to make use of estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from estimates.

***Subsequent Events***

The Tax Collector has evaluated subsequent events through the date of the Independent Auditors' Report which was the date the financial statements were available to be issued, February 23, 2022, and determined there were no events that occurred that required disclosure.

***Recently Issued and Implemented Accounting Pronouncements***

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This Statement seeks to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB 84 is effective for the fiscal years beginning after December 15, 2019. The implementation of this statement had no impact on the financial statements.



**Washington County, Florida**  
**Tax Collector**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued and Implemented Accounting Pronouncements (Continued)***

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

Under this Statement, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued and Implemented Accounting Pronouncements (Continued)***

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports,
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan,
- The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits,
- The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements,
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition,
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers,
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature, and
- Terminology used to refer to derivative instruments.

The requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.
- The requirements related to the measurement of liabilities (and assets, if any) associated with asset retirement obligations in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

**Washington County, Florida**  
**Tax Collector**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued and Implemented Accounting Pronouncements (Continued)***

In May 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objectives of this Statement are to address financial reporting issues that result from the replacement of an Interbank Offered Rate (IBOR) by providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment and clarification of the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; replacing LIBOR as an appropriate benchmark interest rate for the evaluation of the effectiveness of an interest rate swap with a Secured Overnight Financing Rate or the Effective Federal Funds Rate; and providing exceptions to the lease modifications guidance in Statement 87 for lease contracts that are amended solely to replace an IBOR used to determine variable payments.

The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2022. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

**Washington County, Florida**  
**Tax Collector**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued and Implemented Accounting Pronouncements (Continued)***

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement.

In June 2020, the GASB issued GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021.

**Washington County, Florida**  
**Tax Collector**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued and Implemented Accounting Pronouncements (Continued)***

In October 2021, the GASB issued GASB Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness. The requirements of this Statement are effective for fiscal years ending after December 15, 2021.

The Tax Collector is evaluating the requirements of the above statements and the impact on reporting.

**Note 2: DEPOSITS AND INVESTMENTS**

At September 30, 2021, the carrying amount of the Tax Collector's cash and cash equivalents and restricted cash was \$239,393 and the bank balance was \$370,448. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

Florida Statutes authorize the Tax Collector to invest in certificates of deposit, repurchase agreements and the State Treasurer's Investment Pool. In addition, the statutes allow the Tax Collector to invest in bonds, notes or other obligations of the United States Government, certain bonds of any state or local government unit, and bonds issued by certain government agencies.

**CREDIT RISK**

At September 30, 2021, the Tax Collector did not hold any deposits or investments that were considered to have credit risk.

**Washington County, Florida**  
**Tax Collector**  
**Notes to Financial Statements**

**Note 2: DEPOSITS AND INVESTMENTS (Continued)**

INTEREST RATE RISK

At September 30, 2021, the Tax Collector did not hold any investments that were considered to have interest rate risk.

CUSTODIAL CREDIT RISK

At September 30, 2021, the Tax Collector did not hold any deposits or investments that were considered to have custodial credit risk.

CONCENTRATION OF CREDIT RISK

At September 30, 2021, the Tax Collector did not hold any investments that were considered to have concentration of credit risk.

**Note 3: EMPLOYEES PENSION PLAN**

The Tax Collector participates in the Florida Retirement System (FRS), a cost-sharing, multiple employer defined benefit public retirement system administered by the State of Florida Department of Administration, Division of Retirement, to provide retirement and survivor benefits to participating public employees. Chapter 121, Florida Statutes, establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. FRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State of Florida Division of Retirement, Tallahassee, Florida, 32399-1560, or by accessing their internet site at [www.frs.state.fl.us/frs/public/annual](http://www.frs.state.fl.us/frs/public/annual).

For those employees hired prior to July 1, 2011, FRS provides vesting of benefits after six years of creditable service. Members are eligible for normal retirement after six years of service and attaining age 62, or 30 years of service regardless of age. Early retirement may be taken any time after completing six years of service; however, there is a 5% benefit reduction for each year prior to normal retirement. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of creditable service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service with a 5% reduction of benefits for each year. FRS also provides death and disability benefits and cost-of-living adjustments. Generally, membership is compulsory for all full-time and part-time employees. Prior to July 1, 2011, retirement coverage was employee noncontributory. Effective July 1, 2011 the Florida Legislature mandated all employees contribute 3% to their retirement coverage with immediate vesting of their contributions.

**Washington County, Florida**  
**Tax Collector**  
**Notes to Financial Statements**

**Note 3: EMPLOYEES PENSION PLAN (Continued)**

The funding methods and the determination of benefits payable are provided in various acts of the Florida Legislature. These acts provide that employers pay all contributions at rates determined each year by the legislature. The rates, as a percentage of gross earnings, are as follows:

|                                 | <b>10/01/20<br/>Through<br/>06/30/21</b> | <b>07/01/21<br/>Through<br/>09/30/21</b> |
|---------------------------------|------------------------------------------|------------------------------------------|
| Regular employees               | 10.00%                                   | 10.82%                                   |
| Senior management               | 27.29%                                   | 29.01%                                   |
| Elected county officials' class | 49.18%                                   | 51.42%                                   |
| DROP plan participant           | 16.98%                                   | 18.34%                                   |

Chapter 121, Florida Statutes establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. For the year October 1, 2020 through September 30, 2021, the total payroll for all covered employees was \$561,621. The Tax Collector's contribution to the plans for the years ended September 30, 2021, 2020 and 2019 were \$104,446, \$87,171 and \$81,316. The contributions for the current year represented 17.12% of covered payroll.

GASB Statement No. 68 establishes standards of accounting and financial reporting, but not funding or budgetary standards, for defined benefit pensions and defined contribution pensions provided to the employees of state and local governmental employers through pension plans that are administered through trusts or equivalent arrangements. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans within the scope of the Statement.

The requirements of Statement No. 68 apply to the financial statements of all state and local governmental employers whose employees (or volunteers that provide services to state and local governments) are provided with pensions through pension plans that are administered through trusts or equivalent arrangements, and to the financial statements of state and local governmental nonemployer contributing entities that have a legal obligation to make contributions directly to such pension plans. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures related to pensions. Note disclosure and RSI requirements about pensions also are addressed. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

The adoption of Statement No. 68 has no impact on the Washington County Tax Collector's governmental fund financial statements, which continue to report expenditures in the amount of the actuarially determined contributions, as required by State law. The calculation of pension contributions is unaffected by the change.



**Washington County, Florida**  
**Tax Collector**  
**Notes to Financial Statements**

**Note 4: POST EMPLOYMENT BENEFITS OTHER THAN PENSION**

In addition to the retirement plan in Note 3, the County, in accordance with Section 112.0801, Florida Statutes, provides post-retirement health care benefits to all retired employees who participated in the group health plan while employed. Employees of the Tax Collector are covered under the County's plan. The County is required to measure and recognize the annual cost of the future benefits and calculate the annual employer funding requirements and, to the extent funding is not made by the County recognize another post-employment benefit (OPEB) liability on the balance sheet of the County. These amounts, if any, are recorded in the County's government-wide financial statements.

**Note 5: EXCESS REVENUE**

Pursuant to Section 218.36(2), Florida Statutes, any excess revenues over expenditures determined as of the fiscal year end, "...is returned to each governmental unit in the same proportion as the fees paid by the governmental unit bear to the total fee income of the Tax Collector." For the year ended September 30, 2021, excess revenues over expenditures of \$15,346 are accrued and reported as transfers out.

**Note 6: LITIGATION AND CONTINGENT LIABILITIES**

The Tax Collector is involved in various litigation arising from the ordinary course of business. In the opinion of management, after consultation with legal counsel, these matters will be resolved without a material adverse effect on the Tax Collector's financial position.

**Note 7: UNCERTAINTIES**

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the Company. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.



**Washington County, Florida**  
**Tax Collector**  
**Notes to Financial Statements**

**Note 8: EMPHASIS OF MATTER**

*Governmental Accounting Standards Board Statement No. 84*

The Tax Collector implemented GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying and reporting fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. The Tax Collector considers the Agency funds to meet the criteria for reporting as fiduciary activities in the custodial funds. There was no effect on the beginning net position as a result of this statement.



## **SUPPLEMENTARY INFORMATION**



Washington County, Florida  
Tax Collector  
Combining Statement of Fiduciary Net Position  
Agency Funds

| <i>September 30, 2021</i> | <b>Escrow</b> | <b>Tag</b> | <b>Tax</b> | <b>Total</b> |
|---------------------------|---------------|------------|------------|--------------|
| <b>Assets</b>             |               |            |            |              |
| Cash                      | \$ 177,640    | \$ 1,429   | \$ 25,232  | \$ 204,301   |
| Due from others           | -             | 1,187      | 293        | 1,480        |
| Total assets              | 177,640       | 2,616      | 25,525     | 205,781      |
| <b>Liabilities</b>        |               |            |            |              |
| Due to others             | 177,640       | 2,616      | 25,525     | 205,781      |
| Total liabilities         | 177,640       | 2,616      | 25,525     | 205,781      |
| <b>Net position</b>       |               |            |            |              |
| Unrestricted net position | -             | -          | -          | -            |
| Total net position        | \$ -          | \$ -       | \$ -       | \$ -         |

*See Independent Auditors' Report*

Washington County, Florida  
Tax Collector

**Combining Statement of Changes in Fiduciary Net Position**

**Agency Funds**

| <i>For the year ended September 30, 2021</i>         | <b>Escrow</b> | <b>Tag</b>  | <b>Tax</b>    | <b>Total<br/>Custodial<br/>Funds</b> |
|------------------------------------------------------|---------------|-------------|---------------|--------------------------------------|
| <b>Additions:</b>                                    |               |             |               |                                      |
| Contributions:                                       |               |             |               |                                      |
| Collections for other governments                    | \$ 227,419    | \$4,520,830 | \$ 18,066,625 | \$ 22,814,874                        |
| <b>Deductions:</b>                                   |               |             |               |                                      |
| Collections for other governments                    | 227,419       | 4,520,830   | 18,066,625    | 22,814,874                           |
| Net increase (decrease) in<br>fiduciary net position | -             | -           | -             | -                                    |
| Net position - beginning of year                     | -             | -           | -             | -                                    |
| Net position - end of year                           | \$ -          | \$ -        | \$ -          | \$ -                                 |

*See Independent Auditors' Report*



**REPORTS ON INTERNAL CONTROL  
AND COMPLIANCE MATTERS**

**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***

Honorable Ken Naker  
Tax Collector  
Washington 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 of the major fund and the aggregate remaining fund information of the Washington County, Florida, Tax Collector (the "Tax Collector") as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Tax Collector's basic financial statements and have issued our report thereon dated February 23, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Tax Collector's internal control over financial reporting (internal control) as a basis for designing the 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 Tax Collector's internal control. Accordingly, we do not express an opinion on the effectiveness of the Tax Collector'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 a 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described on the next page as findings TC2021-001 and TC2003-003 that we consider to be significant deficiencies.

Honorable Ken Naker  
Tax Collector  
Washington County, Florida

## **PRIOR YEAR FINDINGS AND RECOMMENDATIONS**

### **Need for Segregation of Duties, TC2003-003**

**CRITERIA:** The internal control environment should include proper segregation of duties and responsibilities over accounting functions.

**CONDITION:** There is a lack of segregation of duties between employees who have recordkeeping responsibility and employees who have custody of Tax Collector's assets.

**CAUSE:** The Tax Collector has limited personnel in the accounting department.

**EFFECT:** The possibility exists that unintentional or intentional errors or irregularities could occur and not be promptly detected.

**RECOMMENDATION:** We realize that due to the size of the Tax Collector's administrative staff, it is difficult to achieve ideal separation of duties. However, the Tax Collector should remain very active and involved in the day-to-day operations. Controls should be implemented to help compensate for these weaknesses and to provide checks and balances.

**STATUS:** This condition continues to exist.

Honorable Ken Naker  
Tax Collector  
Washington County, Florida

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Tax Collector's financial statements are free from material misstatement, we performed tests of its 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*.

### **Tax Collector's Response to Findings**

The Tax Collector's response to the findings identified in our audit is described in the accompanying letter. The Tax Collector's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Tax Collector'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 control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Cary Riggs & Ingram, L.L.C.*

Marianna, Florida  
February 23, 2022





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**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH  
SECTION 218.415, FLORIDA STATUTES,  
LOCAL GOVERNMENT INVESTMENT POLICIES**

Honorable Ken Naker  
Tax Collector  
Washington County, Florida

We have examined Washington County, Florida Tax Collector (the "Tax Collector") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2021. Management is responsible for the Tax Collector's compliance with those requirements. Our responsibility is to express an opinion on the Tax Collector'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 Tax Collector complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Tax Collector 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 Tax Collector's compliance with specified requirements.

In our opinion, Tax Collector complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2021.

This report is intended solely for the information and use of management, the Tax Collector and the State of Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

*Carr, Riggs & Ingram, L.L.C.*

Marianna, Florida  
February 23, 2022

## INDEPENDENT AUDITORS' MANAGEMENT LETTER

Honorable Ken Naker  
Tax Collector  
Washington County, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of the Washington County, Florida, Tax Collector (the "Tax Collector"), as of and for the year ended September 30, 2021, and have issued our report thereon dated February 23, 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; and Chapter 10.550, Rules of the Auditor General.

### Other Reporting Requirements

We have issued our Independent Auditor's 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 Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated February 23, 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 financial audit report. Finding TC2003-003 found in the Independent Auditor's 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* has not been corrected.

Honorable Ken Naker  
Tax Collector  
Washington County, Florida

### **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 the management letter, unless disclosed in the notes to the financial statements. The Washington County, Florida, Tax Collector was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Washington County, Florida, Tax Collector.

### **Financial Condition and Management**

Section 10.554(1)(i)2, Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

### **Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate 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.

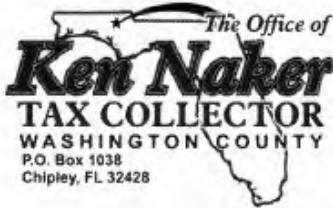
### **Purpose of this Letter**

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 the Washington County, Florida Tax Collector and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*Cary Riggs & Ingram, L.L.C.*

Marianna, Florida  
February 23, 2022

**Washington County, Florida  
Tax Collector  
Management's Response**



**Main Office Hours**

Monday - Friday 8:00am - 4:00pm

Ph: (850) 638-6275

Fx: (850) 638-6067

**Drivers License Hours**

Monday - Friday 8:00am - 4:00pm

Ph: (850) 638-6284

March 3, 2022

To Whom It May Concern:

I am in receipt of the audit report for the Washington County, Florida, Tax Collector for the fiscal year ending September 30, 2021. I have reviewed the letter regarding compliance and internal control, the schedule of findings and questioned costs and the management letter. Concerning the items noted, the following apply:

1. Segregation of Duties: I will continue to remain active in the day-to-day operations of the Tax Collector's Office. This is a small office with employees who have overlapping duties. I will continue to ensure there are checks and balances in the daily work and the ledger is balanced on monthly basis.

If I can be of any further assistance, please let me know.

Sincerely,

Ken Naker, CFC  
Tax Collector